

CASINO GAMING COMMISSION

Annual Report

2017/2018

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Chairman's Message

The Casino Gaming Commission (Commission) experienced very significant changes during 2017-2018 financial year. In response to Cabinet decision in 2016 to include the Casino Gaming Commission as part of the merger with BGLC and JRC a great deal of the Commission's activities was concentrated on the merger efforts and the relocation of its office to 78 CEF Hagley Park Road.

The Commission is represented on the Merger Committee and the Sub-committee which deals with the legislation aspects of the merger. The Merger Committee has retained the services of two firms of Consultants to assist with the merger processes; Strategic Alignment Limited (SAL) to give guidance in the Operational Merger and Mrs. Carol Madden to assist with the Drafting of the relevant Legislation. The Report on the operational merger is at an advanced stage however, any implementation will have to await the enactment of the legislation which is anticipated will be in 12 -18 months.

In the meantime, the Commission presently participates in a Shared Service Arrangement with the BGLC whereby the BGLC provides accommodation and Back Office support to the Commission. This has resulted in a significant reduction in the Commission's operational expenses. The Commission continues to participate in the Change Management activities with BGLC and JRC.

The Commission again experienced the disappointment of the non-activation of the Orders for Approved Integrated Resort Development made to two developers. Neither of the developers applied for a casino gaming licence nor has any further progress been made in achieving the breaking of ground and the construction of the approved Resorts, notwithstanding extensions granted to them to facilitate the process. Given the foregoing situation and the fact that the Commission has a Shared Service Arrangement with the BGLC, the Commission, further revised its structure and reduced the staff compliment to one full time and one part-time personnel.

Despite the challenges, the Commission has maintained strong relationship with the international industry players and regulators. The Secretary /Manager of the Commission remain a Member of the Board of Trustees of the International Association of Gaming Regulators (IAGR) of which the Commission has been a member since 2014. The appointment of the Secretary /Manager as Trustee has brought attention to the international industry and Jamaica was selected to host the 2019 Annual Conference of the IAGR.



ROBERT COLLIE, JP
Chairman (Acting)
June 2018

Vision

A fair, crime free and responsible casino gaming industry which provides community wide benefits to Jamaica.

Mission

To protect Jamaica's interests by regulating the operation of a highly reputable and internationally respected casino gaming industry. This is to be achieved by operating with integrity and professionalism, by developing effective working relationships with and maintaining the confidence of all stakeholders while keeping abreast of industry developments in a highly competitive and dynamic environment.

Overview

The existing **Vision** and **Mission** of the Commission as outlined above will be incorporated in the operations of the merged entity which it is expected to continue to represent a fair, crime free and responsible casino gaming industry which provides community wide benefits to Jamaica. The Casino Gaming Act of 2010 is the vehicle being used to establish the new legislation for the merged entity.

REPORT ON OPERATIONS

Highlights of the year

- The Minister of Finance and the Public Service offered extensions of the Orders for the commencement of Integrated Resort Development to Celebration Jamaica Development Limited and Harmonization Limited.
- Relocation of the offices of the Commission to Hagley Park Road
- Jamaica selected to host the 2019 Conference of the International Association of Gaming Regulators
- Established Shared Service Arrangement with the BGLC
- Review of organization structure and adjustment in staff compliment.

Amendments to the Casino Gaming Act and Regulations

The Amendments to the Act and draft Regulations are to be incorporated in the new legislation for the merged entity.

Memoranda of Understanding (MOUs)

Existing MOUs established with the Financial Investigation Division (FID) and the Jamaica Constabulary Force and having received the necessary Ministerial approval, will be incorporated in the operations of the new entity upon completion of the merger.

Standards for Gaming Equipment in Casinos

The GLI Technical Standards for Gaming Equipment adopted by the Commission will also be transferred to the new entity upon completion of the merger. The Standards are currently available at the Library of the Bureau of Standards.

National Risk Assessment and CFATF related activities

The Commission's continuous participation in the National Risk Assessment and other CFATF activities is required.

International Cooperation

The Commission has maintained its membership in the International Association of Gaming Regulators (IAGR). The Secretary / Manager remains a Member of the Board of Trustees. Jamaica will host the IAGR's 2019 Annual Conference. Arrangements for the Conference have commenced and are being managed by an Organizing Committee comprised of staff from BGLC and CGC.

International Conferences

The Trustee (Secretary /Manager) attended the IAGR 2017 Annual Conference. The conference focused on challenges faced by gaming regulators as they seek to improve the effectiveness and efficiency of gambling oversight.

Compliance with the PBMA and FAA Acts, as well as MOFP circulars and applicable regulations

Governance

At the start of the Financial Year 2017/18 the Board of Commissioners comprised the following members.

Walter Scott Q.C.	Chairman
Robert Collie	Commissioner
Howard Hamilton	Commissioner
Afeef Lazarus	Commissioner
Howard Mitchell	Commissioner
Ian Murray	Commissioner
Marigold Naar	Commissioner
Robert Russell	Commissioner

During the year three members terminated their service inclusive of the Chairman. There remains five Members.

Seven meetings were held during the year and matters relating to the IRDs, Transition and Merger were dealt with. Given the reduction in activities, the Board agreed to the reduction in the number of meetings.

All statutory reporting requirements have been met including Monthly Cash Flow Requests, Monthly Financial Reports, Quarterly and Half-yearly Reports and Annual Reporting.

Board Decisions

All Board Decisions are dispatched within 72 hours of the decisions being made to ensure the assigned activities are performed in reasonable time and all Board Minutes are recorded and kept by the Secretariat.

Committees and Sub-Committees

In light of the reduced activities the number of subcommittees was reduced. All Legislative matters are dealt with under the Merger process by the Merger Legislative sub-committee, except matters requiring the direct input of the Board of Commissioners.

The Finance Committee meets as needs arise. In keeping with the requirements of the Public Bodies Management and Accountability Act (PBMA), the Audit Committee meets to deal with the following:

1. The integrity of the Commission's financial statements;
2. The independent auditor's qualifications, independence and performance;
3. The internal controls and control environment.

Audit

Messrs. McKenley and Associates, Chartered Accountants, continued as the External Auditors to the Commission. The Commission completed its audit for the financial year 2017/18 during April 2018, which was within the timeframe to meet the July 31, 2018 deadline required by the PBMA. The completed report was submitted to MOFP accordingly.

Staffing

The financial year commenced with three full time staff members and one part time personnel but the organisation's structure was further reviewed, resulting in the reduction of staff to one full time employee supported by a part time member.

Training

Limited staff training continued throughout the year to prepare staff for seamless integration to the merged entity.

Services

The Commission's website <http://www.cgc.gov.jm> is still maintained. The BGLC under the Shared Services Arrangement provides content management.

Financial Statements – Audited Report



McKENLEY
& ASSOCIATES
CHARTERED ACCOUNTANTS

"Continuous Improvement and Innovation are our Duties....."

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

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To the Members of
The Casino Gaming Commission

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Casino Gaming Commission ("the Commission"), which comprise Statement of Financial Position as at 31 March 2018 and the Income Statement, statement of cash flows and statement of changes in reserves for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 March 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission within the meaning of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission'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 the Ministry of Finance either intends to liquidate the Commission or cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Commission's financial reporting process.



To the Members of
The Casino Gaming Commission

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 Commission'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 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 Commission to cease to continue as a going concern.



To the Members of
The Casino Gaming Commission

Independent Auditor's Report (continued)

Report on other legal and regulatory requirements.

As required by the 2010 Casino Gaming Act, the Public Bodies Management and Accountability Act and the Financial Administration and Audit 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.

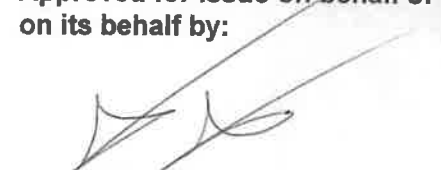
In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required in the manner so required.

Malenkyn & Associates,
Chartered Accountants
15 June 2018
Kingston, Jamaica

	<u>Note</u>	<u>2018</u> \$	<u>2017</u> \$
Revenue			
Grant income	2(e)	39,910,950	60,458,614
Interest Income		4,684	4,917
Total operating revenue		<u>39,915,634</u>	<u>60,463,531</u>
Operating expenses			
Administrative	3	42,017,301	61,906,634
Finance	4	60,116	77,950
Total operating expenses		<u>42,077,417</u>	<u>61,984,584</u>
Deficit from operations		<u>(2,161,784)</u>	<u>(1,521,053)</u>
Taxation	5	-	-
Net deficit for the year		<u>(2,161,784)</u>	<u>(1,521,053)</u>

	<u>Note</u>	<u>2018</u> \$	<u>2017</u> \$
Non- Current Assets			
Property, plant and equipment	6	5,212,861	7,328,083
Current assets			
Receivables	7	617,540	610,795
Cash & bank	8	531,091	180,045
		1,148,631	790,840
Total Assets		<u>6,361,489</u>	<u>8,909,763</u>
Equity and liability			
General fund		5,357,139	7,518,924
Current liability			
Payables	9	1,004,350	600,000
Total reserves and liability		<u>6,361,489</u>	<u>8,118,924</u>

Approved for issue on behalf of the Commission on June 15, 2018, and signed on its behalf by:



 Commissioner



 Commissioner

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		\$	\$
Cash flows from operating activities:			
Deficit for the year		(2,161,784)	(1,521,053)
Adjustment for :			
Depreciation	6	2,115,222	2,115,222
Operating cash flow before movement in working capital		<u>(46,562)</u>	<u>594,169</u>
Increase/(Decrease)			
Receivables		(6,744)	(229,308)
Payables		404,352	(208,595)
		<u>397,608</u>	<u>(437,903)</u>
Cash provided by operating activities		<u>351,046</u>	<u>156,266</u>
Investing Activity:			
Purchase of fixed assets		-	-
Cash used in investing activity		<u>-</u>	<u>-</u>
Increase in cash balance		351,046	156,266
Cash balance - beginning of the year		180,045	23,779
Cash balance - end of the year		<u>531,091</u>	<u>180,045</u>

	<u>Capital Grant</u>	<u>General Reserve</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Balance as at 31 March 2015	-	6,494,397	6,494,397
Surplus for the year	-	2,545,579	2,545,579
Balance as at 31 March 2016	-	9,039,976	9,039,976
Deficit for the year	-	(1,521,053)	(1,521,053)
Balance as at 31 March 2017	-	7,518,923	7,518,924
Deficit for the year	-	(2,161,784)	(2,161,784)
Balance as at 31 March 2018	-	5,357,139	5,357,139

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The Casino Gaming Commission (The Commission) was established under section 5 of the Casino Gaming Act 2010 with the principal functions to:

- a) Regulate and control casino gaming in Jamaica;
- b) Approve systems of controls for, and administrative and accounting procedures in casinos, in order to ensure integrity and fairness in casino gaming;
- c) Conduct investigations into the operation of casinos and the holders of specified offices
- d) Institute measures and controls to;
 - (i) Protect the vulnerable, including children, from any harm or exploitation arising from casino gaming;
 - (ii) Limit opportunities for crime or any disorder associated with casinos;
 - (iii) Facilitate responsible casino gaming;
 - (iv) Prevent money laundering and the financing of terrorist activities in relation to casino gaming;
- e) Advise the Minister of Finance and Planning on matters of general policy relating to casino gaming in Jamaica and
- f) Carry out such other functions pertaining to casino gaming as may be assigned to it by or under the Act or any other enactment.

The Casino Gaming Commission (CGC) commenced operations with effect from 16 April 2012 and the financial statements are prepared under the historical cost convention, and are presented in Jamaican dollars (\$), which is the reporting currency of the Commission.

Funding

The Casino Gaming Commission secured funding for operations for the period under review from the Government of Jamaica (GOJ).

The Casino Gaming Act

The Casino Gaming Act was passed in 2010 and its objects are to:

- a) Establish a regulatory scheme for the conduct of casino gaming in Jamaica;
- b) Encourage the establishment of a number of substantial integrated resort developments by licensing the carrying on of casino gaming as part of a mix of various tourism amenities and facilities available to guests of hotels in such developments;
- c) Ensure that casino gaming is conducted in a fair and open manner;
- d) Ensure that casino gaming is regulated efficiently and effectively;
- e) Prevent casino gaming from being a source of crime or disorder or being used to support crime, and
- f) Protect children and other vulnerable persons from exploitation due to casino gaming.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES:

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB).

New, revised and amended standards and interpretations that became effective during the year and those issued but not yet effective.

At the date of authorization of these financial statements, certain new, revised and amended standards and interpretations came into effect before, during and after the current financial year. The majority of the standards and interpretations did not have any significant impact on the financial statements which included the following:

- i. IFRS 13, Fair value Measurement
- ii. IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets.
- iii. IAS Related Party Disclosures
- iv. IAS 1, Presentation of financial statements
- v. Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation,
- vi. IFRS 12, Disclosure of Interest in Other Entities,
- vii. IFRS 15, Revenue from Contracts with Customers
- viii. IFRS 9, Financial Instruments,

(b) Basis of preparation and functional currency

The financial statements are prepared on the historical cost basis and are presented in Jamaican dollars (\$) which is the functional currency of the Commission.

(c) Use of Estimates and judgments

No estimates or judgments were made during the year ended 31 March 2018.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Fixed assets

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Depreciation is calculated on the straight line basis at such rates that will write off the carrying value of the assets over the period of their estimated useful lives. Each financial year, the depreciation methods, useful lives and residual values are reassessed.

Annual depreciation rates are as follows:

Furniture & fixtures	10%
Computers	20%
Motor Vehicle	20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Repairs and maintenance expenditure are charged to the income statement during the financial period in which they are incurred.

(e) Grants

Budgetary support from the Ministry of Finance and Planning (MOFP) is considered as grants.

Advances from the Ministry of Finance and Planning (MOFP) are in lieu of approved budgetary allocations from Central Government for use in the establishment of the Commission. These approved allocated amounts are considered as grants.

During the year, no casino licenses were issued and thus the Commission did not earn fees from prospective applicants.

(f) Receivables

Receivables are carried at historical cost.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Cash and bank

Cash and bank balances are carried in the statement of financial position at cost, for the purpose of the cash flow statement, cash and bank balances comprise cash at bank.

(h) Foreign currencies transactions

There were no foreign currency transactions during the year.

(i) Payables and accrued charges

Payables and accrued charges are stated at cost.

3. ADMINISTRATIVE EXPENSES

	<u>2018</u>	<u>2017</u>
	\$	\$
Advertising for staff placement	34,046	268,542
Commissioners fees	438,400	391,000
Licenses & other taxes	714,978	494,314
Depreciation	2,115,222	2,115,222
Insurance	719,667	1,203,886
Training	3,775,706	2,385,545
Subscription	256,435	308,075
Postage & cable	76,041	76,730
Utilities	-	515,453
Relocation expense	11,000	750,300
Telephone, internet & communication	571,572	723,584
Entertainment & staff welfare	295,167	218,755
Audit fees	755,000	1,040,000
Computer & other repairs & maintenance	1,238,090	997,982
Travelling	2,628,622	5,924,859
Wages & salaries & payroll expenses	25,326,964	40,567,412
Contribution to shared services	1,300,000	-
Rental of office space	1,575,000	3,600,000
Printing & stationery supplies	185,391	324,975
	<u>42,017,301</u>	<u>61,906,634</u>

4. FINANCE CHARGES

	<u>2018</u>	<u>2017</u>
	\$	\$
Bank charges	60,116	77,950
	<u>60,116</u>	<u>77,950</u>

5. TAXATION

No provision is made in these financials for taxation on surplus generated from operation of the Commission because the Casino Gaming Commission is funded by way of a subvention from the Government of Jamaica.

6. FIXED ASSETS

	<u>2018</u>			
	<u>Motor vehicle</u>	<u>Furniture & Fixtures</u>	<u>Computers</u>	<u>Total</u>
	\$	\$	\$	\$
At cost :				
1 April 2017	5,670,900	3,045,350	3,382,533	12,098,783
Additions	-	-	-	-
31 March 2018	<u>5,670,900</u>	<u>3,045,350</u>	<u>3,382,533</u>	<u>12,098,783</u>
Acc. Depreciation:				
1 April 2017	2,268,360	780,646	1,721,696	4,770,702
Charge for the year	1,039,665	303,856	771,701	2,115,222
31 March 2018	<u>3,308,025</u>	<u>1,084,502</u>	<u>2,493,397</u>	<u>6,885,924</u>
Net book value				
31 March 2018	<u>2,362,875</u>	<u>1,960,848</u>	<u>889,136</u>	<u>5,212,859</u>
	<u>2017</u>			
	<u>Motor vehicle</u>	<u>Furniture & Fixtures</u>	<u>Computers</u>	<u>Total</u>
	\$	\$	\$	\$
At cost :				
1 April 2016	5,670,900	3,045,350	3,382,533	12,098,783
Additions	-	-	-	-
31 March 2017	<u>5,670,900</u>	<u>3,045,350</u>	<u>3,382,533</u>	<u>12,098,783</u>
Acc. Depreciation:				
1 April 2016	1,039,665	475,434	1,140,381	2,655,480
Charge for the year	1,134,180	304,535	676,507	2,115,222
31 March 2017	<u>2,268,360</u>	<u>780,646</u>	<u>1,721,696</u>	<u>4,770,702</u>
Net book value				
31 March 2017	<u>3,402,540</u>	<u>2,264,704</u>	<u>1,660,837</u>	<u>7,328,081</u>

7. RECEIVABLES

	<u>2018</u>	<u>2017</u>
	\$	\$
Prepaid rent	400,914	300,000
Other prepayments	216,625	310,795
	<u>617,539</u>	<u>610,795</u>

8. CASH AND BANK

	<u>2018</u>	<u>2017</u>
	\$	\$
Sagicor Bank: current account	531,091	180,045
	<u>531,091</u>	<u>180,045</u>

9. PAYABLES

	<u>2018</u>	<u>2017</u>
	\$	\$
Accruals: audit charges	360,000	300,000
: statutory liabilities	542,982	-
Withholding taxes	101,368	299,998
	<u>1,004,350</u>	<u>599,998</u>

10. OPERATING DEFICIT BEFORE TAXATION

The following have been charged arriving at operating deficit:

	<u>2018</u>	<u>2017</u>
	\$	\$
Auditors remuneration	650,000	600,000
Commissioners' fees	438,400	391,000
Management remuneration	14,617,817	29,073,104

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Commission's activities expose it to a variety of financial risks in respect of its financial instruments: market risk (currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Commission seeks to manage these risks by close monitoring of each of its financial instruments as follows:

a) Market risk

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Commission is not exposed to this risk because all transactions are undertaken in Jamaican dollars.

11. RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Market risk (continued)

Currency Risk (continued)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Commission manages this risk by maintaining interest earning assets with reputable financial institutions and procuring the most advantageous interest rates.

The Commission's policy is to invest excess cash in short term deposits and savings accounts with licensed financial institutions. Short term deposits are invested for periods of twelve (12) months or less at fixed interest rates and as such are not affected by fluctuations in market interest rates up to the dates of maturity. Interest rates on savings accounts are not fixed and are subject to change due to fluctuations in prevailing market interest rates. At the reporting date, there were no investments of excess cash.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Commission faces credit risks in respect of its cash at bank held with financial institutions. Credit risk for cash at bank is managed by maintaining these balances with licensed financial institutions considered to be stable.

c) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The Commission manages its liquidity risk by endeavoring to maintain an appropriate level of resources in liquid or near liquid form along with GOJ providing budgetary support. At the statement of financial position date, current assets exceeded current liabilities by \$144,280 (2017 - (\$190,842) liabilities exceeded assets).

d) Cash flow interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

The Commission faces exposure to cash flow interest rate risk in respect of its cash and bank balances that may fluctuate according to prevailing levels of market interest rates and as such may increase or decrease interest margin in the next financial year.

12. SUBSEQUENT EVENT

The Government of Jamaica (GOJ) through the Ministry of Finance (MOF) took the decision to merge a number of government entities that provide oversight to the gaming industry. This will see the Betting, Gaming and Lotteries Commission (BGLC), Jamaica Racing Commission (JRC) and the Casino Gaming Commission (CGC) being merged into an entity with the power and authority to regulate all formal gaming activities throughout the Country. This slated to be completed over the course of the next fiscal year and within the context of the government's public sector transformation agenda.

As a consequence, this may result in the operations of the Commission being significantly scaled down after the reporting year end.

CASINO GAMING COMMISSION
COMPENSATION FOR SENIOR EXECUTIVES
For Year Ended March 31, 2018

Position of Senior Executive	Salary	Gratuity or Performance Incentive	Travelling Allowance or Value of Assignment of Motor Vehicle	Pension or Other Retirement Benefits	Other Allowances	Non-Cash Benefits	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Secretary/Manager	10,902,880.92	2,725,584.85	670,512.00				14,298,977.77
Total	10,902,880.92	2,725,584.85	670,512.00	0	0	0	14,298,977.77

Notes:

CASINO GAMING COMMISSION
DIRECTORS COMPENSATION
For Year Ended March 31, 2018

Position of Director	Fees	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle	Honoraria	All Other Compensation including Non-Cash Benefits as applicable	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
Chairman	88,500				88,500
Commissioner 1	58,100				58,100
Commissioner 2	56,200				56,200
Commissioner 3	55,300				55,300
Commissioner 4	28,800				28,800
Commissioner 5	67,300				67,300
Commissioner 6	59,200			90,000	149,200
Commissioner 7	25,000				25,000
Total	438,400	0	0	90,000	528,400