

Betting Levy Board



ADMINISTRATIVE REPORT

JULY 01, 2011 - JUNE 30, 2012

Senator The Honourable Vasant Bharath
Minister of Trade, Industry, Investment & Communications
Ministry of Trade, Industry, Investment & Communications
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, this Administrative Report of its activities and audited financial statements for the period July 1, 2011 to June 30, 2012.

1. Proclamation of Act No. 35 of 1989:

The Betting Levy Board Act No. 35 of 1989 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:

The Betting Levy Board (BLB) shall be responsible 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.

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, 2011 to June 30, 2012:

A new Betting Levy Board under the chairmanship of Mr. Satyakama Maharaj was appointed effective from 15th June, 2011 and held its first meeting on 7th July, 2011.

During the period under review, the Board held twelve (12) further regularly scheduled monthly meetings.

In November 2011, the Board received a grant of \$6.4 million from the Government of the Republic of Trinidad and Tobago (GORTT) to fund the staging by the Arima Race Club (ARC) of the Caribbean Nations Racing Challenge Raceday at Santa Rosa Park on 6th December, 2011.

The grant was utilized to fund the following items associated with the raceday:

- Stakes in the sum of US\$650,000.00
- Transportation costs to and from Trinidad and Tobago for foreign (Jamaica, Barbados, St. Kitts) horses to participate on the day.
- Fees due to SIS for broadcast of the event in the United Kingdom.
- Fees due to TV6 for broadcast of the event in the United States of America.
- Uplink services and satellite time licence fees.

The staging of the event utilized the sport of horse racing to bring together and unite the people of the region through competition, the provision of incentives for the participants in the industry as well as the showcasing and promotion of

Trinidad and Tobago as a business and sports tourism destination through the live coverage of the two (2) major races on the day by Television Games Network (TVG) to approximately eighty (80) million homes in North America and by Satellite Information Services (SIS) a London based company which distributes its racing signal worldwide.

TVG's coverage included daily promotion four (4) weeks prior to the event and the filming of a documentary promoting Trinidad and Tobago's industry, culture and the twin island as a tourism destination.

In November 2011, the Board following on a recommendation from its Finance and Investments Committee approved a revised budget for financial year 2011/2012 with projected income of \$28.2 million and which featured incentives and subsidies as follows:

- Funding of the revenue shortfall of the TTRA to meet its administrative expenses, as required by the Act, in the sum of \$2.8 million.
- To the promoters of racing, the ARC, the sum of \$12.6 million to meet advertised stakes payable to winning owners and commissions to winning trainers, jockeys and grooms on each raceday.
- Payment of Breeders and Sires Premiums to the owners of the mare and sire of horses foaled in Trinidad and Tobago which place 1st, 2nd and 3rd in all races run during the season in the sum of \$2.0 million.
- Provision of a non-contributory Pension Fund and Medical Plan for licensed jockeys and the latter plan for grooms, as required by the Act in the sum of \$426,000.00.
- Payment of an incentive to owners of mares certified in foal at a cost of \$1.4 million.
- Payment of an incentive to owners of foals born in Trinidad and Tobago which have been registered to race with the TTRA at a cost of \$0.9 million.
- Administrative subvention to the ARC in the sum of \$2.0 million to assist in meeting costs associated with security, occupation of office by BLB and Trinidad and Tobago Racing Authority (TTRA) and raceday closed circuit television operations.

The Board's budgeted revenue stream was based on tax collections from private betting shops in the sum of \$18.0 million and from the ARC in the sum of \$10.0 million.

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, Tobago Race Club, Trinidad & Tobago Racing Authority, Racehorse Owners Association and Stud Farm Association. The printing of the daily English Racing Programme continues to be the prime responsibility of the Printery Department, although a number of private sector jobs were also contracted.

Vision:

In pursuance of its mandate to develop and improve every aspect of horseracing and the breeding of horses the Betting Levy Board remains committed to reduce its dependence on the annual moratorium granted by the GORTT and to increase its own revenue stream and that of the local promoter in order to achieve self sufficiency for the industry. The BLB has identified the following critical factors 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 implementation of a tamper-proof computerized system whereby all betting transactions at private betting offices will be replicated in real time to a server housed at the office of the Compliance Unit of the BLB to allow for effective monitoring and determination of the quantum of taxes required to be remitted by each betting shop.
- iii. To pursue amendment to the Gambling and Betting Act and promulgation of rules and regulations governing same that would bestow onto the Betting Levy Board the regulatory power to ensure compliance with the law by licensed betting shop operators.

- iv. Increased activity among breeders to improve the quality and quantity of locally bred thoroughbreds to ensure competitive racing.
- v. Renewal of inter-island rivalry by encouraging competition for local horses against our Caribbean neighbors to gauge the quality of our stock.
- vi. Reduction of administrative and operational costs associated with local racing and implementation of the business plan to provide an additional revenue stream for the local racing industry.

Auditor's Report:

The Audited Financial Statements at year end 30 June 2012 as prepared by PKF Chartered Accountants and Business Advisors is attached as an Appendix to this Administrative Report.

A review of the Audited Financial Statements at 30th June, 2012 revealed actual tax collections from betting shops to be \$16.9 million and from the ARC \$11.5 million.

The loss during the period of \$5.2 million is directly associated with the non-receipt of the moratorium from the GORTT on the payment of 50% of taxes collected to the Consolidated Fund for calendar year 2012.

Conclusion:

The Chairman and Members of the Board wish to record their appreciation to the Minister and Ministry of Trade, Industry, Investment and Communications, Ministry of Finance and the Economy, Ministry of Food Production, Land and Marine 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 support during the past year.

Richard Jackson
Chief Executive Officer



Chartered Accountants
& Business Advisors

BETTING LEVY BOARD
FINANCIAL STATEMENTS
30 JUNE 2012



Chartered Accountants
& Business Advisors

BETTING LEVY BOARD

INDEX

	<u>Page</u>
Statement of Management Responsibilities	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Income and Retained Earnings	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 – 13
Schedules to the Financial Statements	14 – 15



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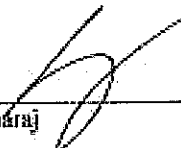
Statement of Management Responsibilities

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of the operating results of the Board for the year. It is also management's responsibility to ensure that the Board proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.


Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. Management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Board will not remain a going concern for at least the next twelve months from the date of this statement.



Kama Maharaj
Chairman

Date: 2nd December, 2013



Richard Jackson
Chief Executive Officer

Date: 2nd December, 2013

Board Members: Kama Maharaj (Chairman), Jagdis Suratsingh (Dir), Gerard Mathura, Vashli Mahara,
Ainsley Mark, Hugh Henderson, Maniram Mahara, Bakaran Bassawh



Chartered Accountants
& Business Advisors

INDEPENDENT AUDITORS' REPORT

In relation to Betting Levy Board

We have audited the accompanying financial statements of Betting Levy Board, which comprise the statement of financial position as at 30 June 2012, the statement of income and retained earnings and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Betting Levy Board as of 30 June 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

The previous year's financial statements were audited by another firm of chartered accountants.

Port-of-Spain
TRINIDAD AND TOBAGO
2 December 2013

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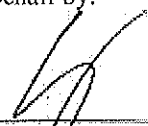
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BETTING LEVY BOARD
STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	30 June	
		<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	4	\$ 2,093,436	\$ 3,097,045
Other financial assets (current)	5	2,933,616	2,492,379
Trade and other receivables and prepayments (current)	6	1,016,978	279,437
GORTT – Grant receivable	7	13,982,684	6,860,630
Inventory		<u>20,241</u>	<u>12,986</u>
Total Current Assets		<u>20,046,955</u>	<u>12,742,477</u>
Non-Current Assets:			
Trade and other receivables (non-current)	6	280,000	280,000
Property, plant and equipment	8	<u>623,178</u>	<u>695,331</u>
Total Non-Current Assets		<u>903,178</u>	<u>975,331</u>
Total Assets		<u>\$ 20,950,133</u>	<u>\$ 13,717,808</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Liabilities:			
Trade and other payables and accruals	9	\$ 5,229,085	\$ 7,024,118
GORTT – Consolidated fund payable		<u>21,084,243</u>	<u>6,860,630</u>
Total Liabilities		26,313,328	13,884,748
Equity:			
Retained Earnings		<u>(5,363,195)</u>	<u>(166,940)</u>
Total Liabilities and Equity		<u>\$ 20,950,133</u>	<u>\$ 13,717,808</u>

These financial statements were approved by the Board of Directors and authorised for issue on 2 December 2013 and signed on their behalf by:



 Chairman



 Director

(The accompanying notes form part of these financial statements)

BETTING LEVY BOARD
STATEMENT OF INCOME AND RETAINED EARNINGS

		30 June	
		<u>2012</u>	<u>2011</u>
Income:			
Revenue	1	\$ 14,223,613	\$ 13,563,314
Government Grant		<u>7,122,054</u>	<u>13,563,314</u>
		21,345,667	27,126,628
Direct operating expense	2	<u>(24,394,200)</u>	<u>(21,915,445)</u>
		(3,048,533)	5,211,183
Other Income		<u>2,147,393</u>	<u>1,326,476</u>
		<u>(901,140)</u>	<u>6,537,659</u>
Expenditure:			
Administrative Expenses	3	3,127,638	2,610,505
Printery expenses		<u>1,167,477</u>	<u>992,501</u>
Total Expenditure		<u>4,295,115</u>	<u>3,603,006</u>
Net (loss)/profit for the year		(5,196,255)	2,934,653
Retained Earnings, brought forward		<u>(166,940)</u>	<u>(3,101,593)</u>
Retained Earnings, carried forward		<u>\$ (5,363,195)</u>	<u>\$ (166,940)</u>

(The accompanying notes form part of these financial statements)

BETTING LEVY BOARD
STATEMENT OF CASH FLOWS

	30 June	
	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Net (loss)/profit for the year	\$ (5,196,255)	\$ 2,934,653
Adjustments for:		
Depreciation	<u>118,913</u>	<u>118,403</u>
Operating (loss)/profit before working capital changes	(5,077,342)	3,053,056
Net change in trade and other receivables and prepayments	(737,541)	457,444
Net change in GORTT grant receivable	(7,122,054)	-
Net change in inventory	(7,255)	2,166
Net change in trade and other payables and accruals	(1,795,033)	2,006,882
Net change in GORTT payable	<u>14,223,613</u>	<u>-</u>
Cash (used)/provided by operating activities	<u>(515,612)</u>	<u>5,519,548</u>
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	<u>(46,760)</u>	<u>(34,891)</u>
Cash used in investing activities	<u>(46,760)</u>	<u>(34,891)</u>
Net cash and cash equivalents	(562,372)	5,484,657
Cash resources, beginning of year	<u>5,589,424</u>	<u>104,767</u>
Cash resources, end of year	<u>\$ 5,027,052</u>	<u>\$ 5,589,424</u>
Represented by:		
Cash and cash equivalents	2,093,436	3,097,045
Other financial assets (current)	<u>2,933,616</u>	<u>2,492,379</u>
	<u>\$ 5,027,052</u>	<u>\$ 5,589,424</u>

(The accompanying notes form part of these financial statements)

BETTING LEVY BOARD**NOTES TO THE FINANCIAL STATEMENTS****30 JUNE 2012****1. Principal Activity:**

The Betting Levy Board was established by an Act of Parliament of the Republic of Trinidad and Tobago on 6 September 1989 and is responsible for the development and improvement of every aspect of horse and dog racing, including the breeding of race horses and dogs and the provision of benefits for jockeys and stable lads. The Board is also responsible for the collection of all taxes, duties, fees or other payments as stipulated in the Gambling and Betting Act of 1963 and any such sums payable to it under the Gambling and Betting Act.

The Board's principal place of business is Santa Rosa Racing Facility, Churchill Roosevelt Highway O'Meara, Arima.

2. Summary of Significant Accounting Policies:**a) Basis of accounting -**

These financial statements are prepared under the historical cost convention, expressed in Trinidad and Tobago dollars (rounded to the nearest whole dollar) and are in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities (IFRS for SMEs) as adopted by the Institute of Chartered Accountants of Trinidad and Tobago. No account has been taken of the effects of inflation.

b) Use of estimates -

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Board accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

c) Adoption of IFRS for SMEs and Restatement-

During the current year the Board adopted the IFRS for SMEs which was issued by the International Accounting Standards Board in July 2009. These standards were adopted by the Institute of Chartered Accountants of Trinidad and Tobago effective 1 February 2010 for use in the presentation of financial statements for 2009 and prior periods.

In accordance with Section 35 of the IFRS for SMEs (Transition to IFRS for SME), the previous year's accounts have been restated.

BETTING LEVY BOARD

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2012

2. Summary of Significant Accounting Policies (Cont'd):

d) Property, Plant and Equipment -

Property, plant and equipment are initially measured at cost to bring to its location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is provided using the straight-line method.

The following rates are considered appropriate to write-off the assets over their estimated useful lives are applied:

Plant and machinery	5% - 20%
Motor vehicles	- 25%
Computer equipment	- 20%
Office furniture and fittings	- 10%

At each reporting date, the entity assesses impairment of property, plant and equipment and transfers any impairments to profit or loss together with any compensation receivable.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

e) Going Concern -

The Board has generated net losses of **\$5,196,255** for the year ended 30 June 2012. This net loss has increased the Board's Accumulated Deficit to **\$5,363,195**. Additionally, the Board's current liabilities exceed its current assets by **\$6,266,373**. Notwithstanding this fact, the financial statements have been prepared on the going concern basis. This basis has been deemed appropriate in view of the Board's ability to continue its operation using internally generated cash flow and funding from the Government of the Republic of Trinidad and Tobago.

f) Revenue recognition -

The Board derives its income primarily from the collection of racing licenses, taxes and permits in accordance with the Gambling and Betting Act of 1963. Income is accounted for on the accruals basis.

BETTING LEVY BOARD**NOTES TO THE FINANCIAL STATEMENTS**

30 JUNE 2012

2. Summary of Significant Accounting Policies (Cont'd):**g) Financial instruments -**

Financial assets and financial liabilities are recognised on the Board's Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less and are carried at cost, which approximates market value.

Trade and other receivables and prepayments

Trade and other receivables and prepayments are measured at initial recognition at transaction cost and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Income and Retained Earnings when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method.

Trade and other payables and accruals

Trade and other payables and accruals are initially measured at transaction cost and are subsequently measured at amortised cost, using the effective interest rate method.

Leasing commitments

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the period of the lease.

BETTING LEVY BOARD**NOTES TO THE FINANCIAL STATEMENTS****30 JUNE 2012****2. Summary of Significant Accounting Policies (Cont'd):****h) Foreign currency -**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Income and Retained Earnings.

i) Provisions -

Provisions are recognised when the Board has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

j) Comparative figures -

Certain changes in presentation have been made during the year and comparative figures have been restated accordingly. These changes have no impact on the net profit reported for the previous year.

BETTING LEVY BOARD**NOTES TO THE FINANCIAL STATEMENTS****30 JUNE 2012****3. Critical Accounting Estimates and Judgments:**

The preparation of financial statements in accordance with IFRS for SME's requires management to make judgements, estimates and assumptions in the process of applying the Board's accounting policies. See **Note 2 (b)**.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Board makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as 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 of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Income and Retained Earnings in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether leases are classified as operating leases or finance leases.
- ii) Which depreciation method for property, plant and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Property, Plant and Equipment

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

BETTING LEVY BOARD
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2012

4. Cash and Cash Equivalents:

	30 June	
	2012	2011
Cash in hand	\$ 3,000	\$ 3,000
First Citizens Bank Limited - Current account	2,055,205	3,058,872
- US Account	35,231	35,173
	\$ 2,093,436	\$ 3,097,045

5. Other Financial Assets (Current):

These short term investments are held at the Trinidad and Tobago Unit Trust Corporation.

6. Trade and Other Receivables and Prepayments:

	30 June	
	2012	2011
Accounts Receivable	\$ 28,712	\$ 16,349
Amounts due from betting offices	575,016	214,549
Other receivable	379,960	5,998
Staff Loans	33,290	42,541
	1,016,978	279,437
Non Current portion: Stud Farm Association	280,000	280,000
	\$ 1,296,978	\$ 559,437

BETTING LEVY BOARD
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2012

7. **GORTT – Grant Receivable:**

	30 June	
	2012	2011
Balance at beginning of year	\$ 6,860,630	\$ 7,624,951
Received during the year	-	(14,327,635)
Current year grant	7,122,054	13,563,314
	\$ 13,982,684	\$ 6,860,630

The Government of the Republic of Trinidad and Tobago extended the moratorium granted to the Betting Levy Board on payments due to the Consolidated Fund in accordance with the provision of section 12 of the Betting Levy Board Act 1989. The arrangements also provide for an exchange of cheques, whereby the Betting Levy Board would deposit monies into the Consolidated Fund and simultaneously receive from Government a cheque of an equivalent sum representing a grant for the development of the local horse racing industry.

8. **Property, Plant and Equipment:**

	Plant and Machinery	Motor Vehicles	Computer Equipment	Office Furniture & Fittings	Total
Cost					
Balance as at 1 July 2011	\$ 15,725,863	\$ 40,000	\$ 81,394	\$ 486,976	\$ 16,334,233
Additions	-	-	4,200	42,560	46,760
Balance as at 30 June 2012	15,725,863	40,000	85,594	529,536	16,380,993
Accumulated Depreciation					
Balance as at 1 July 2011	15,155,758	40,000	77,455	365,689	15,638,902
Charge for the year	91,984	-	2,642	24,287	118,913
Balance as at 30 June 2012	15,247,742	40,000	80,097	389,976	15,757,815
Net Book Value					
Balance as at 30 June 2012	\$ 478,121	\$ -	\$ 5,497	\$ 139,560	\$ 623,178
Balance as at 30 June 2011	\$ 570,105	\$ -	\$ 3,939	\$ 121,287	\$ 695,331

BETTING LEVY BOARD
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2012

9. Trade and Other Payables and Accruals:

	31 June	
	<u>2012</u>	<u>2011</u>
Other creditors and accruals	\$ 3,191,268	\$ 3,544,753
Stakes payable to the Arima Race Club	760,000	1,200,000
Unclaimed dividends	631,140	833,776
Subvention payments to TTRA	-	510,640
Breeders and sires premium	-	438,889
Unclaimed cheques	521,437	302,097
Vacation accrual	125,240	110,902
Special reserve	-	83,061
	<u>\$ 5,229,085</u>	<u>\$ 7,024,118</u>

10. Related Party Transactions:

Parties are considered to be related if one has the ability to control or exercise significant influence over the entity or the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out at commercial terms and at market rates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2012, the Board has not made any provision for doubtful debts relating to amounts owed by related parties (2011: Nil).

	30 June	
	<u>2012</u>	<u>2011</u>
The following transactions were carried out with related parties:		
i) Transactions for the period		
- Subvention payment to the Trinidad and Tobago Racing Authority	<u>\$ 3,756,727</u>	<u>\$ 3,091,009</u>
- Amounts received from the Government of the Republic of Trinidad and Tobago	<u>\$ 7,122,054</u>	<u>\$ 13,563,314</u>
ii) Key management compensation		
- Salaries and other short-term employee benefits	<u>\$ 788,674</u>	<u>\$ 357,670</u>

BETTING LEVY BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
30 JUNE 2012

1. **Revenue:**

	30 June	
	<u>2012</u>	<u>2011</u>
Race clubs	\$ 11,518,027	\$ 10,210,158
Betting offices	<u>16,929,199</u>	<u>16,916,470</u>
	28,447,226	27,126,628
Allocated to the Consolidated Fund (50%)	<u>(14,223,613)</u>	<u>(13,563,314)</u>
	<u>\$ 14,223,613</u>	<u>\$ 13,563,314</u>

2. **Direct Operating Expenses:**

	30 June	
	<u>2012</u>	<u>2011</u>
Assistance to Arima Race Club	\$ 4,592,433	\$ 2,029,066
Assistance to racing organisations	606,859	-
Breeders and sires premiums	1,202,501	1,743,655
Incentive to breeders	555,000	997,200
Jockey insurance benefit plan	444,692	429,640
Mare subsidy	-	5,000
Promotional events	40,988	189,875
Stakes	12,860,000	13,400,000
Subsidies for imported horses	335,000	30,000
Subvention – Trinidad and Tobago Racing Authority	<u>3,756,727</u>	<u>3,091,009</u>
	<u>\$ 24,394,200</u>	<u>\$ 21,915,445</u>

BETTING LEVY BOARD
SCHEDULES TO THE FINANCIAL STATEMENTS
30 JUNE 2012

3. Administrative Expenses:

	30 June	
	<u>2012</u>	<u>2011</u>
Compliance unit	\$ 43,470	\$ 24,855
Depreciation	118,913	118,403
Director fees	527,674	93,670
Employee benefits (Schedule 4)	1,468,693	1,391,599
Legal and professional fees	26,799	33,050
Other expenses	480,353	453,180
Repairs and maintenance	<u>461,736</u>	<u>495,748</u>
	<u>\$ 3,127,638</u>	<u>\$ 2,610,505</u>

4. Employee Benefits:

	30 June	
	<u>2012</u>	<u>2011</u>
Allowances	\$ 139,064	\$ 88,204
Board and staff welfare	217,503	141,035
National Insurance	80,322	69,330
Pension costs – defined contribution plan	114,448	93,606
Wages and salaries	<u>917,356</u>	<u>999,424</u>
	<u>\$ 1,468,693</u>	<u>\$ 1,391,599</u>