



**Unaudited
Consolidated
Financial Statements
31st March 2011**



Games people love to play...and more

**Report of the Board of Directors
Unaudited Financial Statements 31st March 2011**

The Board of Directors of Supreme Ventures Limited is pleased to present the unaudited financial results for the first quarter 1st January 2011 to 31st March 2011.

The company's net profit after tax of \$205.43M reflected an increase of 23% for the first quarter or an increase of \$38.01M, when compared to \$167.42M for the first quarter of 2010. The Earnings per Share was \$0.08, up from \$0.06 for the corresponding period in 2010.

The total revenues for the quarter of \$6.484B, represents a 1.2% increase or an increase of \$74.72M, compared to \$6.409B for the corresponding quarter in 2010.

Here are some other financial highlights for the first quarter period:

- 6.32% increase in total assets over the corresponding period last year
- 10.57% increase in cellular phone PIN Code revenue over the corresponding period last year
- 4.5% decrease in direct expenses related to Service Contractor fees over the corresponding period last year
- 3.2% increase in contributions to the CHASE Good Cause Fund over the corresponding period last year
- 5.09% increase in Lottery & Gaming Tax payments over the corresponding period last year

The most significant contributor to the increased net profit after tax has been lower lottery payout percentages, particularly for Cash Pot, Lotto, Pick 3 and Pick 2. For the period under the review, the game liabilities averaged 64.36% compared to 68.03% for the corresponding period in 2010. The Cash Pot game liabilities averaged at 68.42% for the period under review, which is below the game design. The game model is designed for 72% prize liability. For this quarter therefore, the company's net profit after tax was not affected by the Cash Pot game liability.

The Lotto Jackpot climbed to \$100M and was hit on 29th January 2011. The jackpot was shared between 2 winners.

A review of the VLT gaming performance for the period showed a reduction in the Net Win from \$245.47M for the first quarter of 2010 to \$180.70M for this quarter under review. It is significant to note that operating expenses increased and were largely due to costs related to the operations of Acropolis Portmore which opened in July 2010.

Big 'A' Track 2003 Limited trading as Supreme Ventures Sports Betting continued to roll-out terminals within a restricted regulatory framework and 78 were installed for the period under review. Revenue for the period was \$20.537M compared to \$2.80M for the corresponding period in 2010. Betting on sports showed that trends favoured the English Premier League; UEFA Champions League; NFL and Super Bowl and the NBA. Operating expenses increased over the corresponding period in 2010, due mainly to investment in branding and promoting the JustBet brand for sports betting.

The Financial Services division has been experiencing the challenges faced in the foreign exchange market since the Jamaica Debt Exchange was introduced in 2010. This has resulted in decreased revenue from foreign exchange trading. The remittance business continues to grow albeit marginally, in spite of the increase in the number of transactions and their associated value.

Announcements

Subsequent to the period under review the Company made three significant announcements relating to its business strategy and operations.

The Company's wholly-owned subsidiary Supreme Ventures Lotteries Limited (SVLL), has received an extension to its lottery gaming licence from the Betting, Gaming and Lotteries Commission (BGLC), to the year 2026. The approval of the lottery gaming licence extension was also accompanied by Amendments to the Conditions of the Lottery Licence. Under the new terms, SVL is required to invest at least US\$5Million (approximately J\$450Million) in upgrading and the expansion of its lottery and gaming operations in Jamaica.

SVL also announced the successful completion of a new contractual agreement with GTECH Corporation, the technology provider for the lottery gaming network. The re-negotiated contract will expire in 2026 and is also in line with the period of the extended lottery gaming licence approved by the BGLC to SVLL. The Agreement will see the Company benefitting from a reduction in operating costs and the commitment from GTECH, for on-going

improvement to the lottery system and network, in line with state-of-the-art services provided in jurisdictions globally of similar size.

On May 11, 2011 the company announced a new contractual agreement with INTRALOT, which through its subsidiary INTRALOT Caribbean Ventures Limited will participate in SVL's wholly-owned subsidiary Prime Sports (Jamaica) Limited Gaming Lounge operations. The contract, initially for 10 years, includes automatic renewal for 5-year successive periods. INTRALOT will provide Video Lottery Terminals (slot machines) to upgrade the gaming floors at SVL's gaming lounges: The Acropolis Barbican, Portmore and May Pen, and Coral Cliff in Montego Bay. The contract also includes the provision of a state-of-the-art electronic monitoring system for the machines and training support for the technical staff of the gaming lounges. SVL's strategic plan also includes the roll-out of slot machines in smaller betting lounges islandwide and INTRALOT's expertise in route systems will be utilized for implementation of the project.

Outlook for the Future

The first quarter results are encouraging and coupled with a firm strategic plan for going forward, the projections for end of year are expected to be positive.

It is anticipated that a dividend will be declared at the Annual General Meeting scheduled for 23rd June 2011.

The Board of Directors thanks all its stakeholders for the commitment and support they continue to show in the Supreme Ventures Group of Companies



Paul Hoo
CHAIRMAN



Brian George
PRESIDENT & CEO

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Consolidated Balance Sheet****As at 31st March 2011**

(Expressed in thousands of Jamaican dollars)

		Unaudited Three months ended March 31, 2011	Audited Year Ended December 31, 2010	Unaudited Three months ended March 31, 2010 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	(4)	2,001,583	2,027,292	1,847,685
Goodwill and other intangibles	(5)	734,303	659,943	646,643
Long-term receivables	(6)	326,622	326,622	262,601
Investment in Joint Venture		34,221	34,221	34,221
Available-for-sale-investments		16,883	1,883	16,939
Deferred tax assets		<u>27,299</u>	<u>8,034</u>	<u>57,637</u>
		<u>3,140,911</u>	<u>3,057,995</u>	<u>2,865,726</u>
Current assets				
Other assets		3,513	5,019	9,536
Income tax recoverable		-	71,090	41,070
Inventories		89,040	134,783	68,089
Accounts receivable & prepayments	(7)	448,496	486,558	388,176
Cash and bank Deposit	(8)	<u>1,194,363</u>	<u>883,921</u>	<u>1,213,977</u>
		<u>1,735,412</u>	<u>1,581,371</u>	<u>1,720,848</u>
Total assets		<u>4,876,323</u>	<u>4,639,366</u>	<u>4,586,574</u>
EQUITY AND LIABILITIES				
Shareholders' equity				
Stated capital		1,967,183	1,967,183	1,967,183
Revaluation Reserve		159,173	159,061	-
Capital reserve		62,486	62,486	62,486
Profit & Loss Account		<u>1,340,728</u>	<u>1,135,298</u>	<u>1,250,668</u>
		<u>3,529,570</u>	<u>3,324,028</u>	<u>3,280,337</u>
Non-current liabilities				
Long-term liabilities		244,111	192,761	84,378
Deferred tax Liabilities		<u>-</u>	<u>-</u>	<u>-</u>
		<u>244,111</u>	<u>192,761</u>	<u>84,378</u>
Current liabilities				
Current portion of long term liabilities		150,145	118,614	167,943
Accounts payable and accruals	(9)	670,322	782,739	805,319
Prizes payable	(8)	247,736	221,224	248,597
Income tax payable		<u>34,439</u>	<u>-</u>	<u>-</u>
		<u>1,102,642</u>	<u>1,122,577</u>	<u>1,221,859</u>
Total equity and liabilities		<u>4,876,323</u>	<u>4,639,366</u>	<u>4,586,574</u>

Approved and authorized for issue by the Board of Directors on May 12, 2011 and are signed on its behalf by:



Paul Hoo – Chairman



Brian George – President and CEO

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Consolidated Comprehensive Income – Unaudited
For period ending 31st March 2011
 (Expressed in thousands of Jamaican dollars))

	Notes	Unaudited Three months ended March 31, 2011	Audited Year Ended December 31, 2010	Unaudited Three months ended March 31, 2010 (RESTATED)
Revenue	(10)	6,483,461	25,419,264	6,408,744
Direct expenses	(11)	<u>(5,546,872)</u>	<u>(22,518,341)</u>	<u>(5,636,067)</u>
Gross profit		936,589	2,900,923	772,677
Expenses		<u>(601,223)</u>	<u>(2,198,443)</u>	<u>(570,872)</u>
Profit from operations		335,366	702,480	201,805
Interest income		11,556	72,494	21,772
Finance cost		<u>(11,086)</u>	<u>(12,722)</u>	<u>(5,087)</u>
Net foreign exchange gain (loss)		<u>(268)</u>	<u>(41,608)</u>	<u>(298)</u>
Other gains and losses		<u>14,000</u>	<u>(15,056)</u>	<u>-</u>
PROFIT BEFORE TAXATION		349,568	705,588	218,192
Taxation		<u>(144,138)</u>	<u>(284,321)</u>	<u>(50,771)</u>
PROFIT FOR THE YEAR/PERIOD		<u>205,430</u>	<u>421,267</u>	<u>167,421</u>
Other comprehensive income				
Gain on revaluation of property		-	210,592	-
Deferred tax relating to other comprehensive income		<u>-</u>	<u>(51,531)</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>159,061</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR		<u>205,430</u>	<u>580,328</u>	<u>167,421</u>
EARNINGS PER STOCK		<u>0.078</u>	<u>0.16</u>	<u>0.063</u>

The Notes on Statement VI form an integral part of the Financial Statements.

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
As at 31st March 2011
 (Expressed in thousands of Jamaican dollars)

	Stated Capital	Capital reserve	Revaluation Reserve	Retained earnings	Total
Three months ended 31st March 2011					
Balance, 1 st January 2011	1,967,183	62,486	159,061	1,135,298	3,324,028
Deferred Tax		-	112	-	112
Net profit for period	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,430</u>	<u>205,430</u>
Balance as at 31 st March 2011	<u>1,967,183</u>	<u>62,486</u>	<u>159,173</u>	<u>1,340,728</u>	<u>3,529,570</u>
Three months ended 31st March 2010					
Balance, 1 st January 2010	1,967,183	62,486	-	1,083,247	3,112,916
Net profit for period	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,421</u>	<u>167,421</u>
Balance as at 31 st March 2010	<u>1,967,183</u>	<u>62,486</u>	<u>-</u>	<u>1,250,668</u>	<u>3,280,337</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Cash Flows
As at 31st March 2011
(Expressed in thousands of Jamaican dollars)

	Unaudited Three months ended March 2011	Audited Year Ended December 31, 2010	Audited Three months ended March 2010
SOURCES/ (USES) OF CASH			
Operating activities			
Net Profit	205,430	421,267	167,421
Adjustments for items not affecting cash, changes in non-cash working capital components and other, net	<u>125,599</u>	<u>(85,741)</u>	<u>97,888</u>
Cash provided by operating activities	331,029	335,526	265,309
Cash provided by/(used in) investing activities	(105,971)	(133,652)	(32,755)
Cash provided by/(used in) financing activities	<u>85,384</u>	<u>(343,205)</u>	<u>(43,829)</u>
NET (DECREASE) / INCREASE IN CASH AND BANK BALANCES	310,442	(137,378)	188,725
OPENING CASH AND BANK BALANCES	<u>883,921</u>	<u>1,021,299</u>	<u>1,025,252</u>
CLOSING CASH AND BANK BALANCES	<u>1,194,363</u>	<u>883,921</u>	<u>1,213,977</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Financial Information by Business Segment- Unaudited
(Expressed in thousands of Jamaican dollars)

PERIOD ENDED MARCH 31, 2011

	Lottery	Sports Betting	Gaming & Hospitality	Financial Services	Pin codes	Others	Consolidation Adjustments	Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	5,672,472	20,537	208,210	38,029	529,686	14,527	-	6,483,461
Inter-segment revenue	-	-	4,332	-	-	45,360	(49,692)	-
	<u>5,672,472</u>	<u>20,537</u>	<u>212,542</u>	<u>38,029</u>	<u>529,686</u>	<u>59,887</u>	<u>(49,692)</u>	<u>6,483,461</u>
Results								
Segment results	406,701	(42,857)	(50,091)	(7,052)	14,138	14,527	-	335,366
Interest income								11,556
Finance Cost								(11,086)
Net Foreign exchange Gain(Loss)								(268)
Other Gains and Losses								<u>14,000</u>
Profit before taxation								349,568
Taxation								<u>(144,138)</u>
Profit for the period								<u>205,430</u>
Other information								
Capital additions	19,799	81,522	61	956				102,338
Depreciation and amortization	(8,383)	(3,924)	(40,794)	(586)				(53,687)
Balance sheet								
Assets								
Segment assets	3,328,957	249,514	3,830,541	125,071	76,663	-	(2,734,423)	<u>4,876,323</u>
Consolidated total assets								<u>4,876,323</u>
Liabilities								
Segment liabilities	980,457	51,442	1,354,981	39,099	203,890	-	(1,283,116)	<u>1,346,753</u>
Consolidated total liabilities								<u>1,346,753</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Financial Information by Business Segment- Unaudited
(Expressed in thousands of Jamaican dollars)

PERIOD ENDED MARCH 31, 2010 (Restated)

	Lottery	Sports Betting	Gaming & Hospitality	Financial Services	Pin codes	Others	Consolidation Adjustments	Group Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	5,601,856	2,801	273,170	38,656	479,056	13,205	-	6,408,744
Inter-segment revenue	-	-	7,077	-	-	74,411	(81,488)	-
	<u>5,601,856</u>	<u>2,801</u>	<u>280,247</u>	<u>38,656</u>	<u>479,056</u>	<u>87,616</u>	<u>(-81,488)</u>	<u>6,408,744</u>
Results								
Segment results	201,145	(14,994)	(8,277)	(1,025)	11,751	13,205	-	201,805
Interest income								21,772
Finance Cost								(5,087)
Net Foreign exchange Gain(Loss)								<u>(298)</u>
Profit before taxation								218,192
Taxation								<u>(50,771)</u>
Profit for the period								<u>167,421</u>
Other information								
Capital additions	2,932	33,333	11,794	4,866	-	-	-	52,925
Depreciation and amortization	(7,142)	(587)	(43,751)	(574)	-	-	-	(52,054)
Balance sheet								
Assets								
Segment assets	3,026,552	39,671	3,472,008	125,927	76,333	-	(2,153,917)	<u>4,586,574</u>
Consolidated total assets								<u>4,586,574</u>
Liabilities								
Segment liabilities	745,055	25,433	1,294,605	23,035	190,018	-	(971,908)	<u>1,306,237</u>
Consolidated total liabilities								<u>1,306,237</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31ST MARCH 2011**

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 4th Floor, Sagacor Centre, 28-48 Barbados Avenue, Kingston 5.

The main activities of the company are the management of the subsidiary companies and sale of mobile phone pin codes.

The Group comprises the company and its wholly-owned subsidiaries which are all incorporated in Jamaica.

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

<u>Name of Company</u>	<u>Principal Activity</u>	<u>Percentage Ownership</u> %
Supreme Ventures Lotteries Limited and its subsidiary:	Lottery operations	100
Bingo Investments Limited	Lottery operations effective March 15, 2008 - ceased operation	100
Prime Sports (Jamaica) Limited and its wholly-owned subsidiary:	Gaming operations	100
Chillout Ventures Limited	Gaming operations (not yet in operation)	100
Supreme Ventures Financial Services Limited	Foreign exchange dealer services	100
Big 'A' Track 2003 Limited	Sports betting (effective July 17, 2008)	100

Supreme Ventures Lotteries Limited, Prime Sports (Jamaica) Limited and Big 'A' Track 2003 Limited are licensed by the Betting, Gaming and Lotteries Commission to carry out their respective activities.

Supreme Venture Financial Services Limited provides cambio operations under licence by the Bank of Jamaica.

In addition to the entities above, the group also includes the following entities which have been put into members' voluntary liquidation:

- Jamaica Lottery Company Limited
- Village Square Entertainment Limited
- Coral Cliff Entertainment Limited

The liquidation process has not yet been completed.

On August 18, 2009, the Betting, Gaming and Lotteries Commission (BGLC) approved the application of the company's subsidiary, Supreme Ventures Lotteries Limited (SVLL) to sell tickets for the Super Lotto Game.

These financial statements are expressed in Jamaican dollars which is the functional currency of the Group.

2. Statement of Compliance and Basis of Preparation

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The interim financial statements have been prepared using the same accounting policies and methods of computation as compared with the audited Financial Statements for period ended December 31, 2009.

These financial statements are expressed in Jamaican dollars, which is the functional currency of the Group.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31ST MARCH 2011**

3. Significant Accounting Policies

(a) Goodwill

Goodwill is recorded at cost and represents the excess of the value of consideration paid over the fair value of the net assets acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

(b) Deferred taxation

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently, enacted tax rates are used in the determination of deferred income tax.

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

(c) Lotto Prize Liability

Lotto jackpot prize liabilities are recognized on the accrual basis.

(d) Segment reporting

The activities of the Group are organized into the following four primary segments:

- | | | |
|-------------------------|---|---|
| 1) Lottery | - | Ticket sales – lottery games are sold to the public by contracted retail agents. Revenue is recognized when tickets are sold to players. |
| 2) Gaming | - | Revenue is recorded based on the cash value of tokens cleared from the drop box (drop tokens), roulette credits sold to customers, the cash bills cleared from the bill receptor (drop cash), the payouts made to customers and the net movement in the machines' token stock levels. |
| 3) Sports Betting | - | Revenue represents the gross sales of the bets taken on international sporting events at all branches, net of refunds. |
| 4) Hospitality | - | this incorporates room, restaurant and bar and related guest services. |
| 5) Financial Services | - | this incorporates foreign exchange dealer services and commissions from Money Gram services. |
| 6) PIN codes and Others | - | this incorporates sale of PIN codes. |

(e) Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current period.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31ST MARCH 2011**

4. PROPERTY, PLANT & EQUIPMENT

	The Group						
	Freehold Land & Buildings (At Valuation) \$'000	Leasehold Buildings \$'000	Leasehold Improvements \$'000	Plant, Machinery, Furniture, Fixtures & Equipment \$'000	Motor Vehicles \$'000	Arts, Paintings, Signs & Posters \$'000	Total \$'000
Cost/Valuation							
At January 1, 2011	1,126,100	120,348	347,811	1,231,050	84,992	27,387	2,937,688
Additions	-	-	7,182	1,201	13,036	-	21,419
Asset write-off	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
March 31, 2011	<u>1,126,100</u>	<u>120,348</u>	<u>354,993</u>	<u>1,232,251</u>	<u>98,028</u>	<u>27,387</u>	<u>2,959,107</u>
Depreciation							
At January 1, 2011	-	9,527	128,484	700,113	47,382	24,890	910,396
Charge for the year	6,058	750	8,824	27,726	3,760	10	47,128
Asset write-off	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
March 31, 2011	<u>6,058</u>	<u>10,277</u>	<u>137,308</u>	<u>727,839</u>	<u>51,142</u>	<u>24,900</u>	<u>957,524</u>
Carrying amount							
March 31, 2011	<u>1,120,042</u>	<u>110,071</u>	<u>217,685</u>	<u>504,413</u>	<u>46,886</u>	<u>2,487</u>	<u>2,001,583</u>
December 31, 2010	<u>1,126,100</u>	<u>110,821</u>	<u>219,327</u>	<u>530,937</u>	<u>37,610</u>	<u>2,497</u>	<u>2,027,292</u>

Annual depreciation charges are being calculated using the following useful lives:

Freehold buildings	-	40 years
Leasehold improvements	-	Over the life of the leases
Machine & equipment	-	10 years
Gaming equipment	-	5-10 years
Furniture, fixtures and office equipment	-	3-10 years
Computer equipment	-	3-5 years
Motor vehicles	-	5-8 years
Signs and posters	-	5 years

No depreciation is provided on freehold land, art and paintings.

Freehold land and buildings are carried at fair value.

An independent valuation of the Group's land and buildings were performed by Property Consultants Limited to determine the fair values of the land and buildings. The valuation which conforms to the International Valuation Standards were determined by reference to the open market values for similar properties. The effective date of the valuation was December 31, 2010

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31ST MARCH 2011**

5. GOODWILL & OTHER INTANGIBLES

	The Group				
	Computer Software \$'000	Licences \$'000	Royalty \$'000	Goodwill \$'000	Total \$'000
Cost					
December 31, 2010	59,121	49,044	-	586,644	694,809
Additions	<u>361</u>	<u>-</u>	<u>80,558</u>	<u>-</u>	<u>80,919</u>
March 31, 2011	<u>59,482</u>	<u>49,044</u>	<u>80,558</u>	<u>586,644</u>	<u>775,728</u>
Amortisation					
December 31, 2010	29,635	5,231	-	-	34,866
Charge for the year	<u>3,238</u>	<u>1,307</u>	<u>2,014</u>	<u>-</u>	<u>6,559</u>
March 31, 2011	<u>32,873</u>	<u>6,538</u>	<u>2,014</u>	<u>-</u>	<u>41,425</u>
Carrying Amount					
March 31, 2011	<u>26,609</u>	<u>42,506</u>	<u>78,544</u>	<u>586,644</u>	<u>734,303</u>
December 31, 2010	<u>29,486</u>	<u>43,813</u>	<u>-</u>	<u>586,644</u>	<u>659,943</u>

**The Group
March 31, 2011
\$'000**

Acquired goodwill

Gaming operations	381,728
Lottery operations	189,953
Financial services	<u>14,963</u>
	<u>586,644</u>

6. LONG-TERM RECEIVABLES

SGL BVI Limited

The balance represents advances to SGL BVI Limited (SGL BVI), a company incorporated in the British Virgin Islands. SGL BVI is a subsidiary of Supreme Gaming Limited (SGL), a company incorporated under the laws of the State of Florida, USA. The advances were towards the development of gaming activities in the Caribbean and the Latin American region, including Jamaica. The development project was to be undertaken in partnership with Intralot S.A. of Greece, through a subsidiary, Intralot Caribbean Ventures Limited (Intralot).

Included in the balance outstanding at March 31, 2011 is interest accrued amounting to US\$196,871 (J\$16.793 million). SGL BVI has confirmed that a payment of US\$800,000 will be made before the end of March 2011 (See Note 13). The balance outstanding of US\$3,860,324 is being serviced under and Electronic Gaming Machine Framework Agreement dated March 3, 2011 between Intralot and the Company and a Project Service Agreement dated March 11, 2011 between SGL BVI and Intralot. Interest will accrue on the outstanding balance at the rate of 3 months LIBOR.

Based on the repayment plan an amount of \$70.87 million has been determined as the current portion of the outstanding balance.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31ST MARCH 2011**

7. TRADE AND OTHER RECEIVABLES

	<u>Mar-31-11</u>	<u>(Restated)</u> <u>Mar-31-10</u>
	\$'000	\$'000
Trade receivables	238,547	222,830
Less: Allowances for irrecoverable debts	<u>(66,529)</u>	<u>(61,485)</u>
	172,018	161,345
Current portion of long term receivables	70,874	136,056
Other receivables	143,108	54,483
Prepayment	<u>62,496</u>	<u>36,292</u>
	<u>448,496</u>	<u>388,176</u>

- a) Trade receivables include amounts receivable from the agents that support the lottery sales. The average credit period of receivables is 7 days. Trade receivables outstanding for over 30 days are considered past due. Trade receivables outstanding for over 90 days has been provided for in full as historical experience indicate that receivables that are past due beyond this period are generally not recoverable.
- b) Included in trade debtors is a carrying amount of \$4.3 million (2009: \$4.9 million) which are past due at the reporting date which the Group has not provided for as they have been renegotiated.

8. CONDITIONS ATTACHED TO LICENCE GRANTED BY THE BETTING GAMING AND LOTTERIES COMMISSION (BGLC)

On 30 March 2010 the Betting Gaming and Lotteries Commission (BGLC) renewed the lotteries licence granted to Supreme Ventures Lotteries Limited (SVLL). This licence expires on the 10 January 2026. As a condition of the licence SVLL is required to establish a dedicated bank account into which will be paid funds 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 SVLL liabilities which includes:

- a) Prizes liability
- b) The fees payable to BGLC
- c) The specific gaming taxes payable to the Government of Jamaica, and
- d) The contribution payable to CHASE Fund under the licences.

Balances at 31st March 2011 are as follows:

	\$'000
Dedicated Cash Account	<u>\$768,365</u>
Aggregate Liabilities	<u>\$307,376</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31st MARCH 2011**

9. TRADE AND OTHER PAYABLES

	Mar-31-11	(Restated) Mar-31-10
	\$'000	\$'000
Trade payables	117,737	50,791
Service contractor fees	199,979	268,266
Pin code cost payable	190,590	168,255
Contributions payable to CHASE Fund	49,261	80,818
Contributions payable to Betting, Gaming and Lotteries Commission	13,166	18,070
Lottery taxes payable	16,594	45,775
Other payables and accruals	<u>82,995</u>	<u>173,344</u>
	<u>670,322</u>	<u>805,319</u>

10. REVENUE

Analysis of the revenue is as follows:

	Mar-31-11	Mar-31-10
	\$'000	\$'000
Lottery	5,651,495	5,586,167
VLT/slot drop revenue	180,701	245,472
Sports Betting	20,537	2,801
Hospitality revenue	27,509	27,698
Unclaimed prizes	20,977	15,689
Pin codes and phone cards	529,686	479,056
Money Gram remittance service	20,863	20,446
Foreign exchange trading	17,166	18,210
Other	<u>14,527</u>	<u>13,205</u>
	<u>6,483,461</u>	<u>6,408,744</u>

11. DIRECT EXPENSES

a) Analysis of direct expenses is as follows:

	Mar-31-11	Mar-31-10
	\$'000	\$'000
Lottery and Sports betting prizes (Note 11b)	3,651,985	3,800,545
Service contractor fees	363,359	380,434
Agents' commissions	281,257	276,917
Lottery and gaming tax	366,144	348,406
Contributions to BGLC	61,255	62,156
Good cause fees	280,002	271,314
Direct expense – hospitality operations	17,737	19,235
Pin codes and phone card cost	476,000	430,449
Commissions – pin codes and phone – cost	39,548	36,856
Commissions – Money Gram cost	9,254	7,972
Other	<u>331</u>	<u>1,783</u>
	<u>5,546,872</u>	<u>5,636,067</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31st MARCH 2011**

11. DIRECT EXPENSES cont'd

b) Prizes

- | | | |
|--|---|--|
| Cash Pot | - | All prizes are fixed. The prize won for correctly matching the winning number is \$26 for each \$1 wagered. |
| Lucky 5 | - | Prizes for this game are based on the predetermined prize structure. |
| Dollaz! | - | Prizes for this game are fixed based on each \$10 per play per spot. The prize paid will depend on how much of the winning numbers are correctly matched. |
| Lotto, Super Lotto, Prime Time and Daily Bingo | - | Prizes are based on the actual winning combination of numbers for each draw with the amount allocated to prizes being a predetermined percentage of actual sales. |
| Pick 2 and Pick 3 | - | Prizes are computed based on the actual winning combination of numbers for each draw. |
| Instant | - | Prizes are accrued as an estimate based on a predetermined prize structure for each game. |
| 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, which were the valid ones while it was played. |

Actual redemptions are charged against the amounts accrued with the balance being carried as the prize liabilities.

12. CONTINGENCIES

- a) As required under Condition 7 attached to the approval granted by Betting, Gaming and Lotteries Commission (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 Bank of Nova Scotia Jamaica Limited. Under the said stand-by facility which expires on December 31, 2011, 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.

However, as the licence holder to promote Lottery Games in Jamaica, the company is contingently liable to settle any jackpot prize liability to a winner in Jamaica and related taxes in case of a failure by other parties involved in the settlement arrangements.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED 31ST MARCH 2011**

13. SUBSEQUENT EVENTS

Subsequent to the period under review:

- a) Supreme Ventures Ltd (SVL) and its wholly owned subsidiary Supreme Ventures Lotteries Ltd (SVLL) signed an extension of the lottery license to the year 2026. This was approved by the Betting Gaming and Lotteries Commission (BGLC).
- b) As a consequence of the above extension, SVL and SVLL have successfully negotiated an extension of our agreement with GTECH as our provider of Lottery Technology and Services to the year 2026. Under this agreement, we have negotiated a reduction of certain charges, with all of the necessary guarantees of maintaining a technologically current platform into the future.
- c) We have also entered into a long term agreement with INTRALOT for the supply of VLTs and related services to Prime Sports (Jamaica) Ltd. Under this agreement, we will be making significant upgrades to the gaming lounges.
- d) Under agreement (See Note 6) with SGL BVI payment of US\$760,000 was received subsequent to the period under review.



Games people love to play...and more

Shareholdings

SUPREME VENTURES LIMITED
TEN LARGEST SHAREHOLDERS (as at 31st March 2011)

Name	Joint Holders/Connected Interest	Volume	Percentage
Account (s)			
Intralot Caribbean Ventures Limited		1,315,895,445.00	49.90
		1,315,895,445.00	49.90
Paul Hoo		246,781,920.00	9.36
		20,000,000.00	0.76
	Susan Elizabeth Hoo	1,186,500.00	0.04
(TTCD)		13,508,220.00	0.51
		281,476,640.00	10.67
Ian Kent Levy		261,021,659.00	9.90
	Matthew Kent Levy	4,000,000.00	0.15
		265,021,659.00	10.05
Janette Stewart		179,035,112.00	6.79
	Steven A. Hudson	587,433.00	0.02
		179,622,545.00	6.81
Stephen Roger Castagne		137,100,200.00	5.20
		137,100,200.00	5.20
Mayberry Co A/C 120008		66,553,514.00	2.52
		66,553,514.00	2.52
Sunfisher Corporation		24,648,118.00	0.93
		24,648,118.00	0.93
Keith Binns		20,000,000.00	0.76
	Lurline Binns	20,000,000.00	0.76
TW Metals Ltd.		18,257,457.00	0.69
		18,257,457.00	0.69
GTech Global Services Corporation Ltd.		15,899,803.00	0.60
		15,899,803.00	0.60

SUPREME VENTURES LIMITED
DIRECTORS' SHAREHOLDINGS (as at 31st March 2011)

Directors					
Name					
Accounts (s)	Primary Holder	Joint Holders/Connected Interest	Volume	Percentage	
Paul Hoo (TTCD)			246,781,920.00	9.3575	
			20,000,000.00	0.7584	
			1,186,500.00	0.0450	
		Susan Elizabeth Hoo		13,508,220.00	0.5122
				281,476,640.00	10.6731
Ian Kent Lew					
			261,021,659.00	9.8975	
			4,000,000.00	0.1517	
		Matthew Kent Lew		265,021,659.00	10.0491
Steven A. Hudson					
	Janette Stewart	Steven A. Hudson	587,433.00	0.0223	
			587,433.00	0.0223	
Brian R. George (TTCD)					
			2,090,941.00	0.0793	
			155,706.00	0.0059	
			2,246,647.00	0.0852	
John George Graham					
		Tracey Elaine Adams-Goldson	1,000.00	0.0000	
			1,000.00	0.0000	
Curtis Martin					
		Donalda Martin	774,867.00	0.0294	
			774,867.00	0.0294	
David McBean					
			2,574,867.00	0.0976	
		Andrew McBean	1,500,000.00	0.0569	
			4,074,867.00	0.1545	
Barrington Chisholm					
			994,871.00	0.0377	
			994,871.00	0.0377	
Georgios Sampson			Nil	Nil	
			Nil	Nil	



Games people love to play...and more

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