

# Betting Levy Board



## ADMINISTRATIVE REPORT

JULY 01, 2012 - JUNE 30, 2013

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, 2012 to June 30, 2013.

**1. Proclamation of Act No. 35 of 1989:**

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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:**

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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.:**

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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:**

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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, 2012 to June 30, 2013:**

During the period under review, a total of twelve (12) meetings of the Board were held.

Other meetings were also held with organizations representing various sectors of the industry.

In July 2012, the Apprentice Jockey School Training Program Committee comprising members of the Trinidad and Tobago Racing Authority (TTRA) and the BLB was established to oversee the future administration of the school's program and construction of a facility to house the school. The committee established a recruitment process of prospective enrollees, a curriculum for the tutors to administer to the students, a disciplinary policy for the students and a budget for the operations of the school which was subsequently approved by the BLB. At the end of the period, nine (9) students were enrolled. Due to the estimated cost of construction of the school facility and a lack of funding, construction was deferred.

The BLB maintained its arrangement with Tote Investments Ltd for the supply of the list of runners to enable publication of the daily English/Irish race programmes in Trinidad and Tobago. Revenues from the Board's printing operations amounted to \$866,000.00 for the year 2012/2013.

The Board also maintained its program of subsidies and incentives to the racing and breeding sectors of the industry as a strategy of its mandate to develop the local industry as follows:

- Funding of the revenue shortfall of the TTRA to meet administrative expenses, as required by the BLB Act, in the sum of \$3.1 million.
- To the promoter of local racing, the Arima Race Club (ARC), the sum of \$17.3 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 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> in all races run during the year at a cost of \$3.1 million.
- Provision of a non-contributory Pension Fund and Medical Plan for licensed jockeys and the former plan for grooms, as required by the BLB Act, in the sum of \$0.5 million.
- Payment of an incentive to the owners of mares certified in foal at a cost of \$0.3 million.
- Payment of an incentive to the owners of foals born in Trinidad and Tobago which have been registered with the TTRA to race at a cost of \$0.8 million.
- Funding of the Racing Industry Official Veterinarian to attend the Caribbean Veterinary Conference.
- Funding of a transport subsidy to the owners of imported horses to encourage the purchase of quality bloodstock at a cost of \$0.8 million.
- Funding of the installation at Santa Rosa Park of an international standard Timing System at a cost of US\$51,000.00
- Funding of two (2) locally based internationally certified stewards to attend the Continuing Education Stewards Accreditation Program in Kentucky, U.S.A.

**6. Staff of the BLB:**

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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:**

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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:**

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In spite of the best efforts of the BLB, the local horseracing industry continues to experience declining revenue and remains mired in problems, primarily due to the proliferation of casino type businesses which is in direct competition for the entertainment dollar, a declining fan base and a deterioration of the product itself.

The situation is not unique to Trinidad and Tobago only, but obtains in other more developed jurisdictions as well.

The BLB however remains committed to its mandate to develop and improve every aspect of horseracing and breeding by maximizing the use of its available resources wisely.

The BLB has identified and will continue to pursue 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:**

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The Audited Financial Statements at year end 30 June 2013 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 30<sup>th</sup> June, 2013 revealed actual tax collections from betting shops to be \$18.6 million and from the ARC \$11.8 million.

The loss during the period of \$16.9 million and the accumulated deficit of \$22.3 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 years 2012 and 2013.

## **Conclusion:**

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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 2013**



Chartered Accountants  
& Business Advisors

## BETTING LEVY BOARD

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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.

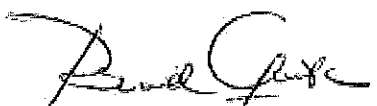
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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

11<sup>th</sup> June 2014

  
Richard Jackson  
Chief Executive Officer

11<sup>th</sup> June, 2014

Board Members: Kama Maharaj (Chairman), Jagdis Suratsingh (Dr), Gerard Mathura, Vashti Maharaj,  
Ainsley Mark, Hugh Henderson, Maniram Maharaj, Baskaran 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 2013, the statements of comprehensive income, changes in shareholders' equity and 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, 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 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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Chartered Accountants  
& Business Advisors

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### *Emphasis of Matter*

We draw attention to **Note 2 (e)** to the financial statements which states that as at 30 June 2013, the Board's current liabilities exceeded its current assets by **\$23,010,053**. The Board's accumulated deficit also exceeds the other elements of shareholders' equity by **\$22,253,770**. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Board's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

*PKF.*

Port-of-Spain  
TRINIDAD  
11 June 2014

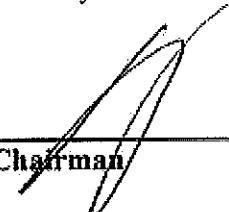
**BETTING LEVY BOARD**  
**STATEMENT OF FINANCIAL POSITION**

	<u>ASSETS</u>	<u>Notes</u>	<u>30 June</u>	
			<u>2013</u>	<u>2012</u>
<b>Current Assets:</b>				
Cash and cash equivalents	4	\$	3,121,981	\$ 2,093,436
Other financial assets (current)	5		2,070,324	2,933,616
Trade, other receivables and prepayments (current)	6		838,573	1,016,978
GORTT – Grant receivable	7		382,684	13,982,684
Inventory			<u>21,727</u>	<u>20,241</u>
Total Current Assets			<u>6,435,289</u>	<u>20,046,955</u>
<b>Non-Current Assets:</b>				
Trade, other receivables and prepayments (non-current)	6		215,000	280,000
Property, plant and equipment	8		<u>541,283</u>	<u>623,178</u>
Total Non-Current Assets			<u>756,283</u>	<u>903,178</u>
<b>Total Assets</b>			<u><b>\$ 7,191,572</b></u>	<u><b>\$ 20,950,133</b></u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Liabilities:</b>				
Trade and other payables and accruals	9	\$	6,751,964	\$ 5,229,085
GORTT – Consolidated fund payable			<u>22,693,378</u>	<u>21,084,243</u>
Total Liabilities			29,445,342	26,313,328
<b>Equity:</b>				
Accumulated Deficit			<u>(22,253,770)</u>	<u>(5,363,195)</u>
<b>Total Liabilities and Equity</b>			<u><b>\$ 7,191,572</b></u>	<u><b>\$ 20,950,133</b></u>

These financial statements were approved by the Board of Directors and authorised for issue on 11 June 2014 and signed on their behalf by:

  
 \_\_\_\_\_  
**Chairman**

  
 \_\_\_\_\_  
**Director**

(The accompanying notes form part of these financial statements)

**BETTING LEVY BOARD**  
**STATEMENT OF INCOME AND ACCUMULATED DEFICIT**

	<u>Notes</u>	30 June	
		<u>2013</u>	<u>2012</u>
<b>Income:</b>			
Revenue	11	\$ 15,209,136	\$ 14,223,613
Government Grant		<u>-</u>	<u>7,122,054</u>
		15,209,136	21,345,667
Direct operating expense	12	<u>(28,877,673)</u>	<u>(24,394,200)</u>
		(13,668,537)	(3,048,533)
Other Income		<u>1,599,306</u>	<u>2,147,393</u>
Total Income		<u>(12,069,231)</u>	<u>(901,140)</u>
 <b>Expenditure:</b>			
Administrative expenses	13	3,695,716	3,127,638
Printery expenses		<u>1,125,628</u>	<u>1,167,477</u>
Total Expenditure		<u>4,821,344</u>	<u>4,295,115</u>
Net loss for the year		(16,890,575)	(5,196,255)
Accumulated Deficit, brought forward		<u>(5,363,195)</u>	<u>(166,940)</u>
Accumulated Deficit, carried forward		<u>\$ (22,253,770)</u>	<u>\$ (5,363,195)</u>

(The accompanying notes form part of these financial statements)

**BETTING LEVY BOARD**  
**STATEMENT OF CASH FLOWS**

	30 June	
	<u>2013</u>	<u>2012</u>
<b>Cash Flows from Operating Activities:</b>		
Net loss for the year	\$(16,890,575)	\$ (5,196,255)
Adjustments for:		
Depreciation	<u>120,213</u>	<u>118,913</u>
<b>Operating loss before working capital changes</b>	<b>(16,770,362)</b>	<b>(5,077,342)</b>
Net change in trade, other receivables and prepayments	178,405	(737,541)
Net change in GORTT grant receivable	13,600,000	(7,122,054)
Net change in inventory	(1,486)	(7,255)
Net change in trade, other payables and accruals	1,522,879	(1,795,033)
Net change in GORTT payable	<u>1,609,135</u>	<u>14,223,613</u>
Cash provided by/(used in) Operating Activities	<u>138,571</u>	<u>(515,612)</u>
<b>Cash Flows from Investing Activities:</b>		
Decrease in trade, other receivable and prepayments (non-current)	65,000	-
Purchase of property, plant and equipment	<u>(38,318)</u>	<u>(46,760)</u>
Cash provided by/(used in) Investing Activities	<u>26,682</u>	<u>(46,760)</u>
Net cash and cash equivalents	165,253	(562,372)
Cash resources, beginning of year	<u>5,027,052</u>	<u>5,589,424</u>
Cash resources, end of year	<u><b>\$ 5,192,305</b></u>	<u><b>\$ 5,027,052</b></u>
<b>Represented by:</b>		
Cash and cash equivalents	\$ 3,121,981	\$ 2,093,436
Other financial assets (current)	<u>2,070,324</u>	<u>2,933,616</u>
	<u><b>\$ 5,192,305</b></u>	<u><b>\$ 5,027,052</b></u>

(The accompanying notes form part of these financial statements)

**BETTING LEVY BOARD****NOTES TO THE FINANCIAL STATEMENTS****30 JUNE 2013****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 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 2013**

**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 Accumulated Deficit.

**e) Going concern -**

The Board has generated net losses of **\$16,890,575** for the year ended 30 June 2013. This net loss has increased the Board's accumulated deficit to **\$22,253,770**. Additionally, the Board's current liabilities exceed its current assets by **\$23,010,053**. 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 2013**

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, other receivables and prepayments

Trade, 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 Accumulated Deficit 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, other payables and accruals

Trade, 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 Accumulated Deficit on a straight line basis over the period of the lease.

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

30 JUNE 2013

**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 Accumulated Deficit.

**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.

**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.

**BETTING LEVY BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

**30 JUNE 2013**

**3. Critical Accounting Estimates and Judgments (Cont'd):**

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.

**4. Cash and Cash Equivalents:**

	<b>30 June</b>	
	<u><b>2013</b></u>	<u><b>2012</b></u>
Cash in hand	\$ 3,000	\$ 3,000
First Citizens Bank Limited - Current account	3,083,683	2,055,205
- US Account	<u>35,298</u>	<u>35,231</u>
	<u><b>\$ 3,121,981</b></u>	<u><b>\$ 2,093,436</b></u>

**5. Other Financial Assets (Current):**

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

**BETTING LEVY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2013**

6. **Trade, Other Receivables and Prepayments:**

	30 June	
	2013	2012
Accounts receivable	\$ 13,772	\$ 28,712
Amounts due from betting offices	641,840	575,016
Other receivable	160,873	379,960
Staff loans	22,088	33,290
	<b>838,573</b>	<b>1,016,978</b>
Non Current portion: Stud Farm Association	215,000	280,000
	<b>\$ 1,053,573</b>	<b>\$ 1,296,978</b>

7. **GORTT – Grant Receivable:**

	30 June	
	2013	2012
Balance at beginning of year	\$ 13,982,684	\$ 6,860,630
Received during the year	(13,600,000)	-
Current year grant	-	7,122,054
	<b>\$ 382,684</b>	<b>\$ 13,982,684</b>

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.

**BETTING LEVY BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Property, Plant and Equipment:**

	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Office Furniture &amp; Fittings</u>	<u>Total</u>
<b>Cost</b>					
Balance as at 1 July 2012	\$ 15,725,863	\$ 40,000	\$ 85,594	\$ 529,536	\$ 16,380,993
Additions	-	-	23,078	15,240	38,318
Balance as at 30 June 2013	<u>15,725,863</u>	<u>40,000</u>	<u>108,672</u>	<u>544,776</u>	<u>16,419,311</u>
<b>Accumulated Depreciation</b>					
Balance as at 1 July 2012	15,247,742	40,000	80,097	389,976	15,757,815
Charge for the year	94,984	-	2,272	22,957	120,213
Balance as at 30 June 2013	<u>15,342,726</u>	<u>40,000</u>	<u>82,369</u>	<u>412,933</u>	<u>15,878,028</u>
<b>Net Book Value</b>					
Balance as at 30 June 2013	<u>\$ 383,137</u>	<u>\$ -</u>	<u>\$ 26,303</u>	<u>\$ 131,843</u>	<u>\$ 541,283</u>
Balance as at 30 June 2012	<u>\$ 478,121</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ 139,560</u>	<u>\$ 623,178</u>

**9. Trade, Other Payables and Accruals:**

	31 June	
	<u>2013</u>	<u>2012</u>
Other creditors and accruals	\$ 5,222,246	\$ 3,191,268
Stakes payable to the Arima Race Club	760,000	760,000
Unclaimed winnings	-	631,140
Unclaimed cheques	606,887	521,437
Vacation accrual	<u>162,831</u>	<u>125,240</u>
	<u>\$ 6,751,964</u>	<u>\$ 5,229,085</u>

## BETTING LEVY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

**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 2013, the Board has not made any provision for doubtful debts relating to amounts owed by related parties (2012: Nil).

	30 June	
	<u>2013</u>	<u>2012</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>3,097,827</u>	\$ <u>3,756,727</u>
- Amounts received from the Government of the Republic of Trinidad and Tobago	\$ <u>-</u>	\$ <u>7,122,054</u>
ii) Key management compensation		
- Salaries and other short-term employee benefits	\$ <u>771,444</u>	\$ <u>788,674</u>

**11. Revenue:**

	30 June	
	<u>2013</u>	<u>2012</u>
Race clubs	\$ 11,837,450	\$ 11,518,027
Betting offices	<u>18,580,822</u>	<u>16,929,199</u>
	30,418,272	28,447,226
Allocated to the Consolidated Fund (50%)	<u>(15,209,136)</u>	<u>(14,223,613)</u>
	<u>\$ 15,209,136</u>	<u>\$ 14,223,613</u>

## BETTING LEVY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013

12. Direct Operating Expenses:

	30 June	
	<u>2013</u>	<u>2012</u>
Assistance to Arima Race Club	\$ 2,846,987	\$ 4,592,433
Assistance to racing organisations	-	606,859
Breeders and sires premiums	3,085,696	1,202,501
Incentive to breeders	792,955	555,000
Jockey insurance benefit plan	522,424	444,692
P and D Mare subsidy	337,500	-
Promotional events	109,284	40,988
Stakes	17,270,000	12,860,000
Subsidies for imported horses	815,000	335,000
Subvention – Trinidad and Tobago Racing Authority	<u>3,097,827</u>	<u>3,756,727</u>
	<u>\$ 28,877,673</u>	<u>\$ 24,394,200</u>

13. Administrative Expenses:

	30 June	
	<u>2013</u>	<u>2012</u>
Compliance unit	\$ 121,430	\$ 43,470
Depreciation	120,213	118,913
Director fees	485,900	527,674
Employee benefits (Note 14)	1,662,424	1,468,693
Legal and professional fees	171,000	26,799
Other expenses	510,097	480,353
Repairs and maintenance	486,052	461,736
Unplaced-horse bonus	<u>138,600</u>	<u>-</u>
	<u>\$ 3,695,716</u>	<u>\$ 3,127,638</u>

14. Employee Benefits:

	30 June	
	<u>2013</u>	<u>2012</u>
Allowances	\$ 188,732	\$ 139,064
Board and staff welfare	205,125	217,503
National Insurance	82,969	80,322
Pension costs – defined contribution plan	107,405	114,448
Wages and salaries	<u>1,078,193</u>	<u>917,356</u>
	<u>\$ 1,662,424</u>	<u>\$ 1,468,693</u>