Supreme Ventures

2015 ANNUAL REPORT

CONTENTS

Corporate STATEMENT

Mission

TO BE THE BEST PROVIDER OF ONLINE LOTTERIES,

SPORTS BETTING, GAMING AND OTHER ELECTRONICALLY

DISTRIBUTED PRODUCTS AND SERVICES

Core Values

ETHICAL BUSINESS PRACTICES AT ALL TIMES

FAIRNESS IN ALL EFFORTS

EXCELLENCE IN OUR PERFORMANCE

KEEP ALL PROMISES

RESPECT AND CONSIDERATION FOR ALL

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Supreme Ventures Limited will be held at The Knutsford Court Hotel (Grand Caribbean Suite), 11 Ruthven Road, Kingston 10, Jamaica, West Indies, on Wednesday, 25th May 2016 at 10:00 a.m. to consider and, if thought fit, pass the following Resolutions:-

Ordinary Resolutions

1. Audited Accounts

"That the Audited Accounts for the year ended 31st December 2015 and the Reports of the Directors and Auditors, circulated with the NOTICE convening the Meeting, be and are hereby adopted."

2. Interim Dividends

To approve and ratify interim dividends:

To consider and (if thought fit), pass the following Resolution:-

"That the interim dividends paid of fourteen (14) cents on 27th May 2015, ten (10) cents on 2nd September 2015, seven (7) cents on 3rd December, 2015, and ten (10) cents on 21st March 2016, totalling forty one (41) cents be and are hereby declared as final and that no further dividend be paid in respect of the year under review."

3. Election of Directors

(a) In accordance with Articles 105 and 106 of the Company's Articles of Incorporation, the following Directors retire by rotation and, being eligible, offer themselves for re-election:

- John Graham
- Steven Hudson
- Georgios Sampson

(i) "That Director John Graham, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."
(ii) "That Director Steven Hudson, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."
(iii) "That Director Georgios Sampson, retiring pursuant to Articles 105 and 106 of the Articles of Incorporation, be and is hereby re-elected."

(b) In accordance with Article 103 of the Company's Articles of Incorporation, Mr. Robert Nader having been appointed since the last Annual General Meeting shall retire, and being eligible, offer himself for election to the Board.

"That Mr. Robert Nader, be and is hereby elected a Director of the Company."

4. Directors' Remuneration

(a) "That pursuant to Article 84 of the Company's Articles of Incorporation, the Directors remuneration shall be such an amount as the Board of Directors, or any appropriate Committee of the Board of Directors, may determine."

(b) "That the Directors be and are hereby empowered to fix the remuneration of the Executive Director(s)."

(c) "That the amount shown in the Accounts of the Company for the year ended 31st December 2015, as remuneration of the Directors for their services, be and is hereby approved."

5. Appointment of Auditors and their Remuneration

"That Messrs. KPMG, having signified their willingness to serve, be and are hereby appointed as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors."

A member of the Company, entitled to attend and vote, is entitled to appoint a Proxy to attend and vote in his stead, and a Proxy need not be a member.

If you are unable to attend the Meeting, a Form of Proxy is enclosed for your convenience. When completed, this Form should be deposited with the Secretary at 9A Retirement Crescent, Kingston 5, Jamaica, W.I., not less than 48 hours before the time appointed for the meeting. The Proxy Form should bear stamp duty of J$100.00 or its equivalent, before being signed. The stamp duty may be paid by adhesive stamps, which are to be cancelled by the person signing the Proxy.

DATED this 19th day of February 2016

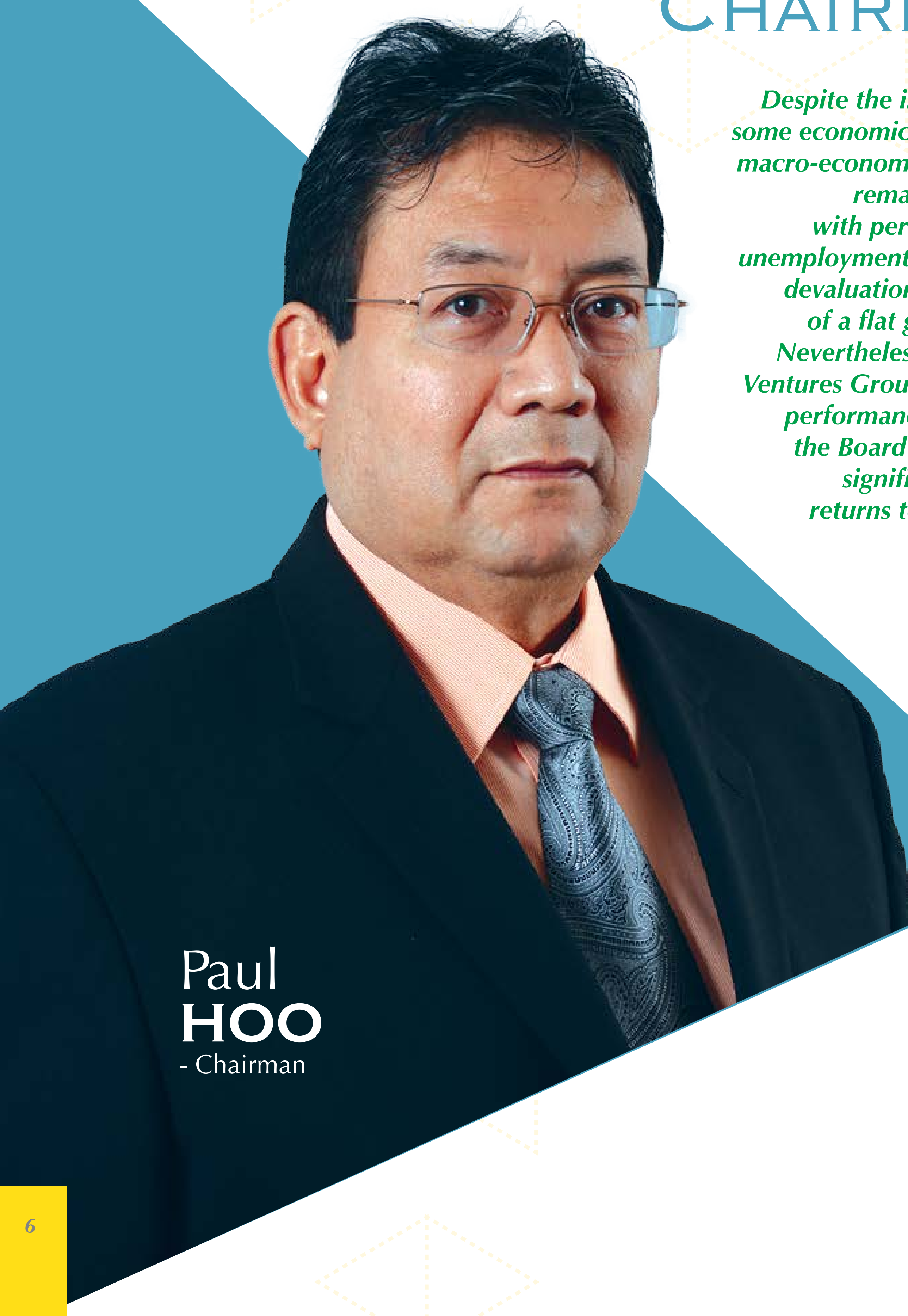
BY ORDER OF THE BOARD

Lorna Gooden
COMPANY SECRETARY

Business Highlights

CHAIRMAN'S

Despite the improvement of some economic indicators, the macro-economic environment remains challenging with persistent levels of unemployment and continued devaluation in the context of a flat gaming market. Nevertheless, the Supreme Ventures Group gave a strong performance that enabled the Board of Directors to significantly increase returns to shareholders.



Paul
HOO
- Chairman

STATEMENT

Compared to 2014, the Group's gross revenues grew by 6.1% while our gross profit (profit after the payment of prizes, levies to the BGLC and lottery and gaming taxes) grew by 18.6%. Cash Pot liability was below that of 2014 and our overall lottery liability has been reduced because of the impact of better than expected growth of Money Time. Our 2015 profitability was impacted by an increase in Operating Expenses of 12.6%, largely due to asset write-offs and impairment. Our 2015 Net Profit After Tax increased by 27% and our Earnings Per Share (EPS) increased by a similar margin.

With one of the most diverse portfolios of lottery products the world over, the Group continued to expand its innovative and compelling product offerings with an additional draw. With the introduction of IFLEX and live betting, we continued to strengthen the sports betting segment in the absence of a signature event, such as the 2014 World Cup. We consolidated our position in the VLT market with closures of the Montego Bay, Odyssey and Castle Gaming Lounges in 2014, which improved the segment performance for 2015.

As a Group, we are a significant contributor to the tax revenue of the Government of Jamaica. In 2015, Lottery and Gaming Taxes, levies to the Betting Gaming and Lotteries Commission (BGLC) and fees to the CHASE Fund totalled $4.397 billion, an increase of 6% compared to 2014.

Separate and apart from the contributions to the CHASE Fund, we are proud of our continued support of critical national development initiatives in sports, education, charitable projects and social interventions. We provide support from the community level right up to the national level in a wide array of projects that make a tangible difference to not only the recipients, but importantly to those they impact and the country at large.

As a premier lottery and gaming provider in the Caribbean, we remain committed to growing our core business and expanding through strategic diversification. Our technology platform and extensive retailer network continue to be competitive advantages and provide significant growth potential opportunities. Our recent bid for Caymanas Park exemplifies our considered approach to strategic diversification based on leveraging our demonstrated strengths.

On behalf of the Board, I wish to express my appreciation to the executive team, staff and agents for their hard-work, dedication, professionalism and customer-centric approaches to realizing our mission and vision, truly providing the "games people love to play". On behalf of the entire Group, I wish to say a special thank you to all of our customers for their loyal support.

PAUL HOO
Chairman

Corporate GOVERNANCE

The Board of Directors of Supreme Ventures Limited (SVL) is collectively responsible for the performance of the Company and its subsidiaries. One of the primary responsibilities of the Board of Directors is to ensure that the Company and its subsidiaries have a robust and effective corporate governance framework, which is vital to the preservation of shareholder value and confidence in the Group. A copy of the Group's Corporate Governance Policy is available on our website at http://www.supremeventures.com.

The Board adopts an enterprise-wide approach to corporate governance by ensuring adherence to a uniformed set of corporate governance policies and procedures throughout the Group. The Corporate Governance Code is reviewed annually by the Board to ensure that it remains relevant and is in keeping with best practices.

SVL's Corporate Governance Code documents the corporate governance framework of the Group. This ensures that the Company and all its subsidiaries, adhere to a standard corporate governance policy that represents best practices, inclusive of recommendations taken from the Private Sector Organization of Jamaica (PSOJ) Corporate Governance Code and the Jamaica Stock Exchange (JSE) rules.

The Code:

a) Adopts best corporate governance practices implemented by a public company under the guidance of the Board of Directors;
b) It defines the procedures and processes to which the Group is directed and controlled;
c) It specifies the distribution of rights and responsibilities among the different participants in the organization such as the Board of Directors, management, shareholders and other stakeholders.

Board Responsibility

The Board's primary responsibility is to provide strategic direction for the Company and approve management's business plans to effect the strategic and operational goals. The Board sets the strategic direction of the Company and ensures that it gives management direction, where needed, to ensure that the goals are met. The Board also ensures the fair and equitable treatment of all stakeholders, including minority shareholders.

While executing its duties, the Board takes into account all parties whose interests are associated with those of the Company, as well as creditors and employees who are directly affected by the operation of the Company.

At all times, Directors are expected to exercise sound independent business judgement in what they reasonably believe to be in the best interest of the Company. In discharging that obligation, the Directors rely on the honesty and integrity of the Company's senior management, and expert advisors, including auditors.

SVL's Board met nine (9) times during 2015 to ensure that the Board's mandates were effectively addressed. The responsibility of the Board is outlined in an approved Board Charter which includes the following duties and functions:

- Provide strategic direction for the Company and approves management's business plans to effect the strategic and operational goals;
- Articulate the organization's values, vision, mission and strategies;
- Discuss and approve annual budgets, capital expenditures, acquisitions and divestitures;
- Monitor and evaluate the performance of senior management and aligning executive remuneration with their qualification and experience;
- Install effective and robust internal control systems and risk management procedures;
- Ensures the integrity of the Company's accounts and financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management;
- Monitor the performance of the Board against the strategic goals determined;
- Review management's performance;
- Ensure that the Company's obligations to shareholders are understood and met;
- Ensure that Board Members behave ethically and promote throughout the Company, behaviour that is consistent with the culture and values of a high-performing organization; and
- Create the right framework that will enable Directors to meet their statutory duties.

Size and Composition of the Board of Directors

As at 31st December 2015, the Board comprised 11 Directors and was Chaired by Mr. Paul Hoo. The size and composition of the Board enables it to be effective in exercising its powers and duties. The number of Directors as guided by the Articles of Incorporation should not exceed twelve.

The Board's composition reflects Directors drawn from diverse backgrounds, thereby creating a balance of independence, knowledge, experience, leadership skills and perspectives, to allow the Board to work effectively. SVL's Directors are recognized as strong leaders in their respective fields of work. Our Directors take care in ensuring that decisions are made after careful deliberation of relevant information. The appointment and retirement of Directors shall be governed first by the Articles of Incorporation of the Company and thereafter by standards/criteria imposed by the Board or the Company's regulators.

Designations include Chairman, Deputy Chairman, President & CEO, Executive Director, Non-Executive Directors and Independent Non-Executive Directors.

Independence

In determining the independence of proposed candidates or current members, the Board of Directors should consider the person not independent when he or she:

- Is or has been an employee, senior executive or Chairman of the Board of Directors of the Company or its subsidiaries within the last three (3) years;

- Receives or has received during the 12 months prior to his appointment any compensation from the Company other than board membership fees approved by the General Meeting of Shareholders of the Company;

- Has or had within the past year a material business relationship with the Company or its subsidiaries, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or Board member, or senior executive of an entity that has such a relationship with the Company or its subsidiaries;

- Has been the External Auditor of the Company or its subsidiaries or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three (3) years;

- Has a second degree kinship with or is the spouse of a non-independent Board member, senior executive, adviser or significant shareholder of the Company or its subsidiaries; and/or

- Controls directly or indirectly through related parties, more than 5% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries.

All Directors of the Company shall act independently and bring an independent mind to bear on matters coming before the Board.

The Term for Independent Directors to serve on the Board is seven (7) years after which they are required to resign and will not be eligible for re-appointment.

Directors shall notify the Board of any change in status that may affect their Independence. When notified, the Board will evaluate the Directors' independence.

Audit & Compliance Committee

The Audit and Compliance Committee was established by the Board to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the audit process, and the Company's process for monitoring compliance with laws and regulations and the code of conduct. The Terms of Reference of the Committee is governed by an approved charter. The quorum for the Committee meetings is three and this must include two independent members.

The functions of the Audit and Compliance Committee are as follows:

- To monitor the integrity of the Financial Statements of the Group. To review annual and interim reports, preliminary results, announcements and any other formal announcement relating to financial performance;
- To review arrangements for employees;
- To review significant financial reporting issues and judgements, summary financial statements, financial returns to regulators and any financial information to be reported in other documents which may impact share price;
- To keep under review the effectiveness of internal controls and risk management systems

by examining steps taken by the Board and Management of SVL to control exposure to significant risks;

- To monitor and review the effectiveness of internal audit functions in the context of the overall risk management systems;

- To consider and make recommendations to the Board with respect to matters for approval at General Meetings, including the appointment, re-appointment and removal of the external auditors. In addition, the Audit Committee will oversee the selection process for new auditors and shall investigate issues leading to the resignation of auditors where applicable;

- To oversee the relationship with the external auditors;

- To review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement;

- To review findings of the external auditors and in particular initiate discussions on issues which may have arisen during the audit, including accounting and auditing judgements and levels of errors identified; and

- To review the effectiveness of the services provided by the external auditors.

The Committee members as at 31st December 2015 were:

- Mr. Peter Chin (Chairman) – Independent Director
- Mr. Barrington Chisholm – Independent Director
- Mr. Ian Moore – Independent Director
- Mr. Ian K. Levy
- Mr. Georgios Sampson

Finance Committee

The Finance Committee is the sub-committee of the Board of Directors which is responsible for the financial management of the Company. The Chairman of the Board is the Chairman of this Committee and may select up to six Directors to serve.

The Finance Committee provides assistance to the Board of Directors of the Company, in fulfilling its responsibility to the shareholders, in respect of the policies and practices that relate to the management of the financial affairs of the Company.

The Finance Committee's primary purpose is to:

- Review management's plans to manage the Company's exposure to financial risk;

- Review the Company's business plan, cash plan, balance sheet, and capital structure;

- Recommend dividend actions to the Board of Directors;

- Review the Company's capital allocation strategy, including the cost of capital;

- Review the Company's capital appropriation matters, including recommending approval of those programmes requiring Board approval and providing periodic oversight of board-approved programmes; and

- Review the Company's pension strategy and performance, and health care costs and funding.

Messrs. Paul Hoo, Brian George, John Graham, Nikolaos Nikolakopoulos, Barrington Chisholm, Steven Hudson and Robert Nader were elected to serve and remain members as at 31st December 2015.

Compensation Committee

The Compensation Committee was organized to assist the Board of Directors of the Company, in approving and monitoring guidelines and practices, with respect to the compensation and benefits of officers as well as administering the Company's equity-based compensation plan. The Compensation Committee assists the Board in fulfilling its fiduciary responsibilities relating to:

- The fair and competitive compensation of the non-employee Directors;
- The compensation, bonuses, and incentives of the Chief Executive Officer, executive and other key employees of the Company; and
- The administration of the general employee welfare plans of the Company.

The Compensation Committee is authorized to obtain outside legal or independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Compensation Committee comprises four members. The Committee members as at 31st December 2015 were Mr. Nikolaos Nikolakopoulos, Mr. John Graham, Mr. Steven Hudson and Mr. Barrington Chisholm.

Governance and Nomination Committee

The Governance and Nomination Committee's role is to determine the slate of Director nominees for election to the Company's Board of Directors, to review, evaluate and recommend changes to the Company's Corporate Governance Guidelines, and to establish the process and guidelines for conducting the review of the Chief Executive Officer's performance.

The Governance and Nomination Committee assists the Board in the following:

- In ensuring that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board;
- To identify and recommend qualified candidates to fill vacancies occurring between annual shareholder meetings;
- To assist the Board of Directors in organizing itself to discharge its duties and responsibilities properly and effectively;
- To review, evaluate and recommend changes to the Company's Corporate Governance and Nomination Guidelines; and
- To perform such other duties and responsibilities enumerated in and consistent with this Charter.

The following Directors were elected to serve and remain members as at 31st December 2015:

- Mr. Paul Hoo
- Mr. Ian Levy
- Mr. John Graham
- Mr. Barrington Chisholm
- Mr. Nikolaos Nikolakopoulos

External Auditors

During the Financial Year under review, Messrs. KPMG served as auditors of the Company.

Attendance at Board and Committee Meetings

The attendance of the Directors of SVL at the Board and Committee meetings for the period ended 31st December 2015 is reflected in the table below:

Directors	Board	Audit Committee	Finance Committee	Compensation Committee	Governance Committee	Annual General Meeting
Paul Hoo	9	-	2	-	1	1
Brian George	9	-	2	-	-	1
Ian Levy	8	7	-	-	1	1
John Graham	9	-	2	1	1	1
Barrington Chisholm	9	7	2	1	1	1
Steven Hudson	9	-	2	1	-	1
Georgios Sampson	9	7	-	-	-	1
Nikolaos Nikolakopoulos	9	-	2	1	1	1
Nicholas Mouttet**	3	-	-	-	-	1
Peter Chin	9	7	-	-	-	-
Ian Moore	9	7	-	-	-	1
Mark Ammon**	4	1	-	-	-	-
Robert Nader*	1	-	2	-	-	-

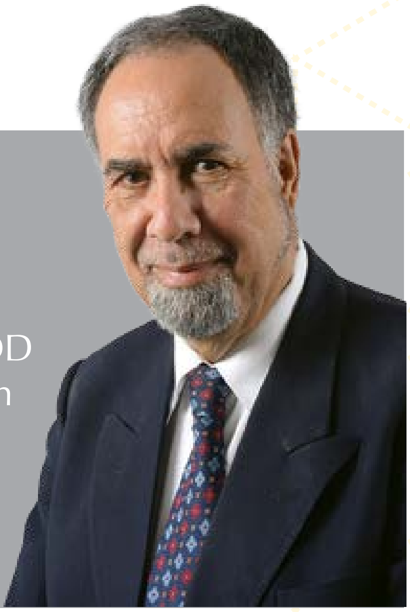
* Mr. Robert Nader was appointed on August 4, 2015
** Mr. Nicholas Mouttet resigned on August 4, 2015. Therefore Mr. Mark Ammon ceased to be an alternate Director.

Board of DIRECTORS

Paul
HOO
- Chairman

Brian
GEORGE
- President & CEO

Peter
CHIN
- Director



Ian
LEVY, OD
- Deputy Chairman

John
GRAHAM
- Director

BOARD OF DIRECTORS

Nikolaos **NIKOLAKOPOULOS**
- Director

Barrington **CHISHOLM**
- Director

Georgios **SAMPSON**
- Director

Ian **MOORE**
- Director

Steven
HUDSON
- Director

Robert
NADER
- Director

Board of DIRECTORS

Paul Hoo - Chairman

Mr. Hoo is a founding shareholder of the Company and brings a wealth of experience in business development and operations.

He was nominated for the Jamaica Business Observer Leader of the Year Award in 2001. Paul is also Chairman of SVL's Finance and the Governance & Nomination Committees of the Board.

He is also a Trustee of the Company's Pension Fund.

Ian Levy - Deputy Chairman

Mr. Levy is also a founding shareholder of the Company and an accomplished businessman. He is Chairman and Managing Director of Ian K (Agencies) Limited. Ian's business skills have greatly influenced the success of Supreme Ventures Limited. Ian is a member of SVL's Audit & Compliance and the Governance & Nomination Committees of the Board.

He was awarded the National Order of Merit (Chevalier de l'Ordre National du Mérite) from the Government of France in 2005. In 2012, Ian received the honour of Order of Distincition from the Jamaican Government. He was also nominated for the Jamaica Observer Business Leader Award in 2006.

Mr. Levy also sits on the Boards of the Aeronautical Telecommunications Limited and LHCC Perfect Homes Limited.

Brian George - President & CEO

Mr. George joined the Company in 2003 and brings a wealth of experience in lottery and gaming operations.

Under Brian's stewardship, the Company has adopted an innovative and aggressive approach to marketing its products and services. He is a member of SVL's Finance Committee of the Board.

Brian was appionted Chairman of the Board of Directors of the Ports Security Corps in 2012. He is also a Board member of the CHASE Fund in Jamaica.

John Graham - Director

Mr. Graham is an Attorney-at-Law and brings his knowledge and experience in civil litigation, advocacy, commercial law and conveyancing to the Board.

John is a member of SVL's Finance, Compensation and Governance & Nomination Committees of the Board. He has also served as a Director on a number of Boards in the private and public sector.

Peter Chin - Director

Mr. Chin has over 30 years' experience in the fields of investment and financial management, commercial lending and project finance and has provided such services to major local and international intitutions. He is the President of Alliance Investment Management Limited.

Peter was appointed Chairman of SVL's Audit & Compliance Committee of the Board effective 4th June 2013. He is also aTrustee of the Company's Pension Fund.

Peter is also a Director of the RJR Communications Group and AMG Packaging & Paper Company Limited; both companies are also listed on the Jamaica Stock Exchange.

Nikoloas Nikolakopoulos - Director

Mr. Nikolakopoulos is the Chief Operating Officer for the INTRALOT Group, a leading provider of state-of-the-art intergrated gaming solutions to lottery and gaming organizations worldwide. He previously held a number of senior positions in INTRALOT and other multinational Information Technology Companies, including Microsoft, INTRACOM Group.

Nikos was appointed Chairman of SVL's Compensation Committee of the Board effective 4th June 2013. He is also a member of the Board's Finance and Governance & Nomination Committees.

Barrington Chisholm - Director

Mr. Chisholm is a retired Banker with a distinguished and successful career at the Scotiabank Group. Barry is a member of the Audit & Compliance, Finance, Compensation and Governance & Nomination Committees of SVL's Board.

He is a Director on the Board of AMG Packaging & Paper Company Limited and a Trustee of the Elsie Bernard Home for Girls. Barry is also a Justice of the Peace.

Steven Hudson - Director

Mr. Hudson brings to the Board over 18 years of knowledge and experience in business and the hospitality industry. His work experience includes the hotel and restaurant industries.

He is currently the Managing Director of Bearings and Seals Limited, one of Jamaica's major distributors of automotive and industrial parts. Steven is a member of SVL's Finance and Compensation Committees of the Board.

Georgios Sampson - Director

Mr. Sampson has extensive international business experience and brings a wealth of knowledge in contract negotiation in the gaming industry.

He has been an executive with INTRALOT S.A. since 2003. Georgios is currently the Director of Finance and Business Development for INTRALOT Latin America Inc. Georgios is a member of SVL's Audit & Compliance Committee of the Board.

Ian Moore - Director

Mr. Moore has over 25 years of consulting experience, specializing in Telecommunications and Information Technology strategy and Project Leadership. He is the Chairman of Adjoined Business Solutions. He is a member of SVL's Audit & Compliance Committee of the Board.

Ian previously Chaired the Petroleum Corporation of Jamaica and was also a Director of the Port Authority of Jamaica and the Central Information Technology Office (CITO).

Robert Nader- Director

Mr. Nader brings a wealth of knowledge in gaming and entertainment, to the strategic planning process of SVL's Board, with over twenty years' experience in those business segments, within the USA and the Caribbean.

He is a Director of ICE Jamaica Limited, and also the President and Managing Partner of Gaming & Entertainment Management, Illinois, LLC, a licenced Terminal Route Operator.

Robert is a member of SVL's Finance Committee of the Board.

Senior MANAGEMENT TEAM

BRIAN GEORGE
President & CEO

JAMES MORRISON
Senior Vice President, Group Finance & CFO

LANCELOT THOMAS
Vice President, Finance

WAYNE BOODASINGH
Vice President, Group Properties and Facilities

TASHIA HUTTON
Vice President, Customer Support & Regulatory Compliance

ANDREW BROMLEY
Vice President, Group Security & Surveillance

Senior MANAGEMENT TEAM (Cont'd)

ADAM HARRIS
Asst. Vice President, Projects & Innovation

CAROLYN BOLT-NICHOLAS
Asst. Vice President, Human Resources & Administration

VASSILIS HADJIDIAKOS
Asst. Vice President, Group Budget & Management Reporting

ANDRE MARKS
Group Manager, Enterprise Systems

Corporate SECRETARIAT

The Company's Corporate Secretariat was established in June 2013, to ensure that Supreme Ventures Limited and its subsidiaries comply with certain statutory obligations. These include obligations under the Companies Acts and the Jamaica Stock Exchange.

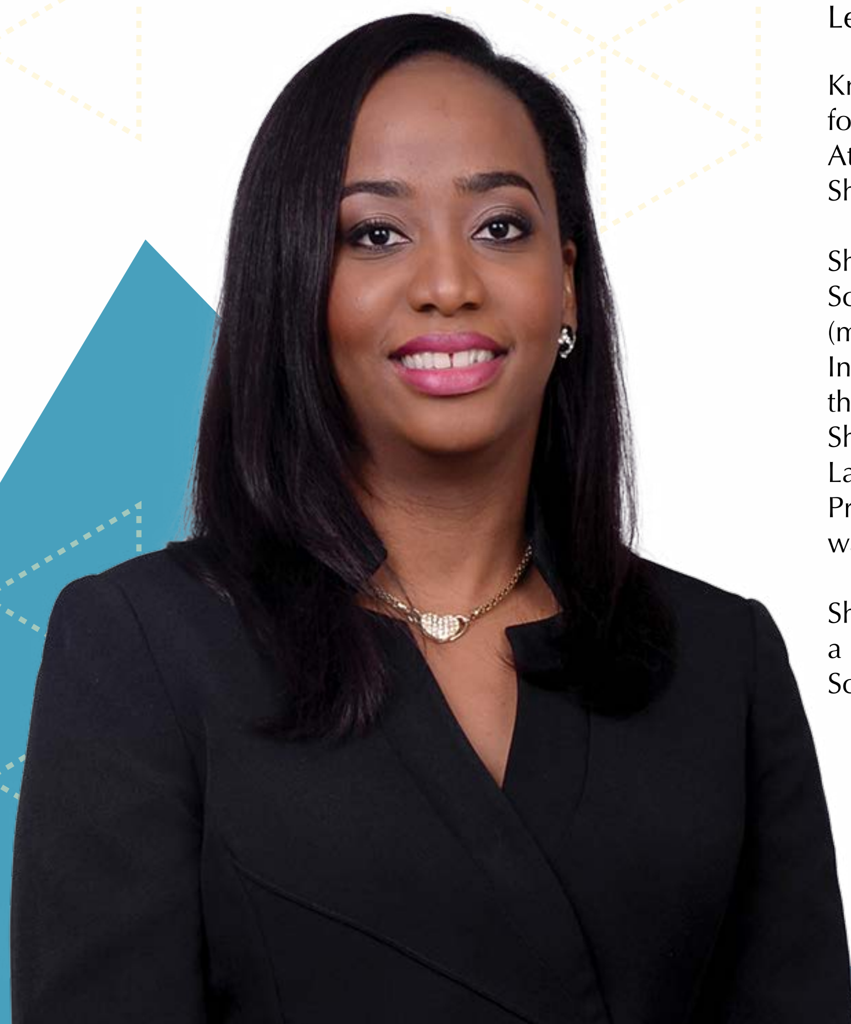
The Secretariat also ensures the Group's legal rights and obligations are identified, protected and complied with.

The Secretariat deals with all matters relating to the Company's Shareholders, the Board of Directors and is the repository for all contractual arrangements.

The Corporate Secretary is Lorna Gooden and the Assistant Corporate Secretary and Legal Officer is Krista-Gaye Fisher.

The Supreme Ventures Corporate Secretariat can be contacted at:

Supreme Ventures Limited
9A Retirement Crescent
Kingston 5
Tel: (876) 906-0320
(876) 920-9421
(876) 622-8938
(876) 656-9310
Fax: (876) 906-3305
Email: svlsecretariat@svlotteries.com



Krista-Gaye Fisher

Assistant Corporate Secretary &
Legal Officer

Krista-Gaye joined the Company in 2015, following a brief stint with Shields Law, Attorneys-at-Law (formerly L. Camille Shields, Attorney-at-Law).

She holds a Bachelor of Science in Political Science (major), International Relations (minor) from the University of the West Indies, Mona, and a Bachelor of Laws from the University of the West Indies, Cavehill. She graduated from the Norman Manley Law School in 2014, where she made the Principal's Roll of Honour, 2012-2014. She was admitted to the Jamaican Bar in 2014.

She has a passion for the cultural Arts, being a former member of the Khulcha Theatre School of Dance in Mandeville.

Lorna Gooden
Corporate Secretary

Lorna joined the Company in 2001. She possesses over 8 years of experience in the audit and accounting field, gained through her past employment with Deloitte & Touche, one of the leading international auditing firms. She was an integral part of the Finance team since joining the Company, holding senior roles, with her last post being Assistant Vice President-Group Finance, a position she held since 2006.

She is a Chartered Accountant and a Fellow of both the Institute of Chartered Accountants of Jamaica (ICAJ) and the Association of Chartered Certified Accountants (ACCA) – UK. She holds an Honours Diploma in Business Administration, Accounting major from the University of Technology (formerly C.A.S.T.).

Lorna has a passion for youth related community service and as such, is an avid member of the Sunset Optimist Club of Kingston, of which she is a Past President. She previously held the post of Lt. Governor for Zone 3 of the Caribbean District Optimist International and is also the Finance Chair for the Peter Stewart Memorial Scholarship Fund.

Directors' REPORT

The Directors present their Annual Report with the Group Statement of Profit or Loss and Other Comprehensive Income of Supreme Ventures Limited and its subsidiaries for the year ended 31st December 2015, together with the Consolidated Statement of Financial Position.

Report
31st December 2015

Operating Results	**$'000**
Gross Profit	**4,417,336**
Profit before taxation from continuing operations	1,614,830
Taxation	(431,080)
Profit for the year from continuing operations	1,183,750
Profit/Loss for the year from discontinued operations	-
Profit for the year	1,183,750
Earnings per stock Continuing operations	44.89 cents

Dividends

The Directors recommend that the interim dividends paid of fourteen (14) cents on 27th May 2015, ten (10) cents on 2nd September 2015, seven (7) cents on 3rd December, 2015, and ten (10) cents on 21st March 2016, totalling forty one (41) cents be and are hereby declared as final and that no further dividend be paid in respect of the year under review.

Directors

The members of the Board of Directors as at 31st December 2015 were as follows:

Mr. Paul Hoo - Chairman
Mr. Ian Levy - Deputy Chairman
Mr. Brian George - President/CEO
Mr. John Graham
Mr. Nikolaos Nikolakopoulos
Mr. Robert Nader *
Mr. Barrington Chisholm
Mr. Steven Hudson
Mr. Georgios Sampson
Mr. Peter Chin
Mr. Ian Moore

Pursuant to Articles 105 and 106 of the Articles of Incorporation, one-third of the Directors (or the number nearest to one-third) will retire at the Annual General Meeting.

*The Board of Directors on 4th August 2015 appointed Director Robert Nader to the Board of Directors to fill a vacancy as a result of the resignation of Mr. Nicholas Mouttet.

Corporate Secretary - Miss Lorna Gooden

External Auditors

The Auditors, KPMG, have indicated their willingness to continue in office, and offer themselves for re-appointment.

ON BEHALF OF THE BOARD

Lorna Gooden
COMPANY SECRETARY

AUDIT COMMITTEE REPORT

Role

The formal role of the Audit Committee is set out in its terms of reference, which are available at http://www.supremeventures.com. Key elements of the role of the Committee and work carried out during the year are set out as follows.

Composition & Frequency of Meetings

The requirement is for the Committee to meet at least four (4) times per year. However, seven (7) meetings were held during the year with one hundred percent (100%) attendance of members. This was a decrease in the number of meetings from eight (8) in the previous year.

The frequency of meetings was due to the fact that the Committee held separate meetings, at which it discussed internal control and risk management matters. The Committee also met privately with the external auditors, outside of the presence of management.

The Committee is made up of majority independent members. Overall, the Committee showed dedication in serving.

The following are the current members of the Committee:

- Peter Chin (Chair) (Independent)
- Barrington Chisholm (Independent)
- Ian Moore (Independent)
- Ian Levy
- Georgios Sampson

The Committee reports to the Board quarterly or as necessary.

Items reviewed during the year included:

Financial reporting

The Committee reviewed the draft annual and interim management reports before recommending their publication to the Board.

The Committee discussed with the Chief Executive Officer, Chief Financial Officer and external auditor, the significant accounting policies, estimates and judgements applied in preparing these reports.

Internal control and risk management

The Committee reviewed the risk management process and discussed the inherent risks faced by the business. Risk management activities take place throughout the organization to support the Committee in its corporate governance responsibilities, working with the business to proactively and effectively manage risk. This, together with the related controls and assurance processes, is designed to identify, evaluate and manage risk and to ensure that the resultant residual risks meet the risk appetite of the Board. The principal financial risks and uncertainties are outlined on pages 100 to 109. The Committee has discussed with management how they would continue to deliver high-quality oversight and risk evaluation against the background of the current economic climate.

The Committee has an ongoing process for reviewing the effectiveness of the system of internal controls and of the internal audit function. During 2015, it reviewed and approved the risk-based audit plan and ensured that there were sufficient resources to fulfil the agreed plan. It considered reports from the Internal Control team summarizing the audit findings and recommendations and describing actions taken by management to address any shortfalls. It reviewed the level and nature of outstanding audit weaknesses and invited management to the Committee, to further understand progress when it was necessary. It also reviewed how the audit function was performing against the relevant standards published by the Institute of Internal Auditors.

The Committee evaluated the performance of the Company's internal auditors and was satisfied with their performance. It was also satisfied with the report from the internal auditors which acknowledged the general responsiveness of management to queries and recommendations.

Audit

For the 2015 reporting period the Committee reviewed the annual audited and quarterly unaudited reports, approving the quarterly statements and recommending the annual statements for adoption by the Board and public release.

The Committee reviewed the plan for external audit and the findings of the external auditor from its review of the interim announcement and its audit of the annual financial statements. The Committee also reviewed the scope and costs of the external audit. The Committee has a clear policy regarding non-audit services that may be provided by the external auditor, which prohibits certain categories of work and controls the overall level of expenditure. Pre-authorisation is required for all non-audit work.

Auditor independence

The Committee reviews the work undertaken by the external auditor and each year assesses its independence, objectivity and performance. In doing so, it takes into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services. The Committee monitors the auditor's compliance with relevant regulatory, ethical and professional guidance on the rotation of partners, as well as assessing annually its qualifications, expertise, resources and the effectiveness of the audit process, including a report from the external auditor on its own internal quality procedures. Having reviewed KMPG's performance in 2015, the Committee decided it was in the Group's and shareholders' interest not to tender the external audit in 2015 and recommends the re-appointment of KPMG.

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Peter Chin
Chairman

Compensation Committee REPORT

Role

The formal role of the Compensation Committee is set out in its terms of reference, which are available at http://www.supremeventures.com.

The Compensation Committee's mandate is to assist the Board of Directors in approving and monitoring guidelines and practices with respect to the compensation and benefits of officers, as well as administering the Group's compensation plan. Its members are required to have a broad understanding of the role of compensation in attracting, motivating and retaining senior executives in particular and all employees in general. The Committee assists the Board in the following:

- Determining appropriate compensation for the executives;
- Evaluating officer compensation plans, policies and programmes; and
- Overseeing, administering and reviewing compensation , equity and benefit plans and programmes for officers and employees.

In addition to the powers and responsibilities expressly delegated to the Committee, it can exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time, consistent with the Company's Articles of Incorporation and other legislations and regulations. The Committee will assist the Board in fulfilling its fiduciary responsibilities relating to:

- The fair and competitive compensation of the non-employee Directors;
- The compensation, bonuses, incentives and other Compensation issues of the Chief Executive Officer, other Executives and other key employees of the Company;
- The administration of the general employee welfare plans of staff; and
- The Board Compensation Committee is not a policy making body, but assists the Board by implementing Board policy.

The Compensation Committee is authorized to obtain outside legal or independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Composition & Frequency of Meetings

The Compensation Committee is made up exclusively of Non-Executive Directors and is Chaired by Mr. Nikolaos Nikolakopoulos. Other members of the Committee are:

- Mr. John Graham
- Mr. Barrington Chisholm
- Mr. Steven Hudson

The requirement is for the Committee to meet at least once per year, to which it was compliant, with one hundred percent (100%) attendance by its members.

Fees Paid

Directors' fees totalled \$40.55 million in 2015 and represented a \$4.399 million increase from 2014, which was \$36.151 million. The increase was mainly due to the decline of the exchange rate.

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Nikolaos Nikolakopoulos
Chairman

Management Discussion & Analysis

This Management Discussion and Analysis reviews the consolidated financial results of the Supreme Ventures Group for the year ended 31st December 2015. This report should be read in conjunction with the Group's financial statements and accompanying notes which have been audited by KPMG Chartered Accountants. Except where otherwise indicated, all amounts in the financial statements, its accompanying notes and this MD&A are stated in Jamaican dollars.

Who We Are

Supreme Ventures is a premier lottery and gaming provider in the Caribbean, having one of the most diverse portfolios of lottery products the world over. Our strategic objective is to be the leading provider of innovative and compelling gaming and lottery content through current and emerging mediums, while providing the highest returns to stakeholders. We also place keen focus on utilizing the robust technology of our platforms and our extensive retailer network to provide non-lottery commercial services to the market.

Operating Environment

Economic Environment

On a macroeconomic level, several economic indicators point to improved stability for the Jamaican economy: positive GDP movement, improved NIF, lower unemployment rates, higher remittances, significantly lower inflation as well as a lower rate of depreciation in the local currency. In April 2013, the Government of Jamaica (GoJ) signed a four (4) year Extended Fund Facility (EFF) with the IMF which runs through to 2017. Jamaica has successfully passed all ten reviews under its 2013 EFF agreement with the IMF. In the quarter ending March 2015, Jamaica missed the primary surplus target by JMD 4.1 billion of target JMD 121 billion, but was granted a waiver. In November 2015, with an aim of promoting growth, the IMF lowered Jamaica's primary surplus target from 7.5% of GDP to 7.3% in FY 2015/2016 and to 7% for FY 2016/2017. The IMF has, up to this point, made available US $704.5 million of the US $923 million loan.

Key economic statistics which affected the performance of the business include:

- **Inflation** - For 2015, the local economy recorded a 3.7% inflation rate, the lowest in more than 10 years. July and August had the highest inflation rates of the year as in these months drought and its consequences, including higher food costs, had their most severe effects on Jamaica. Nevertheless, the opposing effect of declining crude oil prices managed to keep inflation for the year low. Throughout the year, the subcategory "housing, electricity, gas and other fuels" showed decline in prices for seven (7) non-consecutive months, tempering increases in other aspects of the CPI basket.

- **GDP** - Coming from two consecutive periods of GDP contraction at the end of 2014, Jamaica's GDP in 2015 rebounded with three quarters of growth. Although positive, improvements were small at 0.4% for Q1, 0.7% for Q2, and 1.5% for Q3. Unfortunately, in spite of positive GDP growth in 2015, Jamaica's GDP has yet to return to the heights of 2007, that is, prior to the recession of 2008.

- **Exchange Rate** - The Jamaican dollar went from trading at $115.81 to $120.34 during 2015, with a depreciation rate of 5%. This rate of depreciation is lower than in previous years, with 2014's depreciation rate of 7.8% and 2013's rate being a staggering 14.4%.

- **Unemployment** - In 2015, unemployment rate fell from 14.2% at the year's start to 13.5% in quarter four. The groups most affected by unemployment are Jamaica's youth and women. In fact, young women in the 14-19 and 20-24 age groups, have the highest levels of unemployment on the island. Over the course of the year, the unemployment rate for women fluctuated but returned to its quarter one high of 18.5% by the end of the year. For men, the unemployment rate declined going from 10.7% to 9.3%.

- **Remittances** - Remittances from January to October 2015 were JMD 184.4 billion. Comparatively, year to date remittances inflows are 3% higher than remittances for the same period in 2014. Further, remittances in each month of 2015 from January to October outperformed the corresponding month in 2014.

- **Debt Burden** - The country's debt burden increased by $63 billion or 3.1% to JMD 2.1 trillion as at December 31, 2015

- **Net International Reserves** - From December 2014 to December 2015, Net International Reserves moved from US$2 billion to US$2.44 billion, a 22% increase. In 2015, Jamaica surpassed its target NIR level in each month of the year. Since the signing of the IMF deal in May 2013, Net International Reserves have increased by 146%.

- **Business and Consumer Confidence** - In the third quarter of 2015, perception of the business environment saw a decline in anticipation of the calling of a general election. In the final quarter of 2015 this apprehension came to an end as business confidence, business expectations, and consumer confidence indexes all improved. Specifically, business confidence improved by 11%, and business expectations improved by 1%. On the consumer side of things, consumer confidence increased by 20%.

- **Tourist Arrivals** - The number of visitors staying over in Jamaica in 2015 increased 2.1% or more than 53,000 persons relative to the prior year. This total exceeded the 2.1 million mark in stay over visitors for the first time.

- **Stock Market** - The Jamaica Stock Exchange (JSE) had a significant year of growth in 2015 with its main and junior market indices increasing by 97% and 160% respectively. This culminated in the JSE being named "The Best Performing Exchange in the World 2015" by Bloomberg News.

Gaming Market

Population data from the Statistical Institute of Jamaica (STATIN) shows a marginal increase in the population which means that the gaming market of approximately 1.82 million persons is essentially unchanged.

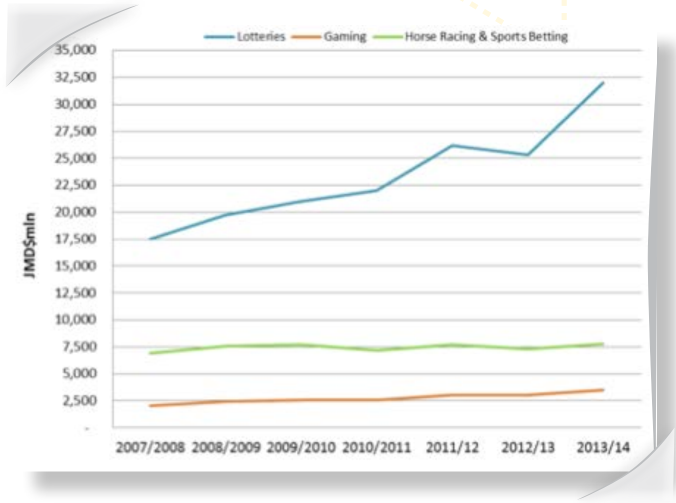
The total gaming market of $43.3 billion is dominated by lottery products. Based on information from the Betting, Gaming and Lotteries Commission (BGLC) Annual Report for the fiscal year 2013/2014, revenues from gaming were distributed as follows:

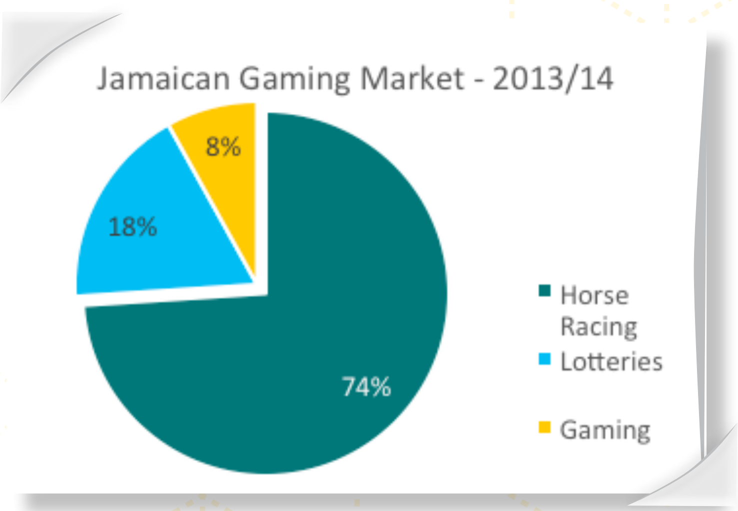
1. Lottery products - 74%;
2. VLT gaming - 8%; and
3. Horse-racing and sports betting - 18%.

The Group currently operates in a:

- Non-competitive legal lottery market;
- Competitive VLT market; and
- Competitive sports betting market.

Though the Company currently operates in a non-competitive legal lottery market we are faced with the challenge of an aggressive and expanding illegal market.





VLT data published in the 2013 – 2014 BGLC Annual Report suggests that the Kingston Metropolitan Area accounts for 72% of this market, while Montego Bay's market share is 17%. There were approximately twenty six (26) VLT gaming lounges in operation during the reporting period, a gaming lounge being defined as a betting location with twenty (20) or more seats. The number of gaming lounges has contracted repeatedly in recent years.

According to data from the 2013 – 2014 BGLC Annual Report, the local sports betting market was occupied by two main operators. The report states that during the period Prime Sports Jamaica occupied 60.9% of the market with the other bookmakers occupying the remaining 39.1%. An additional bookmaker entered the market in 2015.

Business Year in Review

The Group's strategic objectives for 2015 were focused on creating value for shareholders by generating increased top line revenue, improving operational efficiencies and strategic investment and expansion in high growth potential segments. The Company embarked on new promotional activities in keeping with our goal of continuous reengagement with our players.

Lottery

The lottery segment benefited from low Cash Pot liabilities and the strong performance of the Money Time game, both of which positively impacted the overall performance of the lottery portfolio. Lottery revenue grew by 3.0% or $1.1 billion relative to the previous year. The Instants (Scratch and Win) game was discontinued on 1st May 2015. For the year the segment had several initiatives including promotions for Top Draw, Lotto and Super Lotto. On 22nd November 2015 we introduced a promotional 3pm Cash Pot Draw, a feature which has been well received by the market.

The year saw the management team reaching out to our lottery and sports betting agents with our cross-island agent forum held during April 13 – 15, 2015. These forums allowed our agent base to voice their concerns to our senior management team, giving us a chance to directly address their issues and also facilitated the introduction of our new products and other initiatives. This island-wide agent engagement was followed by our Agent Appreciation function held at Caymanas Park on the 23rd of May 2015, with agents being recognized for their performance and service. This function was also used to give agents first-hand experience of the full suite of our gaming products. The feedback from these forums was incorporated into our product development, project implementation and internal processes.

During 2015, we also opened two (2) new regional retail centres: one in Portmore and the other in Ocho Rios, both of which will serve the needs of players to redeem higher tier prizes as well as offer our full suite of products to consumers.

Sports Betting

The sports betting segment benefited from a major investment with the upgrade of the betting platform through the introduction of the new IFLEX System launched in October 2015. This upgrade to the betting platform was conducted in conjunction with our technology partner Intralot, and supports both business to business (B2B) and business to consumer (B2C) interactions, allowing for development of the product both in the current retailer model and through mobile and other platforms in the future. The IFLEX platform paves the way for our delivery of virtual games and mobile gaming which are key components of our social gaming strategy.

A key component of the IFLEX platform was the introduction of Live Betting, which allows players to bet on events as they are taking place. An added feature of the upgrade was our ability to introduce an expanded range of betting options for players. Live Betting and the improved range of betting options commenced on 20th October 2015.

During 2015, we discontinued the COCO shop model of operation, closing the remaining locations during the first (1st) quarter of the year. This remained in line with our focus of eliminating non-performing operations and improving operating efficiencies.

VLT

With the closure of The Castle and The Odyssey gaming lounges in December 2014, the company placed its focus on enhancing the operation at The Acropolis (Barbican), its flagship VLT location. In 2015, new additions were made to the suite of VLT offerings to include new multiplayer and multi-theme machines. The year also saw the introduction of a Player Reward System implemented during December 2015. Enhancing our B2C capabilities, this reward system improves our ability to reward our gaming lounge players based on their level of play.

Five Year Statistical Review

Expressed in Thousands of Dollars ($'000)	2015	2014	2013	2012	2011
Operating Results					
Total Revenue	43,847,020	41,309,545	34,140,265	29,726,146	27,961,628
Gross Profit	4,417,336	3,722,847	3,331,398	4,057,966	3,301,945
Operating Expenses	2,982,306	2,648,936	2,768,146	2,653,452	2,439,217
EBITDA	1,925,445	1,414,415	944,843	1,689,990	1,294,159
Profit After Taxation	1,183,750	929,917	482,569	1,073,089	606,326
Balance Sheet Information					
Total Assets	5,398,913	5,900,514	5,323,844	5,656,846	5,005,187
Long Term Liabilities	-	7,951	90,309	254,431	274,675
Working Capital	748,896	1,146,514	477,467	727,852	590,754
Stockholders' Equity	3,594,037	4,045,385	3,642,919	3,793,292	3,326,772
Cash Flow Analysis					
Cash from by Operating Activities	1,343,488	1,495,188	779,667	1,137,703	998,055
Capital Expenditure	136,441	105,865	226,259	310,090	224,440
Loans Repaid	77,000	141,408	139,555	106,222	111,004
Dividends*	1,081,274	659,313	448,334	738,432	580,249
Financial Ratios					
Return on Equity	32.94%	22.99%	13.25%	28.29%	18.23%
Return on Assets	21.93%	15.76%	9.06%	18.97%	12.11%
Working Capital Ratio	1.41	1.62	1.30	1.45	1.42
Effective Tax Rate	26.70%	23.51%	32.14%	25.92%	41.68%
Opex Ratio	6.80%	6.41%	8.11%	8.93%	8.72%
Return to Stockholders					
Earnings per stock	$0.45	$0.35	$0.18	$0.41	$0.23
Dividends per stock	$0.41	$0.25	$0.17	$0.28	$0.22
Dividend Yield	8.84%	12.50%	6.12%	9.82%	7.33%
Dividend Payout Ratio	91.33%	70.90%	92.90%	68.81%	95.66%
Price Earnings	10.34	5.67	15.19	7.00	13.04
Book Value Per Stock ($)	$1.36	$1.53	$1.38	$1.44	$1.26
Stock Prices					
Closing Stock Price (JSE)	$4.64	$2.00	$2.78	$2.85	$3.00
Percentage change in stock price	132.00%	-28.06%	-2.46%	-5.00%	38.25%
Other Data					
Annual Inflation	3.7%	6.4%	9.5%	8.0%	6.0%
Exchange Rate US$1.00 = JMD	$120.42	$114.66	$106.38	$92.98	$86.60
Cash Pot Liability	71.30%	74.38%	74.54%	70.94%	73.81%

*Dividends represented here reflect the amounts declared and paid from each year's profits

Review of Financial Performance

For the year 2015, the Group recorded net profit of $1.18 billion, an increase of 27.3% ($253.8 million) above the $929.9 million recorded in 2014

For the year ended 31st December 2015, the Group's net profit after tax totalled $1.18 billion a 27.3% or $253.8 million increase over the prior year. This represented earnings per share of 44.89 cents (2014: 35.26).

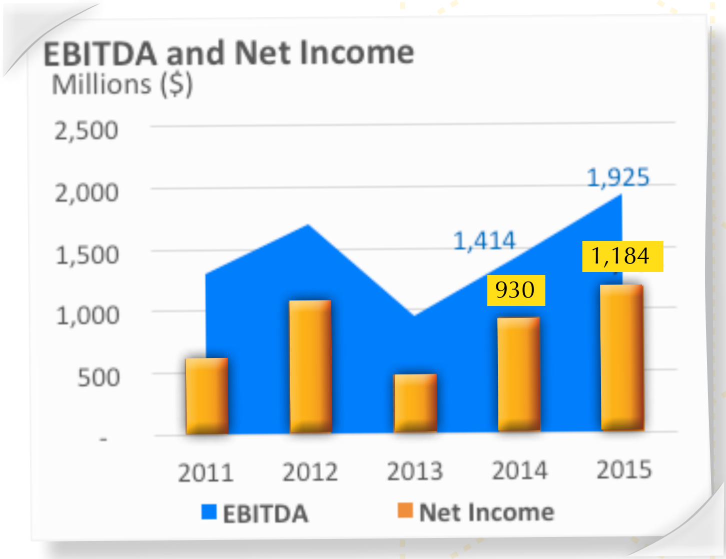
The improved profit performance was attributable to an 18.7% increase in gross profit which moved to $4.4 billion relative to the $3.7 billion in 2014. This increase in gross profit was primarily as a result of a 3.08 percentage point decline in Cash Pot liabilities (2015: 71.30% against 2014: 74.38%), the strong performance of the Money Time game with $4.2 billion in revenue and the improved performance of the Lotto game which recorded a 27.7% increase in sales.

The Group recorded total revenue of $43.8 billion (2014: $41.3 billion) which represented a 6.1% increase over the prior year. Revenue growth was fueled by the strong performance of the Money Time game as well as solid performances of Cash Pot, Lotto and Top Draw. Strong growth in PIN code sales also had a positive impact on total group revenue. Sports betting revenue remained essentially flat, while VLT revenue decreased primarily as a result of the closure of two lounges.

Direct expenses totalled $39.4 billion, representing a 4.9% ($1.8 billion) increase when compared to 2014. This was primarily as a result of increased gross profit taxes, regulatory contributions and PIN codes cost, all of which are a function of gross revenue. Prizes declined by $132.2 million with lottery prizes declining by $177.7 million and sports betting prizes increasing by $45.6 million.

Operating expenses for 2015 totalled $2.98 billion, an increase of $333.4 million or 12.6% over the prior year. Of this increase, $180.1 million was in relation to the impairment of investment property, the closure of two lounges and the discontinuation of COCO shop operations.

Other gains were $100.13 million, an increase of $23.6 million, attributable to the sale of a subsidiary. The Group's effective tax rate for the year was 26.70% compared to 23.51% in 2014.



FIVE YEAR FINANCIAL PERFORMANCE SUMMARY

(Thousands of dollars - $'000)	2015	2014	2013	2012	2011
Revenue	**43,847,020**	**41,309,545**	**34,140,265**	**29,726,146**	**27,961,628**
Direct Expenses	(39,429,684)	(37,586,698)	(30,808,867)	(25,668,180)	(24,659,683)
Gross Profit	4,417,336	3,722,847	3,331,398	4,057,966	3,301,945
Core Operating Expenses**	(2,600,126)	(2,390,951)	(2,516,473)	(2,403,921)	(2,210,843)
Operating Profit	1,817,210	1,331,896	814,925	1,654,045	1,091,102
Net Foreign Exchange Loss and Gain	8,101	6,016	30,707	35,945	7,666
Other Gains and Losses	100,134	76,503	99,211	-	195,391
EBITDA	**1,925,445**	**1,414,415**	**944,843**	**1,689,990**	**1,294,159**
Interest Income	74,538	75,655	46,408	53,098	46,376
Finance Cost	(2,973)	(16,344)	(28,486)	(39,791)	(48,600)
Depreciation, Disposal and Amortization	(382,180)	(257,985)	(251,673)	(249,531)	(228,374)
Profit Before Taxation	1,614,830	1,215,741	711,092	1,453,766	1,063,561
Taxation	(431,080)	(285,824)	(228,523)	(376,880)	(443,294)
Profit for the year from continuing operations	1,183,750	929,917	482,569	1,076,886	620,267
Discontinued Operations	-	-	-	(3,797)	(13,941)
Other Comprehensive Income	-	-	-	-	1,289
Net Profit after taxation	**1,183,750**	**929,917**	**482,569**	**1,073,089**	**607,615**
Earnings per stock	**$0.45**	**$0.35**	**$0.18**	**$0.41**	**$0.24**

**For purposes of this presentation, operating expenses excludes the following items: depreciation, amortization, write-offs and disposal*

Review of Financial Position

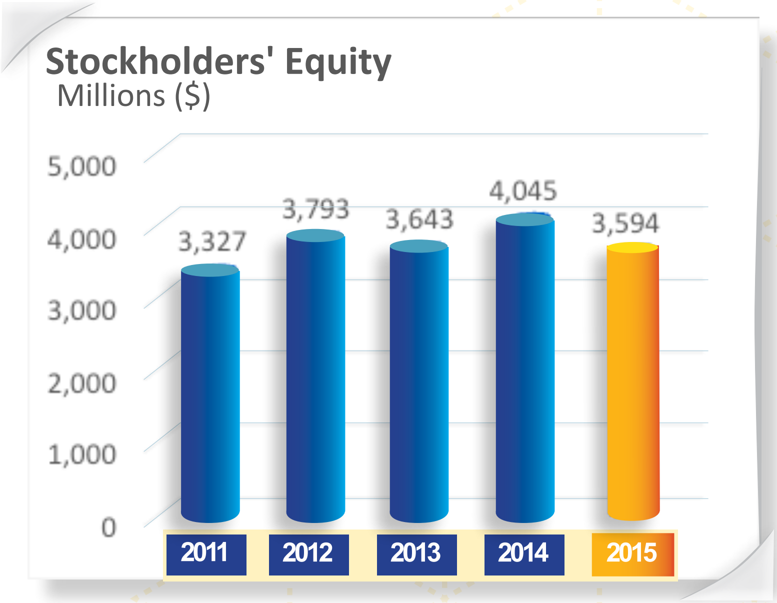
Stockholders equity as at December 31st 2015 totalled $3.6 billion, a decrease of 11% when compared to 2014. This was primarily due to a special dividend distribution to shareholders in March and May of 2015.

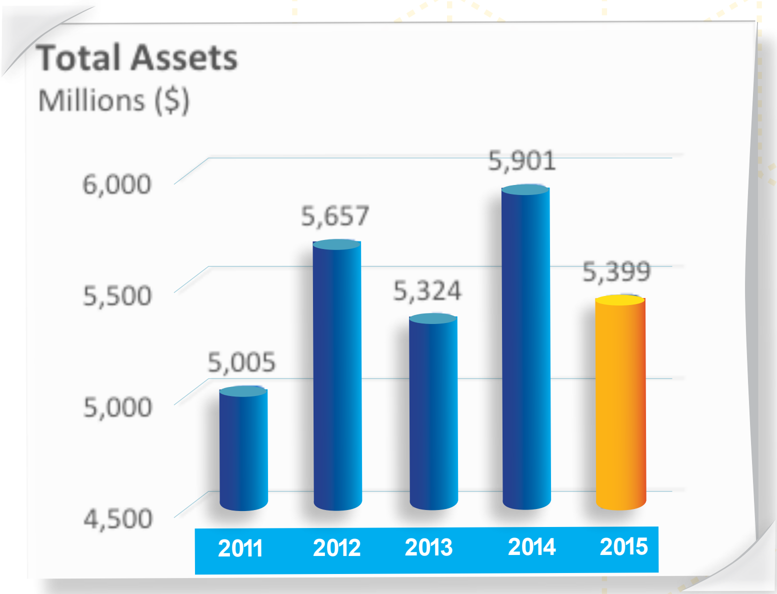
As at the end of the reporting period, the Group's assets totalled $5.4 billion (2014: $5.9 billion), reflecting a decline of $501.6 million over the prior year, due mainly to lower cash balances. Trade and other receivables increased by 13.2% or $87.7 million. This was primarily as a result of the number of sale days outstanding at the end of the reporting period with five (5) days of collection outstanding as at 31st December 2015 against four (4) as at the end of 2014.

Total liabilities for the Group amounted to $1.8 billion, representing a $42.3 million or 2.3% decline over the $1.9 billion recorded in 2014. This is the net effect of an increase in trade payables, income tax payable as well as a decrease in prize liabilities.

Total prize liabilities declined by $132.2 million, totaling $24.7 billion for the reporting period. This decline was attributed mainly to lower jackpots for the Super Lotto and Lotto games as at the end of 2015 relative to the prior year.

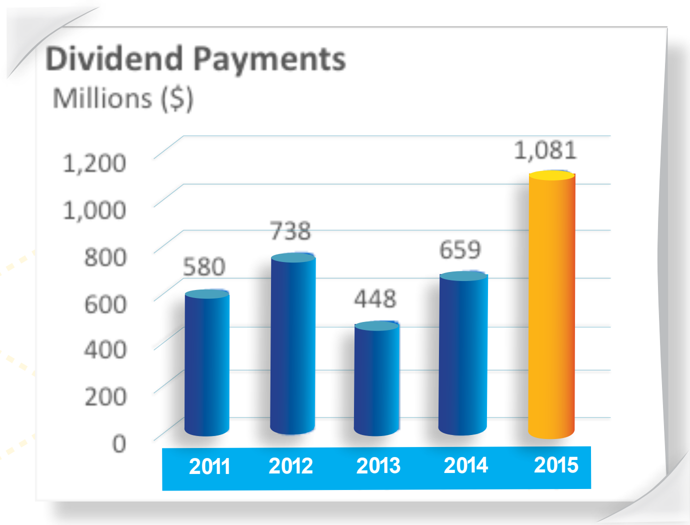
All bank loans were fully repaid in August 2015.





Returns to Stockholders – Dividends

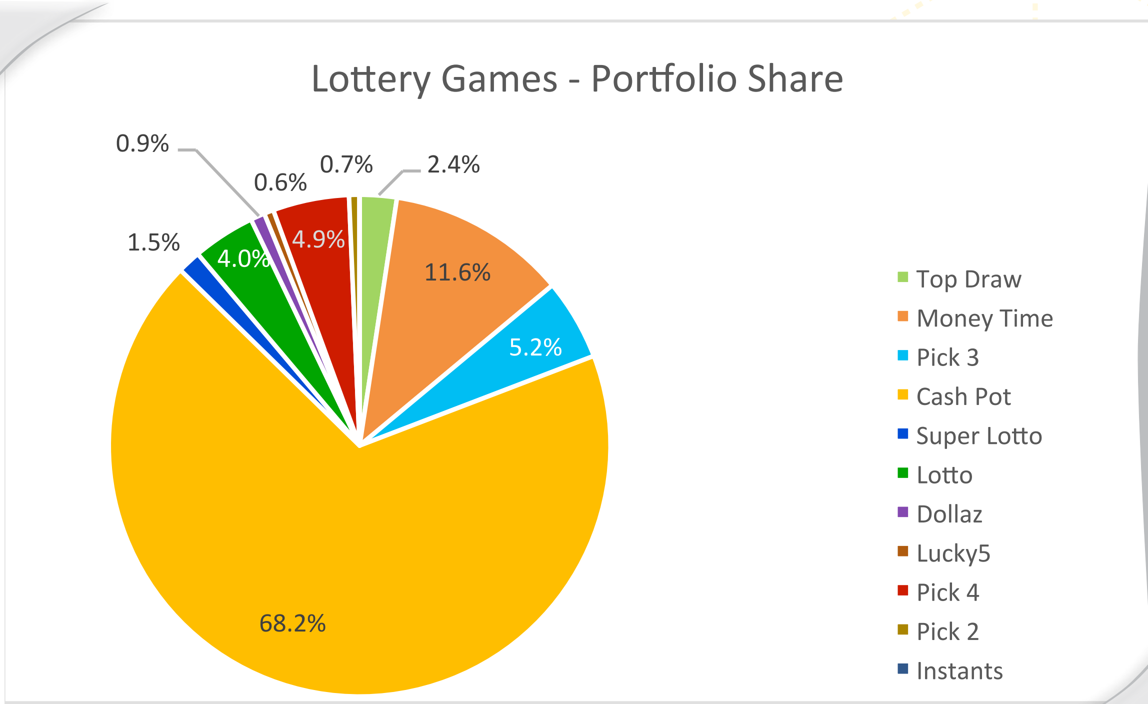
***Earnings per share increased by 27% to 44.89 cents for 2015, relative to 35.26 cents for the prior year*.**



Total dividends paid on 2015 profits inclusive of final dividend payment amounted to $1.1 billion or 41 cents per share. The final dividend payment was made on 21st March 2016.

2015 dividends represented 91.3% of the Group's net profit for the year (2014: 70.90%). These dividend payments exclude the special dividend distribution of 23 cents made in two tranches: 20th March 2015 (19 cents) and 27th May (4 cents).

Performance of Business Segments



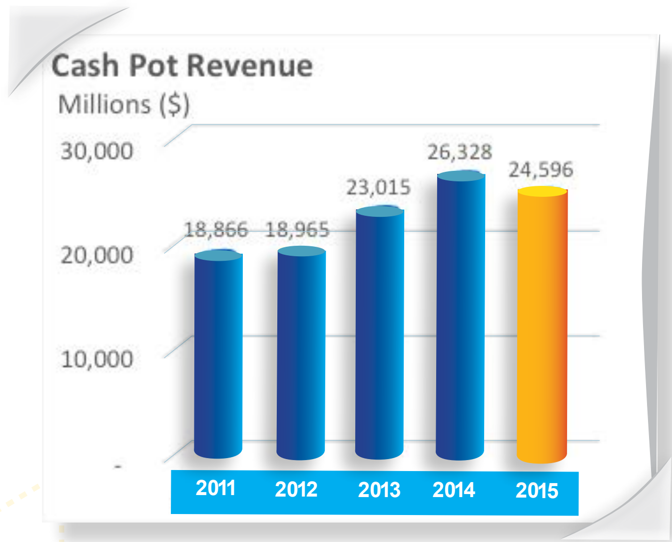
Lottery

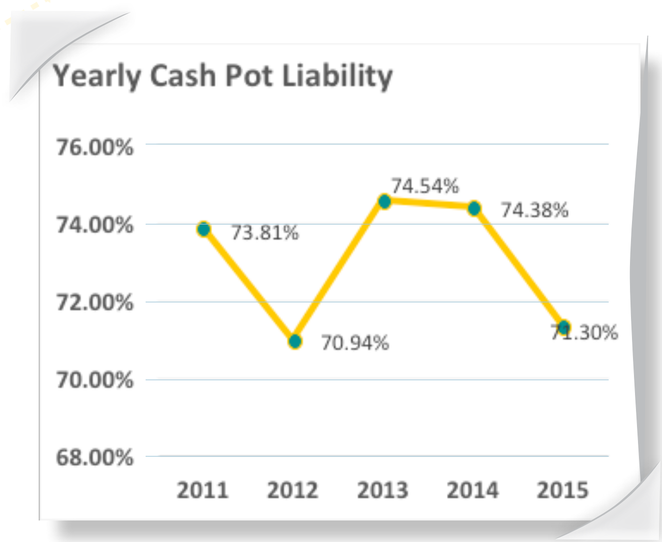
Accounting for the majority of the Group's revenue, sales from the lottery segment totalled $36.8 billion, representing an increase of 3% relative to the prior year. The segment recorded a net operating result of $1.8 billion which represented a 16.4% or $258.5 million improvement over 2014 results. This improved performance was attributable to lower game liabilities. The lottery portfolio recorded an overall liability of 67.2% (2014: 69.7%), a decline of 2.52 percentage points relative to the prior year. Seven of the eleven games performed within game design.

During the reporting year, three (3) of eleven (11) games in the lottery portfolio generated increased revenue. Cash Pot, Money Time and Lotto were the top three (3) contributors to the positive performance of the segment. Money Time, launched in October 2014, contributed 9.3% to gross profit for the lottery segment. Money Time had a dual effect on the portfolio serving to increase revenue as well as reducing liability exposure from the Cash Pot game. Top Draw, the other recent addition to the portfolio, generated $861.3 million, an improvement of 13.5% over the prior year. All other games in the portfolio, experienced a decline in sales with the Instants game being discontinued on 1st May 2015.

Cash Pot continued to be the largest contributor to lottery revenue with $24.6 billion in revenue for 2015. This however represented a 6.6% decline in sales relative to the prior year. The decline in sales was attributable in part to the impact of the Money Time game which captured some of Cash Pot's revenue share.

Cash Pot experienced low liabilities for the year, which had a positive impact on its profitability, resulting in an increased gross profit margin. In November 2015, we introduced a promotional daily 6th draw at 3pm for the Cash Pot game.



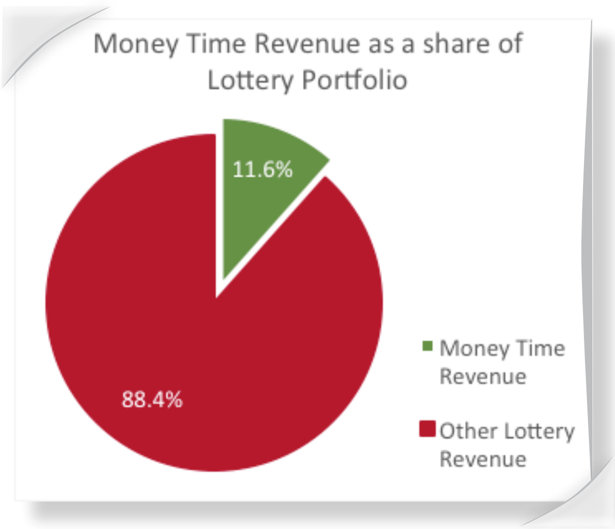


A TICKET TO YOUR DREAMS!

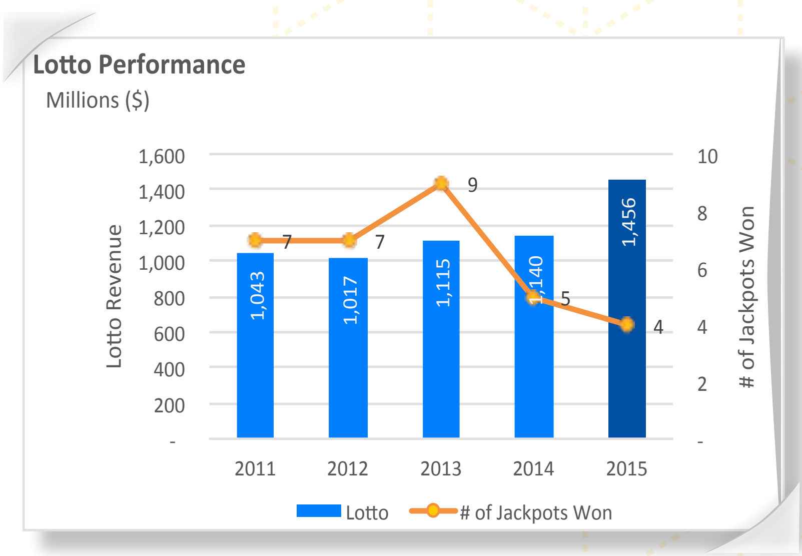
Strong performance of Money Time which recorded $4.2 billion in revenue. Money Time commands the 2nd largest share of the lottery portfolio.

Revenue from the Lotto game increased by 28% ending 2015 with a total of $1.5 billion (2014: $1.1 billion), accounting for 4% of portfolio. This increase in revenue was attributable to the nine month roll on the eventual $395 million Jackpot - the largest ever in the game's history. This record setting Jackpot was won by one lucky player on 28th May 2015. There were a total of four (4) Lotto Jackpot winners in 2015.

The game also benefited from an increase in ticket price which came into effect on 24th August 2014. The winnability of the Lotto game was improved in the 3rd quarter of 2015 with the matrix changed to 1 – 38, down by one number from the previous matrix of 1 – 39.



Money Time (launched 12th October 2014) is the first offering in our social space suite of games. The game takes the format of 1 of 38 Roulette style game, with draw intervals at every 5 minutes. Money Time contributed $4.2 billion in sales for 2015 and represented the second largest share of the lottery portfolio. The game has been a huge hit with players and had an overall positive effect of the portfolio attributing in part to the lowering of overall portfolio liability.

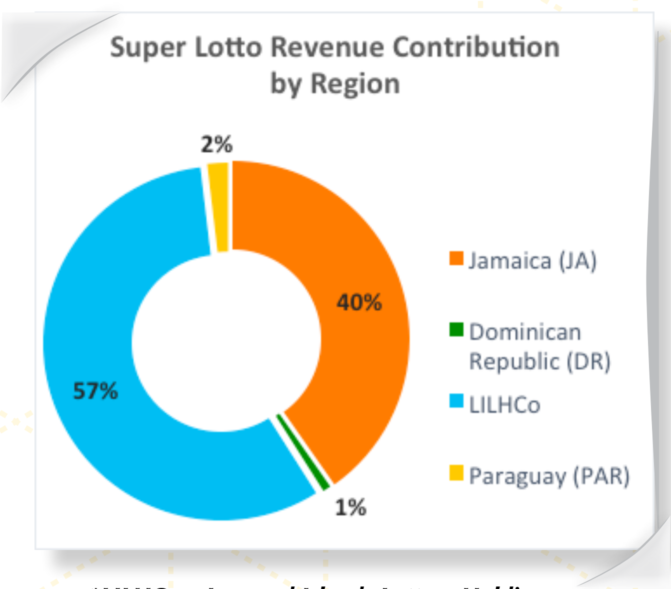


Become a Super Millionaire

Super Lotto generated revenue of $542.9 million, a decrease of 20.9% or $143.3 million relative to the corresponding period in 2014. Jamaica contributed 40% of revenue (2014: 45%), LILHCo's contribution went up by eight (8) percentage points to represent a 57% share of total Super Lotto sales. Paraguay generated 2% of total sales with the Dominican Republic accounting for the remaining 1%. The Super Lotto game had three (3) winners during 2015, one (1) from Jamaica and two (2) from Barbados.

NB. Paraguay joined the consortium in April 2014 while the Dominican Republic left the consortium in February 2015.

The figure below shows the percentage contribution to Super Lotto revenue by each participating territory.



LILHCo – Leeward Islands Lottery Holding Company Antigua, Barbuda, Anguilla, St. Kitts & Nevis, St. Maarten, Barbados, US Virgin Islands

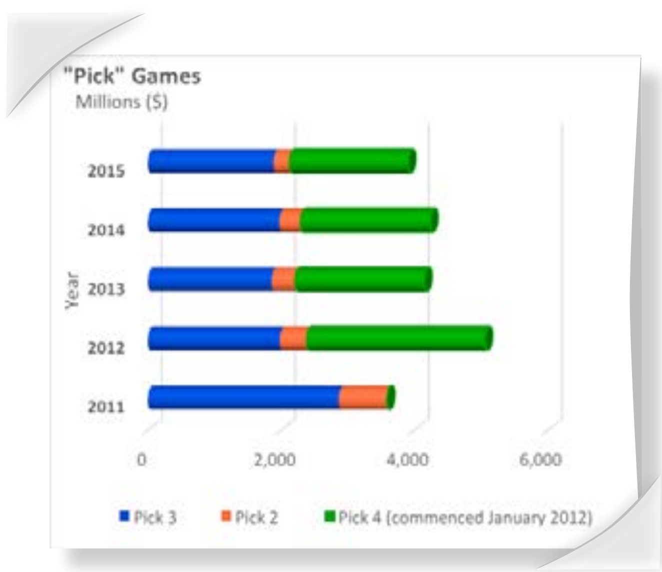
"Pick" Games

Total revenue from the "Pick" Games amounted to $3.9 billion, representing a decline of 7.9% ($332.9 million) relative to the prior year with all games experiencing declines in revenue. All games performed within game design. "Pick" games accounted for 10.8% of revenue from lottery games.

Total revenue from Pick 2 amounted to $241.1 million representing a 24.8% decline relative to the prior year.

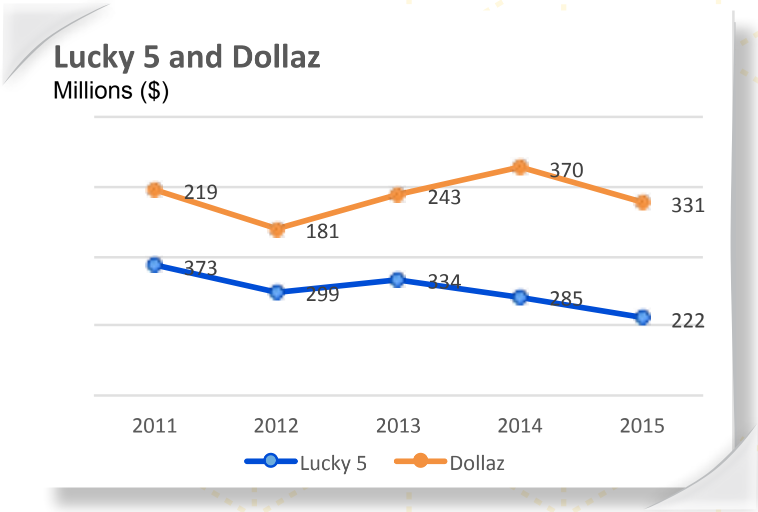
Pick 3 generated $1.9 billion in revenue, down by 4.4% relative to the $1.97 million recorded in the prior year.

Grossing $1.77 billion (2014: $1.97 billion) in revenue, Pick 4 experienced an 8.6% decline in revenue when compared to the prior year.



Lucky 5 revenue totalled $222.4 million, down from $285.4 million during the prior year representing a decline of 22.1%. There were 188 winners of Lucky 5 jackpot prizes in 2015.

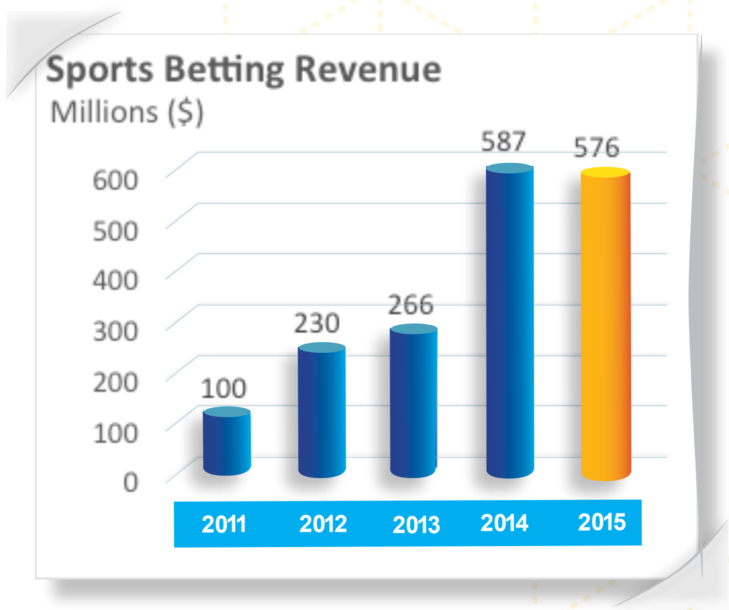
The Dollaz game generated $331.4 million in revenue, representing a decline of 10.5% or $38.95 million.



Sports Betting

Sports betting revenue for 2015 totalled $575.9 million, a 1.9% decline relative to the prior year. Year over year revenue growth excluding sales from the 2014 World Cup was $161.7 million or 39%. The sports betting product was enhanced by the introduction of Live Betting and expanded betting options which were introduced in October 2015.

For the reporting year, the segment experienced losses of $211.7 million (2014: $194.2 million), an increase of 9% relative to the prior year. This increase in losses for the segment was as a result of higher liabilities resulting in a decreased gross margin of $46.8 million. While operating expenses were essentially flat the savings gained from the closure of the remaining COCO shops were utilized for marketing and network upgrades with the introduction of the IFLEX system.

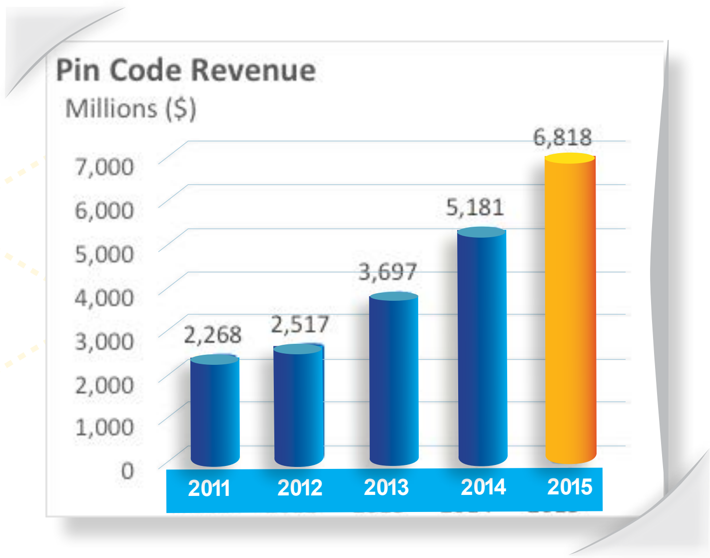


VTL Gaming

The VLT segment recorded $284.5 million in revenue which represented a decline of 30.4% or $124.3 million relative to the prior year. This decline in revenue was primarily attributed to the closure of the Odyssey and Castle Gaming lounges. Despite this decline in revenue, the segment had an improved performance over 2014, recording a 67.8% or $312.7 million reduction in losses. This was primarily as a result of the reduction in operating expenses associated with the closure of the aforementioned lounges.

Commercial Services – PIN Codes

Revenue from PIN Codes amounted $6.8 billion for 2015 (2014: $5.2 billion), an increase of 31.6% or $1.6 billion. The segment had a $33.1 million improvement in overall results relative to 2014 despite a reduction in discount rates received from providers in the prior year.



Other Income

Other income which is comprised of agent service charges, reconnection fees, hospitality and commission on raffle sales totalled $81 million for the period. This represented an $11.9 million decline relative to the prior year.

Strategic Outlook

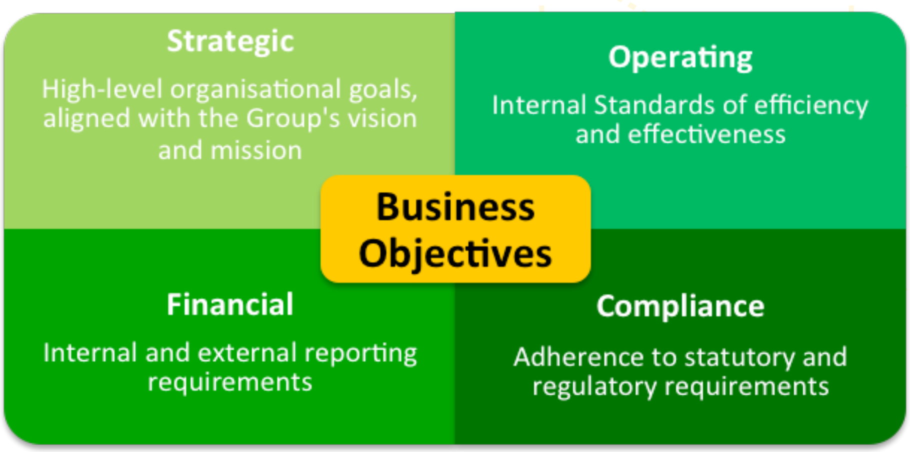
We anticipate that 2016 will be one filled with new initiatives and innovations. Our strategic objective remains to grow our business through new ventures while incrementally growing our core business. The outlook for the year ahead is as follows:

- Continue focus on the growth of the lottery business through product diversification and promotions;
- Achieve profitability in the sports betting segment;
- Launch mobile betting platform;
- Implement virtual games betting product;
- Prepare for any potential competition to enter the market; and
- Complete roll out of 500 VLT Route System machines.

Risk Management

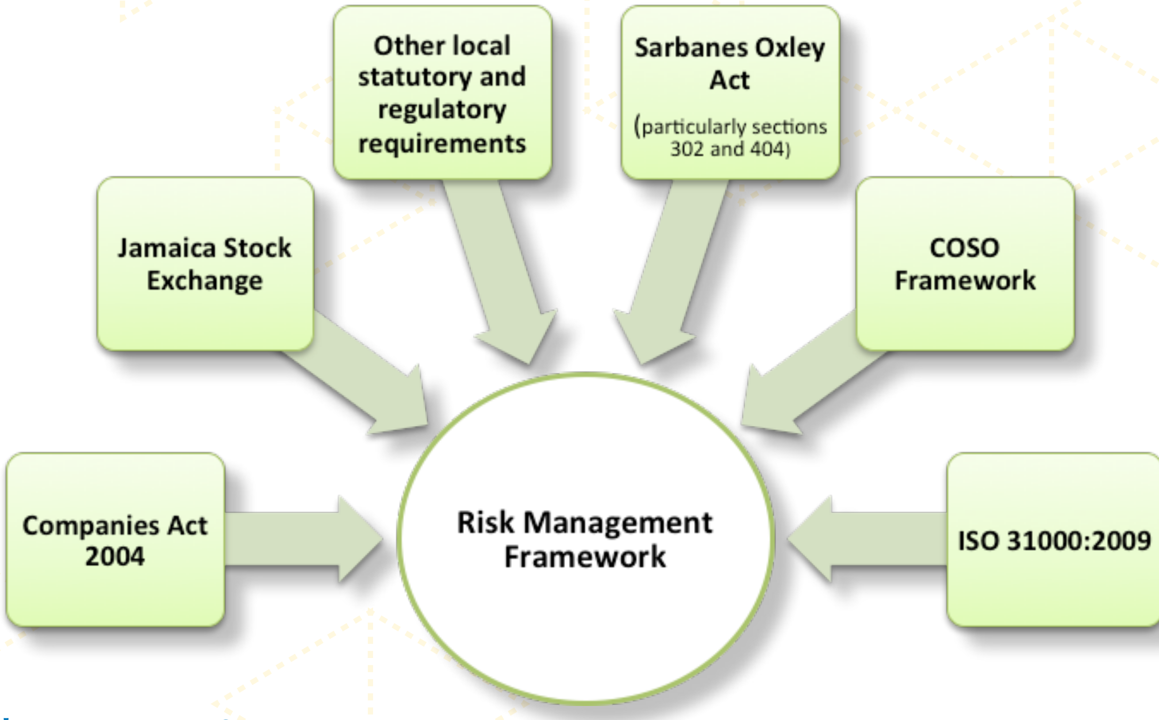
Our Approach

We consider risk as anything that could significantly affect the achievement of our business objectives. Therefore, the Group is exposed to many different types of risks through the various activities performed in fulfillment of its objectives. We classify our business objectives into four main areas:



Our risk management framework is geared towards effective management of the risks related to the above objectives. The Group takes an enterprise-wide approach to the identification, assessment, treatment and communication of risks. The framework is developed based on the nature and extent of the Group's activities and takes authoritative reference and/or guidance from the following sources:

Risk Management (cont'd)



Our Risk Management Structure

One of the main objectives of our risk management framework is to enhance our confidence and risk intelligence in seeking to maximize stakeholder returns while safeguarding existing assets. The framework is administered through its different components, which are:

- Board of Directors including its Audit Committee;
- Senior Management & Business Units; and
- Strategic Planning & Risk Management Unit.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. One of the Board's critical responsibilities is to set the Group's risk appetite, which includes managing the risks affecting the Group's strategic objectives. The Board's risk management mandate is carried out primarily through its Audit Committee.

The Audit Committee has oversight for the management of risks relating to the Group's financial reporting and internal control objectives.

This includes monitoring the systems for ensuring the integrity of the financial statements, reviewing the effectiveness of the systems of internal control, overseeing the risk management programme as well as setting and monitoring risk limits and controls. Risk limits and controls are integral to the risk management process, as they characterize the Board's risk tolerance as well as that of the regulators.

Senior management and business units support the entity's risk management approach, promote compliance with its risk appetite, and manage risks within their spheres of responsibility based on risk limits set by the Board's Audit Committee. The business units are responsible for the day-to-day identification and response to risk exposures within their limits and the prompt communication of issues to senior management.

Our management approach, business policies and processes allow us to place the ownership and accountability for risks with our business units, since they are intimate with the changing nature of risks and are best able to act on our behalf in managing and mitigating those risks. The Group's Finance Unit also provides specific oversight and management of the Group's adherence to statutory and regulatory requirements as well as the Group's commitments to third-parties.

Ongoing risk management support and oversight is provided by the Finance function. One of the critical responsibilities of the Finance function is to establish and monitor effective systems for promoting risk intelligence and proper risk communication across the Group.

Finance also works closely with the Group's Internal Audit function. The scope and direction of all internal audit work is set and reviewed by the Board's Audit Committee. A key responsibility of our Internal Audit function is to provide objective assurance to the Board (through the Audit Committee) on the effectiveness of the Group's risk management activities, to verify that key business risks are being managed appropriately and that the system of internal control is operating effectively.

Therefore, the internal audit function plays a key role in evaluating the Group's risk management processes and advocating their continued improvement. However, to preserve its organizational independence and objectivity, the internal audit function does not take any direct responsibility for making risk management decisions or executing the risk management processes.

The Role of Policies & Procedures

Policies define and express the Group's overall risk appetite and are developed based on the risk culture of our business units, and subject to the relevant regulatory requirements. Policies set the boundaries on the types of risks the Group is prepared to assume and specify the manner in which the Group assumes these risks. Appropriate policies and procedures are established throughout the organization and are approved by the Audit Committee.

Our Business Risks

The main risks faced by the Supreme Ventures Group are identified as: credit risk, market risk, operational risk, liquidity risk, regulatory and legal risk, and reputational risk. These are described below.

Credit Risk

Credit risk is the potential for loss resulting from the failure of a customer or counterparty to honour its financial or contractual obligations to the Group. Credit exposure for the Group arises mainly in receivables from lottery agents arising from their sales and from cash and bank balances. The Group's credit risk exposure is summarized in Note 35 (a) of the audited financial statements.

Market Risk

Market risk arises from changes in market prices and rates (including interest rates and foreign exchange rates), the correlations among them and their levels of volatility. The Group's market risk exposure is summarized in Note 35 (c) of the audited financial statements.

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations in a timely manner at reasonable prices. Financial obligations include prize liabilities, other trade payables, long-term loans and leases. Effective liquidity risk management is essential in order to maintain the confidence of our customers and counterparties, and improves our ability to continue to generate revenue, even under adverse conditions. The Group's liquidity risk exposure is summarized in Note 35 (b) of the audited financial statements.

Operational Risk

Operational risk is the risk of loss from inadequate or failed internal processes, people and systems or from external events. Operational risk is embedded in all our activities and failure to manage it can result in direct or indirect financial loss, business disruption, regulatory censure, theft and fraud, workplace injury, penalties and corporate image impact. In managing this risk, we maintain a formal enterprise wide operational risk management framework that emphasizes a strong risk management and internal control culture throughout the Group.

Regulatory and Legal Risk

Regulatory risk is the risk of not complying with the regulatory and comparable requirements. Legal risk is the risk of non-compliance with legal requirements, including the effectiveness of preventing and handling litigations. The Betting, Gaming and Lotteries industries are among the most closely regulated industries, locally and internationally, and the management of our business is expected to meet high standards in all business dealings and transactions. Failure to meet regulatory and legal requirements not only poses a risk of censure and penalty but is a serious reputational risk. Business units are responsible for managing day-to-day regulatory and legal risk, while the Compliance Unit along with our external advisory teams assist them by providing advice and oversight.

Reputational Risk

Reputational risk is the potential that negative publicity, whether true or false regarding the institution's business practices, action or inaction will or may cause a decline in the institution's value, liquidity or customer base. All risk can have an impact on the Company's reputation, which in turn can impact the brands, earnings and capital. The management of reputational risk is overseen by the Board of Directors and the senior management team.

CORPORATE SOCIAL RESPONSIBILITY

Supreme Ventures is proud of its involvement in social development activities including sponsorships, donations and direct participation in community outreach projects. In 2015, we renewed major sporting sponsorship commitments including the JAAA National Championships and Jamaica's Netball Leagues. SVL has been the major sponsor of the JAAA National Championships for over 14 years and has made significant contributions to the growth of track & field in Jamaica. We are cognizant of the fact that track and field is very important to brand Jamaica and to this end, SVL is committed to maintaining our partnership with the Jamaica Athletics Administrative Association (JAAA). We are also a major sponsor of Netball Jamaica Division Leagues and Supreme Ventures/ Courtney Walsh Cricket Clinics. We will continue to assist with the development of these sports in Jamaica.

Brian George, President & CEO at Supreme Ventures (left) and Paul Hoo, Chairman at SVL (2nd left), hand over a cheque for $5M to the Dr. Carl Williams, Commissioner of Police (1st right) and the former Minister of Security, Hon. Peter Bunting (2nd right), while a member of the JCF looks on.

Diahann Guy-Shepherd, Sponsorships, Promotions & Branding Manager at Supreme Ventures, hands over sponsorship cheque for $2.5M to the Hon. Courtney Walsh for the Supreme Ventures/ Courtney Walsh Cricket Clinic.

Lorna Gooden (left), Corporate Secretary – Supreme Ventures hands over a cheque for $250,000 to Keith Wellington (2nd left), Principal at St. Elizabeth Technical High School. Sharing in the presentation are Ovril Ebanks (2nd right), SV Foundation's Administrator, Junelle Bromfield, Excellency Award Recipient from St. Elizabeth Technical and Dr. David McBean (right), Chairman, SV Foundation.

Members of the Supreme Ventures Foundation and Employee Volunteers hand over donation cheque to Doreen Thompson and Margaret Gaynair - Chair and Treasurer of The Friends of Mona Rehabilitation Centre, towards upgrading the facilities of the Athlone Wing.

The Company has always been a first responder in times of national crisis. Last year, SVL contributed $5M to the JCF to assist with their special building project that is currently underway at Hope Road.

Supreme Ventures through its foundation continues its tradition of being a good corporate citizen. One of the many charitable organizations to which the Foundation contributes is the Nathan Ebanks Foundation, which seeks to provide assistance to children living with disabilities. The Foundation also made a major contribution to the Athlone Wing at the Sir John Golding Rehabilitation Centre, donating the full cost of the refurbishing of the bathroom facilities at the centre. Through its initiatives with the Athlone Wing, the SVL staff was engaged in many activities organized throughout the year culminating in a Christmas treat for the children at the institution.

The Foundation in keeping with its mandate, continues to help institutions that are desirous of assistance. For the past three years, SV Foundation has been a partner in the Courtney Walsh Student Excellence Award, an initiative of the CHASE Fund. Under this umbrella, the Foundation continues to make significant financial contributions to the schools of awarded individuals.

Supreme Ventures Foundation treats the children at the Athlone Wing (Mona Rehabilitation Centre) at Christmas.

Supreme Ventures Foundation Volunteers with the children and staff of the Athlone Wing (Mona Rehabilitation Centre).

Student of the Mona Rehabilitation Centre demonstrates to May Lawrence Evans, Director of the Supreme Ventures Foundation, how the new bathing facilities work. SVF made donations to refurbish the bathroom facilities.

The Peter Stewart Scholarship Fund is another charitable organization to which the foundation contributed, this organization provides assistance to students pursuing secondary education. The Fund, which celebrated its 10th anniversary in 2015, was launched by Janette Stewart widow of the late Peter Stewart who was a founding Director of Supreme Ventures Limited.

Through our operations, we contribute significantly to the Culture, Health, Arts, Sports & Education (CHASE) Fund which aides in sports development, early childhood education, health and other social development initiatives. We remain committed to making Corporate Social Responsibility a priority as we strive to form new partnerships and maintain our participation in social development initiatives.

Ovril Ebanks (Centre) - Administrator for The Supreme Ventures Foundation hands over donation cheque to Mrs. Janette Stewart (left) Chair of the Peter Stewart Scholarship Fund, (left) Miss Monique Kelly, Supreme Ventures employee volunteer.

SV Foundation's Administrator - Ovril Ebanks (2nd right), listens keenly as Christine Ebanks (3rd right), President of the Nathan Ebanks Foundation shares information about the Foundation, in the presence of other stakeholders.

AUDITED FINANCIAL STATEMENTS

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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
SUPREME VENTURES LIMITED

Report on the Financial Statements

We have audited the financial statements of Supreme Ventures Limited (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), set out on pages 54 to 111, which comprise the Group's and the Company's statements of financial position as at December 31, 2015, the Group's and the Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 give a true and fair view of the financial position of the Group and the Company as at December 31, 2015, and of the Group's and the Company's financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica
February 24, 2016.

Group Statement of FINANCIAL POSITION

December 31, 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Non-current assets			
Property and equipment	4	751,905	1,731,772
Investment properties	5	756,238	–
Goodwill and intangible assets	6	642,779	644,873
Long-term receivables	8	550,974	406,442
Available-for-sale investments	9	5,363	5,363
Deferred tax assets	10	137,882	98,003
Other assets	11	–	20,369
Total non-current assets		2,845,141	2,906,822
Current assets			
Inventories	12	149,413	101,720
Income tax recoverable		13,155	–
Trade and other receivables	14	752,155	664,479
Cash and cash equivalents	15	1,639,049	2,227,493
Total current assets		2,553,772	2,993,692
Total assets		5,398,913	5,900,514
EQUITY AND LIABILITIES			
Stockholders' equity			
Share capital	16	1,967,183	1,967,183
Capital reserve	17	62,486	62,486
Retained earnings	18	1,564,368	2,015,716
Total stockholders' equity		3,594,037	4,045,385
Non-current liability			
Deferred tax liabilities, being total non-current liability	10	–	7,951
Current liabilities			
Trade and other payables	19	1,251,720	1,137,930
Prize liabilities	20	268,536	599,088
Loans payable	21	–	77,000
Income tax payable		284,620	33,160
Total current liabilities		1,804,876	1,847,178
Total stockholders' equity and liabilities		5,398,913	5,900,514

The financial statements on pages 62 to 112 were approved for issue by the Board of Directors on February 24, 2016 and signed on its behalf by:

____________________ Director
Paul Hoo

____________________ Director
Brian George

The accompanying notes form an integral part of the financial statements.

Group Statement of PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2015

	Notes	2015	2014
		$'000	$'000
Revenue	22	43,847,020	41,309,545
Direct expenses	23	(39,429,684)	(37,586,698)
Gross profit		4,417,336	3,722,847
Operating expenses	24	(2,982,306)	(2,648,936)
Profit from operations		1,435,030	1,073,911
Interest income		74,538	75,655
Net foreign exchange gains	25	8,101	6,016
Finance costs	26	(2,973)	(16,344)
Other gains	27	100,134	76,503
Profit before taxation	28	1,614,830	1,215,741
Taxation	29	(431,080)	(285,824)
Profit for the year, being total comprehensive income for the year		1,183,750	929,917
Earnings per stock unit	30	44.89 cents	35.26 cents

The accompanying notes form an integral part of the financial statements.

Group Statement of CHANGES IN EQUITY

Year ended December 31, 2015

	Share capital $'000 (Note 16)	Capital reserve $'000 (Note 17)	Retained earnings $'000 (Note 18)	Total $'000
Balance as at December 31, 2013	1,967,183	62,486	1,613,250	3,642,919
Profit for the year, being total comprehensive income for the year	–	–	929,917	929,917
Transactions with stockholders				
Distributions (note 34)	–	–	(527,451)	(527,451)
Balance as at December 31, 2014	1,967,183	62,486	2,015,716	4,045,385
Profit for the year, being total comprehensive income for the year	–	–	1,183,750	1,183,750
Transactions with stockholders				
Distributions (note 34)	–	–	(1,635,098)	(1,635,098)
Balance as at December 31, 2015	1,967,183	62,486	1,564,368	3,594,037

The accompanying notes form an integral part of the financial statements.

Group Statement of CASH FLOWS
Year ended December 31, 2015

	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,183,750	929,917
Adjustments for:		
Depreciation of property and equipment	177,913	204,181
Depreciation of investment properties	9,102	–
Amortisation of intangible assets	10,658	17,023
Amortisation of other assets	4,381	6,855
Loss on disposal and write-off of property and equipment	57,782	29,926
Impairment of available-for-sale investment	–	348
Impairment of investment properties	102,729	–
Impairment of other assets	15,988	–
Intangible assets written off	3,627	–
Bad debts recognised	97,331	48,068
Net foreign exchange gain on cash and cash equivalents	(6,400)	(33,608)
Interest income	(74,538)	(75,655)
Interest expense	2,973	16,344
Taxation	431,080	285,824
Operating cash flow before movement in working capital	2,016,376	1,429,223
Decrease/(increase) in operating assets		
Inventories	(47,693)	(25,263)
Trade and other receivables	(164,855)	(204,158)
Increase/(decrease) in liabilities		
Trade and other payables	114,696	89,420
Prize liabilities	(330,552)	278,454
Cash generated by operations	1,587,972	1,567,676
Income tax paid	(240,605)	(55,198)
Interest paid	(3,879)	(17,290)
Cash provided by operating activities	1,343,488	1,495,188
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(124,250)	(94,783)
Acquisition of intangible assets	(12,191)	(11,082)
Proceeds on disposal of property and equipment	353	204
Long-term receivables	(162,362)	5,928
Interest received	72,216	72,324
Cash used in investing activities	(226,234)	(27,409)
Cash flows from operating and investing activities carried forward	1,117,254	1,467,779
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,635,098)	(606,569)
Loans repaid	(77,000)	(141,408)
Cash used in financing activities	(1,712,098)	(747,977)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(594,844)	719,802
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	6,400	33,608
Cash and cash equivalents at the beginning of the year	2,227,493	1,474,083
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,639,049	2,227,493

The accompanying notes form an integral part of the financial statements.

Company Statement of FINANCIAL POSITION

December 31, 2015

	Notes	2015 $'000	2014 $'000
ASSETS			
Non-current assets			
Property and equipment	4	86,145	92,105
Goodwill and intangible assets	6	189,953	191,328
Investment in subsidiaries	7	1,944,412	1,944,412
Long-term receivables	8	502,645	923,427
Available-for-sale investments	9	5,363	5,363
Deferred tax assets	10	3,367	–
Total non-current assets		2,731,885	3,156,635
Current assets			
Inventories	12	–	2,103
Income tax recoverable		13,140	16,241
Due from subsidiaries	13	227,175	11,422
Dividend receivable from subsidiary		–	39,927
Trade and other receivables	14	164,151	145,196
Cash and cash equivalents	15	92,539	147,610
Total current assets		497,005	362,499
Total assets		3,228,890	3,519,134
EQUITY AND LIABILITIES			
Stockholders' equity			
Share capital	16	1,967,183	1,967,183
Capital reserve	17	62,486	62,486
Retained earnings	18	1,090,159	1,267,004
Total stockholders' equity		3,119,828	3,296,673
Non-current liability			
Deferred tax liability, being total non-current liability	10	–	2,318
Current liabilities			
Trade and other payables	19	109,062	104,037
Due to subsidiaries	13	–	39,106
Loans payable	21	–	77,000
Total current liabilities		109,062	220,143
Total equity and liabilities		3,228,890	3,519,134

The financial statements on pages 62 to 112 were approved for issue by the Board of Directors on February 24, 2016 and signed on its behalf by:

_______________ Director
Paul Hoo

_______________ Director
Brian George

The accompanying notes form an integral part of the financial statements.

Company Statement of PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2015

	Notes	2015	2014
		$'000	$'000
Revenue	22	322,654	4,468,817
Direct expenses	23	(2,235)	(4,167,039)
Gross profit		320,419	301,778
Dividend income from wholly-owned subsidiary		1,634,726	568,260
Operating expenses	24	(551,146)	(424,199)
Profit from operations		1,403,999	445,839
Interest income		56,447	104,006
Net foreign exchange losses	25	(1,162)	(1,121)
Finance costs	26	(2,989)	(15,643)
Profit before taxation	28	1,456,295	533,081
Taxation	29	1,958	8,736
Profit for the year, being total comprehensive income for the year		1,458,253	541,817

The accompanying notes form an integral part of the financial statements.

Company Statement of CHANGES IN EQUITY

Year ended December 31, 2015

	Share capital $'000 (Note 16)	Capital reserve $'000 (Note 17)	Retained earnings $'000 (Note 18)	Total $'000
Balance as at December 31, 2013	1,967,183	62,486	1,252,638	3,282,307
Profit for the year, being comprehensive income for the year	–	–	541,817	541,817
Transactions with stockholders				
Distributions (note 34)	–	–	(527,451)	(527,451)
Balance as at December 31, 2014	1,967,183	62,486	1,267,004	3,296,673
Profit for the year, being comprehensive income for the year	–	–	1,458,253	1,458,253
Transactions with stockholders				
Distributions (note 34)	–	–	(1,635,098)	(1,635,098)
Balance as at December 31, 2015	1,967,183	62,486	1,090,159	3,119,828

The accompanying notes form an integral part of the financial statements.

Company Statement of CASH FLOWS

Year ended December 31, 2015

	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	1,458,253	541,817
Adjustments for:		
Depreciation of property and equipment	5,340	22,270
Amortisation of intangible assets	25	296
Intangible assets written off	1,350	-
Dividend income	(1,634,726)	(568,260)
Impairment of available-for-sale investments	-	348
Net foreign exchange gain on cash and cash equivalents	(216)	(896)
(Gain)/loss on disposal and write-off of property and equipment	(402)	6,126
Interest income	(56,447)	(104,006)
Interest expense	2,989	15,643
Taxation	(1,958)	(8,736)
Operating cash flow before movements in working capital	(225,792)	(95,398)
Decrease/(increase) in operating assets		
Inventories	2,103	72,573
Due from subsidiaries	(215,753)	177,423
Trade and other receivables	(1,506)	16,237
(Decrease)/increase in operating liabilities		
Due to subsidiaries	(39,106)	39,106
Trade and other payables	5,931	(433,643)
Cash generated by operations	(474,123)	(223,702)
Income tax paid	(626)	(17,279)
Interest paid	(3,895)	(16,589)
Cash used in operating activities	(478,644)	(257,570)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(4,035)	(40,074)
Acquisition of other intangible assets	-	(1,350)
Proceeds on disposal of property and equipment	5,057	42,369
Long-term receivables	405,655	274,356
Dividends received	1,674,653	528,333
interest received	54,125	97,942
Cash provided by investing activities	2,135,455	901,576
Cash flows from operating and investing activities	1,656,811	644,006
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,635,098)	(606,569)
Loans repaid	(77,000)	(141,408)
Cash used in financing activities	(1,712,098)	(747,977)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(55,287)	(103,971)
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	216	896
Cash and cash equivalents at the beginning of the year	147,610	250,685
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	92,539	147,610

The accompanying notes form an integral part of the financial statements.

1. Identification

Supreme Ventures Limited (the Company) is a public limited liability company which is listed on the Jamaica Stock Exchange. The Company's registered office is located at the 4th Floor, R. Danny Williams Building, 28-48 Barbados Avenue, Kingston 5, Jamaica, W.I.

The main activity of the Company is the management of its subsidiary companies ("subsidiaries"). The Company transferred the sale of electronic pin codes to its subsidiary, Big 'A' Track 2003 Limited, on November 1, 2014.

The Company and its subsidiaries are collectively referred to as "the Group" and are all incorporated in Jamaica.

The subsidiaries that are consolidated and their principal activities are as follows:

Name of company	Principal activity	Percentage ownership
		%
Prime Sports (Jamaica) Limited and its wholly-owned subsidiaries:	Betting, gaming and lottery operations licensed by the Betting, Gaming and Lotteries Commission (BGLC)	100
Bingo Investments Limited	Not trading	
Chillout Ventures Limited	Not trading	
Supreme Ventures Financial Services Limited	Not trading	100
Supreme Ventures Lotteries Limited	Not trading	100
Transtel Jamaica Limited	Not trading	100
Big 'A' Track 2003 Limited	Pin code sales (effective November 1, 2014)	100

In addition to the entities above, the Group also includes Jamaica Lottery Company Limited, which has been placed into members' voluntary liquidation.

Exodus Gaming and Entertainment Limited (Exodus) was incorporated by Prime Sports (Jamaica) Limited (PSJL) on February 20, 2015. Subsequent to its incorporation, Exodus was issued a gaming machine licence and a prescribed premises licence in relation to a property owned by PSJL. The subject property was also leased to Exodus (note 5). On April 27, 2015, PSJL entered into an agreement with Island Holdings Limited (IHL) for the sale of Exodus for US$300,000 (note 8).

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act ("the Act").

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New, revised and amended standards and interpretations that became effective during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has adopted the amendment to IAS 24, *Related Party Disclosures*, with a date of initial application of January 1, 2015. The standard has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognised as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the key management personnel services. The adoption of this amendment did not have any material impact on the financial statements.

New standards, and interpretations of and amendments to existing standards that are not yet effective

At the date of authorisation of the financial statements, certain new, revised and amended standards and interpretations, have been issued which are not yet effective and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and has determined that the following may be relevant to its operations and has concluded as follows:

- IAS 1, *Presentation of Financial Statements*, effective for accounting periods beginning on or after January I, 2016, has been amended to clarify or state the following:

  - specific single disclosures that are not material do not have to be presented even if they are the minimum requirement of a standard

  - the order of notes to the financial statements is not prescribed

  - line items on the statement of financial position and the statement of profit or loss and other comprehensive income (OCI) should be disaggregated if this provides helpful information to users. Line items can be aggregated if they are not material

  - specific criteria is now provided for presenting subtotals on the statement of financial position and in the statement of profit or loss and OCI, with additional reconciliation requirement for the statement of profit or loss and OCI

  - the presentation in the statement of OC1 of items of OCI arising from joint ventures and associates accounted for using the equity method follows the IAS 1 approach of splitting items that may, or that will never, be reclassified to profit or loss

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New standards, and interpretations of and amendments to existing standards that are not yet effective (continued)

- Amendments to IAS 27, *Equity Method in Separate Financial Statements*, effective for accounting periods beginning on or after January 1, 2016 allow, the use of the equity method in separate financial statements, and apply to the accounting for subsidiaries, associates, and joint ventures.

- Amendments to IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, effective for accounting periods beginning on or after January 1, 2016, require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value but previously held interests will not be remeasured.

- Amendments to IFRS 10, *Consolidated Financial Statements, and* 1AS 28*, Investments in Associates and Joint Ventures*, in respect of sale or contribution of assets between an Investor and its Associate or Joint Venture, are effective for annual reporting periods beginning on or after January 1, 2016. The amendments require that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a 'business' under IFRS 3, *Business Combinations.*

- Amendments to IFRS 10, *Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities* and IAS 28, *Investments in Associates and Joint Ventures*, effective for accounting periods beginning on or after January 1, 2016, have been amended to introduce clarifications on which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit or loss. IFRS 10 was amended to confirm that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. An investment entity shall measure at fair value through profit or loss all of its subsidiaries that are themselves investment entities. IAS 28 was amended to provide an exemption from applying the equity method for investment entities that are subsidiaries and that hold interests in associates and joint ventures. IFRS 12 was amended to clarify that the relevant disclosure requirements in the standard apply to an investment entity in which all of its subsidiaries are measured at fair value through profit or loss.

- Amendments to IAS 16 and 1AS 38 are effective for annual reporting periods beginning on or after January 1,2016. The amendments to IAS 16, *Property, Plant and Equipment* explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. This is because such methods reflect factors other than the consumption of economic benefits embodied in the asset. The new amendments to IAS 38, Intangible Assets introduce a rebuttable presumption that the use of revenue based amortisation methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated or when the intangible asset is expressed as a measure of revenue.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New standards, and interpretations of and amendments to existing standards that are not yet effective (continued)

- IFRS 15, *Revenue from Contracts with Customers* is effective for periods beginning on or after January 1, 2018. It replaces IAS 1 1, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmemes,* IFRIC 1 5, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC 31 Revenue, *Barter Transactions Involving Advertising Services*. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to
  facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

- IFRS 9, *Financial Instruments*, is effective for annual reporting periods beginning on or after January 1, 2018. The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It eliminates the existing IAS 39 categories of held-to maturity, available-for-sale and loans and receivables. For an investment in an equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, to present all fair value changes from the investment in other comprehensive income. The standard includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39, *Financial Instruments: Recognition and Measurement* on the recognition and derecognition of financial assets and financial liabilities. 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 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers*, is also adopted.

2. Statement of compliance and basis of preparation (continued)

(a) Statement of compliance (continued)

New standards, and interpretations of and amendments to existing standards that are not yet effective (continued)

- *Improvements to* IFRS 2012-2014 cycle, contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments applicable to the Group are as follows:

  - IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* has been amended to clarify that if an entity changes the method of disposal of an asset or disposal group — i.e. reclassifies an asset or disposal group from held-for distribution to owners to held-for-sale or vice versa without any time lag, then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset or disposal group and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute the asset or disposal group. If an entity determines that an asset or disposal group no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

  - IFRS 7, *Financial Instruments: Disclosures,* has been amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred assets in cases when they are derecognised in their entirety. A servicer is deemed to have continuing involvement if it has an interest in the future performance of the transferred asset -e.g. if the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset; however, the collection and remittance of cash flows from the transferred asset to the transferee is not, in itself, sufficient to be considered 'continuing involvement'.

  - IFRS 7 has also been amended to clarify that the additional disclosures required by Disclosures: *Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of IAS 34, *Interim Financial Reporting*, require their inclusion.

  - IAS 34, *Interim Financial Reporting*, has been amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report". The interim financial report is incomplete if the interim financial statements and any disclosures incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

  Management is evaluating the impact, if any, that the foregoing standards and amendments to standards may have on its financial statements when they are adopted.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion of available-for-sale investments at fair value.

(c) Functional and presentation currency

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the Group.

2. Statement of compliance and basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements to conform with IFRS requires management to make estimates and assumptions that affect the reported amount of, and disclosures relating to assets, liabilities and contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and future years, if the revision affects both current and future period.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are presented below:

(i) Allowance for impairment losses on receivables In determining amounts recorded for impairment of accounts receivable in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired accounts receivable, as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant accounts receivable and total trade accounts receivable with similar characteristics, such as credit risks.

(ii) Residual value and expected useful life of property and equipment and investment properties

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end, and, if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the Group.

(iii) Impairment of goodwill and intangible assets

Impairment of goodwill and intangible assets is dependent upon management's internal assessment of future cash flows from the cash-generating units that gave rise to the goodwill and intangible assets. That internal assessment determines the amount recoverable from future use of those units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rates used.

2. Statement of compliance and basis of preparation (continued)

(e) Where necessary, comparative amounts have been reclassified to conform with changes in the presentation in the current year.

Investment in joint venture reported as such in 2014 and earlier represents the group's interest in parking arrangements shared with a third party but considered necessary to maximise value-in-use of certain of its real property. During 2015, management reassessed the accounting treatment and concluded that the appropriate classification is as part of Property and equipment, together with the primary property (note 4). Accordingly, the following reclassifications occurred in 2015:

	Group		
	2014		
	As previously reported $'000	Reclassification $'000	As reclassified $'000
Property and equipment	1,697,551	34,221	1,731,772
Interest in joint venture	34,221	(34,221)	–

	2013		
	As previously reported $'000	Reclassification $'000	As reclassified $'000
Property and equipment	1,837,079	34,221	1,871,300
Interest in joint venture	34,221	(34,221)	–

The reclassification did not have a material effect on the statement of financial position and therefore, the 2013 Statement of Financial Position has not been presented.

3. Significant accounting policies

(a) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the Company and its subsidiaries presented as a single economic entity.

Subsidiaries are those entities controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

The company and its subsidiaries are collectively referred to as "Group".

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries are consistent with those of the Group.

The Group uses the acquisition method of accounting for business combinations, The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of revenue and expenses.

(b) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results are reported to the Group's executive management (collectively considered the chief operating decision maker) which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All transactions between business segments are conducted on an arm's length basis, with intersegment revenue and cost eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

No geographical segment reporting is recognised as the Group's operations are located solely in Jamaica

The Group's reportable segments under IFRS 8 are as follows:

(i) Lottery	- Lottery games, offered through the agents' network.
(ii) Gaming and hospitality	- Video Lottery Terminal (VLT) games offered at gaming lounges and food and beverage operations.
(iii) Sports betting	- Wagers on international sporting events offered through the agents' network.
(iv) Pin codes	- Sale of pin codes through the agents' network.
(v) Other	- All other income.

3. Significant accounting policies (continued)

(c) Property and equipment

(i) Owned assets

Freehold land, art and paintings are stated at historical cost. All other property and equipment are stated at cost, less accumulated depreciation and impairment losses [note 3(f)]. Cost includes expenditures that are directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials and direct labour, plus related borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the Group and its costs can be measured reliably. The costs of day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(ii) Depreciation

Property and equipment, with the exception of freehold land, art and paintings on which no depreciation is provided, are depreciated on the straight-line basis at annual rates estimated to write down the assets to their residual values over their expected useful lives. The depreciation rates are as follows:

Freehold buildings	40 years
Video lottery terminal (VLT) equipment	5-10 years
Furniture, fixtures machinery & equipment	3-10 years
Computer equipment	3-5 years
Motor vehicles	5-8 years
Signs &. posters	5-10 years
Leasehold improvements	Shorter of lease term and useful life

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(d) Investment properties

Investment properties, comprising freehold land and buildings, are held for long-term rental yields, are not occupied by the Group and are carried at cost less accumulated depreciation and impairment losses. Land is not depreciated. Freehold buildings are depreciated on the straight line basis over their expected useful lives of 40 years.

(e) Goodwill and intangible assets

(i) Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries and other business ventures. It comprises the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired.

Goodwill is stated at cost, less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. Negative goodwill arising on acquisition is recognised directly in profit or loss.

(ii) Trademarks and licences

Trademarks, licences and permits with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in estimate being accounted for on a prospective basis. Amortisation is charged on the straight-line basis over the estimated useful lives. Useful lives are currently estimated as follows.

Licenses and permits	5 years
Trademarks	10 years

3. Significant accounting policies (continued)

(e) Goodwill and intangible assets (continued)

(ii) Trademarks and licences (continued)

Trademarks, licences and permits with indefinite useful lives are carried at cost less accumulated impairment losses. The useful lives of such assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for those assets. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

(iii) Other intangible assets

Other intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on the straight-line basis over its estimated useful life. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in the estimate being accounted for on a prospective basis.

The amortisation rates are as follows:

Computer software	3 years
Software usage rights	10 years

(iv) Derecognition of goodwill and intangible assets

Goodwill and intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of goodwill and intangible assets, measured as the difference between the net proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(f) Impairment of non-financial assets

The carrying amounts of non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of other assets in the unit on a pro rata basis. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Financial instruments

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

3. Significant accounting policies (continued)

(g) Financial instruments (continued)

(i) Classification of financial instruments

The Group classifies non-derivative financial assets into the following categories: *loans and receivables* and *available-for-sale*. Management determines the appropriate classification of investments at the time of purchase.

The Group classifies financial liabilities into the other financial liabilities category.

(ii) Recognition and derecognition

The Group recognises a financial instrument when it becomes a party to the contractual terms of the instrument.

The Group initially recognises loans and receivables and equity securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.

(iii) Measurement

Cash and cash equivalents: Cash comprises cash in hand and demand and call deposits. Cash equivalents are short-term, highly liquid financial assets that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. These include certificates of deposit where the maturities do not exceed three months from the date of acquisition. Cash and cash equivalents are carried at amortised cost.

Loans and receivables: Securities acquired and loans granted with fixed or determinable payments, and which are not quoted in an active market, are classified as loans and receivables.

Securities purchased under resale agreements ('resale agreements): Resale agreements are short-term transactions in which the Group makes funds available to other parties and in turn receive securities which they agree to resell on a specified date at a specified price. Resale agreements are accounted for as short-term collateralised lending, and carried at amortised cost. The difference between the purchase and resale consideration is recognised on the accrual basis over the period of the contract using the effective interest method and is included in interest income. On initial recognition they are measured at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, using the effective interest method, less impairment losses.

T*rade and other receivables and Due from subsidiaries* are stated at amortised cost less impairment losses.

Available-for-sale: Other investments are classified as available-for-sale. On initial recognition, they are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value, with unrealised gains and losses arising from changes in fair value, except for impairment losses, and, in the case of equity securities, foreign exchange gains and losses, being recognised in other comprehensive income and accumulated in fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Other financial liabilities: Long-term liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, long-term liabilities are measured at amortised cost using effective interest method.

Prize liabilities, *Trade and other payables*, and *Due to subsidiaries* are stated at amortised cost.

3. **Significant accounting policies** (continued)

(g) Financial instruments (continued)

(iv) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original interest rate. Receivables with a short duration are not discounted.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(h) Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the fair value of an instrument is measured by using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, valuation techniques are used that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If it is determined that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 — Quoted market price (unadjusted) in an active market for identical assets or liabilities.
- Level 2 — Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 — Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

3. Significant accounting policies (continued)

(h) Fair value measurement (continued)

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premiums used in estimating discount rates.

Considerable judgment is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

(i) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income. Current income tax is the expected tax payable on the income for the year, using tax rates enacted at the reporting date, and any adjustment to income tax in respect of previous years.

Deferred income tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on laws that have been enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out (FIFO) basis. Costs are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in, first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. **Significant accounting policies** (continued)

(k) Revenue

(i) Lottery

Ticket sales - lottery games are sold to players by contracted retail agents. Revenue is recognised when tickets are sold.

Unclaimed prizes — in keeping with clause number 28 of the lottery licence held by Prime Sports (Jamaica) Limited, winning tickets must be redeemed within 90 days of the relevant draw unless otherwise notified. Any valid winning ticket presented after expiration of this period may be paid provided payment is made within 180 days of the draw, after which prizes may be paid only with written approval of the BGLC. Fifty percent (50%) of unclaimed prizes (net of taxes where applicable) is paid over to the CHASE Fund and the remaining fifty percent (50%) paid to the BGLC.

(ii) VLT gaming

Revenue is recognised as the net win from gaming activities, which is the difference between gaming wins and losses before deducting costs and expenses at the end of each gaming day.

(iii) Sports betting

Revenue represents the gross sales of the bets taken on international sporting events at all branches, net of refunds. Revenue is recognised when wagers are placed by players evidenced by ticket sales.

(iv) Pin codes

Pin codes are sold to the public by contracted retail agents. Revenue is recognised when pin codes are sold.

(v) Hospitality and related services

Hospitality and related services include food and beverage sales and are recognised when the goods/services are provided.

(vi) Management fees

The Company provides management services to its subsidiaries. Fees are recognised when services are provided.

(vii) Interest income

Interest income is accrued by reference to the principal outstanding and at the effective interest rate applicable, which is the expected rate that exactly discounts estimated future cash receipts through the life of the financial asset to that asset's net carrying amount.

3. Significant accounting policies (continued)

(k) Revenue (continued)

(viii) Rental income

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease.

(ix) Dividend income

Dividend income is recognised when the right to receive payment is established.

(l) Employee benefit costs

(i) The Company is the sponsoring employer of a Group defined contribution pension scheme under the control of trustees and administered by a licensed organisation. Contributions are recognised as an expense by the employer as incurred.

(ii) Employee leave entitlements are recognised when they accrue to employees. A provision is made for the estimated liability for vacation leave as a result of services rendered by employees up to the reporting date.

(m) Finance costs

Finance costs are recognised using the effective interest method in profit or loss.

(n) Leases

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(o) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the "reporting entity" in this case, the Group).

A party is related to the reporting entity if:

(i) A person or a close member of that person's family is related to a reporting entity if that person:

(a) has control or joint control over the reporting entity;

(b) has significant influence over the reporting entity; or

(c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(ii) An entity is related to a reporting entity if any of the following conditions applies:

(a) The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

3. **Significant accounting policies** (continued)

(o) Related parties (continued)

(ii) An entity is related to a reporting entity if any of the following conditions applies: (continued)

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan established for the benefit of employees of either the Group or an entity related to the Group.

(f) The entity is controlled, or jointly controlled, by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a group of which it is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

(p) Foreign currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency, the Jamaica dollar, are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

(q) Determination of profit or loss

Profit is determined as the difference between the revenues from goods and services rendered and the relevant costs and charges incurred during the year. Profits on transactions are taken in the year in which they are realised. A transaction is realised at the moment of delivery of goods and services. Losses are recognised in the year in which they are realised or determinable.

(r) Share capital

(i) Classification

Ordinary stock units are classified as equity when there is no obligation to transfer cash or other assets.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new stock units or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(s) Dividends

Dividends are recorded in the financial statements in the period in which they are declared.

4 Property and equipment

The Group

	Freehold land $'000	Freehold buildings $'000	Leasehold building $'000	Leasehold improvements $'00O	Video lottery terminal equipment $'000	Furniture, fixtures, machinery & equipment $'000	Computer equipment $'000	Motor vehicles $'000	Art & paintings $'000	Signs & posters $'000	Capital Work-in progress $'000	Total $.000
Cost												
December 31, 2013	187,921*	934,954	120,348	476,832	559,134	820,058	37,316	151,618	2,363	26,709	1,981	3.319,234
Additions	-	22,503	-	14,854	-	55,232	4,175	-	-	-	(1,981)	94,783
Reclassifications	-	2,022	-	18	(4,026)	(37,267)	29,743	(1,215)	-	380	-	(10,345)
Transfers	-	120,348	(120,348)	-	(7,165)	7,165	-	-	-	-	-	-
Disposals/write-offs	-	-	-	(21,264)	(36,182)	(330)	(532)	8,114)	-	-	-	(66,422)
December 3 I, 2014	187,921	1,079,827	-	470,440	511,761	844,858	70,702	142,289	2,363	27,089	-	3,337,250
Additions	-	2,940	-	22,005	45,638	34,453	13,620	-	-	5,594	-	124,250
Reclassifications	(154,221)**	(873,840)**	-	(113,508)	-	113,508	-	-	-	-	-	(1,028,061)
Disposals/write-offs	-	(4,307)	-	(42,234)	(76,703)	(3,827)	-	(10,848)	-	(1,007)	-	(138,926)
December 31, 2015	33,700	204,620	-	336,703	480,696	988,992	84,322	131,441	2,363	31,676	-	2,294,513
Accumulated depreciation												
December 3 I, 2013	-	128,417	18,554	239,105	362,435	574,635	33,655	66,027	-	25,106	-	1,447,934
Depreciation	-	23,641	3,009	49,528	56,903	41,648	6,470	22,569	-	413	-	204,181
Reclassifications	-	1,304	-	(173)	(19,136)	(6,746)	15,082	(996)	-	320	-	(10,345)
Transfers	-	21,563	(21,563)	-	(1,815)	1,815	--	-	-	-	-	-
Disposals/write-offs	-	-	-	(5,990)	(24,002)	(45)	(301)	(5,954)	-	-	-	(36,292)
December 31, 2014	-	174,925	-	282,470	374,385	611,307	54,906	81,646	-	25,839	-	1,605,478
Depreciation	-	17,858	-	41,130	43,735	45,208	7,164	22,562	-	256	-	177,913
Reclassifications	-	(159,992)**	-	(88,039)	-	88,039	-	-	-	-	-	(159,992)
Disposals/write-offs	-	(60)	-	(16,686)	(52,245)	(654)	-	(10,848)	-	(298)	-	(80,791)
December 31, 2015	-	32,731	-	218,875	365,875	743,900	62,070	93,360	-	25,797	-	1,542,608
Net book values												
December 31, 2015	33,700	171,889	-	117,828	114,821	245,092	22,252	38,081	2,363	5,879	-	751,905
December 31, 2014	187,921	904,902	-	187,970	137,376	233,551	15,796	60,643	2,363	1,250	-	1,731,772
December 31, 2013	187,921*	806,537	101,794	237,727	196,699	245,423	3,661	85,591	2,363	1,603	1,981	1,871,300*

*This includes freehold land owned by Jonepar Development Limited, in which the Group has a 50% interest [note 2(e)].
**Property, previously occupied by the Group, was transferred, during the current reporting period, to investment properties arising from a change in use (note 5).

4 **Property and equipment** (Continued)

	The Company									
	Freehold land $'000	Freehold buildings $'000	Leasehold improvements $'00O	Video lottery terminal equipment $'000	Furniture, fixtures, machinery & equipment $'000	Computer equipment $'000	Motor vehicles $'000	Art & paintings $'000	Signs & posters $'000	Total $000
Cost										
December 31, 2013	13,000	35,188	25,852	255,557	248,152	19,205	17,991	2,363	24,642	641,950
Additions	-	22,503	-	-	16,354	1,217	-	-	-	40,074
Transfers	-	-	-	(1,505)	1,505	-	-	-	-	-
Disposals/write-offs	-	-	(3,435)	(254,052)	(1,505)	-	-	-	-	(258,992)
December 3 I, 2014	13,000	57,691	22,417	-	264,506	20,422	17,991	2,363	24,642	423,032
Additions	-	2,940	-	-	745	350	-	-	-	4,035
Disposals/write-offs	-	(3,807)	-	-	(907)	-	(3,270)	-	-	(7,984)
December 31, 2015	13,000	56,824	22,417	-	264,344	20,772	14,721	2,363	24,642	419,083
Accumulated depreciation										
December 3 I, 2013	-	3,622	23,790	191,276	240,418	17,871	17,535	-	24,642	519,154
Depreciation	-	1,082	401	17,358	2,342	884	203	-	-	22,270
Transfers	-	-	-	(363)	363	-	-	-	-	-
Disposals/write-offs	-	-	(1,775)	(208,271)	(451)	-	-	-	-	(210,497)
December 31, 2014	-	4,704	22,416	-	242,672	18,755	17,738	-	24,642	330,927
Depreciation	-	1,441	-	-	2,768	928	203	-	-	5,340
Disposals/write-offs	-	(59)	-	-	-	-	(3,270)	-	-	(3,329)
December 31, 2015	-	6,086	22,416	-	245,440	19,683	14,671	-	24,642	332,938
Net book values										
December 31, 2015	13,000	50,738	1	-	18,904	1,089	50	2,363	-	86,145
December 31, 2014	13,000	52,987	1	-	21,834	1,667	253	2,363	-	92,105

5. Investment properties

During the year, properties previously occupied by the Group and classified in the Group Statement of Financial Position as property and equipment were reclassified to investment properties due to a change in use (note 4).

	The Group		
	Freehold land $'000	Freehold buildings $'000	Total $'000
Cost			
Transferred from property and equipment, being balance at December 31, 2015	154,221	873,840	1,028,061
Accumulated depreciation			
Transferred from property and equipment	-	159,992	159,992
Depreciation	-	9,102	9,102
Impairment	-	102,729	102,729
Balance at December 31, 2015	-	271,823	271,823
Net book values			
December 31, 2015	154,221	602,017	756,238

Investment properties were valued by independent valuers, George Gregg & Co, as at December 31, 2015, on the basis of open market value using the direct comparison approach involving analysis of prices for comparable facilities. The market value of the properties is estimated at $756.2 million. This is categorised as level 3 in the fair value hierarchy.

The Group has leased its investment property to Exodus Gaming and Entertainment Limited (Exodus) for an initial period of fifteen years with an option to renew the lease for a further fifteen years.

Exodus also has the option to purchase the property at any time after the fifth anniversary of the commencement date at a price to be agreed between Exodus and PSJL within sixty days of the option notice being served. If no agreement is reached within the stipulated time, then the price will be the higher of US$4,500,000 or the market value on the date of the option notice, as determined by an independent valuator.

Rental income of $9.9 million was earned from investment properties for the current reporting period. Direct operating expenses incurred during the year in relation to investment properties amounted to $10.8 million.

6. Goodwill and intangible assets

	The Group					The Company			
	Computer software $'000	Trademarks & licences $'000	Software usage rights $000	Goodwill $'000	Total $'000	Computer software	Trademarks	Goodwill $'000	Total
Cost									
December 31, 2013	68,324	430,772	80,558	189,953	769,607	9,708	-	189,953	199,661
Additions	9,643	1,439	-	-	11,082	-	1,350	-	1,350
December 31, 2014	77,967	432,211	80,558	189,953	780,689	9,708	1,350	189,953	201,011
Additions	59	12,132	-	-	12,191	-	-	-	-
Disposals/write-offs	(3,627)	-	-	-	(3,627)	-	(1,350)	-	(1.350)
December 31, 2015	74,399	444,343	80,558	189,953	789,253	9,708	-	189,953	199,661
Amortisation									
December 31,2013	64,546	30,079	24,168	-	118,793	9,387	-	-	9,387
Amortisation	3,646	5,321	8,056	-	17,023	296	-	-	296
December 31, 2014	68,192	35,400	32,224	-	135,816	9,683	-	-	9,683
Amortisation	2,537	65	8,056	-	10,658	25	-	-	25
December 31, 2015	70,729	35,465	40,280	-	146,474	9,708	-	-	9,708
Carrying values									
December 31, 2015	3,670	408,878	40,278	189,953	642,779	-	-	189,953	189,953
December 31, 2014	9,775	396,811	48,334	189,953	644,873	25	1,350	189,953	191,328

6. Goodwill and intangible assets (continued)

(a) Licences

Licences with indefinite useful lives relate to certain VLT gaming lounge operations and are assessed for impairment annually. Management has determined that the carrying value of licences with an indefinite useful life at December 31, 2015, is not impaired. The impairment test is carried out by comparing the recoverable amount, as determined based on value in use calculations, with the carrying value of the assets and licences assigned to these operations. Revenue growth was projected for the next seven (7) years and the recoverable amount was determined to be higher than its carrying amount and no impairment loss was recognised. The seven (7) year period was used because the VLT operations are in an investment phase and the next three (3) years are projected to yield volatile results.

The key assumptions used in the estimation of value in use were as follows:

	The Group	
	2015	2014
Pre-tax discount rate	22.9%	24.8%
Terminal value growth rate	4.0%	3.0%
Budgeted EBITDA growth rate	4.0%	10.0%

(b) Software usage rights

This comprises one-time software user rights fee paid to Intralot Jamaica Limited related to sports betting. The amount is being amortised over the life of the contract, which is ten (10) years.

(c) The amortisation of computer software, trademarks and licences and software usage rights is included in operating expenses (note 24).

(d) Goodwill

	The Group and the Company	
	2015	2014
	$'000	$'000
Goodwill	189,953	189,953

The goodwill impairment test is carried out by comparing the recoverable amount of the Group's cash-generating unit (CGU) to which goodwill has been allocated, to the carrying amount of that CGU. The only CGU recognising goodwill for the Group is the Lottery segment.

Management has determined that goodwill at December 31, 2015 is not impaired based on an assessment of the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on value-in-use calculations. Revenue growth was projected for the next seven (7) years and the recoverable amount was determined to be higher than its carrying amount and no impairment loss was recognised. A five (5) year projection would not have affected management's assessment.

6. Goodwill and intangible assets (continued)

(d) Goodwill (continued)

The key assumptions used in the estimation of value-in-use were as follows:

	The Group & the Company	
	2015	2014
Pre-tax discount rate	22.6%	24.4%
Terminal value growth rate	5.0%	3.0%
Budgeted EBITDA growth rate	5.0%	4.0%

7. Investment in subsidiaries

	The Company	
	2015	2014
	$'000	$'000
Big 'A' Track 2003 Limited	5,760	5,760
Prime Sports (Jamaica) Limited	1,938,651	1,938,651
Transtel Jamaica Limited	1	1
	1,944,412	1,944,412

8. Long-term receivables

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Radio Jamaica Limited (a)	38,179	56,426	-	-
ICE Jamaica Limited (b)	553,601	403,592	553,601	403,592
Island Holdings Limited (c)	30,600	-	-	-
Prime Sports (Jamaica) Limited Debentures (d)	-	-	-	555,664
	622,380	460,018	553,601	959,256
Less: Current portion	(71,406)	(53,576)	(50,956)	(35,829)
	550,974	406,442	502,645	923,427

(a) Radio Jamaica Limited

This represents the balance on a credit facility provided by Prime Sports (Jamaica) Limited to Radio Jamaica Limited to establish, equip and commission a television broadcasting studio to air live television broadcasts of lottery drawings. The facility is repayable by forty-eight (48) consecutive monthly principal and interest payments of $1,761,377 which commenced on December 31, 2013. The facility bears interest at 6% per annum on a reducing balance basis.

8. **Long-term receivables** (continued)

(b) ICE Jamaica Limited

On December 10, 2014, the Board of Directors approved a funding facility to a total amount of the Jamaica dollar equivalent of US$5 million to ICE Jamaica Limited, a company with whom Prime Sports (Jamaica) Limited (PSJL) is partnering to develop a VLT "route" gaming infrastructure. The arrangement provides that Zodiac International Investments and Holdings Limited (Zodiac), a company incorporated in Trinidad & Tobago, and the indirect owner of 24.95% of the issued stock units of Supreme Ventures Limited (Supreme) through Intralot Caribbean Ventures Limited (Intralot), serves as principal debtor by means of a charge over its shareholding in Intralot. Repayments are being effected by applying 15% of the quarterly dividends due to Intralot from Supreme, as and when paid. Repayment has been facilitated by irrevocable undertakings issued by Zodiac to Intralot and, in turn, from Intralot to Supreme. Outstanding amounts under the facility attract interest at 8% per annum, payable quarterly. The balance is being serviced in accordance with the arrangement and management expects the balance to be repaid in full.

(c) Island Holdings Limited

As indicated in note 1, IHL purchased the shares of Exodus Gaming and Entertainment Limited (Exodus) on April 27, 2015. Payment of the sale proceeds is to commence on February 1, 2016, and is to be paid in 121 instalments of US$750 per month for the first five years and US$1,500 for the next five years with a final lump sum payment of US$165,000. No interest is charged on the outstanding balance, but overdue payments attract interest at twelve (12) percent per annum from the due date of payment until the past due amount is settled.

As the receivable is interest-free it has been re-measured in accordance with IAS 39, with interest being imputed based on an appropriate market rate. The imputed interest is being amortised over the repayment period and the amount shown is net of the unamortised discount of $5.3 million at the reporting date using the effective interest method.

The balance outstanding is secured by a charge on the shares in Exodus. The sale agreement also requires an option to purchase in which IHL or its nominee was granted an option to purchase at an option price of US$1.00, PSJL's interest in Jonepar Development Limited and a licence agreement permitting IHL or its nominee to use lands owned by Jonepar for parking purposes (see also note 5).

(d) Intra-group debentures

Under a scheme of reorganisation and amalgamation in April 2008, the Company acquired two debentures issued by Jamaica Lottery Company Limited (JLC) to Prime Sports (Jamaica) Limited (PSJL) for JLC's beneficial interest in Coral Cliff Entertainment Limited and Village Square Entertainment Limited now amalgamated into PSJL. The debentures were for a term of twenty-one (21) years, payable by 20 interim annual instalments of $250,000 each on March 31 of each year (which commenced on March 31, 2009), with a final instalment of the remaining unpaid balance on March 31, 2029. During the reporting period, the directors approved and management effected early liquidation of the debentures.

9. Available-for-sale investments

	The Group and the Company	
	2015	2014
	$'000	$'000
Quoted investment:		
At beginning of year	3,480	3,828
Impairment adjustment	-	(348)
At end of year	3,480	3,480
Unquoted investment	1,883	1,883
At end of year	5,363	5,363

10. Deferred taxation

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Deferred tax assets	137,882	98,003	3,367	-
Deferred tax liabilities	-	(7,951)	-	(2,318)
	137,882	90,052	3,,367	(2,318)

Deferred taxation is attributable to the following:

(a) Group

	Asset		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$000
Property and equipment	25,099	760	-	(1,281)	25,099	(521)
Investment properties	36,677	-	-	-	36,677	-
Intangible assets	(8,669)	-	-	(12,084)	(8,669)	(12,084)
Trade and other receivables	(3,922)	-	-	(4,100)	(3,922)	(4,100)
Trade and other payables	900	-	-	1,116	900	1,116
Tax losses	86.993	97,243	-	9,469	86,993	106,712
Other	804	-	-	(I,071)	804	(1,071)
Net assets/(liabilities)	137,882	98.,003	-	(7,951)	137,882	90,052

10. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(a) Group (continued)

(i) Net deferred tax is recognised in the Group statement of financial position, as follows:

	2015 $' 000	2014 S'000
Deferred tax liability in Company	-	(2,318)
Deferred tax liability in subsidiaries	-	(5,633)
	-	(7,951)
Deferred tax asset in Company	3,367	-
Deferred tax asset in subsidiaries	134,515	98,003
Deferred tax asset	I37,882	90,052

(ii) Movements in net temporary differences during the year are as follows:

	2015		
	Balance at January 1 $'000	Recognised in profit/loss $'000 [note 29(a)]	Balance at December 31 S'000
Property and equipment	(521)	25,620	25,099
Investment properties	-	36,677	36,677
Intangible assets	(12,084)	3,415	(8,669)
Trade and other receivables	(4,100)	178	(3,922)
Trade and other payables	1,116	(216)	900
Tax losses	106,712	(19,719)	86,993
Other	(1,071)	1,875	804
	90,052	47,830	137,882

	2014		
	Balance at January 1 $'000	Recognised in profit/loss $'000 [note 29(a)]	Balance at December 31 $'000
Property and equipment	(4,386)	3,865	(521)
Intangible assets	(14,098)	2,014	(12,084)
Trade and other receivables	(3,268)	(832)	(4,100)
Trade and other payables	(25,078)	26,194	1,116
Tax losses	285,014	(178,302)	106,712
Other	463	(1,534)	(1,071)
	238,647	(148,595)	90,052

10. Deferred taxation (continued)

Deferred taxation is attributable to the following (continued):

(b) Company

	2015 $'000	2014 $'000
Property and equipment	4,324	2,110
Trade and other receivables	(1,455)	(4,100)
Trade and other payables	498	611
Other	-	(939)
Net assets/(liabilities)	3,367	(2,318)

Movements in net temporary differences during the year are as follows:

	2015		
	Balance at January 1 $'000	Recognised in profit/loss $'000 [note 29(a)]	Balance at December 31 $'000
Property and equipment	2,110	2,214	4,324
Trade and other receivables	(4,100)	2,645	(1,455)
Trade and other payables	611	(113)	498
Other	(939)	939	-
	(2,318)	5,685	3,367

	2014		
	Balance at January 1 $.000	Recognised in profit/loss $'000 [note 29(a)]	Balance at December 31 $'000
Property and equipment	(11,188)	13,298	2,110
Trade and other receivables	(2,584)	(1,516)	(4,100)
Trade and other payables	-	611	611
Other	463	(1,402)	(939)
	(13,309)	10,991	(2,318)

11. Other assets

	The Group	
	2015 $'000	2014 $'000
At the beginning of the year	20,369	27,224
Less: Amortisation	(4,381)	(6,855)
Impairment	(15,988)	-
At end of year	-	20,369

11. Other assets (continued)

This represents clearance costs for leased VLT gaming machines, which were being amortised over the useful life of the machines, estimated at five (5) years. An impairment loss was recognised consequent on these machines being declared surplus to Group requirements during the year.

12. Inventories

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Pin codes	148,563	100,234	-	2,103
Food and beverage	850	1,486	-	-
	149,413	101,720	-	2,103

The cost of inventory recognised as an expense during the year for the Group was $6.26 billion (2014: $4.69 billion) and $2.1 million (2014: $3.98 billion) for the Company.

13. Due from/(to) subsidiaries

	The Company	
	2015 $'000	2014 $'000
Due from subsidiaries:		
Prime Sports (Jamaica) Limited	151,450	-
Big 'A' Track 2003 Limited	75,725	11,422
	227,175	11,422
Due to subsidiary:		
Prime Sports (Jamaica) Limited	-	(39,106)

14. Trade and other receivables

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables	675,649	605,731	-	-
Less: Allowances for doubtful debts	(344,944)	(258,517)	-	-
	330,705	347,214	-	-
Other receivables and prepayments	416,352	314,489	159,053	142,420
Accrued interest	5,098	2,776	5,098	2,776
	752,155	664,479	164,151	145,196

14. Trade and other receivables (continued)

(a) Included in trade receivables are amounts of $609 million (2014: $566 million) representing amounts receivable from the agents that support lottery sales. The average credit period for the receivables is 7 days. Balances outstanding for over 7 days are considered past due.

The average credit period for the remaining balance in trade receivables is 30 days.

(b) Trade receivables above include amounts (see aged analysis below) that are past due as at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Management believes that past due unimpaired receivables are of good quality.

(c) Ageing of past due but not impaired receivables:

	The Group	
	2015	2014
	$'000	$'000
Up to 30 days	8,125	10,655
31 -60 days	4,935	7,563
61 -90 days	3,077	973
Over 90 days	20,207	-
	36,344	19,191

(d) Movement in allowance for impairment of trade receivables:

	The Group	
	2015	2014
	$'000	$'000
Balance at beginning of year	258,517	210,449
Impairment losses recognised	97,331	48,068
Impairment loss recovered	(10,904)	-
Balance at end of year	344,944	258,517

(e) Other receivables for the Group include amounts of $71.406 million (2014: $53.576 million relating to the current portion of long-term receivables disclosed in notes 8(a), 8(b) and 8(c).

(f) The Group provides its key management personnel and directors with short-term loans and advances in accordance with its policy on granting loans or making advances to employees of the Company and its principal subsidiary. Included in other receivables are amounts due from related parties totalling $121 million (2014: $107 million). Of the amounts due from related parties, $92.6 million (2014: $89.4 million) is due from directors and the remaining balance is due from key management personnel. Interest is charged on loans and advances to key management personnel and directors at an annual rate of 6.5% (2014: 6.5%).

15. Cash and cash equivalents

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash in hand and at bank (a)	1,578,343	1,892,240	84,904	44,958
Certificates of deposits (b)	26,202	295,848	7,635	102,652
Resale agreements (c)	34,504	39,405	-	-
	1,639,049	2,227,493	92,539	147,610

(a) Cash in hand and at bank includes restricted balances as follows:

(i) An amount of $10 million, which is the minimum regulatory requirement to fund the Lucky 5 game, was set aside as reserve by Prime Sports (Jamaica) Limited (PSJL), a subsidiary;

(ii) As a condition of its lottery licence, PSJL is required to establish a dedicated bank account into which funds are deposited to ensure that on a continuous basis throughout the term of the licence, the credit balance on that account is not less than 100% of the aggregate amount of its liabilities, which include prize liabilities, fees payable to BGLC, gaming taxes payable to the Government of Jamaica, and contribution to CHASE Fund. At the reporting date, the balances in the dedicated bank accounts totalled $1.02 billion (2014: $1.08 billion), which is in excess of the reserve requirement of $438.39 million (2014: $750.855 million); and

(iii) An amount of $5.8 million restricted to facilitate a guarantee issued in favour of Jamaica Public Service Company Limited for the provision of electricity services.

(b) Certificates of deposits include $10 million which was hypothecated as support for a performance bond guarantee to BGLC for certain financial obligations of a subsidiary under the BGLC Act and Regulations. The bond expires in June 2018 [note 37 (c)].

(c) As at December 31, 2015, the fair value of the underlying securities of resale agreements amounted to $80,973,136 (2014: $42,693,287)

16. Share capital

Authorised:
3,000,000,000 ordinary stock units at no par value

	2015 $'000	2014 $'000
Stated capital:		
2,637,254,926 ordinary stock units, issued and fully paid	1,967,183	1,967,183

17. Capital reserve

This includes gains arising on the scheme of reorganisation and amalgamation of subsidiaries within the Group in 2008. The reserve is stated net of costs associated with the reorganisation and amalgamation and capital distributions.

18` Retained earnings

This is reflected in the financial statements of:

	2015 $'000	2014 $'000
The Company	1,090,159	1,267,004
The subsidiaries	474,209	748,712
	1,564,368	2,015,716

19. Trade and other payables

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade payables	698,854	617,200	-	7,603
Service contractor fees	83,279	162,497	-	1,287
Contributions payable to CHASE Fund	77,059	80,186	-	-
Contributions payable to the BGLC	45,390	45,876	-	-
Government taxes payable	50,437	25,705	-	-
Other payables and accruals	296,701	206,466	109,062	95,147
	1,251,720	1,137,930	109,062	104,037

Included in service contractor fees and other payables and accruals, are amounts due to Intralot entities [note 31(b)] totalling $14.2 million (2014: $4.1 million).

20. Prize liabilities

	The Group	
	2015 $'000	2014 $'000
Local lottery games (a)	190,630	339,486
Multi-jurisdictional lottery game (b)	75,806	255,280
Sports betting	2,100	4,322
	268,536	599,088

(a) This represents the prize liabilities associated with the local lottery games operated under licence by the subsidiary, Prime Sports (Jamaica) Limited, including an amount accrued for the advertised jackpot of $70 million (2014: $175 million).

20. Prize liabilities (continued)

(b) The Super Lotto game is a multi-jurisdictional game with the following countries being a party to the Super Lotto agreement entered into by the Company on July 27, 2009: Anguilla, Antigua and Barbuda, Barbados, Bermuda, Jamaica, St. Kitts and Nevis, St. Maarten, United States Virgin Islands, Dominican Republic (up to February 27, 2015) and Paraguay (since April 7,2014). Revenue from ticket sales in Jamaica is recorded as income of the Group. Under the rules of the Super Lotto game, and as agreed by BGLC, jackpot contributions are calculated and accumulated based on a specified portion of every bet [note 37(d)].

21. Loans payable

These represent non-revolving Jamaica dollar loans obtained from The Bank of Nova Scotia Jamaica Limited (BNS), which bore an interest rate of 10.25% (2014: 10.25%). The loans were repaid in full during the year.

22. Revenue

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Cash Pot	24,595,977	26,328,279	-	-
Money Time (started October 2014)	4,174,911	1,184,742	-	-
Pick 2	241,108	320,396	-	-
Pick 3	1,885,407	1,972,378	-	-
Pick 4	1,773,811	1,940,480	-	-
Lucky 5	222,447	285,434	-	-
Top Draw (started June 2014)	861,286	759,114	-	-
Dollaz!	331,408	370,358	-	-
Lotto	1,455,641	1,139,781	-	-
Super Lotto	542,864	686,125	-	-
Instant Win	2,450	53,507	-	-
Sports betting	575,864	587,135	-	-
VLT gaming	284,531	408,862	-	-
Pin codes	6,818,310	5,181,051	2,311	4,293,417
Management fees and royalties	-	-	320,000	159,375
Other	81,005	91,903	343	16,025
	43,847,020	41,309,545	322,654	4,468,817

23. Direct expenses

(a) Analysis of direct expenses is as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Lottery and sports betting prizes	24,707,619	24,839,797	-	-
Pin codes	6,261,484	4,718,339	2,235	3,904,962
Service contractor fees	2,042,596	1,985,613	-	132,409
Agents' commissions	2,018,069	1,908,219	-	129,668
Lottery and gaming taxes	2,416,756	2,205,007	-	-
Good cause fees	1,321,511	1,285,199	-	-
Contributions and levies by BGLC	658,319	643,258	-	-
Other	3,330	1,266	-	-
	39,429,684	37,586,698	2,235	4,167,039

(b) Lottery and Sports betting prizes:

(i) Cash Pot - All prizes are fixed. The prize won for correctly matching the winning number is $260 for each $10 wagered.

(ii) Money Time - Prizes are based on correctly matching the winning number, however, the prize paid depends on which winning number is drawn.

(iii) Pick 2, Pick 3 and Pick 4 - Prizes are computed based on the actual winning combination of numbers for each draw.

(iv) Lucky 5 and Top Draw - Prizes for this game are based on the predetermined prize structure.

(v) Dollaz! - Prizes for this game are fixed based on each $10 per play per spot. The prize paid will depend on how many of the winning numbers are correctly matched.

(vi) Lotto and Super Lotto - Prizes are accrued as an estimate based on a predetermined prize structure for each game.

(vii) Instant win - Prizes are based on actual amounts stated on winning tickets. This was discontinued during the year.

(viii) Sports betting - All prizes are fixed. The prize won is based on the amount wagered multiplied by the odds of the selected event(s) printed on the ticket.

(c) Service contractor fees:

(i) GTECH Corporation

GTECH Corporation (GTECH) has been contracted to provide technical and marketing services for lottery activities. GTECH receives a service fee calculated using an agreed fee structure based on weekly gross sales.

23. Direct expenses (continued)

(c) Service contractor fees (continued)

(ii) Intralot

Intralot S.A. (Intralot), through its various affiliates and subsidiaries, provides three main services to the Company, namely, technical services for sports betting activities, lease of gaming machines and central monitoring systems, both relating to the Video Lottery Terminals (VLT) business [note 31(b)].

24. Operating expenses

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Staff costs	707,145	668,860	176,455	121,227
Marketing and business development	333,584	264,374	453	12
Professional fees	251,404	238,859	162,213	120,465
Rental and utilities	210,675	292,673	7,668	10,432
Depreciation and amortisation	202,054	228,059	5,365	22,566
Draw expenses	185,013	174,337	-	-
Assets written off and impairment	180,126	29,926	-	6,126
GCT irrecoverable	155,466	146,638	46	594
Subscription and donations	97,416	46,039	68,692	12,221
Bad debts recognised	97,331	48,068	-	316
Security	78,004	89,929	19,398	20,632
Licences and other fees	61,230	39,884	627	192
Local and foreign travel	60,232	49,269	33,737	30,611
Repairs and maintenance	58,535	43,345	(352)	2,263
Equipment and motor vehicle	55,636	51,556	2,835	6,136
Complimentary tokens, food and drinks	50,619	46,433	-	-
Internal and external audit services	44,446	30,176	24,027	11,200
Bank charges	41,930	39,890	1,596	638
Directors' fees	40,550	36,151	40,550	36,151
Stationery and courier	19,658	20,619	636	463
Administrative	16,220	15,689	2,374	14,705
Insurance	13,360	24,684	859	2,538
Others	21,672	23,478	3,967	4,711
	2,982,306	2,648,936	551,146	424,199

25. Net foreign exchange gains/(losses)

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Foreign exchange gains	16,406	20,066	1,630	4,568
Foreign exchange losses	(8,305)	(14,050)	(2,792)	(5,689)
	8,101	6.016	(1,162)	(1,121)

26. Finance costs

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$.000	$'000	$'000
Interest on bank loans	2,973	15,643	2,989	15,643
Insurance premium financing	-	701	-	-
	2 ,973	16,344	2,989	15,643

27. Other gains

	The Group	
	2015	2014
	$'000	$'000
GTECH reimbursements	60,551	50,000
Other	39,583	26,503
	100,134	76,503

28. Profit before taxation

(a) Profit before taxation is stated after taking account of the following items:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Expenses				
Directors' emoluments:				
Fees	40,550	36,151	40,550	36,151
Management remuneration	69,353	63,538	69,353	63,538
Audit fees - current year	24,740	21,700	11,000	9,500
- prior year	3,200	-	2,000	-
Pension contributions	13,008	11,834	457	441

(b) Taxes, licences and other fees (excluding corporate income tax) paid to statutory and regulatory bodies in arriving at profit before taxation are as follows:

	The Group	
	2015	2014
	$'000	$'000
Lottery and gaming taxes	2,416,756	2,205,007
Good cause fees	1,321,511	1,285,199
Contributions and levies by the BGLC	658,319	643,258
GCT irrecoverable	283,129	250,182
Licences and other fees	61,230	39,884
Payroll taxes - Employer's portion	60,520	53,058
	4,801,465	4,476,588

29. Taxation

(a) The taxation for the year includes:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current taxation:				
Income tax	492,642	173,805	-	830
Employment tax credit	(20,994)	(49,484)	-	-
Prior year under-provision	7,262	12,908	3,727	1,425
	478,910	137,229	3,727	2,255
Deferred taxation (note 10):				
Origination and reversal of temporary differences	(67,549)	(29,707)	(5,685)	(10,991)
Tax losses	19,719	178,302	-	-
	(47,830)	148,595	(5,685)	(10,991)
Taxation charge	431,080	285,824	(1,958)	(8,736)

(b) The effective tax rate is 26.70% (2014: 23.51%) of pre-tax profit for the Group and 0.13% (2014: 1.64%) for the Company, compared to the statutory tax rate of 25% (2014: 25%).

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Profit before taxation	1,614,830	1,215,741	1,456,295	533,081
Tax at the domestic income tax rate of: 25% (2014: 25%)	403,708	303,935	364,074	133,270
Expenses disallowed for tax purposes	38,898	19,388	26,941	8,583
Employment tax credit	(20,994)	(49,484)	-	-
Net deferred tax asset derecognised	-	3,786	-	(10,190)
Non-taxable income	(13,319)	(2,790)	(409,552)	(143,315)
Under-provision for previous year	7,262	12,908	3,727	1,425
Prior period deferred tax recognised in the current year	8,495	(1,845)	5,843	-
Tax losses not recognised	7,030	-	7,009	-
Other, net	-	(74)	-	1,491
	431,080	285,824	(1,958)	(8,736)

29. Taxation (continued)

(c) Tax losses of subsidiaries amounting to $348 million (2014: $426.8 million) subject to agreement with the Commissioner General, Tax Administration Jamaica, are available for set-off against future taxable profits of the subsidiaries. Unutilised tax losses can be carried forward indefinitely and can be used to offset up to 50% of each year's taxable profits.

30. Earnings per stock unit

Earnings per stock unit is calculated by dividing the net profit attributable to stockholders, by the weighted average number of ordinary stock units in issue during the year.

	2015	2014
	$'000	$'000
Profit attributable to stockholders	1,183,750	929,917
Weighted average number of ordinary stock units in issue ('000)	2,637,255	2,637,255
	2015	2014
	Cents	Cents
Basic earnings per share	44.89	35.26

31. Related party balances and transactions

(a) Identity of related parties

The Company has a related party relationship with its directors, subsidiaries, companies with common directors, and a jointly controlled entity. "Key management personnel" represents directors of the Company and certain members of the Group's executive management.

(b) Trading transactions with related parties

Prime Sports (Jamaica) Limited is provided with technical services by a related entity, Intralot S.A., its affiliates and subsidiaries. Intralot receives a fee based on a daily rate for the use of its central monitoring systems and agreed percentages of net revenues for its other services [note 23(c)(ii)].

The fees for services rendered are as follows:

	2015	2014
	$'000	$'000
Sport betting activities	48,620	46,628
Lease of gaming machines	-	4,324
Lease of central monitoring system	1,030	22,118
	49,650	93,070

31. Related party balances and transactions (continued)

(c) Balances with subsidiaries

Notes 8, 13, 14 and 19 to the financial statements include required disclosures in respect of balances with subsidiaries and related parties.

(d) Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Short-term benefits	305,860	222,119	174,315	98,104
Post-employment benefits	2,479	1,670	-	-
	308,339	223,789	174,315	98,104

(e) Professional fees paid to directors for services rendered during the year aggregated $128.33million (2014: $102.26 million) for the Group and the Company.

(f) Provisions or write-offs

No provisions or write-offs have been recognised for amounts advanced to key management or related parties.

32. Segment reporting

	2015						
	Lottery $'000	Gaming and hospitality $000	Sports betting $000	Pin codes $000	Other $000	Unallocated $'000	Group $'000
External revenue, being total revenue	36,087,310	286,434	575,864	6,818,310	79,102	-	43,847,020
Result							
Segment result	1,832,177	(148,235)	(211,661)	111,319	79,102	(227,672)	1,435,030
Interest income							74,538
Net foreign exchange gains							8,101
Finance costs							(2,973)
Other gains							100,134
Profit before taxation							1,614,830
Taxation							(431,080)
Profit for the year							1,183,750
Other information							
Capital expenditure	41,910	68,181	23,124	-	-	2,726	136,441
Depreciation, amortisation and write-offs	38,954	46,947	19,929	-	-	276,350	382,180
Segment assets	1,965,793	529,765	183,794	424,125	-	2,295,436	5,398,913
Segment liabilities	611,641	47,729	25,129	693,246	-	427,131	1,804,876

32. Segment reporting (continued)

	2014						
	Lottery $'000	hospitality $'000	betting $000	Gaming and Pin codes $.000	Sports Other $'000	Unallocated $.000	Group $000
External revenue, being total revenue	35,040,593	410,586	587,135	5,181,051	90,180	-	41,309,545
Result							
Segment result	1,573,706	(460,972)	(194,159)	78,217	90,180	(13,061)	1,073,911
Interest income							75,655
Net foreign exchange gains							6,016
Finance costs							(16,344)
Other gains							76.503
Profit before taxation							1,215,741
Taxation							(285 824)
Profit for the year							929,917
Other information							
Capital expenditure	40,305	10,444	3,275	-	-	51,841	105,865
Depreciation, amortisation and write-offs	36,606	176,978	31,339	-	-	13,062	257,985
Segment assets	2,850,814	1,902,429	133,621	545,407	-	468,243	5,900 514
Segment liabilities	932,593	67,006	32,178	580,445	-	242,907	1,855,129

33. Operating lease arrangements

(a) As lessor (note 5)

At December 31, the future minimum lease payments are receivable as follows:

	The Group 2015 US$'000
Within 1 year	113
Between one and five years	718
More than five years	2,052
	2,883

Minimum lease income of US$82,370 was recognised in the current period.

(b) As lessee

The Group has entered into agreements for the lease of office spaces and apartments. The annual rentals are payable in monthly instalments.

Minimum lease rental commitments are as follows:

	The Group	
	2015 $'000	2014 $'000
Within 1 year	117,973	129,148
Years 2 - 5	248,210	258,296
Over 5 years	217,649	-
	583,832	387,444

33. Operating lease arrangements (continued)

(b) As lessee (continued)

Amounts recognised in the Group Statement of Profit or Loss and Other Comprehensive Income:

	2015 $'000	2014 $'000
Lease expense	107,598	123,693
Sub-lease income	(14,383)	(4,564)
	93,215	119,129

34. Distributions

(a) Paid

		2015 $'000	2014 $'000
Final dividend for 2014 paid March 20, 2015	- 8¢	210,980	-
Special dividend for 2014 paid March 20, 2015	- 19¢	501,079	-
Special dividend for 2014 paid May 27, 2015	- 4¢	105,490	-
First interim dividend paid May 27, 2015	- 14¢	369,216	-
Second interim dividend paid September 3, 2015	- 10¢	263,725	-
Third interim dividend paid December 3, 2015	- 7¢	184,608	-
Final dividend for 2013 paid March 26, 2014	- 3¢	-	79,118
First interim dividend paid May 29, 2014	- 9¢	-	237,353
Second interim dividend paid September 5,2014	- 3¢	-	79,118
Third interim dividend paid December 9, 2014	- 5¢	-	131,862
		1,635,098	527,451

(b) Proposed

At the Board of Directors meeting held on February 19, 2016, a dividend in respect of 2015 of $0.10 per share amounting to $263.7 million was proposed. Stockholders' equity for the current financial year does not reflect this resolution, which will be accounted for in stockholders' equity as an appropriation of retained profits in the ensuing financial year.

35. Financial risk management

Financial risk management objectives

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk including interest rate risk, currency risk and price risk. Information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk is detailed below.

35. Financial risk management (continued)

Financial risk management objectives (continued)

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the business and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

An enterprise-wide risk management approach is adopted which involves employees at all levels. This framework is supported by sound risk management practices which include the establishment of enterprise-wide policies, procedures and limits, monitoring and measurement of exposure against established limits, ongoing realignment of business strategies and activities and the reporting of significant exposures to senior management and the Board of Directors.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board's risk management mandate is principally carried out through the Audit Committee.

Audit Committee

The Audit Committee has oversight for the integrity of the financial statements and reviews the adequacy and effectiveness of internal controls and risk management procedures. The Committee also ensures compliance with internal, legal and regulatory policies, identifying, monitoring, measuring and reporting significant risk exposure and making recommendations in relation to management of risk.

This Board Committee also has direct responsibility for the management of financial instrument risk which includes Credit, liquidity and market risks.

(a) Credit risk

The Group is exposed to credit risk, which is the risk that its customers or counterparties may default and could cause a financial loss for the Group by failure to discharge their contractual obligations. This arises principally from cash and cash equivalents, trade receivables, and long-term receivables. Credit risk is an important risk for the Group's business and management therefore carefully monitors its exposure to credit risk.

The Group controls credit exposure by maintaining a strict collection process. Lottery sale agents are required to remit cash collections weekly which are monitored on a weekly basis by identification and transfer to designated bank accounts. A process of suppression of agent activity is triggered for non-compliance.

35. Financial risk management (continued)

(a) Credit risk (continued)

(i) Credit review process

The Group's credit risk is managed through a framework which incorporates the following: ,

Cash and cash equivalents

The Group maintains cash resources with reputable financial institutions. The credit risk is considered to be low.

Trade and long-term receivables

The Group establishes policies and procedures which govern standards for granting credit and the process of continuous monitoring and measurement in relation to credit quality through industry delinquency and debt recovery management.

Trade receivables are monitored and managed by the Finance Department in collaboration with the Field Area Management team, which has responsibility for liaising with the sales agents.

(ii) Impairment

The Finance Department conducts monthly and quarterly assessments of the trade receivable balances to determine whether there is a requirement for allowance for doubtful debt.

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

(b) Liquidity risk

Liquidity risk is the risk that the Group is 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.

(i) Management of liquidity risk

The Board of Directors approves the Group's liquidity and funding management policies and establishes risk limits.

The Group's Finance Department has direct responsibility for the management of the day-to-day liquidity. The Audit Committee provides added oversight over the Group's liquidity risk exposure, within the policy and limits frameworks established by the Board.

35. **Financial risk management** (continued)

(b) Liquidity risk (continued)

(i) Management of liquidity risk (continued)

The management of liquidity risk is carried out through various methods which include:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow within the local and international markets;
- Monitoring statement of financial position liquidity ratios against internal and regulatory requirements; and
- Maintenance of liquidity and funding contingency plans.

(ii) Liquidity and interest rate tables

The following table details the Group's and the Company's contractual maturity for its non-derivative financial assets and financial liabilities. The table has been prepared based on undiscounted contractual maturities of financial assets including interest to be earned, except where the Group and the Company anticipates that the cash flows will occur in a different period, and in the case of financial liabilities, based on the earliest date on which the Group and the Company can be required to pay.

	The Group						
	2015						
	Weighted average effective interest rate %	Within 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000	No specific maturity $'000	Total $'000	Carrying value $'000
Financial assets							
Non-interest bearing	-	1,149,357	-	-	5,362	1,154,719	1,154,720
Variable interest rate instruments	4.81%	1,147,986	-	-	-	1,147,986	1,130,138
Fixed interest rate instruments	7.82%	16,600	55,493	384,017	-	456,110	610,027
		2,313,943	55,493	384,017	5,362	2,758,815	2,894,885
Financial liability							
Non-interest bearing		1,106,223	-	-	-	1,106,223	1,106,223
Interest rate sensitivity gap		1,207,720	55,493	384,017	5,362	1,652,592	1,788,662
Cumulative interest rate sensitivity gap		1,207,720	1,263,213	1,647,230	1,652,592		

35. Financial risk management (continued)

(b) Liquidity risk (continued)

(ii) Liquidity and interest rate tables (continued)

	The Group						
	2014						
	Weighted average effective interest rate %	Within 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000	No specific maturity $'000	Total $'000	Carrying value $'000
Financial assets							
Non-interest bearing	-	1,165,347	-	-	39,584	1,204,931	1,204,931
Variable interest rate instruments	4.09%	1,649,880	-	-	-	1,649,880	1,621,350
Fixed interest rate instruments	7.75%	5,284	82,923	474,848	-	563,055	460,018
		2,820,511	82,923	474 848	39,584	3,417,866	3,286,299
Financial liabilities							
Non-interest bearing		880,282	-	-	-	880,282	880,282
Fixed interest bearing loan	10.25%	36,772	43,252	-	-	80,024	77,000
		917,054	43,252	-	-	960,306	957,282
Interest rate sensitivity gap		1,903,457	39,671	474,848	39,584	2,457,560	2,329,017
Cumulative interest rate sensitivity gap		1,903,457	1,943,128	2,417,976	2,457,560		

	The Company							
	2015							
	Weighted average effective interest rate %	1 to 3 months $'000	3 months to 1 year $'000	I to 5 years $'000	Over 5 years $'000	No specific maturity $'000	Total $'000	Carrying value $'000
Financial assets								
Non-interest bearing		411,555	-	-	-	1,949,774	2,361,329	2,312,335
Variable interest rate instruments	0.06%	12,133	-	-	-	-	12,133	12,133
Fixed interest rate Instruments	8.00%	11,315	39,640	364,642	138,004	-	553,601	553,601
		435,003	39,640	364,642	138,004	1,949,774	2,927,063	2,878,069
Financial liability								
Non-interest bearing		107,070	-	-	-	-	107,070	107,070
Interest rate sensitivity gap		327,933	39,640	364,642	138,004	1,949,774	2,819,993	2,770,999
Cumulative interest rate sensitivity gap		327,933	367,573	732,215	870,219	2,819,993		

35. Financial risk management (continued)

(b) Liquidity risk (continued)

(ii) Liquidity and interest rate tables (continued)

	The Company							
	2014							
	Weighted average effective interest rate %	1 to 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000	Over 5 years $'000	No specific maturity $'000	Total $'000	Carrying value $'000
Financial assets								
Non-interest bearing		181,128	-	-	-	1,949,774	2,130,902	2,130,902
Variable interest rate instruments	5.82%	116,666	-	-	-	-	116,666	115,016
Fixed interest rate instruments	8.00%	11,602	100,381	613,589	993,496	-	1,719.068	959,256
		309,396	100,381	613,589	993,496	1,949,774	3,966,636	3,205,174
Financial liabilities								
Non-interest bearing		72,946	-	-	-	-	72,946	72,946
Fixed interest bearing loan	10.25%	36,772	43,252	-	-	-	80,024	77,000
		109,718	43,252	-	-	-	152,970	149,946
Interest rate sensitivity gap		199,678	57,129	613,589	993,496	1,949,774	3,813,666	3,055,228
Cumulative interest rate sensitivity gap		199,678	256,807	870,396	1,863,892	3,813,666		

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

(c) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Board and management have responsibility for the monitoring of market risk exposures by way of measurements through sensitivity analysis. Market information and additional analysis are also used to manage risk exposure and mitigate the limitation of sensitivity analysis.

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

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

35. Financial risk management (continued)

(c) Market risk (continued)

(i) Foreign currency risk (continued)

The Group is exposed to foreign currency risk as a result of transactions that are denominated in a currency other than the Jamaica dollar. The main currencies giving rise to the exposure in the current year was the United States dollar.

Foreign currency risk management

The Group manages its foreign currency risk by ensuring that the net exposure in foreign currency denominated assets and liabilities is kept to an acceptable level by monitoring currency positions.

The following table summarises the Group's exposure to foreign currency exchange rate risk:

	The Group					
	2015			2014		
	USD '000	CDN '000	GBP '000	USD '000	CDN '000	GBP '000
Assets						
Cash and cash equivalents	1,179	445	-	4,258	395	200
Trade and other receivables	82	-	-	-	-	-
	1,261	445	-	4,258	395	200
Liability						
Trade and other payables	(279)	-	-	(619)	-	-
Net exposure	982	445	-	3,639	395	200

	The Company	
	2015 USD '000	2014 USD '000
Asset		
Cash and cash equivalents	38	108
Liability		
Trade and other payables	(238)	(586)
Net exposure	(200)	(478)

The Group:

The Group's sensitivity to a 1% revaluation or 8% devaluation of the Jamaica dollar against the USD, CDN and GBP is demonstrated below and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign-currency-denominated monetary items and adjusts the translation at period end for a 1% increase or 8% decrease in the foreign exchange rates.

35. Financial risk management (continued)

(c) Market risk (continued)

(i) Foreign currency risk (continued)

The Group (continued):

The increase or decrease in the relative value of the Jamaica dollar on the foreign currency exposure would have an effect on profit/loss as reflected below:

	2015		2014	
	Devaluation	Revaluation	Devaluation	Revaluation
	8%	1%	10%	1%
	$'000	$'000	$'000	$'000
USD	15,168	(1,896)	41,450	(4,145)
CDN	2,979	(372)	3,801	(380)
GBP	-	-	3,531	(353)
	18,147	(2,268)	48,782	(4,878)

The Company:

	2015		2014	
	Devaluation	Revaluation	Devaluation	Revaluation
	8%	1%	10%	1%
	$'000	$'000	$'000	$'000
USD	(16)	2	(50)	5

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in interest rates. The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Mismatch of positions between assets and liabilities in periods of rising or declining interest rates may also result in loss of earnings. Management sets limits on the level of mismatch of interest rate re-pricing that may be undertaken. This is monitored on a periodic basis.

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis. Interest rate risk is managed by utilising derivative instruments where necessary and maintaining an appropriate mix of variable and fixed rate instruments.

The Group's and the Company's exposure to interest rates on financial assets and financial liabilities are detailed in liquidity risk management.

35. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Group's long-term loan receivable and short-term deposits at the end of the reporting period as these are substantially the interest sensitive instruments impacting the Group's financial results. For floating rate assets, the analysis assumes the amount of asset outstanding at the statement of financial position date was outstanding for the whole period. A 400 basis point increase or 100 basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If market interest rates had been 400 basis points higher or 100 lower and all other variables were held constant, the effect on the Group's net surplus would have been as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Effect on net surplus increase 100 basis points (2014: 400 basis points)	31,729	40,534	28,781	-
Effect on net surplus decrease 150 basis points (2014: 100 basis points)	(47,593)	(16,214)	(43.171)	-

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

(iii) Equity risk

Equity risks arise out of price fluctuation in equity prices. This risk arises out of holding positions in either individual stocks (non-systemic risk) or in the market as a whole (systemic risk). The goal is to earn dividend income and realise capital gains sufficient to offset the interest foregone in holding such long-term positions.

Management of equity risk

Management sets limits on the level of exposure, and diversification is a key strategy employed to reduce the impact on the portfolio, which may result from the nonperformance of a specific class of assets. Given the potential volatility in the value of equities and the non-interest bearing characteristics of these instruments, limits are set by the Board of Directors on amounts to be invested in them.

35. Financial risk management (continued)

(c) Market risk (continued)

(iii) Equity risk (continued)

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 20% higher/lower (2014: 10% higher/lower), profit for the year ended December 31, 2015, would have increased/decreased by $0.696 million (2014: $0.348 million) for the Group and the Company.

(d) Capital management

The capital structure of the Group consists of equity attributable to the stockholders of the parent company comprising issued capital, reserves and retained earnings.

The Group's objectives when managing its capital structure, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

(i) To comply with the capital and cash reserve requirements set by the regulators;

(ii) To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for stockholders and benefits for other stakeholders; and

(iii) To maintain a strong capital base to support the development of its business in accordance with licensing requirements.

There were no material changes to the Group's approach to capital management during the year.

36. Fair values

The following methods and assumptions have been used:

(i) The fair value of cash and cash equivalents, trade and other receivable and trade and other payable are assumed to approximate their carrying values due to their relatively short-term nature. The fair values of other investments are assumed to be cost, less provision for impairment.

(ii) The carrying value of long-term receivables approximate their fair values as these receivables are carried at amortised cost and the interest rates are reflective of current market rates for similar transactions.

(iii) Quoted shares classified as available-for-sale are measured at fair value by reference to quoted market prices. Unquoted shares are stated at cost less impairment adjustments. The fair value is as disclosed in note 9.

37. Contingencies and commitments

(a) Contingencies — litigations

Epsilon Global Equities:

On December 15, 2008 a civil suit was filed by Epsilon Global Equities Limited (Epsilon) citing as defendants the Company and its founding stockholders. The matter was decided in 2011, with a judgment in favour of the stockholders and the Company. Epsilon appealed the judgment. The appeal was heard in April 2015. It is expected that the Court will rule on the appeal by July 31, 2016. Attorneys representing the defendants expect the Company to succeed and that the appeal will not result in a financial liability to the Company.

Talisman Capital Alternative Investment Fund and EGE Limited:

In August 2012, a civil suit was filed in the Courts of Florida, USA, by Talisman Capital Alternative Investment Fund and EGE Limited citing as defendants the Company and certain of its stockholders. This suit is in respect of most of the same issues decided in the Supreme Court in Jamaica in favour of the Company and some of its stockholders (see above).

In April 2013, the Federal Bankruptcy Court in Florida granted a motion by SVL and other defendants to dismiss the complaint. The plaintiffs then filed objections to the dismissal. Subsequently, the court granted a motion by SVL and other defendants to strike out the objections. The plaintiffs then moved for reconsideration of the order. The motions were heard and SVL and other defendants were successful on the motions and were either discharged from the proceedings or the plaintiffs were ordered to re-file the proceedings. The Plaintiffs have appealed the Order. The Appeal has been heard and the decision is pending.

The attorneys representing SVL in the USA expect its position to be continued to be upheld by the Florida Courts.

(b) Contingencies - Guarantees

Pursuant to the Articles of Incorporation of the Company and a resolution of the directors, the Company has issued a duly executed and stamped deed of debenture and a duly executed guarantee to the Betting, Gaming and Lotteries Commission (BGLC). The Company and the BGLC have agreed that the secured debenture and the guarantee constitute compliance by the subsidiary, Prime Sports (Jamaica) Limited (PSJL), with the requirements of the licence granted by BGLC that the equity capitalisation of PSJL be not less than $500 million, and PSJL will accordingly be treated as having $500 million of stockholders' equity for the purpose of the condition of the BGLC licence that refers to stockholders' equity. Accordingly, BGLC will hold the Company responsible and liable for any breaches of the licence by its subsidiary, PSJL.

37. Contingencies and commitments (continued)

(c) Contingencies - Prime Sports (Jamaica) Limited

In accordance with requirements of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to Prime Sports (Jamaica) Limited (PSJL), a performance bond guarantee arrangement was executed with The Bank of Nova Scotia Jamaica Limited (BNS) for an amount of $10 million. Under the said performance bond covering the period June 26, 2015 to June 25, 2018, BNS would pay on demand any sums which may from time to time be demanded by the BGLC up to a maximum aggregate sum of $10 million. The bank guarantee is secured by a hypothecated term deposit in the amount of $10 million [note 15(b)].

(d) Contingencies - Super Lotto Jackpot Liability

As required under Condition 7 attached to the approval granted by the BGLC to promote the multi-jurisdictional game, 'Super Lotto', the Company, as the applicant, has made arrangements for a stand-by financing facility of $600 million from BNS. Under the said stand-by facility, which is renewable annually, BGLC has been identified as the beneficiary in order to ensure that a Super Lotto jackpot winner in Jamaica is settled with the prize money and also to ensure that the necessary taxes on such a prize payment is settled with the revenue authorities in Jamaica.

(e) Commitment - Licence fees to the Betting, Gaming and Lotteries Commission (BGLC)

In accordance with conditions attached to the lottery licences granted by the BGLC, annual licence fees aggregating $26.4 million fall due for payment each year.

(f) Capital commitments

	The Group	
	2015 $'000	2014 $'000
Machinery and equipment	11,902	-

(g) Sponsorship commitments

Commitments pursuant to sponsorship agreements entered into by the Group are as follows:

	2015 $'000	2014 $'000
2015	-	34,800
2016	82,425	-
	82,425	34,800

SHAREHOLDINGS

Top 10 SHAREHOLDINGS

NAME OF SHAREHOLDERS	UNITS
INTRALOT CARIBBEAN VENTURES LIMITED	1,315,895,445
IAN KENT LEVY*	324,541,171
PAUL HOO*	220,044,241
JANETTE STEWART*	179,622,545
STEPHEN R. CASTAGNE	144,396,828
MAYBERRY WEST INDIES BANK LIMITED	87,197,453
SUNFISHER CORPORATION	24,648,118
KEITH BINNS*	20,000,000
TW METALS LTD.	18,257,457
GTECH GLOBAL SERVICES CORPORATION LTD.	15,899,803

*Includes shares held by joint holders

DIRECTORS' SHAREHOLDINGS

NAME OF SHAREHOLDERS	UNITS
IAN KENT LEVY*	324,541,171
PAUL HOO*	220,044,241
BARRINGTON CHISHOLM	3,936,048
BRIAN GEORGE	2,246,647
STEVEN HUDSON*	587,433
JOHN GRAHAM	1,000
GEORGIOS SAMPSON	NIL
NIKOLAOS NIKOLAKOPOULOS	NIL
PETER CHIN	NIL
IAN MOORE	NIL
ROBERT NADER	NIL

*Includes shares held by joint holders

EXECUTIVE MANAGERS' SHAREHOLDINGS

NAME OF SHAREHOLDERS	UNITS
BRIAN GEORGE	2,246,647
JAMES MORRISON*	291,550
SONIA DAVIDSON* [1]	31,200
LORNA GOODEN*	16,600
ANDREW BROMLEY	4,000
ANDRE MARKS*	7,700
LANCELOT THOMAS	NIL
WAYNE BOODASINGH	NIL
ADAM HARRIS	NIL
VASSILIS HADJIDIAKOS	NIL
JOMO CATO [5]	NIL
TASHIA HUTTON	NIL
CAROLYN BOLT-NICHOLAS	NIL
KRISTA-GAYE FISHER	NIL
JUNETT ROBINSON [2]	NIL
JANETTE CONIE [3]	NIL
MARK ARCHER [4]	NIL

* Includes shares held by joint holders
1 Demitted office in December 2015
2 Demitted office in February 2015
3 Demitted office in July 2015
4 Demitted office in July 2015
5 Demitted office in February 2016

CORPORATE DIRECTORY

CORPORATE OFFICES

Corporate Offices:
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Fax: (876) 754-2143

Supreme Ventures Limited (Retirement Road Office):
9A Retirement Crescent
Kingston 5, Jamaica, W.I.
Tel: (876) 906-8603
Tel: (876) 920-9421
Fax: (876) 960-4397

Registered Offices Of Subsidiaries:

Supreme Ventures Lotteries Ltd:
4th Floor, R. Danny Williams Bldg.
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Fax: (876) 754-2143

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Prime Sports (Jamaica) Limited:
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Fax: (876) 754-2143

Bingo Investments Limited
4th Floor, R. Danny Williams Bldg.
28 - 48 Barbados Avenue
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Fax: (876) 754-2143

Big 'A' Track 2003 Limited:
4th Floor, R. Danny Williams Bldg.
28 - 48 Barbados Avenue
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Tel: (876) 754-6526
Fax: (876) 754-2143

Jamaica Lottery Company Holdings Limited:
9A Retirement Crescent
Kingston 5
Tel: (876) 920-9421
Fax: (876) 960-4397

REGIONAL OFFICES

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State Mall
15 Half Way Tree Road
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Tel: (876) 920-3500
Fax: (876) 960-9417

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Shop # GF 5
Island Shopping Centre
Main Street, Ocho Rios
St. Ann, Jamaica, W.I.
Tel: (876) 630-7985

Acropolis Barbican:
Barbican Centre
29 East Kings House Road
Kingston 5
Jamaica, W.I.
Tel: (876) 978-1299
Fax: (876) 946-9896

Spanish Town:
37 Young Street
Spanish Town
St. Catherine, Jamaica, W.I.
Tel: (876) 749-3690

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Lyons Plaza
74 Great George Street
Savanna-la-Mar,
Westmoreland,
Jamaica, W.I.
Tel: (876) 918-0232
Fax: (876) 918-0233

Portmore:
Shop # 6, McMaster's Centre
Portmore Town Centre,
Portmore,
St. Catherine, .Jamaica, W.I.
Tel: (876) 622-1426

Montego Bay:
Shop #F203
Baywest Shopping Centre
Harbour Street, Montego Bay
St. James, Jamaica, W.I.
Tel: (876) 979-0366/70
Fax: (876) 952-9046

May Pen:
Shop #25
Bargain Village Plaza
35 Main Street, May Pen
Clarendon, Jamaica, W.I.
Tel: (876) 986-6663

BANKERS

Bank of Nova Scotia Jamaica Limited
2 Knutsford Boulevard
Kingston 5
Jamaica, W.I.

National Commercial Bank Jamaica Limited
Private Banking
32 Trafalgar Road
Kingston 10
Jamaica, W.I.

CIBC First Caribbean International Bank
23 Knutsford Boulevard
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Jamaica, W.I.

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AUDITORS

External Auditors:
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Internal Auditors:
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REGISTRAR

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CORPORATE SECRETARIAT

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SENIOR MANAGEMENT TEAM

Brian George	President & CEO
James Morrison	Senior Vice President, Group Finance & CFO
Lancelot Thomas	Vice President, Finance
Sonia Davidson*	Vice President, Group Corporate Communications
Wayne Boodasingh	Vice President, Group Properties and Facilities
Andrew Bromley	Vice President, Group Security & Surveillance
Tashia Hutton	Vice President, Customer Support & Regulatory Compliance
Jomo Cato*	Vice President, Commercial Operations & Business Development
Adam Harris	Asst. Vice President, Projects & Innovation
Janette Conie*	Asst. Vice President, Group Human Resources
Carolyn Bolt-Nicholas	Asst. Vice President – Human Resources & Administration
Vassilis Hadjidiakos	Asst. Vice President, Group Budget & Management Reporting
Mark Archer*	Group Information Technology Manager
Andre Marks	Group Manager, Enterprise Systems
Lorna Gooden	Corporate Secretary
Junett Robinson*	Assistant Corporate Secretary
Krista-Gaye Fisher	Assistant Corporate Secretary & Legal Officer

* The following Managers demitted office during the year and subsequent to the year end:
Junett Robinson - February 2015
Janette Conie - July, 2015
Mark Archer - July, 2015
Sonia Davidson - December 2015
Jomo Cato - February 2016

MANAGERS

Wayne Matthews	Finance Manager
Alrick Shepherd	Finance Manager
Robert Ebanks	Finance Manager
Triana Reynolds	Manager, Procurement & Risk
Deon Dewar-Gray	Treasury Manager
Kamala Suckra-Morrison	Manager, Financial Planning & Reporting
Carlene Edwards*	Sponsorship & Public Relations Manager
Diahann Guy-Shepherd	Manager, Corporate and Brand Promotions
Kathryn Clark	Assistant Brand Manager
Craig Chong	Gaming Operations - Acropolis
Marshalee Mills	Gaming Operations - Acropolis
Christel Derizzio	Gaming Operations – Acropolis
Orville Thompson	Security and Surveillance Manager
Anthony Jackson	Draw Manager
Garfield Walker	Retail Manager

* The following Managers demitted office during the year
Carlene Edwards – January 2015

PROXY FORM

I/we ____

of ____

being a Member/Members of the above-named Company, hereby appoint

______________________________of ____

____as my/our Proxy

To vote on my/our behalf at the Annual General Meeting of the Company will be held at The Knutsford Court Hotel (Grand Caribbean Suite), 11 Ruthven Road, Kingston 10, Jamaica, West Indies, on Wednesday, 25th May 2016 at 10:00 a.m. and at any adjournment thereof.

Dated the __________________________day of __________________2016.

Signed____

NOTES:

1. This Form of Proxy must be received by the Secretary of the Company at 9A Retirement Crescent, Kingston 5, Jamaica, W.I., not less than 48 hours before the time appointed for the meeting.

2. This Form of Proxy should bear stamp duty of J$100.00 or its equivalent. Adhesive stamps are to be cancelled by the person signing the Proxy.

3. If the person appointing a Proxy is a Corporation, this Form of Proxy must be executed under the Common Seal or under the hand of an officer or attorney duly authorized in writing.

SUPREME VENTURES

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Kingston 5, Jamaica, W.I.
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