



“Regulating with fairness
and transparency.”

JAMAICA
RACING
COMMISSION
ANNUAL REPORT 2017-2018

Our Mission

To regulate and build a strong and credible horse racing industry which ensures honesty and integrity through the promulgation of rules to govern the conduct of licensed personnel, promoters and race meetings, thereby protecting the interest of the racing public.

**THE JAMAICA RACING COMMISSION
ANNUAL REPORT
2017/2018**

TO: The Honourable Nigel Clarke DPhil., M.P.
 Minister of Finance and the Public Service
 Ministry of Finance and the Public Service
 30 National Heroes Circle
 Kingston 4

This report summarises, in terms of Section 12 of the Jamaica Racing Commission Act, the activities of the Jamaica Racing Commission (JRC) in the Financial Year 2017/2018, in fulfilling the regulatory, financial, judicial and administrative functions assigned by the Act.

The report also presents the audited Financial Statements of the Commission and data indicating performances and trends in the horse racing industry.

**THE JAMAICA RACING COMMISSION ACT
(ACT 3 OF 1972 AMENDED BY ACT 4 OF 1979)**

The Jamaica Racing Commission was established under the Jamaica Racing Commission Act, 1972:

- 1 to regulate and control horse racing and the operation of racecourses in the island;
- 2 to grant such licences and permits as may be required by virtue of the provisions of the Act;
- 3 to recommend to the Minister the method of utilising sums, under the Betting, Gaming and Lotteries Act, for assistance to breeders of horses and horse racing generally;
- 4 to introduce and implement, or to assist in or undertake the implementation of any scheme for the development of the horse racing industry.

CHAIRMAN'S STATEMENT**2017/2018**

Anthony Shoucair

I am pleased to present the Jamaica Racing Commission's Annual Report for the financial period 2017/2018, which details the regulatory and development activities of the Commission. The Commission in fulfilment of its mandate continues to serve as the central racing body on which the industry and the public can depend to preserve and maintain high standards of sports, honesty and the health and safety of all horses and personnel involved in racing.

During the period, progress was made with regards to the merging of the Jamaica Racing Commission, the Casino Gaming Commission (CGC) and the Betting Gaming and Lotteries Commission (BG&LC). Cabinet, by decision dated the 17th December 2012, approved the merger of all three entities under the Public Sector Master Rationalisation Plan.

A Merger Committee was established which included the following persons:

- Chairman: JRC
- Chairman: BGLC
- Executive Director: BGLC
- General Manager: JRC
- Legal Counsel: BGLC
- Representative: Attorney General's Chamber

Work continued in earnest during the year with the roll-out of several initiatives in keeping with the merger integration and execution plan, as ratified by the Merger Steering Committee. These included the commencement of a Change Management and Culture Transformation Programme. Both programmes were simultaneously implemented across the three entities (BGLC, JRC, CGC) and will continue for the foreseeable future until the merger has been successfully concluded. These changes will not only improve the efficiency of the Commission but will add value to the continued development of the Racing product.

The Commission hosted the 2017 Annual Hall of Fame prelude to the Derby, wherein special recognition was given to long-serving industry participants who have excelled for a period of at least 25 years. Two major events were held to celebrate the week of activities; these include the JRC Hall of Fame Race Day and Health Fair, along with the Awards Ceremony which was held at the Jamaica Pegasus Hotel. There were approximately 6000 patrons on race day and 400 persons in attendance at the ceremony.

After several years of negotiations and invites, the Commission was finally able to confirm with representatives of the ruler of Dubai, Sheikh Mohammed of the Godolphin Foundation, to be the guest speaker of the Awards Ceremony. Mr Darren Fox attended on his behalf and gave an excellent speech on "*International Horse Racing*". The Godolphin team introduced the Commission to its "Godolphin Flying Start" programme, which is a two-year full-time management and training programme specialising in the thoroughbred and breeding industry. Based on the excellent breeding and bloodline of the horses in Dubai, the Commission will be seeking to have further discussions with the aim of importing and breeding horses from its stallion operation in Darley.

I would also like to thank the management and staff of the Commission along with the Commissioners and Tribunal members who served with me. There were several financial challenges and industry issues that we had to grapple with during the period; however, through commitment and hard work, we ended the period successfully.



Mr Anthony Shoucair, J.P.
Chairman

COMMISSIONERS:

Anthony Shoucair - Chairman
Clovis Metcalfe -Deputy Chairman
Paul East
Charles Heholt
Ian Scarlett
Solomon Sharpe

OFFICIALS:

Richard Longmore	-	General Manager
Kisha-Gaye Anderson	-	Acting Director, Information Technology
Sophia Ramlal (Dr.)	-	Acting Senior Veterinary Officer
Kavel Mitchell Buckley	-	Financial Manager
Normalyn Haynes	-	Acting Personnel Officer
Haldene Johansen	-	Acting Director of Racing
Eustace Williams	-	Operations Steward
Antoinne Nembhard	-	Operations Steward
Shantel Clarke	-	Administrator/Welfare & Training

DELEGATES:

The First Instance Tribunal:

A.	Kent Pantry	-	Chairman
B.	Dr Paul Turner		
C.	Cliff Williams		
D.	George McPherson		
E.	Dr Micheal Coore		
F.	Dr Paul Wright		
G.	Operations Stewards		

SUB-COMMITTEES

Finance Committee:

Mr Clovis Metcalf	-	Chairman
Ian Scarlett	-	Commissioner

Audit Committee:

Paul East	-	Chairman
Diyal Fernando	-	Member

Equine Drug Testing Committee:

Clovis Metcalf	-	Chairman
Anthony Shoucair	-	Commissioner
Charles Heholt	-	Commissioner
Richard Longmore	-	Member
St. Aubyn Bartlett (Dr)	-	Member
Sophia Ramlal (Dr)	-	Member
Paul Turner (Dr)	-	Member
Racing Chemists	-	Member
Racing Analyst	-	Member

HALL OF FAME TRUSTEES:

Charles Heholt	-	Chairman
Clovis Metcalf	-	Commissioner
Ian Scarlett	-	Commissioner
Michael Coore (Dr)	-	Trustee
Kenneth Gooden	-	Trustee
Edward Barnes	-	Trustee
Denzil Miller Jnr.	-	Trustee

RACING INDUSTRY INSURANCE SCHEME COMMITTEE:

Anthony Shoucair	-	Chairman
Solomon Sharpe	-	Commissioner
Christopher Reckord	-	Commissioner
Richard Longmore	-	Member
Kavel Mitchell-Buckley	-	Member
Haldene Johansen	-	Member
Denzil Miller, Jnr.	-	CTL Representative
Dale Murphy	-	United Racehorse Trainers' Representative Rep.
Andre' Martin	-	Jockeys' Representative
Fabian White	-	Grooms' Representative
Richard Donaldson	-	Jamaica Racehorse Trainers Assoc. Rep.

JOCKEYS' TRAINING SCHOOL COMMITTEE:

Ian Scarlett	-	Chairman
Solomon Sharpe	-	Commissioner
Charles Hussey, OD	-	Member
Richard Longmore	-	Member
Haldene Johanson	-	Member

SENIOR EXECUTIVES COMPENSATION 2017-2018

Position of Senior Executive	Salary (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) Duty On Call Vet All	Total (\$)
General Manager: Richard Longmore	4,044,504. 16	950,317.00	497,072.10	26,000.04	5,517,893.30
Finance Manager Kavel Mitchell- Buckley	2,334,574. 74	707,448.00	263,361.12	-	3,305,383.86
Information Technology Manager: Dean Smith	2,316,571. 35	707,448.00	-	-	3,024,019.35
Senior Veterinarian: Dr. St. Aubyn Bartlett	3,389,478. 84	707,448.00	452,929.70	1,164,093.00	5,713,949.54
Director of Racing: Haldene Johansen	2,852,874. 19	707,448.00	296,369.02	17,166.67	3,873,857.88

Notes

- Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.
- Other Allowances (including laundry, entertainment, housing, utility, etc.)
- Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

COMMISSIONERS' COMPENSATION 2017/2018

Position of Senior Executive	Fees (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Total (\$)
Chairman Mr. Anthony Shoucair	164,000.00	200,228.00	364,228.00
Deputy Chairman Mr. Clovis Metcalfe	137,500.00	286,000.00	423,500.00
Commissioner Mr. Charles Heholt	103,500.00	257,436.00	360,936.00
Commissioner Mr. Paul East	74,500.00	257,436.00	331,936.00
Commissioner Mr. Ian Scarlett	97,500.00	257,436.00	354,936.00
Commissioner Solomon Sharpe	112,500.00	286,040.00	398,540.00

Notes

- Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.
- Other Allowances (including laundry, entertainment, housing, utility, etc.)
- Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

CHAPTER 1

GOALS AND OBJECTIVES:

While the overall goal of the Commission continues to be the preservation of a vibrant credible industry and the maintenance of high standards for all aspects of the sport, challenges that threaten the viability of the industry need to be addressed. To meet new and continued challenges, the following broad objectives were adopted over the period under review and the medium term to **follow**:

- iii. Aggressively address incidents of positive findings of drug usage beyond established thresholds, as well as illegal substances, especially class 1 drugs.
- iv. Encourage breeders to increase the annual count of locally-bred foals.
- v. Ensure proper registration and identification of horses in conformity with international standards.
- vi. Institute measures that protect animal health and welfare, and the production of the Jamaica Stud Book.

Further, more granular goals were defined **to**:

3. continue welfare and training programmes for persons in the industry and ensure the maintenance of a comprehensive Insurance Scheme for persons holding occupational permits;
4. improve the standard of professionalism in racing by providing training courses for future jockeys and trainers;
5. ensure that horses are fit to race and are allowed to run on their merit;
6. deter and detect the use of prohibited substances in competing horses;
7. establish criteria for the granting of occupational permits/licences;
8. ensure that applicants for registration as racehorse owners are of good character and have sufficient means to maintain their horses in training;
9. continue to advise the Government on the extent of subsidies in support of horse racing and breeding, and administer subsidies approved;
10. act as coordinator between the various groups in the industry and adjudicate on complaints, objections and appeals received from persons in relation to horse racing;
11. ensure that institutional capacity exists to properly execute the Commission's functions.

CHAPTER 2

PUBLIC

SUPPORT

Thoroughbred horse racing promoted locally by Caymanas Track Limited (CTL) at the single racetrack on the island continued to attract wide public support. In addition to local race meetings, the promoting company also organises simulcast races via satellite to their off-track Betting Parlours across the island.

2.1 Industry Statistics

Table 1 below provides details on racing activities and purse earnings over the past six years for comparison.

TABLE 1

DESCRIPTION	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Race Days	77	75	74	79	81	81
Total # Of Races	789	772	759	771	818	799
Total No. Of Runners/Starts	8224	8148	7649	7479	8546	8258
Average No. Of Starters Per Race	10	10	10	9	10	10
Race Day Sales By Promoter (Local Racing)	\$3.2B	\$2.8B	\$2.6B	\$2.4B	\$2.4B	\$2.4B
Race Day Sales By Promoter (Simulcast)	\$2.6B	\$2.3B	\$2.1B	\$1.97B	\$1.9B	\$1.7B
Total Purse Money Paid Out	\$520M	\$522M	\$515M	\$507M	\$519M	\$538M

2.2 FINANCIAL SUPPORT TO THE INDUSTRY

DESCRIPTION	2017-2018 \$	2016-2017 \$	2015-2016 \$	2014-2015 \$	2013-2014 \$
Lab analyses and repairs to equipment	\$28M	\$25M	\$24.1M	\$26.0M	\$25.1M
Other Development Projects (See notes in Financial Statement)	\$12.5M	\$12M	\$11.5M	\$6.3M	\$4.6M
Total Subsidies	\$40.5M	\$37.0M	\$35.6M	\$32.3M	\$29.7M

CHAPTER 3

3.1 REGULATORY:

- i. During the period no amendment was made to the Jamaica Racing Commission Racing Rules (1977)
- ii. With respect to the issuance of permits and licences, the Commission continued to discharge its responsibilities under the Act. As at March 31, 2018, a total of 439 permits and licences had been approved for members of the Occupational Group, which is 81 less than that obtained at March 31, 2017.

Category	Number of Licences Approved	
	As at 31.03.17	As at 31.03.18
Trainers	129	149
Assistant Trainers	23	-
Jockeys	65	64
Apprentice Jockeys	-	-
Jockeys' Agents	12	10
Grooms	206	162
Stable Assistants	56	24
Exercise Riders	26	29
Farriers	3	1
Assistant Farriers	-	-
TOTAL	520	439

The number of registered Owners at 31st March, 2018 stood at 462 which is 104 less than the total at 31st March, 2017, but 128 less than the total at 31st March, 2016, the corresponding point of the licensing period (i.e. 2016/17 versus 2018/19).

Below are the comparative totals for the categories outside of the Occupational Group:

Category	Total As at 31.03.17	Total As at 31.03.18
Individual Owners	566	462
Companies	5	3
Owners' Agents	5	7
Veterinarians	7	5
Officials	-	-

During the period under review, races were conducted on 77 race days, broken down as follows:

Saturdays	Wednesdays	Public Holidays	Sundays	Other Day	Total
53	17	7	-	-	77

3.2 Veterinary 'On Call' System

The veterinary 'On Call' system continued to assist in ensuring that horses declared to race on a particular day were legitimately withdrawn, this after being reported sick or lame after 'Scratch Time'. The Racing Rules require that all declared horses (after the close of entries) which become sick, lame or injured, be examined by a Jamaica Racing Commission Veterinarian. This 'On Call' facility sought to ensure that trainers reported such animals via telephone in a timely manner.

3.3 STEWARDS REVIEW OF RACES

The stewards continued their weekly review of races, and conducted hearings into riding incidents. The number of summonses issued to jockeys during the period, as well as the actions taken is set out below.

Period	No. of Summonses Issued	Action Taken			
		Suspensions (Race days)	Fines Imposed	Cautions	Explanations Accepted
2016/17	102	2 7	\$320,000	17	22
2017/18	111	5 5	\$627,000	18	24

3.4 THE REGISTRATION DEPARTMENT

(d) The Registration Department continued the process of improving the functions they performed during the period under review. A total of the various documents processed for the year ended March 31, 2018 is set out **below:**

3. 302 applications for the registration of Native Bred horses were processed (inclusive of the late ones);
4. 70 applications for the registration of imported horses were approved with another 3 (incomplete) at the end of the period;
5. 327 samples from horses were sent to the laboratory for DNA typing, blood typing and parentage verification, while some 150 were awaiting sampling;
6. 279 horses were microchipped with some 55 left to be done at the end of the period under review;
7. 327 applications for the naming of horses were approved during the period whilst 5 were denied, with nil pending at the end of the period;
8. 61 applications for the registration of owners' colours were approved;
9. 115 certificates of registration of the death of horses were received and recorded;
10. 27 nom de plumes were registered;
11. 590 applications for the registration of transfer of ownership of horses were approved;
12. 647 applications for the registration of Training Agreements were approved; and
13. 546 applications for the registration of owners were processed.

CHAPTER 4

PROTECTIVE MEASURES

The Commission and Track Veterinarians continued their vigilance in conducting pre and post race examinations on all horses declared to race, with a view of detecting lameness and or other chronic problems. These examinations offered added protection to the horses, jockeys, owners, trainers, grooms and punters, by assisting in the prevention of serious injuries to both the jockeys and horses. This ultimately amounted to financial savings to all parties especially when the horses are withdrawn from races resulting in bets purchased having to be refunded.

4.1 CULLING

The veterinarians periodically conducted examinations of the horses housed at Caymanas Park, with a view to identifying chronically lame ones. As at December 31, 2017, those so identified, along with others aged 8 years and older which did not each earn a minimum of \$160,000.00 over the preceding year (12 months), were culled from racing.

4.2 WELFARE HEALTH AND SAFETY OF OCCUPATIONAL GROUP

The welfare officer, with the assistance of Caymanas Track Limited's surgeons, chaplain - Father Collier - and other professionals continued to counsel members of the Occupational Group on the benefits of a healthy and drug free lifestyle. Drug testing of jockeys and exercise riders was also continued. The use of safety helmets, vests and boots was continuously monitored by the stewards, the welfare officer as well as Caymanas Track Limited's race day and non-race day officials.

CHAPTER 5

VETERINARY SERVICES

The Veterinary Department of the Jamaica Racing Commission is one of its five core departments. In the review period, the Department was staffed by a Senior Commission Veterinarian (Acting), a Consultant Commission Veterinarian and a Senior Secretary on a full-time basis. Additionally, the lasix and equine drug-testing programmes necessitated the rotational contracting of race-day services of veterinarians (4 part-time, 1 relief), as well as the contracting of a horse identifier and testing barn staff, to ensure timely and adequate performance of the requisite duties.

5.1. CORE FUNCTIONS OF VETERINARY SERVICES

The core functions of the Department in accordance with the Racing Rules 1977 are:

- i) Identification of horses via:
 3. **Markings**/identity verification
 4. Collection of hair samples for DNA analysis and parental verification
 5. Microchipping
- ii) Administration and management of the lasix programme
- iii) Supervision of the Equine Sample Collection Center ('Testing Barn')
- iv) Maintaining custody of samples for equine drug testing
- v) Adjudication on the suitability of horses to compete in racing
- vi) Managing and coordinating the racing industry's equine vaccination programme
- vii) Advising the Commission on matters related to equine welfare, drug-testing and other matters relevant to horse-racing.

5.2 REVIEW OF ACTIVITIES

5.2.1 Equine identification/registration

268 horses were sampled to facilitate parental verification in support of registration. This represented a 39% decrease over the prior fiscal year. The magnitude of decrease is due to three factors: reduction in the foal crop of 2017; reduction in the number of horses exported to Trinidad and the attendant reduced re-submission of hair samples for parental verification; and thirdly, the more timely submission of hair samples for the foal crop of 2017. The Department performed 'on-farm' verification and adjustments (where necessary), of the markings/identification of horses seeking registration/already registered.

5.2.2 Microchipping

289 horses were microchipped during the period under review; this represented a 9% percent increase compared to 2016/17. Consequent to some detection failures associated with prior chips, re-engineered chips were sourced and used by the Commission. Detection failures have not been observed involving the re-engineered chips.

5.2.3 Race-Day Medication and Sample Collection

Race day lasix administration totalled 7,086 representing a 5.8% increase compared to the prior fiscal period. The third running of the Diamond Mile race day (December '02) accounted for the single most starters (179 horses), races (14) and lasix usage (163 horses) on any given day during the review period.

297 horses were confirmed as bleeders via a combination of endoscopy and observation of epistaxis; this compared to 269 horses in the prior fiscal period and 233 in 2015/16. The process of reviewing lasix race day dosing which commenced in the 16/17 fiscal period has not been advanced significantly in 17/18, as matters related to laboratory preparedness and rule adjustments remain outstanding. The Commission's Lasix Programme marked its 15th anniversary in April of 2018 and this Department continues to advocate for the recommendations for the agreed and awaited adjustments to the programme, to be implemented at earliest.

5.2.4 Drug-Testing/Sample Collection

1536 and 1490 urine and blood samples respectively were collected in the Commission's Equine Sample Collection Center ('Testing Barn') during the 17/18 period. This represented a 6% total increase compared to the prior fiscal period.

5.2.5 Surveillance

A second Closed Circuit Television (CCTV) system was installed towards the end of the fiscal period. This system is targeted to strengthen surveillance, afford remote viewing and modernise footage output and storage.

5.2.6 Sample tampering

A report into a suspected case of sample-tampering involving the horse *Two Steps Up* (January 31, 2018) has been submitted by the Department to the Commission for investigation. The investigation and decision of the Commission is awaited.

5.2.7 Positive findings for prohibited substances

Thirteen positive findings for prohibited substances, involving 9 horses, were recorded during the period. This represented a 333% increase (13 vs 3) in positive findings compared to the prior fiscal period. The relevant information for 2017/18 is documented in the table below:

Prohibited substance	ARCI Class	Number of horses
Nikethamide	1	1
Morphine	1	1
Mepivacaine	2	1
Propranolol	3	3
Diclofenac	4	3

- It should be noted that Nikethamide is not registered for use in Jamaica and is currently regarded as a dangerous drug for the horse.
- The Department has registered its concerns regarding the prolonged time for the receipt of drug testing results on post-race samples, and continues to advocate for stronger medication control measures, deterrent and punitive, to curb medication abuse in racehorses.

5.2.8 Fitness certification and disqualifications

Most evaluated categories directly related to racing activities experienced minimal changes when compared to the prior fiscal period. Notable changes experienced are indicated below:

On-call visits : 28% increase over 2016/17
Horses added to the Bleeders List : 10% increase over 2016/17
Raceday bleeders (epistaxis) : 21% decrease compared to 2016/17
Horses euthanized : 128% increase over 2016/17

Of particular concern was the significant increase in the number of horses euthanized subsequent to suffering catastrophic injuries while racing. The majority of instances occurred in the third quarter (Oct to Dec), where eight (8) horses were euthanized.

5.2.9 Equine Vaccination Programme and Welfare

- i) The Department maintained custody of the vaccination records for horses at, or entering the racing compound during the period. Sixty-nine horses were disqualified from racing for non-adherence to the Commission's Vaccination Protocol; this represented an average of just under one horse per race day which is unchanged compared to the fiscal period 16/17.
- ii) There has not been a steady supply of equine vaccines by the sole suppliers 2017/18, necessitating the Department facilitating discussions between the suppliers and the equine practitioners, as well as providing to the suppliers, information on the importance of vaccination to the racing industry and recommendations for alternatives, in an effort to chart a better way forward.
- iii) The location of the Department at the racetrack continues to prove invaluable both in terms of the dissemination of vaccination information to stakeholders and also in receiving vaccination data from veterinarians.
- iv) The Department provided assistance to the Caymanas Pony Club (CPC) in identifying a former racehorse that had been brought to the CPC after having been found wandering on Mandela Highway. The horse was identified as *El Patron* through microchip detection and markings verification as per comparison with information in the Jamaica Racing Commission Racing Information System (JRCRIS).

STATISTICAL SUMMARY REPORT
2017-2018

	APRIL - MARCH 2017-2018	APRIL-MARCH PREVIOUS YEAR	VARIANCE
Hair sampling (DNA-typing)	268	438	170
Microchipping	289	265	24
Fitness Certificate	784	789	5
On Call Visits	216	169	47
Number of horses endoscoped and bled	232	262	30
Non-lasix Bleeders	37	35	2
Bleeder's List	269	297	28
Race Day Salix	7,086	6,699	387
Urine Samples	1,536	1,460	76
Blood Samples	1,490	1,386	104

CHAPTER 6

6.1.1 Trainers Training Programme

The 2017 Trainers Training Programme which was launched in March was completed in December with all 22 participants graduating. This programme was coordinated and conducted by the Department at Caymanas Park and included guest lecturers (including JRC Stewards representatives; SVREL Racing Secretary; equine feed supplier representatives, HI-Pro, Nutramix representatives and representatives from the JRC licensed trainers group).

6.1.2 Jockey School

Lecturers in equine anatomy were provided by the Department in the Commission's Jockey School 2018. The apprentices continue to excel, and are consistently featured in the top 10 leading jockeys on the race card.

The Commission was able to utilise two mechanical horses to help with the training of the apprentices. This proved very helpful for apprentices, and tested their endurance and strength.

6.1.4 Training and Continuing Education

The Department's veterinarians attended the Caribbean Gaming Show and Summit (BGLC, Montego Bay) Quarter 1 and also the Caribbean Veterinary Medical Associations Biennial Conference (Kingston) in Quarter 3. The SCV (Acting) attended the Jamaica Employers Federation Conference (Montego Bay) in Quarter 1.

CHAPTER 7

7.1 INTERNATIONAL AFFILIATIONS

7.1.1 MEMBERSHIP/ASSOCIATIONS

Over the period, the level of international involvement continues to be minimal due to the continued lack of funding being provided to the Commission. The Commission currently has membership in the Association of Official Racing Chemists (AORC), and will be seeking to re-engage its other international partners such as Caribbean Racing Confederation and Racing Commissioners International.

CHAPTER 8

8.1 FINANCIAL STATEMENTS

The Commission's activities over the year comprised:

8.1.1 FINANCE:

- advising the Government on the allocation of funds for the various purposes under the Bookmakers' Levy Schemes.
- administering the Schemes and monitoring the expenditure of funds in relation thereto; and
- preparing annual estimates of revenue and expenditure, and the expenditure of funds.

APPENDIX 1.

JAMAICA RACING COMMISSION

FINANCIAL STATEMENTS

31 MARCH 2018

JAMAICA RACING COMMISSION

FINANCIAL STATEMENTS

31 MARCH 2018

I N D E X

	<u>Page</u>
Independent Auditors' Report to the Commissioners	1 - 3
<u>FINANCIAL STATEMENTS</u>	
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Reserves	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 42



Tel: (876) 926-1616/7, 926-4421
Fax: (876) 926-7580
www.bdo.com.jm

Chartered Accountants
26 Beechwood Avenue
P.O. Box 351
Kingston 5,
Jamaica

Page 1

INDEPENDENT AUDITORS' REPORT

To the Commissioners of
Jamaica Racing
Commission

Report on the **Financial**

Statements Opinion

We have audited the financial statements of Jamaica Racing Commission set out on pages 4 to 42, which comprise the statement of financial position as at 31 March 2018, and the statements of profit or loss and other comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view' of the financial position of the Commission as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Emphasis of Matter

We draw attention to Note 27 of the financial statements which addresses matters relating to the completeness of Bookmaker's Levy received from Tax Administration Jamaica (TMJ). Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Commissioners for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

The Board of Commissioners is responsible for overseeing the Commission's financial reporting process.

Partner-s R.L. McFarlane, K.A. Wilson, S.M. McFarlane, J. Green -flibben, O.
Hobson Offices +n Montego Bay, /aande' tie and O<ho Rios

8 " ^ member "8 BOO International Limited, a US company limited 0Y guarantee. and forms part of the nternat sonal eDo network of ndependent member firms.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Commissioners
of Jamaica Racing
Commission

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the
Commissioners of
Jamaica Racing
Commission

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



Chartered Accountants

1 October 2018

JAMAICA RACING COMMISSION

	<u>Note</u>	<u>2018</u> \$	<u>(Restated)</u> <u>2017</u> \$
REVENUE			
Other income	7	139,264,012	115,573,470
FINSAC debt forgiveness	8	48,349,445	35,606,632
	9	<u>-</u>	<u>50,536,227</u>
		<u>187,613,457</u>	<u>201,716,329</u>
EXPENSES:			
Administrative	29	42,940,179	30,688,808
Development	29	53,010,640	23,764,093
Establishment	29	19,803,539	16,681,198
Personnel	29	<u>101,710,311</u>	<u>94,995,948</u>
		<u>217,464,669</u>	<u>166,130,047</u>
(LOSS)/PROFIT BEFORE TAXATION		(29,851,212)	35,586,282
Taxation	10	<u>(10,633,554)</u>	<u>(4,395,180)</u>
NET (LOSS)/PROFIT		<u>(40,484,766)</u>	<u>31,191,102</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss			
-		54,692,000	36,238,000
Re-measurement of employee benefits obligation			
Tax relating to items that will not be reclassified		<u>(4,613,500)</u>	<u>(3,804,500)</u>
		<u>50,078,500</u>	<u>32,433,500</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>9,593,734</u>	<u>63,624,602</u>

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2018

STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

	<u>Notes</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS				
NOH-CURRENT ASSETS:				
Property, plant and equipment	11	160,047,909	158,759,835	161,477,435
Long-term receivables	12	1,627,777	270,048	22,390
Deferred tax asset	13		1,921,486	10,144,276
Post employment benefit assets	14	<u>88,781,000</u>	<u>31,842,000</u>	
		<u>250,456,686</u>	<u>192,793,369</u>	<u>171,644,101</u>
CURRENT ASSETS:				
Inventories	15	4,474,803	1,772,865	1,236,316
Receivables	16	18,207,360	72,908,665	100,058,768
Short-term loans receivable	17	1,637,799	2,548,418	675,682
Current portion of long-term receivables	12	1,026,666	189,995	176,213
Taxation recoverable		3,128,183	3,066,853	2,946,635
Cash and cash equivalents	18			
		<u>35,381,071</u>	<u>31,842,857</u>	<u>19,999,969</u>
		<u>63,855,882</u>	<u>112,329,653</u>	<u>125,093,583</u>
		<u>314,312,568</u>	<u>305,123,022</u>	<u>296,737,684</u>
RESERVES AND LIABILITIES				
General fund		58,659,272	49,065,538	(14,559,064)
Revaluation reserve	19	<u>148,649,367</u>	<u>148,649,367</u>	<u>148,649,367</u>
		<u>207,308,639</u>	<u>197,714,905</u>	<u>134,090,303</u>
NON-CURRENT LIABILITIES:				
Deferred tax liability	13	13,325,568		
Employee benefit obligation	14			2,080,000
Long term loan	20			<u>20,253,424</u>
		<u>13,325,568</u>		<u>22,333,424</u>

(Restated)

RESERYES:

CURRENT LIABILITIES:	21	76,816,436	89,546,192
Payables		94,554,465	
Short-term loan payable	22	16,861,925	17,861,925
		23,861,925	
Current portion of long term loan	20		<u>21,897,567</u>
		<u>93,678,361</u>	<u>107,408,117</u>
		<u>140,313,957</u>	
		<u>314,312,568</u>	<u>305,123,022</u>
			<u>296,737,684</u>

Approved for issue by the Commissioners on 1 October 2018 and signed on its behalf by:


 Clovis Metcalfe - Acting Chairman


 Paul East Commissioner

STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2018

	<u>Revaluation Reserve</u> \$	<u>General Fund</u> \$	<u>Total</u> \$
BALANCE AT 1 APRIL 2016	<u>148,649,367</u>	(14,559,064)	<u>134,090,303</u>
TOTAL COMPREHENSIVE INCOME			
Net profit	-	41,931,182	41,931,182
Other comprehensive income	<u>-</u>	<u>32,433,500</u>	<u>32,433,500</u>
	<u>-</u>	<u>74,364,682</u>	<u>74,364,682</u>
BALANCE AT 31 MARCH 2017 (as previously stated)	148,649,367	59,805,618	208,454,985
Transfers from income to payables (note 28)	<u>-</u>	<u>(10,740,080)</u>	<u>(10,740,080)</u>
BALANCE AT 31 MARCH 2017 (restated)	<u>148,649,367</u>	<u>49,065,538</u>	<u>197,714,905</u>
TOTAL COMPREHENSIVE INCOME			
Net loss	-	(40,484,766)	(40,484,766)
Other comprehensive income	<u>-</u>	<u>50,078,500</u>	<u>50,078,500</u>
	<u>-</u>	<u>9,593,734</u>	<u>9,593,734</u>
BALANCE AT 31 MARCH 2018	<u>148,649,367</u>	<u>58,659,272</u>	<u>207,308,639</u>

STATEMENT OF CASH
FLOWS YEAR ENDED 31
MARCH 2018

	<u>2018</u> \$	(Restated) <u>2017</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)/profit	(40,484,766)	31,191,102
Items not affecting cash		
resources: Depreciation	5,584,352	5,338,942
Interest income	(512,028)	(435,020)
Interest expense	1,415,620	1,702,287
Employee benefits	(2,247,000)	2,316,000
Taxation	10,633,554	4,395,180
Gain on sale of property, plant and equipment	(300,000)	-
	(25,910,268)	44,508,491
Changes in operating assets and liabilities:		
Inventories	(2,701,938)	(536,549)
Receivables	54,701,305	27,150,103
Payables	(14,145,376)	(6,710,560)
Short term loan receivable	910,619	(1,872,736)
Loan to employees	(2,194,400)	(261,440)
	10,659,942	62,277,309
Taxation paid	(61,331)	(97,108)
Cash provided by operating activities	<u>10,598,611</u>	<u>62,180,201</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property, plants and equipment	300,000	-
Purchase of property, plant and equipment	(6,872,425)	(2,621,342)
Interest received	<u>512,028</u>	<u>435,020</u>
Cash used in investing activities	<u>(6,060,397)</u>	<u>(2,186,322)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Loan repayment	(1,000,000)	(6,000,000)
FINSAC loan debt forgiveness	-	(42,150,991)
Cash used in financing activities	<u>(1,000,000)</u>	<u>(48,150,991)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,538,214	11,842,888
Cash and cash equivalents at beginning of year	<u>31,842,857</u>	<u>19,999,969</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 18)	<u>35,381,071</u>	<u>31,842,857</u>

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

Jamaica Racing Commission (“the Commission”) is a statutory body established by the Jamaica Racing Commission Act to regulate and control horse racing in Jamaica. It is wholly owned by the Government of Jamaica and is an agency within the Ministry of Finance. The registered office of the Commission is located at 8 Winchester Road, Kingston.

On 17 December 2012, Cabinet approved the merger of Jamaica Racing Commission and the Betting, Gaming and Lotteries Commission (BGLC) under the Public Sector Master Rationalization Plan. No subsequent changes have been made to the legislations governing both entities and no effective date has yet been established for the completion of the merger.

2. REPORTING CURRENCY:

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

3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Where necessary, prior year comparatives have been restated to conform to current year presentation (see note 27).

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), and have been prepared under the historical cost convention as modified by the revaluation of certain properties that are measured at fair value or revalued amounts.

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 action, 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.

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New, revised and amended standards and interpretations that became effective during the 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 concluded that the following new standards, interpretations and amendments are relevant to its operations.

Amendments to IAS 7, 'Statement of Cash Flows' (effective for annual periods beginning on or after 1 January 2017). The amendment introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financial activities. The amendment is part of the IASB'S Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. An entity is required to disclose information that will allow users to understand changes in liabilities arising from financing activities. This includes changes arising from cash flows, such as drawdowns and repayments of borrowings; and non-cash changes, such as acquisitions, disposals and unrealized exchange differences. There was no significant impact from the adoption of this amendment.

Amendment to IAS 12, 'Income Taxes' (effective for accounting periods beginning on or after 1 January 2017). The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. The amendments confirm that a temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period, an entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit, where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type and that tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. There was no impact from the adoption of this amendment.

New standards, amendments and interpretation not yet effective and not early adopted

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Commission's future financial statements:

JAMAICA RACING
COMMISSION



NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretation not yet effective and not early adopted (cont'd)

IFRS 9, 'Financial Instruments' (effective for accounting periods beginning on or after 1 January 2018). The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the existing guidance in *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets - amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018). The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 January 2019). The standard primarily addresses the accounting for leases by lessees. The complete version of IFRS 16 was issued in January 2017. The standard will result in almost all leases being recognised on the statement of financial position, as it removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The accounting by lessors will not significantly change.

The Commission is currently assessing the impact that these standards and amendments to standards will have on the financial statements when they are adopted.

JAMAICA RACING
COMMISSIONNOTES TO THE FINANCIAL
STATEMENTS31 MARCH
2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss.

(c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical 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. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land and building, with the exception of the Jockeys School which is stated at cost, are subsequently carried at fair value, based on valuations by a professionally qualified valuer to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

Depreciation is calculated on the straight-line basis at annual rates estimated to write off the carrying value of the assets over the period of their estimated useful lives. Annual rates are as follows:

Buildings	2 ½%
Furniture, tools and equipment	10%
Computer equipment	20%
Motor vehicle	20%

No depreciation is provided on freehold land.

plant and equipment are determined by

Gains and losses on disposals of property, reference to their carrying amounts and are taken into account in determining profit.

JAMAICA RACING
COMMISSION

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(c) **Property, plant and equipment (cont'd)**

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

(d) **Impairment of non-current assets**

Non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identified cash flows.

(e) **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) **Classification**

The Commission classifies its financial assets in the category of loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and service to customers (e.g. trade receivables) but also incorporate other types of contractual monetary asset.

The Commission's loans and receivables comprise trade receivables and cash and cash equivalents. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current asset.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of three months or less.

JAMAICA RACING
COMMISSION

Page
10 of 12

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instruments

(cont'd) Financial assets

(cont'd)

(ii) Recognition and Measurement

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Commission has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The Commission assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables impairment provisions are recognized when there is objective evidence that the Commission will not collect all of the amounts due under the terms receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized in profit or loss. On confirmation that the trade receivable is uncollectible, it is written off against the associated allowance. Subsequent recoveries of amounts previously written off are credited to profit or loss.

Financial liabilities

The Commission's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: short term loans and trade payables.

(f) Inventories

Inventories are stated at the lower of cost and fair value less costs to sell, cost being determined on the weighted average cost basis. Fair value less costs to sell is the estimated selling price in the ordinary course of business, less selling expenses.

(g) Trade and other payables

Trade and other payables are stated at cost.

Page
FOUR
14

**JAMAICA RACING
COMMISSION**

**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) Revenue recognition

Government of Jamaica Subventions:

Grants received from the Ministry of Finance and Planning are recognised as they are received.

Levy:

Levy is earned from two sources, Supreme Ventures Racing and Entertainment Limited (SVREL) formerly Caymanas Track Limited (CTL) and bookmakers. It is recognised when the Commission receives notice of payment either from Ministry of Finance and Planning or Tax Administration Jamaica. The amount due is based on a gazetted fixed rate Gross Profit Tax of 9½% for the bookmakers, and 4½% of racing promoter, Supreme Ventures Racing and Entertainment Limited (SVREL); of local and foreign sales. The amounts accrued are based on information provided by Tax Administration Jamaica and Betting, Gaming and Lotteries Commission (BGLC).

Registration fees and permits:

Income from registration fees and permits is determined by payment and renewal. A fee or permit that is not paid and renewed is not considered in force and, thus, not recognised as income.

Interest income:

Interest income is recognised in the statement of profit or loss and other comprehensive income for all interest bearing instruments on an accrual basis unless collectability is doubtful.

(i) Current and deferred income taxes

Taxation expense in profit or loss comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The Commission's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is 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. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

JAMAICA RACING
COMMISSION



NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(i) Current and deferred income taxes (cont'd)

Deferred 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.

(j) Employee benefits

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees. These include current or short-term benefits such as salaries, incentives, NIS contributions, vacation leave and post-employment benefits such as pensions.

Short-term employee benefits are recognized as a liability, net of payments made, and expensed. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

Defined benefit plans

The Commission operates a defined benefit plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The plan is generally funded through payments to a trustee administered fund, determined by periodic actuarial calculations.

Defined benefit plans surpluses and deficits are measured at:

- the fair value of plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- unrecognized past service costs; less
- the effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined obligation are recognised directly within equity. The Re-measurements include actuarial gains and losses, return on plan assets (interest exclusive) and any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

JAMAICA RACING
COMMISSION

Page
10

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(j) Employee benefits (cont'd)

Defined benefit plans

(cont'd)

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period. Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

Judgements and estimates 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.

(a) Critical judgements in applying the Commission's accounting policies

In the process of applying the Commission's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

(b) Key sources of estimation uncertainty

The Commission makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

(i) Fair value estimation

A number of assets included in the Commission's financial statements require measurement at, and/or disclosure of, at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

JAMAICA RACING
COMMISSION



NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(i) Fair value estimation (cont'd)

The fair value measurement of the Commission's financial and non financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized.

The standard requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Commission measures land and building at fair value (note 11).

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Commission applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(iii) Defined benefit assumptions

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns.

The Commission determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations.

In determining the appropriate discount rate, the Commission considered interest rate of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. Other key assumptions for the retirement benefits are based on current market conditions.

(iv) Income taxes

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Commission recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT:

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

- Market risk
- Credit risk
- Liquidity risk

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

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

(a) Principal financial instruments

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

- Cash and cash equivalents
- Trade receivables
- Payables
- Short term loans payable

	Loans and Receivables	
	<u>2018</u>	<u>2017</u>
	<u>₹</u>	<u>₹</u>
Cash and cash equivalents	35,381,071	31,842,857
Trade receivables	<u>15,985,058</u>	<u>69,886,674</u>
Total financial assets	<u>51,366,129</u>	<u>101,729,531</u>
Financial liability		
	Financial liabilities at amortised cost	
	(Restated)	
	<u>2018</u>	<u>2017</u>
	<u>₹</u>	<u>₹</u>
Payables	76,816,436	89,546,192
Short term loans payable	<u>16,861,925</u>	<u>17,861,925</u>
Total financial liabilities	<u>93,678,361</u>	<u>107,408,117</u>

(b) Financial instruments by
category Financial assets

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial instruments not measured at fair value

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

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

(d) Financial risk factors

The Commissioners have overall responsibility for the establishment and oversight of the Commission's risk management framework; key management has responsibility for monitoring the Commission's risk management policies.

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

(i) Market risk

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

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Commission has no exposure to foreign currency risk at the reporting date as it has no foreign currency balances.

Cash flows and fair value interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

The Commission's manages its interest rate risk by maintaining an appropriate risk of interest bearing financial assets. The policy also requires it to manage the maturities of interest bearing financial assets.

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Cash flows and fair value interest rate risk (cont'd)

At the reporting date, the Commission had fixed rate interest bearing financial instruments with carrying value of \$3,406,735 (2017: \$11,185,384).

Interest-bearing financial assets are primarily represented by cash and short-term deposits, which are contracted at fixed interest rates for the duration of the term.

(ii) Credit risk

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

Trade receivables

Trade receivables include lasix receivable and levies from bookmakers and promoter. The Commission has a concentration of credit risk in respect of amounts due from CTL which represents 25% of trade and other receivables. CTL has undertaken to settle its long outstanding balances through monthly payments of \$600,000 and the settlement of current balances as they fall due.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The Commission has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

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

The aging of trade receivables are as follows:

	<u>2018</u> \$	<u>2017</u> \$
0-30 Days	12,060,384	13,547,190
31-60 Days	-	4,230,471
61-90 Days	-	4,552,729
Over 90 Days	<u>3,924,674</u>	<u>47,556,284</u>
	<u>15,985,058</u>	<u>69,886,674</u>

JAMAICA RACING
COMMISSION

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

JAMAICA RACING
COMMISSION



NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Trade receivables that are past due but not impaired

At as 31 March 2018, trade receivables of \$3,924,674 (2017 - \$56,339,484) were past due but not impaired. These relate to customers for whom there is no recent history of default.

Concentration of risk - Trade receivables

The following table summarizes the Commission's credit exposure for trade receivables at their carrying amounts, as categorized by the customer sector:

	<u>2018</u> \$	<u>2017</u> \$
Government entities	11,924,644	61,886,674
Other	<u>4,060,414</u>	<u>8,000,000</u>
	<u>15,985,058</u>	<u>69,886,674</u>

(iii) Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk management process

The management of the Commission manages this risk by maintaining adequate financial assets in liquid form.

The Commission's financial liabilities that would create an exposure to liquidity risk comprise accounts payable which are repayable within three months.

JAMAICA RACING
COMMISSION

Page
12

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors
(cont'd)

(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities

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

	<u>1 Year or less</u> \$	<u>1 to 2 Years</u> \$	<u>2 to 5 Years</u> \$	<u>Over 5 Years</u> \$	<u>Total</u> \$
31 March 2018					
Payables	76,816,436	-	-	-	76,816,436
Short term loan payables	<u>18,277,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,277,546</u>
Total financial liabilities (contractual maturity dates)	<u>95,093,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,093,982</u>
	<u>1 Year or less</u> \$	<u>1 to 2 Years</u> \$	<u>2 to 5 Years</u> \$	<u>Over 5 Years</u> \$	<u>Total</u> \$
31 March 2017 (Restated)					
Payables	89,546,192	-	-	-	89,546,192
Short term loan payables	<u>19,564,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,564,212</u>
Total financial liabilities (contractual maturity dates)	<u>109,110,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,110,404</u>

(e) Capital management

The Board's policy is to maintain adequate capital to be able to continue to carry out the objectives the Commission was formed to achieve. The Commission continues to rely heavily on government subventions for resources to support the various programmes undertaken. It also seeks to manage its budget so as to retain adequate accumulated surplus.

There were no changes in the Commission's approach to capital management during the year.

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

6. EXPENSES BY NATURE:

Total operating and administrative expenses -

	<u>2018</u>	(Restated) <u>2017</u>
	\$	\$
Staff costs (note 23)	99,476,195	93,115,768
Board members fees	2,234,116	1,880,180
Legal and professional fees	3,902,770	5,042,882
Audit fees	1,500,000	1,353,500
Repairs and maintenance	6,529,905	4,415,856
Insurance	1,944,219	1,853,273
Other operating supplies and material	24,175,168	23,184,379
Electricity, water and telephone	7,869,436	7,646,836
Other	48,893,682	33,060,032
Depreciation	5,584,352	5,338,942
Occupational group health insurance	8,965,510	(11,901,262)
Hall of Fame	<u>6,389,316</u>	<u>1,139,661</u>
	<u>217,464,669</u>	<u>166,130,047</u>

7. REVENUE:

	<u>2018</u>	(Restated) <u>2017</u>
	\$	\$
Government subventions:		
Levy - Bookmakers	79,800,000	65,172,753
Levy - Supreme Ventures Racing and Entertainment Limited	59,464,012	-
Caymanas Track Limited (CTL)	<u>-</u>	<u>50,400,717</u>
	<u>139,264,012</u>	<u>115,573,470</u>

8. OTHER INCOME:

	<u>2018</u>	<u>2017</u>
	\$	\$
Assistant trainers course	1,000,000	1,150,000
Apprentice Jockey training	4,080,000	207,666
Fees, appeals & complaints	1,351,345	916,772
Finance income	512,028	435,020
Fines	3,154,500	2,355,700
Lasix administration	15,336,600	13,440,000
Micro chipping	452,000	435,000
Miscellaneous	603,622	1,387,545
Publications	3,200	600
Rent	2,943,000	4,887,000
Registration fees and permits	9,470,837	7,560,099
Service fee - blood typing	1,302,555	1,231,230
Track license	4,839,758	1,600,000
Sponsorship	3,000,000	-
Gain on sale of property, plant and equipment	<u>300,000</u>	<u>-</u>
	<u>48,349,445</u>	<u>35,606,632</u>

JAMAICA RACING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

9. FINSAC DEBT FORGIVENESS:

This represents debt forgiveness by FINSAC Limited as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Loan principal	-	50,000,000
Interest on loan	-	8,385,236
Effect of IFRS re-measurement - IAS 39	-	<u>(7,849,009)</u>
	<u>-</u>	<u>50,536,227</u>

10. TAXATION EXPENSE:

Pursuant to an amendment to Section 12(b) of the Income Tax Act, effective 23 December 2003, the Commission's previous exemption from Income Tax was revoked.

Taxation is computed on the (loss)/profit for the year, adjusted for taxation purposes, and comprises income tax at 25%.

	<u>2018</u>	<u>(Restated)</u> <u>2017</u>
	\$	\$
Prior year over accrual	-	(23,110)
Deferred tax (note 13)	<u>10,633,554</u>	<u>4,418,290</u>
	<u>10,633,554</u>	<u>4,395,180</u>

The tax on the (loss)/profit before taxation differs from the theoretical amount that would arise using the applicable tax rate of 25%, (or other applicable rates) as follows:

	<u>2018</u>	<u>(Restated)</u> <u>2017</u>
	\$	\$
(Loss)/profit before taxation	<u>(29,851,212)</u>	<u>35,586,282</u>
Tax calculated at applicable tax rate	(7,462,803)	8,896,570
Adjusted for the effects of:		
-		(23,110)
515,761		422,488
<u>17,580,596</u>		<u>(4,900,768)</u>
<u>10,633,554</u>		<u>4,395,180</u>

Prior year over accrual
 Depreciation charge and capital allowances
 Other charges and credits

JAMAICA RACING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

11. PROPERTY, PLANT AND EQUIPMENT:

	<u>Freehold Land</u> \$	<u>Building</u> \$	<u>Computer Equipment</u> \$	<u>Motor Vehicles</u> \$	<u>Furniture Fixtures and Equipment</u> \$	<u>Total</u> \$
At cost -						
1 April 2016	60,000,000	91,326,700	11,919,318	3,164,751	67,428,192	233,838,961
Additions	<u>-</u>	<u>-</u>	<u>1,104,280</u>	<u>-</u>	<u>1,517,062</u>	<u>2,621,342</u>
31 March 2017	60,000,000	91,326,700	13,023,598	3,164,751	68,945,254	236,460,303
Additions	-	806,700	2,373,774	-	3,691,951	6,872,425
Disposals	<u>-</u>	<u>-</u>	<u>(10,948,338)</u>	<u>(3,164,751)</u>	<u>(42,305,716)</u>	<u>(56,418,805)</u>
31 March 2018	<u>60,000,000</u>	<u>92,133,400</u>	<u>4,449,034</u>	<u>-</u>	<u>30,331,489</u>	<u>186,913,923</u>
Depreciation -						
1 April 2016	-	5,382,232	11,114,688	3,164,750	52,699,856	72,361,526
Charge for the year	<u>-</u>	<u>2,283,168</u>	<u>321,619</u>	<u>-</u>	<u>2,734,155</u>	<u>5,338,942</u>
31 March 2017	-	7,665,400	11,436,307	3,164,750	55,434,011	77,700,468
Charge for the year	-	2,283,168	577,269	-	2,723,915	5,584,352
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>(10,948,338)</u>	<u>(3,164,750)</u>	<u>(42,305,718)</u>	<u>(56,418,806)</u>
31 March 2018	<u>-</u>	<u>9,948,568</u>	<u>1,065,238</u>	<u>-</u>	<u>15,852,208</u>	<u>26,866,014</u>
Net Book Value -						
31 March 2018	<u>60,000,000</u>	<u>82,184,832</u>	<u>3,383,796</u>	<u>-</u>	<u>14,479,281</u>	<u>160,047,909</u>
31 March 2017	<u>60,000,000</u>	<u>83,661,300</u>	<u>1,587,291</u>	<u>1</u>	<u>13,511,243</u>	<u>158,759,835</u>

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH
2018

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

Buildings include \$1,326,700 (2017: \$1,326,700) which is the cost of a building on land leased for 49 years which houses a Jockeys School (see note 26). Freehold land and buildings, with the exception of the Jockeys School, were revalued on September 5, 2014 by an independent valuer, Victoria Mutual (Property Services) Limited, Chartered Surveyors and the resultant revaluation surplus booked in the previous year.

The fair value calculation used level 2 fair value measurements based on the inputs to the valuation model. Fair value was determined directly by reference to observable prices paid for facilities comparable in quality and in location, as well as current building costs. The Board of Commissioners has adopted between land and buildings at \$60,000,000 and \$90,000,000, respectively. Under the cost model, land would have been carried at \$51,000 and buildings at \$9,277,435.

12. LONG-TERM RECEIVABLES:	<u>2018</u> \$	<u>2017</u> \$
Loan to employees	2,654,443	460,043
Less: current portion	<u>(1,026,666)</u>	<u>(189,995)</u>
	<u>1,627,777</u>	<u>270,048</u>

Long term loans to employees are unsecured, bear interest at 3% per annum and are repayable between 2 to 5 years.

13. DEFERRED TAX:

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

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

	<u>2018</u> \$	<u>(Restated)</u> <u>2017</u> \$
Deferred tax (liabilities)/assets	<u>(13,325,568)</u>	<u>1,921,486</u>

The movement on the deferred tax account is as follows:

	<u>2018</u> \$	<u>(Restated)</u> <u>2017</u> \$
Balance at start of year	1,921,486	10,144,276
Recognised in other comprehensive income	(4,613,500)	(3,804,500)
Charge for the year (note 10)	<u>(10,633,554)</u>	<u>(4,418,290)</u>
Balance at end of year	<u>(13,325,568)</u>	<u>1,921,486</u>

Page
100

**JAMAICA RACING
COMMISSION**

**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

13. DEFERRED TAX (CONT'D):

Deferred tax is due to the following temporary differences:

	<u>2018</u>	(Restated) <u>2017</u>
	\$	\$
Accelerated capital allowances	1,403,934	2,677,850
Employee benefits obligations	(22,195,250)	(7,960,500)
Tax losses	6,149,006	5,605,926
Other	<u>1,316,742</u>	<u>1,598,210</u>
	<u>(13,325,568)</u>	<u>1,921,486</u>

Deferred tax charged to profit or loss and other comprehensive income comprises the following temporary differences:

	<u>2018</u>	(Restated) <u>2017</u>
	\$	\$
Decelerated capital allowances	(1,273,916)	581,678
Employee benefits obligations	(9,621,250)	(4,676,000)
Tax losses	543,080	563,773
Other	<u>(281,468)</u>	<u>(887,741)</u>
	<u>(10,633,554)</u>	<u>(4,418,290)</u>

Deferred tax recognised in other comprehensive income comprises the following:

	<u>2018</u>	<u>2017</u>
	\$	\$
Employee benefits obligations	<u>(4,613,500)</u>	<u>(3,804,500)</u>

Deferred income tax assets are recognized for tax losses carried forward to the extent that realization of the related tax benefit through the future taxable periods is probable. Subject to agreement with the Tax Administration Jamaica Department, losses of \$24,596,024 (2017 - \$20,487,783) is available for set off against future profits and may be carried forward indefinitely.

14. EMPLOYEE BENEFITS OBLIGATION:

The Commission and the Betting Gaming and Lotteries Commissions (BGLC) operate a defined benefits pension scheme which is administered by Sagicor Life Jamaica Limited, for all employees, who have satisfied certain minimum service requirements. The Plan is funded by employee's contribution of 5% of their pensionable salary (a voluntary contribution of up to an additional 5% of pensionable salary is allowed) and employer's contribution not exceeding 10% of the employees' pensionable salaries, except where required to cover unfunded liabilities as determined by a capital actuary. The pension payable at the date of retirement is 2% of the employee's pensionable salary at the date of determination multiplied by his pensionable service, at the date of determination.

**JAMAICA RACING
COMMISSION**

**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

14. EMPLOYEE BENEFITS OBLIGATION (CONT'D):

The actuarial report states “that the assets were allocated between two entities, BGLC and the Commission on the basis of projected benefits obligation. This basis of allocation is not economic because the contribution and premium rates are composite rates and, therefore, the accounts and assets scheduled are purely notional”.

The latest actuarial valuation which was carried out as at 31 March 2018 indicated that the plan was adequately funded.

The Pension Plan is legally separate from the commission and is administered by Sagicor Life Jamaica Limited.

The plan is exposed to a number of risks, including:

- Investment risk: movement of discount rate used (Government of Jamaica) against the return from plan assets.
- Interest rate risk: decrease/increase in the discount rate used (Government of Jamaica bonds) will increase/decrease the defined benefit obligation.
- Longevity risk: changes in the estimation of mortality rate of current and former employees.
- Salary risk: Increase in future salaries, increase the gross defined benefit obligation.

The amounts recognized in the statement of financial position in respect of the plan were determined as follows:

Amounts recognised in the statement of financial position in respect of post-retirement employee benefits comprise the following:

	<u>2018</u> \$	<u>2017</u> \$
Present value of obligation	318,184,000	301,278,000
Fair value of plan assets	(406,965,000)	(358,659,000)
Movement in asset ceiling	-	<u>25,539,000</u>
Asset recognised in the statement of financial position	<u>(88,781,000)</u>	<u>(31,842,000)</u>

JAMAICA RACING
COMMISSION

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

14. **EMPLOYEE BENEFITS OBLIGATION (CONT'D):**

The movement in the present value of the defined benefits obligation over the year is as follows

	<u>2018</u> \$	<u>2017</u> \$
Balance at beginning of year	301,278,000	319,321,000
Current service cost	3,242,000	4,360,000
Interest costs	26,570,000	27,554,000
Employees' contributions	3,211,000	2,956,000
Benefits paid	(28,136,000)	(64,726,000)
Value of annuities purchased	7,994,000	37,803,000
Actuarial (gains)/losses arising from:		
Financial assumptions	(33,280,000)	(14,174,000)
Experience adjustments	<u>37,305,000</u>	<u>(11,816,000)</u>
Balance at end of year	<u>318,184,000</u>	<u>301,278,000</u>

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

Balance at beginning of year	(358,659,000)	(317,241,000)
Contributions - employees	(3,211,000)	(2,956,000)
- employer	(2,213,000)	(2,013,000)
Interest income	(32,272,000)	(27,585,000)
Benefits paid	28,136,000	64,726,000
Value of repurchased annuities	(7,994,000)	(37,803,000)
Actuarial (gains)/losses arising		
from: Financial	(18,596,000)	3,525,000
assumptions		
Experience adjustments	<u>(12,156,000)</u>	<u>(39,312,000)</u>
Balance at end of year	<u>(406,965,000)</u>	<u>(358,659,000)</u>

Expense recognized in profit or loss:

	<u>2018</u> \$	<u>2017</u> \$
Current service costs	3,242,000	4,360,000
Interest cost on obligation	26,570,000	27,554,000
Interest income on plan assets	(32,272,000)	(27,585,000)
Interest on effect of the asset ceiling	<u>2,426,000</u>	<u>-</u>
Total included in staff costs (note 23)	<u>(34,000)</u>	<u>4,329,000</u>

JAMAICA RACING
COMMISSION

PAGE:
31

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

14. **EMPLOYEE BENEFITS OBLIGATION (CONT'D):**

The amounts recognized in other comprehensive income were as follows:

	<u>2018</u> \$	<u>2017</u> \$
Re-measurement of defined benefit obligation	4,025,000	(25,990,000)
Re-measurement of plan assets	<u>(58,717,000)</u>	<u>(10,248,000)</u>
Components of defined benefit income recognized in other comprehensive income	<u>(54,692,000)</u>	<u>(36,238,000)</u>

Principal actuarial assumption at the reporting date (expressed as weighted averages):

	<u>2018</u> %	<u>2017</u> %
Discount rate (J\$)	7.5	9.5
Discount rate (US\$)	5.0	5.0
Future salary increases	6.5	6.5
Future pension increases	1.5	3.5
Inflation rate	<u>4.5</u>	<u>6.5</u>

Expenses - allowance has been made for administrative expenses at the rate of 1% of members' pensionable earnings.

The estimated pension contribution expected to be paid into the plan by the Commission for the next financial year is \$3,662,000 (2017:\$1,610,000).

The distribution of the market value of plan assets by type of security is as follows. The distribution was deemed to be identical to that of the underlying Sagicor Pooled Investment Fund.

	<u>2018</u> %	Market Value of Assets \$	<u>2017</u> %	Market Value of Assets \$
Equity Fund	40	163,241,000	51	183,300,000
Mortgage & Real Estate Fund	14	58,403,000	13	46,752,000
Fixed Income Fund	-	403,000	-	481,000
Money Market Fund	-	1,199,000	-	1,249,000
Foreign Currency Fund	1	1,787,000	-	1,308,000
International Equity Fund	-	556,000	-	-
Inflation Linked Fund	13	52,180,000	-	2,086,000
Value of Annuities Fund	32	128,717,000	36	127,879,000
Adjustments	-	<u>479,000</u>	-	<u>(4,396,000)</u>
	<u>100</u>	<u>406,965,000</u>	<u>100</u>	<u>358,659,000</u>

The actual return on plan assets was \$66,542,000 (2017 - \$66,276,000).

JAMAICA RACING
COMMISSION

NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

14. **EMPLOYEE BENEFITS OBLIGATION (CONT'D):**

Sensitivity analysis on projected employee benefits obligation:

The calculation of the projected employee benefit obligation is sensitive to the assumption used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percent. In calculating the sensitivity to each variable, all others were held constant. The assumptions about the economic variables are somewhat linked as they are all related to inflation.

	<u>2018</u>		<u>2017</u>	
	<u>1% Increase</u>	<u>1% Decrease</u>	<u>1% Increase</u>	<u>1% Decrease</u>
	\$	\$	\$	\$
Discount rate	(22,729,000)	29,288,000	(19,483,000)	24,494,000
Future salary increase	10,209,000	(8,877,000)	5,987,000	(5,313,000)
Future pension increases	<u>30,447,000</u>	<u>(25,882,000)</u>	<u>29,586,000</u>	<u>(25,183,000)</u>

As mortality continues to improve, estimates of life expectancy are expected to increase. The effect on the projected benefit and obligation of an increase of one year in the life expectancy is approximately \$2,334,000. (2017 - \$2,627,000).

Liability duration

	<u>2018</u>	<u>2017</u>
	Years	Years
Active members	36	36
Deferred pensioners	30	54
Retirees	23	24
All participants	<u>30</u>	<u>29</u>

15. **INVENTORIES:**

	<u>2018</u>	<u>2017</u>
	\$	\$
Lasix	4,280,763	314,265
Microchip	<u>194,040</u>	<u>1,458,600</u>
	<u>4,474,803</u>	<u>1,772,865</u>

**JAMAICA RACING
COMMISSION**

**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

16. RECEIVABLES:	<u>2018</u>	(Restated) <u>2017</u>
	<u>\$</u>	<u>\$</u>
Trade receivables -		
Due from Supreme Ventures		
Racing and		
Entertainment Limited	2,258,914	-
Due from Caymanas Track Limited (note 24)	3,924,644	60,954,674
Levies receivable	8,000,000	8,000,000
Lasix administration receivable	<u>1,801,500</u>	<u> </u>
	<u>932,000</u>	15,985,058
		69,886,674
Rental income	15,000	15,000
Other receivables	125,323	25,323
Prepaid expenses	<u>2,081,979</u>	<u>2,981,668</u>
	<u>18,207,360</u>	<u>72,908,665</u>

17. SHORT-TERM LOANS RECEIVABLE:

These loans are unsecured, bear interest at 0% and 3% per annum and are repayable within one year.

18. CASH AND CASH EQUIVALENTS:

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

	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Cash in hand	30,000	30,000
Cash at bank	<u>31,944,336</u>	<u>20,627,473</u>
	31,974,336	20,657,473
Short-term deposits	<u>3,406,735</u>	<u>11,185,384</u>
	<u>35,381,071</u>	<u>31,842,857</u>

The weighted average interest rate on short-term deposit was 1.3% (2017 - 3%) and these deposits mature within 90 days (2017 - 180 days).

19. REVALUATION RESERVE:

This represents revaluation surplus on land and building.

**JAMAICA RACING
COMMISSION**

**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

20. LONG-TERM LOAN:

This represents an unsecured \$50 million loan received from FINSAC Limited on 15 February 2011, repayable over ten (10) years at an interest rate of 5% per annum on the reducing balance. The Commission received a debt forgiveness for the entire loan plus interest in February 2017 (see note 9).

21. PAYABLES:

	<u>2018</u> \$	<u>2017</u> \$
Benevolent Fund	1,196,525	977,525
Contract payments - University of the West Indies	3,249,722	12,998,887
Statutory deduction	31,177,891	34,995,039
Accrued vacation	5,266,970	4,690,554
Loan interest payable	11,089,819	9,674,198
Levy payable	17,845,775	17,693,128
Rent received in advance	-	300,000
Other	<u>6,989,734</u>	<u>8,216,861</u>
	<u>76,816,436</u>	<u>89,546,192</u>

22. SHORT-TERM LOAN PAYABLE:

This represents an unsecured loan received from the Jamaica Racing Commission Benevolent Fund at an interest rate of 8% per annum. There are no fixed repayment terms.

23. STAFF COSTS:

	<u>2018</u> \$	<u>2017</u> \$
Salaries and wages	63,025,438	55,907,414
Allowance and other benefits	28,667,389	26,313,773
Pension (note 14)	(34,000)	4,329,000
Employer's statutory costs	<u>7,817,368</u>	<u>6,565,581</u>
	<u>99,476,195</u>	<u>93,115,768</u>

The number of persons employed by the Commission at the end of the year was 51 (2017 - 40).

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL
STATEMENTS31 MARCH
201824. RELATED PARTY TRANSACTIONS
AND BALANCES:

	<u>2018</u>	<u>2017</u>
	\$	\$
(a) Key management compensation		
Wages and salaries	20,575,119	15,697,789
Pension	1,509,732	1,097,803
Other	<u>8,563,625</u>	<u>4,376,990</u>
	<u>30,648,476</u>	<u>21,172,582</u>
Commissioners' emoluments -		
Fees	689,500	593,000
Travelling	<u>1,544,616</u>	<u>1,287,180</u>
	<u>2,234,116</u>	<u>1,880,180</u>

(b) Transactions between the company and its related company

During the year, the company earned levies of NIL (2017 - \$50,400,717) from Caymanas Track Limited (CTL).

(c) Year-end balances arising from transactions with related parties

	<u>2018</u>	<u>2017</u>
	\$	\$
Due from -		
Caymanas Track Limited (CTL)	<u>3,924,674</u>	<u>60,954,674</u>

This represents the year end balances due from CTL arising mainly from levies payable to the Commission. The balance is included in receivables (note 16). No interest is charged on the balance and there are no fixed terms of payment.

In addition to that stated above, the statement of financial position includes balances, arising in the ordinary course of business, with related parties, as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Key management personnel:		
Short-term loans receivable - staff loan	677,525	226,919
Payables - accrued vacation	2,826,092	1,682,650
Employee benefit obligation - pension	<u>(1,000)</u>	<u>49,000</u>

JAMAICA RACING COMMISSION



**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

25. CONTINGENT LIABILITIES:

The Commission is liable to the Tax Administration Jamaica (TAJ) in respect of unpaid statutory deductions, including interest and penalties, amounting to \$83,195,819 (2017: \$82,744,426). Of this balance \$31,177,891 (2017: \$34,995,039) are included in payables (see note 21).

Applications for waiver of the outstanding amounts has been made to the various entities. The outcome of the application are uncertain, hence no additional provisions have been made in these financial statements.

The unpaid statutory deductions, rates of interest and penalty included in payables at the reporting date were as follows:

	<u>2018</u> \$	<u>2017</u> \$	<u>Interest</u> %	<u>Penalty</u> %
Human Employment and Resource Training (HEART)	2,640,846	3,299,445	20	-
Pay-As-You-Earn (PAYE)	13,775,809	15,260,966	20	up to 50
Education Tax (Ed. Tax)	14,183,556	14,681,101	20	up to 50
National Housing Trust (NHT)	365,918	1,038,601	20	10
National Insurance Scheme (NIS)	<u>211,762</u>	<u>714,926</u>	<u>20</u>	<u>-</u>

26. COMMITMENTS:

The Commission entered into a forty-nine (49) - year land lease agreement with the Urban Development Commission in respect of premises tenanted by the Jockeys School at an annual rental of \$5,000 (see note 11). The unexpired portion of the lease is payable as follows:

	<u>2018</u> \$	<u>2017</u> \$
Within one year	5,000	5,000
Subsequent years	<u>100,000</u>	<u>105,000</u>
	<u>105,000</u>	<u>110,000</u>

27. BOOKMAKERS' LEVY:

The bookmakers' levy received from Tax Administration Jamaica (TAJ), for the year ended 31 March 2018, was an estimated amount. TAJ was unable to determine the actual amounts due to Jamaica Racing Commission (JRC) because of Information Technology issues. When these issues are resolved by TAJ the amounts remitted to JRC will be adjusted accordingly. Therefore we were unable to satisfy ourselves as to the completeness of the bookmakers' levy for the reporting period.

JAMAICA RACING COMMISSION



**NOTES TO THE FINANCIAL
STATEMENTS**

**31 MARCH
2018**

28. RESTATEMENT OF PRIOR YEAR BALANCES:

During the year, the following balances as per the 2017 financial statements were restated and reclassified as follows:

- (i) Revenue was reduced by \$12,665,735. This reduction in revenue represents the proportion of levy income payable to the Racing Promoters and Thoroughbred Owners and Breeders Association. Payables was increased by \$12,665,735 to account for the amounts payable to the Racing Promoters and the Owners and Breeders Association.
- (ii) Development expenses was reduced by \$1,441,675. This amount was previously included in microchips supplies expense but was a deposit on micro chips inventory and should have been in receivables. Receivables was increased by \$1,441,675 to reflect the deposit on micro chips inventory.
- (iii) Deferred tax asset was increased by \$483,980 due to an increase in tax losses brought forward as a result of the reduction in revenue.
- (iv) The General Fund was restated to reflect the net reduction of \$10,740,080 in net profit for the year because of the above adjustments.

FINANCIAL STATEMENTS

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

**31 MARCH
2018**

28. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Effect on the statement of profit or loss and other comprehensive income for the year ended 31 March 2017.

	<u>As previously Reported</u> \$	<u>Effect of restatement</u> \$	<u>Restated</u> \$
REVENUE:			
Other income	128,239,205	(12,665,735)	115,573,470
FINSAC debt forgiveness	35,606,632	-	35,606,632
	<u>50,536,227</u>	<u>-</u>	<u>50,536,227</u>
	<u>214,382,064</u>	<u>(12,665,735)</u>	<u>201,716,329</u>
EXPENSES:			
Administrative	30,688,808		30,688,808
Development	25,205,768	(1,441,675)	23,764,093
Establishment	16,681,198	-	16,681,198
Personnel	<u>94,995,948</u>	<u>-</u>	<u>94,995,948</u>
	<u>167,571,722</u>	<u>(1,441,675)</u>	<u>166,130,047</u>
PROFIT BEFORE TAXATION	46,810,342	(11,224,060)	35,586,282
Taxation	(4,879,160)	<u>483,980</u>	(4,395,180)
NET PROFIT	<u>41,931,182</u>	<u>(10,740,080)</u>	<u>31,191,102</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss -	36,238,000	-	36,238,000
Re-measurement of employee benefits obligation			
Tax relating to items that will not be reclassified	<u>(3,804,500)</u>	<u>-</u>	<u>(3,804,500)</u>
	<u>32,433,500</u>	<u>-</u>	<u>32,433,500</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>74,364,682</u>	<u>(10,740,080)</u>	<u>63,624,602</u>

JAMAICA RACING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

28. **RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):**

Effect on the statement of financial position as at 31 March 2017

	<u>As previously stated</u> \$	<u>Effect of restatement</u> \$	<u>Restated</u> \$
<u>ASSETS</u>			
NON-CURRENT ASSETS:			
Property, plant and equipment	158,759,835	-	158,759,835
Long-term receivables	270,048	-	270,048
Deferred tax assets	1,437,506	483,980	1,921,486
Post employment benefit assets	<u>31,842,000</u>	<u>-</u>	<u>31,842,000</u>
	<u>192,309,389</u>	<u>483,980</u>	<u>192,793,369</u>
CURRENT ASSETS:			
Inventories	1,772,865	-	1,772,865
Receivables	71,466,990	1,441,675	72,908,665
Short-term loans receivable	2,548,418	-	2,548,418
Current portion of long-term receivables	189,995	-	189,995
Taxation recoverable	3,066,853	-	3,066,853
Cash and cash equivalents	<u>31,842,857</u>	<u>-</u>	<u>31,842,857</u>
	<u>110,887,978</u>	<u>1,441,675</u>	<u>112,329,653</u>
	<u>303,197,367</u>	<u>1,925,655</u>	<u>305,123,022</u>
<u>RESERVES AND LIABILITIES</u>			
RESERVES:			
General fund	59,805,618	(10,740,080)	49,065,538
Revaluation reserve	<u>148,649,367</u>	<u>-</u>	<u>148,649,367</u>
	<u>208,454,985</u>	<u>(10,740,080)</u>	<u>197,714,905</u>
CURRENT LIABILITIES:			
Payables	76,880,457	12,665,735	89,546,192
Short-term loan payable	<u>17,861,925</u>	<u>-</u>	<u>17,861,925</u>
	<u>94,742,382</u>	<u>12,665,735</u>	<u>107,408,117</u>
	<u>303,197,367</u>	<u>1,925,655</u>	<u>305,123,022</u>

FINANCIAL STATEMENTS

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

**31 MARCH
2018**

28. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Effect on the statement of cash flows for the year ended 31 March 2017.

	As previously stated	Effect of restatement	Restated
	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit	41,931,182	(10,740,080)	31,191,102
Depreciation	5,338,942	-	5,338,942
Interest income	(435,020)	-	(435,020)
Interest expense	1,702,287	-	1,702,287
Employee benefits	2,316,000	-	2,316,000
Taxation	<u>4,879,160</u>	<u>(483,980)</u>	<u>4,395,180</u>
	55,732,551	(11,224,060)	44,508,491
Changes in operating assets and liabilities:			
Inventories	(536,549)		(536,549)
Receivables	28,591,778	(1,441,675)	27,150,103
Payables	(19,376,295)	12,665,735	(6,710,560)
Short term loan receivable	(1,872,736)	-	(1,872,736)
Loan to employees	<u>(261,440)</u>	<u>-</u>	<u>(261,440)</u>
	62,277,309	-	62,277,309
Taxation paid	<u>(97,108)</u>	<u>-</u>	<u>(97,108)</u>
Cash provided by operating activities	<u>62,180,201</u>	<u>-</u>	<u>62,180,201</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(2,621,342)	-	(2,621,342)
Interest received	<u>435,020</u>	<u>-</u>	<u>435,020</u>
Cash used in investing activities	<u>(2,186,322)</u>	<u>-</u>	<u>(2,186,322)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan repayment	(6,000,000)	-	(6,000,000)
FINSAC loan debt forgiveness	<u>(42,150,991)</u>	<u>-</u>	<u>(42,150,991)</u>
Cash used in financing activities	<u>(48,150,991)</u>	<u>-</u>	<u>(48,150,991)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,842,888	-	11,842,888
Cash and cash equivalents at beginning of year	<u>19,999,969</u>	<u>-</u>	<u>19,999,969</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>31,842,857</u>	<u>-</u>	<u>31,842,857</u>

JAMAICA RACING COMMISSION



NOTES TO THE FINANCIAL
STATEMENTS

31 MARCH
2018

29. EXPENSES:

Administrative:

	<u>2018</u>	<u>2017</u>
	\$	\$
Advertising	-	124,894
Audit fees	1,500,000	1,353,500
Bank charges	413,822	385,216
Computer maintenance	66,000	76,139
Enquiries, appeals and complaints	1,313,550	1,225,300
Finance costs	1,415,621	1,702,287
General Consumption Tax (GCT)	5,913,527	5,143,560
Hall of Fame expenses	6,389,316	1,139,660
Legal and professional fees	3,902,770	5,042,882
Motor vehicle repairs and maintenance	765,248	745,935
Overseas travelling	2,182,704	727,537
Office expenses	5,273,513	3,029,135
Printing and stationery	1,616,509	1,485,268
Publications	388,463	215,029
Racing membership fees	2,790,620	40,480
Security services	4,152,457	3,821,439
Special entertainment	494,700	1,303,587
Sponsorship	2,497,023	339,300
Telephone, postage and telegrams	<u>1,864,336</u>	<u>2,787,660</u>
	<u>42,940,179</u>	<u>30,688,808</u>

Development:

	<u>2018</u>	<u>2017</u>
	\$	\$
Benefit/benevolent schemes	219,000	153,500
Equine drug testing	21,025,648	20,818,130
Equine sample collection	5,527,353	4,629,860
Industry Insurance Scheme	10,168,601	(9,176,542)
Human drug testing	208,943	162,191
Lasix supplies	3,149,520	2,366,249
Micro chips supplies	378,677	467,823
Miscellaneous	90,000	120,000
Parental verification (blood typing) equine	1,406,224	1,629,617
Race day stewards fees	2,421,075	581,250
Training - Occupational	7,486,867	549,537
Veterinary on-call services	928,732	961,232
Stud/Rules Book	<u>-</u>	<u>501,246</u>
	<u>53,010,640</u>	<u>23,764,093</u>

JAMAICA RACING COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH
2018

29. EXPENSES (CONT'D):

Establishment:

	<u>2018</u> \$	<u>2017</u> \$
Depreciation	5,584,352	5,338,942
Light and power	4,046,158	3,685,655
Repairs to furniture and buildings	6,529,905	4,415,856
Taxes, insurance and water	<u>3,643,124</u>	<u>3,240,745</u>
	<u>19,803,539</u>	<u>16,681,198</u>

Personnel:

	<u>2018</u> \$	<u>2017</u> \$
Salaries, wages and statutory contributions	70,842,806	62,472,995
Canteen	5,050,446	4,108,359
Commissioners' emoluments	2,234,116	1,880,180
Pension	(34,000)	4,329,000
First instance tribunal fees	1,396,340	2,662,118
Group pension and health scheme	4,015,260	4,179,818
Local travelling and upkeep	10,612,496	11,700,443
Staff educational development	4,580,842	2,086,123
Uniforms	2,807,175	1,448,123
Personal accident	<u>204,830</u>	<u>128,789</u>
	<u>101,710,311</u>	<u>94,995,948</u>