

Senator The Honourable Vasant Bharath
Minister of Trade & Industry
Ministry of Trade & Industry
Level 17
Nicholas Towers
Independence Square
PORT OF SPAIN

Dear Minister

Pursuant to Section 11 (2) of the Betting Levy Board Act No. 35 of 1989, the Board has the pleasure to present herewith, a report of its activities and audited financial statements for the period July 1, 2009 to June 30, 2010.

1. Proclamation of Act No. 35 of 1989:

The Betting Levy Board Act No. 35 of 1989 (hereinafter referred to as “the Act”) came into force on November 15, 1989, upon proclamation by the President of Republic of Trinidad and Tobago. It has since been amended by Act 31 of 1991, and the Finance Act No. 5 of 1995.

2. Functions and General Powers of the Betting Levy Board:

Pursuant to Section 7 of the Act, the Betting Levy Board (BLB) bears the principal responsibility for the development and improvement of every aspect of horse and dog racing, including the breeding of racehorses and dogs and the provision of benefits for jockeys and stable lads, and monitoring compliance with any rules relating to the operation of pool betting offices and pool betting outlets, including their opening and closing hours; and shall put all administrative, technical and other systems, in place to ensure compliance with the provisions of any written law relating to the payment of any tax or levy.

3. Collection of Taxes, Duties, Fees, etc.:

The BLB shall collect any taxes, duties, fees or other payments referred to under the Act and any such sums payable to it under the Gambling and Betting Act, Chapter 11:19 of the laws of the Republic of Trinidad and Tobago.

4. Application of Funds:

The BLB shall, by means of monthly remittances pay one half of the monies collected under Section 9 of the Act to the Consolidated Fund.

The remaining half of the monies collected under subsection 9 (1) shall be applied:

- a) To meet its own expenses incurred in the performance of its function, and
- b) To meet the administrative expenses of the Trinidad and Tobago Racing Authority (TTRA) established under the Trinidad & Tobago Racing Authority Act 45 of 1976 on the basis of a budget prepared by that Authority, in consultation with the Board, and where there is a dispute regarding the said budget, an appeal may be made to the Minister.

5. Review of Period July 1, 2009 to June 30, 2010:

During the period under review, the Betting Levy Board held a total of twelve (12) regular monthly meetings.

In December 2009, BLB members Messrs. Joseph Hadeed and Ainsley Mark and Chief Executive Officer Richard Jackson, met with Minister of Trade and Industry Mariano Browne and other officials representing the Ministry, at which the Minister advised of the soon to be established Revenue Authority which would have amongst its responsibilities the collection of taxes under the Gambling and Betting Act. The Minister also advised of the Ministry's support for changing the structure and administration of the horse racing industry by the establishment of a Racing Commission which would replace the TTRA and BLB; and the formation of Santa Rosa Park Limited for the promotion of live local racing.

The BLB also held several meetings with other organizations representing the various racing industry stakeholders in order to obtain and encompass their views in the overall development plans for the industry.

In the year under review the Board noted a reduction on its collections for financial year end 2009. Although tax collections from the Arima Race Club (ARC) increased marginally from \$9.7m to \$10.0m, collections from the Private Betting Shops declined from \$18.9m to \$17.4m resulting in an overall reduction from \$28.6m in 2009 to \$27.4m in 2010. The Board however still managed to realize a profit of \$1.0m on its Income Statement for the period.

In keeping with its mandate under the law, the BLB continued to provide assistance, primarily financial, by means of subsidies and incentives in the following areas:

- As required by the Act, funding of the revenue shortfall of the TTRA to meet its administrative expenses, in the sum of \$3.2m.
- Subventions to the promoter of racing, the ARC, in the sum of \$13.9m to meet advertised stakes payable to winning owners, trainers, jockeys and grooms on each raceday.
- Payment of Breeders and Sires Premiums to the owners of the mare and sire of horses born in Trinidad and Tobago which place 1st, 2nd and 3rd in all races run during the season in the sum of \$1.7m.
- As required by the Act, maintenance of a non-contributory Pension Fund and Medical Plan for licensed jockeys and the former plan for grooms.
- Payment of a subsidy to the owners of all mares which have been registered by the TTRA and certified as being in foal by a certified veterinarian at a cost of \$125,000.00.
- Payment of an incentive to the owners of foals born in Trinidad and Tobago which have been registered to race with the TTRA at a cost of \$509,500.00.
- Facilitating at the behest of the TTRA, a Groom Elite Training Program, conducted by United States based veterinarian Dr. Reid Mc Lellan, following which 75% of the participants received certification following on an examination at the culmination of the program.
- Funding the construction and equipping of a Drug Testing Facility to facilitate the operations of the TTRA for taking of urine and blood samples and administration of Lasix to horses on racedays.

6. Staff of the BLB:

There were sixteen (16) permanent employees of the Betting Levy Board during the period under review. These employees are based at:

➤ Head Office	-	9
➤ Printery	-	6
➤ Compliance Unit	-	1

7. Printery Operations:

The Board continues to operate its printing division with services provided to the various racing industry organizations including the Arima Race Club, Trinidad & Tobago Racing Authority, Racehorse Owners Association and Stud Farm Association. The printing of the daily English Programme continues to be the primary responsibility of the Board's Printery Department, although a number of private sector jobs were also contracted during the year.

Development Plan:

In pursuance of its mandate to develop and improve every aspect of horseracing and the breeding of horses the Betting Levy Board has determined the need to reduce and wean itself off of its dependence on the annual moratorium granted by the Government of the Republic of Trinidad and Tobago (GORTT) and to increase its own revenue stream and that of the local promoter in order to achieve self-sustenance of the industry. The BLB has identified the following areas for action:

- i. Enhancement of the collection of taxes from the Private Betting Shops in order to increase the level of funds available to the Betting Levy Board for the discharge of its function.
- ii. In keeping with Section 9 of the BLB Act, to pursue the establishment of an on-line computerized system whereby all betting terminals in the private betting shops would be owned and installed by the BLB with the server housed at the office of the Compliance Unit of the BLB to allow for real time access by the Board to the wagering being conducted at any shop.
- iii. To pursue amendment to the Gambling and Betting Act and promulgation of rules and regulations governing same that would give the necessary teeth to the BLB in its ability to ensure compliance with the law by licensed betting shop operators.
- iv. Pursuing the construction and establishment of the Santa Rosa Racing Academy to ensure that educational and training programs for industry personnel are ongoing through the agencies responsible for same under the law.
- v. Increased activity among breeders to improve the quality of locally bred thoroughbreds and by extension the quantity of same to ensure competitive racing.

- vi. A proper mix of incentives for the benefit of all stakeholders in the racing/breeding industry including expansion of the existing pension and medical plan for jockeys and grooms to encompass trainers.
- vii. Providing the stimulus for the sale of local bloodstock through the Annual Yearling Sale and development of an export market for local breeders.
- viii. Facilitating the renewal of inter-island competition in order to improve the regional racing industry.
- ix. Reduction of administrative and operational costs associated with local racing.

Auditor's Report:

The Audited Financial Statements at year end 30 June 2010 as prepared by PricewaterhouseCoopers is attached as an Appendix to this Administrative Report.

The BLB notes the auditors decision to qualify the Financial Statements based on the BLB's insistence that the grant from the GORTT be accounted for in the Statement of Income as has obtained and been accepted by the said auditors for the past twelve years, rather than in the Balance Sheet, however remains firm in its convictions that the Board's interpretation is correct and in keeping with the intentions of the GORTT when the assistance to the racing industry was approved by the Cabinet.

Conclusion:

The Chairman and Members of the Board wish to record their appreciation to the Minister and Ministry of Trade and Industry, Ministry of Finance, Ministry of Food Production and Land Resources, the Trinidad and Tobago Racing Authority, the Arima Race Club, Tobago Race Club, other Government Departments and Racing Organizations as well as the Staff of the Betting Levy Board for their continuous support and assistance during the past year.

Richard Jackson
Chief Executive Officer