

SUPREME VENTURES



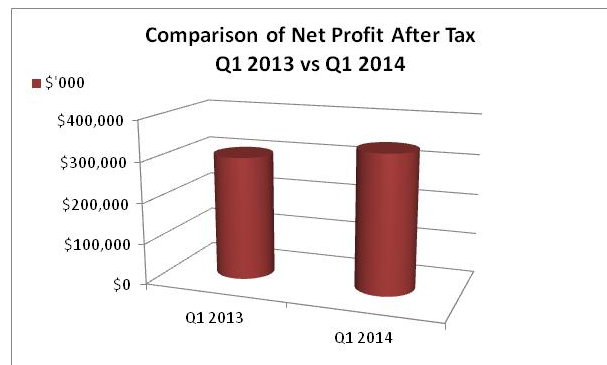
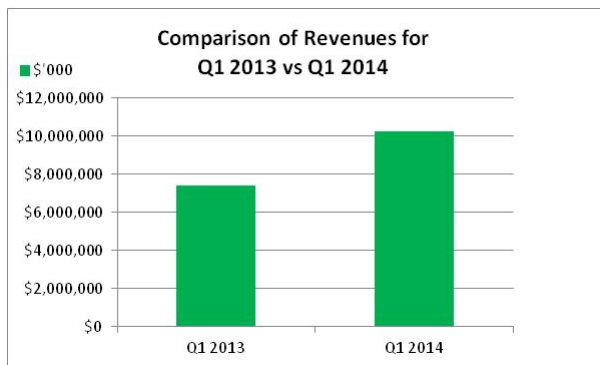
SUPREME VENTURES LIMITED
UNAUDITED FINANCIAL STATEMENTS
AS AT 31ST MARCH 2014
(with correction to Group Statement of Cash Flows)



**REPORT OF THE BOARD OF DIRECTORS
UNAUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2014**

The Board of Directors of Supreme Ventures Limited announces the unaudited financial results for the three-month period, 1st January 2014 to 31st March 2014.

The Group's total revenues grew by 38.69% for the three-month financial period to \$10.274B or a \$2.866B increase, compared to \$7.408B for the corresponding period in 2013. The Group's net profit after tax was \$338.085M for the three-month period, which represents an 11.56% increase, when compared to \$303.061M in the three-month period of 2013. The increase in net profit after tax was directly attributable to a steady growth in lottery revenues for the more popular games and the game liabilities performing within their design.



The Group's increase in total revenues for the three-month financial period was due mainly to increases in the lottery games: Cash Pot (45.7%), Dollaz (123.2% arising from the increased number of draws to 4 times each day in December 2013), Pick 2 (19%), Pick 3 (26.9%) and Pick 4 (21.8%). Sports betting contributed an increase of 25.1% and Pin Code revenues also increased by 55%.

The Company began Sunday/holiday lottery sales and game draws on 1st April 2013. The additional selling days in the three-month period under review positively impacted the revenues for the financial period, with Sunday and holiday lottery sales contributing over \$943.71M in revenues. The VLT division recorded a marginally lower net win of \$107.47M, when compared to \$109.35M in the corresponding three-month period of 2013.

A comparison of Q1 2014 versus Q1 2013 revealed the following:

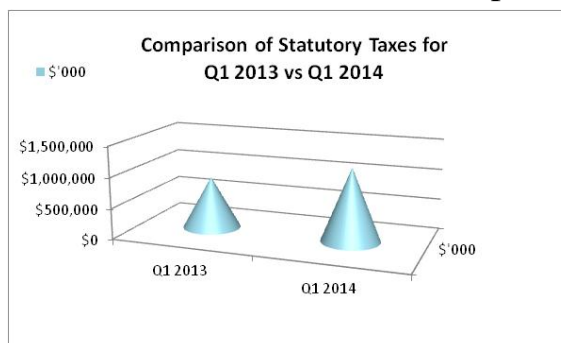
- \$6.01B in lottery and sports betting prize payments for Q1 2014 compared to \$4.24B in Q1 2013
- \$443.04M paid in agent commission for Q1 2014 compared to \$320.41M in Q1 2013
- \$445.96M paid in service contractor fees for Q1 2014 compared to \$350.41M in Q1 2013
- \$326.43M in Good Cause Fees (CHASE) for Q1 2014 compared to \$279.99M in Q1 2013
- \$611.11M in lottery and gaming tax for Q1 2014 compared to \$404.07M in Q1 2013
- \$163.45M to BGLC for Q1 2014 compared to \$84.46M in Q1 2013
- \$1.044B in PIN Codes fees in Q1 2014 compared to \$669.52M in Q1 2013

The sales from the Super Lotto and Lotto games declined by 3.47% and 12.14% respectively, for the comparative periods. The Super Lotto Jackpot at the end of the financial period was \$200M. There was one Lotto Jackpot winner in Q1 of \$110M, on 5th March 2014.

The increase in sports betting revenue by \$18.86M for the three-month period under review in comparison to the same period in 2013, was attributable to the marginal increase in terminal distribution which facilitated the growing interest in betting on the NFL, Super Bowl, English Premier League, UEFA Champions League and the NBA. We also gained approval for Sunday sports betting in designated lounges. We look forward to the promised amendments to the Betting Gaming and Lotteries Regulations, that will see approvals for the increase in 3rd party contracted sports betting terminals islandwide.

We opened the Castle Gaming Lounge (formerly Acropolis Portmore) in late December 2013. Since its re-opening, the performance of this lounge has been steadily improving. The Acropolis Gaming Lounge in Montego Bay (formerly Coral Cliff) was closed on 3rd January 2014.

The taxes, licences and other fees (excluding corporate tax) paid to statutory bodies increased by 40.58% to \$1.19B in Q1 2014, compared to \$847.38 for Q1 2013.



Two dividend payments, each \$0.03 per share and amounting to \$158.24M were paid in the quarter under review. SVL remains committed to its dividend policy of quarterly payments based on the company's performance.

Announcements

The Company has received approval to conduct an additional lottery game draw. This will increase the number of lottery game draws to five each day. The fifth draw will start on 25th May 2014 and will be aired at 8:30am on Television Jamaica and IRIE FM.

The Proceeds of Crime (Designated Non-Financial Institution) (Gaming Machine Operators) Order, 2013 came into effect on 1st April 2014. This places certain regulatory requirements on our subsidiary, Prime Sports (Jamaica) Limited, including reporting on suspicious transactions and customer identification procedures. Adequate systems have been put in place to monitor and comply with these new requirements.

The Board of Directors met on 5th May 2014 and has declared a dividend of \$0.09 per share payable on 29th May 2014, to shareholders on record as at 19th May 2014. The ex-dividend date is 15th May 2014.

Outlook For The Future

The second quarter is poised to be exciting for the Company, with several initiatives to be rolled out, including the 5th lottery game draw, a new lottery game and the celebration of our 13th anniversary of operations.

We are looking forward to the World Cup which will be held in Brazil from 12th June to 13th July 2014. Accordingly, we will aggressively roll-out an additional 300 sports betting terminals in current lottery outlets, subject to the amendments to the Betting Gaming & Lotteries Act.

The Board of Directors continues to be thankful to all its stakeholders for the commitment and support they continue to show in Supreme Ventures Limited.



Paul Hoo
CHAIRMAN



Brian George
PRESIDENT & CEO

SUPREME VENTURES LIMITED

THREE MONTHS ENDED 31ST MARCH 2014

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SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Group Statement of Financial Position
31 March 2014
(Expressed in thousands of Jamaican dollars)

		Unaudited Three Months Ended 31 March 2014	Audited Year Ended 31 December 2013	(Restated) Unaudited Three Months Ended 31 March 2013
ASSETS	<u>Notes</u>			
Non-current assets				
Property and equipment	4	1,787,715	1,837,079	1,878,503
Goodwill		571,681	571,681	571,681
Other intangible assets	5	73,435	79,133	96,400
Long-term receivable	6	444,300	448,756	355,331
Available-for-sale investments		5,363	5,711	14,759
Investment in joint venture		34,221	34,221	34,221
Deferred tax assets	7	194,177	251,956	389,128
Other assets		25,510	27,224	32,365
Total non-current assets		<u>3,136,402</u>	<u>3,255,761</u>	<u>3,372,388</u>
Current assets				
Inventories		59,515	76,457	86,283
Income tax recoverable		-	48,871	-
Trade and other receivables	8	689,286	468,672	604,606
Cash and cash equivalents		1,426,018	1,474,083	1,445,639
Total current assets		<u>2,174,819</u>	<u>2,068,083</u>	<u>2,136,528</u>
Total assets		<u><u>5,311,221</u></u>	<u><u>5,323,844</u></u>	<u><u>5,508,916</u></u>
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital		1,967,183	1,967,183	1,967,183
Capital reserves		62,486	62,486	62,486
Retained earnings		1,872,217	1,613,250	1,802,961
Total shareholders' equity		<u>3,901,886</u>	<u>3,642,919</u>	<u>3,832,630</u>
Non-current liabilities				
Deferred tax liabilities	7	14,082	13,309	11,760
Long-term liabilities	9	42,111	77,000	181,666
Total non-current liabilities		<u>56,193</u>	<u>90,309</u>	<u>193,426</u>
Current liabilities				
Trade and other payables	10	1,011,660	1,128,574	1,114,253
Prize liabilities		195,751	320,634	213,041
Current portion of long-term liabilities	9	141,142	141,408	142,401
Income tax payable		4,589	-	13,165
Total current liabilities		<u>1,353,142</u>	<u>1,590,616</u>	<u>1,482,860</u>
Total shareholders' equity and liabilities		<u><u>5,311,221</u></u>	<u><u>5,323,844</u></u>	<u><u>5,508,916</u></u>

Approved and authorized for issue by the Board of Directors on 2nd May 2014 and are signed on its behalf by:



.....
Paul Hoo – Chairman



.....
Brian George – President and CEO

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

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Group Statement of Profit or Loss and Other Comprehensive Income
For period ended 31 March 2014
(Expressed in thousands of Jamaican dollars)

		Unaudited Three Months Ended 31 March 2014	Audited Year Ended 31 December 2013	<i>(Restated)</i> Unaudited Three Months Ended 31 March 2013
	<u>Notes</u>			
Revenue	11	10,273,972	34,140,265	7,407,838
Direct expenses	12	<u>(9,115,869)</u>	<u>(30,808,867)</u>	<u>(6,398,799)</u>
Gross profit		1,158,103	3,331,398	1,009,039
Operating expenses	13	<u>(696,995)</u>	<u>(2,768,146)</u>	<u>(652,150)</u>
Profit from operations		461,108	563,252	356,889
Interest income		18,468	46,408	12,018
Net foreign exchange gain		(755)	30,707	24,768
Finance costs		(5,343)	(28,486)	(8,507)
Other gains		<u>-</u>	<u>99,211</u>	<u>-</u>
Profit before taxation		473,478	711,092	385,168
Taxation	14	<u>(135,393)</u>	<u>(228,523)</u>	<u>(82,107)</u>
Profit for the period/year, being total comprehensive income		<u>338,085</u>	<u>482,569</u>	<u>303,061</u>
Earnings per stock unit				
Basic and diluted		<u>12.82 cents</u>	<u>18.30 cents</u>	<u>11.49 cents</u>

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

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Group Statement of Changes in Equity****For period ended 31 March 2014***(Expressed in thousands of Jamaican dollars)*

	Share Capital	Capital Reserves	Revaluation Reserves	Retained Earnings	Total
Unaudited Three Months Ended 31 March 2014					
Balance at 31 December 2013	1,967,183	62,486	-	1,613,250	3,642,919
Profit for the period	-	-	-	338,085	338,085
Dividend paid	-	-	-	(79,118)	(79,118)
Balance at 31 March 2014	<u>1,967,183</u>	<u>62,486</u>	<u>-</u>	<u>1,872,217</u>	<u>3,901,886</u>
Unaudited Three Months Ended 31 March 2013					
Balance at 31 December 2012					
As previously reported	1,967,183	62,486	237,163	1,755,893	4,022,725
Prior year adjustments	-	-	(237,163)	7,730	(229,433)
As restated	<u>1,967,183</u>	<u>62,486</u>	<u>-</u>	<u>1,763,623</u>	<u>3,793,292</u>
Profit for the period					
As previously reported				300,943	300,943
Prior year adjustments				2,118	2,118
As restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,061</u>	<u>303,061</u>
Other comprehensive income for the period, net of tax					
As previously reported	-	-	(8,442)	-	(8,442)
Prior year adjustments	-	-	8,442	-	8,442
As restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Dividend paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263,723)</u>	<u>(263,723)</u>
Balance at 31 March 2013	<u>1,967,183</u>	<u>62,486</u>	<u>-</u>	<u>1,802,961</u>	<u>3,832,630</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Group Statement of Cash Flows****For period ended 31 March 2014***(Expressed in thousands of Jamaican dollars)*

	Unaudited Three Months Ended 31 March 2014	Audited Year Ended 31 December 2013	<i>(Restated)</i> Unaudited Three Months Ended 31 March 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for period/year	338,085	482,569	303,061
Adjustments for:			
Depreciation of property and equipment	51,955	200,928	47,864
Amortisation of intangible assets	5,698	27,953	6,561
Loss on disposal of property and equipment	11,251	16,399	14,940
Impairment of available-for-sale investments	348	9,048	-
Amortisation of other assets	1,714	6,393	2,397
Unrealised exchange loss (gain) on long-term liabilities	-	-	78
Exchange (gain) loss on long-term receivable	-	(34,076)	20,262
Effect of exchange rate changes on cash and cash equivalents	(36)	1,721	-
Impairment loss recognised on trade receivables	24,828	58,032	16,324
Interest income	(18,468)	(46,408)	(12,018)
Interest expenses	5,343	28,486	8,507
Income tax expenses	135,393	228,523	82,107
Operating cash flow before movement in working capital	556,111	979,568	490,083
Decrease/(increase) in operating assets			
Inventories	16,942	(28,039)	(37,865)
Trade and other receivables	(240,356)	81,301	(55,465)
Increase/(Decrease) in liabilities			
Trade and other payables	(37,796)	80,927	151,175
Prizes liabilities	(124,883)	(17,008)	(124,601)
Cash generated by operations	170,018	1,096,749	423,327
Income tax paid	(23,381)	(287,296)	(213,931)
Interest paid	(5,609)	(29,786)	(5,622)
Cash provided by operating activities	141,028	779,667	203,774
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(16,002)	(222,134)	(105,339)
Acquisition of intangible assets	-	(4,125)	-
Acquisition of other assets	-	(27,709)	(27,709)
Proceeds on disposal of property and equipment	2,160	15,059	-
Long-term receivables	4,456	(71,975)	1,481
Interest received	13,382	39,945	11,589
Cash used in investing activities	3,996	(270,939)	(119,978)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(158,236)	(553,824)	(263,723)
Loans repaid	(34,889)	(139,555)	(34,889)
Cash used in financing activities	(193,125)	(693,379)	(298,612)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(48,101)	(184,651)	(214,816)
Cash and cash equivalents at the beginning of the year	1,474,083	1,660,455	1,660,455
Effect of exchange rate changes on the balance of cash held in foreign currency	36	(1,721)	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD/YEAR	1,426,018	1,474,083	1,445,639

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

PERIOD ENDED 31 MARCH 2014

	2014						Group
	Lottery	Gaming & Hospitality	Sports Betting	Pin Codes	Other	Eliminations	
External revenue	8,901,600	107,790	93,911	1,153,381	17,290	-	10,273,972
Inter-segment revenue	-	-	-	-	40,424	(40,424)	-
Total revenue	<u>8,901,600</u>	<u>107,790</u>	<u>93,911</u>	<u>1,153,381</u>	<u>57,714</u>	<u>(40,424)</u>	<u>10,273,972</u>
Result							
Segment result	611,454	(148,141)	(33,779)	15,995	15,579	-	461,108
Interest income							18,468
Net foreign exchange loss							(755)
Finance cost							(5,343)
Profit before taxation							<u>473,478</u>
Taxation							(135,393)
Profit for the year							<u>338,085</u>
Other information							
Capital expenditure	<u>2,440</u>	<u>8,776</u>	<u>4,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,002</u>
Depreciation, amortisation and write-offs property, plant and equipment	<u>7,876</u>	<u>55,647</u>	<u>4,968</u>	<u>-</u>	<u>413</u>	<u>-</u>	<u>68,904</u>
Segment assets	<u>1,608,431</u>	<u>1,678,752</u>	<u>213,659</u>	<u>57,734</u>	<u>-</u>	<u>1,752,645</u>	<u>5,311,221</u>
Segment liabilities	<u>561,214</u>	<u>175,478</u>	<u>11,089</u>	<u>448,425</u>	<u>12,255</u>	<u>200,874</u>	<u>1,409,335</u>

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

PERIOD ENDED 31 MARCH 2013

	2013						
	Lottery	Gaming & Hospitality	Sports Betting	Pin Codes	Other	Eliminations	Group
External revenue	6,461,040	111,438	75,389	744,208	15,763	-	7,407,838
Inter-segment revenue	-	3,829	-	-	62,341	(66,170)	-
Total revenue	<u>6,461,040</u>	<u>115,267</u>	<u>75,389</u>	<u>744,208</u>	<u>78,104</u>	<u>(66,170)</u>	<u>7,407,838</u>
Result							
Segment result	489,366	(156,666)	(17,042)	26,180	15,051	-	356,889
Interest income							12,018
Net foreign exchange loss							24,768
Finance cost							<u>(8,507)</u>
Profit before taxation							385,168
Taxation							<u>(82,107)</u>
Profit for the year							<u>303,061</u>
Other information							
Capital expenditure	<u>15,299</u>	<u>85,395</u>	<u>4,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,339</u>
Depreciation, amortisation and write-offs property, plant and equipment	<u>7,930</u>	<u>56,364</u>	<u>3,925</u>	<u>-</u>	<u>1,146</u>	<u>-</u>	<u>69,365</u>
Segment assets	<u>4,568,149</u>	<u>3,769,278</u>	<u>695,720</u>	<u>85,709</u>	<u>82,504</u>	<u>(3,692,444)</u>	<u>5,508,916</u>
Segment liabilities	<u>1,356,821</u>	<u>1,986,624</u>	<u>128,047</u>	<u>303,595</u>	<u>45,512</u>	<u>(2,144,313)</u>	<u>1,676,286</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

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, The R. Danny Williams Building, 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 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:

<u>Name of Company</u>	<u>Principal Activity</u>	<u>Percentage Ownership</u> %
Supreme Ventures Lotteries Limited and its subsidiary:	Not trading	100
Bingo Investments Limited	Not trading	100
Prime Sports (Jamaica) Limited and its wholly-owned subsidiary:	Betting, gaming and lotteries operations	100
Chillout Ventures Limited	Not trading	100
Supreme Ventures Financial Services Limited	Not trading	100
Big 'A' Track 2003 Limited	Investments	100

In addition to the entities above, the Group also includes Jamaica Lottery Company Limited which has been put into members' voluntary liquidation and has not yet been completed.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(a) Statement of Compliance

These unaudited interim financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and comply with relevant provision of the Jamaica Companies Act ("the Act").

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2013.

(b) Basis of measurement

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

(c) Functional and presentation currency

The financial statements are presented in Jamaican dollars (\$), which is the functional currency of the Company and each of its subsidiaries.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) 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

(b) 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 financial year end, and any adjustment to tax payable 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.

(c) Lotto prize liability

Lotto jackpot prize liabilities are recognized on the accrual basis.

(d) 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.

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

- a) Lottery
- b) Gaming and hospitality
- c) Sports betting
- d) Pin codes
- e) Other

(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 THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

4. PROPERTY AND EQUIPMENT

	Freehold Land	Freehold Buildings	Leasehold Buildings	Leasehold Improvements	Machinery & Equipment	Video Lottery Terminal Equipment	Furniture, Fixtures & Equipment	Computer Equipment	Motor Vehicles	Arts & Paintings	Signs & Posters	Capital Work in Progress	Total
Cost													
Balance at 31 December 2012, as restated	153,700	929,251	120,348	351,813	251,566	445,779	485,794	32,301	137,031	2,363	25,702	200,478	3,136,126
Additions	-	347	-	13,913	11,671	8,280	11,036	2,684	52,276	-	-	121,927	222,134
Transfers	-	5,356	-	111,106	16,638	139,612	44,374	2,331	-	-	1,007	(320,424)	-
Disposals	-	-	-	-	-	(34,537)	(1,021)	-	(37,689)	-	-	-	(73,247)
Balance at 31 December 2013	153,700	934,954	120,348	476,832	279,875	559,134	540,183	37,316	151,618	2,363	26,709	1,981	3,285,013
Additions	-	-	-	5,612	2,446	-	7,944	-	-	-	-	-	16,002
Disposals	-	-	-	-	-	(31,950)	-	-	(3,600)	-	-	-	(35,550)
Balance at 31 March 2014	153,700	934,954	120,348	482,444	282,321	527,184	548,127	37,316	148,018	2,363	26,709	1,981	3,265,465
Accumulated depreciation													
Balance at 31 December 2012, as restated	-	108,905	15,545	193,496	241,802	321,902	289,129	28,935	64,250	-	24,831	-	1,288,795
Depreciation expense	-	19,512	3,009	45,609	25,716	60,187	18,580	4,720	23,320	-	275	-	200,928
Reclassification	-	-	-	-	(118)	-	118	-	-	-	-	-	-
Disposals	-	-	-	-	-	(19,654)	(592)	-	(21,543)	-	-	-	(41,789)
Balance at 31 December 2013	-	128,417	18,554	239,105	267,400	362,435	307,235	33,655	66,027	-	25,106	-	1,447,934
Depreciation expense	-	5,864	752	12,610	4,715	15,577	6,567	228	5,642	-	-	-	51,955
Disposals	-	-	-	-	-	(20,699)	-	-	(1,440)	-	-	-	(22,139)
Balance at 31 March 2014	-	134,281	19,306	251,715	272,115	357,313	313,802	33,883	70,229	-	25,106	-	1,477,750
Net book values													
31 March 2014	153,700	800,673	101,042	230,729	10,206	169,871	234,325	3,433	77,789	2,363	1,603	1,981	1,787,715
31 December 2013	153,700	806,537	101,794	237,727	12,475	196,699	232,948	3,661	85,591	2,363	1,603	1,981	1,837,079

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
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UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

5. OTHER INTANGIBLES ASSETS

	Computer Software	Licences	Software Usage Rights	Total
Cost				
Balance at 31 December 2012	64,199	49,044	80,558	193,801
Additions	4,125	-	-	4,125
Balance at 31 December 2013	68,324	49,044	80,558	197,926
Balance at 31 March 2014	68,324	49,044	80,558	197,926
Amortisation				
Balance at 31 December 2012	54,457	20,271	16,112	90,840
Amortisation expense	10,089	9,808	8,056	27,953
Balance at 31 December 2013	64,546	30,079	24,168	118,793
Amortisation expense	1,232	2,452	2,014	5,698
Balance at 31 March 2014	65,778	32,531	26,182	124,491
Net Book Values				
Balance at 31 March 2014	2,546	16,513	54,376	73,435
Balance at 31 December 2013	3,778	18,965	56,390	79,133

6. LONG-TERM RECEIVABLES

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
SGL BVI Limited (see (a) below)	392,333	392,333	355,331
Radio Jamaica Limited (see (b) below)	51,967	56,423	-
	<u>444,300</u>	<u>448,756</u>	<u>355,331</u>

(a) SGL BVI Limited:

The balance represents unsecured advances to SGL BVI Limited (SGL BVI), a company incorporated in the British Virgin Islands. SGL BVI is a subsidiary of Supreme Gaming Limited, a company incorporated under the laws of the State of Florida, USA. The advances were made pursuant to the development of gaming activities in the Caribbean and the Latin American region, including Jamaica.

As of 1 September 2013, the balance was converted from a US dollar denominated amount and is now denominated in Jamaican dollars. Management is of the opinion that the balance outstanding at 31 December 2013 is realisable under an Electronic Gaming Machine Framework Agreement dated 31 March 2011 between Intralot Caribbean Ventures Limited (Intralot) and the Company and a Project Service Agreement dated 11 March 2011 between SGL BVI and Intralot. Interest accrues on the outstanding balance at the rate of 4% per annum. Interest accrued as at 31 March 2014 amounts to \$ 1,313,330.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

6. LONG-TERM RECEIVABLES (CONT'D)

(b) 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 31 December, 2013. The facility bears interest at 6% per annum on a reducing balance basis.

7. DEFERRED TAXATION

	Assets			Liabilities		
	31-Mar-14	31-Dec-13	31-Mar-13	31-Mar-14	31-Dec-13	31-Mar-13
Property and equipment	(15,257)	6,802	(28,307)	(10,701)	(11,188)	(14,305)
Other intangible asset	(13,594)	(14,098)	(18,730)	-	-	-
Trade and other receivables	(954)	(684)	(895)	(3,112)	(2,584)	(2,628)
Trade and other payables	1,111	(25,541)	2,211	90	463	1,364
Tax losses	222,871	285,014	434,849	-	-	3,809
Other	-	463	-	(359)	-	-
	<u>194,177</u>	<u>251,956</u>	<u>389,128</u>	<u>(14,082)</u>	<u>(13,309)</u>	<u>(11,760)</u>

8. TRADE AND OTHER RECEIVABLES

	31-Mar-14	31-Dec-13	31-Mar-13
Trade receivables	680,208	451,221	540,480
Less: Allowances for doubtful debts	<u>(235,277)</u>	<u>(210,449)</u>	<u>(168,741)</u>
	444,931	240,772	371,739
Current portion of long term receivables	17,446	17,190	23,343
Other receivables and prepayments	<u>226,909</u>	<u>210,710</u>	<u>209,524</u>
	<u>689,286</u>	<u>468,672</u>	<u>604,606</u>

- (a) Included in trade receivables are amounts of \$456 million (2013: \$494 million) representing amounts receivable from the agents that support the lottery sales. The average credit period for the receivables is 7 days. Balances outstanding for over 7 days are considered past due. Where agent balances are outstanding for over 90 days they are classified as delinquent and are provided for in full after 365 days as historical experience is such that receivables that are past due beyond this period are generally not recoverable.

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

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
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(Expressed in thousands of Jamaican dollars)

9. LONG-TERM LIABILITIES

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
The Bank of Nova Scotia Jamaica Limited (BNS)	<u>183,253</u>	<u>218,408</u>	<u>324,067</u>
These loans are repayable as follows:			
Within one year	141,142	141,408	142,401
In the second to three year inclusive	<u>42,111</u>	<u>77,000</u>	<u>181,666</u>
	<u>183,253</u>	<u>218,408</u>	<u>324,067</u>

The non-revolving Jamaica dollar loans obtained from the Bank of Nova Scotia Jamaica Limited (BNS) are repayable in quarterly installments over a period of five years. The interest on these loan ranges from 8.95% to 12.5%.

The BNS facility is secured as follows:

- (i) Corporate guarantee by Prime Sports (Jamaica) Limited supported by a first legal mortgage over certain commercial properties;
- (ii) Cash flow support guarantee from Prime Sports (Jamaica) Limited in favour of Supreme Ventures Limited;
- (iii) Adequate peril insurance for the full replacement values over the properties held as collateral with benefits ceded to the bank;
- (iv) Corporate guarantee issued by Prime Sports (Jamaica) Limited stamped for \$468.134 million and endorsed by the Betting Gaming and Lotteries Commission (BGLC).

10. TRADE AND OTHER PAYABLES

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Trade payables	689,076	555,589	439,220
Service contractor fees	106,822	130,694	263,083
Contributions payable to CHASE Fund	55,433	67,312	125,108
Contributions payable to Betting, Gaming and Lotteries Commission	33,806	39,375	116,997
Government taxes payable	18,463	19,886	62,510
Other payables and accruals	<u>108,060</u>	<u>315,718</u>	<u>107,335</u>
	<u>1,011,660</u>	<u>1,128,574</u>	<u>1,114,253</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

11. REVENUE

Analysis of the revenue is as follows:

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Cash Pot	6,978,023	23,015,229	4,789,544
Dollaz	112,935	243,215	50,600
Instant win	15,508	59,962	8,445
Lotto	311,831	1,115,361	354,925
Lucky 5	90,695	334,263	79,599
Pick 2	98,920	351,607	83,133
Pick 3	545,325	1,856,828	429,849
Pick 4	578,583	1,935,515	475,111
Super Lotto	169,780	646,635	175,877
Sports Betting	93,911	266,224	75,050
Unclaimed prizes	-	14,528	14,296
Gaming revenue (net wins)	107,469	529,439	109,351
Hospitality and related revenue	320	4,866	2,087
Pin codes	1,153,381	3,697,362	744,208
Others	17,291	69,231	15,763
	<u>10,273,972</u>	<u>34,140,265</u>	<u>7,407,838</u>

12. DIRECT EXPENSES

Analysis of direct expenses is as follows:

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Lottery and Sports betting prizes (<i>see below</i>)	6,005,747	20,724,410	4,239,766
Service contractor fees	445,963	1,570,761	350,410
Agents' commissions	443,037	1,466,595	320,277
Good cause fees	326,427	1,128,388	279,995
Lottery and gaming tax	611,109	1,818,424	404,069
Contributions to BGLC	163,451	511,565	84,459
Direct expense - hospitality and related services	635	2,958	1,795
Pin codes	1,043,599	3,344,624	669,523
Commissions - pin codes (cost)	75,901	241,142	48,505
	<u>9,115,869</u>	<u>30,808,867</u>	<u>6,398,799</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

12. DIRECT EXPENSES (CONT'D)

- (a) Lottery and Sports betting prizes:
- (i) Cash Pot – All prizes are fixed. The prize won for correctly matching the winning number is \$26 for each \$1 wagered.
 - (ii) Lucky 5 – Prizes for this game are based on the predetermined prize structure.
 - (iii) 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.
 - (iv) 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.
 - (v) Pick 2, Pick 3 and Pick 4 – Prizes are computed based on the actual winning are computed based on the actual winning combination of numbers for each draw.
 - (vi) Instant – Prizes are accrued as an estimate based on a predetermined prize structure for each game.
 - (vii) 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.

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

13. OPERATING EXPENSES

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Staff costs	179,413	626,986	155,811
Rental and utilities	74,101	285,983	62,984
Marketing and business development	53,292	243,823	52,500
Professional fees	86,074	319,679	68,880
Draw expenses	39,472	163,601	32,917
Bad debts	24,628	58,032	16,355
Security	22,367	92,673	23,835
GCT irrecoverable	40,020	171,242	41,884
Licences and other fees	13,516	41,739	8,671
Depreciation and amortisation	57,653	235,274	54,425
Disposal of property and equipment	11,251	16,399	14,940
Bank charges	8,029	59,147	17,642
Local and foreign travel	10,376	71,127	21,081
Complimentary tokens, food and drinks	12,670	67,610	9,616
Repairs and maintenance	11,749	50,572	9,499
Subscription and donations	3,761	50,356	12,781
Equipment and motor vehicle expenses	12,639	46,447	11,116
Directors' fees	7,600	45,959	4,974
Audit services	8,901	32,982	9,348
Insurance	7,165	27,000	6,919
Others	12,318	61,515	15,972
	<u>696,995</u>	<u>2,768,146</u>	<u>652,150</u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED THREE MONTHS ENDED 31 MARCH 2014**
(Expressed in thousands of Jamaican dollars)

14. TAXATION

- a) The charge is reconciled to the profit as per the statement of profit or loss and other comprehensive income as follows:

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Profit before taxation	<u>473,478</u>	<u>711,092</u>	<u>385,168</u>
Tax at the domestic income			
tax rate of 25% (2013: 25% - 30%)	118,370	178,089	95,763
Tax effect of expenses			
disallowed for tax purposes	1,346	23,664	1,968
Net deferred tax asset written off	-	20,745	20,745
Tax effect on non-taxable income	-	(8,519)	-
Under provision previous year	12,883	1,693	-
Tax effect on private motor vehicles	-	11,782	3,000
Tax effect of prior period deferred			
tax recognised on the current year	-	(5,137)	-
Tax effect of tax loss not recognised	74	-	(39,369)
Other	<u>2,720</u>	<u>6,206</u>	<u>-</u>
	<u><u>135,393</u></u>	<u><u>228,523</u></u>	<u><u>82,107</u></u>

- 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:

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Lottery and gaming taxes	611,109	1,818,424	404,069
Good cause fees	326,427	1,128,388	279,995
Betting, Gaming and Lotteries Commission			
contributions and levies	163,451	511,565	84,459
GCT Irrecoverable	64,653	234,775	57,343
Licences and other fees	13,516	41,739	8,671
Payroll taxes - Employer's portion	<u>12,111</u>	<u>55,059</u>	<u>12,843</u>
	<u><u>1,191,267</u></u>	<u><u>3,789,950</u></u>	<u><u>847,380</u></u>

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in thousands of Jamaican dollars)

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

- a) As a condition of its lottery licence, Prime Sports Jamaica Limited (PSJL) 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 PSJL liabilities which includes:

1. Prizes liability
2. The fees payable to BGLC
3. The specific gaming taxes payable to the Government of Jamaica, and
4. The contribution payable to CHASE Fund under the licences.

	<u>31-Mar-14</u>	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Dedicated Cash Account	621,101	673,927	905,290
Aggregate Liabilities	304,155	447,206	517,656

- b) Cash and cash equivalents of the Group also include an amount of \$10 million (2013: \$10 million) held in reserve to fund the Lucky 5 game in accordance with the lottery licence held by Prime Sports Jamaica Limited.

16. CONTINGENCIES

- 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 shareholders. The matter was decided in 2011, with a judgment in favour of the shareholders and the Company. Epsilon appealed the judgment. It is expected that the appeal will be heard by November 2014. 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 shareholders. This suit is in respect of the same issues decided in the Supreme Courts in Jamaica in favour of the Company and some of its shareholders (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 the objectives. The plaintiffs then moved for reconsideration of the order. The court denied the plaintiffs motion for reconsideration. The plaintiffs have appealed this order.

The attorneys representing SVL in the USA expect its position to be upheld by the Florida Courts, as has been successfully done in the Jamaican Courts.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
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(Expressed in thousands of Jamaican dollars)

16. CONTINGENCIES (CONT'D)

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 Sport 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 shareholders' equity for the purpose of the condition of the BGLC licence that refer to shareholders' equity. Accordingly, BGLC will hold the Company responsible and liable for any breaches of the licence by its subsidiary, PSJL.

c) Contingencies – Prime Sports Jamaica Limited:

In accordance with requirements of the Betting, Gaming and Lotteries Act to grant Bookmakers permit, the subsidiary Prime Sports Jamaica Limited executed a performance bond guarantee arrangement with Bank of Nova Scotia Jamaica Limited (BNS) for an amount of \$25.0 million. Under the said performance bond covering the period April 14, 2011 to April 13, 2015, BNS would pay on demand any sums which may from time to time be demanded by the Betting, Gaming and Lotteries Commission up to a maximum aggregated sum of \$25.0 million. The bank guarantee is secured by a hypothecated term deposit of \$25.0 million by the subsidiary, which is included in the Group's cash and bank balances.

d) Contingencies - Super Lotto Jackpot Liability:

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 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 Betting, Gaming and Lotteries Commission (BGLC):

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

SUPREME
 **VENTURES**
Shareholdings

SUPREME VENTURES LIMITED
TEN LARGEST SHAREHOLDERS (as at 31st March 2014)

Name	Joint Holders/Connected		
Account (s)	Interest	Volume	Percentage
Intralot Caribbean Ventures Limited			
		1,315,895,445	49.90
		1,315,895,445	49.90
Ian Kent Levy			
		314,929,440	11.94
	Matthew Kent Levy	4,000,000	0.15
		318,929,440	12.09
Paul Hoo			
		192,874,139	7.31
		20,000,000	0.76
		13,508,220	0.51
	Susan Elizabeth Hoo	1,186,500	0.04
		227,568,859	8.62
Janette Stewart			
		179,035,112	6.79
	Steven A. Hudson	587,433	0.02
		179,622,545	6.81
Stephen Roger Castagne			
		140,360,498	5.32
		140,360,498	5.32
MAYBERRY WEST INDIES LIMITED			
		89,320,428	3.39
		89,320,428	3.39
Sunfisher Corporation			
		24,648,118	0.93
		24,648,118	0.93
Keith Binns			
	Lurline Binns	20,000,000	0.76
		20,000,000	0.76
TW Metals Ltd.			
		18,257,457	0.69
		18,257,457	0.69
GTECH GLOBAL SERVICES CORPORATION LTD			
		15,899,803	0.60
		15,899,803	0.60

SUPREME VENTURES LIMITED
DIRECTORS' SHAREHOLDINGS (as at 31st March 2014)

Name				
Accounts (s)	Primary Holder	Joint Holders/Connected Interest	Volume	Percentage
Paul Hoo			192,874,139	7.31
			20,000,000	0.76
			13,508,220	0.51
		Susan Elizabeth Hoo	1,186,500	0.04
			227,568,859	8.63
Ian Kent Levy			314,929,440	11.94
		Matthew Kent Levy	4,000,000	0.15
			318,929,440	12.09
Steven A. Hudson				
	Janette Stewart	Steven A. Hudson	587,433	0.02
			587,433	0.02
Brian R. George			2,090,941	0.08
			155,706	0.01
			2,246,647	0.09
John George Graham				
		Tracey Elaine Adams-Goldson	1,000	0.00
			1,000	0.00
Barrington Chisholm			994,871	0.04
			994,871	0.04
Georgios Sampson			Nil	Nil
			Nil	Nil
Nicholas Mouttet			Nil	Nil
			Nil	Nil
Nikolaos Nikolakopoulos			Nil	Nil
			Nil	Nil
Peter Chin			Nil	Nil
			Nil	Nil
Ian Moore			Nil	Nil
			Nil	Nil

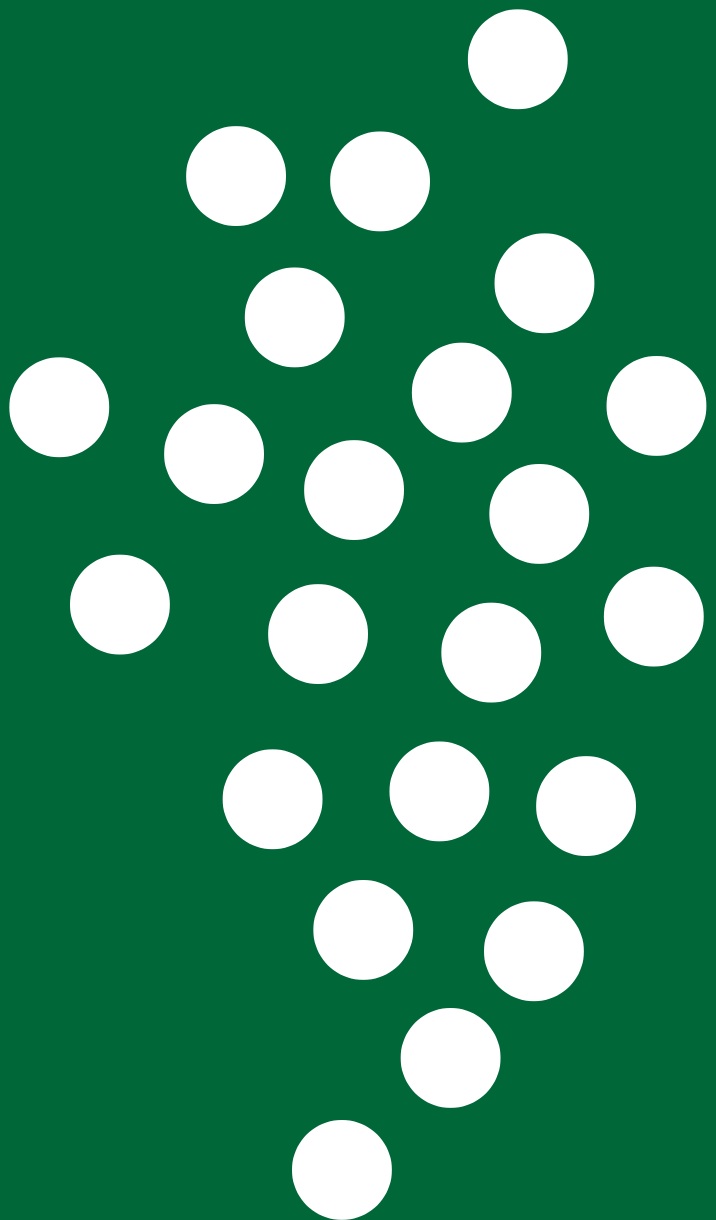
SUPREME VENTURES LIMITED
SENIOR MANAGEMENT SHAREHOLDINGS (as at 31st March 2014)

Name			
Account (s)	Joint Holders/Connected Interest	Volume	Percentage
Brian George		2,246,647.00	8.52%
James Morrison	JOAN M. MORRISON	175,550.00	0.67%
Sonia Davidson	GENE PAUL DAVIDSON	31,200.00	0.12%
Lancelot Thomas		-	0.00%
Wayne Boodasingh		-	0.00%
Lorna Gooden	GREGORY PAUL ANTHONY GOODEN	8,300.00	0.03%
		8,300.00	0.03%
		16,600.00	0.06%
Janette Conie		10,000.00	0.04%
Michael Smith		2,000.00	0.01%
Andrew Bromley		4,000.00	0.02%
Georgios Souris		-	0.00%
Vassilis Hadjidiakos		-	
Junett Robinson		-	
Tashia Hutton		-	

SUPREME VENTURES LIMITED
TRADES IN EXCESS OF 5,000,000 UNITS
(as at 31st March 2014)

Name		TRX	Trade	Settlement	
Account (s)	Joint	Type	Date	Date	Volume
No Trades 5,000,000 and over for the period					

SUPREME VENTURES



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