



# 20/21

ANNUAL  
REPORT





# Betting, Gaming & Lotteries Commission

ANNUAL REPORT 2020 - 2021

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The Betting Gaming and Lotteries Commission is pleased to present the 45th Annual Report and Statements of Revenue and Expenditure for the period April 1, 2020 to March 31, 2021.

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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# 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

The Board of Commissioners ('the Board') continues to strengthen and improve the Commission's corporate governance framework which is structured around the highest standards of international best practices, and locally by the provisions of the Corporate Governance Framework for Public Sector Bodies 2012, the Public Bodies Management & Accountability (PBMA) Act, other relevant laws and regulations and Government guidelines.

## The Board of Commissioners

The Board comprises six members who are appointed by the Commission's Portfolio Minister responsible for the Ministry of Finance and the Public Service. Its main fiduciary responsibility is to ensure that the Commission's operations are successful and of significant benefit to all stakeholders. The Board also has responsibility for the overall leadership of the Commission; to set its strategic direction and to ensure the corporate strategies are implemented and targets achieved; to oversee the risk management framework so that the threat of existing and potential risks are monitored and minimized or mitigated.

The current members of the Board are:

**Clovis Metcalfe, C.D., O.D. (Chairman)**  
**Wayne Chen, (Deputy Chairman)**  
**Madge Ramsay**  
**Christopher Reckord**  
**Paul East**  
**Charles Heholt**

## Attendance at Meetings of the Board

Eleven regular meetings are scheduled in each financial year but in the reporting year a total of 12 meetings were held. Special meetings are convened as and when this becomes necessary. The Board also participated in the Strategic Management Retreat which was held over two days, September 28-29, 2020. All meetings were held electronically given the current Covid-19 pandemic and the restrictions imposed by the Government under the Disaster Risk Management Act to minimize the spread of the virus.

<b>Names of Commissioners</b>	<b>Meetings Attended</b>
Clovis Metcalfe, C.D., O.D. (Chairman)	12/12
Wayne Chen, (Deputy Chairman)	12/12
Madge Ramsay	12/12
Christopher Reckord	11/12
Paul East	7/12
Charles Heholt	8/12



## Board Committees

There are five permanent Board Committees - Audit & Risk, Governance & Strategy, Human Resource, Licensing & Registration and Major Projects - and two ad hoc committees established to address matters relating to investments and technology. The terms of reference for each permanent committee setting out their objectives, responsibilities, membership and procedures for meetings are Board approved. All committees provide the Board with a report at each Board meeting and matters requiring the input of the full Board are highlighted for further discussion and/or decision-making.

## AUDIT & RISK

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Monitor the integrity of the financial statements and review any adverse findings with the external auditors	<b>Paul East, Chair</b> <b>Wayne Chen</b> <b>Madge Ramsay</b>	<b>1/4</b> <b>3/4</b> <b>3/4</b>
Monitor the appropriateness of accounting policies	Co-opted <b>Ian Scarlett</b>	
Oversee the development and implementation of risk management systems in line with the risk appetite set by the Board	<b>Kirby Clarke</b> <b>Diyal Fernando</b>	
Review the effectiveness of the risk management framework (including financial and non-financial risk)		
Monitor and review the independence and performance of the external auditor and approve the audit 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		

*A special meeting was held in the review year between the members of the Committee and the external auditors, PwC.*

During the year, the committee reviewed the internal audit reports, findings and recommendations aimed at improving the operational and administrative functions of the Commission. The committee is satisfied that the internal audit function is effective and performing efficiently and that the bi-monthly reports and special audit reports contain adequate information to enable clarity, full participation, discussion and decisions on the corrective actions needed to improve the controls and processes currently in place.

## GOVERNANCE & STRATEGY

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Advise the Board on its corporate governance responsibilities and ensure that appropriate governance principles, structures, and procedures are in place to allow the Board to function effectively.	Wayne Chen, <i>Chair</i> Christopher Reckord	2/2
Review the governance framework at least annually and advise the Board on changes, best practices and current issues		2/2
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		
Recommend training programmes for Board members		

In the review year, the committee considered and approved the governance statement for the 2019-2020 Annual Report and the Board Charter and Terms of Reference, both of which were taken to the full Board for final approval. The committee is in the process of reviewing the Governance Manual and the terms of reference for the Board Committees and has made recommendation to management with respect to improving the information provided on the Commission's website.

## HUMAN RESOURCE

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Review the corporate goals and objectives of the Human Resource and Administrative Division	Wayne Chen, <i>Chair</i> Madge Ramsay	6/6
Review and consider changes to the Human Resource Policy and Procedures manual.		6/6
Review and approve employment agreements, severance agreements and any other compensation for executive officers and other selected employees		
Review claims from the Union and management's responses		
Review the recommendations of the Disciplinary Committee.		

The committee addressed several issues during the review year and recommended approval of new and revised internal policies to the Board. These included motor vehicles (use and maintenance), special allowance guidelines, progressive disciplinary policy and procedures, and a working from home policy. The committee continues to monitor the actions taken by the Commission in relation to staff wellbeing during the pandemic as well as the administrative merger of the three Commissions – the BGLC, the Jamaica Racing Commission and its relocation to Hagley Park Road and the Casino Gaming Commission, and the activities outlined in the human resource transition plan for the merged entity.

## LICENSING & REGISTRATION

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Review all matters relating to applications for licensing and eligibility for approval including establishing the conditions and requirements for licensing; renew expiring Licences to qualified individuals	Madge Ramsay, <i>Chair</i> Paul East	4/4 1/4
Consider and make recommendations to the Board on licence applications/licences to be granted, material special investigations (including money laundering and illegal gambling activities), compliance matters – revocation, suspension and cancellation of licences, and gambling revenue audit matters.		
Monitor compliance with Conditions to Licences and consider recommendations for adjustments		

The payment options available to Under 19 licensees were reviewed by the Committee and the Commission has since added two alternative measures to enable these licensees to pay their licensing fees. The Committee also reviewed the acquisition of two existing licensees by a lottery licensee and requested an assessment of the market to determine the impact of the acquisition on the gaming industry.

Other matters considered by the Committee were

- increasing government revenue and a summary report on the proposed costing model
- the United Nations Convention on Corruption in Sports within the ambit of the local sporting industry and gaming
- arrangements created to facilitate the renewal of licences during the Covid-19 pandemic
- anti-money laundering guidelines and the impact of the provisions on gaming machine operators.

## MAJOR PROJECTS

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Oversee and monitor the capital budget and expenditure policy	<b>Charles Heholt, Chair</b> <b>Madge Ramsay</b>  Co-opted <b>Ian Scarlett</b>	6/6
Review the procurement of contracts at a specific level and relevant management reports		6/6
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		

The committee continued to monitor the Commission's major capital projects to completion, related expenditures and any variances. It oversaw the successful completion of the solar project, and the Commission now has connectivity to the Jamaica Public Service Company Limited's grid. This arrangement is expected to provide significant savings in energy use.

### Enterprise Risk Management

An enterprise risk management policy and framework was approved by the Board in February 2021 and the governance structure relating to risks is currently under consideration.

### Board Training and Development

In March 2021, the Board members participated in a workshop on the Data Protection Act 2020 which will enable their support of the activities to be undertaken by the Commission to ensure its compliance with the Act once it comes into force.

### Board Performance Evaluation

The performance evaluation of the Board, Committees and Board members for the previous financial year did not take place as scheduled in May 2020. During the current financial year, the Portfolio Ministry revised the questionnaires to make them more user-friendly and relevant and these were approved by Cabinet on July 27, 2020. The Board members have completed the questionnaires for the current year and an independent third party is being engaged to carry out the evaluation.

**Anna Young, LL.B. (Hons.), FCG**  
Company Secretary



Anna Young is a Fellow of The Chartered Governance Institute (CGI), 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 The CGI Jamaica Branch.

# Compensation for Board of Commissioners & Sub-Committee Members

For Financial Year Ended March 31, 2021

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, C.D., O.D., Chairman	351,800.00	686.20	-	-	352,486.20
Wayne Chen J.P., Deputy Chairman	330,400.00	1,353.60	-	-	331,753.60
Charles Heholt, Commissioner	160,200.00	658.00	-	-	160,858.00
Paul East, Commissioner	113,500.00	761.40	-	-	114,261.40
Christopher Reckord, Commissioner	145,000.00	517.00	-	-	145,517.00
Madge Ramsay, Commissioner	342,250.00	1,457.00	-	-	343,707.00
<b>TOTAL</b>	<b>1,443,150.00</b>	<b>5,433.20</b>	<b>-</b>	<b>-</b>	<b>1,448,583.20</b>

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	72,000.00	2,556.80	-	-	74,556.80
Diyal Fernando	5,500.00	564.00	-	-	6,114.00
Kirby Clarke	31,500.00	676.80	-	-	32,176.80
<b>TOTAL</b>	<b>109,000.00</b>	<b>3,797.60</b>	<b>-</b>	<b>-</b>	<b>112,797.60</b>

**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.

Christopher Reckord

Wayne Chen J.P.

Paul East

Charles Heholt

Madge Ramsay

## 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 First Caribbean International Bank (Jamaica) Limited. He presently serves as the Chairman of the Bank's security company.

In 2014 he was conferred with the National Honor of Order of Distinction, Officer Class, and in 2019 he was conferred with the National Honor 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 Council Member of the Jamaica Technology & Digital Alliance; council member of the Private Sector Organisation of Jamaica and Chairman of their Innovation & Digital Transformation Committee. Commissioner Reckord is former Chairman of the Board of eLearning Jamaica Company where he served for 11 years.

## 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, J.P.

Deputy Chairman

Commissioner Chen is the Chairman of Super Plus Food Stores, CVM Television, Petrojam 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 and the Tax Reform Working Group to advise the Minister of Finance 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 Major Projects committee.

# Senior Management Team



L-R

**Sandra Antonio**

Director, Human Resources & Administration

**Laurie Wiggan**

Director, Compliance & Regulatory

**Vitus Evans**

Executive Director

**Carole Martinez-Johnson**

Director, Information & Communication Technology

**Winston Jackson**

Internal Auditor





L-R

**Noel Bacquie**

Director, Enforcement

**Lorraine Thompson-Barnett**

Director, Finance & Accounts

**Karla Small Dwyer**

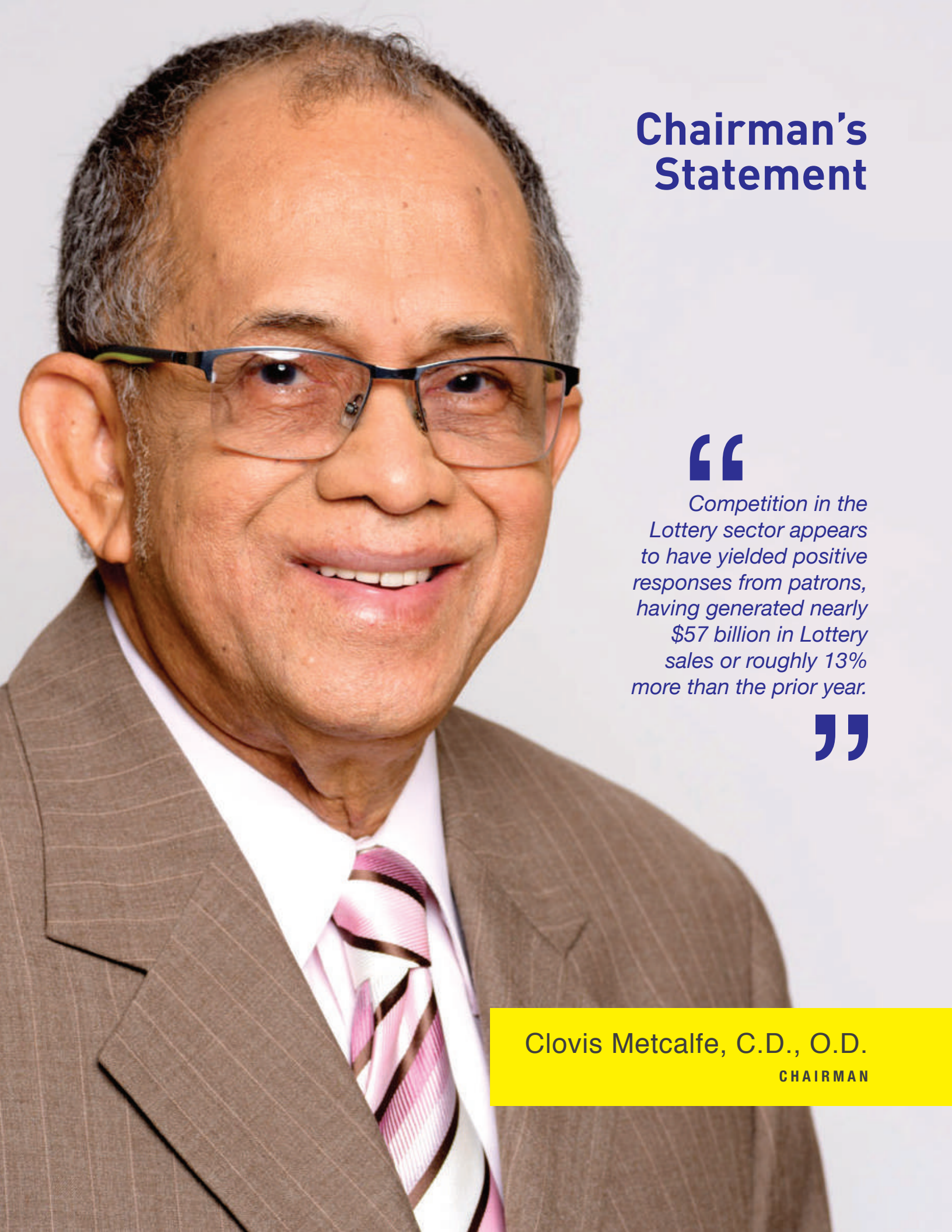
Director, Legal Services

**Jeanette Lewis**

Manager, Corporate Affairs & Communication

**Maurice Thompson**

Director, Licensing & Registration



# Chairman's Statement

“

*Competition in the Lottery sector appears to have yielded positive responses from patrons, having generated nearly \$57 billion in Lottery sales or roughly 13% more than the prior year.*

”

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

CHAIRMAN

It is said that smooth seas don't make skilful sailors; meaning that it is the challenging times that help to build prowess and provide opportunities for learning and growth. The 2020/2021 financial year certainly challenged us all, as Jamaica and the rest of the world dealt with unforeseen devastation and disruption brought on by the COVID-19 pandemic. Once again, the management and staff of the BGLC have proven their mettle with another worthy performance under extraordinary circumstances.

At the onset of the pandemic the team was swift in developing measures to safeguard staff and customers, and facilitate the continuity of our operations. The collective effort to implement radical adjustments to our business practices, IT infrastructure and modes of working is also commendable. However, I am especially proud that despite the heavy personal toll that the pandemic inflicted on our team—from the illness and hospitalization of colleagues and family members to the tragic death of a veteran team member to COVID-19—their dedication and focus did not wane. My fellow Commissioners and I applaud their resilience and commitment, and continue to support ongoing efforts to promote and preserve the physical and mental wellbeing of our most valuable asset.

Needless to say, the local gaming industry was among those hardest hit by the pandemic, as it was one of the first to be impacted by the island-wide shut down between March and July 2020. As a result, most of the Commission's core operational activities were disrupted. With the exception of the Lottery and Betting sectors (specifically betting on local horse racing and virtual sports), all land-based gambling activities were suspended during the period. Like several businesses in Jamaica, many operators sustained heavy losses, with sales revenues declining by as much as 50% in some cases.

Guided by the industry protocols that we developed in concert with the Ministry of Health and Wellness, gaming operations resumed on a limited scale in mid-July. However, some operators were slow in implementing the

new operating requirements due to financial constraints. The major new requirements included protocols to accommodate enhanced hygiene and employee testing procedures; mandatory temperature checks and sanitization for patrons; and the retrofitting of premises to facilitate distancing and partitioning of gaming stations.

### **Progress in Adversity**

Despite the monumental challenges and economic shock brought on by the pandemic, there were some positive outcomes and quick wins worth highlighting. I am pleased to report that total Government earnings from the gaming industry did not decline but increased very slightly to more than \$8.2 billion or 0.14% over 2019/2020. Of that sum, nearly \$2.3 billion was allocated to the CHASE Fund to support social development initiatives nationally, which is roughly 10% more than 2019/2020, and over \$4.2 billion was remitted to the Consolidated Fund.

The key revenue drivers during the year were: the growth in Betting sector sales from local horse racing and account wagering on online sports; and the surge in Lottery sales, facilitated by the early migration to mobile and online platforms. The Lottery sector was also boosted by the presence of two (2) new Lottery providers that launched services just prior to the end of the financial year—Mahoe Gaming Enterprises Limited (IZZIZI) and Goodwill Gaming Enterprises Limited (Lucky Play).

Competition in the Lottery sector appears to have yielded positive responses from patrons, having generated nearly \$57 billion in sales or roughly 13% more than the prior year. This is particularly noteworthy in the context of a pandemic and considering some of the comments expressed in the media when it became public that we had received new applications for Lottery licences. The Lottery sector continues to be the largest source of Government revenue of all the sectors comprising the local gaming industry.

We were also encouraged to see an increase in the number of inquiries and applications for gaming licences compared to the amounts

received during 2019/2020. In particular, licence applications for gaming machines in the local, non-gaming lounge category (that is, the Under-19 segment) increased by over 200 machines. Meanwhile, there was nearly double the number of applications for those in the Technical Service Provider (TSP) category (that is, manufacturers of local gaming machines).

In relation to the planned merger of the three (3) Commissions (that is, the BGLC, the Casino Gaming Commission and the Jamaica Racing Commission), considerable progress was made even though there were operational disruptions due to the pandemic. Led by the Ministry of Finance & the Public Service (MFPS) and the Public Sector Transformation Implementation Unit (PSTIU), a Merger Steering Committee, which I chair, was reconstituted with representatives from the MFPS and the Heads of the three entities to oversee the merger process.

Additionally, subcommittees were established for the key functional areas (Finance, Human Resource Management, Legislative & ICT) and tasked with developing plans, processes and budgets to facilitate the transition. We are far advanced in completing the administrative/operational merger, which includes the development of an organizational design and structure. Drafting instructions were also submitted to the Chief Parliamentary Council by the MFPS for the completion of the Jamaica Gaming & Racing Commission Bill. In line with these developments, the JRC also relocated its offices to Hagley Park Road, joining the BGLC and CGC under one roof.

Continuing efforts to streamline and strengthen internal systems and processes moved apace during the year, beginning with an upgraded gaming management system. The platform was acquired as an interim measure to automate core business processes such as licensing and compliance monitoring until a more advanced, enterprise-wide information system is identified. A Board Management Software was also introduced to provide easy, paperless access to and archiving of Board documents in order to improve collaboration, accountability and

efficiency, especially in this new remote/online paradigm.

Several policies and procedures were also developed and approved in line with continuing efforts to improve organizational efficiency and effectiveness. Chief among them was a Work-from-Home Policy to establish guidelines for working remotely; and an Enterprise Risk Management Policy, which is a precursor to the implementation of an enterprise-wide risk management framework.

In light of the prevailing economic challenges due to the pandemic, we were keen to expand our corporate social responsibility efforts. For the 2020/2021 financial year we increased funding for our annual tertiary education grant and disbursed over \$15.6 million to support needy students with either tuition assistance or purchase of a computer.

The Commission was also very active in supporting a number of charitable causes and COVID-19 relief efforts. Among the many were: donations to organizations such as the Jamaica Cancer Society and United Way; the provision of cash and care packages valued at over \$1.26 million; a donation of \$1.5 million to the Grooms Association towards insurance payments for its members; and a \$2.5 million purse sponsorship for the annual Emancipation Race Day at Caymans Park.

### **Looking Ahead**

At the onset of COVID-19 in Jamaica, we anticipated an acceleration in mobile and interactive/online gaming as seen in the Lottery and Betting sectors. However, the Gaming (machine) sector—which mainly consists of ‘brick and mortar’ operations—is still poised for growth in the future as signalled by the increased number of licence applications and expressions of interest. We also expect to see greater innovation and diversification of Lottery products as competition among the operators increases.

In the coming year, as vaccination efforts intensify and the local economy gradually rebounds, we will continue to focus on

reengineering our core business processes to better regulate the gaming industry and create value for our key stakeholders. Merger activities are also expected to intensify with the expected completion of the Jamaica Gaming & Racing Commission Bill and the full activation of the transition plan for the merged entity.

On behalf of the Board of Commissioners, I wish to thank the executive leadership and staff of the BGLC for their efforts and

accomplishments during the year and express our appreciation to our partners and stakeholders for the ongoing support.



**Clovis Metcalfe, C.D., Q.D.**  
Chairman



Chairman Metcalfe presents the trophy to the winning owner of the Commissioners' Cup race at the BGLC Emancipation Race Day 2020.

A portrait of Vitus Evans, a Black man with glasses, wearing a tan suit jacket, white shirt, and patterned tie. He is looking slightly to the right of the camera with a neutral expression.

## Executive Director's Overview

“

*The increasing shift to Internet-based gaming amplifies the need for a swift overhaul of the current legislation to ensure that we can appropriately regulate emerging modes of gaming and keep pace with industry developments.*

”

**Vitus Evans**  
EXECUTIVE DIRECTOR

The 2020/2021 Financial year was marked by extraordinary challenges as the COVID-19 pandemic disrupted lives and livelihoods across the globe. The suspension of major industries such as tourism and entertainment along with strict measures to contain the spread of the virus led to increased levels of unemployment and a general slow-down of economic activity for three quarters of the financial year. The full magnitude of the social and economic impact is yet to be confirmed; however, it is estimated that the local economy may have contracted by as much as 12.5% for the year<sup>1</sup>.

Notwithstanding the operational and economic disruption caused by the pandemic, the gaming industry continues to make a sizable contribution to Jamaica’s economy and generate billions in funding for the Government annually. With all of the challenges we encountered during the financial year 2020/2021, Government revenue grew to just over \$8.2 billion, which is comparable to the \$8.195 billion earned during 2019/2020.

All things considered, I must credit my hardworking and dedicated team for their efforts in ‘steading the sails’ during this very turbulent period. While we collectively grappled with the effects of the pandemic in both our personal and professional lives, we made the necessary adjustments to protect our team and our customers, and facilitate business continuity. Maintaining focus while dealing with the illness of family members and colleagues was a challenge, but it was even more difficult losing a long-serving member of the BGLC family. As we continue to grieve, our thoughts and prayers are with the family and loved ones of our beloved team member.

### Financial & Industry Highlights

Total BGLC revenue increased by 5% to \$1.66 billion, with after tax profit increasing by 4.8% to \$592 million. Accumulated surplus increased by 21% to \$2.3 billion and total assets increased by 13.8% to \$2.74 billion.

The industry was severely affected by the pandemic and the resulting shut-down of land-based gambling activities for close to

five months. The outcome was a roughly 31% reduction in overall industry sales, which amounted to \$126.32 billion. The Gaming sector experienced the most extreme decline with total sales from gaming and non-gaming lounges falling to \$56.21 billion or approximately 53% less than the prior year. Total Government revenue derived from the Gaming sector was \$366.1 million or 43% lower than 2019/2020.

On the other hand, the Lottery and Betting sectors performed reasonably well during the year with sales increasing by 12.9% and 5.7% respectively. The early migration of Lottery operations to online platforms mitigated the effect of the suspension of gaming and entertainment activities and other COVID-19 measures. The performance of the sector is also attributable to increased competition from two additional Lottery providers during the last quarter of the year, namely: Mahoe Gaming Enterprises Limited and Goodwill Gaming Enterprises Limited.

Total sales generated by the sector amounted to \$56.8 billion, resulting in nearly \$7.5 billion in Government revenue or a 7% increase over the previous year. The Lottery sector remains the largest contributor to Government revenue and now accounts for 91% of total Government earnings from the local gaming industry.

Meanwhile, increased sales on local horse racing and online games and sporting events boosted the performance of the Betting sector. Following the approval of the operating protocols we developed for the safe resumption

### Summary of Government Earnings by Sector FY 2020/21

Lottery	\$7.4996 billion
Gaming	\$0.3661 billion
Betting	\$0.3280 billion
Prize Promotion & Charitable Lottery	\$0.0124 billion
<b>TOTAL</b>	<b>\$8.2061 billion</b>

<sup>1</sup>The Planning Institute of Jamaica: Review of Economic Performance, October – December 2020

of gaming activities and horseracing, the Government granted special dispensation for the reopening of Caymanas Park in June 2020.

Relative to last year’s performance, overall Betting sector sales rose to \$13.295 billion, of which \$5.356 billion was generated from Sports Betting on online games. This represents a 31% increase in sales from that segment. Total Government earnings from the Betting sector rose to \$328 million or approximately 5.6% more than the previous year.

## Operational Review

Core operations, including on-site compliance inspections and enforcement activities were scaled down considerably during the year. This in accordance with restrictions under the Disaster Risk Management Act and the Government’s Work-from-Home Orders. Whenever possible, our field teams took steps to safely engage with industry operators to ensure that new protocols were being implemented and maintained, and Government revenues properly accounted for.

In spite of the disruptions, we made progress in narrowing the performance gap for most of our major strategic targets when compared to the previous year. We surpassed targets in relation to industry compliance\*, government collections, processing of new licence applications, employee performance and our financial position. Meanwhile, achievements in relation to due diligence investigations and illegal machine seizures were severely impacted

by the disruption of field operations during the year due to COVID-19-related restrictions.

### AML/CFT:

The Commission continued to participate in various working groups and training activities to strengthen our Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) oversight and fulfil our obligation as a Competent Authority. Members of the team attended bilateral and multilateral meetings with the National Anti-Money Laundering Committee (NAMLC) and the Bank of Jamaica; the National Risk Assessment (NRA) working group; and also attended training offered by the European Union AML/CFT Global Facility to build our supervisory effectiveness in risk-based supervision.

In addition, we increased our engagement with licensees during the year through regular bulletins and advisories, and completed the revision and gazetting of Guidance Notes on the Detection of Money Laundering and Countering the Financing of Terrorism and Proliferation. One of our major engagement initiatives for the year was hosting a mandatory AML/CFT webinar for gaming lounges. The main areas of focus were: amendments to the Guidance Notes; the Proceed of Crime Act (POCA) and Terrorist Prevention Act (TPA); the United Security Council Resolution Implementation Act (UNCSRIA) and regulations; and the risk-based approach and typologies of AML audit and inspection findings.

## Performance Summary FY 2019/20 – 2020/21 (Mission-driven Indicators and Targets)

Key Performance Indicator	2020/21 Target	2020/21 Actual	2019/20 Target	2019/20 Actual
% Providers in compliance with all regulations	70	78*	65	75.4
% Illegal machines identified that have been seized	25	17	25	20.2
Total government collection (\$B)	6.155**	8.206	8.250	8.192
% Due diligence investigations completed in standard time	80	76	80	70.2
% New licence applications processed in standard time	75	78	55	30
% Licences renewed in standard time	75	72	70	66
% Staff scoring 80% or above on performance measurement system	80	88	30	84
Surplus before capital distribution (\$M)	385.2	613.3	268.3	498.9

\* Refers to Licensee compliance in relation to the filing of returns, payment of taxes, Lottery and track operations.

\*\* Budget was recast due to COVID-19 and projected GoJ collections reduced from \$8.56 billion.



### *Legal Challenge over New Application for Lottery Licence:*

At the beginning of the financial year, Prime Sports Jamaica Limited (PSJL) filed an action in the Supreme Court for judicial review to block the BGLC from granting any new lottery licence. The complainant further requested that a feasibility study be conducted on lottery operations in Jamaica before any new licence is granted. The Court ruled in favour of the Commission in June 2020; however PSJL appealed the decision and later sought an Injunction Pending Appeal to restrain the Commission from granting a new lottery licence. The appeal was subsequently denied by the Court of Appeal.



Opinion Editorial in the Jamaica Observer, August 16, 2020

This matter, received considerable media coverage during the first two (2) quarters of the year and elicited many debates in the public domain about the potential competition in the Lottery sector. In the end, the BGLC completed its review of the application and subsequently granted a licence to Mahoe Gaming Enterprises Limited, which commenced operations in February 2021. This brought the total number of Lottery licences to three, joining the previous licensees, PSJL (Supreme Ventures) and Goodwill Gaming Enterprises Limited.

### **Outlook**

The COVID-19 pandemic ushered in many changes in social behaviour and has accelerated the migration to Internet-based platforms for business, education and gaming entertainment. As Internet-based gaming becomes more appealing to Jamaican consumers, particularly in the aftermath of the COVID-19 pandemic, we expect to see more local gaming operators transitioning to interactive/online and mobile gaming. The increasing shift to Internet-based gaming

amplifies the need for a swift overhaul of the current legislation to ensure that we can appropriately regulate emerging modes of gaming and keep pace with industry developments.



Land-based gaming segments such as the local gaming machine (19-and-under) and Technical Service Providers (TSP) are also expected to expand given the growing number of applications for licence and the positive performance during the year. Despite the increased interest in Internet-based gaming, land-based, 'brick and mortar' operations are still very popular, particularly among the older demographic.

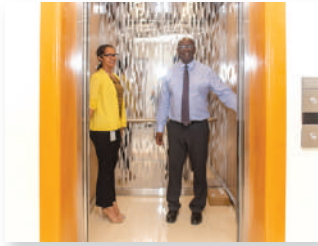
The coming 2021/2022 financial year bodes well for the gaming industry as COVID-19 vaccines become available and the Government follows through on its plan to inoculate the population. Already we have seen a marked reduction in the infection and mortality rates as well as renewed optimism for the recovery of the economy. We look forward to the full resumption of the gaming industry and the opportunities that lay ahead for further growth and development.

Once again, I would like to thank my BGLC team for their enduring commitment; the Board of Commissioners for their sound leadership and guidance; and our loyal stakeholders and partners for their continued cooperation and support. Have a healthy and safe 2021.

A handwritten signature in black ink, appearing to read "Vitus Evans".

**Vitus Evans**  
Executive Director

# 2020-2021 Timeline



- Prime Sports Jamaica Limited files action in the Supreme Court against the BGLC seeking judicial review to prohibit the Commission from granting any new lottery licence pending the conduct of a feasibility study on the conduct of lottery operations in Jamaica
- Gaming industry shut down due to COVID-19 restrictions
- Elevator commissioned into service
- St. Catherine lockdown impacts team members – BGLC begins hybrid work-from-home model
- Sponsorship of license fees and donation of sanitizer to Grooms Association

- Gov't approves re-opening of Caymanas Park, with no spectators – based on COVID-19 Risk Assessment and Track Operations Protocols
- Gaming Lounges & Operators of Gaming Machines approved for re-opening based on COVID-19 protocols developed by BGLC
- Supreme Court finds in favour of BGLC; PSJL appeals decision of the lower Court and seeks Injunction Pending Appeal to restrain the Commission from granting a new lottery licence
- Donation to CVSS for PSOJ COVID-19 Response Fund

## Consumers benefit from competitive lottery market



*The gambling industry now generates over J\$50B for the lottery promoter, JAS\$30B in prizes for consumers and J\$8B in tax revenue for the Government.*



VITUS EVANS  
Executive Director, BGLC



Read it in *The Sunday Gleaner*

- 16th Emancipation Race Day
- Gleaner published BGLC Op-ed *"Consumer benefits from competitive lottery market in Jamaica"*
- 325 students selected to receive BGLC Tertiary Education Grant

## APR

## MAY

## JUN

## JUL

## AUG

## SEP

- Bars permitted to re-open with limited hours of operation, social distancing and gaming machines spaced 6ft apart
- Applications open for BGLC Tertiary Education Grant
- Stakeholder Update Meetings: COVID-19 Protocols – Horse racing, Bookmakers, OTB's & Gaming Lounges
- Donation to Red Cross for COVID-19 food packages to vulnerable communities
- Donation to Telethon Jamaica to purchase PPE for COVID-19 frontline workers

- 1,670 applications received for BGLC Tertiary Education Grant
- The Court of Appeal denies PSJL application for an injunction against BGLC
- Donation to St. Francis Primary to upgrade sanitization facilities for students

- 1st COVID-19 positive case
- BGLC office building closed for 2 weeks





- BGLC mourns the loss of colleague Everett Taylor to COVID-19
- Stakeholder Update Meetings: Bookmakers & Gaming Lounges re Due Diligence requirements
- Forfeiture notices for seized gaming machines published
- RISE launches Responsible Gaming social media campaign



- BGLC launches “Wear A Mask” social media campaign to encourage punters to observe COVID-19 protocol
- Donation to Lay Magistrates Association COVID-19 fund raising efforts



- BGLC Webinar – Understanding Legislative Amendments for Anti Money Laundering and Counter Financing of Terrorism
- 2 new lottery promoters (Izzizi & Lucky Play) begin operations

# OCT NOV DEC JAN FEB MAR

- Sponsorship of United Way of Jamaica “State of the Art” Virtual Art Auction
- Unauthorised Gambling campaign
- Successful emergency drill executed by the Commissions’ Safety Committee in collaboration with Jamaica Fire Brigade



- RISE Responsible Gaming training for employees of Club Jamaica Gaming Lounge
- Jamaica Racing Commission moves into the building

- International Women’s Day – “virtual” group photo depicts the Commissions’ commitment to gender equality.
- BGLC Webinar – Responsible Gaming for Gaming Lounges
- Vitus Evans, Executive Director participates in Gaming Laboratories International (GLI) “Illuminating Conversations” web series with an online discussion with James Maida, President, GLI
- Donation to provide meals for COVID-19 patients in hospitals



# BGLC in the News

**BGLC**  
BETTING GAMING  
LOTTERIES COMMISSION

What is the BGLC?  
The BGLC is authorized  
under the Betting and Lotteries  
Act (BGLCA)

## The Gleaner [EDITORIAL] Don't let Tapia become lottery regulator

## BGLC contributes \$250,000 to the vulnerable



The Betting, Gaming & Lotteries Commission's (BGLC) contribution of \$250,000 to the COVID-19 Jamaica Response Fund, has enabled hundreds of vulnerable persons to receive well-needed care packages during the COVID-19 pandemic. Kim Levy (right) of the Council of Ministers is presenting the BGLC's contribution to the fund. Photo: BGLC.

## Gaming lounges get green light

FINANCE MINISTER Dr Nigel Clarke has given gaming lounges the go-ahead to resume operations today.

"This decision comes following the development and publication of COVID-19 reopening and safety protocols by the Betting, Gaming and Lotteries Commission (BGLC) and the Health Ministry."



## BGLC remains closed until September 7

WRITTEN BY SHANNA K. SALMON



The Betting, Gaming and Lotteries Commission (BGLC) is advising the public that its office at 78cef Hagley Park Road will remain closed until Monday, September 7.

## The Facts About Jamaica's Lottery

**Why is it appropriate for Jamaica to be a jurisdiction with multiple lottery operators?**

Jamaica operates a free-market economy with competition in every sector and is among many countries that allows competition in the lottery segment of the gambling industry.

In jurisdictions where there is a single lottery operator, this monopoly is typically held by a state-owned entity.

### 7 lottery licences issued since 1991

Year	Lottery Operator
1991	Jamaica Lottery Commission
2001	Supreme Ventures Limited
2001	Teknon International Limited
2005	Goodwill Gaming Enterprises Ltd
2006	Supreme Ventures Limited
2009	Supreme Ventures Limited

1. The Supreme Ventures Ltd (SVL) licence initially granted in 2001 was transferred to Goodwill Gaming Enterprises Ltd in 2003 and subsequently transferred to Prime Sports Ltd in 2013.

2. Goodwill Gaming Enterprises Ltd and Mahoe Gaming Enterprises Ltd are not currently licensed.

### Is BGLC considering a cap on the number of lottery licences to be issued?

No. Any cap to be imposed in regard to the number of lottery licences issued would have to be mandated by a new Government policy.

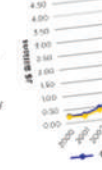
### What are the benefits of having competition in the lottery industry in Jamaica?

- **Competition benefits the consumer** - The Jamaican consumer benefits from a competitive market by having more choices, access to innovative products and services and competitive prices.
- **Reduce vulnerability of a single source accounting for the majority of the tax revenues that the Government earns from lotteries** - The gambling industry now generates over J\$8 billion in tax revenue for the government. Lottery sales and tax revenue have been on a consistent growth trajectory and the trends suggest that this will continue.
- **Currently revenue sources from gambling pose a significant risk to the government as 90% of this revenue comes from a single source, Supreme Ventures.**

### Consistent Growth



### Government Revenue



The BGLC appreciates the understanding and trust of the public and industry stakeholders in its actions and is committed to ensuring a viable and reputable gaming industry for all consumers. The General Manager, BGLC.

Betting Gaming & Lotteries Commission, 78cef Hagley Park Road, St. Andrew, Jamaica. Info@bglc.gov.jm

## 2020 SCHOLARSHIPS TO GO

## BGLC 'vindicated' in lottery permit process - Evans

Paul Clarke/Gleaner Writer

since its inception. "I have reviewed the application submitted by Mahoe Gaming Enterprises Limited (MHEL) and I am pleased to find that the BGLC has been vindicated."

Paul Clarke, executive director of the BGLC, said that he is pleased that the commission has been vindicated. "There were some comments in the media that questioned the process of lottery application and some allegations of conflict of interest. So obviously, I am happy to see this final report that not only vindicates what we are doing, but also highlights the improvements that we are actually putting in place in terms of transparency, accountability, and the process," Evans said.

Paul Clarke said that he had "no doubts" to believe that anyone who applied for a lottery licence in a position of conflict of interest when considering an application by Mahoe Gaming Enterprises Limited for a lottery licence was not fair and transparent.

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## Consumer benefits from competitive lottery market in Jamaica

Vitus Evans, executive director of the BGLC, said that he is pleased that the commission has been vindicated. "There were some comments in the media that questioned the process of lottery application and some allegations of conflict of interest. So obviously, I am happy to see this final report that not only vindicates what we are doing, but also highlights the improvements that we are actually putting in place in terms of transparency, accountability, and the process," Evans said.

## RACING IS ON

Today, Sunday cards to go ahead after shareholders meeting, no spectators, no betting at the race track

Trainers' president (left) and Vetus Evans, executive director of the BGLC, (right) at a meeting.

Trainers' president (left) and Vetus Evans, executive director of the BGLC, (right) at a meeting.

Trainers' president (left) and Vetus Evans, executive director of the BGLC, (right) at a meeting.

# The Facts About Jamaica's Lottery Licences

There continues to be disinformation in regard to the matter of issuance of lottery licences in Jamaica. We are compelled to clarify certain points to ensure that all Jamaicans have the most accurate information on this matter.



# WINNING TICKET

## Third lottery licence issued to Mahoe Gaming as court fight with BGLC continues



### BGLC WAS YOUR GAMING MACHINE SEIZED DURING 2020

NOTIFICATION PURSUANT TO SECTION 46A(2) OF THE BETTING GAMING AND LOTTERIES ACT

Serial	Location	Operator	Machine No.	Seizure Date	Reason
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# Gaming Licences must be renewed by June 30

Letting Gaming and Lottery Commission (BGLC) that June 30 is the deadline for all gaming operators to renew their licences. BGLC, an economic activity regulator across all sectors, gaming machine operators & premises should be prepared to be able to open their establishments as fully licensed operators when they are permitted to operate under the orders related to COVID-19. The COVID-19 establishments were closed, we offered an extension for licence renewal from the usual end of March deadline. However, as economic activity regulator across all sectors, gaming machine operators & premises should be prepared to be able to open their establishments as fully licensed operators when they are permitted to operate under the orders related to COVID-19. Mr. Thompson stated, "Having had to ensure that operators are able to maintain subgroups and standards for both those who choose to participate in gaming, and the providers of that service."

Under Section 44 of the Betting Gaming and Lotteries Act, operators of locally manufactured gaming machines are required to pay a levy of \$5,000 to the administration, a licence fee of \$5,000 to the BGLC for each gaming machine operated. Operators of the premises where machines are placed are obliged to pay \$2,500 for each machine in the T&L and \$1,000 to the BGLC. Operators of imported slot machines, pay \$4,000 licence fee to BGLC and the monthly tax returns in T&L.

**LATE FEE**

Late payment of fees attracts penalties of up to 60% per machine. Operators who fail to renew their machines risk losing penalties of up to \$700,000 and confiscation of the machines.

Ensuring that operators of gaming establishments are licensed is part of the BGLC's mission to enable Jamaica's gaming industry to operate in a structured and controlled manner and to ensure that, through licensing, consumers who participate in gaming will be protected. The Betting Gaming and Lotteries Commission is an independent statutory body established under the provisions of the Betting Gaming and Lotteries Act of 1988. In order to protect the public from being exploited by gaming, the Commission licenses and regulates the local gaming industry by granting permits and licences to operators and ensuring that operators are considered fit to conduct betting, gaming and lottery activities.

YouTube video player interface showing a news segment from the Betting and Lotteries Commission. The video title is "Get the Facts \_ Betting and Lotteries Commission BLC 21-03-2021". The video has 91 views and was posted on Mar 22, 2021. The video content shows two men in suits sitting at a table with a BGLC logo in the background. A "GET THE FACTS" logo is overlaid on the video.

people of Jamaica who we serve. All our deliberations are guided by our Mission: "Industry by balancing the interests of Providers, Public and Government."

Magley Park Road, Kingston 10 | Tel: 876 630 1353  
www.bglc.gov.jm

# BGLC and RISE Life Management:

Working together to address gambling harm prevention and treatment in Jamaica



BGLC provides an annual subvention to fund the national programmes for gambling harm prevention and treatment and responsible gaming that are executed on behalf of the Commission by RISE Life Management. The Commission's vision is for a Jamaican society in which gambling providers apply principles of responsible gaming in the delivery of their services and that problem gambling and the potential harms of gambling have minimal negative impact. This will be achieved via industry compliance with defined responsible gaming guidelines and consumer awareness and practice of responsible gaming.

BGLC and RISE have agreed to a strategic framework for Responsible Gaming based on 3 pillars:

- Research – in order to understand usage and attitudes to gambling among Jamaicans, and the prevalence and impact of problem gambling among various socio-economic groups
- Awareness – via public education targeting providers, influencers, players and non-players. Key messages encompass themes of youth gambling prevention, problem gambling prevention & treatment, and player intervention programmes
- Compliance – by implementing & enforcing the Responsible Gaming Code of Conduct among providers

This year, across Jamaica and the rest of the world, the Covid-19 pandemic presented many challenges to the gambling industry, and more specifically, implementing responsible gaming initiatives. However, with the true Jamaican resilience, the team was able to adapt to deliver the required services to adults and adolescents

Chief among the challenges was the ability to continue to drive the underage gambling prevention programme since schools were closed and face to face contact not permitted. A discussion with the Ministry of Education Youth and Culture resulted in RISE being granted some limited time to engage with schools and their students via online platforms, though cognizant that the educational curriculum was given priority. Despite the constraints, some successful engagements with students was achieved as the COVID-19 restrictions allowed, and in a few cases where deemed safe, included in-person sessions.

## **Training for Gaming Lounge Staff**

*All gaming lounges must ensure team members are trained in Responsible Gaming as a condition of license and in fulfillment of the Responsible Gaming Code of Conduct. Sessions enable gaming lounge workers to understand gambling disorders and responsible gaming principles such as signs of problem gambling and measures that can be taken to assist problem gamblers within the gaming lounge environment.*

In January, RISE conducted face-to-face training for 6 employees for a new gaming lounge – Club Jamaica Gaming Lounge, Runaway Bay, St. Ann. This small group enabled compliance with COVID-19 protocols and provided an opportunity to video record the session, thereby providing content that can be used in future for remote or on-demand delivery of responsible gaming training. Later, in March 2021, BGLC and RISE hosted the webinar 'Responsible Gaming for Gaming Lounges'. The webinar was attended by over 180 participants representing all gaming lounges and BGLC employees. The webinar has been uploaded to BGLC's YouTube channel to be available for on-demand viewing.

**BGLC**  
BETTING GAMING  
& LOTTERIES COMMISSION

**Rise**  
Promoting Responsible Gaming through Social & Emotional Learning  
Life Management Services

PRESENTS

## Responsible Gaming for Gaming Lounges

LIVE WEBINAR: zoom

FRIDAY  
MARCH 12, 2021  
10:30 AM - 12 NOON

Register to attend via: [http://bit.ly/BGLC\\_Webinar](http://bit.ly/BGLC_Webinar)

PRESENTER:  
**Richard Henry, M.Sc.**  
Programme Manager  
BGLC/RISE Responsible Gaming Programme  
RISE Life Management Services

**Who Should Attend:**  
Gaming Lounge Managers and Staff

It is important for gaming industry participants to understand the importance and benefits of responsible gaming for the sustainability of the industry. All Gaming Lounge employees are required to complete Responsible Gaming training as condition of the operator's license.

**This webinar will help you to:**

- Understand gambling disorders and addiction
- Be able to recognize signs & other features of irrational gambling behaviour
- Understand the experiences of gamblers who have developed gambling related issues
- Know how to direct gamblers to resources for help with gambling related issues

78cef Hagley Park Road, Kingston 10, Jamaica W.I.  
Tel: 876.630.1353 | WhatsApp (text only): 876.224.2452  
info@bglc.gov.jm | www.bglc.gov.jm

Responsible Gaming is the provision of safe, socially responsible and supportive gambling environments where the potential for harm is minimized and people can make informed and appropriate decisions about their participation in gambling.

## School Based Underage Gambling Prevention Education and Training

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

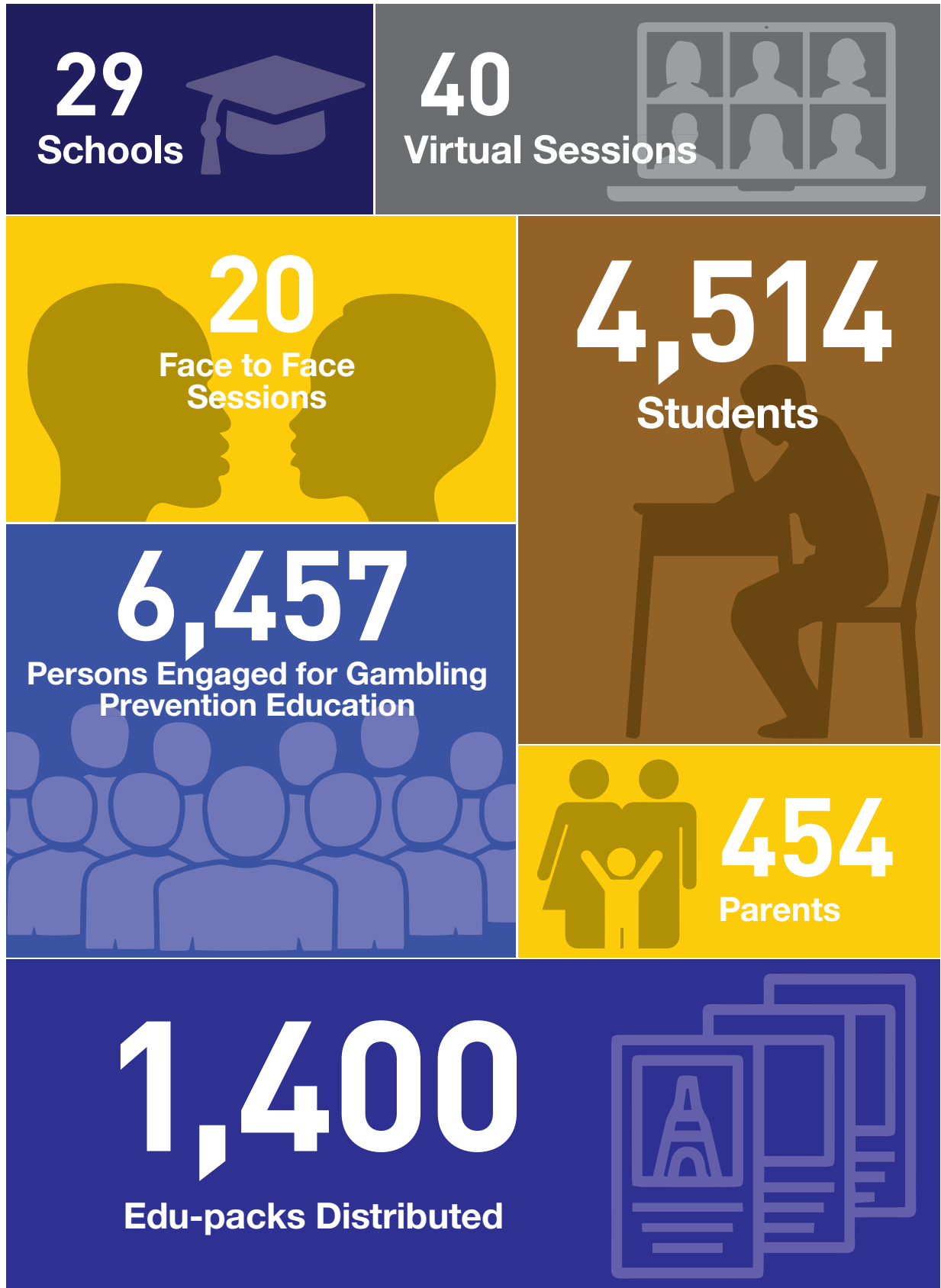
Training opportunities with school personnel and students via the Ministry of Education, Youth and Information were severely constrained given the restrictions necessitated by the Covid-19 pandemic and the consequent impact on the education system.

RISE was afforded the opportunity to engage with thirty (30) Deans of Discipline and Guidance Counsellors through a school empowerment programme workshop held at the Spanish Court Hotel. The participants represented schools deemed in need of this support, many from downtown Kingston.

Underage gambling prevention education is the premier prevention intervention initiated with school based youth, with its goal being to ensure that Jamaican youth under 18 years old stay away from gambling.

Given the COVID-19 pandemic, online learning and teaching engagement became a new norm and all resources and material used for this aspect of RISE's work had to be reorganized to fit the new delivery mode. The RISE team created a new presentation for underage gambling prevention as well as educational packages (Edu-packs) which were distributed among school aged youth.

## Underage Gambling Prevention Impact 2020 - 2021





## Social Media and Promotion

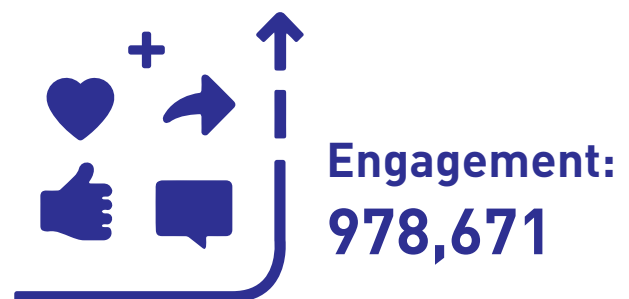
Responsible Gaming advocacy and education efforts included communicating key messages across traditional and social media channels. Two (2) articles submitted to national newspapers earned publication and a social media campaign was implemented on Facebook and Instagram.

Given the need to attract attention to the important message of Responsible Gaming, five (5) animations were developed to inform the public on various aspects of gambling related issues. The messages covered in the animations ranged from the ills of underage gambling to the risk factors for developing gambling problems.



Driven by the COVID-19 pandemic, RISE took to social media to reach a wide audience with the responsible gaming message. With the assistance of Get Social, a Jamaican social media management agency, a campaign was implemented as of October on Facebook and Instagram. The content of the on-going campaign was presented as graphics, videos and animations to target adults and adolescents with messaging about underage gambling issues, risk factors for gambling problems as well as treatment information and where to get help for a gambling problem.

## Social Media Campaign Results – Oct. 2020 to Mar. 2021



## Voluntary Self-Exclusion Programme (VSEP)

*Modelled on similar programmes that are standard in other mature gaming jurisdictions, the BGLC/RISE Responsible Gaming initiative incorporates the Voluntary Self-Exclusion Programme (VSEP) which enables gamblers to ban themselves from gaming facilities as a self-management tool. VSEP is not a treatment protocol but an adjunct to the problem gambling treatment programme. Jamaica now has a national registry for persons who can voluntarily ban themselves from entering gaming lounges across the island. Gaming lounge staff are trained to assist patrons with referrals to VSEP. Patrons may request to ban themselves from gaming establishments for periods ranging from three months to a lifetime.*

The VSEP aspect of the Responsible Gaming programme was quite docile during the Covid-19 lockdown period. Significantly, the programme resumed activity once gaming lounges reopened and even pointed to an overindulgence by some customers and the reemergence of others. Montego Bay, St James accounted for 70% of the requests to either join the programme or seek removal. During 2020/2021 there were thirty-five (35) requests for VSEP services. There was also a noticeable increase in the number of persons requesting to be removed from the programme. This has led to establishing a minimum period of enrollment - three (3) months - before any removal interview can take place. Due to the voluntary nature of the self-exclusion program, no patron is forced to remain in the programme. However, when an individual seeks removal, steps are taken to offer the requisite support.

## Treatment for Gambling Related Issues

*RISE Life Management offers individual and group counselling and intervention services for adults and group therapy for adolescents with gambling related problems. A telephone lifeline also offers counselling 24/7.*

RISE engaged in limited face to face counselling during 2020 - 2021. Other channels were used instead – telephone, Facebook, WhatsApp and Zoom. RISE provided counselling services for thirty eight (38) adults and six (6) adolescents who needed support and assistance with gambling related problems.

## MenTour

RISE supported BGLC's sponsorship of the MenTOUR - a series of motivational talks with school-based males at four (4) schools in Kingston. The aim of MenTOUR was to engage male youth who are at risk for joining gangs and getting into trouble with the law in meaningful dialogue and conversation. RISE was charged to bring the message of the ills or consequences of underage gambling through interactive dialogue.

## Advocacy and Research

In February 2021, the BGLC Board of Commissioners approved funding for RISE to execute the first national study – Adult Gambling in Jamaica. This will be the first of its kind in Jamaica and the Caribbean and will provide a crucial benchmark not just locally, but both regionally and internationally. As our gaming industry expands it is to have meaningful data that can help to develop treatment and prevention protocols as well as guide policy.



**Richard Henry**

Programme Manager - BGLC/RISE Responsible Gaming Programme

Richard Henry has worked in the field of addictions for twenty seven (27) years and in Responsible Gaming for the past 16 years. He is integrally involved in providing training and workshops in the areas of addictions, personal development and Employee Assistance Programmes (EAP) in Jamaica and the Caribbean. Richard holds a BA in Psychology and Philosophy and a M.Sc. in Psychology.

# Responsible Gaming Tips



## GAMBLING IS FOR ADULTS ONLY

It is illegal for persons under 18 years to participate in any form of gambling.



## IT'S JUST A GAME

Gambling is for entertainment, not a way to get rich.



## SET MONEY LIMITS

Set a limit for how much you will spend when gambling and do not use money that is needed for necessary expenses.



## LEAVE YOUR BANK AND CREDIT CARDS AT HOME

It is illegal for persons under 18 years to participate in any form of gambling.



## SET TIME LIMITS

Control how much time you spend gambling.



## KEEP A CLEAR HEAD

Drinking alcohol while gambling can impair your judgement and cause you to lose control.



## AVOID CHASING LOSSES

Do not keep gambling to try to win back money lost.



## WALK AWAY

Stop gambling and leave when you reach your time and money limits.



## KNOW THE RISKS WHEN GAMBLING

Excessive gambling can lead to financial losses, damage relationships and poor health due to stress.



## BALANCE YOUR GAMBLING WITH OTHER ACTIVITIES

Before you gamble, try to find other less risky ways to have fun.



## TAKE A BREAK

Stop gambling when it interferes with your responsibilities.



## ASK FOR HELP

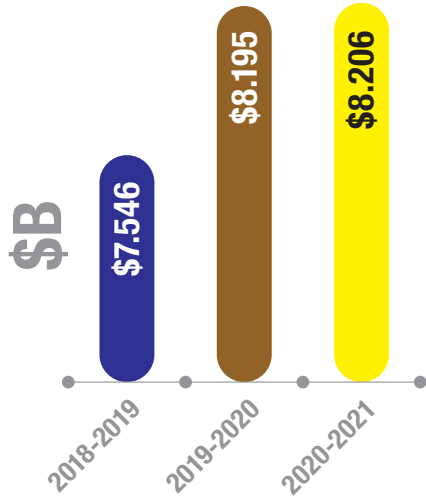
RISE Life Management provides help for persons who have problems with gambling.

#ResponsibleGaming

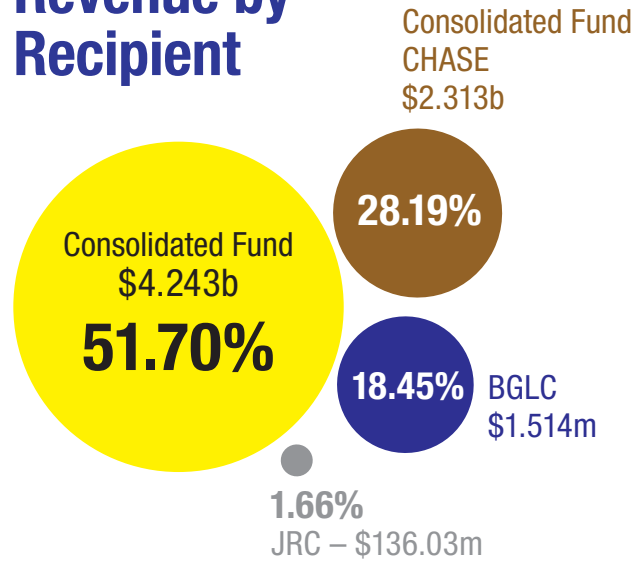
#GameResponsibly

# 2020-2021 Revenue

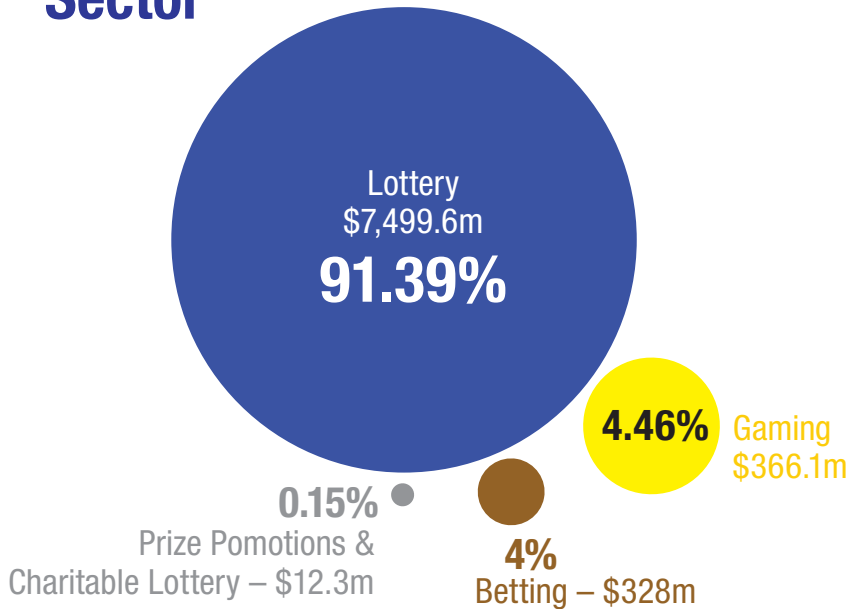
## 3-Year Trend in Government Revenue



## Government Revenue by Recipient



## Government Revenue by Sector



## Snapshot of The Gaming Industry

Sector	Licence/Approval Type	# of Operators	Licensed Activity	Product Distribution Medium		License Fees	Taxes, Levies, Contributions	Total Government Revenue
						\$	\$	\$
<b>Betting</b>	<b>Bookmakers Permit</b>	6	Fixed odds betting on local & simulcast Horse racing, sports betting & online casino-type and poker games.	Land-based Retailer	Player Account Wagering	4,286,000	170,422,590	174,708,590
	Betting Lounge	75			Unclaimed Winnings	-	4,862,951	4,862,951
	Licensed Betting Office	8						
	Sports Betting Sales Outlet	53						
	Betting Agent	52						
	Bet Writer Terminal Operator	171						
	<b>Track Betting Licence</b>	1	Pool betting on local & simulcast Horse racing.	Land-based Retailer	Player Account Wagering	3,806,000	117,140,179	120,946,179
	Off Track Betting Parlour	128			Unclaimed Winnings	-	27,500,000	27,500,000
	Off Track Betting Parlour Operator	100						
	Off Track Betting Terminal Operator	63						
	Racing Promoter Terminal Operator	50						
<b>Lottery</b>	<b>Licence to conduct Lottery-type Games (per game)</b>	3	Lottery games - Declared Lottery, Daily Numbers & Instant lottery games. {1 manual lottery draw; 2 digital lottery draws}	Land-based Retailer	Player Account Wagering	59,200,725	7,440,365,481	7,499,566,206
	Lottery Agents License	1,000						
	Lottery Sales Outlet	1,658						
	Lottery Prescribed Premises	9						
<b>Gaming</b>	<b>Gaming Lounge 20-225 machines/seats (slot machines only)</b>	13	Gaming on slot machines and automated electronic table games.	Land-based Retailer	Player Account Wagering	132,847,430	229,363,833	362,211,263
	<b>Non-Gaming Lounges (Under 19's) – Less than 20 machines (slot and locally-made machines)</b>	70	Gaming on slot machines and or locally made gaming machines.					
	Prescribed Premises	3,107	Premises licensed to accommodate gaming machines					
	Prescribed Premises Operator	1,335						
	Gaming Machine Operator	904						
	Slot Machines	2,240						
	Locally Manufactured Machines	12,330						
	<b>Technical Service Provider (TSP)</b>	13	Manufacture, assemble, sell, distribute local gaming machines & provide consulting services.	Land-based Retailer	n/a	3,850,000	-	3,850,000
<b>Prize Competition</b>	Approval to conduct Prize Competition	168		Land-based Retailer	Electronic	12,310,000	-	12,310,000
	<b>Charitable Lottery</b>	Approval to conduct charitable lotteries	5		Land-based Retailer	n/a	50,000	-
<b>INDUSTRY TOTAL CONTRIBUTION TO GOVERNMENT REVENUE</b>						<b>216,350,155</b>	<b>7,989,655,034</b>	<b>8,206,005,189</b>

## Government Revenue

	TAJ		BGLC	JRC	TOTAL
	CONSOLIDATED FUND	CHASE			
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
<b>BETTING SECTOR</b>					
<b>Bookmakers</b>					
Local & Simulcast Racing	8,063	-	13,293	66,025	87,381
Sports Betting	58,168	8,310	16,563	-	83,042
Unclaimed Winnings	-	-	4,863	-	4,863
Bookmakers Permit & License Fees	-	-	4,286	-	4,286
<b>Racing Promoter</b>					
Racing Promoter License Fees	-	-	3,806	-	3,806
Local & Simulcast Horse Racing Taxes	31,237	-	15,619	70,284	117,140
Unclaimed Winnings	-	-	27,500	-	27,500
<b>Total - Betting Payable</b>	<b>97,469</b>	<b>8,310</b>	<b>85,930</b>	<b>136,309</b>	<b>328,018</b>
Betting Levies/Taxes Paid	93,699	7,749	35,194	129,855	266,496
Unclaimed Winnings	-	-	32,363	-	32,363
Racing Promoter License Fees	-	-	4,286	-	4,286
Bookmakers License Fees	-	-	3,806	-	3,806
<b>Total - Betting Collected</b>	<b>93,699</b>	<b>7,749</b>	<b>75,649</b>	<b>129,855</b>	<b>306,951</b>
<b>LOTTERY SECTOR</b>					
Lottery Taxes	3,539,615	2,084,181	1,027,815	-	6,651,611
Lottery Tax Winnings Levy	394,604	-	-	-	394,604
Unclaimed Winnings	-	197,075	197,075	-	394,150
Lottery Licence Fees	-	-	59,201	-	59,201
<b>Total - Lottery Payable</b>	<b>3,934,219</b>	<b>2,281,256</b>	<b>1,284,091</b>	<b>-</b>	<b>7,499,566</b>
Lottery Taxes	3,541,591	2,055,426	992,863	-	6,589,880
Lottery Tax Winnings Levy	426,659	-	-	-	426,659
Unclaimed Winnings	-	200,687	195,824	-	396,511
Lottery Licence Fees	-	-	59,201	-	59,201
<b>Total - Lottery Collected</b>	<b>3,968,250</b>	<b>2,256,113</b>	<b>1,247,888</b>	<b>-</b>	<b>7,472,251</b>
<b>GAMING SECTOR</b>					
Gaming Machine Levies & Fees	62,139	-	70,709	-	132,847
Technical Service Providers Fees	-	-	3,850	-	3,850
Gross Profit Levy & Contributions	149,086	22,936	57,341	-	229,364
<b>Total - Gaming Payable</b>	<b>211,225</b>	<b>22,936</b>	<b>131,900</b>	<b>-</b>	<b>366,061</b>
Gaming Machine Levies & Fees	62,139	-	70,709	-	132,847
Technical Service Providers Fees	-	-	3,850	-	3,850
Gross Profit Levy & Contributions	137,993	22,601	60,574	-	221,167
<b>Total - Gaming Collected</b>	<b>200,131</b>	<b>22,601</b>	<b>135,132</b>	<b>-</b>	<b>357,864</b>
Charitable Lotteries	-	-	50	-	50
<b>PRIZE PROMOTIONS</b>					
Prize Competition Fees	-	-	12,310	-	12,310
<b>GRAND TOTAL - PAYABLE</b>	<b>4,242,913</b>	<b>2,312,502</b>	<b>1,514,280</b>	<b>136,309</b>	<b>8,206,005</b>
<b>GRAND TOTAL - COLLECTED</b>	<b>4,262,080</b>	<b>2,286,463</b>	<b>1,471,029</b>	<b>129,855</b>	<b>8,149,426</b>

### 3 Year Review – Government Revenue Payable & Collected 2018/2019 to 2020/2021

3 YEAR COMPARATIVE GOVERNMENT REVENUE	2020/2021	2019/2020	2018/2019
	\$M	\$M	\$M
<b>BETTING SECTOR</b>			
<b>Bookmakers</b>			
Local & Simulcast Racing	87.4	97.0	111.2
Sports Betting	83.0	80.8	62.4
Unclaimed Winnings	4.9	0.0	11.6
Bookmakers Permit & Licence Fees	4.3	4.8	4.9
Racing Promoter Licence Fees	3.8	3.8	3.9
Racing Promoter - Taxes	117.1	124.3	103.0
Unclaimed Winnings	27.5	-	-
<b>Total - Betting Payable</b>	<b>328.0</b>	<b>310.7</b>	<b>297.0</b>
<b>Total - Betting Collected</b>	<b>307.0</b>	<b>316.4</b>	<b>285.1</b>
<b>LOTTERY SECTOR</b>			
Lottery Taxes & Lottery Tax Winnings Levy	7,046.2	6,784.4	6,123.0
Unclaimed Winnings	394.2	389.1	379.0
Lottery Licence Fees	59.2	51.9	52.5
<b>Total - Lottery Payable</b>	<b>7,499.6</b>	<b>7,225.5</b>	<b>6,554.4</b>
<b>Lottery Taxes - Collected</b>	<b>6,589.9</b>	<b>6,491.8</b>	<b>5,677.2</b>
<b>Lottery Winnings Levy - Collected</b>	<b>426.7</b>	<b>360.4</b>	<b>316.0</b>
<b>Unclaimed Winnings - Collected</b>	<b>396.5</b>	<b>375.0</b>	<b>372.9</b>
<b>Lottery Games Licence Fees - Collected</b>	<b>59.2</b>	<b>51.9</b>	<b>52.5</b>
<b>Total - Lottery - Collected</b>	<b>7,472.3</b>	<b>7,279.0</b>	<b>6,418.5</b>
<b>GAMING SECTOR</b>			
Gaming Machine Levies & Fees	132.8	129.6	94.3
Technical Service Providers Fees	3.9	2.3	2.8
Levies, Gross Profit Taxes & Contribution, to Good Causes	229.5	509.9	580.9
<b>Total - Gaming - Payable</b>	<b>366.2</b>	<b>641.7</b>	<b>678.0</b>
<b>Total - Gaming - Collected</b>	<b>357.9</b>	<b>634.8</b>	<b>575.0</b>
<b>CHARITABLE LOTTERIES &amp; PRIZE PROMOTIONS</b>			
Charitable Lotteries	0.1	0.1	0.1
Prize Competition Fees	12.3	16.7	16.0
<b>GRAND TOTAL - PAYABLE</b>	<b>8,206.1</b>	<b>8,194.7</b>	<b>7,545.6</b>
<b>GRAND TOTAL - COLLECTED</b>	<b>8,149.4</b>	<b>8,249.1</b>	<b>7,294.7</b>
<b>% increase year over year - Payable</b>	<b>0.13%</b>	<b>8.6%</b>	

# Jamaica's Gaming Industry: An Overview of Performance

This section provides an overview, key highlights, and statistics on Jamaica's gaming industry for 2020/2021. Information is presented by sector, and includes data reported by operators licensed and regulated by BGLC.

## **In Focus - COVID-19 Pandemic**

Jamaica's gaming sector entered April 2020 with the profound shock of the COVID-19 pandemic that disrupted every industry to an extent unprecedented in its scale and scope. The pandemic led to travel and movement restrictions, limited business activity, and the complete suspension of almost all major events.

Most sectors were closed between April and July 2020. The lottery sector continued to operate during that period under measures defined by the government in the Disaster Risk Management Act. Following a comprehensive risk assessment and the development and submission to the Ministry of Health and Wellness of the Track Operating Protocols and Guidelines for COVID-19 Prevention and Control, approval was granted to allow the racing promoter to reopen Caymanas Park on a limited basis in June 2020. The remaining gaming industry was approved for reopening early July 2020 following the approval of the comprehensive guidelines for re-opening and operating protocols for OTB's, betting lounges, sports betting outlets, and operators of gaming machines (gaming lounges and Under 19's).

## **Reopening of the Industry & Sector Impact**

The onset of the pandemic presented the gaming industry with a series of unprecedented challenges. When betting and gaming establishments reopened, they did not return to business as usual. In order to resume operations, operators across the country had to abide by the new operating restrictions and protocols issued by the Commission in collaboration with the Ministry of Health and Wellness. The protocols included a cap on the capacity based on maximum occupancy, social-distancing requirements, enhanced hygiene procedures and employee testing and screening. Gaming establishments were also required to reconfigure their gaming floors or turn off a certain number of their electronic gaming devices/seats to always ensure a minimum of six-foot distance between patrons. Other measures implemented throughout prescribed premises included limiting the number of players at specific multi-station gaming machines, plexiglass dividers installed between positions (in some locations), mandatory temperature checks upon entry for patrons and enhanced cleaning protocols.

Like so many other sectors of the Jamaican economy, Jamaica's gaming sector was hit hard by the COVID-19 pandemic in 2020, as a result of operations being shuttered from mid-March until July 2020. The mass suspension of land-based gaming operations resulting in a 50% decline in revenue. The betting and lottery sectors saw increases in sales and Government revenue. All betting and gaming establishments with physical commercial operations reported lower revenue than in 2019/2020 except for the lottery and racing promoter (local horseracing) sectors. The severity of the declines varied dramatically from operator to operator depending on the duration of the closure orders, the severity of operating restrictions post-reopening and the availability of sports betting or online casino games to cushion the declines in brick-and-mortar revenue. Bookmakers offering sports betting via player accounts reported increases in sales. However, the cancellation of national leagues and major live sporting events around the world forced many sports betting operators to reassess its business models



and product offerings. During the first six months of the financial year, there was a shift in the demand for online games, which gained popularity due to limited or no activity on the sportsbooks.

## Industry Summary

Total sales for the industry amounted to J\$126.32 billion for the period April 2020 to March 2021. This represents a 30.5% decrease from the previous year. The sharp decrease ended a run of five straight years of revenue growth and is the industry’s lowest annual revenue total since 2015.

Total Government revenue for the industry was \$8.206 billion - a marginal increase of 0.14% over 2019/2020.

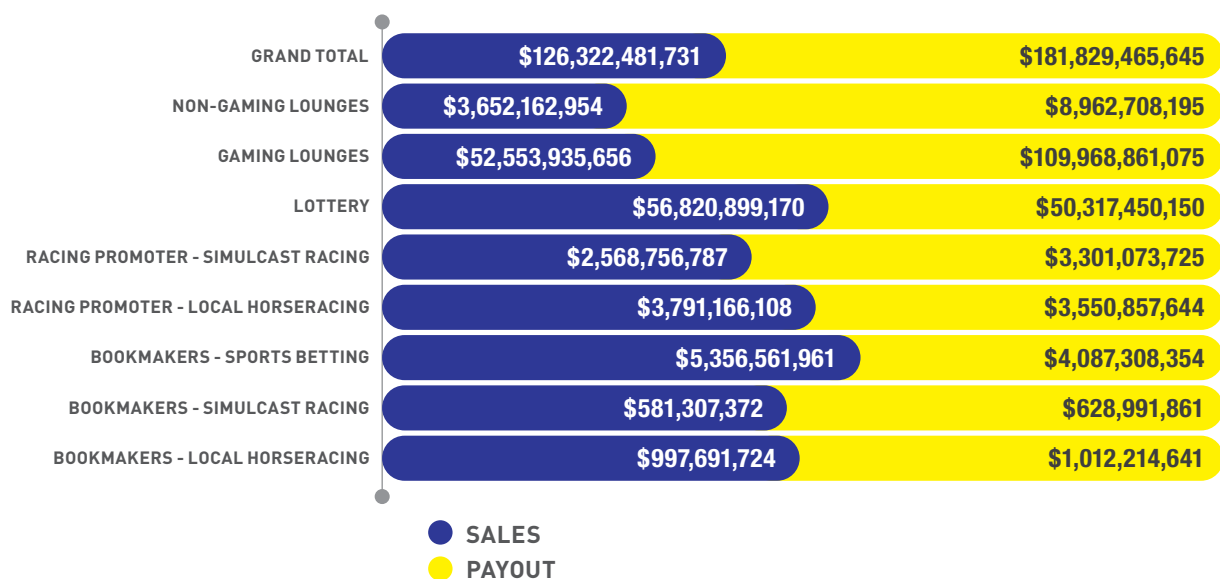
The lottery sector generated the highest industry sales and is the largest contributor to Government revenue at 91%, up from 88% in the prior year. Weekly ticket sales increased by 12.9% (\$6.5 billion) to \$56.8 billion. However, with prize liability of \$30.5 billion (an increase of \$5.7 billion), the total weekly gross revenue increased by 4.7% year over year. The resulting Government revenue increased by 9%.

In the Gaming sector, sales from slot machines over the year in review decreased by 52.7% and contributed 4.5% to Government revenue.

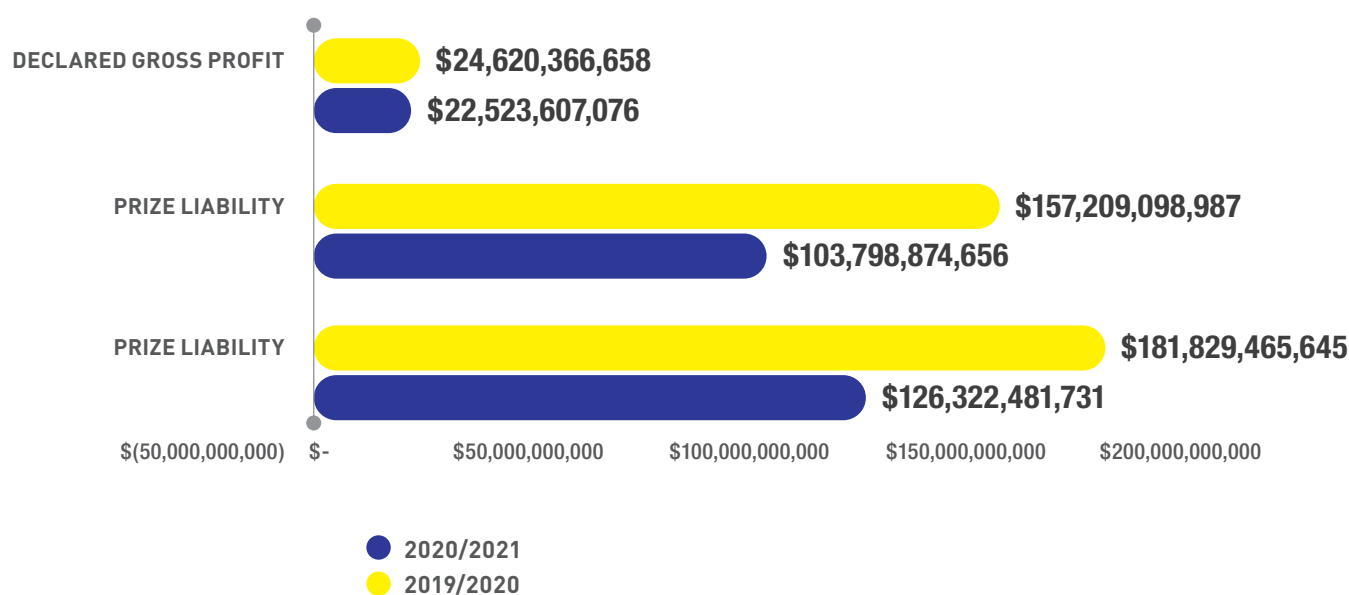
Betting sector total sales increased by 5.7% and contributed 4% of total Government revenue. Sports betting sales increased by \$1.27 billion but decreases were reflected in fixed odds betting on local and simulcast horseracing.

Prize competitions and charitable bingos reflected a decline of 26% and 17% respectively. Prize competitions contributed 0.15% to Government revenue.

## 2 Year Sector Performance - SALES



## Declared Gross Profit



## Betting Sector

Betting includes bookmaking and pari-mutuel wagering on horseracing (local and simulcast) and sports betting, inclusive of online casino and poker games.

### The Impact of the Covid-19 Pandemic

#### Bookmakers

The shutdown of Caymanas Park and race tracks in the USA and UK translated to a drop in the number of horse races for punters to bet on and losses for bookmakers. Simultaneously, the suspension of football and other sports further restricted betting opportunities for punters. However, despite the effects of the pandemic, punters and bookmakers found new games to bet on, moving to other options such as virtual sports, fantasy sports and online casino and poker games. Lockdowns and the restrictions on movement caused a shift in betting using player account wagering along with the increased interest in online casino and poker games.

The sports betting industry was significantly impacted by the pandemic with the cancellation of major sporting events worldwide. This included the postponement of the Japan Olympics which was delayed to 2021. While horseracing opened and continued within the context of many restrictions, and live sporting events suspended, other major leagues and tournaments such as eSports took place, providing punters with some opportunities to place bets. In the last two quarters of the financial year, more live closed doors sporting events without spectators were increasingly attractive to punters seeking to place wagers.

#### The Racing Promoter

Caymanas Park operated by Supreme Ventures Racing & Entertainment Limited (SVREL), was shut down on March 21, 2020. This impacted all professional groups in the horseracing industry. Horse racing resumed on June 20, 2020, with the implementation of health and security measures, but without spectators. Punters wagered at the Off-track Betting Parlours and on the SVREL player account

wagering platform, mBet. Within a few months, spectators and punters were permitted on track with strict COVID-19 protocols.

During the year, SVREL embarked on various strategies to augment its revenue introducing a new bet type, the Reggae-6 exotic wager. This replaced the Sunrise 6 bet type with a guaranteed jackpot of \$2m along with carryovers. This new bet type became popular and is one of the factors contributing to increased revenue from local horseracing.

### Betting Sector Performance

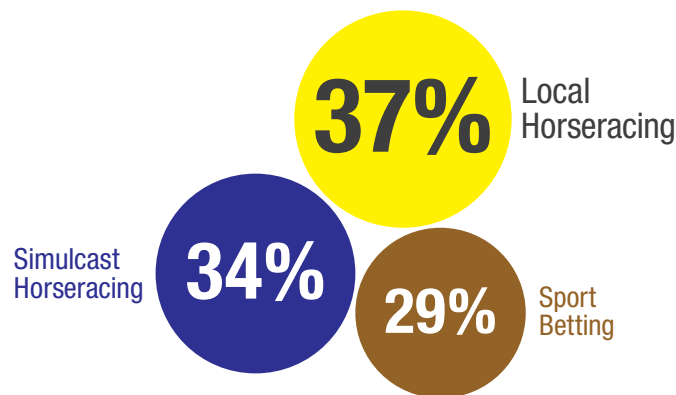
In a year of unprecedented disruption caused by COVID-19, sales on wagering on local and simulcast horseracing and sports betting generated by bookmakers and the racing promoter totalled \$13.295 billion, a 5.7% increase over 2019/2020. Wagering on sports betting resulted in a 31% increase in sales. Both local and simulcast horseracing decreased in the bookmaker’s segment, however, the racing promoter reflected an increase in wagering on local horseracing of 6.8% and a decrease of 22% in simulcast horseracing.

### Declared Gross Profit

	SALES	SALES		PAYOUT	PAYOUT	GROSS PROFIT	GROSS PROFIT
	2020/2021	2019/2020		2020/2021	2019/2020	2020/2021	2019/2020
	\$	\$	%	\$	\$	\$	\$
Bookmakers - Local Horse Racing	997,691,724	1,012,214,641	-1.4%	634,732,308	626,086,989	362,959,416	386,127,652
Bookmakers - Simulcast Racing	581,307,372	628,991,861	-7.6%	419,817,583	437,801,499	161,489,789	191,190,362
Bookmakers - Sports Betting	5,356,561,961	4,087,308,354	31.1%	4,523,110,944	3,307,979,960	833,451,016	779,328,394
Racing Promoter - Local Horse Racing	3,791,166,108	3,550,857,644	6.8%	3,195,459,578	3,127,369,021	595,706,530	423,488,623
Racing Promoter - Simulcast Racing	2,568,756,787	3,301,073,725	-22.2%	1,602,594,270	2,085,407,638	966,162,517	1,215,666,087
<b>GRAND TOTAL</b>	<b>13,295,483,951</b>	<b>12,580,446,225</b>	<b>5.7%</b>	<b>10,375,714,683</b>	<b>9,584,645,107</b>	<b>2,919,769,268</b>	<b>2,995,801,118</b>

Betting on local horseracing represented 60% of total horseracing sales while simulcast horseracing represented 40%.

### Segment % Contribution to Government Revenue



Bookmakers contributed 52% of total betting sales and the racing promoter 48%. Conversely, bookmakers contributed 47% of declared gross profit and the Racing Promoter 53%.

## Local & Simulcast Horseracing

The racing promoter, SVREL, accounted for 80% of total horseracing sales with the remaining 20% coming from bookmakers. Horseracing, the dominant component of the betting market with \$2.919bn in declared gross profit, is controlled by SVREL, contributing 80% of sales on local and simulcast horseracing. Bookmakers contributed 47% of the total gross profit in the betting sector available for Government levies while the racing promoter accounted for 53%.

## Sports Betting

Prime Sports (Jamaica) Limited (Justbet) was the dominant brand followed by Post to Post Betting Limited. Over the last five years, Post to Post Betting (Anybet) brand was the leading brand. In 2019, Supreme Ventures Limited acquired 51% shareholding in Post to Post Betting Limited and subsequent to the March 2021 (April 2021), a further 29% shareholding interest was acquired bringing its total shareholdings to 80%.

## Performance of Bookmakers

2020-2021	BOOKMAKERS - LOCAL HORSE RACING	BOOKMAKERS - SIMULCAST RACING	BOOKMAKERS - SPORTS BETTING	TOTAL
	\$	\$	\$	\$
SALES	997,691,724	581,307,372	5,356,561,961	6,935,561,056
PAYOUT	634,732,308	419,817,583	4,523,110,944	5,577,660,835
GROSS PROFIT	362,959,416	161,489,789	833,451,016	1,357,900,221
Taxes, Levy, Contribution	60,468,556	26,912,382	83,041,652	170,422,590

2019-2020	BOOKMAKERS - LOCAL HORSE RACING	BOOKMAKERS - SIMULCAST RACING	BOOKMAKERS - SPORTS BETTING	TOTAL
SALES	1,012,214,641	628,991,861	4,087,308,354	5,728,514,856
PAYOUT	626,086,989	437,801,499	3,307,979,960	5,212,776,659
GROSS PROFIT	386,127,652	191,190,362	779,328,394	1,639,154,710
Taxes, Levy, Contribution	64,395,782	32,599,070	80,786,472	177,781,324

2020 saw sports betting expansion with bookmakers expanding sportsbooks and rolling out enhanced player account wagering with a suite of online casino games and other sporting events. While bookmakers' sales increased by 21%, some bookmakers experienced decreases in sales, primarily Post to Post Betting, Ideal Betting and Jamozzie Investments Ltd.

Technology has changed the landscape and with the COVID-19 curfew measures in effect, bookmakers with mobile app and websites redefined the gambling experience, and customer interaction as industry operations, product lines and services changed. The result, increased sales from Bookmakers. During the year, Prime Sports (Jamaica) Limited, and Island Sizzling Tech. Limited offered player account wagering and expanded their suite of products to punters. Post to Post Betting Limited introduced player account wagering in the last quarter of the financial year.

## Comparative Summary of Bookmakers Sales Payout & Gross Profit

BOOKMAKERS	2020-2021			2019-2020			% CHANGE		
	SALES \$	PAYOUT \$	GROSS PROFIT \$	SALES \$	PAYOUT \$	GROSS PROFIT \$	SALES %	PAYOUTS %	GROSS PROFIT %
Capital Betting & Wagering Limited	176,152,306	115,577,736	60,574,571	141,355,779	90,372,973	50,982,806	25%	28%	19%
Ideal Betting Company Limited	231,470,312	148,460,923	83,009,389	283,617,962	172,024,530	111,593,433	-18%	-14%	-26%
Island Sizzling t/a Island Bet	669,839,327	616,681,267	53,158,060	285,708,294	246,522,763	39,185,530	134%	150%	36%
Jamozzie Investments Limited t/a BetCris	241,540,196	219,701,303	21,838,893	270,618,675	253,160,533	17,458,142	-11%	-13%	25%
Post to Post Betting Limited (AnyBet)	2,476,634,296	1,893,078,740	583,555,556	3,313,646,902	2,504,481,977	809,164,925	-25%	-24%	-28%
Prime Sports Jamaica Limited (JustBet)	3,139,924,620	2,584,160,867	555,763,753	1,433,567,246	1,105,305,673	328,261,573	119%	134%	69%
<b>TOTAL</b>	<b>6,935,561,056</b>	<b>5,577,660,835</b>	<b>1,357,900,221</b>	<b>5,728,514,857</b>	<b>4,371,868,448</b>	<b>1,356,646,409</b>	<b>21%</b>	<b>28%</b>	<b>0.09%</b>

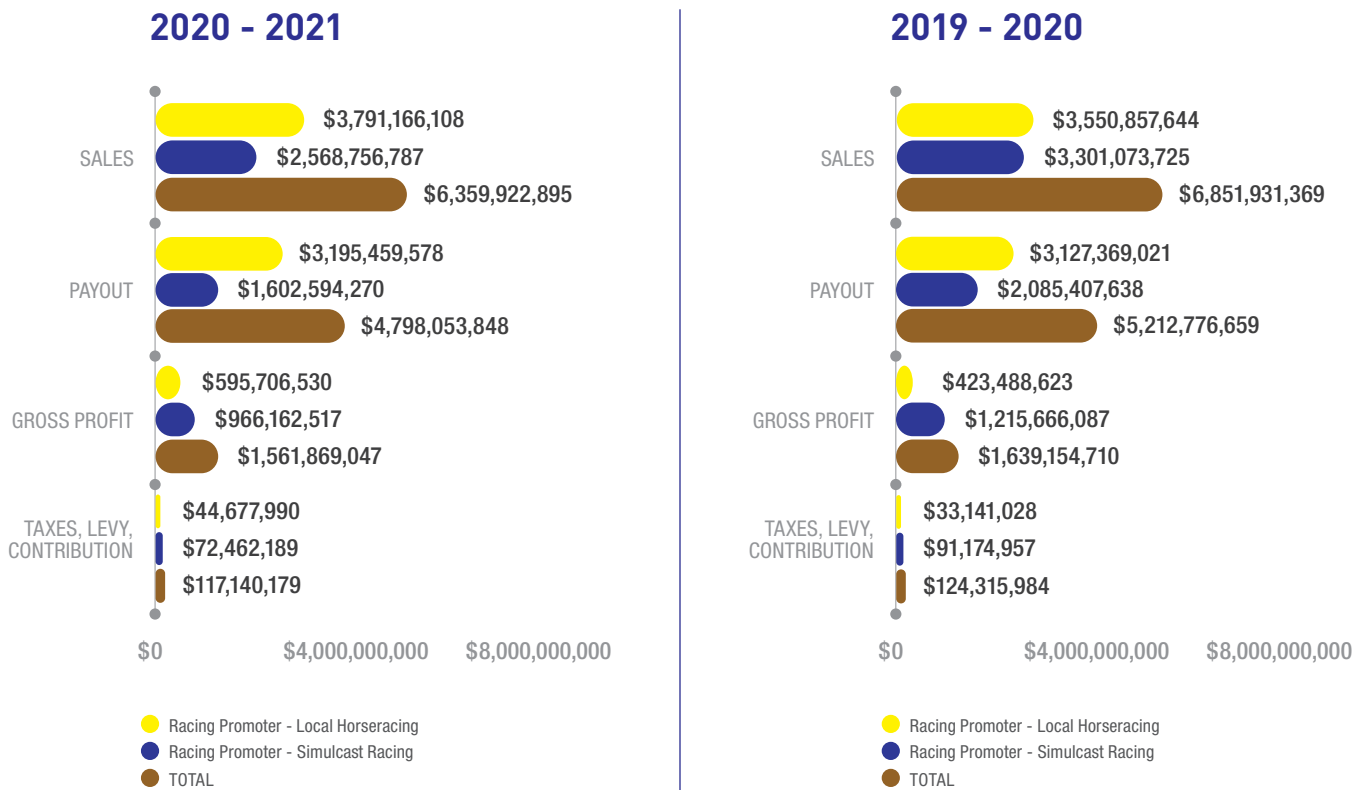
## Performance of the Racing Promoter – Supreme Ventures Racing & Entertainment Limited (SVREL)

For 2020/2021, SVREL recorded a 6.8% increase in sales in local horseracing and a 22.2% decrease in sales in simulcast horseracing. Local horseracing contributed 60% to earnings within the sector while simulcast races contributed 40%. However, simulcast racing accounted for 62% 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 primarily because there is a higher payout on local horseracing together with purses being a deductible, thereby reducing the intake to Government revenue.

The favourable performance in local horseracing sales is attributable to:

- Strategic alliances with international markets in the US, and Guyana facilitating exportation of simulcast signal.
- Expansion of offtrack betting (OTB) parlour network
- Promotion of mobile gaming app - Mbet player account wagering
- Introduction of parlay betting and English racing
- Introduction of new bet types
- Adjustments to mandatory payouts for various bet types



## Betting Sector Taxes, Duties and Levies

Total government revenue earned from the betting industry amounted to J\$328.02m with J\$306.95m collected.

### Government Revenue earned from Betting Sector

LEVIES	2020-2021		2019-2020	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	\$	\$	\$	\$
Consolidated Fund	97,468,879	93,698,733	96,577,141	98,561,727
CHASE	8,309,786	7,749,004	7,798,028	8,002,741
BGLC	45,474,834	35,193,707	39,065,966	39,891,583
JRC	136,309,269	129,854,726	148,051,955	150,697,815
<b>Sub-total</b>	<b>287,562,769</b>	<b>266,496,169</b>	<b>291,493,091</b>	<b>297,153,867</b>
BGLC - Unclaimed Winnings	32,362,951	32,362,951	10,604,217	10,604,217
BGLC - Permit & Licence Fees	8,092,000	8,092,000	8,683,000	8,683,000
<b>TOTAL</b>	<b>328,017,720</b>	<b>306,951,121</b>	<b>310,780,308</b>	<b>316,441,084</b>

### Betting Sector Taxes Duties & Levies

	LOCAL RACING		SIMULCAST RACING		SPORTING EVENTS		TOTAL	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	\$	\$	\$	\$	\$	\$	\$	\$
Consolidated Fund	5,576,535	5,268,626	2,486,464	2,483,411	58,168,499	55,188,757	66,231,498	62,940,793
CHASE	-	-	-	-	8,309,786	7,749,004	8,309,786	7,749,004
BGLC	9,148,670	8,691,698	4,144,107	4,118,049	16,563,367	7,741,382	29,856,144	20,551,128
JRC	45,743,351	43,429,284	20,281,811	20,514,325	-	-	66,025,162	63,943,610
<b>Total for Bookmakers</b>	<b>60,468,556</b>	<b>57,389,608</b>	<b>26,912,382</b>	<b>27,115,785</b>	<b>83,041,652</b>	<b>70,679,143</b>	<b>170,422,590</b>	<b>155,184,536</b>
<b>RACING PROMOTER - 2020/2021</b>								
	LOCAL RACING		SIMULCAST RACING				TOTAL	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED			PAYABLE	COLLECTED
Consolidated Fund	11,914,131	11,460,998	19,323,250	19,296,942			31,237,381	30,757,939
CHASE	-	-	-	-			-	-
BGLC	5,957,065	5,522,019	9,661,625	9,120,559			15,618,690	14,642,578
JRC	26,806,794	24,868,599	43,477,313	41,042,518			70,284,107	65,911,116
<b>Total for Racing Promoter</b>	<b>44,677,990</b>	<b>41,851,615</b>	<b>72,462,189</b>	<b>69,460,019</b>			<b>117,140,179</b>	<b>111,311,634</b>
<b>INDUSTRY TOTAL</b>	<b>105,146,546</b>	<b>99,241,222</b>	<b>99,374,571</b>	<b>96,575,804</b>	<b>83,041,652</b>	<b>70,679,143</b>	<b>287,562,769</b>	<b>266,496,169</b>

## Lottery Sector

Performance of the sector is measured in term of sales across the three categories: declared lottery, daily numbers game and instant lottery. Similarly, Government revenue is measured in terms of the tax, levy, fees, contributions, and unclaimed winnings derived from weekly gross revenue and weekly ticket sales, respectively.

### The Impact of the Covid-19 Pandemic

The lottery sector, dominated by Prime Sports (Jamaica) Limited (PSJL) at the start of the COVID-19 pandemic, remained opened. However, some lottery retailers were closed during the period April – June 2020. While curfew measures and other COVID-19 restrictions impacted PSJL's operations, the licensee

responded to the pandemic by introducing diversified products and expanding its delivery channels. During the pandemic, the following was introduced:

- Enhancement to PSJL Interactive Gaming platform and the mobile app - Supreme Game App
- Introduction of a new pick 1 game, Hot Pick
- Introduction of subagents /Mobile Point of Sales (mPOS) devices and agents, marketed as Supa Sellaz. These subagents are attached to the lottery agent’s locations
- Periodic changes to its base payout rate for Cash Pot game

### New Entrants to the Lottery Market

On February 5 and 10, 2021, Mahoe Gaming Enterprises Limited and Goodwill Gaming Enterprises Limited commenced operations, respectively.

The lottery sector now comprises three (3) promoters with retail sales outlets and mobile point of sales sellers/terminals being offered by PSJL and Goodwill.

The operators and their respective brands are:

- Prime Sports (Jamaica) Limited - SV Games
- Mahoe Gaming Enterprises Limited - IZZIZI
- Goodwill Gaming Enterprises Limited - Lucky Play

### Lottery Games

LOTTERY PROMOTER	DECLARED LOTTERY	DAILY NUMBERS GAME & INSTANT LOTTERY
PRIME SPORTS (SV GAMES)	Lotto	Cash Pot
	Super Lotto	Dollaz
		Lucky 5
		Money Time
		Pick 2
		Pick 3
		Pick 4
		Top Draw
		Hot Pick
		MAHOE (IZZIZI)
		Lucky Day Lotto
		HaTTrik
		4 Play
		Quickie
GOODWILL (LUCKY PLAY)	Dream 6	Big Pot
		Super 5



## Performance of the Lottery Sector

Total sales generated amounted to \$56.8 billion, a 12.9% increase over 2019/2020 contributing \$17.3 billion in Weekly Gross Revenue (4.7% increase). Prize liability increased by 16.9% year over year.

Year over year sales increased in the following games: Cash Pot (21.5%), Super Lotto (16.6%), Dollaz (9.1%), Lucky 5 (6.2%) and Top Draw (4.6%).

Decreases were recorded for: Lotto (-23.2%), Money Time (-18.9%), and Pick 2 (-7.5%).

Based on the average payout, weekly gross revenue decreased for games: Lotto (-19.6%), Money Time (-17%), Pick 2 (-9.1%), Pick 3 (-0.9%) and Pick 4 (-9%).

Cash Pot 's prize liability increased by 26.9% and weekly gross revenue increased by 8%.

## Betting Sector Taxes Duties & Levies

LOTTERY PROMOTER	DECLARED LOTTERY	DAILY NUMBERS GAME & INSTANT LOTTERY	SALES	PRIZE LIABILITY	WEEKLY GROSS REVENUE
			\$	\$	\$
PRIME SPORTS (SV GAMES)	Lotto		1,218,183,700	335,327,247	882,856,453
	Super Lotto		1,084,461,500	493,632,100	590,829,400
		Cash Pot	40,821,988,680	30,357,881,550	10,464,107,130
		Dollaz	377,429,540	203,525,895	173,903,645
		Lucky 5	301,124,130	138,447,942	162,676,188
		Money Time	6,150,401,360	4,074,185,505	2,076,215,855
		Pick 2	196,761,100	116,963,000	79,798,100
		Pick 3	2,356,491,160	1,431,847,000	924,644,160
		Pick 4	3,183,671,800	1,648,215,000	1,535,456,800
		Top Draw	738,395,600	437,723,005	300,672,595
		Hot Pick	55,242,580	37,038,400	18,204,180
MAHOE (IZZIZI)		1(One) Drop	101,457,490	74,388,150	27,069,340
		Lucky Day Lotto	11,722,800	5,553,200	6,169,600
		HaTTrik	19,277,770	11,871,500	7,406,270
		4 Play	33,180,260	19,505,000	13,675,260
		Quickie	121,745,010	87,823,760	33,921,250
GOODWILL (LUCKY PLAY)	Dream 6		3,508,300	551,600	2,956,700
		Big Pot	35,565,410	29,129,700	6,435,710
		Super 5	10,290,980	7,090,140	3,200,840
<b>GRAND TOTAL</b>			<b>56,820,899,170</b>	<b>39,510,699,694</b>	<b>17,310,199,476</b>
<b>2019-2020</b>			<b>50,317,450,150</b>	<b>33,788,551,437</b>	<b>16,528,898,713</b>
<b>VARIANCE</b>			<b>12.92%</b>	<b>16.94%</b>	<b>4.73%</b>

## Lottery Tax, Winnings Levy, Fees - CHASE and BGLC Fees

Total Government Revenue from the Lottery sector i.e. Lottery Taxes, Winnings Levy and Contributions to BGLC amounted to J\$7.4996 billion reflecting a 7% increase over prior year.

52% of total revenue from lottery is allocated to the Consolidated Fund, 30% to Consolidated Fund – CHASE and 17% to BGLC.

## Government Revenue from Lottery Games Taxes, Levy and Fees Paid to Consolidated Fund and BGLC

LOTTERY GAMES	CONSOLIDATED FUND				BGLC	TOTAL GOVERNMENT REVENUE
	LOTTERY TAX	WINNINGS LEVY	FEES - CHASE	SUB TOTAL		
	\$	\$	\$	\$	\$	\$
Lotto	215,457,403	55,080,819	45,451,806	315,990,028	22,414,587	338,404,615
Super Lotto	131,692,397	10,927,140	39,582,844	182,202,381	19,520,310	201,722,691
Cash Pot	2,092,104,053	54,910,463	1,496,495,048	3,643,509,564	737,997,560	4,381,507,124
Dollaz	43,475,919	4,585,809	13,776,174	61,837,902	6,793,731	68,631,633
Lucky 5	33,441,117	18,435,268	11,253,922	63,130,307	5,549,883	68,680,190
Money Time	417,988,213	9,502,931	225,935,024	653,426,168	111,420,009	764,846,177
Pick 2	15,959,620	768,640	7,181,780	23,910,040	3,541,701	27,451,742
Pick 3	184,928,832	10,454,200	86,011,924	281,394,956	42,416,840	323,811,796
Pick 4	317,580,062	173,390,850	116,442,403	607,413,315	57,423,654	664,836,969
Top Draw	60,508,336	44,231,966	27,200,618	131,940,920	13,414,000	145,354,920
Hot Pick	4,560,628	4,000	2,557,645	7,122,273	1,261,303	8,383,577
1(One) Drop	5,413,868	158,460	3,703,292	9,275,620	1,826,235	11,101,855
Lucky Day Lotto	1,233,920	180,000	427,882	1,841,802	211,010	2,052,813
HaTrik	1,478,174	495,420	703,707	2,677,301	347,000	3,024,301
4 Play	2,812,356	2,281,500	1,211,161	6,305,017	597,245	6,902,261
Quickie	6,784,232	403,730	4,444,174	11,632,136	2,191,410	13,823,546
Dream 6	739,175	22,200	128,053	889,428	63,149	952,578
Big Pot	1,991,992	22,200	1,298,138	3,312,330	640,177	3,952,507
Super 5	1,464,936	957,596	375,621	2,798,153	185,238	2,983,390
<b>Sub-total</b>	<b>3,539,615,233</b>	<b>386,813,192</b>	<b>2,084,181,217</b>	<b>6,010,609,642</b>	<b>1,027,815,043</b>	<b>7,038,424,685</b>
Unclaimed Winnings		7,790,696	197,075,050	204,865,746	197,075,050	401,940,796
Licence Fees					59,200,725	59,200,725
<b>GRAND TOTAL</b>	<b>3,539,615,233</b>	<b>394,603,888</b>	<b>2,281,256,267</b>	<b>6,215,475,388</b>	<b>1,284,090,818</b>	<b>7,499,566,206</b>
<b>2019-2020</b>	<b>3,630,227,494</b>	<b>386,214,204</b>	<b>1,853,761,048</b>	<b>5,870,202,746</b>	<b>1,157,353,135</b>	<b>7,027,555,881</b>
	-2%	2%	23%	6%	11%	7%

## Gaming Sector

*Gaming Lounges & Non-gaming Lounges<sup>1</sup>*

### The Impact of the Covid-19 Pandemic

The Covid-19 pandemic has had a devastating effect on slot machine operators in the gaming industry, with gaming lounges, particularly those in hotels, as well as non-gaming lounges across the island taking the brunt of the impact.

Gaming lounges and non-gaming lounges (Under 19's - operators of slot machines with up to nineteen (19) gaming machines) were closed from mid March to early July 2020. Those in hotels were unable to welcome guests/tourists to their gaming establishment as most hotels were closed due to reduced in-bound visitors to Jamaica, awaiting the phased reopening of Jamaica's borders, the Government's protocols for incoming visitors, the opening of the North Coast "Resilient Corridor" and the assessment and clearance by the Tourism Product Development Company (an entity overseen by the Ministry of Tourism that facilitates the maintenance and development the island's tourism product) which issues COVID-19 readiness certificates in conjunction with the Ministry of Health and Wellness.

<sup>1</sup> 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).

The gaming sector reopened July 2020, with heavy curfew measures and guided by the reopening guidelines and operating protocols issued by the BGLC.

The financial impact of the pandemic on the gaming sector has been extreme, and the sales and Government revenue show the economic realities of COVID-19 on the sector. Some operations have closed permanently, and many employees have lost their jobs. Six (6) gaming lounge premises, of which five (5) are located in hotels with an aggregate of 208 slot machines, closed during the financial year. Twenty-nine (29) non-gaming lounge premises with an aggregate of 180 slot machines also closed.

Restricted opening hours, maximum occupancy and amenity limitations, social distancing protocols, restricted gaming offers, placement of gaming machines/seats to meet social distancing protocols, protective measures including plexiglass and masks are some of the hurdles that the gaming establishments faced in the year.

### Closed Gaming Locations by Parish

PARISH	GAMING LOUNGES		NON-GAMING LOUNGES	
	PRESCRIBED PREMISES CLOSED	SLOT MACHINES/ SEATS	PRESCRIBED PREMISES CLOSED	SLOT MACHINES/ SEATS
St Andrew	-	-	8	58
St. Catherine	-	-	10	48
St. Ann	2	92	1	5
St. James	4	116	2	7
Hanover	-	-	1	5
Westmoreland	-	-	3	27
Kingston	-	-	2	20
St. Thomas	-	-	1	5
Portland	-	-	1	5
<b>TOTAL</b>	<b>6</b>	<b>208</b>	<b>29</b>	<b>180</b>

### Gaming Sector Performance

Gaming lounges and non-gaming lounges recorded sales of \$56.21 billion, a 53% reduction when compared to prior year, and declared gross profit of \$2.29 billion (55% reduction).

Total Government revenue earned amounted to \$366.1 million, a decrease of 43% compared to prior year. Gross Profit Tax decreased by 48%.

Thirteen (13) gaming lounges with an aggregate of 1,988 slot machines in eighteen (18) gaming lounges/hotel premises generated \$212.1 million in Government revenue while eighteen (18) non-gaming lounges with forty-three (43) prescribed premises recorded \$17.4 million in Government revenue.

Revenue from gaming machines is driven by the number and type of gaming machines as well as player's slot machine games preference.

As at year end, a total of 14,750 gaming machines were registered with 19% slot machines and 81% locally-made gaming machines:

Type of Lounge	No. of Machines		
	Slots	Local	Total
Gaming Lounges	1,953	-	1,953
Non-Gaming Lounges (19 & Under)	287	12,330	12,617
<b>TOTAL</b>	<b>2,240</b>	<b>12,330</b>	<b>14,570</b>

Total licence fees from the gaming sector amounted to \$136.697million of which \$132.847million relates to licensing of gaming machines and \$3.85m relates to Technical Services Providers licence fees.

Government revenue from Gross Profit Tax totaling \$229.3million generated by slot machines was earned primarily in the parish of St. Andrew (67.79%), followed by St. James (21.87%) and St. Ann (4.49%).

### Trend in Sales, Payout and Gross Profits

SALES	GAMING LOUNGES	NON- GAMING LOUNGES	TOTAL SALES
	\$	\$	\$
2020/2021	52,553,935,656	3,652,162,954	56,206,098,609
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

PAYOUTS	GAMING LOUNGES	NON- GAMING LOUNGES	TOTAL PAYOUTS
	\$	\$	\$
2020/2021	50,434,295,417	3,478,164,862	53,912,460,279
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

GROSS PROFIT	GAMING LOUNGES	NON- GAMING LOUNGES	TOTAL GROSS PROFIT
	\$	\$	\$
2020/2021	2,119,640,239	173,998,092	2,293,638,331
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

## Gaming Lounges Within & Outside Hotels in the EGA

GAMING LOUNGES IN THE EXCLUSIVE GEOGRAPHICAL AREA (EGA) OUTSIDE HOTELS			
LICENSEE	PARISHES	GAMING LOUNGES	# of Seats
EVERGLADES FARM	St. James	Vegas - Bogue	75
YAHMAN TECHNOLOGY	St. James	Treasure Hunt - Whitter Village	217
SMWS GAMES LIMITED	St. James	Mosino Gaming	137
ISLAND ENTERTAINMENT	St. James	Coral Cliff	178

GAMING LOUNGES IN THE EXCLUSIVE GEOGRAPHICAL AREA (EGA) IN HOTELS			
LICENSEE	PARISHES	GAMING LOUNGES	# of Seats
ONISAC GAMING LIMITED	Hanover	Grand Palladium	60
WORLDWIDE CONCEPTS INTERNATIONAL LTD	Trelawny	Ocean Coral Springs	61
JAYVEGAS LIMITED	St. James	Iberostar Suite Resort	26
	St. James	Secrets Resorts	33

## The 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	186	10,041,530,747	9,648,564,056	392,966,691	96.09%	25,542,835	3,929,667	9,824,167	39,296,669
2	"100" Vault Gaming Lounge	133	9,343,792,154	9,008,623,826	335,168,329	96.41%	21,785,941	3,351,683	8,379,208	33,516,833
3	Treasure Hunt - Whitter Village	217	6,879,600,941	6,658,151,324	221,449,617	96.78%	14,394,225	2,214,496	5,536,240	22,144,962
4	Monte Carlo	225	6,755,096,743	6,315,425,144	439,671,599	93.49%	28,578,654	4,396,716	10,991,790	43,967,160
5	Acropolis Barbican	194	5,767,674,507	5,528,186,014	239,488,492	95.85%	15,566,752	2,394,885	5,987,212	23,948,849
6	Treasure Hunt - Kgn	132	3,645,365,617	3,585,492,398	59,873,219	98.36%	3,891,759	598,732	1,496,830	5,987,322
7	Coral Cliff	178	2,451,209,657	2,323,457,480	127,752,177	94.79%	8,303,892	1,277,522	3,193,804	12,775,218
8	Reno Gaming	146	2,326,011,726	2,235,590,591	90,421,135	96.11%	5,877,374	904,211	2,260,528	9,042,114
9	Mosino	137	2,056,928,269	1,984,368,200	72,560,070	96.47%	4,716,405	725,601	1,814,002	7,256,007
10	Vegas - Bogue	75	1,961,031,244	1,900,140,002	60,891,242	96.89%	3,957,931	608,912	1,522,281	6,089,124

## Summary of Gaming Sector Gross Profit, Levy, Contributions & Fees

	TAJ									
	CONSOLIDATED FUND		CHASE		BGLC		TOTAL			
	PAYABLE	PAID	PAYABLE	PAID	PAYABLE	PAID	PAYABLE	PAID	PAYABLE	PAID
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross Profit Levy	6.50%		1%		2.50%					
Gaming Lounges	137,776,616	130,602,217	21,196,402	21,445,669	52,991,006	58,064,724	211,964,024	210,112,611		
Under 19 Machine Operators	11,309,876	7,390,414	1,739,981	1,155,131	4,349,952	2,508,901	17,399,809	11,054,446		
<b>TOTAL</b>	<b>149,086,491</b>	<b>137,992,631</b>	<b>22,936,383</b>	<b>22,600,801</b>	<b>57,340,958</b>	<b>60,573,625</b>	<b>229,363,833</b>	<b>221,167,057</b>		
Gaming Machine Levies & Fees	62,138,680	62,138,680	-	-	70,708,750	70,708,750	132,847,430	132,847,430		
Technical Service Providers (TSP) Fees	-	-	-	-	3,850,000	3,850,000	3,850,000	3,850,000		
<b>GRAND TOTAL</b>	<b>211,225,171</b>	<b>200,131,311</b>	<b>22,936,383</b>	<b>22,600,801</b>	<b>131,899,708</b>	<b>135,132,375</b>	<b>366,061,263</b>	<b>357,864,487</b>		
<b>2019-2020</b>							<b>641,706,003</b>	<b>636,825,224</b>		
<b>% Change</b>							<b>-43%</b>	<b>-44%</b>		

## 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	912	1,504,234,339	150,423,434	70.97%	127	77,325,851	7,732,585	44.44%	1,039	1,581,560,190	158,156,019	68.95%
2	St.James	666	487,781,362	48,778,136	23.01%	44	22,490,792	2,249,079	12.93%	710	510,272,153	51,027,215	22.25%
3	St.Ann	243	94,423,596	9,442,360	4.45%	8	10,395,525	1,039,553	5.97%	251	104,819,121	10,481,912	4.57%
4	Hanover	60	5,647,173	564,717	0.27%	51	10,315,402	1,031,540	5.93%	111	15,962,575	1,596,257	0.70%
5	Manchester	46	25,469,908	2,546,991	1.20%	0	0	0	0.00%	46	25,469,908	2,546,991	1.11%
6	St. Catherine					21	8,451,388	845,139	4.86%	21	8,451,388	845,139	0.37%
7	Westmoreland					43	4,704,607	470,461	2.70%	43	4,704,607	470,461	0.21%
8	St. Mary					27	7,409,510	740,951	4.26%	27	7,409,510	740,951	0.32%
9	Portland					0	0	0	0.00%	0	0	0	0.00%
10	Kingston					17	27,241,313	2,724,131	15.66%	17	27,241,313	2,724,131	1.19%
11	St. Thomas					0	0	0	0.00%	0	0	0	0.00%
12	Trelawny	61	2,083,862	208,366	0.10%	5	5,663,704	566,370	3.26%	66	7,747,566	774,757	0.34%
	<b>TOTAL</b>	<b>1,988</b>	<b>2,119,640,239</b>	<b>211,964,024</b>	<b>100.00%</b>	<b>343</b>	<b>173,998,092</b>	<b>17,399,809</b>	<b>100.00%</b>	<b>2,331</b>	<b>2,293,638,331</b>	<b>229,363,833</b>	<b>100.00%</b>

## Slot Machines Sales by Parish

PARISHES	GAMING LOUNGES	NON - GAMING LOUNGES	GRAND TOTAL
	\$	\$	\$
St. Andrew	36,336,974,124	1,519,587,997	37,856,562,121
St. James	13,428,034,319	336,682,750	13,764,717,068
St. Ann	2,357,390,545	244,319,708	2,601,710,253
Hanover	65,017,964	93,554,988	158,572,952
Manchester	328,289,960	-	328,289,960
St. Catherine	-	540,556,021	540,556,021
Westmoreland	-	145,521,515	145,521,515
St. Mary	-	65,660,165	65,660,165
Portland	-	-	-
Kingston	-	499,407,282	499,407,282
St. Thomas	-	-	-
Trelawny	38,228,744	206,872,529	245,101,273
<b>TOTAL</b>	<b>52,553,935,656</b>	<b>3,652,162,954</b>	<b>56,206,098,609</b>

## Performance of Gaming Lounges – by Parish

						GROSS PROFIT LEVY & CONTRIBUTION				
						TAJ PAYABLE		BGLC	TOTAL GOVERNMENT REVENUE	
GAMING LOUNGES	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % OF SALES	CONSOLIDATED FUND	FEES CHASE			
		\$	\$	\$	%	\$	\$	\$	\$	
						6.50%	1.00%	2.50%	10.00%	
<b>ST. ANDREW</b>										
1	Monte Carlo	225	6,755,096,743	6,315,425,144	439,671,599	93.49%	28,578,654	4,396,716	10,991,790	43,967,160
2	Vegas - Kgn	43	783,514,356	746,448,347	37,066,009	95.27%	2,409,291	370,660	926,650	3,706,601
3	Macau Gaming	186	10,041,530,747	9,648,564,056	392,966,691	96.09%	25,542,835	3,929,667	9,824,167	39,296,669
4	Acropolis Barbican	194	5,767,674,507	5,528,186,014	239,488,492	95.85%	15,566,752	2,394,885	5,987,212	23,948,849
5	Treasure Hunt - Kgn	132	3,645,365,617	3,585,492,398	59,873,219	98.36%	3,891,759	598,732	1,496,830	5,987,322
6	"100" Vault Gaming	133	9,343,792,154	9,008,623,826	335,168,329	96.41%	21,785,941	3,351,683	8,379,208	33,516,833
	<b>TOTAL</b>	<b>912</b>	<b>36,336,974,124</b>	<b>34,832,739,785</b>	<b>1,504,234,339</b>	<b>95.86%</b>	<b>97,775,232</b>	<b>15,042,343</b>	<b>37,605,858</b>	<b>150,423,434</b>
<b>ST. ANN</b>										
7	Reno Gaming	146	2,326,011,726	2,235,590,591	90,421,135	96.11%	5,877,374	904,211	2,260,528	9,042,114
8	Bahia Principe	46	12,521,638	11,117,054	1,404,584	88.78%	91,298	14,046	35,115	140,458
9	Club Jamaica	51	18,857,180	16,259,304	2,597,876	86.22%	168,862	25,979	64,947	259,788
	<b>TOTAL</b>	<b>243</b>	<b>2,357,390,545</b>	<b>2,262,966,949</b>	<b>94,423,596</b>	<b>95.99%</b>	<b>6,137,534</b>	<b>944,236</b>	<b>2,360,590</b>	<b>9,442,360</b>
<b>ST. JAMES</b>										
10	Vegas - Bogue	75	1,961,031,244	1,900,140,002	60,891,242	96.89%	3,957,931	608,912	1,522,281	6,089,124
11	Treasure Hunt - Whitter Village	217	6,879,600,941	6,658,151,324	221,449,617	96.78%	14,394,225	2,214,496	5,536,240	22,144,962
12	Mosino	137	2,056,928,269	1,984,368,200	72,560,070	96.47%	4,716,405	725,601	1,814,002	7,256,007
13	Iberostar Suite Resort	26	25,188,900	24,136,132	1,052,768	95.82%	68,430	10,528	26,319	105,277
14	Secrets	33	54,075,307	49,999,820	4,075,488	92.46%	264,907	40,755	101,887	407,549
15	Coral Cliff	178	2,451,209,657	2,323,457,480	127,752,177	94.79%	8,303,892	1,277,522	3,193,804	12,775,218
	<b>TOTAL</b>	<b>666</b>	<b>13,428,034,319</b>	<b>12,940,252,957</b>	<b>487,781,362</b>	<b>96.37%</b>	<b>31,705,789</b>	<b>4,877,814</b>	<b>12,194,534</b>	<b>48,778,136</b>
<b>HANOVER</b>										
16	Grand Palladium	60	65,017,964	59,370,792	5,647,173	91.31%	367,066	56,472	141,179	564,717
	<b>TOTAL</b>	<b>60</b>	<b>65,017,964</b>	<b>59,370,792</b>	<b>5,647,173</b>	<b>91.31%</b>	<b>367,066</b>	<b>56,472</b>	<b>141,179</b>	<b>564,717</b>
<b>MANDEVILLE</b>										
17	Vegas Mandeville	46	328,289,960	302,820,051	25,469,908	92.24%	1,655,544	254,699	636,748	2,546,991
	<b>TOTAL</b>	<b>46</b>	<b>328,289,960</b>	<b>302,820,051</b>	<b>25,469,908</b>	<b>92.24%</b>	<b>1,655,544</b>	<b>254,699</b>	<b>636,748</b>	<b>2,546,991</b>
<b>TRELAWNY</b>										
18	Ocean Coral Springs	61	38,228,744	36,144,883	2,083,862	94.55%	135,451	20,839	52,097	208,386
	<b>TOTAL</b>	<b>61</b>	<b>38,228,744</b>	<b>36,144,883</b>	<b>2,083,862</b>	<b>94.55%</b>	<b>135,451</b>	<b>20,839</b>	<b>52,097</b>	<b>208,386</b>
	<b>GRAND TOTAL</b>	<b>1,988</b>	<b>52,553,935,656</b>	<b>50,434,295,417</b>	<b>2,119,640,239</b>	<b>95.97%</b>	<b>137,776,616</b>	<b>21,196,402</b>	<b>52,991,006</b>	<b>211,964,024</b>



## Performance of Non-Gaming Lounges – by Parish

						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%	
<b>ST. ANDREW</b>										
1	Guinness Basement Pub	7	21,341,150	19,595,980	1,745,170	91.82%	113,436	17,452	43,629	174,517
2	Uptown Pub	14	27,579,410	24,840,410	2,739,000	90.07%	178,035	27,390	68,475	273,900
3	Games Room & Lounge	14	103,646,680	93,990,950	9,655,730	90.68%	627,622	96,557	241,393	965,573
4	Ice Jamaica - Sispet Sports Betting	9	343,123,832	332,574,651	10,549,181	96.93%	685,697	105,492	263,730	1,054,918
5	Ice Jamaica Limited - Acropolis Cross Roads	18	665,731,541	643,481,705	22,249,836	96.66%	1,446,239	222,498	556,246	2,224,984
6	Silver Top Tavern - Soltau	5	16,932,590	15,282,200	1,650,390	90.25%	107,275	16,504	41,260	165,039
7	Silver Top Tavern - Sudeene	2	8,248,220	7,404,020	844,200	89.77%	54,873	8,442	21,105	84,420
8	Ramdeen's Bar	7	7,573,360	6,721,390	851,970	88.75%	55,378	8,520	21,299	85,197
9	Ice Jamaica - Yap's Wholesale-Barbican	5	13,405	13,355	50	99.63%	3	1	1	5
10	Ice Jamaica - Uncle John's Caledonia Place	5	46,171,235	45,352,113	819,122	98.23%	53,243	8,191	20,478	81,912
11	Ice Jamaica - Uncle John 2 Windward Road	5	38,472,156	37,476,820	995,336	97.41%	64,697	9,953	24,883	99,534
12	Acropolis Cross Roads	10	15,483,612	9,365,054	6,118,558	60.48%	397,706	61,186	152,964	611,856
13	Ice Jamaica - Mango Tree Site- Regent Street	7	4,400,250	4,204,034	196,216	95.54%	12,754	1,962	4,905	19,622
14	Everglades Farms Vegas Manor Park formerly Christelle's	19	220,870,556	201,959,464	18,911,092	91.44%	1,229,221	189,111	472,777	1,891,109
<b>TOTAL</b>		<b>127</b>	<b>1,519,587,997</b>	<b>1,442,262,146</b>	<b>77,325,851</b>	<b>94.91%</b>	<b>5,026,180</b>	<b>773,259</b>	<b>1,933,146</b>	<b>7,732,585</b>
<b>ST. CATHERINE</b>										
15	Ice Jamaica - Regional Office Spanish Town	6	190,035,891	183,648,959	6,386,932	96.64%	415,151	63,869	159,673	638,693
16	Ice Jamaica - Willowdene Bar, Spanish Town	5	2,061,809	1,846,227	215,582	89.54%	14,013	2,156	5,390	21,558
17	Ice Jamaica - JJ Moblie & Phone Co. Spanish Town	5	314,906,162	314,149,604	756,558	99.76%	49,176	7,566	18,914	75,656
18	Ice Jamaica - Shell Old Harbour, Spanish Town	5	33,552,159	32,459,843	1,092,316	96.74%	71,001	10,923	27,308	109,232
<b>TOTAL</b>		<b>21</b>	<b>540,556,021</b>	<b>532,104,633</b>	<b>8,451,388</b>	<b>98.44%</b>	<b>549,340</b>	<b>84,514</b>	<b>211,285</b>	<b>845,139</b>
<b>ST. JAMES</b>										
19	B-Games & Bar	5	14,987,133	12,838,373	2,148,760	85.66%	139,669	21,488	53,719	214,876
20	T & B Games Room	4	6,415,920	5,398,277	1,017,643	84.14%	66,147	10,176	25,441	101,764
21	Game Time	19	186,944,380	175,459,210	11,485,170	93.86%	746,536	114,852	287,129	1,148,517
22	Ice Jamaica - Acropolis Regional Office Montego Bay	5	63,895,247	61,857,858	2,037,389	96.81%	132,430	20,374	50,935	203,739
23	Player's Lucky Spot; Maroon Town	4	52,234,580	48,143,200	4,091,380	92.17%	265,940	40,914	102,285	409,138
24	Frontline Sports Bar	2	1,517,710	1,275,600	242,110	84.05%	15,737	2,421	6,053	24,211
25	My Type Sports Bar	3	9,279,710	7,974,130	1,305,580	85.93%	84,863	13,056	32,640	130,558
26	RE Bar formerly Working Man Pub	2	1,408,070	1,245,310	162,760	88.44%	10,579	1,628	4,069	16,276
<b>TOTAL</b>		<b>44</b>	<b>336,682,750</b>	<b>314,191,958</b>	<b>22,490,792</b>	<b>93.32%</b>	<b>1,461,901</b>	<b>224,908</b>	<b>562,270</b>	<b>2,249,079</b>

## Performance by Non-Gaming Lounges – by Parish (Cont'd)

						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%	
<b>HANOVER</b>										
27	Lava Lounge	14	26,145,342	22,183,938	3,961,404	84.85%	257,491	39,614	99,035	396,140
28	Lucky 8 Games Room	16	28,604,492	26,410,958	2,193,534	92.33%	142,580	21,935	54,838	219,353
29	Central Gaming & Bar	5	23,529,770	21,305,330	2,224,440	90.55%	144,589	22,244	55,611	222,444
30	Frontline	5	1,655,872	1,366,536	289,336	82.53%	18,807	2,893	7,233	28,934
31	Courtyard Games & Bar	5	11,227,650	9,895,110	1,332,540	88.13%	86,615	13,325	33,314	133,254
32	The Game Shack	5	281,440	251,120	30,320	89.23%	1,971	303	758	3,032
33	Winners Game Den & Bar	1	2,110,422	1,826,594	283,828	86.55%	18,449	2,838	7,096	28,383
<b>TOTAL</b>		<b>51</b>	<b>93,554,988</b>	<b>83,239,586</b>	<b>10,315,402</b>	<b>88.97%</b>	<b>670,501</b>	<b>103,154</b>	<b>257,885</b>	<b>1,031,540</b>
<b>WESTMORELAND</b>										
34	P & M Sports Bar	9	83,354,720	80,390,330	2,964,390	96.44%	192,685	29,644	74,110	296,439
35	Ice Jamaica - Prime Sports Regional Office - Sav	8	54,329,453	53,107,233	1,222,220	97.75%	79,444	12,222	30,556	122,222
36	Couples Negril	8	1,378,285	1,155,876	222,409	83.86%	14,457	2,224	5,560	22,241
37	Couples Swept Away	18	6,459,057	6,163,469	295,588	95.42%	19,213	2,956	7,390	29,559
<b>TOTAL</b>		<b>43</b>	<b>145,521,515</b>	<b>140,816,908</b>	<b>4,704,607</b>	<b>96.77%</b>	<b>305,799</b>	<b>47,046</b>	<b>117,615</b>	<b>470,461</b>
<b>ST. MARY</b>										
38	Las Vegas	14	33,944,910	29,562,650	4,382,260	87.09%	284,847	43,823	109,557	438,226
39	Purple Rock Gaming	13	31,715,255	28,688,004	3,027,250	90.45%	196,771	30,273	75,681	302,725
<b>TOTAL</b>		<b>27</b>	<b>65,660,165</b>	<b>58,250,654</b>	<b>7,409,510</b>	<b>88.72%</b>	<b>481,618</b>	<b>74,095</b>	<b>185,238</b>	<b>740,951</b>
<b>KINGSTON</b>										
40	Ice Jamaica - Tower Gaming	10	420,029,245	395,189,528	24,839,717	94.09%	1,614,582	248,397	620,993	2,483,972
41	Ice Jamaica - Just Kool Games Upper King Street	7	79,378,037	76,976,441	2,401,596	96.97%	156,104	24,016	60,040	240,160
<b>TOTAL</b>		<b>17</b>	<b>499,407,282</b>	<b>472,165,969</b>	<b>27,241,313</b>	<b>94.55%</b>	<b>1,770,685</b>	<b>272,413</b>	<b>681,033</b>	<b>2,724,131</b>
<b>TRELAWNY</b>										
42	Ice Jamaica - Royal Remittance	5	206,872,529	201,208,825	5,663,704	97.26%	368,141	56,637	141,593	566,370
<b>TOTAL</b>		<b>5</b>	<b>206,872,529</b>	<b>201,208,825</b>	<b>5,663,704</b>	<b>97.26%</b>	<b>368,141</b>	<b>56,637</b>	<b>141,593</b>	<b>566,370</b>
<b>ST. ANN</b>										
43	Ice Jamaica- Ocho Rios	8	244,319,708	233,924,183	10,395,525	95.75%	675,709	103,955	259,888	1,039,553
<b>TOTAL</b>		<b>8</b>	<b>244,319,708</b>	<b>233,924,183</b>	<b>10,395,525</b>	<b>95.75%</b>	<b>675,709</b>	<b>103,955</b>	<b>259,888</b>	<b>1,039,553</b>
<b>GRAND TOTAL</b>		<b>343</b>	<b>3,652,162,954</b>	<b>3,478,164,862</b>	<b>173,998,092</b>	<b>95.24%</b>	<b>11,309,876</b>	<b>1,739,981</b>	<b>4,349,952</b>	<b>17,399,809</b>

## Performance of Gaming Lounge Operators – by Licensee

	LICENSEE	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % OF SALES	CONSOLIDATED FUND	FEES CHASE	BGLC	TOTAL GOVERNMENT REVENUE
			\$	\$	\$	%	\$	\$	\$	\$
<b>13 Gaming Machine Operators with 18 Gaming Lounge locations islandwide</b>										
1	Macau Enterprises Limited - Macau	186	10,041,530,747	9,648,564,056	392,966,691	96.09%	25,542,835	3,929,667	9,824,167	39,296,669
2	Everglades Farm Limited	389	9,827,932,303	9,264,833,544	563,088,759	94.27%	36,601,419	5,630,988	14,077,469	56,309,876
3	Sizzling Slots Limited - "100" Vault Gaming	133	9,343,792,154	9,008,623,826	335,168,329	96.41%	21,785,941	3,351,683	8,379,208	33,516,833
4	Yahman Technology Limited	217	6,879,600,941	6,658,151,324	221,449,617	96.78%	14,394,225	2,214,496	5,536,240	22,144,962
5	Prime Sports Jamaica Limited - Acropolis Barbican	194	5,767,674,507	5,528,186,014	239,488,492	95.85%	15,566,752	2,394,885	5,987,212	23,948,849
6	Liguanea Lane Pharmacy	132	3,645,365,617	3,585,492,398	59,873,219	98.36%	3,891,759	598,732	1,496,830	5,987,322
7	Island Entertainment Limited - Coral Cliff	178	2,451,209,657	2,323,457,480	127,752,177	94.79%	8,303,892	1,277,522	3,193,804	12,775,218
8	Premium Landmarks Limited - Reno Gaming	146	2,326,011,726	2,235,590,591	90,421,135	96.11%	5,877,374	904,211	2,260,528	9,042,114
9	SMWS Games Limited - Mosino	137	2,056,928,269	1,984,368,200	72,560,070	96.47%	4,716,405	725,601	1,814,002	7,256,007
10	Jay Vegas Limited	59	79,264,208	74,135,952	5,128,256	93.53%	333,337	51,283	128,206	512,826
11	Onisac Gaming Limited	106	77,539,602	70,487,846	7,051,756	90.91%	458,364	70,518	176,294	705,176
12	Worldwide Concepts International Limited	61	38,228,744	36,144,883	2,083,862	94.55%	135,451	20,839	52,097	208,386
13	Club Jamaica	51	18,857,180	16,259,304	2,597,876	86.22%	168,862	25,979	64,947	259,788
<b>TOTAL</b>		<b>1,988</b>	<b>52,553,935,656</b>	<b>50,434,295,417</b>	<b>2,119,640,239</b>	<b>95.97%</b>	<b>137,776,616</b>	<b>21,196,402</b>	<b>52,991,006</b>	<b>211,964,024</b>

## Performance of Non-Gaming Lounge Operators – by Licensee

LICENSEE		# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % OF SALES	CONSOLIDATED FUND	CHASE	BGLC	TOTAL GOVERNMENT REVENUE
			\$	\$	\$	%	\$	\$	\$	\$
<b>18 Gaming Machine Operators with 43 Prescribed Premises islandwide</b>										
1	ICE Jamaica Limited	114	2,707,292,659	2,617,471,379	89,821,280	96.68%	5,838,383	898,213	2,245,532	8,982,128
2	Everglades Farms - Vegas Manor Park	19	220,870,556	201,959,464	18,911,092	91.44%	1,229,221	189,111	472,777	1,891,109
3	Barrington Fray	19	186,944,380	175,459,210	11,485,170	93.86%	746,536	114,852	287,129	1,148,517
4	Peter Wright	35	152,567,240	138,427,340	14,139,900	90.73%	919,094	141,399	353,498	1,413,990
5	Paul Carty	9	83,354,720	80,390,330	2,964,390	96.44%	192,685	29,644	74,110	296,439
6	Andrew Davis	27	65,660,165	58,250,654	7,409,510	88.72%	481,618	74,095	185,238	740,951
7	Kenardo Dixon	9	63,032,000	57,392,930	5,639,070	91.05%	366,540	56,391	140,977	563,907
8	Patrick's Vending - Cornel Davis	30	54,749,834	48,594,896	6,154,938	88.76%	400,071	61,549	153,873	615,494
9	Christopher Frazer	21	38,805,154	34,644,690	4,160,464	89.28%	270,430	41,605	104,012	416,046
10	Silver Top Tavern - Soltau	5	16,932,590	15,282,200	1,650,390	90.25%	107,275	16,504	41,260	165,039
11	Prime Sports (Jamaica) Limited	10	15,483,612	9,365,054	6,118,558	60.48%	397,706	61,186	152,964	611,856
12	Barbara Barrett	5	14,987,133	12,838,373	2,148,760	85.66%	139,669	21,488	53,719	214,876
13	Silver Top Tavern - Sudeene	2	8,248,220	7,404,020	844,200	89.77%	54,873	8,442	21,105	84,420
14	Milton Ramdeen	7	7,573,360	6,721,390	851,970	88.75%	55,378	8,520	21,299	85,197
15	Bay Negril Operating Ltd.	18	6,459,057	6,163,469	295,588	95.42%	19,213	2,956	7,390	29,559
16	Trevor Martin	4	6,415,920	5,398,277	1,017,643	84.14%	66,147	10,176	25,441	101,764
17	Alesha Atkinson	2	1,408,070	1,245,310	162,760	88.44%	10,579	1,628	4,069	16,276
18	Couples Negril - The Negril Hotel Operating Co. Ltd.	8	1,378,285	1,155,876	222,409	83.86%	14,457	2,224	5,560	22,241
<b>TOTAL</b>		<b>343</b>	<b>3,652,162,954</b>	<b>3,478,164,862</b>	<b>173,998,092</b>	<b>95.24%</b>	<b>11,309,876</b>	<b>1,789,981</b>	<b>4,349,952</b>	<b>17,399,809</b>

# Building a Vibrant and Reputable Gaming Industry in Jamaica

The Licensing & Registration Division (L&R Division) is usually the primary point of contact for customers seeking to do business with the Betting Gaming & Lotteries Commission. This is the driving force behind members of the division consistently delivering on their commitment to providing friendly and efficient service to our customers.

The primary functions of the division include:

- Accept, assess and determine applications in accordance with the Betting Gaming & Lotteries Act and Regulations.
- Develop and implement licensing policies consistent with Government of Jamaica's objectives.
- Provide recommendations for legislative changes to enhance the mandate of the Commission.
- Liaise with the Compliance & Regulatory, Enforcement and Legal Services Divisions on matters that impact all 3 divisions: and
- Maintain international links with gaming regulators of other jurisdictions to enable exchange of information on betting, gaming and lotteries trends.

## Gaming Sector

Jamaica's gambling industry has not been spared the effects of the COVID-19 pandemic, as during the past 12 months many licensees were either forced to close or scale back operations due to restrictions defined in the Disaster Risk Management Act.

The local gaming machine market appeared to be quite resilient in the face of the pandemic and its resultant restrictions. Despite bars being closed in the first few months of the pandemic; restricted opening hours upon resumption of operations; and having to introduce social distancing protocols, the number of machines licensed in that segment increased marginally.

Gaming Lounge operators were also dealt a significant blow as the restrictions reduced opening hours by 50% and capacity by as much as 80%.

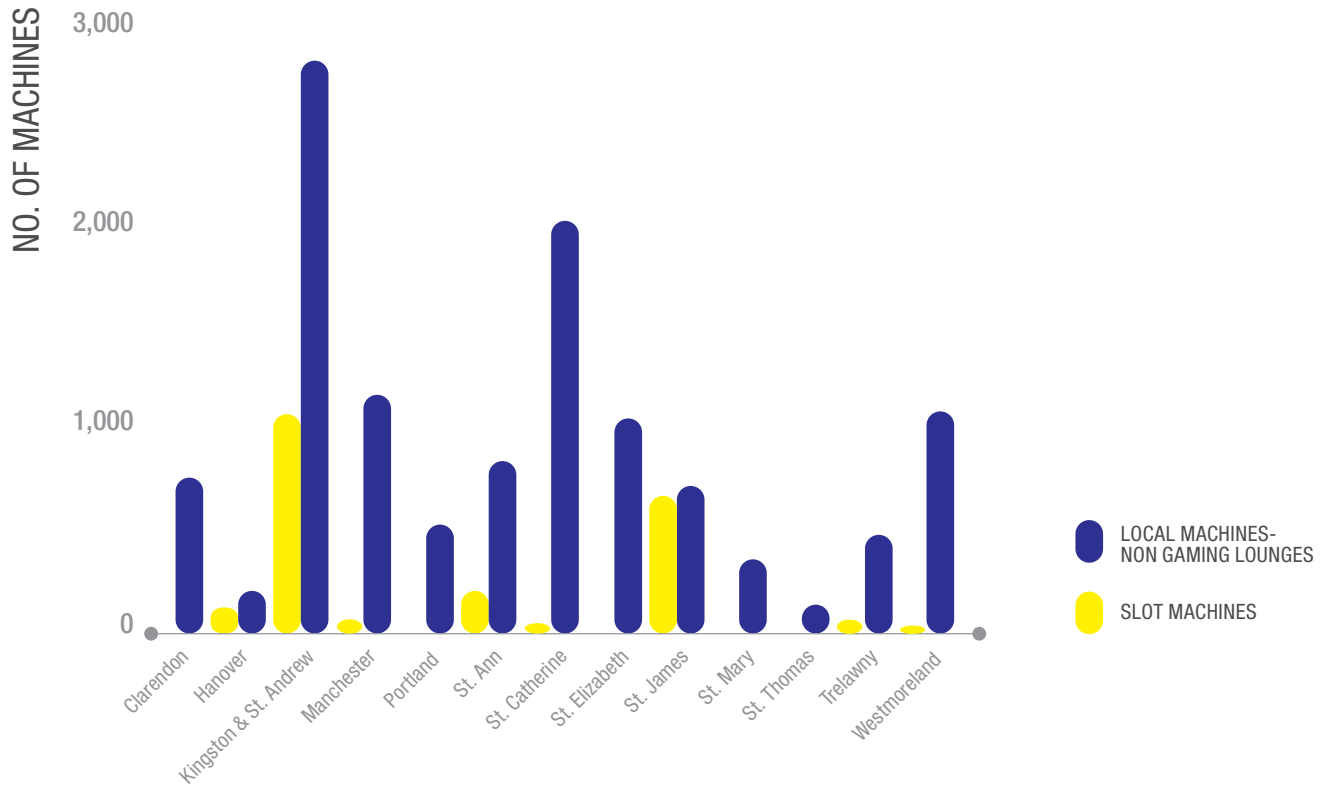
Despite the constraints and restrictions associated with the COVID-19 pandemic, 14,570 gaming machines were licensed during the period, a 1.6% increase over the 14,355 gaming machines licensed during the prior year. The growth in the number of gaming machines licensed was realized only in the local non-gaming category as a consequence of gaming lounges being under more severe restrictions.

Kingston & St. Andrew continues to account for the greatest number of machines licensed during the period - 27%, while St. Thomas accounted for the least - just under 1%.

## Gaming Machines Licensed by Parish

	SLOTS		TOTAL SLOTS	LOCAL MACHINES NON-GAMING LOUNGES	GRAND TOTAL	%
	GAMING LOUNGES	NON-GAMING LOUNGES				
Clarendon	-	-	-	768	768	5.3
Hanover	60	49	109	205	314	2.2
Kingston & St. Andrew	960	123	1,083	2,844	3,927	27
Manchester	46	-	46	1,177	1,223	8.4
Portland	-	-	-	540	540	3.7
St. Ann	192	10	202	864	1,066	7.3
St. Catherine	-	45	45	2,054	2,099	14.4
St. Elizabeth	-	-	-	1,069	1,069	7.3
St. James	636	47	683	726	1,409	9.7
St. Mary	-	-	-	361	361	2.5
St. Thomas	-	-	-	131	131	0.9
Trelawny	51	5	56	478	534	3.7
Westmoreland	8	8	16	1,113	1,129	7.7
<b>TOTAL</b>	<b>1,953</b>	<b>287</b>	<b>2,240</b>	<b>12,330</b>	<b>14,570</b>	<b>100</b>
<b>Percentage of Total</b>	<b>13.4%</b>	<b>2%</b>	<b>15.4%</b>	<b>84.6%</b>	-	-

## Types of Gaming Machines Licensed by Parish



## Fees & Levies

Gaming machine operators paid \$132.85M in fees and levies for 2020/2021, 2.5% increase over the \$129.57M collected during the corresponding period last year. Of the total collected, \$62.14M was paid to the Tax Administration Jamaica while the remaining \$70.71M was paid to the Commission.

### Gaming Machine Fees & Levies Collected

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	1,953	-	11,199,301	24,425	-	59,360	-	11,283,086
Non-Gaming Lounges (19 & Under)	287	12,330	57,102,449	2,382,575	56,160,880	5,918,440	-	121,564,344
<b>TOTAL</b>	<b>2,240</b>	<b>12,330</b>	<b>68,301,750</b>	<b>2,407,000</b>	<b>56,160,880</b>	<b>5,977,800</b>	<b>-</b>	<b>132,847,430</b>

### Technical Service Providers: Applications Received

	TSP COMPANY NAME	LICENSE FEE PAID*
		\$
1	Ace Plus Solutions Limited	200,000
2	Asset Technical Manufacturing Limited	200,000
3	Beswick Entertainment & Gaming Ltd.	200,000
4	Captain Euro Technology Limited	200,000
5	D & W Electronics Sales & Services Ltd.	50,000
7	Dynamic Master Limited	150,000
8	Eclipse Enterprise Company Ltd.	200,000
9	Funnattic Limited	200,000
10	G-Empire Tech Limited	150,000
11	G-Roy Gaming Enterprise Limited	100,000
12	Herbie's Electronic Games Jamaica Ltd.	200,000
13	Island Vegas Limited	200,000
14	JR Technical Support Services Limited	150,000
15	Luxor Entertainment Limited	150,000
16	MAGAMES Limited	100,000
17	Philbert Thomas Gaming Company Limited	200,000
18	Prime Sports (Jamaica) Ltd.	200,000
19	Spencers Ventures Incorporation Company Limited	150,000
20	Stewarts Betting & Gaming Entertainment Limited	50,000
21	Supreme Route Limited (formerly Champion Gaming Ltd.)	200,000
22	Technogenious Solutions Limited	200,000
24	Unlimited Amusement	200,000
25	Wayne Gaming Manufacturing Company Limited	200,000

## Technical Service Providers (TSPs)

Twenty-five (25) TSPs submitted license applications during 2020/2021, a 92% increase over the previous year. Only thirteen (13) fulfilled all the requirements in order to receive their license before the end of the financial year. The remaining are expected to complete the process during the subsequent financial year. \$3.85M was collected from TSP's for license fees – 71% increase over the prior year.

## Betting Sector

The trend observed over the past 5 years of Bookmakers reducing their brick-and-mortar locations and moving to online operations, has continued, and in fact accelerated by the pandemic.

The number of licenced Bookmakers remains the same as eight (8) Bookmakers submitted applications to renew permits and associated licences for 2020-2021: Capital Betting & Wagering Limited, Ideal Betting Company Limited, Island Sizzling Tech Jamaica Limited, Jamozzie Investment Limited, Post to Post Betting Limited, Prime Sports (Jamaica) Limited, Everglades Farms Limited and Yahman Technology Limited.

\$4.3M in fees were collected for this category of license, a 10% decline when compared to prior year collections.

The significant decline in bookmakers' fees collected is primarily due to the reduction in agency and betting office fees, which have fallen by 40% and 67% respectively since the last fiscal year.

Kingston & St. Andrew and St. Catherine continue to have the lion's share of betting locations, with the fewest found in the St. Thomas and Hanover.

### Betting Locations by Parish

PARISH	CAPITAL BETTING & WAGERING LTD.	IDEAL BETTING CO. LTD.	ISLAND SIZZLING TECH (JA.) LTD.	JAMOZZIE INVESTMENTS LTD.	PRIME SPORTS (JA.) LTD.	POST TO POST BETTING LTD.	TOTAL
Kingston & St. Andrew	5	3	1	2	33	19	63
Clarendon	-	-	-	-	0	1	1
Hanover	-	-	1	-	0	-	1
Manchester	-	-	-	-	0	4	4
Portland	1	-	-	-	0	-	1
St. Ann	-	3	-	-	4	-	7
St. Catherine	5	5	-	-	19	10	39
St. Elizabeth	-	-	-	-	2	-	2
St. James	-	-	1	1	2	4	8
St. Mary	-	-	-	-	0	-	0
St. Thomas	-	-	-	-	2	-	2
Trelawny	1	-	-	-	4	-	5
Westmoreland	1	-	-	-	2	-	3
<b>TOTAL</b>	<b>13</b>	<b>11</b>	<b>3</b>	<b>3</b>	<b>68</b>	<b>38</b>	<b>136</b>



## Bookmaker Licensing Fees Collected

BOOKMAKERS	PERMIT FEE PAID	NO. OF AGENTS	AGENCY FEE PAID	NO. OF BETTING OFFICES	BETTING OFFICE FEE PAID	NO. OF BETTING LOUNGES	BETTING LOUNGE FEES PAID	NO. OF BETWRITER/TERMINAL OPERATORS	BETWRITER/TERMINAL OPERATOR FEES	NO. OF SPORT BETTING OUTLETS	SPORTS BETTING OUTLET FEES PAID	BETTING OUTLET AGENT FEES	TOTAL PAID
	\$		\$		\$		\$		\$		\$	\$	\$
Capital Betting & Wagering Ltd.	200,000	10	100,000	-	-	13	195,000	14	56,000	-	-	-	551,000
Ideal Betting Co. Ltd.	200,000	11	110,000	1	10,000	10	150,000	8	32,000	-	-	-	502,000
Island Sizzling Tech (Ja.) Ltd.	200,000	2	20,000	-	-	3	45,000	3	12,000	-	-	-	277,000
Jamozzie Investments Ltd.	200,000	-	-	-	-	3	45,000	4	16,000	-	-	-	261,000
Post to Post Betting Ltd	200,000	15	150,000	2	20,000	36	540,000	130	520,000	-	-	-	1,430,000
Prime Sports (Jamaica) Limited	200,000	14	140,000	5	50,000	10	150,000	12	60,000	53	265,000	-	865,000
Everglades Farms Limited	200,000	-	-	-	-	-	-	-	-	-	-	-	200,000
Yahman Technology Limited	200,000	-	-	-	-	-	268,000	-	-	-	-	-	200,000
<b>TOTAL</b>	<b>1,600,000</b>	<b>52</b>	<b>520,000</b>	<b>8</b>	<b>80,000</b>	<b>75</b>	<b>1,125,000</b>	<b>171</b>	<b>696,000</b>	<b>53</b>	<b>265,000</b>	<b>-</b>	<b>4,286,000</b>

## Racing Promoter

The Racing Promoter, Supreme Ventures Racing & Entertainment Limited (SVREL) has avoided significant adverse impact having successfully presented a reopening plan for the sector which received a “no objection” from the Ministry of Health and Wellness. As a result, race track operations were re-opened from June 2020.

COVID 19 Re-opening and Operating Protocols were also successfully developed and accepted by the government enabling the reopening of these betting facilities (i.e., off track betting parlors, betting offices and betting lounges) in June.

Supreme Ventures Racing & Entertainment Limited (SVREL) paid fees totaling \$3.782M, a marginal decline of 0.1% when compared to the prior year collections. The local horse racing industry showed some resilience during the pandemic. While a flat performance is not usually noteworthy, the fact that there were no large-scale closings of OTBs during the period of lockdown and restrictions is worthy of being highlighted.

## Racing Promoter Fees Collected

FEES	AMOUNT
	\$
Track Betting Fees	500,000
OTB Fee	1,650,000
OTB Parlour Operator	1,000,000
OTB Terminal Operator	632,000
<b>TOTAL</b>	<b>3,782,000</b>

## OTBs by Parish

PARISH	NO. OF LOCATIONS
Kingston & St. Andrew	41
Clarendon	12
Hanover	3
Manchester	4
Portland	3
St. Ann	7
St. Catherine	28
St. Elizabeth	6
St. James	8
St. Mary	4
St. Thomas	3
Trelawny	2
Westmoreland	7
<b>TOTAL</b>	<b>128</b>

## Lottery Sector

The lottery sector experienced a significant transformation during 2020/2021 with 2 additional companies, Goodwill Gaming Enterprise Limited (GGEL) and Mahoe Gaming Limited, commencing operations during the last quarter of the fiscal year.

Licensing and other lottery related fees, jumped to \$59.2M, up 22% when compared to the prior year collections.

The introduction of 2 new providers in the lottery market has drawn the attention of the Fair-Trading Commission (FTC), as some retailers have written to the BGLC and the FTC, alleging unfair practices in the sector. The FTC is currently investigating the allegations, the findings of which are expected during 2021/2022.

### Lottery Sector Fees Collected

FEE TYPE	FEES COLLECTED
	\$
Licence Fees	52,800,000
Agent Fees	5,000,000
Sales Outlet Fees	1,400,725
<b>TOTAL</b>	<b>59,200,725</b>

The number of lottery sales outlet grew by 24.7%, with the addition of 328 locations during the year.

### Lottery Sales Outlets by Parish

PARISH	NO. OF LOCATIONS
Kingston & St. Andrew	478
Clarendon	109
Hanover	37
Manchester	101
Portland	45
St. Ann	100
St. Catherine	321
St. Elizabeth	89
St. James	116
St. Mary	52
St. Thomas	41
Trelawny	57
Westmoreland	112
<b>TOTAL</b>	<b>1,658</b>

## Charitable Lottery

This category of gambling remains a very small segment of the sector. Only 5 such activities were approved during the period, generating \$50,000 in fees, a 24% decline when compared to the prior year.

### Charitable Lottery Fees

Month	# Of applications	Amount Paid
April		-
May		-
June	1	10,000.00
July		-
August	1	10,000.00
September		-
October	1	10,000.00
November		-
December		-
January	1	10,000.00
February		-
March	1	10,000.00
<b>TOTAL</b>	<b>5</b>	<b>\$ 50,000.00</b>

## Prize Competitions

Prize competition applications declined by 29% when compared to the 235 applications processed last year. This decline is also seen as being attributable to the COVID-19 pandemic and the reduced marketing investment by promoters.

Although the value of prizes offered by promoters increased by 23%, the revenue earned by the Commission declined by 26%, to \$12.31M when compared to the previous year.

## Prize Competition Activities

PERIOD	# OF APPLICATIONS RECEIVED	APPLICATION AND MONITORING	EXPRESS	LATE	INCOMPLETE	MODIFICATION	EXTENSION	TOTAL	PRIZE VALUE
		\$	\$	\$	\$	\$	\$	\$	(\$M)
April	2	150,000	25,000	-	-	-	-	175,000	9.19
May	1	100,000	-	-	-	-	-	100,000	3.59
June	12	750,000	150,000	-	-	15,000	-	915,000	148.29
<b>Q1</b>	<b>15</b>	<b>1,000,000</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>1,190,000</b>	<b>161.07</b>
July	19	1,030,000	225,000	30,000	15,000	15,000	-	1,315,000	25.29
Aug.	10	420,000	150,000	15,000	-	15,000	-	600,000	3.59
Sept.	18	1,040,000	175,000	30,000	15,000	-	-	1,285,000	41.67
<b>Q2</b>	<b>47</b>	<b>2,490,000</b>	<b>550,000</b>	<b>75,000</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>3,200,000</b>	<b>70.55</b>
Oct.	26	1,390,000	550,000	15,000	-	30,000	-	1,985,000	80.93
Nov.	36	1,820,000	800,000	30,000	15,000	15,000	30,000	2,710,000	57.15
Dec.	8	540,000	125,000	-	-	15,000	30,000	710,000	21.57
<b>Q3</b>	<b>70</b>	<b>3,750,000</b>	<b>1,475,000</b>	<b>45,000</b>	<b>15,000</b>	<b>60,000</b>	<b>60,000</b>	<b>5,405,000</b>	<b>159.65</b>
Jan.	6	340,000	75,000	-	-	30,000	-	445,000	9.18
Feb.	13	680,000	250,000	30,000	-	30,000	-	990,000	27.57
Mar.	17	810,000	225,000	30,000	15,000	-	-	1,080,000	89.49
<b>Q4</b>	<b>36</b>	<b>1,830,000</b>	<b>550,000</b>	<b>60,000</b>	<b>15,000</b>	<b>60,000</b>	<b>-</b>	<b>2,515,000</b>	<b>126.24</b>
<b>GRAND TOTAL</b>	<b>168</b>	<b>9,070,000</b>	<b>2,750,000</b>	<b>180,000</b>	<b>60,000</b>	<b>165,000</b>	<b>60,000</b>	<b>12,310,000</b>	<b>517.5</b>

## Licensing Initiatives During 2020 – 2021

With a heavily manual licensing process, a single office location and the implementation of protocols and restrictions in response to the COVID-19 pandemic, the licensing team was forced to pivot and make adjustments to service delivery and engagement with licensees. Strategies identified and implemented had to take into account the demographic of licensees served and the safety of team members and customers while achieving operational efficiency.

Key initiatives during the period included:

- Our ongoing efforts to improve automation of the licensing process and gain operational efficiencies was advanced by ICT updates to improve licensing data processing and data warehousing capabilities.
- Operational adjustments in response to COVID-19
  - Drop Box to receive license applications
  - Appointment-based system for face-to-face meetings with individual licensees.
  - Use of the Annex for limited face to face customer interactions – social distancing infrastructure in place
  - Public education campaign encouraging electronic submission of applications
  - New payment options for licensees with the addition of 300 Bill Express locations and online bill payment
- Ernst & Young was engaged to ascertain the true cost to the Commission of providing licences, permits and approvals. The key outcome of the report was a recommendation to adjust licensing fees. However, given the impact of the pandemic this will be deferred until stability is restored to the various sectors.

## The View Ahead

The effects of the global pandemic will continue to be felt throughout the coming year with the industry slowly returning to its “new normal.” Of course, this will be determined by the Government’s directives articulated in the Disaster Risk Management Act, influenced by consumers’ confidence and driven by other economic factors.

The push by Bookmakers to offer their products online will continue at a greater pace and the resultant decline in brick-and-mortar betting locations will also continue, on a grander scale than witnessed previously. We are expecting the horse racing promoter to also make a more concerted effort in bringing its product online, but with its older demographic, that may be a bit more challenging.

Lottery promoters have also all expressed a willingness to bring their products online, however the social behavior and demographic of the local lottery punter will prove also challenging. Brick and mortar locations are expected therefore to continue being the preferred gambling locations for lottery punters.

Having proven resilient during the past 12 months, we are also expecting continued growth in the local gaming machine sector as it relates to the number of local gaming machines and Technical Service Providers (TSPs) licensed over the 2021/2022 period.

With the return of outdoor activities, albeit on a reduced basis, expected during the summer of 2021, prize competitions should see a rebound during the 3rd and 4th Quarters of the fiscal year. Back to school and the yuletide season should drive this rebound. This recovery may not be enough to allow a return to pre-pandemic numbers but there should be an improvement over the 2020/2021 period.

# Fostering a Culture of Regulatory Compliance

The Compliance & Regulatory Division is responsible for monitoring, investigating, and enforcing compliance with the BGLA, Regulations, Conditions to Licence, Guidelines and Technical Standards.

## The Impact of COVID-19 on Monitoring: Delivering Compliance Priority Services

Due to the COVID-19 pandemic, bars and gaming lounges were closed from late March 2020 to June 2020. This impacted the issuance of licences and by extension the inspection of gaming machine operators. In response to the COVID-19 pandemic, the Compliance & Regulatory Division adjusted its approach to monitoring the industry. With the Government's Disaster Risk Management Act 2020 in effect, onsite inspections were suspended, and the team worked from home in accordance with the MOFPS work-from-home Guidelines. Once the gaming industry re-opened, limited onsite inspections resumed primarily in response to gaming lounges' request for de-commissioning/re-commissioning of slot machines and inspections of premises. As the COVID-19 cases continued to rise, inspections were suspended in September 2020 and resumed in January 2021.

## Key Actions and Outcomes delivered in the financial year

- 1. AML/CFT** - Collaborating in bilateral meetings with Financial Investigation Division (FID) and the Bank of Jamaica (BOJ) Prime Contact Secretariat on the National Risk Assessment – Gaming Sector which included submission of industry data, participating in the National Anti-Money Laundering Committee (NAMLC) by providing updates and updating the Honorable Minister Dr. Nigel Clarke on the Commission's actions regarding AML/CFT supervision.  
*Outcomes:* Key input in the World Bank tool Module 7 and updates to Jamaica's report to FATF and CFATF.
- 2. AML/CFT** - Update of the BGLC AML/CFT/CFP Guidance Notes  
*Outcomes:* Advisories on the 2019 Amendments to the Proceeds of Crime Act and Terrorism Prevention Act and The Jamaica Gazette: BGLC Guidance Notes were published September 2020 and were also circulated to the gaming lounges.
- 3. AML/CFT** - Offsite and limited onsite AML/CFT examinations and follow-up audits  
*Outcomes:* Remedial letters and directions with specific timelines issued to the gaming lounges.
- 4. Pre-licensing suitability assessments** - Assessments of licensee/prospect submissions and testing internal control systems required for licensing.  
*Outcomes:* Satisfactory assessment and testing of:
  - a. Bookmaker's IT system enhancement - PSJL
  - b. Lottery Promoter new product – PSJL Hot Pick
  - c. Lottery Promoter PSJL enhancement to its Standard Operating Procedures – Interactive Gaming, Mobile Hand-Held devices, electronic payment methods and product payout rates adjustments
  - d. Readiness Assessments of New Lottery Promoters – Mahoe Gaming Enterprises Limited and Goodwill Gaming Enterprises Limited
  - e. Bookmaker's product enhancement – Islandbet - online Poker Games, PSJL and Post to Post Betting - interactive gaming internal control systems and online casino games

5. **COVID-19 Health Protocol inspections** – following the Issuance of COVID-19 protocols issued for the Betting and Gaming sectors.  
*Outcomes:* Warning letters issued to operators in breach of COVID-19 Protocols
6. **Off-site audits of all prize competitions**  
*Outcomes:* Satisfactory validation of winners; remedial letters issued where there are breaches
7. **Onsite audits of commissioning and de-commissioning of slot machines**  
*Outcomes:* Compliance inspection, sign-off and sealing (where required) of gaming machines', adjusted configuration/repairs
8. **Remote monitoring of lottery draws - both manual and digital lottery draws, ball calibration & winner verification**  
*Outcome:* Warning letters issued; Compliance inspection sign off and approvals issued
9. **Complaints** – investigating and resolving gaming customer complaints  
*Outcomes:* Resolution of complaints
10. **Review of seized gaming machines operated by registered licensees**  
*Outcomes:* Warning letters issued
11. **Onsite inspection of betting and gaming premises**  
*Outcomes:* Warning letters issued
12. **Revenue Collections** – verification of filings and payment of taxes, levies and contributions  
*Outcomes:* Satisfactory validation of collections in all sectors

## Other Activities

### *Responsible Gaming Industry Outreach*

The Compliance team in collaboration with Corporate Affairs and Communication partnered with RISE Life Management Services Limited to host a webinar “Responsible Gaming for Gaming Lounges” on March 12, 2021. All gaming lounge employees were required to complete the training as a requirement under the Conditions to Licence.

### *Voluntary Self-Exclusion Programme*

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

## Industry General Compliance

As customary, the Compliance team reviewed patrons' complaints and recorded slot machine readings (commissioning, de-commissioning, instant repairs, bi-monthly meter readings for Gross Profit Tax verification purposes).

Key Performance Indicator	Target	Actual	Variance
% Providers inspected/examined in compliance with Regulations	70%	78%	8%



Inspectors visited 925 premises during the year. Although there were few regular compliance activities, the Commission went on a drive to inspect betting, gaming and lottery sales outlets to ensure that licensees were in compliance with all COVID-19 protocols that were defined by the Commission in consultation with the Ministry of Health and Wellness prior to the re-opening of the sector between June 2020 and August 2020. Licensees who were found non-compliant with the COVID-19 Protocols were given deadlines to effect the necessary changes before being allowed to re-open.

In January 2021 the decision was taken to commence regular compliance inspections. However, by February, compliance activities were again halted due to the spike in COVID-19 cases. We conducted 100% audit of prize competitions to ensure that the draws were conducted in accordance with the approved rules and that prizes were awarded to winners. Additionally, analysis of audited financial statements and management accounts submitted annually by licensees were evaluated for potential risks and validation of Returns filed to TAJ.

## Government Revenue Collection

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

Key Performance Indicator	Target	Actual	Surplus
Total Government Collection (Billions)	\$6.155bn	\$8.206bn	\$2.051bn

\$8.206 billion has been validated and verified from betting, gaming and lottery operations, as well as to the Tax Administration Jamaica (TAJ) RAIS for the fiscal year in relation to gambling taxes and contributions payable. Due to the COVID-19 pandemic and the uncertainty of the impact on the industry, based on the assumptions predicted on economic recovery, a conservative budget was determined. With the lottery sector (for 10 months of the financial year) remaining open under the Government's Disaster Risk Management Order 2020, the overall Government Revenue surpassed budget by \$2 billion.

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

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

## Customer Complaints

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

Through our complaints process, we investigate breaches under the Betting Gaming & Lotteries Act (BGLA), conditions to licence and the approved licensee's standard operating procedures and internal control systems. The complaints investigative process includes the following steps:

1. Receive – all complaints submitted in writing via email or completion of complaint form along with supporting documents such as bet tickets or player wagering account.

2. Assess – complaints are assessed to determine validity.
3. Investigate – we conduct investigation which entails reviewing documentary evidence and explanation; interviews with complainant and operators
4. Resolve – we notify the complainant of the results of the investigation. In some instances, there is communication between the operator and complainant.

The standard turnaround time is 20 days for the resolution of complaints.

## Analysis of Complaints

Number of Complaints	#	%
Number of complaints received	38	-
Number of complaints resolved	37	
Number and percentage of complaints closed within target timeline (20 days)	25	66%
Number and percentage of complaints where an extension was authorised (outside of the Commission's control)	13	34%
Average time in working days to resolve complaints	20	-

Key Performance Indicator	Target	Actual
% Complaints reported to BGLC that are resolved within standard time	85%	66%
% Complaints reported to BGLC that are resolved beyond the standard time due to factors outside of the Commission's control	-	34%
		100%

For complaints where extension was authorised (i.e. additional time authorised to resolve) were due to:

- Operators taking an inordinate time to respond to request for information, conduct its internal investigation and submit findings to the Commission to facilitate our assessment and closure.
- Some complainants providing incomplete/insufficient information and were not contactable due to non-submission of contact information (email/phone).

# Anti-Money Laundering & Counter Financing of Terrorism and Proliferation

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, liaising with local stakeholders and partners; communicating with licensees; providing guidance and training to licensees and conducting AML/CFT examinations.

## The Impact of COVID-19 on Regulatory Examinations

The COVID-19 pandemic impacted licensees who were faced with difficulties and had to adapt to the changes in the environment. Based on the changing landscape, the AML/CFT Unit's supervisory approach changed as onsite examinations were suspended and so substantial examinations were done off-site. The Compliance and Regulatory Division was able to conduct its offsite examinations using a variety of mediums, Microsoft Teams, remote access to licensee's gaming management systems and File Transfer Protocol (FTP) Service.

Despite the challenges, the Commission conducted eight (8) audits, which were followed by remedial letters and general directions and completed eight (8) follow-up assessments, participated in bilateral and multilateral meetings with National Anti-Money Laundering Committee (NAMLC) and Bank of Jamaica.

## National Risk Assessment (NRA)

The Commission participated in Jamaica's National Risk Assessment (NRA) working group that focused on the World Bank Assessment Tool Module 7: Vulnerability Assessment of Designated Non-financial Institutions & Business through bilateral discussions on industry sectoral risks and submission of data, statistical information and supporting documents. In addition, the Commission participated in the National Anti-Money Laundering Committee (NAMLC) and bilateral meetings with the Bank of Jamaica's Prime Contact Secretariat on matters regarding Jamaica's NRA and our Competent Authority Supervisory function.

## Outreach Activities

The Commission's goal as the Competent Authority is to engage with the licensees to ensure that they understand their responsibility under the Anti-Money Laundering and Countering Financing of Terrorist and Proliferation Financing (AML/CFT/PF) regime.

The following outreach activities with gaming lounges were done during the year:

- a) June 2020 - Issued Advisories on the 2019 Amendments to POCA/TPA/UNSCRIA
- b) September 2020 – Issued Advisory regarding changes to the method of submitting Listed Entity Reports to the Financial Investigations Division (FID) via the goAML website.
- c) November 2020 - As a part of the Commission's vision to target the licensees through different methods, we ensured that we participated as a presenter in the JBA/JIIFS annual Anti-Money Laundering Conference. The Commission presented and participated in panel discussions at the 9th Annual AML/CFT Conference – Regulators Roundtable.
- d) December 2020 - Published The BGLC Guidelines on the Detection of Money Laundering and Countering the Financing of Terrorism and Proliferation (Guidance Notes).

- e) February 2021 - BGLC hosted a mandatory AML/CFT webinar for all gaming lounges which focused on changes in the Guidance Notes, Proceed of Crime Act (POCA), Terrorist Prevention Act (TPA), United Nations Security Council Resolution Implementation Act (UNCSRIA) and their respective regulations, Risk-based approach and typologies of AML audit and inspection findings.
- f) Other advisories: During the financial year, the Commission advised gaming lounges on the various AML/CFT courses available geared towards the Role and Responsibility of the Gaming Lounges Board of Directors/Owners as well as professional training certification for their Nominated Officers.

## Guidance Notes

The Commission revised its 2016 AML/CFT Guidance Notes and the updated Guidelines, The BGLC Guidelines on the Detection of Money Laundering and Countering the Financing of Terrorism and Proliferation, was published in the Jamaica Gazette on September 25, 2020. It was subsequently issued to the industry in December 2020 and the full text of the Notes was placed on our website and available for download.

## AML/CFT Risk-based Examination Manual

The Commission has drafted an Examination Manual to meet one of its many supervisory obligations. The manual presents examination objectives and procedures that the Commission’s examiners follow, in evaluating and testing a licensee’s AML/CFT/PF compliance program. The manual is intended as a guide for planning and conducting regulatory examinations. The Examination Manual is to be completed in Q1 2021/2022.

## Capacity Building Training

To strengthen the Commission’s AML/CFT/PF technical competencies and build our effectiveness in risk-based supervision, the team participated in training offered by the European Union AML/CFT Global Facility. This was extended to BGLC, CGC and JRC team members from outside the AML/CFT unit.

Training	Entities Attending	Date
Ultimate Beneficial Ownership: Building a BO Framework - From Technical Compliance to Effectiveness	BGLC, CGC	Jan 25-29, 2021
DNFBPs - Risk Based Supervision	BGLC, CGC	Feb 8-12, 2021
Gaming Sector - Risk-Based Supervision (Presented by Malta Gaming Authority)	BGLC, CGC JRC	March 1-5, 2021

Other training and capacity building included:

- AML/CFT/PF Certification courses with the Association of Certified Money Laundering Specialists (ACAMS) and the International Compliance Association (ICA)
- FATF elearning – Introductory course on FATF

# Enforcement

The Enforcement Division experienced significant disruptions in its activities as a result of the ongoing pandemic, the effects of which have been felt at the operational level and also at a personal level. The Division has had to remain fluid in the execution of its duties to meet its key performance targets in achieving the commission's strategic objectives, while balancing the health and safety of its staff.

## Strategic Initiatives

In an effort to further develop the partnership between the BGLC and the Jamaica Constabulary, who is our main stakeholder, several training sessions were conducted both face to face and virtually. The aim of the sessions was to educate the JCF on aspects of the Betting Gaming and Lotteries Act that would better prepare them when they are making arrests and presenting their cases before the Court.

## Training

As a result of the ongoing commitment to strengthen its capabilities to identify Money Laundering and Terrorism Financing activities the Enforcement Division has continued to ensure that Investigators are prepared to meet the demands of the gambling sector. All Investigators have received training in Pre-Licensing and Financial Investigations from the University of Nevada Las Vegas which has improved their abilities to detect financial crime and prevent illicit gains from entering the gaming industry.

## Investigations and Operations

In response to the pandemic and restrictions imposed by the Disaster Risk Management Act (DRMA), investigations and operations into illegal gaming activities have been suspended twice. This has affected not only the Division's monthly results but also our ability to ensure a reduction in illegal gaming activities. There have, however, been successes in the operations conducted in the form of arrests and cash seizures.

## Gaming Machines

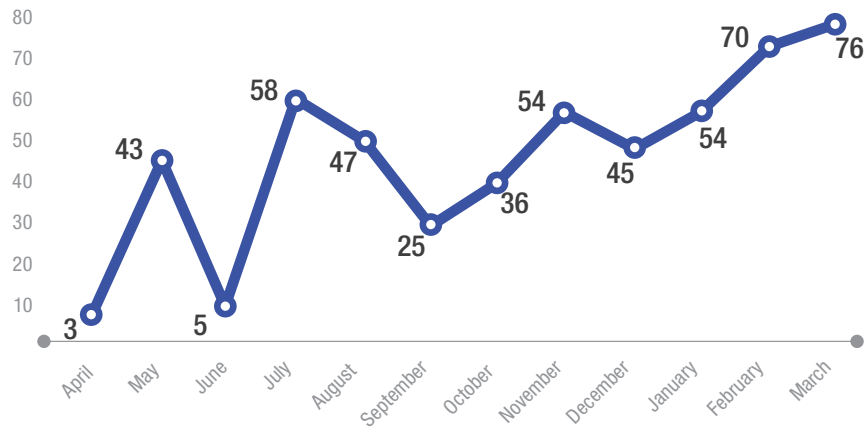
While there has been an increase in the number of seized illegal gaming machines when compared to the previous period, there has been a matching decline in the number of illegal gaming machine seizure operations. As a result of an amendment to the Seizure Policy, several gaming machines have been returned to licensees, who are first offenders, having satisfied the Commission that all fees were paid, and the necessary steps taken to ensure that the gaming machines are operated within the conditions of the Betting Gaming & Lotteries Act (BGLA).

Court forfeiture proceedings have also commenced, which has resulted in a total of seventeen (17) machines being forfeited to the Commission to date. These machines have been earmarked for destruction.

## Due Diligence

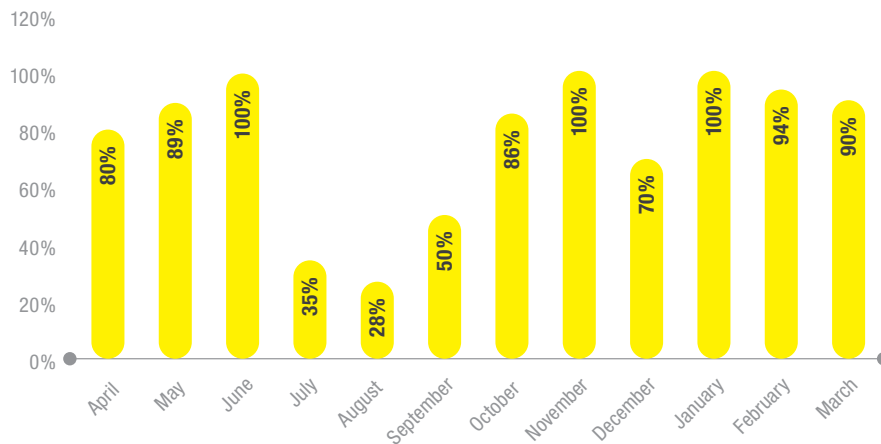
The first three quarters of the year saw a reduction in the number of Due Diligence applications that were received and assigned. The last quarter however saw an increase in applications, of which a high percentage were Lottery Agent applications, as a result of the entrance of two new lottery promoters.

## Due Diligence Assignments



The Division's Due Diligence completion and return rate was significantly impacted by the constant changes in restrictions, lockdowns, and health exposures experienced by members of the Division. The last two quarters however saw a gradual return to acceptable standards.

## Due Diligence Completed in Standard Time



## Illegal Gambling Reports

While the relationship with Crime Stop continues, there has been a decrease in the frequency and number of reports that are received from the organization. Though all reported cases are investigated, not all are actioned because of an inability to prove that illegal operations are ongoing or due to investigative action being impracticable.

Major Activities	2019/2020	2020/2021	% Change
Arrests	11	3	-72%
Cash Seized from Illegal Operators	\$237,502	\$191,235	-20%
Reports Received	18	7	-61%
Illegal Lottery Operations	28	3	-89%
Gaming Machines Seized	236	283	19%
Gaming Machines Released	43	17	2%
Due Diligence Investigations Assigned	1176	516	-56%

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

The year 2020/2021 was very challenging with the Covid-19 pandemic impacting all and requiring rapid, yet well-considered actions by the Human Resources & Administration Division (HRA).

The health and safety of our employees remain a high priority while at the same time, ensuring business continuity. We can build on existing flexible measures and will link them with the challenges emerging in the context of new ways of working.

## Safeguarding our People during Challenging Times

As an employer, the personal safety and flexibility of our employees was already important to us before the Covid-19 pandemic. As such, mobile working and virtual collaboration was established in our everyday work. Most of our staff worked from home and adapted to the new norm within a short time.

Virtual learning aided our leaders to navigate through uncertain times, organize themselves and coach their teams while working from home.

We launched initiatives to support our people. From an additional cleaning crew to sanitize the general areas (such as lobby, stairs and increased cleaning of bathrooms), installation of plexi-glass at workstations, spotting symptoms of mental ill-health and providing necessary interventions, establishing the principles for managers whose staff are struggling with work demands and childcare responsibilities, to assisting staff who usually take public transport with pick up and drop off.

## Separations

### *Passing of Team Member*

Despite our efforts to safeguard our team, the devastation caused by Covid-19 impacted the Commission directly as we lost one of our employees in 2020. Grief counseling was provided to our employees and where possible, support was provided to the family of the deceased.

### *Retirement*

The retirement of one of our stalwarts took effect December 2020. Mr. Junior Smith, Senior Inspector, who worked with the Commission for twenty-eight (28) years and contributed to the Compliance and Regulatory Division, bade us farewell in a bitter sweet moment. We continue to wish him well!

### *Other Farewells*

- Ms. Janet Burnett, Part-time Office Attendant who worked with the Commission for twenty-three (23) years, left us in June 2020 at age 72.
- Courtney Thompson, Program Analyst worked with the ICT Division for eleven (11) years resigned in February 2021.

## Restricted Hiring and Internal Mobility

We continued with our needs assessment and restricted hiring as approved by the Board to support the Commission's Strategy. Due to the impending merger, hiring is restricted to positions that are viewed as critical to the Commission's success and future growth. As such, we filled two (2) positions

- Temporary Senior Secretary, Enforcement – November 2020
- Temporary Senior Accountant – March 2021

## Managing the Unexpected Crisis During Christmas 2020

As the COVID-19 pandemic took hold, the Commission faced significant challenges in maintaining the course of the traditional celebrations whilst ensuring that protocols were still observed. As such in lieu of our usual Commission-wide social activity, each team member received their choice of a Roaster, Ham, or Fish in addition to the customary Christmas cake in December.

In addition, Heads of Divisions were encouraged to organize divisional luncheons or team socials (while adhering to the Disaster Risk Management Act) in celebration of the season.

## Merger

The merger of the Betting Gaming & Lotteries Commission (BGLC), Casino Gaming Commission (CGC) and Jamaica Racing Commission (JRC), though not completed, remains high on our calendar. The Transformation Implementation Unit (TIU) out of the Ministry of Finance & the Public Service (MoFPS), continues to guide the process of the administrative merger of the three (3) Commissions. The HR Merger Sub-Committee is focused on matters directly relating to our workforce and seeks to ensure fairness and equity in keeping with the Transition Plan to be used during the process.

## JRC Relocation

Another milestone of the impending merger was achieved with the successful relocation of the Jamaica Racing Commission's (JRC) Administrative Offices to the Hagley Park Road property and the integration of over 30 employees. The HRA team played a central role in their relocation and continues to collaborate with the JRC to ensure cultural integration.

## Healthy Employees, Healthy Working Environment

The health and wellness of our employees is of utmost importance and are in the center of our actions. We continue to provide a work environment that helps our employees to manage the challenges of today's working world. Our comprehensive health insurance is affordable as the Commission continues to contribute heavily to the premiums. Psychosocial care and team counselling was initiated for team members. In addition, we relaunched our Fitness Centre that was relocated to an off-site facility near our Hagley Park Road offices. The Centre operates Monday through to Thursday with employees receiving individualized attention from certified fitness instructors.

## Culture

Culture transformation remains a strategic focus. In this area we encourage inclusion in all dimensions and facilitate continuous feedback across all levels. We are actively creating a new coaching culture throughout the organization, and this will be supported by training of the BGLC leadership and personnel along with our colleagues from JRC and CGC during Q1 2021/2022.



## Training

Excellent leadership is a pillar for success in any organization. A key success factor is that our staff receive solid training at all levels, which enhances and develops skills and improves technical competencies.

Our training landscape consists of leadership and management training that offered a variety of instruction delivery options, such as face-to-face and virtual training formats, as we maneuvered the impact of COVID-19 on learning opportunities.

Training and virtual conferences attended by team members included:

AML/CFT Annual Conference, *Jamaica Bankers Association/Jamaica Institute of Financial Services*

Anti-Money Laundering Masterclass, *International Centre for Parliamentary Studies (ICPS)*

Attorneys use of Online Mediation as an Option, *CLPD Webinar, General Legal Council*

Business Analysis Fundamentals, *Mona School of Business*

Canva Graphic Design for Beginners, *Real World Technology Training & Solutions*

Capital Allowance, Tax Computation & Deferred Taxation Webinars, *Institute of Chartered Accountants of Jamaica*

Certified Financial Controller, *IBEFForum*

Crisis Communication, *Jamaica Stock Exchange*

Communicating Culture, *Institute of Internal Communications*

Data Protection Act, *CLPD Webinar, General Legal Council*

Employers' Weathering Corona: Lay-Offs, Redundancies and Terminations Webinar, *JamBar Association*

Finance for Non-Finance Directors, *Jamaica Stock Exchange E-Campus*

Financial & Background Investigations, *University of Nevada, Las Vegas*

Global Executive Brand Strategy Master Class, *Think Brand Strategy Ltd*

Government Accounting, Level 1, *Management Institute for National Development (MIND)*

HRMIS – Attendance Management, *TRB Technologies Limited*

Human Resources Capital Analytics, *IBEFForum*

ICE North America Digital Conference

IFRS InFocus 2020 Virtual Seminar, *PriceWaterhouseCoopers' Jamaica*

Implementing & Administering Cisco Solutions (CCNA) Certification, *Real World Technology Training & Solutions*

Institutional Compliance with the Data Protection Act

Intellectual Property for Dummies, *CLPD Webinar, General Legal Council*

Managing Difficult People, *BusinessWatch Network*

Microsoft Certification Training, *Real World Technology Training & Solutions*

Microsoft Excel Levels 1-3, *Real World Technology Training & Solutions*

PIMS Requirements & Project Concept Proposal Development, *Public Investment Management Secretariat*

Preparing Cabinet Submissions, *Management Institute for National Development*

Public Speaking, *Paula Anne Porter & Associates*

Resumé Writing & Interviewing Techniques, *Professional Trainers Institute*

Sexual Harassment Bill, *CLPD Webinar, General Legal Council*

Social Media & Digital Communications Virtual Conference, *Lawrence Ragan Communications Inc.*

Strategy Execution Bootcamp, *Palladium Group*

Supervisory Management, *Mona School of Business*

#SMWONE - Virtual Social Media Marketing Conference, *AdWeek*

Virtual Masterclass HR & Leadership Conference 2020, *Human Resources Management Association of Jamaica*

Web Etiquette, Work from Home and Flexi-Work Webinar, *JamBar Association*

## Internship Programme

The Commission remains committed to offering career development and professional experience for five (5) interns who are matched to the Division that is most closely aligned to their career interest. Their engagement with the Commission provides the young professionals with a broad view of the industry and aids them in realistically assessing their future career decisions.

This year, we also engaged four (4) interns under the National Service Corps Program through the Office of the Prime Minister, to participate in the implementation of our Records Management Project. These persons who were trained in Document Management & Digitization, focused on records survey, which entails locating and identifying all the records in the organization.

## Employee Recognition

As we encourage high performance and productivity, emphasis is placed on employee recognition for job performance that exceeds expectations and demonstrating the core values. Employees recognized for their outstanding performance were:

Employees of the Quarter:

- Q1: Kenrith McGaw, Human Resources & Administration
- Q2: Tamara Myrie, Corporate Affairs & Communication
- Q3: Grace Ann Wilmot, Corporate Affairs & Communication

Star Awards:

- Cleveland Allen, Legal
- Payton Patterson, Legal

## Staff Canteen

As a part of our focus on safety and wellness, we commenced the process of engaging a canteen concessionaire to provide healthy meals for our employees. A successful bidder was selected, and the retrofitting of the kitchen facilities commenced. The facility is expected to begin service as of July 2021.

## Major Projects

Major projects completed this year are:

- Retrofitting of offices to facilitate the relocation of the Jamaica Racing Commission
- Renovations of the Annex to house the Casino Gaming Commission
- Renovation of car parks (Hagley Park and Keesing Avenue locations)
- Installation of a Storm Water Management System

We continue to execute on other major projects slated for completion during the 2021/2022 financial year. These are:

- Completion of Canteen Renovations
- Window and wall repairs as part of the waterproofing project
- Replacement of damaged AC Equipment.

# Senior Executives' Compensation

For Financial Year Ended March 31, 2021

Name and Position of Senior Executive	Year	Salary	Gratuity or Performance Incentive /Notes 1 to 6	Travelling Allowance or Value of Assignment of Motor Vehicle	Pension or other Retirement Benefits	Other Allowances Note 7	Non-Cash Benefits	Total
		\$	\$	\$	\$	\$	\$	\$
Vitus Evans, Executive Director	2020/2021	9,942,462.00	3,720,142.93	1,342,772.04	-	5,619,117.09	-	20,624,494.06
Lorraine Thompson-Barnett, Director, Finance & Accounts	2020/2021	6,042,345.96	2,246,206.12	2,190,396.00	-	3,825,276.00	-	14,304,224.08
Laurie Wiggan, Director of Compliance & Regulatory	2020/2021	6,042,345.96	3,595,778.10	2,190,396.00	-	3,621,609.85	-	15,450,129.91
Carole Johnson, Director of ICT	2020/2021	6,042,345.96	1,971,195.21	2,232,306.42	-	2,735,124.23	-	12,980,971.82
Maurice Thompson, Director of Licensing & Registration	2020/2021	6,042,345.96	4,932,749.09	2,190,396.00	-	3,785,762.65	-	16,951,253.70
Noel Bacquie, Director of Enforcement	2020/2021	6,042,345.96	2,026,851.68	2,190,396.00	-	2,333,480.26	-	12,593,073.90
Sandra Antonio, Director of Human Resources & Administration	2020/2021	6,042,345.96	2,072,790.40	2,190,396.00	-	2,013,414.65	-	12,318,947.01
Winston Jackson, Internal Auditor	2020/2021	4,770,837.96	428,299.68	1,107,564.00	368,156.76	1,203,330.94	-	7,878,189.34
Jeanette Lewis, Manager, Corporate Affairs and Communications	2020/2021	4,770,837.96	456,314.33	1,107,564.00	-	1,731,722.54	-	8,066,438.83
Karla Small-Dwyer, Director of Legal Services	2020/2021	6,042,345.96	2,222,348.60	2,190,396.00	-	3,796,944.67	-	14,252,035.23
<b>TOTAL</b>		<b>61,780,559.64</b>	<b>23,672,676.14</b>	<b>18,932,582.46</b>	<b>368,156.76</b>	<b>30,665,782.88</b>	<b>-</b>	<b>135,051,601.12</b>

Notes:

1. Performance Incentive paid April and December 2020
2. Retroactive travel allowance (taxation refund) paid April & May 2020
3. Pay in lieu of leave - Carole Martinez-Johnson paid April 2020
4. Retroactive salaries & allowances paid September 2020
5. Garment/Uniform allowance paid January 2021
6. Pay in lieu of leave - Noel Bacquie paid January 2021
7. Pay in lieu of leave - Sandra Antonio paid March 2021



EDUCATION FUND

# BGLC TERTIARY EDUCATION GRANT

ACHIEVE YOUR HIGHER EDUCATION GOALS

Total Value of Awards

**\$13.25million**

Total Grants Awarded

**313**

Of these - Tuition Assistance

**265 students**

Tertiary Institutions Impacted

**22**

Total Applications Received

**1,670**

Eligible Applications Received

**726**

For 2020 the Education Grant utilized a 100% online format with all application information and documents received via a purpose-built portal.



Laptop Assistance

**48 students**



Students had the option to receive a laptop instead of tuition assistance for the 2020 BGLC Tertiary Education Grant to enable them to cope with the move to online classes.

# Corporate Social Responsibility

## DONATIONS AND SPONSORSHIPS

01. Grooms Association – Sanitizers and sponsorship of registration fees
02. Red Cross for COVID-19 Food Packages to vulnerable communities
03. National Health Fund via Telethon Jamaica - purchase PPE for COVID-19 frontline workers
04. Council of Voluntary Social Services (CVSS) for PSOJ COVID-19 Response Fund
05. St. Francis Primary to upgrade sanitization facilities for students
06. Jamaica Cancer Society
07. United Way of Jamaica “State of the Art” Virtual Art Auction
08. Lay Magistrates Association COVID-19 fund raising efforts
09. Gift of Love
10. Donation to provide meals for COVID-19 patients in hospitals



01



02



06



07



09



10



**BGLC**  
BETTING GAMING  
LICENSING COMMISSION

**Casino  
Gaming  
Commission**

The background is a solid yellow color with several curved, concentric lines in a slightly darker shade of yellow, creating a sense of depth and movement. The lines curve from the top right towards the bottom left.

# **Auditor's Report & Financial Statements**



## **Betting, Gaming and Lotteries Commission**

**Financial Statements  
31 March 2021**



# Betting, Gaming and Lotteries Commission

Index

31 March 2021

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Statement of cash flows	4
Notes to the financial statements	5 - 38



## Independent auditor's report

To the Members of Betting, Gaming and Lotteries Commission

### Report on the audit of the financial statements

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#### **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 2021, 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 2021;
  - 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 significant accounting policies and other explanatory information.
- 

#### **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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for 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](http://www.pwc.com/jm)

L.A. McKnight 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.



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## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

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## **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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants  
Kingston, Jamaica  
26 July 2021

# Betting, Gaming and Lotteries Commission

## Statement of Comprehensive Income

Year ended 31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021	2020
		\$'000	\$'000
<b>Income</b>	5	1,284,765	1,249,793
Other operating income	6	306,283	265,856
Administration expenses		(951,383)	(932,016)
Net impairment gains		2,014	26,485
Grants	7,8	(24,947)	(13,768)
Finance cost	10	(575)	(635)
<b>Surplus before Taxation</b>		616,157	595,715
Taxation	11	(23,724)	(30,356)
<b>Net Surplus</b>		592,433	565,359
<b>Other Comprehensive Income, net of taxes:</b>			
<b>Item that will not be reclassified to profit or loss –</b>			
Unrealised gains on financial assets at FVOCI		1,172	1,705
Re-measurement of retirement benefit asset, net of taxes	11	16,557	(91,531)
<b>Total Comprehensive Income</b>		610,162	475,533

# Betting, Gaming and Lotteries Commission

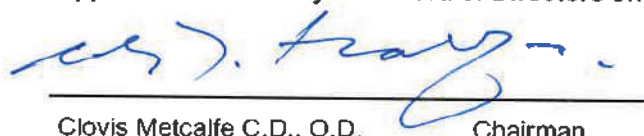
## Statement of Financial Position

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
<b>Non-Current Assets</b>			
Property, plant and equipment	12	562,113	572,627
Right-of-use assets	21	3,894	9,565
Long-term receivables	14	60,146	68,569
Investments	15	202,665	197,758
Retirement benefit asset	24	111,189	95,376
		<u>940,007</u>	<u>943,895</u>
<b>Current Assets</b>			
Receivables	16	159,808	152,198
Taxation recoverable		27,971	26,973
Current portion of long-term receivables	14	36,325	31,225
Short term deposits	17	1,468,146	1,148,943
Cash at bank and in hand	18	103,479	100,288
		<u>1,795,729</u>	<u>1,459,627</u>
<b>Current Liabilities</b>			
Payables	20	301,672	431,638
Current portion of lease liabilities	21	1,538	6,449
Income tax payable		19,925	10,147
Deferred income	22	78,709	22,994
		<u>401,844</u>	<u>471,228</u>
<b>Net Current Assets</b>			
		<u>1,393,885</u>	<u>988,399</u>
		<u>2,333,892</u>	<u>1,932,294</u>
<b>Equity</b>			
Accumulated surplus		2,299,689	1,901,910
Fair value reserve		2,877	1,705
		<u>2,302,566</u>	<u>1,903,615</u>
<b>Non-Current Liabilities</b>			
Deferred tax liability	13	28,922	25,382
Lease liabilities	21	2,404	3,297
		<u>31,326</u>	<u>28,679</u>
		<u>2,333,892</u>	<u>1,932,294</u>

Approved for issue by the Board of Directors on 26 July 2021 and signed on its behalf by:



Clovis Metcalfe C.D., O.D.

Chairman



Charles Heholt

Commissioner

# Betting, Gaming and Lotteries Commission

## Statement of Changes in Equity

Year ended 31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Accumulated Surplus	Fair Value Reserve	Total
		\$'000	\$'000	\$'000
<b>Balance at 31 March 2019</b>		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)
<b>Balance as at 31 March 2020</b>		1,901,910	1,705	1,903,615
Total Comprehensive Income -				
Re-measurement of retirement benefit asset, net of taxes		16,557	-	16,557
Unrealised gains on financial assets at FVOCI		-	1,172	1,172
Net surplus		592,433	-	592,433
		608,990	1,172	610,162
Transaction with owners -				
Distribution	23	(211,211)	-	(211,211)
<b>Balance as at 31 March 2021</b>		2,299,689	2,877	2,302,566

# Betting, Gaming and Lotteries Commission

## Statement of Cash Flows

Year ended 31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Net surplus		592,433	565,359
Adjustments for:			
Depreciation	12, 21	64,407	53,664
Interest income	6	(56,483)	(48,109)
Retirement benefit asset		6,263	(8,347)
Interest expense		575	635
Effect of gain on foreign currency balances		(9,109)	(6,225)
Taxation	11	23,724	30,356
		<u>621,810</u>	<u>587,333</u>
Changes in operating assets and liabilities:			
Receivables		(7,610)	57,386
Payables		(129,966)	(6,715)
Deferred income		<u>55,715</u>	<u>(49,046)</u>
Cash provided by operations		539,949	588,958
Tax paid		<u>(16,923)</u>	<u>(28,380)</u>
Net cash provided by operating activities		<u>523,026</u>	<u>560,578</u>
<b>Cash flows from investing activities</b>			
Interest received		54,931	48,694
Purchase of investments		(527,675)	(1,131,426)
Proceeds from disposal and encashment of investments		320,464	226,663
Purchase of property, plant and equipment	12	(48,222)	(58,512)
Long term receivables		<u>3,323</u>	<u>(50,147)</u>
Net cash used in investing activities		<u>(197,179)</u>	<u>(964,728)</u>
<b>Cash flows from financing activities</b>			
Lease payments	21	(6,379)	(4,866)
Distribution	23	<u>(321,267)</u>	<u>(235,104)</u>
Net cash used in financing activities		<u>(327,646)</u>	<u>(239,970)</u>
Net decrease in cash and cash equivalents		(1,799)	(644,120)
Effects of exchange rate changes on cash and cash equivalents		4,517	(5,206)
Net cash and cash equivalents at beginning of year		<u>148,395</u>	<u>797,721</u>
<b>NET CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	18	<u><u>151,113</u></u>	<u><u>148,395</u></u>



# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 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 C.D., O.D.	- Chairman
Mr. Wayne Chen	- Deputy Chairman
Mr. Charles Heholt	
Mr. Paul East	
Mr. Christopher Reckord	
Ms. 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 2021 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

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 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.

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

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Commission has assessed the relevance of all such new standards, interpretations and amendments and has affected the following, which are immediately relevant to its operations:

**Amendments to IAS 1 'Presentation of financial statements and IAS 8 'Accounting policies, changes in accounting estimates and errors'**, (effective for annual periods beginning on or after 1 January 2020). The amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The adoption of this amendment did not have any significant impact on the operations of the Commission.

**Amendments to IFRS 7, 'Financial Instruments: Disclosures', IFRS 9, 'Financial Instruments' and IAS 39, 'Financial Instruments: Recognition and Measurement'** (effective for annual periods beginning or after 1 January 2020) – These amendments provide certain relief in relation to interest rate benchmark reforms. 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 did not have any 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 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Summary of Significant Accounting Policies (Continued)

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

***Standards, interpretations and amendments 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, interpretations and amendments 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, ‘Presentation of Financial Statements’**, (effective for annual periods beginning on or after 1 January 2022 (possibly deferred to 1 January 2023)). The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date, such as, the receipt of a waiver or a breach of covenant. The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023. The adoption of this amendment is not expected to have any significant impact on the operations of the Commission.

**Amendments to IAS 16, ‘Property, Plant and Equipment’**, (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 Property, Plant and Equipment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities. The adoption of this amendment is not expected to have any significant impact on the operations of the Commission.

**Amendments to IFRS 16, ‘Covid-19-related Rent Concessions’**, (effective for annual periods beginning on or after 1 June 2020). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this would result in accounting for the concessions as variable lease payments in the period in which they are granted. Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. This amendment is not expected to have any significant impact on the operations of the Commission.

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Summary of Significant Accounting Policies (Continued)

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

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

**Annual Improvements to IFRS Standards 2018-2020 Cycle**, (effective for annual periods beginning on or after 1 January 2022). The IASB issued its Annual Improvements to IFRSs 2018-2020 cycle amending a number of standards, the following of which might be relevant to the Group:

- IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – Clarifies the treatment of lease incentives and payments from lessor relating to leasehold improvements.

The adoption of the standard is not expected to have any significant impact on the operations of 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.
- (iii) **Unclaimed winnings**  
Unclaimed winnings are earned from 50% of lottery winnings which remain unclaimed after 21 days. These are recorded on an accrual basis.
- (iv) **Interest income**  
Interest income is recognised on a time-proportion basis using the effective interest method. When an interest receivable balance is impaired, the Commission reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income.

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Summary of Significant Accounting Policies (Continued)

### (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 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 2021

(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 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 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.

### (iii) 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).

### (iv) 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.

### (v) 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 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Summary of Significant Accounting Policies (Continued)

### (g) Financial instruments (continued)

#### Financial liabilities (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 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Summary of Significant Accounting Policies (Continued)

### (g) Financial instruments (continued) Financial liabilities (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).

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 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 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 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Summary of Significant Accounting Policies (Continued)

### (m) Leases

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.

## 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 2021

(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:

	2021 \$'000	2020 \$'000
Government	16,097	13,988
Lotteries	114,810	101,717
Bookmakers	20,483	28,648
	<u>151,390</u>	<u>144,353</u>
Less: Loss allowance	<u>(29,729)</u>	<u>(31,743)</u>
	<u><u>121,661</u></u>	<u><u>112,610</u></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 2021

(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 2021 and 2020 was determined as follows for trade receivables:

	Current (0-30 days)	31- 90 days past due	91-150 days past due	Over 150 days past due	Total
<b>31 March 2021</b>					
Expected loss rate	0.92%	0.75%	-	93%	
Gross carrying amount \$'000	116,372	4,235	-	30,783	151,390
Loss allowance provision \$'000	1,070	31	-	28,628	29,729
	Current (0-30 days)	31- 90 days past due	91-150 days past due	Over 150 days past due	Total
<b>31 March 2020</b>					
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

The closing loss allowances for trade receivables as at 31 March 2021 reconcile to the opening loss allowances as follows:

	2021 \$'000	2020 \$'000
Opening loss allowance as at 1 April 2020	31,743	62,275
Impaired receivables during the year	1,325	2,887
Amount reversed during the year	(3,339)	(33,419)
At 31 March 2021	29,729	31,743

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

Notes to the Financial Statements

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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.

#### 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	1 to 5 Years	Over 5 Years	Total
	\$'000	\$'000	\$'000	\$'000
<b>2021</b>				
Payables	301,672	-	-	301,672
Lease liabilities	1,772	3,000	-	4,772
<b>Total Financial liabilities</b>	<b>303,444</b>	<b>3,000</b>	<b>-</b>	<b>306,444</b>
<b>2020</b>				
Payables	431,638	-	-	431,638
Lease liabilities	6,953	4,772	-	11,725
<b>Total Financial liabilities</b>	<b>438,591</b>	<b>4,772</b>	<b>-</b>	<b>443,363</b>

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

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## 3. Financial Risk Management (Continued)

### (b) Liquidity risk (continued)

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

### (c) Market risk

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

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

#### (i) Currency risk

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

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

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

At the date of the statement of financial position, the Commission had a net asset exposure to the US dollar of \$138,599,000 (2020 - \$110,419,000). This exposure arose from cash and bank balances, long term investment balances and short-term deposits denominated in US dollars.

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

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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 (2020 - 2% 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
	2021	2021 \$'000	2020	2020 \$'000
<b>Currency:</b>				
<b>USD:</b>				
Revaluation	2%	2,772	2%	2,208
Devaluation	6%	(8,316)	6%	(6,625)

#### (ii) Interest rate risk

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



# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

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## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### (iii) Price risk

Price risk is the risk that the fair value of 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% (2020 - 5%) and a decrease of 5% (2020 - 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.

		2021 \$'000	2020 \$'000
Increase/(decrease) in equity security	5% (2020 - 5%)	1,644	1,585
	5% (2020 -10%)	<u>(1,644)</u>	<u>(3,171)</u>

### (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. Included in the Commission's investment portfolio are equity and fixed income instruments which are the only 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 2021 and 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

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

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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 \$
<b>2021</b>				
Investment securities –				
Quoted equities	6,500	-	-	6,500
Fixed income fund	-	26,377	-	26,377
	6,500	26,377	-	32,877
<b>2020</b>				
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 \$56,582,349 (2020 – 71,406,000). 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 \$119,692,563 (2020 - \$194,883,000).

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

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## 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.

## 5. Income

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Lotteries	1,071,231	959,388
Gaming machines	143,301	220,342
Bookmakers	30,310	25,607
Racing promoter	23,519	22,641
Bingo	4,850	4,850
Prize promotions	11,554	16,965
	<u>1,284,765</u>	<u>1,249,793</u>

## 6. Other Operating Income

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	56,483	48,109
Foreign exchange gains	9,109	6,225
Unclaimed winnings	235,608	207,002
Other	5,083	4,520
	<u>306,283</u>	<u>265,856</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 \$24,947,000 (2020 - \$13,768,000). The Commission made a special contribution of \$10,000,000 to fund special project to conduct research study on adult Gaming in Jamaica. This is the first such study ever been conducted.

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

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## 8. Expenses by Nature

Total administration expenses and grants

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Advertising and public relations	36,432	32,287
Audit fees	1,932	1,840
Depreciation	64,407	53,664
Donations and subscriptions	12,167	10,967
Diamond Mile expenses	-	32,243
Grants	24,947	13,768
Insurance	4,693	4,638
Legal and professional	63,517	36,060
Printing and stationery	4,992	5,173
Repairs and maintenance	30,618	17,879
Security	17,218	12,751
Net impairment gains (Note 3(a))	(2,014)	(26,485)
Merger expenses	3,152	1,430
Special investigations	2,832	2,844
Staff costs (Note 9)	576,978	605,742
Utilities	36,646	24,902
Other	95,799	89,596
	<u>974,316</u>	<u>919,299</u>

## 9. Staff Costs

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	339,135	358,827
Payroll taxes – employer's contribution	38,572	37,163
Pension	17,363	2,911
Other employee related costs	181,908	206,841
	<u>576,978</u>	<u>605,742</u>

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

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## 10. Finance Cost

	2021	2020
	\$'000	\$'000
Interest expense	575	635

## 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%.

	2021	2020
	\$'000	\$'000
Current income tax	26,515	25,270
Prior year (over)/under accrual	(812)	4,177
Deferred taxation (Note 13)	(1,979)	909
	<u>23,724</u>	<u>30,356</u>

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

	2021	2020
	\$'000	\$'000
Surplus before taxation	616,157	595,715
Tax calculated at 25%	154,039	148,929
Adjusted for the effects of:		
Income not taxable	(316,545)	(302,663)
Expenses not deductible for tax	191,933	184,278
Employee Tax Credit	(5,193)	(5,201)
Adjustment for prior year deferred tax due to capital allowances	-	893
Prior year (over)/under accrual	(812)	4,177
Other charges and allowances	302	(57)
Tax charge	<u>23,724</u>	<u>30,356</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.

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

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## 11. Taxation (Continued)

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

	2021 \$'000	2020 \$'000
Other comprehensive income -		
Remeasurements on retirement benefit obligation, before tax	22,076	(122,041)
Tax charge (Note 13)	(5,519)	30,510
	<u>16,557</u>	<u>(91,531)</u>

## 12. Property, Plant and Equipment

	Land \$'000	Freehold & Buildings \$'000	Furniture & Fixtures \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Storage Facilities & Equipment \$'000	Capital in Work Progress \$'000	Total \$'000
At Cost								
1 April 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)	-
31 March 2020	82,864	430,490	217,742	102,445	31,246	2,971	33,857	901,615
Additions	-	998	5,993	14,582	-	571	26,078	48,222
Transfers	-	43,797	-	2,218	-	3,648	(49,663)	-
At 31 March 2021	82,864	475,285	223,735	119,245	31,246	7,190	10,272	949,837
Depreciation -								
At 1 April 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
31 March 2020	-	55,440	164,758	92,341	14,862	1,587	-	328,988
Charge for the year	-	11,198	31,551	8,651	6,249	1,087	-	58,736
At 31 March 2021	-	66,638	196,309	100,992	21,111	2,674	-	387,724
Net Book Value -								
At 31 March 2021	82,864	408,647	27,426	18,253	10,135	4,516	10,272	562,113
At 31 March 2020	82,864	375,050	52,984	10,104	16,384	1,384	33,857	572,627

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. As at 31 March 2021, the property remained unsold.

# Betting, Gaming and Lotteries Commission

## Notes to the Financial Statements

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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:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Net liability at beginning of year	(25,382)	(54,983)
Credited/(charged) to profit or loss (Note 11)	1,979	(909)
(Charged)/credited to other comprehensive income (Note 11)	(5,519)	30,510
Net Liability at end of year	<u>(28,922)</u>	<u>(25,382)</u>

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred income tax asset -		
Vacation leave accrual	3,127	2,071
Property, plant and equipment	496	-
Unrealised foreign exchange loss	-	189
	<u>3,623</u>	<u>2,260</u>
Deferred income tax liabilities –		
Unrealised foreign exchange gain	(1,194)	-
Property plant and equipment	-	(632)
Retirement benefit asset	(27,797)	(23,844)
Interest receivable	(3,554)	(3,166)
	<u>(32,545)</u>	<u>(27,642)</u>
Net deferred tax liability	<u>(28,922)</u>	<u>(25,382)</u>

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit or loss		
Vacation leave accrual	(1,056)	(394)
Unrealised foreign exchange gain	1,194	(672)
Property, plant and equipment	(1,128)	106
Interest receivable	388	(28)
Unrealised foreign exchange loss	189	(189)
Retirement benefit liability	1,566	2,086
	<u>(1,979)</u>	<u>909</u>
Other comprehensive income		
Retirement benefit liability	(5,519)	30,510

# Betting, Gaming and Lotteries Commission

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31 March 2021

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## 13. Deferred Taxation (Continued)

Deferred income tax liabilities to be extinguished -

After more than 12 months	(2,797)	(24,476)
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## 14. Long Term Receivables

	2021 \$'000	2020 \$'000
Loans to employees	96,471	99,794
Less: Current portion	(36,325)	(31,225)
	<u>60,146</u>	<u>68,569</u>

These represent loans to the Commission's employees. 79% percent (2020 - 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 2021 \$'000	1-5 Years 2021	Over 5 Years 2021	Carrying Value 2021 \$'000	Carrying Value 2020 \$'000
Financial assets at amortised cost-					
Government of Jamaica securities	-	-	127,231	127,231	131,472
Certificates of deposits	19,295	21,360	-	40,655	31,706
Financial assets at FVOCI - Quoted equities	-	6,500	-	6,500	6,700
Fixed income fund	-	26,377	-	26,377	25,005
Interest receivable	1,902	-	-	1,902	2,875
	<u>21,197</u>	<u>54,237</u>	<u>127,231</u>	<u>202,665</u>	<u>197,758</u>

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

J\$	3.5	3
US\$	<u>0.63</u>	<u>1.05</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.



# Betting, Gaming and Lotteries Commission

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## 16. Receivables

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Fees and contributions receivable	76,331	82,465
Unclaimed winnings	45,330	30,145
	<u>121,661</u>	<u>112,610</u>
Staff loans	19,611	16,881
Prepayments and other deposits	17,883	22,054
Other	653	653
	<u><u>159,808</u></u>	<u><u>152,198</u></u>

Fees and contributions receivable are stated after provision for impairment losses of \$29,729,000 (2020 \$31,743,000).

## 17. Short term Deposits

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

	<b>Within 3</b>	<b>3 - 12</b>	<b>Carrying</b>	<b>Carrying</b>
	<b>Months</b>	<b>Months</b>	<b>Value</b>	<b>Value</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Securities purchased under resale agreements (Note 18)	47,465	-	47,465	47,724
Securities purchased under resale agreements	-	1,407,451	1,407,451	1,091,431
Interest receivable	169	13,061	13,230	9,788
	<u>47,634</u>	<u>1,420,512</u>	<u>1,468,146</u>	<u>1,148,943</u>

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
J\$	<u>3.50</u>	<u>4.06</u>

Included in cash and cash equivalents are securities purchased under resale agreements and interest thereon in the amount of \$47,634,000 (Note 18).

# Betting, Gaming and Lotteries Commission

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## 18. Cash and Cash Equivalents

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Securities purchased under resale agreements (Note 17)	47,634	48,107
Cash at bank and in hand	103,479	100,288
	<u>151,113</u>	<u>148,395</u>
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand comprise		
Cash at bank	103,276	100,085
Cash in hand	203	203
	<u>103,479</u>	<u>100,288</u>

## 19. Related Party Transactions and Balances

### (a) Loans to related parties

Loans to key management personnel of the Commission –

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
At start of year	24,972	9,647
Loans advanced during year	12,195	20,585
Loan repayments received	(9,327)	(5,260)
End of year	<u>27,840</u>	<u>24,972</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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Distributions (Note 23)	<u>211,211</u>	<u>235,104</u>

# Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2021

(expressed in Jamaican dollars unless otherwise indicated)

## 19. Related Party Transactions and Balances (Continued)

### (c) Key management compensation

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	85,453	67,137
Allowances	33,631	37,711
Gratuity accrued	15,967	11,987
Payroll taxes – employer's contributions	10,186	8,855
	<u>145,237</u>	<u>125,690</u>
Commissioners' emoluments		
Fees	1,552	1,265
Travel allowance	9	196
	<u>1,561</u>	<u>1,461</u>

### (d) Balances with related parties Travel

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Distribution payable (Note 20,23)	<u>112,418</u>	<u>200,000</u>

## 20. Payables

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Accruals	21,273	36,997
Distribution payable	112,418	200,000
Accrued vacation leave	54,829	34,202
Customer deposits	62,562	107,158
Other	50,590	53,281
	<u>301,672</u>	<u>431,638</u>

# Betting, Gaming and Lotteries Commission

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## 21. Leases

(i) Amounts recognised in the statement of financial position

	2021 \$'000	2020 \$'000
Right-of-use assets		
Building	3,894	9,565
Lease liabilities		
Current	1,538	6,449
Non-current	2,404	3,297
	3,942	9,746

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2021 \$'000	2020 \$'000
Depreciation charge of right-of-use asset:		
Building	5,671	4,412
Interest expense (Note 10)	575	635

The total cash outflow for leases in 2021 was \$6,379,000

# Betting, Gaming and Lotteries Commission

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## 21. Leases (Continued)

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net debt as at 31 March</b>	<b>9,746</b>	<b>8,595</b>
<b>Net debt as at 1 April</b>	9,746	8,595
Cash flows -		
Additions	-	5,382
Lease payments	(6,379)	(4,866)
Non-cash flows -		
Interest expense	575	635
<b>Net debt as at 31 March</b>	<b>3,942</b>	<b>9,746</b>

*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 had a term of two (2) years.

Leases are recognised as right-of-use assets with a corresponding liability at the date at which the leased asset is available for use by the Commission.

## 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 \$ 211,211,000 (2020 - \$235,104,000) to the Consolidated Fund. At the year end, \$112,418,000 (2020 - \$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 2021.

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:

	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
Present value of funded obligations	673,071	678,389
Fair value of plan assets	<u>(784,260)</u>	<u>(773,765)</u>
Asset recognised in statement of financial position	<u>(111,189)</u>	<u>(95,376)</u>

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

	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
At beginning of the year	(95,376)	(209,070)
Recognised in net surplus	17,363	2,911
Re-measurements recognised in other comprehensive income	(22,076)	122,041
Contributions paid	<u>(11,100)</u>	<u>(11,258)</u>
At end of year	<u>(111,189)</u>	<u>(95,376)</u>

# Betting, Gaming and Lotteries Commission

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## 24. Retirement Benefit Asset (Continued)

The amounts recognised in net surplus are as follows:

	2021 \$'000	2020 \$'000
Service cost	24,488	18,611
Net interest cost:		
Interest cost on defined benefit obligations	47,412	40,501
Interest income on plan assets	(54,537)	(56,201)
	<u>17,363</u>	<u>2,911</u>

The amounts recognised in other comprehensive income are as follows:

	2021 \$'000	2020 \$'000
Re-measurements		
Change in financial assumptions	(136,148)	38,283
Experience adjustments	114,072	83,758
	<u>(22,076)</u>	<u>122,041</u>

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

	2021 \$'000	2020 \$'000
Present value of obligation as at 1 April	678,389	584,275
Service cost	24,488	18,611
Interest cost	47,412	40,501
Contributions paid	17,858	18,012
Benefits paid	(47,405)	(11,579)
Value of annuities purchased	24,483	-
Remeasurement – Changes in financial assumptions	(148,973)	42,837
Remeasurement – Experience adjustments	76,819	(14,268)
Present value of funded obligation as at 31 March	<u>673,071</u>	<u>678,389</u>

# Betting, Gaming and Lotteries Commission

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## 24. Retirement Benefit Asset (Continued)

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value of plan assets at 1 April	773,765	793,345
Contributions paid - total	28,958	29,270
Expected return on plan assets	54,537	56,201
Benefits paid	(47,405)	(11,579)
Value of annuities purchased	24,483	-
Remeasurement – Changes in financial assumptions	(12,825)	4,554
Remeasurement – Experience adjustments	(37,253)	(98,026)
Fair value of plan assets at 31 March	<u>784,260</u>	<u>773,765</u>

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

	<b>2021</b>		<b>2020</b>	
	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>%</b>
Equity	440,497	56	439,120	56
Mortgage and real estate	115,611	15	110,216	14
Fixed income	10,433	1	7,544	1
Money market	3,017	-	2,828	-
Foreign currency investments	4,512	1	4,057	1
Value of purchased annuities	128,783	16	112,773	15
Inflation linked fund	81,407	11	95,562	12
Adjustments	-	-	1,665	1
	<u>784,260</u>	<u>100</u>	<u>773,765</u>	<u>100</u>

The principal actuarial assumptions used were as follows:

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Discount rate	8.5	6.5
Future salary increases	7.0	4.5
Future pension increases	1.5	1.0
Inflation	<u>5.5</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 \$28,827,000 (2020 - \$28,277,000).

The actual return on plan assets was \$17,968,000 (2020 – \$22,217,000).

The average expected remaining working life of the employees is 19 years (2020 – 16 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%	(73,422)	95,198
Future salary increases	1%	44,420	(38,599)

### ***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. Impact of COVID-19

The global economy continues 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.

In spite of the challenges brought on by the COVID-19 pandemic, the outcome for the 2020/21 financial year resulted in a favorable position in respect to the operating revenue of \$266,000,000 or 22% over the Commission's revised budget and likewise favorable result in the operating expenditure of \$59,000,000 or 6% over the prior year. This result would have been subsequent to the Commission increasing expenditure on sanitization and cleaning exercises in relation to COVID-19.



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