Supreme Ventures Limited

Consolidated Financial Statements
31 December 2023

Supreme Ventures Limited
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31 December 2023

Independent auditor's report

To the Members of Supreme Ventures Limited

Report on the audit of the consolidated and stand-alone financial statements

Our opinion

In our opinion, the consolidated financial statements and the stand-alone financial statements give a true and fair view of the consolidated financial position of Supreme Ventures Limited (the Company) and its subsidiaries (together 'the Group') and the stand-alone financial position of the Company as at 31 December 2023, and of their consolidated and stand-alone financial performance and their consolidated and stand-alone cash flows for the year then ended in accordance with IFRS Accounting Standards and with the requirements of the Jamaican Companies Act.

What we have audited

The Group's consolidated and stand-alone financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the company statement of financial position as at 31 December 2023;
- the company statement of comprehensive income for the year then ended;
- the company statement of changes in equity for the year then ended;
- the company statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and stand-alone financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the Company and 18 other components (4 components representing inactive entities) of which, we selected 9 components for testing.

Full scope audits were performed for Supreme Ventures Limited, Supreme Ventures Gaming Limited (formerly Prime Sport (Jamaica) Limited), Supreme Ventures Racing and Entertainment Limited, and Supreme Ventures Services Limited, as they were determined to be individually financially significant and represent the principal business units within the Group. All other entities, individually, represent less than 5% of the Group's profit before taxation. Additionally, based on our professional judgement, Supreme Route Limited (formerly Bingo Investments Limited), Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited), McKayla Financial Services Limited, PosttoPost Betting Limited and IBET Ghana Limited were selected and audit procedures were performed on specific account transactions and balances due to the significance or risk to the consolidated financial statements associated with certain individual amounts. All the in-scope components were audited by PwC Jamaica.

In establishing the overall Group audit strategy and plan, we determined the type of work required to be performed at the component level by the Group engagement team and by the component auditors. The team members on the component audit teams performing the full scope audits were also the same as those on the Group engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and stand-alone financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment Assessment of Goodwill (Group & Company) *Refer to notes 2(h), 4(ii) and 19 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
Goodwill accounts for $2,054 million or 9.84% of total assets for the Group and $190 million or 1.54% of total assets for the Company as at 31 December 2023. Management performs an annual impairment analysis over the goodwill balance. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. We focused on this area as the assessment of the carrying value of goodwill involves significant judgement and estimation, and is sensitive to changes in key assumptions. The key assumptions were assessed by management as being: • Pre-tax discount rate; • Terminal value growth rate; and • EBITDA growth rate in the terminal year.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures amongst others: • Obtained management's discounted cash flow model including qualitative and quantitative analyses and obtained an understanding of the process used by management to determine value-in-use of each cash generating unit. • Agreed the 31 December 2023 base year financial information to current year results and compared the previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting. • Tested management's key assumptions as follows: ➢ Pre-tax discount rate – evaluated the reasonableness of management's determined rate by developing an independent expectation of the rate. ➢ Terminal value growth rate – evaluated management's terminal value, whereby we developed a range of parameters using available market inputs and historical information and performed sensitivity analyses using these parameters to determine the reasonableness of management's assumptions. ➢ EBITDA growth rate in the terminal year – compared the growth rates to historical EBITDA growth and evaluated management's estimated future growth rates which included an assessment of management's business plans. • We further checked management's impairment testing model calculations for mathematical accuracy and considered the sensitivity of the calculation by varying the key assumptions and adjustments within management's forecast.

Key audit matter	How our audit addressed the key audit matter
	Based on the procedures performed, management's assumptions and judgements relating to the carrying value of goodwill, in our view, were not unreasonable.
Valuation of Investment Properties (Group) *Refer to notes 2(g), 4(i) and 18 to the consolidated and stand-alone financial statements for disclosures of related accounting policies, judgements, estimates and balances.*	
Investment properties represent $942 million or 4.51% of total assets for the Group as at 31 December 2023. The determination of the fair value of investment properties requires significant judgement and is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental income for each property. This, combined with the fact that a small percentage difference in individual property valuation assumptions, when aggregated, could result in a material misstatement, is why we have focused on this area. Management, with the assistance of independent valuation experts, used different methods to value the Group's two investment properties as follows: For the one of the two properties, the market comparison approach was combined with a residual approach to determine the fair value. The market comparison approach relies on suitable and substantial sales evidence of comparable properties within the geographic location, adjusting for certain pertinent factors, to form a basis for comparison. The residual approach is based on the residue or difference between the gross development value of the 'highest and best use' development of the site less its gross development costs. For the other property, the investment approach was used. The investment approach capitalizes the net income from the investment over its projected useful life and takes into consideration a number of factors which require estimation and judgement. The key factors include estimation of rental income, determination of a capitalization rate, and discount rates.	Our approach to addressing the matter, with the assistance of our valuation expert, involved the following procedures amongst others: • Evaluated the competence and objectivity of management's experts. This included confirming that they are appropriately qualified and not affiliated to the Group. • Obtained an understanding of the valuation methods used by management along with significant developments within the industry. This included evaluating the appropriateness of the valuation methodology used and its suitability for determining market value in accordance with the financial reporting framework. • Evaluated management's assumptions for the market comparison approach by performing comparisons to properties within similar geographical locations. • Assessed the appropriateness of the inputs used in the residual approach in determining the gross development value and the gross development costs focusing on the capital value per square foot and basic building costs. This involved evaluating the inputs against suitable market information. • Agreed the inputs used in the investment approach to relevant market information for the key factors being the estimation of rental income, the capitalization factor and the discount rates. Based on the procedures performed, management's assumptions and judgements relating to the valuation of investment properties, in our view, were not unreasonable.

Other information

Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated and stand-alone financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and stand-alone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and stand-alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand-alone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated and stand-alone financial statements

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

In preparing the consolidated and stand-alone financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and stand-alone financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and stand-alone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and stand-alone financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and stand-alone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and stand-alone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and stand-alone financial statements, including the disclosures, and whether the consolidated and stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and stand-alone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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 kept, so far as appears from our examination of those records, and the accompanying consolidated and stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Tricia-Ann Smith DaSilva.

PricewaterhouseCoopers

Chartered Accountants
Kingston, Jamaica
28 March 2024

Supreme Ventures Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Revenue - Non-fixed odd wagering games, horse racing and pin codes	6	30,009,619	29,470,319
Income from fixed odd wagering games, net of prizes	7	19,895,313	21,301,832
Total Gaming Income		49,904,932	50,772,151
Interest revenue		204,684	93,617
Revenues		50,109,616	50,865,768
Direct Costs	9	(38,104,682)	(39,598,483)
Gross Profit		12,004,934	11,267,285
Other income	10	696,152	239,301
Revaluation gain on investment properties	18	83,999	9,743
Selling, general and administrative expenses	11	(8,440,833)	(6,976,353)
Net Impairment losses on financial assets	11	(463,113)	(145,390)
Operating Profit		3,881,139	4,394,586
Finance costs	13	(609,354)	(535,195)
Profit before Taxation		3,271,785	3,859,391
Taxation	14	(830,084)	(781,340)
Net Profit for the year		2,441,701	3,078,051
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss -			
Currency translation differences		22,219	(35,704)
TOTAL COMPREHENSIVE INCOME		2,463,920	3,042,347
Net Profit for the year is Attributable to:			
Shareholders of the Company		2,420,491	3,039,899
Non-controlling interest		21,210	38,152
		2,441,701	3,078,051
Total Comprehensive Income for the Year is Attributable to:			
Shareholders of the Company		2,442,710	3,004,195
Non-controlling interest		21,210	38,152
		2,463,920	3,042,347
Earnings per stock unit during the year			
Basic and fully diluted	16	91.78 cents	115.42 cents

Supreme Ventures Limited
Consolidated Statement of Financial Position
31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Non-Current Assets			
Property, plant and equipment	17	5,580,294	4,864,374
Biological asset		16,389	14,530
Investment properties	18	942,000	858,001
Goodwill and intangible assets	19	4,012,911	4,366,641
Loans and advances, net of provision for credit losses	41	151,363	14,192
Long-term receivables	20	21,557	24,087
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	42	1,664,949	501,397
Other investments	21	16,764	16,340
Deferred tax asset	22	890,443	653,423
Total non-current assets		13,298,553	11,314,868
Current Assets			
Inventories	23	257,613	313,456
Trade and other receivables	24	3,611,522	3,269,014
Current portion of loans and advances, net of provision for credit losses	41	1,036,839	391,136
Current portion of long-term receivables	20	1,117	1,117
Taxation recoverable		41,021	36,009
Restricted cash	40	178,139	79,401
Cash and cash equivalents	25	2,447,708	2,968,468
Total current assets		7,573,959	7,058,601
Current liabilities			
Prize and other liabilities	26	1,476,867	1,865,413
Contract liabilities		25,594	12,469
Trade and other payables	27	4,327,039	3,744,968
Current portion of lease liabilities	31	250,157	180,679
Current portion of long-term loans and payables	30	290,938	359,652
Income tax payable		212,834	604,334
Total current liabilities		6,583,429	6,767,515
Net Current Assets		990,530	291,086
Capital Employed		14,289,083	11,605,954

Supreme Ventures Limited

Consolidated Statement of Financial Position (Continued)

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Equity			
Attributable to Shareholders of the Company			
Share capital	28	1,967,183	1,967,183
Treasury shares	28	(353,703)	(130,743)
Capital reserves	29	62,486	62,486
Other reserve		(204,312)	(47,656)
Retained earnings	15	2,789,118	2,834,078
Equity attributable to shareholders of the Company		4,260,772	4,685,348
Non-controlling interests		835,247	879,545
Total equity		5,096,019	5,564,893
Non-current liabilities			
Long term loans and payables	30	8,423,704	5,072,211
Lease liabilities	31	603,894	767,347
Deferred tax liability	22	165,466	201,503
Total non-current liabilities		9,193,064	6,041,061
Total equity and non-current liabilities		14,289,083	11,605,954

Approved for issue by the Board of Directors on 28 March 2024 and signed on its behalf:

Gary Peart	Director	Duncan Stewart	Director

Supreme Ventures Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Shareholders' of the Company							
	Number of Shares '000	Share Capital $'000	Treasury Shares $'000	Capital Reserve $'000	Other Reserve $'000	Retained Earnings $'000	Non-Controlling Interests $'000	Total $'000
Balance at 31 December 2021	2,637,255	1,967,183	-	62,486	(105,208)	2,303,150	1,719,573	5,947,184
Net Profit for the year	-	-	-	-	-	3,039,899	38,152	3,078,051
Currency translation differences	-	-	-	-	(35,704)	-	-	(35,704)
Total Comprehensive Income	-	-	-	-	(35,704)	3,039,899	38,152	3,042,347
Acquisition of additional shares in subsidiary (note 36a and 36b)	-	-	-	-	65,489	(57,694)	(878,180)	(870,385)
Employee share scheme (note 40)	-	-	-	-	27,767	-	-	27,767
Transactions with shareholders								
Purchase of shares (note 28)	-	-	(130,743)	-	-	-	-	(130,743)
Distributions (note 34)	-	-	-	-	-	(2,451,277)	-	(2,451,277)
Balance at 31 December 2022	2,637,255	1,967,183	(130,743)	62,486	(47,656)	2,834,078	879,545	5,564,893
Net Profit for the year	-	-	-	-	-	2,420,491	21,210	2,441,701
Currency translation differences	-	-	-	-	22,219	-	-	22,219
Total Comprehensive Income	-	-	-	-	22,219	2,420,491	21,210	2,463,920
Acquisition of additional shares in subsidiary (note 36a and 36b)	-	-	-	-	-	6,366	(50,722)	(44,356)
Employee share scheme (note 40)	-	-	-	-	(178,875)	-	-	(178,875)
Transactions with shareholders								
Purchase of shares (note 28)	-	-	(222,960)	-	-	-	-	(222,960)
Distributions (note 34)	-	-	-	-	-	(2,471,817)	(14,786)	(2,486,603)
Balance at 31 December 2023	2,637,255	1,967,183	(353,703)	62,486	(204,312)	2,789,118	835,247	5,096,019

Supreme Ventures Limited
Consolidated Statement of Cash Flows
Year ended 31 December 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Net Profit for the year		2,441,701	3,078,051
Adjustments for:			
Depreciation of property and equipment	17	742,686	694,950
Amortisation of intangible assets	19	301,690	316,033
Adjustment of property and equipment		(54,896)	(34,132)
Share based option		(178,875)	(114,730)
Gain on fair value adjustment of financial asset		(526,052)	(134,702)
Revaluation gain on investment property		(83,999)	(9,743)
Bad debts recognised		463,113	145,422
Net foreign exchange (gain)/loss		(8,499)	92,260
Interest income	10	(45,028)	(20,753)
Interest expense	13	655,244	454,175
Taxation	14	830,084	781,340
Operating cash flow before movement in working capital		4,537,169	5,248,171
Change in non-cash working capital balances:			
Inventories		55,843	(11,798)
Trade and other receivables		(620,297)	(844,227)
Loans and advances		(966,557)	(196,877)
Trade and other payables		456,003	(355,108)
Prize liabilities		(388,546)	1,090,628
Cash generated by operations		3,073,615	4,930,789
Interest paid		(482,196)	(956,844)
Taxation paid, net		(1,499,653)	(310,467)
Cash provided by operating activities		1,091,766	3,663,478
Cash Flows from Investing Activities			
Buyback shares		(222,960)	(130,743)
Payment for additional shares in subsidiary		(67,980)	(208,251)
Payment for financial asset at fair value through profit or loss		(637,500)	(231,693)
Acquisition of biological asset		(1,859)	(14,305)
Acquisition of property and equipment		(1,005,888)	(1,482,825)
Acquisition of intangible assets		(322,204)	(335,653)
Proceeds on disposal of property and equipment		-	12,000
Long-term receivables		2,530	2,201
Interest received		43,387	20,962
Cash used in investing activities		(2,212,474)	(2,368,307)
Cash flows (used in)/provided by operating and investing activities carried forward to page 6		(1,120,708)	1,295,171

Supreme Ventures Limited

Consolidated Statement of Cash Flows (Continued)

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Cash flows (used in)/provided by operating and investing activities brought forward from page 5		(1,120,708)	1,295,171
Cash Flows from Financing Activities			
Distributions		(2,468,603)	(2,451,328)
Repayment of long-term payables		(155,011)	(287,444)
Addition of long-term liabilities		3,381,762	263,531
Additions to lease liabilities		(94,949)	28,873
Repayment of lease liabilities		(244,960)	(286,058)
Cash provided by/(used in) financing activities		590,137	(2,732,426)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(530,571)	(1,437,255)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		9,811	34,507
Cash and cash equivalents at the beginning of the year		2,968,468	4,371,216
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	2,447,708	2,968,468

Supreme Ventures Limited

Company Statement of Comprehensive Income

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Income	8	4,466,053	3,299,424
Operating expenses	11	(1,094,157)	(737,931)
Net impairment losses on financial assets		-	(30,641)
Operating profit		3,371,896	2,530,852
Other income	10	640,991	235,617
Finance costs	13	(565,499)	(340,592)
Profit before taxation		3,447,388	2,425,877
Taxation	14	88,024	27,378
Net Profit for the year, being Total Comprehensive Income		3,535,412	2,453,255

Supreme Ventures Limited

Company Statement of Financial Position

31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
Non-Current Assets			
Property, plant and equipment	17	729,021	725,755
Investment in subsidiaries	32	3,995,792	3,828,955
Goodwill and intangible assets	19	500,797	512,323
Long-term receivables	20	527,028	1,288,752
Financial assets at amortised cost		1,883	1,883
Financial assets at fair value	42	1,664,949	501,397
Deferred tax assets	22	180,766	92,741
		7,600,236	6,951,806
Current Assets			
Income tax recoverable		18,162	15,443
Due from subsidiaries	33	3,876,188	453,052
Trade and other receivables	24	264,855	230,345
Current portion of long-term receivables	20	151,851	88,327
Restricted cash	40	151,670	52,932
Cash and cash equivalents	25	181,259	431,957
		4,643,985	1,272,056
Current liabilities			
Trade and other payables	27	240,087	209,244
Due to Subsidiaries	33	147,490	481,938
Current portion of lease liabilities	31	-	7,461
Current portion of long-term loans	30	203,898	259,669
		591,475	958,312
Net Current Assets		4,052,510	313,744
Capital Employed		11,652,746	7,265,550
Equity			
Share capital	28	1,967,183	1,967,183
Capital reserve	29	70,616	62,486
Retained earnings	15	1,602,555	538,960
Equity attributable to Shareholders of the Company		3,640,354	2,568,629
Non-Current liabilities			
Long-term loans	30	8,012,392	4,696,921
Total non-current liabilities		8,012,392	4,696,921
Total equity and non-current liabilities		11,652,746	7,265,550

Approved for issue by the Board of Directors on 28 March 2024 and signed on its behalf:

Gary Peart — Director

Duncan Stewart — Director

Supreme Ventures Limited

Company Statement of Changes in Equity

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Number of Shares '000	Share Capital $'000	Capital Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 31 December 2021	2,637,255	1,967,183	62,486	536,982	2,566,651
Net Profit for the year, being Total Comprehensive Income	-	-	-	2,453,255	2,453,255
Transactions with shareholders					
Distributions (note 34)	-	-	-	(2,451,277)	(2,451,277)
Balance at 31 December 2022	2,637,255	1,967,183	62,486	538,960	2,568,629
Net Profit for the year, being Total Comprehensive Income	-	-	-	3,535,412	3,535,412
Transactions with shareholders					
Employee Share Scheme	-	-	8,130	-	8,130
Distributions (note 34)	-	-	-	(2,471,817)	(2,471,817)
Balance at 31 December 2023	2,637,255	1,967,183	70,616	1,602,555	3,640,354

Supreme Ventures Limited

Company Statement of Cash Flows

Year ended 31 December 2023

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2023 $'000	2022 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		3,535,412	2,453,255
Items not affecting cash:			
Depreciation	17	16,933	16,605
Amortisation of intangible assets	19	35,226	35,286
Dividend income	8	(3,493,817)	(2,700,783)
Gain on disposal of property and equipment		(82)	-
Net foreign exchange gain on cash and cash equivalents		(30)	(2,081)
Impairment losses recognised on trade receivables		-	30,641
Gain on fair value adjustment on financial asset		(526,052)	(134,702)
Interest income	10	(114,939)	(100,915)
Interest expense	13	566,530	363,635
Share-based compensation		8,130	-
Taxation	14	(88,024)	(27,378)
Operating cash flow before movement in working capital		(60,713)	(66,437)
Change in non-cash working capital balances:			
Due from subsidiaries		(3,367,013)	(93,864)
Trade and other receivables		(28,466)	(14,317)
Income tax recoverable		(2,719)	(55,750)
Due to subsidiaries		(334,448)	426,967
Trade and other payables		(106,955)	53,223
Cash (used in)/ generated by operations		(3,900,314)	249,822
Interest paid		(471,059)	(319,993)
Cash used in operating activities		(4,371,373)	(70,171)
Cash Flows from Investing Activities			
Payment for acquisition of additional shares in subsidiary		-	(201,492)
Buyback of shares		(222,960)	(130,743)
Payment for financial assets at fair value through profit or loss		(637,500)	(231,693)
Acquisition of property and equipment		(20,199)	(105,434)
Acquisition of intangible assets		(23,701)	(56,138)
Issuance of long-term receivables		-	(78,969)
Collection of long-term receivables		698,201	247,191
Dividends received		3,493,817	2,700,783
Interest received		108,895	85,396
Cash provided by investing activities		3,396,553	2,228,901
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,471,817)	(2,451,328)
Addition of long-term liabilities		3,381,762	-
Repayment of lease liabilities		(7,758)	(10,125)
Loan repaid		(178,095)	(216,049)
Cash provided by/(used in) financing activities		724,092	(2,677,502)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(250,728)	(518,772)
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		30	(21,277)
Cash and cash equivalents at the beginning of the year		431,957	972,006
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25	181,259	431,957

Supreme Ventures Limited
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1. Identification and Activity

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 9A Retirement Crescent, Kingston 5, Jamaica, W.I.

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

The main activities of the Group comprise micro-financing, betting, gaming and lottery operations.

The subsidiaries and their principal activities are as follows:

Name of Company	Principal Activity	Country of Incorporation	Percentage Ownership 2023 %
Supreme Ventures Gaming Limited and its subsidiary: (formerly Prime Sports Jamaica Limited)	Betting, gaming and lottery operations licenced by the Betting, Gaming and Lotteri Commission (BGLC)	Jamaica	100
Supreme Route Limited (formerly Bingo Investments Limited)	Betting & Gaming	Jamaica	80
Supreme Ventures Fintech Limited (formerly Supreme Ventures Financial Services Limited) and its subsidiary:	Sales of charge up and micro-financing	Jamaica	100
McKayla Financial Services Limited	Micro-financing	Jamaica	100
Supreme Ventures Services Limited (formerly Big A Track A 2003 Limited)	Sale of pin codes and shared services	Jamaica	100
Supreme Ventures Racing and Entertainment Limited	Betting and horse-racing operations licensed by the BGLC and Jamaica Racing Commission (JRC)	Jamaica	100
Supreme Group Incorporated	Holding Company	St. Lucia	100
Supreme Guyana Incorporated	Holding Company	St. Lucia	100
Supreme Ventures Guyana Holdings Inc	Holding Company	Guyana	100
Supreme Ventures Enterprise Inc	Betting & Gaming	Guyana	100
Post to Post Betting Limited	Betting & Gaming	Jamaica	80
Supreme Ventures Mauritius and its subsidiary:	Holding Company	Mauritius	100
IBET Ghana Limited	Management & Technology Services	Ghana	100

The Group also has 100% shareholdings in non-trading entities, Chillout Ventures Limited, Supreme Ventures REIT Limited (formerly Supreme Ventures Lotteries Limited), Jamaica Lottery Company Holdings Limited and Transtel Jamaica Limited, all incorporated in Jamaica.

The shareholdings for all subsidiaries are the same as they were in the prior year, except for McKayla Financial Services Limited which was a 51% subsidiary and Supreme Ventures Mauritius and its subsidiaries. Note 36 provides further details of the acquisition of additional shares in McKayla Financial Services Limited.

1. Identification and Activity (Continued)

Supreme Ventures Mauritius Limited was incorporated on 31 July 2023 as a wholly owned subsidiary of Supreme Ventures Limited and the holding company for IBET Ghana Limited.

SVG Stakeholder Trust Limited

On March 4, 2022, the Board of Directors established a share participation scheme which may involve, from time to time, employees, retailers, officers, agents, directors and other stakeholders of the Company and its subsidiaries and affiliates.

The Group has no voting rights in the Trust created for plan participants. However, under the Trust agreement, it instructs the trustee as to the sale and purchase of Company shares and payments to beneficiaries, gives the Trust money to buy Company shares, assumes vesting variability, and ensures that the Trust holds a sufficient number of shares to meet its obligations to the beneficiaries. For these reasons, the Trust is considered a structured entity as per IFRS 10. The Group consolidates the Trust in its Financial Statements.

2. Material Accounting Policy Information

The principal accounting policies applied in the preparation of these consolidated financial statements, herein after referred to as the financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) *Compliance with IFRS*
The consolidated financial statements of the VALUE IFRS Plc group have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standard Interpretations Committee (SIC Interpretations)

The compliance statement in the basis of preparation should be aligned with how reference to the framework is described in local regulation. An alternative way to state compliance with IFRS Accounting Standards could be "International Financial Standards as issued by the IASB" ("IFRS Accounting Standards")".
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Standards, interpretations and amendments to published standards effective in current year
Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has effected the following, which are immediately relevant to its operations:

Amendments to IAS 1, 'Presentation of Financial Statements' - Classification of Liabilities as Current or Noncurrent', (effective for annual periods beginning on or after 1 January 2023). The narrow-scope amendments to IAS 1, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Since approving these amendments, the IASB has issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024. The adoption of the standard did not have any significant impact on the operations of the Group.

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

Amendments to IAS 1 and IFRS Practice Statement 2, 'Disclosure of Accounting Policies', (effective for annual periods beginning on or after 1 January 2023). The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The adoption of the standard did not have any significant impact on the operations of the Group.

Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates, (effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The adoption of the standard did not have any significant impact on the operations of the Group.

Amendments to IAS 12, 'Income Taxes', - Deferred Tax related to Assets and Liabilities arising from a Single Transaction, (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. The adoption of the standard did not have any significant impact on the operations of the Group.

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group

The Group has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the Group's accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group's accounting periods beginning after
1 January 2024, and the Group has not early adopted them.

Amendment to IFRS 16 – Leases on sale and leaseback, (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

Amendment to IAS 1 – Non-current liabilities with covenants, (effective for annual periods beginning on or after 1 January 2024). These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

2. Material Accounting Policy Information (Continued)

(a) Basis of preparation (continued)

Amendment to IAS 7 and IFRS 7 - Supplier finance (effective for annual periods beginning on or after 1 January 2024). These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The adoption of the standard is not anticipated to have any significant impact on the operations of the Group.

New IFRS sustainability disclosure standards effective after 1 January 2024 (effective for annual periods beginning on or after 1 January 2024).
This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. The Group is assessing the impact of the standard on its operations.

(b) Consolidation

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations involving third parties by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of previously held interest, plus fair value of consideration transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

For business combination achieved in stages, which is also referred to as a 'step acquisition', the Group remeasures the previous non-controlling interest at its acquisition-date fair value and any resulting gain or loss recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss, in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment.

2. Material Accounting Policy Information (Continued)

(b) Consolidation (continued)

(ii) *Disposal of subsidiaries*
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Foreign currency translation

(i) *Functional and presentation currency*
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in Jamaican Dollars, which is the Company's functional and presentation currency.

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the weighted average closing exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) *Group companies*
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated as follows:
a) Assets and liabilities for each statement of financial position presented are translated at year end rates,
b) Items affecting the statement of comprehensive income are translated at average rates, and
c) The resultant gains or losses are recognised in other comprehensive income as translation gains or losses.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Revenue recognition

Revenue is measured at the fair value consideration received or receivable for sale of goods and services in the ordinary course of the Group's activities and comprise the following elements:

(i) *Lottery*
Lottery games comprise non fixed odd wagering and fixed odd wagering games for both of which income is recognized on a draw by draw basis, at the point the draw takes place. Income for non-fixed odd games is recorded at the gross ticket sales amount and for fixed odd games at the gross ticket sales amount net of prize payouts. Fixed odd wagering games relates to games where the customer is placing a bet with the Group (at a particular win rate) and is therefore entering into a derivative. No particular good or service is provided to a customer as the customer is taking a position against the Group.

Fixed odd wagering games are the games in which the winning amount is known to the player at the time of play while non-fixed odd wagering games are the games in which the winning amount is unknown to the player at the time of play.

2. Material Accounting Policy Information (Continued)

(d) Revenue recognition (continued)

(i) *Lottery*

Where players wager in advance, this income is deferred and only recognised in the Statement of Comprehensive Income once the draw has taken place. Lottery tickets are sold to players by contracted retail agents and company owned locations.

(ii) *Video Lottery Terminal (VLT) gaming*
VLT games are offered at gaming lounges and food and beverage operations. Income 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) Slots
Slots revenue is considered fixed odd wagering game. Income is recognized as the net win from gaming activities which is the difference between gaming wins and losses before deducting costs and expenses.

(iv) Horseracing
Sales from the pari-mutuel pools operated at the track and off-track, are recognised upon sale of tote tickets or on performance of the underlying service.

(v) *Sports betting*
Sports betting relates to wagers on local and international sporting events offered through the agents' network. Revenue represents the net winnings from bets taken on the local and international sporting events at all branches and agents, net of refunds. Revenue is recognised when the events have taken place.

(vi) *Pin codes*
Pin codes are sold to the public by contracted retail agents. Revenue is recognized gross when pin codes are sold.

(vii) *Hospitality and related services*
Hospitality and related services include beverage sales and are recognised when the goods/services are provided.

(viii) *Management fees*
The Group provides management services to its subsidiaries. Income is recognised when services are provided.

(ix) *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. Interest income include interest from investments and cash at bank.

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

(xi) *Dividend income*
Dividend income is recognised when the right to receive payment is established.

2. Material Accounting Policy Information (Continued)

(d) Revenue recognition (continued)

(xii) *Loan interest income and expense*
Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective interest method of a financial asset or financial liability. Interest income include interest from loan advances.

The effective interest rate is a method of calculating the amortised cost of a financial asset or a financial liability and allocating the interest income or interest expenses over the relevant period. When calculating the effective interest rate, the Group estimates cashflows considering the contractual terms of the financial instrument but does not consider future credit losses.

(e) Loans and advances and provisions for credit losses

Loans and advances are recognised when cash is advanced to borrowers. They are initially recorded at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision for credit losses are determined under the requirements of IFRS.

(f) Property, plant and equipment

Land and buildings comprise mainly offices. Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

The assets residual values and useful lives are revisited and adjusted if appropriate, at the end of each reporting period.

Land, art and paintings are not depreciated as they are deemed to have indefinite lives. For all other property, plant and equipment, depreciation is calculated at annual rates on the straight-line basis to write-off the cost of the assets to their residual values over their estimated annual useful lives as follows:

Freehold buildings	20-40 years
Video lottery terminal 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
Right of use assets	Shorter of lease term and useful lives
Leasehold improvements	Shorter of lease term and useful lives

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Repairs and maintenance expenditure is charged to profit or loss during the financial period in which it is incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

(g) Investment properties

Investment properties, comprising freehold lands and buildings, are held for long-term rental yields. They are carried at fair value. Changes in fair values are presented in profit or loss as part of other income. The Investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis.

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2. Material Accounting Policy Information (Continued)

(h) Intangible assets

(i) *Goodwill*
Goodwill is recorded at cost and represents the excess of the value of consideration paid over the Group's interest in the fair value of the Group's share of the net identifiable assets and liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) *Trademarks and licences*
Trademarks and licences with finite useful lives are measured 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 - 15 years

Trademarks, licences and permits with indefinite useful lives are measured 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 measured 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	1 - 3 years
Gaming software	5 – 10 years
Software usage rights	10 years
Branch Network	11 years
Non-Competitive Agreement	2 - 3 years
Contract based intangible asset10 years	

(iv) Derecognition of goodwill and intangible assets
Intangible assets (excluding goodwill) are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from the derecognition of 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.

2. Material Accounting Policy Information (Continued)

(i) Impairment of financial assets

The Group applies an impairment model that recognises expected credit losses ("ECL") on financial assets measured at amortised cost and FVOCI and financial guarantees.

An allowance is required for ECL resulting from default events that are possible within the next 12 months ('12-month ECL'). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'

In the event of a significant increase in credit risk (SICR) an allowance is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL'). ; Financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'.

To determine whether the life-time credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is available, including information from the past as well as forward-looking information. Factors such as whether payments of principal and interest are in delinquency, an adverse change in credit rating of the borrower and adverse changes in the borrower's industry and economic environment are considered in determining whether there has been a significant increase in the credit risk of the borrower. Financial assets for which there is objective evidence of impairment and are therefore considered to be in default or otherwise credit-impaired are in stage 3'.

Definition of default
The Group determines that a financial instrument is in default, credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- contractual payments of either principal or interest are past due for 90 days or more;
- there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and
- the financial asset is otherwise considered to be in default.

Write-off
Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery.

Recognition and Measurement of ECL
The general approach to recognising and measuring ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are calculated by multiplying the following three main components:

- the probability of default ("PD")
- the loss given default ("LGD") and
- the exposure at default ("EAD"), discounted at the original effective interest rate.

Management has calculated these inputs based on the estimated forward looking economic and historical experience of the portfolios adjusted for the current point in time. A simplified approach to calculating the ECL is applied to other receivables which do not contain a significant financing component. Generally, these receivables are due within 12 months unless there are extenuating circumstances. Under this approach, an estimate is made of the life-time ECL on initial recognition. For ECL provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

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2. Material Accounting Policy Information (Continued)

(i) Impairment of Financial assets (continued)

The PD, LGD and EAD models which support these determinations are reviewed periodically. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions remain subject to review and refinement. This is particularly relevant for lifetime PDs, which have not been previously used in modelling and for the incorporation of scenarios which have not generally been subject to experience gained through stress testing. The exercise of judgement in making estimations requires the use of assumptions which are subjective and sensitive to risk factors, in particular to changes in economic and credit conditions across geographical areas. Many of the risk factors have a high degree of interdependency and there is no single factor to which impairment allowances as a whole are sensitive. Therefore, sensitivities are considered in relation to key portfolios which are particularly sensitive to a few factors and these results are not extrapolated to the wider population of financial assets.

Forward looking information
The estimation and application of forward-looking information requires significant judgment. PD, LGD and EAD inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the expected credit loss calculation have forecasts of the relevant macroeconomic variables. The estimation of expected credit losses in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios. The base case scenario is based on macroeconomic forecasts that are publicly available. Upside and downside scenarios are set relative to the base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenario design, including the identification of additional downside scenarios occurs on at least an annual basis and more frequently if conditions warrant. Scenarios are probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights are updated on an annual basis or more frequently as warranted. The base scenario reflects the most likely outcome and is assigned the highest weighting.

The weightings assigned to each economic scenario as at 31 December 2023 is as follows:

	Base	Optimistic	No default	Pessimistic
Scenarios	90%	2%	3%	5%

Impairment on financial assets measured at amortized cost, recognize impairment gains and losses are recognized in the statement of comprehensive income.

Application of the Simplified Approach
For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

(j) Financial instruments

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

Financial assets
The Group's financial assets comprise cash and cash equivalents and investment securities, trade and other receivables, long term receivables and amounts due from related parties.

Financial liabilities
The Group's financial liabilities comprise payables, , prize liabilities, lease liabilities, amounts due to related parties and borrowings.

2. Material Accounting Policy Information (Continued)

(j) Financial instruments (continued)

The Group classifies its financial assets as those to be measured at amortised cost or fair value through profit or loss.

The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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

Lottery and sports betting prizes
All prizes are recorded at the actual and/or estimated amount. On a weekly basis, an accrual percentage is made based on the game design, and applied from the previous weekly sales and recorded as prize liability until there is a winner. The only exception is for the annuity-funded prize (PayDay), which is paid out on a deferred basis. The actual prize expense for this type of prize is based on the present value of an annuity using the interest yield on the investment acquired to fund the annuity. The estimated liability is reassessed annually.

Borrowings
Borrowings are recognised initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(k) Inventories

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

(l) Trade receivables

Trade receivables are carried at original invoice amount less provision made for expected credit losses of these receivables based on a review of all outstanding amounts at the year-end. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. Details about the Company’s impairment policies and the calculation of the loss allowance are provided in Note 3(a).

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits with original maturities of three months or less, net of bank overdrafts. In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and at bank and short-term bank deposits. Bank overdrafts are shown in current liabilities on the statement of financial position.

(n) Restricted cash

Restricted cash includes cash on hand that is legally restricted as to withdrawal or usage. The Group holds various restricted cash obligations with other financial institutions as a result financing arrangements. In the consolidated statement of cash flows, any movement in restricted cash is classified under financial activities.

2. Material Accounting Policy Information (Continued)

(o) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted or substantively enacted tax rates are used in the determination of deferred income tax.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income, in which case, deferred tax is also dealt with in other comprehensive income.

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, , the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(q) Share capital

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

(r) Employee benefit costs

(i) The Group is the sponsoring employer of a 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.

(iii) The Board of Directors has approved a long-term incentive plan for its senior managers and above (excluding executive Directors). Under the plan, participants are granted allotted shares which only vest if certain performance standards are met. An expense is recognised in the profit or loss statement for these shared based payments.

2. Material Accounting Policy Information (Continued)

(s) Leases

Lessee
The Group leases various retail locations and equipment. Rental contracts are typically made for fixed periods of five years but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (note 18). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(t) Finance costs

Finance costs includes interest payable on borrowings calculated using the effective interest method, interest on finance leases, material bank charges and foreign exchange gains and losses recognised in profit or loss.

2. Material Accounting Policy Information (Continued)

(u) Dividend distribution

Dividend distribution is recognised as equity in the financial statements in which the dividends are approved by the shareholders of the Group.

(v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(w) Earnings per share

Earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(x) 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.

Overseas entities are not considered material at this time.

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

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

3. Financial Risk Management

Financial risk factors

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, and currency 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.

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.

A 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, Risk and Compliance Committee

The Audit, Risk and Compliance 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, other investment 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.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process

The Group has five types of financial assets that are subject to the expected credit loss model:
i. trade receivables,
ii. long term receivables,
iii. loans and advances,
iv. Intercompany and related party balances, and
v. other debt instruments carried at amortised cost.

While cash at bank is also subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial.

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

(i) Cash and cash equivalents

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

(ii) 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.

The Group's average credit period on the sales of services is seven days. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors. All other non-specific trade receivables are then Grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 1 January 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic and other factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP growth to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process (continued)

Trade and long-term receivables (continued)

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for trade receivables:

31 December 2023	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	1.09%	22.97%	42.91%	48.33%	22.74%
Gross carrying amount $'000 – trade receivables	1,523,562	60,088	35,952	1,259,817	2,879,419
Loss allowance provision $'000	16,646	13,804	15,426	608,860	654,736

31 December 2022	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	2.05%	8.38%	12.27%	71.59%	17.37%
Gross carrying amount $'000 – trade receivables	1,411,661	194,237	117,521	437,569	2,160,988
Loss allowance provision $'000	28,980	16,284	16,769	313,273	375,306

The closing loss allowance provision for trade receivables as at 31 December 2023 reconciles to the opening loss allowance for that provision as follows:

	2023	**2022**
	$'000	**$'000**
Opening loss allowance at 1 January	375,306	229,884
Increase in loss allowance recognised in profit or loss during the period	279,430	145,422
Closing loss allowance at 31 December	654,736	375,306

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst other, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 360 days past due.

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process (continued)

Trade and long-term receivables (continued)

Expected credit losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The ageing analysis of trade receivables is as follows:

	2023	2022
	$'000	$'000
Current	1,045,581	993,032
8 to 30 days	477,981	418,629
31 to 60 days	60,088	194,237
61 to 90 days	35,952	117,522
Over 90 days	1,259,817	437,568
	2,879,419	2,160,988

Other debt instruments at amortised cost

Other financial assets at amortised cost include balances due from related parties, long term receivables, loans and advances, short term investments and other receivables.

All of the entity's debt instruments at amortised cost are considered to have low credit risk and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers these instruments 'low credit risk' when there is a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

There was no opening loss allowances calculated on balances due from related parties and short term investments and no movement during the current year. The loss allowance for other debt instruments at amortised cost as at 31 December reconciles to the opening loss allowance as follows:

Long term receivables

	The Company	
	2023	2022
	$'000	$'000
Opening loss allowance at 1 January	46,848	16,207
Increase in loss allowance recognised in profit or loss during the period	-	30,641
Closing loss allowance at 31 December	46,848	46,848

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Loans and advances

	The Group	
	2023	**2022**
	$'000	**$'000**
Opening loss allowance at 1 January	65,614	-
Increase in loss allowance recognised in profit or loss during the period	183,683	65,614
Closing loss allowance at 31 December	249,297	65,614

Credit exposure for trade receivables

The credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector, was as follows:

	The Group	
	2023	**2022**
	$'000	**$'000**
Lottery Retailers	1,843,429	1,223,808
VLT Gaming Customers	2,066	21,505
Sports Betting Retailers	229,601	244,046
Off-Track Betting Parlours	739,810	594,959
Loan and Charge Up Retailers	64,513	76,670
	2,879,419	2,160,988
Less: Provision for expected credit losses	(654,736)	(375,306)
	2,224,683	1,785,682

Credit exposure for long-term receivables

The credit exposure for long-term receivables at its carrying amount is disclosed in Note 20.

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3. Financial Risk Management (Continued)

(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.

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.

(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.

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.

An analysis of the undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity is presented below. The analysis provided is by estimating timing of the amounts recognised in the statement of financial position. The Group does not expect that its creditors will demand the payment of funds at the earliest date possible.

The Group

	Less than 6 Months $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	Over 5 Years $'000	Total Contractual Cashflows	Carrying amount (assets)/ Liabilities $'000
				2023			
Prize liabilities	1,476,867	-	-	-	-	1,476,867	1,476,867
Trade and other payables	4,190,908	-	-	-	-	4,190,908	4,190,908
Contract Liabilties	25,594	-	-	-	-	25,594	25,594
Long term loans and payables	568,915	593,333	4,336,693	3,415,864	1,898,295	10,813,100	8,714,642
Lease liabilities	127,667	122,273	224,286	197,488	818,421	1,490,135	854,051
	6,389,931	715,606	4,560,979	3,613,352	2,716,716	17,996,604	15,236,468
				2022			
Prize liabilities	1,865,413	-	-	-	-	1,865,413	1,865,413
Trade and other payables	3,317,031	-	-	-	-	3,317,031	3,317,031
Contract liabilities	12,469	-	-	-	-	12,469	12,469
Long term loans and payables	327,026	368,094	535,154	4,234,788	951,360	6,416,422	5,431,863
Lease liabilities	142,075	91,660	158,149	262,411	491,035	1,145,330	948,026
	5,664,014	459,754	693,303	4,497,199	1,442,395	12,756,665	11,574,802

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

The Company

	Less than 6 Months $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	Over 5 Years $'000	Total Contractual Cashflows $'000	Carrying amount (assets)/ Liabilities $'000
				2023			
Trade and other payables	224,393	-	-	-	-	224,393	224,393
Due to related party	147,490	-	-	-	-	147,490	147,490
Long term loans and payables	487,142	430,549	4,279,550	3,380,015	1,886,428	10,463,684	8,228,510
	858,025	430,549	4,279,550	3,380,015	1,886,428	10,835,567	8,600,393
				2022			
Trade and other payables	208,834	-	-	-	-	208,834	208,834
Due to related party	481,938	-	-	-	-	481,938	481,938
Long term loans and payables	218,021	342,046	489,343	4,143,415	939,369	6,132,194	4,956,589
Lease liabilities	4,518	4,888	-	-	-	9,406	7,461
	913,311	346,934	489,343	4,143,415	939,369	6,832,372	5,654,822

(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.

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 currency giving rise to the exposure in the current year was the United States dollar.

(ii) 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.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The following table summarises the Group's exposure to foreign currency exchange rate risk:

	The Group	
	2023	**2022**
	USD	**USD**
	J$'000	**J$'000**
Assets		
Cash and cash equivalents	957,252	1,483,544
	957,252	1,483,544
Liabilities		
Trade and other payables	(291,242)	(112,303)
	(291,242)	(112,303)
Net exposure	666,010	1,371,241

	The Company	
	2023	**2022**
	USD	**USD**
	J$'000	**J$'000**
Assets		
Cash and cash equivalents	11,558	9,864
Liability		
Trade and other payables	(1,441)	(31,390)
Net exposure	10,117	(21,526)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

The Group's sensitivity to a 1% revaluation or 4% devaluation (2022: 1% revaluation or 4% devaluation) of the Jamaica dollar against the USD 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 4% decrease (2022: 2% increase or 8% decrease) in the foreign exchange rates.

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

	The Group			
	2023		**2022**	
	Devaluation	**Revaluation**	**Devaluation**	**Revaluation**
	4%	1%	4%	1%
	$'000	**$'000**	**$'000**	**$'000**
USD	26,640	(6,660)	54,850	(13,712)

	The Company			
	2023		**2022**	
	Devaluation	**Revaluation**	**Devaluation**	**Revaluation**
	4%	1%	4%	1%
	$'000	**$'000**	**$'000**	**$'000**
USD	(405)	101	(861)	215

(i) 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.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis.

	The Group		The Company	
	Carrying value		Carrying value	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Fixed rate instruments:				
Financial assets	1,190,661	957,368	179,406	214,794
Financial liabilities	9,331,376	7,093,318	8,216,289	4,964,053
Variable rate:				
Financial assets	120,401	333,113	2,900	174,324

The variable rate financial assets have an exposure of 0 – 12 months for the Group and Company.

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, loans payable 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 25 basis point increase or 25 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.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity analysis (continued)

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

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Effect of increase of 25 basis points (2022:100 basis points on profit) on profit	301	3,495	7	1,743
Effect of decrease of 25 basis points (2022:100 basis points on profit) on profit	(301)	(1,747)	(7)	(872)

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than arising from currency or interest rate risk, whether those changes are caused by factors specific to the instrument or affecting all similar instruments in the market.

The Group is exposed to equity securities price risk because of investment held by the Group and classified as Fair Value Through Profit and Loss (FVTPL). To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Group.

The Group's investments in equity securities are publicly traded on the Jamaica Stock Exchange.

Sensitivity analysis arising from a decline in equity prices.

The Group is sensitive to fair value risk on its financial assets at FVTPL equity securities. The effects of an increase by 6% and a decrease by 3% in equity prices at the year-end date are set out below.

	The Group and The Company	
	Pre-Tax effect of 3% decrease at 31 December 2023	**Pre-Tax effect of 6% increase at 31 December 2023**
	$'000	**$'000**
Financial assets at fair value through profit or loss equity securities:		
Jamaica Stock Exchange – increase 6% (2023)	85,995	99,897
Jamaica Stock Exchange – decrease 6% (2022)	(42,998)	16,182

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3. Financial Risk Management (Continued)

(d) Capital management

The capital structure of the Group consists of equity attributable to the shareholders of the 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 shareholders 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 other material changes to the Group's approach to capital management during the year. The Group is exposed to externally imposed capital requirements through debt covenants as outlined in the loan agreement with Sagicor, Barita Investments, Development Bank of Jamaica, Mayberry Investments and Micro Investment Development Agency. The financial covenants include: the Minimum debt service coverage ratio, Current ratio, maximum leverage ratio, maintenance of minimum cash balance, minimum interest coverage and maximum debt to Earnings before Interest, Tax, Depreciation and Amortization. The Group was in compliance with the financial covenants as at the year end.

3. Financial Risk Management (Continued)

(e) 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.

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

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

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3. Financial Risk Management (Continued)

(e) Fair value measurement (continued)

Valuation processes
The finance department of the group performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. The Team reports to the SVP Finance and the Audit, Compliance and Risk Committee (ARCC). The details of the valuation process is discussed with the Executive Chairman and detailed calculations are done on an annual basis.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

- Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from credit risk gradings determined by the external financial advisors and reviewed by Supreme Ventures Group.

- Earnings growth factors for unlisted equity securities are estimated based on market information for similar types of companies.

Contingent consideration expected cash inflows are estimated based on the terms of the sale contract.
Changes in level 3 fair values are analysed at the end of each reporting period. Any changes in fair values are communicated to the ARCC with appropriate explanations.

		The Group and Company 2023			
	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets					
Quoted equities	42	1,433,257	-	-	1,433,257
Unquoted equities		-	-	231,692	231,692
Total Assets		1,433,257	-	231,692	1,664,949

		The Group and Company 2022			
	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets					
Quoted equities	42	269,704	-	-	269,704
Unquoted equities		-	-	231,693	231,693
Total Assets		269,704	-	231,693	501,397

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.

3. Financial Risk Management (Continued)

(e) Fair value measurement (continued)

The following methods and assumptions have been used:

(i) The fair value of cash and cash equivalents, trade and other receivable, other investment and trade and other payable are assumed to approximate their carrying values due to their relatively short-term nature.

(ii) The carrying value of long-term receivables, contingent consideration payable, long-term payables and prize liabilities approximate their fair values as they are carried at amortised cost and the interest rates are reflective of current market rates for similar transactions.

As at the reporting date, the Group has contingent consideration payable under the Caymanas Track Limited deed. (See note 35)

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The key sources of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year, are as follows:

(i) Revaluation of investment properties

The Group uses a professional valuator to determine the fair value of its investment properties. Valuations are determined through the application of a variety of different valuation methods which are all sensitive to the underlying assumptions chosen.

(ii) 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.

(iii) Allowance for expected credit losses on receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3(a).

(iv) Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of administrative offices, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(iv) Income taxes

The Group is subject to income taxes in the jurisdictions it operates. Significant judgement is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Group has recognised deferred tax assets on tax losses carried forward as it anticipates making future taxable income to offset these losses. The Group continues to assess the impact of the losses carried forward for those amounts not currently recognized in the financial statements.

(v) Revenue recognition – distribution of telecommunication products

A portion of the Group's revenue arises from the distribution of airtime (via phone cards and electronic pins) for certain telecommunications companies. Management has considered the guidance in IFRS 15, 'Revenue from Contracts with Customers', to determine whether the Group is acting as a principal or an agent in the distribution of these products.

Management has determined that the Group is acting as principal and the gross presentation of revenue more faithfully represents the substance of the arrangements for distribution of airtime as:

i. The entity is primarily responsible for fulfilling the promise to provide the specified good or service. This typically includes responsibilities for acceptability of the specified good or service (for example, primary responsibility for the good or service meeting customer specification);
ii. The entity has inventory risk before the specified good or service has been transferred to a customer, or after transferring the control to the customer (for example, if the customer has a right of return);
iii. The entity has discretion in establishing the prices for the specified goods or services.

This determination involves the exercise of significant judgement. Had management determined that the Group was acting in the capacity of an agent in the distribution of airtime, revenue and direct expenses would have been reported on a net basis as commission income. Accordingly, revenue and direct expenses would have been reduced by $11,485,317 (2022: $11,372,529) and $10,535,428 (2022: $10,462,727).

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5. Segment Reporting

	2023				
	Lottery	**Sports Betting**	**Pin Codes**	**Unallocated**	**Group**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Non-fixed odd wagering games	4,086,763	13,090,538	12,335,910	496,408	30,009,619
Income from fixed odd wagering games	18,200,737	1,694,576	-	-	19,895,313
Total gaming income	22,287,500	14,785,114	12,335,910	496,408	49,904,932
Result					
Segment result	5,206,628	1,132,243	359,264	(3,736,770)	2,961,365
Loan interest revenue	-	-	-	-	204,684
Interest income	-	-	-	-	45,028
Other income/gains	-	-	-	-	586,062
Net foreign exchange gain/(loss)	-	-	-	-	45,890
Finance costs	-	-	-	-	(655,244)
Revaluation gain on investment property	-	-	-	-	83,999
Profit before taxation					3,271,785
Taxation					(830,084)
Profit for the year					2,441,701
Other information					
Capital expenditure	178,777	703,964	-	445,350	1,328,091
Depreciation, amortisation and write-offs; property, plant and equipment	253,563	607,664	-	206,384	1,067,611
Segment assets	3,698,028	6,712,919	721,320	9,740,245	20,872,512
Segment liabilities	2,485,475	1,173,977	1,027,538	11,089,504	15,776,494

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5. Segment Reporting (Continued)

			2022		
	Lottery	Sports Betting	Pin Codes	Unallocated	Group
	$'000	$'000	$'000	$'000	$'000
Non-fixed odd wagering games	3,721,972	12,988,183	12,253,710	506,454	29,470,319
Income from fixed odd wagering games	19,900,108	1,401,724	-	-	21,301,832
Total gaming income	23,622,080	14,389,907	12,253,710	506,454	50,772,151
Result					
Segment result	5,109,497	1,173,104	333,180	(2,563,856)	4,051,925
Loan interest revenue	-	-	-	-	93,617
Interest income	-	-	-	-	20,753
Other gains	-	-	-	-	218,548
Net foreign exchange gain	-	-	-	-	(82,483)
Finance costs	-	-	-	-	(452,712)
Revaluation loss on investment property	-	-	-	-	9,743
Profit before taxation					3,859,391
Taxation					(781,340)
Profit for the year					3,078,051
Other information:					
Capital expenditure	315,471	922,073	-	550,726	1,788,270
Depreciation, amortisation and write-offs	228,402	570,195	-	214,978	1,013,575
Segment assets	3,709,652	6,240,501	769,755	7,653,561	18,373,469
Segment liabilities	3,381,423	1,844,560	889,408	6,693,185	12,808,576

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5. Segment Reporting (Continued)

	Segment Results		Segment Assets		Segment Liabilities	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**'$000**	**$'000**	**$'000**
Total for reportable segments	6,698,135	6,615,781	11,132,267	10,719,908	5,056,250	6,115,392
Unallocated amounts:						
Selling, general and administrative expenses	(3,733,314)	(2,564,127)	-	-	-	-
Direct costs	(9,339)	(4,311)	-	-	-	-
Revenue from non-fixed odd wagering games	5,883	4,582	-	-	-	-
Property, plant and equipment	-	-	1,033,176	1,566,015	-	-
Investment properties	-	-	942,000	858,001	-	-
Goodwill and intangible assets	-	-	3,577,320	3,367,619	-	-
Long-term receivables	-	-	21,557	-	-	-
Financial assets at amortised cost	-	-	1,883	1,883	-	-
Financial assets at fair value	-	-	1,664,949	501,397	-	-
Deferred tax asset	-	-	394,897	204,952	-	-
Inventories	-	-	12	521	-	-
Trade and other receivables	-	-	391,084	708,817	-	-
Loans and advances	-	-	1,188,203			
Taxation recoverable	-	-	32,224	29,363	-	-
Restricted cash	-	-	151,670	52,932	-	-
Cash and cash equivalents	-	-	341,270	362,061	-	-
Trade and other payables	-	-	-	-	855,345	408,920
Current portion of lease liabilities	-	-	-	-	250,157	11,867
Current portion of long-term loans	-	-	-	-	241,118	281,895
Income tax payable	-	-	-		8,218	5,398
Long-term payables	-	-	-	-	8,172,334	4,841,327
Lease liabilities	-	-	-	-	603,893	948,026
Deferred tax liability	-	-	-	-	958,439	195,751
Total unallocated amounts	(3,736,770)	(2,563,856)	9,740,245	7,653,561	11,089,504	6,693,184
Total per financial statements	2,961,365	4,051,925	20,872,512	18,373,469	15,776,494	12,808,576

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6. Revenue - Non-Fixed Odd Wagering Games, Horse Racing and Pin Codes

The group recognised non-fixed odds revenue of $30.00 billion in 2023 (2022: $29.47 billion).

Revenue is recognised at a point in time. Tickets purchased prior to year end for which draws remain open have been reflected as contract liabilities.

In 2023, the Group recorded to revenue a surplus of $420.68 million in the Super Lotto Jackpot fund, in keeping with the contractual arrangements as the Operator of the Super Lotto game in Jamaica.

7. Income from Fixed Odd Wagering Games

The group recognised gross sales from fixed odds wagering games of $75.39 billion (2022: $80.17 billion) and after prize pay-outs of $55.50 billion (2022: $58.86 billion), resulting in net gaming income of $19.9 billion (2022: $21.30 billion)

Positions placed during the year for which draws have not been completed at the year end are reflected as contract liabilities.

8. Income

	The Company	
	2023	**2022**
	$'000	**$'000**
Management fee income	960,266	598,641
Dividend income	3,493,817	2,700,783
Miscellaneous income	11,970	-
	4,466,053	3,299,424

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9. Direct Costs

	The Group	
	2023	**2022**
	$'000	**$'000**
Lottery and Sports betting prizes	1,747,351	1,691,200
Horseracing dividends	7,398,341	7,493,665
Pin Codes	11,329,722	11,278,198
Gross Profit surcharge	4,407,954	4,775,677
Agents' commissions	5,416,991	5,775,546
Service contractor fees	2,890,549	3,173,276
Good cause fees	2,496,359	2,784,417
Contributions to Guyana Gaming Authority	56	119
Contributions to BGLC	1,270,378	1,440,197
Horseracing purse fees	801,116	800,016
Horseracing satellite services	165,512	194,329
Contributions to JRC	98,741	109,516
Others	81,612	82,327
	38,104,682	39,598,483

10. Other Income

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interest income	45,028	20,753	114,939	100,915
Rental income	35,781	40,080	-	-
Gain on financial asset at fair value	526,052	134,702	526,052	134,702
Gain on disposal of property, plant and equipment	14,620	629	-	-
Miscellaneous income	74,671	43,137	-	-
	696,152	239,301	640,991	235,617

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11. Expenses by Nature/ Selling, General and Administrative Expenses

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Staff costs (Note 12)	2,527,668	2,325,880	187,930	143,298
Rental and utilities	564,570	520,146	5,831	3,045
Auditors' remuneration	75,824	60,824	18,000	20,491
Depreciation and amortisation (Note 17 & 19)	1,067,611	1,013,575	52,158	51,920
Professional fees	449,899	328,150	312,524	207,413
Marketing and business development	1,160,170	1,015,483	101,650	66,744
Draw expenses	303,694	303,459	-	-
Subscription and donations	327,399	37,833	35,361	19,082
GCT irrecoverable	198,722	191,106	27,136	19,527
Security	220,410	163,503	14,418	13,927
Licences and other fees	227,076	149,820	104	304
Local and foreign travel	250,377	108,980	72,191	28,001
Repairs and maintenance	328,650	256,757	763	828
Equipment and motor vehicle expenses	92,312	63,438	1,535	1,549
Directors' fees	169,403	166,943	84,720	74,282
Bank charges	136,675	70,466	2,553	785
Administrative expenses	129,511	88,371	44,656	21,486
Insurance	110,070	38,606	38,703	1,427
Shared Services Recharge	-	-	86,832	62,346
Others	100,792	73,013	7,092	1,476
Total Selling, general and administrative expenses/ Operating Expenses	8,440,833	6,976,353	1,094,157	737,931
Net impairment losses on financial assets	463,113	145,390	-	30,641
	8,903,946	7,121,743	1,094,157	768,572

Audit fees for the year ended 31 December 2023 totalled $75,824,000(2022: $60,824,000) for the Group and $18,000,000 (2022: $20,491,000) for the Company. Other fees paid to the auditor (and related network firms) for non-assurance services totalled $46,069,000 (2022: $49,577,000) for the Group and $834,000(2022: $890,000) for the Company.

12. Staff Costs

Staff costs comprise:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Salaries and wages	1,847,262	1,691,901	149,482	104,385
Payroll taxes – employer's portion	219,878	205,229	14,291	11,826
Pension costs – defined contribution	57,748	55,350	2,750	-
Long-term incentive plan	(12,039)	46,546	8,130	-
Allowances and benefits	305,428	254,889	7,041	6,278
Other	109,391	71,965	6,236	20,809
	2,527,668	2,325,880	187,930	143,298

Included in allowances and benefits are staff meals, and health and life insurance costs.

13. Finance Costs

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest on bank overdraft and long-term loans	577,664	366,804	566,530	362,703
Interest expense for lease liabilities	77,580	85,908	698	932
Net foreign exchange (gains)/losses	(45,890)	82,483	(1,729)	(23,043)
	609,354	535,195	565,499	340,592

14. Taxation

Taxation is based on profit before tax and comprises:

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current tax	1,103,141	1,253,128	-	-
Deferred tax (Note 22)	(273,057)	(471,788)	(88,024)	(27,378)
	830,084	781,340	(88,024)	(27,378)

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14. Taxation (Continued)

The tax on the profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	The Group		The Company	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Profit before tax	3,271,785	3,859,391	3,447,388	2,425,877
Tax calculated at 25%	817,946	964,848	861,847	606,469
Expenses not deductible for tax purposes	114,221	49,335	77,136	63,502
Income not subject to tax	(134,888)	(16,314)	(1,008,342)	(675,196)
Tax in respect of prior years	-	(19,197)	-	-
Net employment tax credit (ETC clawback)	(14,884)	-	-	-
Tax losses recognised for a certain subsidiary	-	(202,569)	-	-
Tax losses not recognised	74,319	56,126	-	-
Reconciliation differences due to difference in tax rates	(5,632)	4,981	-	-
Other charges and credits	(20,998)	(55,870)	(18,665)	(22,153)
Tax charge	830,084	781,340	(88,024)	(27,378)

(a) Tax losses of the Group amounting to $2.14 billion (2022: $1.95 billion) subject to agreement with tax authorities in Jamaica and Guyana are available for set-off against future taxable profits of certain subsidiaries. Unutilised tax losses for the Jamaican entities can be carried forward indefinitely and can be used to offset up to 50% of each year's taxable profits.

(b) A deferred tax asset of $485.1 million (2022: $217.4 million) in certain subsidiaries has not been recognised, as directors and management are of the view that the entities are in the development phase and the strategies initiated to utilise the deferred tax asset are still in progress.

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15. Net Profit and Retained Earnings

The net profit and retained earnings attributable to the shareholders of the Group are reflected in the accounts of the Company and its subsidiaries as follows:

Net profit for the Year	**2023 $'000**	**2022 $'000**
The Company	3,535,412	2,453,255
Add Shared Service Charge expenses	86,832	62,346
Less Dividend Income from subsidiaries	(3,493,817)	(2,700,783)
Less Management fee income from subsidiaries	(960,266)	(598,641)
Less Interest income from subsidiaries	(93,167)	(91,857)
The Company	(925,006)	(875,680)
Subsidiaries	3,345,497	3,915,579
	2,420,491	3,039,899

	2023 $'000	**2022 $'000**
Retained earnings		
The Company	1,602,555	538,960
Subsidiaries	1,186,563	2,295,118
	2,789,118	2,834,078

16. Earnings per Stock Unit

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

	2023 $'000	**2022 $'000**
Net Profit for the year attributable to ordinary shareholders	2,420,491	3,039,899
Weighted average number of shares	2,637,255	2,633,803
Total earnings per share attributable to ordinary share holders	91.78 cents	115.42 cents

Included in the calculation of the weighted average number of shares are treasury shares purchased at different intervals during the year.

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17. Property Plant and Equipment

	The Group												
	Freehold Land $'000	Freehold Buildings $'000	Leased Property $'000	Leasehold Improvements $'000	Leased Tote Equipment $'000	Video Lottery Terminal Equipment $'000	Furniture, Fixtures, Machinery & Equipment $'000	Computer Equipment $'000	Motor Vehicles $'000	Arts & Paintings $'000	Signs & Posters $'000	Capital Work-in-Progress $'000	Total $'000
Cost													
31 December 2021	13,000	266,071	1,364,949	620,686	101,185	984,569	1,784,583	323,647	275,888	2,850	63,922	1,160,760	6,962,110
Additions	-	-	30,805	259,953	-	12,817	172,701	55,910	37,427	-	52,685	860,527	1,482,825
Foreign exchange adjustment	-	-	840	254	-	-	466	241	-	-	-	598	2,399
Transfers (i(b))	-	-	-	-	-	-	(210)	-	(446)	-	(699)	(102,024)	(103,379)
Disposals/Write-offs	-	-	-	-	-	-	-	-	(40,026)	-	-	(24,803)	(64,829)
31 December 2022	13,000	266,071	1,396,594	880,893	101,185	997,386	1,957,540	379,798	272,843	2,850	115,908	1,895,058	8,279,126
Additions	-	-	(59,653)	54,941	-	8,907	80,719	86,081	92,682	-	15,211	581,433	860,321
Transfers (i(b))	-	-	-	-	-	-	-	-	-	-	-	374,198	374,198
Disposals/Write-offs	-	-	(6,514)	-	(101,185)	-	1,151	-	(11,000)	-	-	(10,778)	(128,326)
31 December 2023	13,000	266,071	1,330,427	935,834	-	1,006,293	2,039,410	465,879	354,525	2,850	131,119	2,839,911	9,385,319
Accumulated depreciation													
31 December 2021	-	23,197	441,306	450,760	69,143	394,066	1,036,654	212,372	113,285	-	21,926	-	2,762,709
Depreciation	-	4,818	190,690	50,280	20,237	12,121	295,412	52,989	52,803	-	15,600	-	694,950
Transfers	-	-	-	-	-	-	(210)	-	-	-	-	-	(210)
Disposals/Write-offs	-	-	(16,097)	-	-	-	-	-	(26,600)	-	-	-	(42,697)
31 December 2022	-	28,015	615,899	501,040	89,380	406,187	1,331,856	265,361	139,488	-	37,526	-	3,414,752
Depreciation	-	9,132	179,265	81,496	12,356	202,344	137,254	42,755	54,619	-	23,465	-	742,686
Disposals/write-offs	-	-	(239,853)	-	(101,736)	-	(557)	-	(10,267)	-	-	-	(352,413)
31 December 2023	-	37,147	555,311	582,536	-	608,531	1,468,553	308,116	183,840	-	60,991	-	3,805,025
Net book values													
31 December 2023	13,000	228,924	775,116	353,298	-	397,762	570,857	157,763	170,685	2,850	70,128	2,839,911	5,580,294
31 December 2022	13,000	238,056	780,695	379,853	11,805	591,199	625,684	114,437	133,355	2,850	78,382	1,895,058	4,864,374

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17. Property Plant and Equipment (Continued)

The Company

	Freehold Land $'000	Freehold Buildings $'000	Leased Property $'000	Leasehold Improvements $'000	Furniture, Fixtures, Machinery & Equipment $'000	Computer Equipment $'000	Motor Vehicles $'000	Art & Paintings $'000	Capital Work in Progress $'000	Total $'000
Cost										
31 December 2021	13,000	69,990	25,718	9,285	27,705	557	981	2,543	540,307	690,086
Additions	-	-	-	-	4,121	-	-	-	101,313	105,434
31 December 2022	13,000	69,990	25,718	9,285	31,826	557	981	2,543	641,620	795,520
Additions	-	-	-	1,930	18,269	-	-	-	-	20,199
31 December 2023	13,000	69,990	25,718	11,215	50,095	557	981	2,543	641,620	815,719
Accumulated depreciation										
31 December 2021	-	15,163	11,431	3,758	21,420	407	981	-	-	53,160
Depreciation	-	1,722	8,572	3,333	2,828	150	-	-	-	16,605
31 December 2022	-	16,885	20,003	7,091	24,248	557	981	-	-	69,765
Depreciation	-	6,036	5,715	1,860	3,322	-	-	-	-	16,933
31 December 2023	-	22,921	25,718	8,951	27,570	557	981	-	-	86,698
Net book values										
31 December 2023	13,000	47,069	-	2,264	22,525	-	-	2,543	641,620	729,021
31 December 2022	13,000	53,105	5,715	2,194	7,578	-	-	2,543	641,620	725,755

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17. Property and Equipment (Continued)

Rights-of-use assets

(i) Amounts recognised in the statement of financial position

a) The statement of financial position shows the following amounts relating to leases:

	The Group	
Right-of-use assets	**2023 $'000**	**2022 $'000**
Buildings	775,116	780,695
Equipment	-	11,805
	775,116	792,500

	The Company	
Right-of-use assets	**2023 $'000**	**2022 $'000**
Buildings	-	5,715
	-	5,715

b) Capital work in progress was transferred during the year as follows:

	The Group	
	2023 $'000	**2022 $'000**
Property plant & equipment	(374,198)	102,024
Transferred amount	(374,198)	102,024

17. Property and Equipment (Continued)

Rights-of-use assets (continued)

(ii) Amounts recognised in the statement of profit or loss

The statement of comprehensive income shows the following amounts relating to leases:

	2023	2022
Depreciation charge of right-of-use assets	**$'000**	**$'000**
Buildings	179,265	190,690
Equipment	12,356	20,237
	191,621	210,927

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. If The Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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18. Investment Properties

(i) Non-current assets at fair value

	2023 $'000	2022 $'000
Opening balance at 1 January	858,001	848,258
Gain from fair value adjustments	83,999	9,743
Closing balance at 31 December	942,000	858,001

Investment properties include the Group's interest in freehold land held by Jonepar Development Limited, a related party, amounting to $70 million (2022: $65.0 million). The properties were valued by independent valuators, Allison Pitter & Company as at November 16, 2023, who estimated a value of $942 million (2022: $858 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 commencing on August 11, 2015 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 SVG 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 independent valuators.

Rental income of $29.87 million (2022: $30.07 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 $0.83 million (2022: $7.55 million).

The following table analyses the investment properties carried at fair value, by valuation method.

Fair value at December 2023 $'000	Fair value at December 2022 $'000	Valuation Technique (s)	Unobservable inputs	Range of unobservable inputs (Probability-weighted average)	Relationship of unobservable inputs to fair value	Sensitivity $'000
872,000	793,001	Investment approach	Capitalization rate	• 8% - 9%	If the capitalization rate increases/decreases by 1%, the fair value will decrease/increase by	4,534
			Discount rates	• 7% - 8.5%	If the discount rate increases/decreases by 1%, the fair value will decrease/increase by	4,464
70,000	65,000	Market comparison approach with a residual approach	Capital value per square foot	• $40,000 - $48,000 capital value per square foot	If the capital value per square foot increases/decreases by 1%, the fair value will increase/decrease by	3,836
			Basic building cost	• $17,000 per square foot	If the basic building cost increases/decreases by 1%, the fair value will decrease/increase by	1,344
942,000	858,001					

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18. Investment Properties (Continued)

Lessor arrangements

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease payments for the contract include CPI increases of 2% annually, but there are no other variable lease payments that depend on an index or rate.

Although the Group is exposed to changes in the residual value at the end of the current lease, the current lease arrangement states that the original term of the lease is fifteen (15) years with an option to renew the lease for a further fifteen (15) years.

Expectations about the future residual values are reflected in the fair value of the properties

Minimum lease payments receivable on leases of investment properties are as follows

	2023 $'000	2022 $'000
Within 1 Year	37,350	36,597
Between 1 and 2 years	38,097	37,329
Between 2 and 3 years	38,859	38,076
Between 3 and 4 years	39,636	38,837
Between 4 and 5 years	40,429	39,614
Later than 5 years	83,301	114,871
	277,672	305,324

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19. Goodwill and Intangible Assets

	The Group								The Company			
	Computer & Gaming Software	Contract Based Intangible	Trademarks & Licences	Branch Network	Non-Competitive Agreement	Software Usage Rights	Goodwill	Total	Computer Software	Trademarks	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost												
31 December 2021	766,334	720,306	669,229	1,038,600	128,000	80,558	2,053,939	5,456,966	346,317	277	189,953	536,547
Additions	333,641	-	2,012	-	-	-	-	335,653	56,125	13	-	56,138
Transfers	99,292	-	-	-	-	-	-	99,292	-	-	-	-
Disposals/Write-off	-	-	-	-	-	-	-	-	-	-	-	-
31 December 2022	1,199,267	720,306	671,241	1,038,600	128,000	80,558	2,053,939	5,891,911	402,442	290	189,953	592,685
Additions	318,405	-	3,798	-	-	-	-	322,203	23,564	137	-	23,701
Transfers	(374,243)	-	-	-	-	-	-	(374,243)	-	-	-	-
31 December 2023	1,143,429	720,306	675,039	1,038,600	128,000	80,558	2,053,939	5,839,871	426,006	427	189,953	616,386
Accumulated Amortisation												
31 December 2021	266,923	60,026	462,399	217,827	121,500	80,558	-	1,209,233	45,009	68	-	45,077
Amortisation	118,858	72,031	18,194	100,450	6,500	-	-	316,033	35,265	21	-	35,286
Foreign exchange adjustment	4							4				
31 December 2022	385,785	132,057	480,593	318,277	128,000	80,558	-	1,525,270	80,274	89	-	80,363
Amortisation	159,372	72,031	8,287	62,000	-	-	-	301,690	35,200	26	-	35,226
31 December 2023	545,157	204,088	488,880	380,277	128,000	80,558	-	1,826,960	115,474	115	-	115,589
Carrying values												
31 December 2023	598,272	516,218	186,159	658,323	-	-	2,053,939	4,012,911	310,532	312	189,953	500,797
31 December 2022	813,482	588,249	190,648	720,323	-	-	2,053,939	4,366,641	322,168	201	189,953	512,322

19. Goodwill and Intangible Assets (Continued)

(a) The amortisation of computer software, trademarks and licences, branch network, non-competitive agreement and software usage rights is included in operating expenses (note 11).

(b) Goodwill

	The Group	
	2023	2022
	$'000	$'000
Lotteries	189,953	189,953
Post to Post Betting Limited	261,360	261,360
Supreme Route Limited	1,602,626	1,602,626
	2,053,939	2,053,939

	The Company	
	2023	2022
	$'000	$'000
Lotteries	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 CGU recognising goodwill for the Group are Lottery, Post to Post Betting Limited and Supreme Route Limited.

Management has determined that goodwill at 31 December 2023 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. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The key assumptions used in the estimation of value-in-use were as follows:

(c) In 2023, if the terminal value revenue growth rate had been 2% lower than management's estimates for the Supreme Route Limited CGU, the Group would have an excess over the carrying value of goodwill and intangible assets of $134,500,000 and therefore no impairment would have been recognised. If the pre-tax discount rate had been 2% higher than management's estimates, the Group would have impairment of $16,800,000.

	The Group and the Company					
	Supreme Route Limited		Post to Post Betting Limited		Lottery	
	2023	2022	2023	2022	2023	2022
Pre-tax discount rate	23.0%	23.5%	22.5%	23.8%	22.4%	24.8%
Terminal value growth rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
EBITDA growth rate in terminal year	8.0%	9.5%	5.0%	5.0%	4.0%	0.8%

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20. Long-Term Receivables

		The Group		The Company	
		2023	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
(a)	Island Holdings Limited	22,674	25,204	-	-
(b)	Supreme Ventures Racing & Entertainment Limited	-	-	416,614	415,038
	Less Provision for expected credit losses	-	-	(46,848)	(46,848)
		22,674	25,204	369,766	368,190
(c)	Supreme Ventures Gaming Limited	-	-	783	686,080
	Supreme Route Limited	-	-	162,617	164,573
(d)	Supreme Ventures Real Estate	-	-	80,000	80,000
(e)	Supreme Ventures Enterprise Incorporated	-	-	649	-
	McKayla Financial Services	-	-	65,064	78,236
		22,674	25,204	678,879	1,377,079
	Less: Current portion	(1,117)	(1,117)	(151,851)	(88,327)
		21,557	24,087	527,028	1,288,752

(a) Island Holdings Limited (IHL)

On April 27, 2015, IHL purchased the shares of Exodus Gaming and Entertainment Limited (Exodus), which was incorporated by SVG on February 20, 2015, for US$300,000.

As the receivable is interest-free it has been re-measured in accordance with IFRS 9, 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 $2.1 million (2022: $2.1 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, SVG's interest in Jonepar Development Limited and a licence agreement permitting IHL or its nominee to use lands owned by Jonepar for parking purposes (note 18).

(b) Supreme Ventures Racing & Entertainment Limited

This represents intercompany balance from subsidiary Supreme Ventures Racing & Entertainment Limited which was converted to a loan facility with interest accruing at a rate of 4% per annum. Principal payments are to be made on a quarterly basis and is expected to mature in 2046.

(c) Supreme Ventures Gaming Limited

This represents loan facility with subsidiary SV Gaming Limited which was used to support the acquisition of the majority shareholdings which was converted to a loan facility with interest accruing at a rate of 7.50% per annum. Principal payments are made on a quarterly basis and is expected to mature in 2029.

20. Long-Term Receivables (Continued)

(a) Supreme Ventures Real Estate Limited (formerly Supreme Ventures Lotteries Limited)

This represents loan facility with subsidiary Supreme Ventures Real Estate Limited at an interest rate of 11% per annum for 120 months at a reducing balance monthly payment.

(b) Supreme Ventures Enterprise Incorporated

This represents interest bearing funding to subsidiary Supreme Ventures Enterprise Incorporated to support their operational activities with interest accruing at a rate of 11% per annum. Principal payments are made on a quarterly basis.

21. Other Investments

This represents cash invested by the Group to fund prize liabilities associated with the PayDay game. The Group has contracted with a licensed security dealer to act as the investment manager and paying agent to fulfil the prize liability stream consequent on PayDay wins. At the reporting date, the sums were invested in a resale agreement, the fair value of underlying securities of which was $16,764,000 (2022: $16,340,000).

22. Deferred Tax Balances

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax asset	890,443	653,423	180,766	92,741
Deferred tax liabilities	(165,466)	(201,503)	-	-
Net asset	724,977	451,920	180,766	92,741

Deferred tax asset and deferred tax liability are shown separately on the Statement of Financial Position.

Deferred taxation is attributable to the following:

(a) Group

	2023	**2022**
	$'000	**$'000**
Property and equipment	119,517	198,476
Investment properties	110,312	38,210
Intangible assets	(183,180)	(235,433)
Trade and other receivables	50,340	20,937
Trade and other payables	65,089	43,538
Tax losses	560,174	362,325
Other	2,725	23,867
Net Asset	724,977	451,920

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22. Deferred Tax Balances (Continued)

(a) Group (continued)

(i) Movement in the deferred tax assets and liabilities during the year are as follows:

	2023		
	Balance at 1 January $'000	**Recognised in profit/loss $'000**	**Balance at 31 December $'000**
Property and equipment	198,476	(78,959)	119,517
Investment properties	38,210	72,102	110,312
Intangible assets	(235,433)	52,253	(183,180)
Trade and other receivables	20,937	29,403	50,340
Trade and other payables	43,539	21,550	65,089
Tax losses	362,326	197,848	560,174
Other	23,865	(21,140)	2,725
Total	451,920	273,057	724,977

	2022		
	Balance at 1 January $'000	**Recognised in profit/loss $'000**	**Balance at 31 December $'000**
Property and equipment	104,428	94,048	198,476
Investment properties	30,592	7,618	38,210
Intangible assets	(279,101)	43,668	(235,433)
Trade and other receivables	(1,007)	21,944	20,937
Trade and other payables	151	43,388	43,539
Tax losses	101,674	260,652	362,326
Other	23,395	470	23,865
Total	(19,868)	471,788	451,920

22. Deferred Tax Balances (Continued)

(b) Company

	2023 $'000	2022 $'000
Property and equipment	8,792	(3,330)
Trade and other payables	45,037	22,389
Trade and other receivables	4,686	(648)
Tax losses	122,251	72,896
Other	-	1,434
Net asset	180,766	92,741

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

		2023	
	Balance at 1 January $'000	Recognised in profit/loss $'000	Balance at 31 December $'000
Property and equipment	(3,330)	12,122	8,792
Trade and other payables	22,389	22,648	45,037
Trade and other receivables	(648)	5,334	4,686
Tax losses	72,896	49,355	122,251
Other	1,434	(1,434)	-
Total	92,741	88,025	180,766

		2022	
	Balance at 1 January $'000	Recognised in profit/loss $'000	Balance at 31 December $'000
Property and equipment	(1,951)	(1,379)	(3,330)
Trade and other payables	-	22,389	22,389
Trade and other receivables	(10,216)	9,568	(648)
Tax losses	73,477	(581)	72,896
Other	4,053	(2,619)	1,434
Total	65,363	27,378	92,741

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23. Inventories

	The Group	
	2023	2022
	$'000	$'000
Pin codes	202,040	269,104
Operational inventory	48,491	39,051
Food and beverage	7,082	5,301
	257,613	313,456

The cost of inventories recognised as direct expense during the year for the Group was $11.3 billion (2022: $11.28 billion).

24. Trade and Other Receivables

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current assets				
Trade receivables from contracts with customers (Note a	2,879,419	2,160,988	-	-
Less: provision for credit losses	(654,736)	(375,306)	-	-
	2,224,683	1,785,682	-	-
Other receivables and prepayments (Note b)	1,380,035	1,478,169	260,174	225,490
Accrued interest	6,804	5,163	4,681	4,855
	3,611,522	3,269,014	264,855	230,345

(a) Included in trade receivables are amounts of $1.94 billion (2022: $1.40 billion) representing amounts receivable from agents that support lottery and sports betting sales.

(b) Other receivables and prepayments for the Group and Company includes GCT recoverable and vendor prepayments totaling $475 million (2022: $789 million). In 2022, $563 million was paid towards the acquisition of Champion Gaming Limited. (refer to Note 36)

25. Cash and Cash Equivalents

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash in hand and at bank	2,199,500	2,708,451	64,248	270,095
Certificate of deposits	248,208	260,017	117,011	161,862
	2,447,708	2,968,468	181,259	431,957

(a) The weighted average interest rate on the Certificate of deposits at the year end is 4% (2022: 3.00%).

(b) Special accounts for operational purposes to pay prizes includes the following:

(i) An amount of $20 million (2022: $20 million), which is the minimum regulatory requirement to fund the Lucky 5 and Top Draw game, was set aside as a reserve by Supreme Ventures Gaming Limited (SVG), a subsidiary.

(ii) As a condition of its lottery licence, SVG 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. At the reporting date, the balances in the dedicated bank accounts totalled $863 million (2022: $1.43 billion).

(iii) An amount of $5.8 million (2022: $5.8 million) is required to facilitate a guarantee issued in favour of Jamaica Public Service Company Limited for the provision of electricity services.

(iv) An amount of $31.3 million (2022: $56.2 million) was set aside as a performance bond guarantee arrangement by SVG. This is a requirement of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to SVG.

(v) Cash and cash equivalents include $5.81 million (2022: $10.35 million) is managed by Supreme Ventures Racing & Entertainment Limited on behalf of racehorse owners and are used to claim/buy horses from other owners.

26. Prize Liabilities

	The Group	
	2023	2022
	$'000	$'000
Local lottery games ((a) below)	515,426	445,625
Multi-jurisdictional lottery game ((b) below)	242,500	434,561
Horse-racing Dividends	240,509	344,853
Sports Betting	280,278	45,531
	1,278,713	1,270,570
Multi-jurisdictional lottery game – Other ((c) below)	198,154	594,843
	1,476,867	1,865,413

(a) This represents the prize liabilities associated with the local lottery games operated under licence by the subsidiary, Supreme Ventures Gaming Limited, including an amount accrued for the advertised jackpot of $69 million (2022: $39 million).

(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). 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. The advertised jackpot on December 31, 2023 was $242.5 million (2022: $434.5 million)

(c) Super Lotto jackpot contributions above the advertised jackpot are accrued in accordance with the terms of the Super Lotto agreement. These amounts are used to fund the prizes payable as they fall due.

27. Trade and Other Payables

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Trade payables	2,769,391	1,927,364	9,637	-
Contributions payable to the BGLC	32	20,699	-	-
Government taxes payable	28,924	150,874	-	-
Accruals	979,393	412,572	27,594	15,719
Other payables	549,299	1,233,459	202,856	193,525
	4,327,039	3,744,968	240,087	209,244

(i) Included in Other Payables for the Group are amounts totaling $276 million (2022 - $160 million). This represents payables for credit card, payroll, General Consumption Tax and non-trading activity liabilities. Included in other Payables for the Company are amounts totaling $44 million (2022 - $64 million). This represents payables for credit card, payroll, and other liabilities.

28. Share Capital

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

	2023 $'000	2022 $'000
Stated capital:		
2,637,254,926 ordinary stock units, issued and fully paid	1,967,183	1,967,183
Treasury shares 10,941,867 (2022 – 4,762,736)	(353,703)	(130,743)

During the prior year, the Company bought back 6,179,131 units of Treasury shares valued at $222,959,115.

29. 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.

30. Long-term Loans and Payables

	The Group		The Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
(a) PayDay prize liability	16,341	16,341	-	-
(b) BM Soat Auto Sales Limited	-	471	-	-
(c) Champion Gaming Limited	74,730	74,731	-	-
(d) Sagicor Bank Jamaica Limited	905,505	1,122,690	695,386	905,589
(e) Jamaica Central Services Depository (As Trustess)	6,480,500	3,000,000	6,480,500	3,000,000
(f) Jamaica Money Market Brokers Limited	81,250	100,000	-	-
(g) Barita Investments Limited	500,000	500,000	500,000	500,000
(h) Mayberry Investments Limited	100,000	30,000	-	-
(i) Development Bank of Jamaica	556,316	587,630	540,404	551,000
	8,714,642	5,431,863	8,216,290	4,956,589
Less: current portion	(290,938)	(359,652)	(203,898)	(259,668)
	8,423,704	5,072,211	8,012,392	4,696,921

(a) PayDay prize liability – This liability represents the present value of a monthly prize annuity of $150,000 due and payable for twenty (20) years, expiring 25 October 2036. It is stated net of an unamortised discount of $12.88 million (2022: $13.99 million). The liability is secured by an investment held with Sagicor Investments Limited (Note 21).

(b) BM Soat Auto Sales Limited – Four-year motor vehicle loan for Supreme Ventures Enterprise Incorporated from BM Soat Auto Sales Limited. The loan has interest accruing at a rate of 14.58% per annum. Payments are made monthly and matured in 2023. The motor vehicle was used as security for the facility.

(c) Champion Gaming Limited - This liability represents an unsecured loan for the purchase of gaming machines of J$74,730,435.68 or its equivalent US$535,000 with interest accruing at 6% per annum. A moratorium of three years was agreed with the repayment due in April 2024. The machines became operational in 2022.

30. Long-term Loans and Payables (Continued)

(d) Sagicor Bank Jamaica Limited – This relates to four loan facilities as follows:

(i) A mortgage loan from Sagicor Bank Jamaica Limited to purchase building which houses Post to Post Betting Limited Head Office with interest accruing at a rate of 9.5% per annum, for 10 years with a maturity date of 31 December 2028. The property was used as a security for the facility.

(ii) A motor vehicle loan from Sagicor Bank Jamaica Limited. The loan facility has interest accruing at a rate of 7.25% per annum for three (3) years with a maturity date of 30 September 2023. Interest rate on this product was increased to 8.5% effective July 2023. The motor vehicle was used as security for the facility.

(iii) An unsecured credit facility of $450 million from Sagicor Bank Jamaica Limited, to support the Group's acquisition of Post-to-Post Betting Limited operations. The loan facility includes a moratorium of 12 months on principal payments, with interest accruing at a rate of 6.35% per annum, for five (5) years with a maturity date of 14 June 2024.

(iv) An unsecured Syndicated Loan facility of $1 billion administered by Sagicor Bank Jamaica Limited, to support the Group's plans for future acquisition. The loan facility includes a moratorium of 6 months on principal payments, with interest accruing at a rate of 6.5% for the first five (5) years and thereafter a variable rate with a ceiling of 9.5%, for five (5) years with a maturity date of 30 December 2029.

(e) Jamaica Central Services Depository (As Trustees)- This relates to two unsecured bond facilities as follows:

(i) Unsecured Bond facility of $3 billion arranged by Sagicor Investments in 2020, to cover the Group's costs for targeted acquisitions in Post-to-Post Betting Limited and Supreme Route Limited with a maturity date of 30 October 2025. As part of the requirements of the bond facility, a special deposit of $52 million, equivalent to one month interest has been deposited to a cash reserve account.

(ii) Unsecured Bond facility of $3.48 billion arranged by Sagicor Investments in 2023, to cover the Group's costs for targeted acquisition in Ghana as well as Operational and Marketing Expenses with Tranche 1 maturity date of 30 July 2026 and Tranche II maturity date of 30 April 2029. As part of the requirements of the bond facility, a special deposit of $100 million, has been deposited to a cash reserve account.

(f) Jamaica Money Market Brokers Limited- Unsecured facility of $100 million used for working capital support. The loan facility includes a moratorium of 12 months on principal payments, with interest accruing at a rate of 7.50% per annum, for five (5) years with a maturity date of July 2027.

(g) Barita Investments Limited – Senior secured bond facility of $500 million from Barita Investments, to support the Group's plan for the acquisition of a gaming entity and assets. The principal on the facility is due on maturity on 11 December 2025 with interest accruing at a rate of 6.50% per annum. As a condition of the Barita bond, the following Guarantees were executed:

i) First Legal Guarantor's Mortgage ("Guarantor's Mortgage") endorsed on Certificate of Title for Coral Cliff property

ii) Guarantee and Postponement of Claims Agreement issued by Supreme Ventures Gaming Limited, an affiliate of the Borrower (the "Guarantor"), in favor of the Lender (the "Guarantee").

iii) Deed of Assignment of Commercial All Risk Policy issued by the Borrower and/ Guarantor in favor of the Lender for the full replacement value of the Mortgaged Premises (the "Assignment of Insurance").

(h) Mayberry Investments Limited – This relates to two facilities as follows:

(i) This represents a 12-month unsecured loan facility for McKayla Financial Services Limited which was received in June 2023 with interest accruing at a rate of 9.5% per annum.

(ii) Unsecured loan facility for Supreme Ventures Limited unlended by Development Bank of Jamaica through Mayberry Investments Limited to support the Group's Solar System project with a fixed interest rate accruing at 7.70% for the first five (5) years of the ten (10) year facility and thereafter for the next five (5) years with interest accruing at the 6 months WATBY rate plus 6.20% per annum on the reducing balance.

30. Long-term Loans and Payables (Continued)

(i) **Development Bank of Jamaica** – This relates to an unsecured revolving loan facility for McKayla Financial Services Limited which was received in May 2014 and is a revolving loan facility with interest accruing at a rate of 10% per annum and is repayable over 180 months.

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying Amounts		Fair Values	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Non-current borrowings	8,423,704	5,072,211	7,905,531	4,612,287

31. Lease Liabilities

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
Lease liabilities	**$'000**	**$'000**	**$'000**	**$'000**
Current	250,157	180,679	-	7,461
Non-current	603,894	767,347	-	
	854,051	948,026	-	7,461

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	The Group		The Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Interest expense (included in finance cost)	77,580	85,908	698	932
Expenses relating to short term leases (included in selling, general and administrative expenses	4,749	8,790	-	-
	82,329	94,698	698	932

The total cash outflow for leases in 2023 was $244,399,000 (2022: $157,703,000) for the Group and $7,758,000 (2022: $10,125,000) for the Company.

31. Lease Liabilities (Continued)

(iii) Incremental borrowing rate

The incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by our bankers as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security

(iv) Lease payments

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $26 million.

32. Investment in Subsidiaries

	The Company	
	2023	**2022**
	$'000	**$'000**
Supreme Ventures Gaming Limited	1,524,918	1,524,918
Supreme Ventures Services Limited	580,570	413,733
Supreme Ventures Racing and Entertainment Limited	150,000	150,000
SV Fintech Limited	5,759	5,759
PosttoPost Betting Limited (Note b)	946,548	946,548
Supreme Group Incorporated	787,996	787,996
Transtel Jamaica Limited	1	1
	3,995,792	3,828,955

(a) On March 27, 2023, the Group under its subsidiary Supreme Ventures Fintech Limited (formerly Supreme Ventures Lotteries Limited, acquired the remaining 49% of the shares in McKayla Financial Services Limited for a cash consideration of $67.98 million. On February 11, 2022, the Group under its subsidiary Supreme Ventures Fintech Limited (formerly Supreme Ventures Lotteries Limited), acquired 51% of the shares in McKayla Financial Services Limited for a cash consideration of $51 million. The transaction resulted in a bargain purchase of $36.97 million. (Refer to note 36).

(b) On January 18, 2022, the Group acquired an additional 29% shareholdings in PosttoPost Betting Limited. (Refer to note 36).

On February 6, 2023, the Group, through its subsidiary Supreme Ventures Gaming Limited acquired an additional 29% shareholdings in Supreme Route Limited. (Refer to note 36).

33. Related Party Transactions and Balances

	The Company	
	2023	2022
	$'000	$'000
(a) Long term receivables – Note 20		
McKayla Financial Services Limited	65,064	68,245
Supreme Ventures Racing and Entertainment Limited	361,206	368,190
Supreme Route Limited	20,758	164,573
Supreme Ventures Real Estate	80,000	80,000
Supreme Ventures Gaming Limited	-	607,744
	527,028	1,288,752
(b) Due from subsidiaries:		
Supreme Ventures Enterprise Incorporated	52,326	35,640
Supreme Route Limited	30,598	8,807
Supreme Ventures Racing and Entertainment Limited	172,847	87,610
McKayla Financial Services Limited	-	6,592
Supreme Ventures Gaming Limited	2,977,223	-
PosttoPost Betting Limited	35,481	20,763
SVG Stakeholder Trust Limited	364,672	130,743
Supreme Venture Guyana Holdings Incorporated	40,500	40,500
Supreme Venture Fintech Services Limited	202,541	122,397
	3,876,188	453,052
(c) Due to subsidiaries		
McKayla Financial Services Limited	5,175	-
Supreme Route Limited	449	-
Supreme Ventures Real Estate Limited	122,226	148,531
Supreme Ventures Gaming Limited	-	200,905
Supreme Ventures Services Limited	19,640	132,502
	147,490	481,938

(i) Identity of related parties

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

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33. Related Party Transactions and Balances (Continued)

(c) Due to subsidiaries (continued)

(ii) The Consolidated and Company Statement of Comprehensive Income include the following transactions with related parties:

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Subsidiaries:				
Management fees	-	-	960,266	598,641
Interest income	-	-	93,167	91,857
Dividend income	-	-	3,493,817	2,700,783
Shared services recharge expense	-	-	86,832	62,346
Other related parties:				
Other expenses	30,480	25,487	-	-

(d) Compensation of key management personnel

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

	The Group		The Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Management remuneration	705,335	734,847	141,358	124,389
Post-employment benefits	18,153	21,151	1,875	-
	723,488	755,998	143,233	124,389

(e) The following have been charged in arriving at profit before income tax:

	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Directors' emoluments -				
Director's Fees	169,403	166,943	84,720	77,087
Management remuneration	149,482	104,385	149,482	104,385

(f) Provisions or write-offs

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

34. Distributions

(a) Distributions to shareholders of the Company

		2023	2022
		$'000	$'000
Final dividend for 2021 paid 29 March 2022 -	26¢	-	685,686
First interim dividend paid 20 May 2022 -	34¢	-	896,930
Second interim dividend paid September 16, 2022 -	18.40¢	-	485,255
Third interim dividend paid 15 December 2022 -	14.54¢	-	383,406
Final dividend for 2022, paid 2 May 2023 -	34¢	896,000	-
First interim dividend paid 15 August2023 -	23.94¢	631,360	-
Second interim dividend paid 2 October 2023-	26.45¢	697,610	-
Third interim dividend paid 6 December 2023 -	9.36¢	246,847	-
		2,471,817	2,451,277

During the year the Group, through its subsidiary Post to Post limited paid dividends of $2.29 and $2.86 per share on March 31, 2023 and September 8, 2023, totalling $73.93 million, of which $14.79 million related to minority interest.

35. Contingencies and Commitments

(a) 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, Supreme Ventures Gaming Limited (SVG), with the requirements of the licence granted by BGLC that the equity capitalisation of SVG be not greater than $500 million, and SVG will accordingly be treated as having $500 million of shareholders' equity for the purpose of the condition of the BGLC licence that refers to shareholders' equity. Accordingly, BGLC will hold the Company responsible and liable for any breaches of the licence by its subsidiary, SVG.

(b) Contingencies – Supreme Ventures Gaming Limited

In accordance with the requirements of the Betting, Gaming and Lotteries Act granting a Bookmaker's permit to Supreme Ventures Gaming (SVG), a performance bond guarantee arrangement was executed with The Bank of Nova Scotia Jamaica Limited (BNS) for an amount of $20.2 million (2022: $20.2 million). Under the said performance bond covering the period 24 December 2022 to 2 January 2025, 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 $20.2 million. The bank guarantee is secured by a hypothecated term deposit in the amount of $20.2 million.

(c) 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 are settled with the revenue authorities in Jamaica.

35. Contingencies and Commitments (Continued)

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

In accordance with conditions attached to the lottery, sports betting and VLT licences granted by the BGLC, annual licence fees aggregating $77.2 million (2022: $93.2 million) fall due for payment each year.

(e) Capital commitments

	The Group	
	2023	**2022**
	$'000	**$'000**
Machinery and equipment	208	25,505
Leasehold improvements	32,700	81,400
Furniture, fixtures, machinery and equipment	2,106	4,526
Signs and posters	497	3,118
Computer equipment	16,056	39,387
Computer software	136,755	130,532
	188,322	284,468

(f) Sponsorship commitments

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

	The Group	
	2023	**2022**
	$'000	**$'000**
2023	-	27,000
	-	27,000

(g) Contingent commitment

The Group has a commitment to develop and modernize the Caymanas Park, which involves the following outlays:

Milestone	Implementation period from commencement date	**$'000**
Phase 1	Within two (2) years	200,000
Phase 2	Between year three (3) and year (5)	300,000
		500,000

As of 31 December 2023, the Group has invested $930 million towards the development and modernization of Caymanas Park.

36. Acquisition of Subsidiaries

On March 27, 2023, the Group through its subsidiary Supreme Ventures Fintech Limited acquired 49% additional shares in Mckayla Financial Services Limited at a cost of $63.31 million. This increased the number of shares from 51% to 100%, to become a wholly owned subsidiary.

The acquisition is aligned with SVL's growth strategy, which has expanded beyond the gaming market and is now making headway into other growth industries, such as the micro-lending space, with significant potential to meet the ever-growing needs of an extensive consumer base.

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37. Net Debt Reconciliation

	Group			Company		
	Lease Liabilities $'000	Loan liabilities $'000	Total $'000	Lease Liabilities $'000	Loan Liabilities $'000	Total $'000
Net debt as at 1 January 2022	(1,040,249)	(5,414,217)	(6,454,466)	(15,630)	(5,172,641)	(5,188,271)
Cash flows						
Addition	(28,873)	(290,000)	(318,873)	-	-	-
Interest	(85,908)	(368,267)	(454,175)	(932)	(362,703)	(363,635)
Repayment	286,058	287,444	573,502	10,125	216,049	226,174
Foreign exchange adjustment	(79,054)	-	(79,054)	(1,024)	-	(1,024)
Interest payable	-	42,710	42,710	-	42,710	42,710
Interest paid	-	310,467	310,467	-	319,993	319,993
Net debt as at 31 December 2022	(948,026)	(5,431,863)	(6,379,889)	(7,461)	(4,956,592)	(4,964,053)
Cashflows						
Addition	(94,949)	(3,480,500)	(3,575,449)	-	(3,480,500)	(3,480,500)
Interest	(77,580)	(577,664)	(655,244)	(698)	(566,530)	(567,228)
Repayment	244,960	155,011	399,971	7,758	178,095	185,853
Foreign exchange adjustment	21,544	-	21,544	401	-	401
Interest payable	-	138,178	138,178	-	138,178	138,178
Interest paid	-	482,196	482,196	-	471,059	471,059
Net debt as at 31 December 2023	(854,051)	(8,714,642)	(9,568,693)	-	(8,216,290)	(8,216,290)

38. Non-Controlling Interest

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Company do not differ from the proportion of ordinary shares held.

The total non-controlling interest as at the year end was:

	2023 $'000	2022 $'000
PosttoPost Betting Limited	184,386	190,228
Supreme Route Limited	650,861	637,862
McKayla Financial Services Limited	-	51,455
Total Minority Interest	835,247	879,545

The table below shows the summarised financial information for PosttoPost Betting Limited that has a non-controlling interest:

Statement of financial position	2023 $'000	2022 $'000
Total assets	543,213	612,574
Total liabilities	(346,581)	(386,681)
Net assets	196,632	225,893
Non-controlling interest	184,386	190,228
Statement of comprehensive income		
Revenue	1,742,226	1,866,576
Net profit for the year/ total comprehensive income	44,718	68,722
Profit allocated to non-controlling interest	8,944	13,744
Adjustment allocated to non-controlling interest	-	(4,005)
Dividend distributed to non-controlling interest	(14,786)	
Accumulated non-controlling interest	(5,842)	9,739

38. Non-Controlling Interest (continued)

The table below shows the summarised financial information for Supreme Route Limited that has a non-controlling interest:

Statement of financial position	2023 $'000	2022 $'000
Total assets	4,669,875	4,606,127
Total liabilities	(1,415,570)	(1,416,819)
Net assets	3,254,305	3,189,308
Non-controlling interest	650,861	637,862
Statement of comprehensive income		
Revenue	1,587,780	1,550,636
Net profit for the year/ total comprehensive income	65,000	198,453
Profit allocated to non-controlling interest	13,000	39,691

39. Long Term Incentive Plan

The expense recognised in the Statement of Comprehensive Income for share-based payments was $76,635,413. The establishment of the long-term incentive plan was approved by the Board of Directors in June 2020. The plan is designed to provide long-term incentives for senior managers and above (excluding non-Executive Directors) to deliver long-term shareholder returns. Under the plan, participants are granted allotted shares which only vest if certain performance objectives are met. Participation in the plan is at the Board's discretion, no individual has a contractual right to participate in the plan or receive any guaranteed benefits.

The amount of allotted shares that will vest depends on the employee's performance within the Company each year based on the set predetermined objectives. The allotted shares will vest for a period of 2 years, with 50% due in April of the following year and the remaining 50% in Year 2. At the end of each financial year, the applicable shares will be purchased for the benefit of the specific senior managers as per the obligations outlined in employee contracts.

Share options of 1,775,250 were granted and options totaling 543,480 expired during the year. Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Share options
1 April 2024	1,775,250
1 April 2025	2,105,250
	3,880,500

The weighted average remaining contractual life of options outstanding at the end of the period is 3.84 years.

(a) The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option.

39. Long Term Incentive Plan (Continued)

The model inputs for options granted during the year ended 31 December 2023 included:

(a) Options vest based on defined service period.
(b) Vested options are exercisable for a period of two years after vesting.
(c) Exercise price: $0
(d) Grant date: April 1
(e) Expiry date: 1 April 2025
(f) Share price: $27.10
(g) Expected price volatility: 54.69% (based on historic volatility)
(h) Expected dividend yield: 4.72%
(i) Risk-free interest rate: 8.10%

Fair value of shares allotted

The assessed fair value at grant date of the shares allotted during the year ended 31 December 2023 was $27.10. per share (2022 – $29.93). The fair value at grant date is independently determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

40. Restricted Cash

	The Group		**The Company**	
	2023	**2022**	**2023**	**2022**
	$’000	**$’000**	**$’000**	**$’000**
Restricted cash	178,139	79,401	151,670	52,932

As a condition of the $3.4 billion bond facility issued in July 2023, a special deposit of $98 million, equivalent to three-month interest has been deposited to a cash reserve account. The account is held at Sagicor Bank and is an investment trust account.

As a condition of the $3 billion bond facility issued in October 2022, a special deposit of $52 million, equivalent to one month interest has been deposited to a cash reserve account. The account is held at Sagicor Bank and is an interest-bearing account.

As a condition of the loan to SV REIT by Sagicor, a deposit of $26.4 million is maintained on account at Sagicor. This is an interest-bearing account.

41. Loans and Advances

Loans and advances are comprised of, and mature as follows:

	2023	2022
	$'000	$'000
Within 12 months	1,286,137	456,750
Over 12 months	151,362	14,192
Gross loans and advances	1,437,499	470,942
Less: provision for credit losses	(249,297)	(65,614)
Net loans and advances	1,188,202	405,328
Non-current portion	151,363	14,192
Current portion	1,036,839	391,136
	1,188,202	405,328

During the year the Group, through its subsidiary Supreme Ventures Gaming Limited, on lent a loan of $730.26 million to Gamepark Limited. Gamepark Limited is the lotteries and gaming company which operates in Ghana for which the Group, through its subsidiary IBet Ghana provides management and technical services. The amount is due within one year.

42. Financial Asset at Fair Value through Profit and Loss

On July 24, 2023, the Group purchased a ten percent (15%) shareholding in Dolla Financial Services Limited.

On April 30, 2022, the Group purchased a ten percent (10%) shareholding in Main Event Entertainment Group, an events production Company for a cash consideration of $105 million.

	The Group and The Company	
	2023	**2022**
	$'000	**$'000**
Fair value through profit and loss securities		
Equity quoted	1,433,257	269,704
Equity unquoted	231,692	231,693
	1,664,949	501,397
During the year the following gains were recognised in profit or loss	526,052	134,702
	526,052	134,702

The following table analyses the unquoted equity carried at fair value, by valuation method.

Fair value at December 2023 $'000	Fair value at December 2022 $'000	Valuation Technique(s)	Unobservable inputs	Range of unobservable inputs (Probability – weighted average)	Relationship of unobservable inputs to fair value	Sensitivity $'000
231,692	231,692	Capitalization of earnings method	Capitalization rate (earnings multiple)	• Multiple of 6.3 times • Probability – 37%	If the capitalization rate increases/decreases by 1%, the fair value will decrease/increase by	1,595
231,692	231,692					

Supreme Ventures Limited
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(expressed in Jamaican dollars unless otherwise indicated)

43. Offsetting of Financial Assets and Liabilities

There are no offsetting arrangements within the Company, except for certain related party balances. As such, financial assets and liabilities are not offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

The following table presents the recognised receivable and payable balances that are offset. The column 'net amount' shows the impact on the Company's Statement of Financial Position if all set-off rights were exercised:

	The Company		
	2023		
	Gross Amounts $'000	Gross amounts set off in the statement of financial position $'000	Net amounts presented in the statement of financial position $'000
Financial assets			
Long term loans receivables	1,221,385	(694,357)	527,028
	1,221,385	(694,357)	527,028
Financial liabilities			
Due to related party	841,847	(694,357)	147,490
	841,847	(694,357)	147,490

	The Company		
	2022		
	Gross Amounts $'000	Gross amounts set off in the statement of financial position $'000	Net amounts presented in the statement of financial position $'000
Financial assets			
Long term loans receivables	1,558,661	(269,909)	1,288,752
	1,558,661	(269,909)	1,288,752
Financial liabilities			
Due to related party	751,847	(269,909)	481,938
	751,847	(269,909)	481,938