

Canidrome's annual profits plummet 82 pct y-o-y

Nelson Moura | 29/06/2016 | in

Animal rights activists continue demanding the closure of the greyhound racetrack citing its low profitability as one of the primary reasons.

Annual profits from the greyhound racetrack, managed by Companhia de Corridas de Galgos Macau (Yat Yuen) S.A., decreased 82 per cent to MOP4.8 million (US\$600,600) in 2015 from MOP26.7 million (US\$3.3 million) in 2014, according to the company's financial statement in the Official Gazette. Over the last five years the racetrack profits have decreased annually, with MOP103.3 million posted in 2011, MOP85.2 million in 2012, and MOP70.4 million in 2013, according to the financial statements of the company published on the website of the Gaming inspection and Co-ordination Bureau (DICJ).

In recent years, animal rights groups in Macau, led by local group Anima (Society for the Protection of Animals) have vowed to force the closure of the track, using its low financial income as one of the main levers in their argument.

"This financial statement means that such a big space like the Canidrome only making MOP4.8 million a year doesn't make any sense. Renting that space would probably make more money for the government," economist and president of Anima, Albano Martins, told Business Daily.

Unpaid debts

The financial statement reveals that MOP410.7 million of the total MOP632.5 million in active assets, comprises loans given to associates that have not yet been repaid, while the amount of unpaid debt by the Canidrome is MOP25.6 million.

For Professor of Accounting at the School of Business of the Macau University of Science and Technology (MUST) Lin Zhijun this "may imply that a significant amount of current year revenues has not been realised, or that collectability may be a concern."

The 2015 financial report also shows no change occurred in the MOP29.6 million amount of debts owed by shareholders from the group from 2014. "No information is available to explain the split between shareholders or to the associates, so it is difficult to judge whether or not the loans to the associates are too high. A total loan of 29.6 million over the total assets of 632.8 million is about 4.7 per cent, which may be useful to make a judgement," Lin told Business Daily.

According to Albano Martins, the Canidrome's financial statements "lack transparency" in the amounts of debt and loans to shareholders and associates, considering it a "typical way in Macau to avoid taxes."

"They also don't provide an exploration account like other casinos publish, making it impossible to check their phone betting results," Martins told Business Daily.

Awaiting decision

The 50-year Canidrome licence, owned by operator Macau (Yat Yuen) Canidrome Co., part of Stanley Ho's gaming group Sociedade de Turismo e Diversões de Macau (STDM), expired last year, with the government choosing to extend it for another twelve months.

A final decision was postponed until a study by the University of Macau, focusing on the importance and influence of the Canidrome on the territory as a World Centre for Tourism and Leisure. The study was delivered to the DICJ for assessment with a decision expected to be made in July. Business Daily contacted SJM and the DICJ regarding the Canidrome's financial statement and the decision on the racetrack but no response had been received by the time this newspaper went to press.

