



Ensuring gambling is conducted
in a fair and transparent manner



Annual Report 2014





GAMBLING REGULATORY AUTHORITY
ANNUAL REPORT 2014

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VISION AND MISSION

Vision

To be a world class, forward looking, innovative, and dynamic body based on fundamental principles of incorruptibility, meritocracy and impartiality.

Mission

To deliver prompt and efficient services to its stakeholders;

To ensure that gambling activities are conducted in a fair and transparent manner; and

To foster responsible gambling in order to minimize harm caused by gambling.

ACTING CHIEF EXECUTIVE'S MESSAGE

I have pleasure to present the Sixth Annual Report of the Gambling Regulatory Authority (GRA) for the year ended 31st December 2014.

Since its coming into operation in December 2007, major strides have been made by the Authority for ensuring transparency and good governance in the management and conduct of gambling activities as regulated by the GRA Act 2007. However, for an organization having such a mandate in the field of gambling there is still a long way to go both at enforcement level as well as education and information level.

2014 has been a challenging year for the GRA not only in terms of the volume and magnitude of work that had to be carried out but also, most importantly, because of the complexities of the issues under stake. Indeed, during the year, we had to tackle various alleged incidents widely reported in the media regarding the horse racing industry which had adversely impact public confidence in the integrity of this sector. Enforcement was strengthened and directives given to the horse racing organizer on its operations, including employment and departure of jockeys and minimum number of participating horses in a race. This was also critical to instill public confidence. The GRA will examine the recommendations of the Commission of Inquiry on Horse Racing In Mauritius and further actions would be taken accordingly.

This year also witnessed the finalization of the legal framework for operators of Limited Payout Machines. Once adopted, this will regularize a business activity which has been in operation for many years and bring it into greater scrutiny from the GRA. In the same spirit, the rules of games for casinos, gaming houses and other operators were further clarified to ensure compliance with the GRA Act.

With the reinforcement of the Licensing and Inspectorate Unit of the GRA, more on-site visits were made possible thus reducing significantly the risk of non-compliant licensees in operation. Coordination with the Police des Jeux has been fruitful with many complaints being addressed in a timely and diligent manner. While illegal gambling and other malpractices are being addressed, the challenge remains for the gambling industry to operate within the set parameters in a very dynamic and technology driven environment. In addition, amendments were brought to the GRA Act for ensuring control in the gambling industry after taking into account the concerns of the operators and developments in the gambling industry.

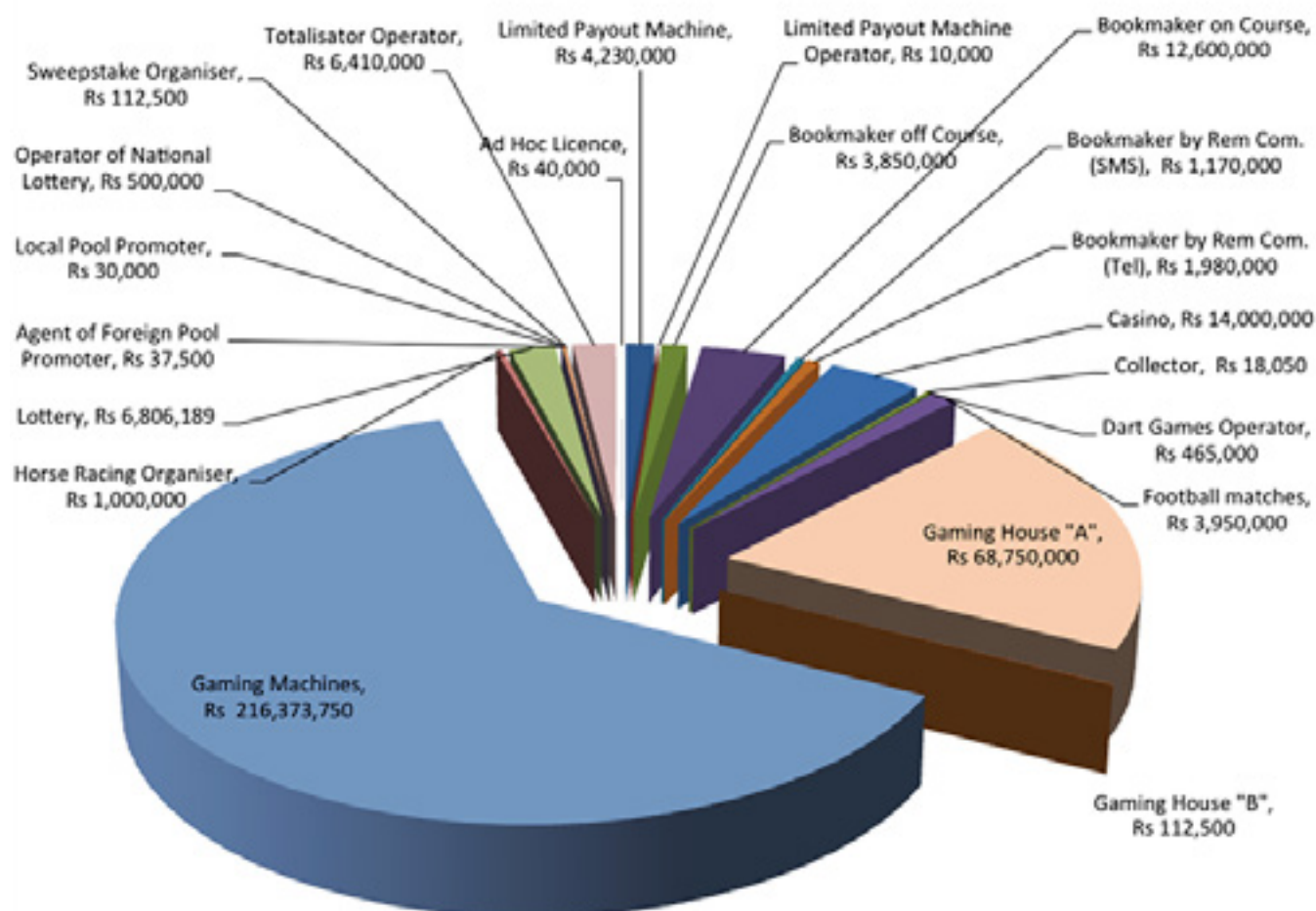
And with rapid technological changes and access to online banking and gaming facilities, the challenge is even bigger. Adequate resources and technical support will be needed to sustain confident and good practices. GRA will work towards further improving coordination on ground with relevant agencies to tackle any non-compliance. I am confident that with a dedicated staff and an improved coordination the GRA will stand up to meet new emerging challenges.

To conclude, I wish to express my warmest thanks to the Chairperson and members of the Board for their valuable support and guidance during the year. I also wish to thank the staff for the considerable work accomplished during the year.


A. Ponnusawmy
Ag Chief Executive

GRA IN FIGURES

Licence fee collected for the year



OUR ROLE

The Gambling Regulatory Authority (GRA) is a body corporate which, for the concerned reporting period ending 31 December 2014, fell under the aegis of the Ministry of Finance and Economic Development (MOFED). It was set up under the GRA Act 2007 and is responsible mainly for the issue of gambling licences and collection of the licence fees from stakeholders. The total amount is credited to the consolidated fund and funds are thereafter made available to the Authority through the national budget for meeting its operational expenses. The Authority is administered and managed by a Board as per section 5 of the GRA Act.

Objects of the Authority

The Objects of the Authority are to:-

- regulate and control gambling activities and the organisation of lottery games, sweepstakes and lotteries;
- regulate and monitor the organization of horse-racing;
- promote public confidence in the integrity of the gambling industry and the horse-racing industry;
- ensure that gambling is conducted in a fair and transparent manner;
- foster responsible gambling in order to minimize harm caused by gambling;
- promote tourism, employment and economic development generally; and
- promote the welfare and leisure of the race-going public.

THE GRA ACT 2007

The Board, Disclosure of interest and Declaration of assets

- (1) Sound corporate governance practices are already laid down under section 5 of the GRA Act 2007 which provides that -
 - (i) The Chairperson, Vice-Chairperson and 3 members having adequate experience in economics, accountancy, law, scientific or business administration shall be appointed by the Minister, to whom the responsibility for the subject of Gambling Regulatory Authority is assigned, on such terms and conditions as he may determine.
 - (ii) No person having had or having any direct or indirect interest in any activity regulated by this Act in the previous 5 years shall be appointed as a member.
 - (iii) Every member shall be paid by the Board such fees as the Board may, with the approval of the Minister, determine.
- (2) Section 9 of the GRA Act 2007 stipulates that “Every member shall, in relation to any matter before the Board, in which he or any person related to him by blood or marriage has a pecuniary or other material interest –
 - (i) disclose the nature of that interest in writing at or before the meeting convened to discuss that matter; and
 - (ii) not take part in any deliberations of the Board relating to that matter.”
- (3) Section 15 of the GRA Act 2007 also provides that “Every person shall, at the time of making application to be recruited by the Authority make a declaration of assets by means of an affidavit or declaration, make a fresh declaration every 3 years and also on the expiry or termination of his employment on any ground.”

Furthermore, the affairs of the Authority are conducted in accordance with the GRA Act, other relevant statutory provisions and the principles of good corporate governance. All functions are exercised honestly, in good faith, with due care and diligence and in the best interests of the GRA and its stakeholders.

CORE VALUES AND STRATEGIC OBJECTIVES

CORE VALUES

- **Integrity** : honesty, transparency and integrity are foremost in our dealing.
- **Fairness** : an ethical approach in the performance of our actions.
- **Innovation** : always a priority.

STRATEGIC OBJECTIVES

The objective of the Authority is to become a reference regulator in matter pertaining to gambling both locally and internationally. As such the Authority has adopted sound business and administrative practices to carry out its operations in an efficient and cost effective manner, while upholding high standards of trust, integrity, credibility, competence and accountability.

ACTIVITIES AND PERFORMANCE

ACHIEVEMENTS

Key Activities		Output Indicators	Targets	Achievements
Goal 1		Provide accurate and timely information to the legislature, public and other stakeholders		
1.1	Process application/ renewal for all gambling and gaming licences including registration of Bookmaker's clerk	% of licence renewed/ processed	100%	100%
1.2	Collection of license fees	% of licence fees collected and remitted to the consolidated fund	100%	100%
1.3	Application of financial rules regulations of budgetary disciplines	% of payments settled in a timely manner	100%	100%
1.4	Compliance with recommendation of the NAO, Internal Audit & FRC	% of recommendations implemented	100%	95%
Goal 2		Increase compliance with gambling laws and regulations		
2.1	Monitor compliance with conditions of licences, guidelines and approved rules	% of licence holders complying with conditions and rules	100%	100%
		% of Investigations carried out	100%	80%
2.2	Investigation of complaints against Bookmakers and other stakeholders about the conduct of gambling and malpractices	% of complaints resolved	100%	90%
Goal 3		Promotion of Responsible Gambling		
3.1	Promotion of Responsible Gambling	% Responsible Gambling Programme implemented	100 %	25 %

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

The Authority is committed to maintain the highest level of ethics in all its transactions for ensuring an efficient conduct of the affairs of the Authority. It has put in place corporate governance structures which are in accordance with the Code of Corporate Governance for Mauritius which are considered to be a pre requisite for good performance within the Authority. This section highlights the GRA Board, its Roles and Functions, Board Committees, Internal Audit, Risk Management, Auditing and Accounting Principles and Integrated Sustainability Reporting.

The Board

The Board administers and manages the Authority and is constituted of non-executive Directors including the Chairperson. It has the responsibility for its performance and affairs. Management operates within the policy framework laid down by the Board.

Functions of the Board

The roles and functions of the Board are laid under section 6 of the GRA Act 2007 which are necessary to further most effectively the objects of the Authority and in particular to:-

- (a) ensure that a horse-racing organiser effectively discharges its responsibilities regarding the organisation of horse-racing in all its aspects, including safety, comfort and standards of hygiene, security, discipline and the prevention of fraud;
- (b) ensure that there is transparency and good governance in the conduct of gambling, lottery games, sweepstakes, lotteries and Government lotteries and in the organization of horse-racing;
- (c) regulate and control the operations of gambling, lottery games, sweepstakes and lotteries;
- (d) initiate, develop and implement strategies conducive to the development of gambling, horse-racing, lottery games, sweepstakes, lotteries or Government lotteries and the protection of the public in relation thereto;
- (e) coordinate with the Police des Jeux for the prevention of illegal gambling and other malpractices in any activity regulated under this Act and for the detection of fraud in gambling, horse-racing, lottery games, sweepstakes, lotteries, or Government lotteries;
- (f) do such things as are incidental or conducive to the performance of any of its functions under this section; and
- (g) advise the Minister on any matter relating to gambling, horse-racing, lottery games, sweepstakes or lotteries.

Composition of the Board

Under section 5 of the GRA Act 2007, the Board is constituted of 10 non-executive Directors including the Chairperson. For the period 1st January to 31 December 2014, the Board was constituted of 9 non-executive Directors as follows:-

Chairperson	Mr. A. O. Jankee
Vice – Chairperson	Mr H.N. Froget
Members	Mr. D. Dabee - Representative of the Attorney-General's Office
	Mrs K.O. Fong Weng-Poorun - Representative of the Prime Minister's Office
	Mr G. Bussier - Representative of the Ministry of Finance and Economic Development
	Mrs P. Roy - Representative of the Ministry of Tourism & Leisure
	Mr. R. Sooroojebally - Representative of the Commissioner of Police
	Mr. S. K. Ah Kim - Member
	Mr B. Balluck - Member

Profile of Board Members



Mr Oopuddhye Amritlall JANKEE
Chairperson

Oopuddhye Amritlall Jankee, is a Solicitor practicing for nearly 30 years. He was appointed Chairperson of the GRA in September 2007. He was former chairperson of the Horse Racing Board from 2006 to 2007. He is also the Legal Adviser of several institutions inter alia Central Water Authority, the Pamplemousses/Rivière-du-Rempart District Council and the Mauritius Post and Cooperative Bank Ltd.



Mr Henri Norbert FROGET
Vice Chairperson

Mr Henri Norbert Froget was appointed to the Board as Vice Chairperson in September 2013. He was the Mayor of the Municipal Council of Beau Bassin Rose Hill from year 2010 to 2012. He is actually a Sales Executive in the private sector.



Mrs Kan Oye FONG WENG-POORUN
Board Member

Kan Oye Fong Weng-Poorun was appointed to the Board in July 2010. She is currently Senior Chief Executive in the Home Affairs Division of Prime Minister's Office and has served the Civil Service for more than 30 years.



Mr Dheerendra Kumar DABEE

Board Member

Mr Dheerendra Dabee, a Senior Counsel, was appointed to the Board in December 2007. He is currently Solicitor-General in the Attorney General's Office. He is also a Board Director of Air Mauritius Ltd., Mauritius Revenue Authority, State Bank of Mauritius Ltd. and State Insurance Company of Mauritius Ltd., as well as being legal Adviser to a number of public organizations.

Gerard BUSSIER

Board Member

Gerard Bussier was appointed to the Board in November 2011. He is presently performing the duties of Director at the Ministry of Finance and Economic Development and has served the Civil Service for several years.



Mrs Premila ROY

Board Member

Premila Roy was appointed to the Board in September 2011. She is currently Permanent Secretary at the Ministry of Tourism and Leisure and has served the civil service for over thirty years.



Mr Rampersad SOOROOJEBALLY

Board Member

Rampersad Sooroojebally was appointed to the Board in May 2008. He is currently Deputy Commissioner of Police, in charge of Anti Drug and Smuggling Unit and Supervising Officer of CTU. He was previously commissioned at Royal Military Academy, Sandhurst. He also raised the Groupe D'intervention de la Police Mauricienne (GIMP) and was the Divisional Commander of Western Division.



Mr Shok Kwang AH KIM
Board Member

Shok Kwang Ah Kim was appointed to the Board in June 2009. He retired from the public service on 1 January 2010, after having served as Permanent Secretary at the Ministry of Finance and Economic Development. He has been the representative of the Ministry of Finance on various Boards and Committees and was the Representative of the Ministry of Finance on the Board of the GRA until May 2009.



Mr Bhoopnarain BALLUCK
Board Member

Bhoopnarain Balluck was appointed to the Board in September 2009. He is an Accountant. He was a former Internal Auditor at the Municipality of Quatre Bornes and has over 38 years of experience in Finance, Internal Audit and Management.

ATTENDANCE AT BOARD MEETINGS & COMMITTEES

The Gambling Regulatory Authority held seven Board meetings and two special meetings to address specific issues during the period under review. Board meetings are organized on a monthly basis by giving appropriate notice. The members are expected to attend each Board Meeting unless exceptional circumstances prevent them from doing so.

For the period under review, the attendance of Board Meetings is summarized below:-

Members	Board Meetings Attended	Special Board Meeting
Mr. A. O. Jankee	07 / 07	02/02
Mr H.N. Froget (as from Sept 2013)	06/ 07	01/02
Mrs K.O. Fong Weng-Poorun	03 / 07	01/02
Mr. D. Dabee	07 / 07	02/02
Mr G. Bussier	06 / 07	02/02
Mrs P. Roy	07 / 07	02/02
Mr. R. Sooroojebally	07 / 07	02/02
Mr. S. K. Ah Kim	06 / 07	02/02
Mr B. Balluck	07 / 07	02/02

Board Fees

The Chairperson of the Board was paid a monthly fee of Rs 50,000 and in accordance with his terms and conditions of appointment, he is also eligible to a Driver's allowance of Rs 7,000 and a petrol allowance of Rs 12,000 per month.

The Vice Chairperson was paid a monthly fee of Rs 35,000 and all other Board Members were entitled to a monthly fee of Rs 15,000.

MAJOR BOARD DECISIONS FOR THE PERIOD OF JANUARY TO DECEMBER 2014

For the period under review, the Board approved inter-alia the following:-

- the participation of two Board Members to the 35th Asian Racing conference held in Hong Kong; and
- the rules of games for Gaming Houses and Casinos; and
- the number of race meetings and the number of races at a race meeting to be organised by the Horse Racing Organiser; and
- the immediate implementation by the Horse Racing Organiser of measures announced by Government regarding the horse racing industry; and
- the recognition of the Workers' Solidarity Union to represent the interests of the permanent staff; and
- the granting of one year moratorium period to allow licensees to replace existing non-compliant Amusement with Prizes Machines with compliant Limited Payout Machines.

PROCUREMENT POLICIES AND PROCEDURES

TENDER COMMITTEE

The GRA Tender Committee is constituted as follows:-

- | | | | |
|-------|------------------|---|-----------------------------------|
| (i) | Mr S.K Ah Kim | - | Chairperson |
| (ii) | Mr G. Bussier | - | Member |
| (iii) | Mr B. Balluck | - | Member |
| (iv) | Mr A. Ponnusawmy | - | Acting Chief Executive of the GRA |

The Committee assists the Board in making procurement decisions and ensures compliance with provisions of the Public Procurement Act 2006. It ensures that GRA's procurement system and processes are fair, transparent, competitive and cost effective.

For the period 1st January to 31st December 2014, three Tender Committee meetings were held and the attendances at the Tender Committee are summarized below:-

Members	Tender Committee Meeting
Mr. S.K. Ah Kim - Chairperson	03/03
Mr B. Balluck	03/03
Mr B. Bheekhee	03/03
Mr A. Ponnusawmy	03/03

OTHER COMMITTEES

In line with the Report on the Code of Corporate Governance, a Human Resource Committee was set up during the year under the chairmanship of the Vice Chairperson of the Board, Mr H. Froget and comprising of Board Members Mrs P. Roy, Mr G. Bussier and Mr S.K. Ah Kim. The Secretary of the Committee is Mrs L. Ah Youne. The main functions of the Committee are:-

- Examining representations from employees regarding conditions of employment or matters connected with their employment
- Dealing with complaints against employees of the Authority or any matters that may be referred by the Board
- Making recommendations to the Board for the recruitment of employees.

The attendance of the Human Resource Committee (HRC) is summarized below

Members	HRC Meeting
Mr. H.N Froget , Chairperson	06/06
Mr G. Bussier	05/06
Mrs P.Roy	06/06
Mr Ah Kim	06/06
Mr A. Ponnusawmy	05/06

As regards the setting up of other committees such as the Audit Committee, this is not warranted at the moment due to the small size of the organization and that the internal control procedure is in-built in the operating system.

INTERNAL AUDIT

During the year the Authority had recourse to the assistance of Internal Controllers of the Internal Control Division of the Ministry of Finance and Economic Development to carry out its internal audit exercise. The scope of work encompasses:-

- reviewing internal control processes and making appropriate recommendations to the Authority.
- ascertain compliance with relevant rules and regulations in the functions of the GRA.
- identifying risk areas and evaluating the level of risk for each risk area.
- monitoring the implementation of the recommendations and reporting on these Implementations.

The Board is regularly informed of progress achieved in the implementation of the recommendations of Internal Controllers.

AUDITING AND ACCOUNTING

The Board is responsible for the timely preparation of the Annual Report which includes the financial statements for every financial year.

As per Section 12 (1) of the GRA Act 2007, the GRA Board shall, not later than six months after the close of every financial year, forward to the Minister a report on the activities of the Authority together with its audited accounts in respect of that financial year. Furthermore, in accordance with the Statutory (Accounts and Audit) Act, the Chief Executive has, not later than 2 months after the end of the financial year to submit the annual report to the Board for approval. After approval by the Board, the Chief Executive must, not later than 30 April after the end of the financial year, submit the Annual Report, including the financial statements, to the National Audit Office.

The Director of Audit, must within 6 months of the date of receipt of the Annual Report, submit the Annual Report and the Audit Report to the Board.

On receipt of the Annual Report including the audited financial statements and the Audit Report, the Board, not later than one month from the date of receipt, furnishes the responsible Minister with such reports and financial statements.

MANAGEMENT PROFILES

The profile of Top Management is given hereunder:-

Mr. Arnasalon Ponnusawmy
Acting Chief Executive (as from 26th March 2012)

Qualifications:- BSC (Hons) Economics with Statistics – UK
MSC in Financial Economics – UK
Assistant Director – Ministry of Finance & Economic Development

Experience:- Mr A.Ponnusawmy has served the Civil Service for more than 30 years.

COMMUNICATION WITH STAKEHOLDERS

The GRA spares no efforts to maintain open lines of communication with its stakeholders and the general public for ensuring optimal transparency and disclosure of information at all levels.

CORPORATE SOCIAL RESPONSIBILITY

As a statutory body, the GRA does not have budget provision for corporate social responsibility.

MANAGEMENT SYSTEMS & INTERNAL CONTROL

The GRA Board has the responsibility to ensure that procedures and practices are in place to protect the Authority's assets and reputation. The Board reviews regularly the processes and procedures to ensure the effectiveness of the Authority's Internal Control Systems and proper segregation of duties.

RISK MANAGEMENT

To ensure a long term corporate success, the GRA recognises that continuous effort is needed to reinforce its risk management structures and further improve its governance processes to ensure that they are in line with best practices.

At present responsibility for the identification, assessment and management of risks lies with the Board. A risk committee to advise the Board on the risk strategies has already been set up.

CODE OF DISCIPLINE

The GRA subscribes to the principle of ethical behavior in the day to day affairs. In this context all employees have been instructed to adhere to the Code of Discipline as spelt out in the 2013 Report on the Review of Pay and Grading Structures and Conditions of Employment for the GRA. This is essential to enable the Authority to earn respect from its stakeholders.

CONFIDENTIALITY AND SECRECY

The affairs of the GRA are conducted in a transparent manner, with timely preparation of financial statements and the Annual Report. In addition, employees are complying with the recommendations of the report on the Review of Pay and Grading Structures and Conditions of Employment in relation to disclosure of information regarding the GRA.

RELATED PARTY TRANSACTION

The Authority regards the Government of Mauritius as its controlling party and has disclosed at Note 20 to the Financial Statements the related party transactions for the year under review in accordance with IAS 24 (Related Party Disclosures).

As per provisions of the Act constituting the Authority, the Board members represent the interest of stakeholders. However, the Board considers that such representation does not trigger any other related party transactions that would require any further disclosure.

HEALTH AND SAFETY

The GRA recognises that Health and Safety is of fundamental importance for providing and maintaining a healthy, safe and secure working environment for all its staff and stakeholders.

RESPONSIBILITY TOWARDS THE ENVIRONMENT

The GRA is committed to providing work practices that preserve the environment. It ensures that the operations of its licensees are conducted in a friendly environment. Equally employees of the Authority are conscious of the need to save heat and light energy when an office is not in use.

GENERAL REVIEW

STAFFING

The responsibility for the execution of the policy of the Board and the control and management of the day-to-day business of the Authority rests upon the Chief Executive as laid down under section 13(1) of the GRA Act.

The Authority was headed by an Ag. Chief Executive and supported by a personnel of thirteen members including three officers on secondment from the Ministry of Finance and Economic Development and six officers on contract.

The Authority was also assisted by a team of officers of the “Police des Jeux”.

HORSE RACING ORGANISER

As per section 7 (1)(g) of the GRA Act , the Board approved the holding of forty three race meetings for 2014 Racing Season by the Mauritius Turf Club.

FINANCIAL MONITORING

During the period under review all licensees have complied with Section 106 of GRA Act 2007, which provides that “Every licensee, other than a collector or an operator of dart games, shall submit to the Authority and Director-General his audited accounts, not later than 6 months after the date of closing of the accounts.”

COMPLAINTS

A significant number of complaints are received from customers failing to understand or follow the stated terms and conditions of the license holders. These complaints are either withdrawn by the customer after explanation or are not upheld by the Authority.

Complaints which involve an expectation by the complainant that they will receive a financial settlement in their favour are treated as settled as soon as the license holder settles the dues or the complainant is satisfied that the case cannot be entertained.

Complaints that cannot be resolved with an operator or need further investigation are referred to the “Police des Jeux”.

Analysis of complaints received during the period 1st January to 31st December 2014

Activity	Types of complaints	Total	Action taken				
			Refer to Police des Jeux	Settled	With-drawn	Not up-held	Under Process
Casino	Ill-treatment of workers	1				1	
Gaming House	Malfunctioning of Gaming Machine	5				5	
	Non validation of winning bet	4		2	1	1	
	Refuse access	1				1	
	Miscellaneous	2	1			1	
Bookmaker conducting Fixed Odds Betting on local race	- Tickets – lost, unreadable, cancelled & erroneous, refund i.c.w withdrawal & wrong results	23	2	5		13	3 (Including 1 to MRA)
Bookmaker conducting Fixed Odds Betting on Football Matches	- Scheduled kick-off time, tickets (lost, unreadable & erroneous), void matches, Inaccurate fixtures & results	24		9		13	2
Miscellaneous (lotteries)	Tickets – lost, unreadable	15	1	5		8	1
TOTAL		75	4	21	1	43	6

POLICE DES JEUX

The Authority has recourse to the assistance of the Police des Jeux in accordance with section 113 of the GRA Act. Regular meetings are held with the Officer-in-Charge of the Police des Jeux to discuss strategies with a view to combat illegal betting and to enforce the provision of the Act.

During the period 1st January to 31 December 2014, the Police des Jeux has detected 42 cases which contravened the Act.

A summary of these cases are given hereunder:-

No. of cases detected	No of persons contravened	No. of persons arrested	No. of persons convicted	No. of cases dismissed/ no further action	No. of cases pending before Court	No. of cases pending decision of DPP	No. of cases under enquiry
42	23	6	-	-	5		37

LICENSEES

As per the GRA Act, the GRA Board shall have powers to issue, renew, suspend or revoke any licence. The table gives a breakdown of licence types for period 1st January to 31st December 2014.

Licensee	No. of Licensees as at 31st December 2013	No. Licences Issued/ renewed	No. of Licences not renewed	No. of Licensees as at 31st December 2014
Bookmakers	48	46	2	46
Bookmakers operating by Telephone · No. of Outlets	2 38	2 34	2 4	2 34
Bookmakers operating by SMS · No. of Outlets	1 20	1 20	- -	1 20
Bookmaker – FOB on Football matches · No. of Outlets	7 76	7 74	7 2	7 74
Casinos	4	4	-	4
Gaming House “A”	20	20	-	20
Gaming House “B”	4	2	2	2
Gaming Machines	1747	1783	36	1783
Horse Racing Organiser	1	1	-	1
Operator of Mauritius National Lottery	1	1	-	1
Totalisator Operator · No. Of Outlets	2 48	2 48	- -	2 48
Licensee of Limited payout Machine	846	846	-	846
Agent of Foreign Pool Promoter	1	1	-	1
Local Pool Promoter	1	1	-	1
Collector	86	72	14	72
Sweepstakes Organiser	3	3	-	3
Dart Games Operator	9	8	1	8
Promotional Lottery	47	62	N/A	62

LICENCE FEES

No person shall operate unless he holds a licence and pays the appropriate licence fee as per third schedule of the GRA Act which are set out in the table below :-

	Licence	Fee (Rupees)	Period
1.	Casino	3,500,000, payable in 4 equal instalments, each instalment being payable on or before the first day of every period of 3 months	12 months
2(i)	Gaming house "A" in the Island of Mauritius	3,500,000, payable in 4 equal instalments, each instalment being payable on or before the first day of every period of 3 months	12 months
2(ii)	Gaming house "A" in Rodrigues	500,000	12 months
3.	Gaming house "B"	50,000, payable in 4 equal instalments, each instalment being payable on or before the first day of every period of 3 months	12 months
4(i)	Gaming machine in the Island of Mauritius	125,000 per machine, payable in 4 equal instalments, each instalment being payable on or before the first day of every period of 3 months	12 months
4(ii)	Gaming machine in Rodrigues	20,000 per machine	12 months
4A.	Limited payout machine	5,000 per machine	12 months
5.	Horse racing organiser	1,000,000, payable in 4 equal instalments, each instalment being payable on or before the first day of every period of 3 months	Yearly or part thereof
6.	Totalisator operator—		
	(a) at the racecourse	100,000	Yearly or part thereof
	(b) outside the racecourse, in respect of each place of business	10,000	Yearly or part thereof
	(c) conducting bets through remote communication—		
	(i) in respect of the principal place of business;	40,000	Yearly or part thereof
	(ii) in respect of each place at which facilities are provided;	10,000	Yearly or part thereof
	(d) conducting local race inter-totalisator betting	350,000	Yearly or part thereof
	(e) conducting foreign race inter-totalisator betting	350,000	Yearly or part thereof

7.	Bookmaker conducting fixed odds betting on local race—		
	(a) at the racecourse;	175,000	1 January to 15 August of every year or part thereof
		175,000	16 August to 31 December of every year or part thereof
	(b) outside the racecourse;	175,000	1 January to 15 August of every year or part thereof
		175,000	16 August to 31 December of every year or part thereof
	(c) through remote communication—		
	(i) in respect of the principal place of business;	175,000	1 January to 15 August of every year or part thereof
		175,000	16 August to 31 December of every year or part thereof
8.	(ii) in respect of each additional place at which facilities are provided.	20,000	1 January to 15 August of every year or part thereof
		20,000	16 August to 31 December of every year or part thereof
	Bookmaker conducting fixed odds betting on any event or contingency—		
	(a) in respect of the principal place of business;	350,000	12 months
9.	(b) in respect of each additional place of business	20,000	12 months
10.	Sweepstake organiser	37,500	Yearly or part thereof
11.	Local pool promoter	15,000	12 months
12.	Agent of a foreign pool promoter	37,500	12 months
13.	Collector	190	12 months
13.	Operator of dart games—	15,000 per dart board	1 January to 15 August every year or part thereof
		15,000 per dart board	16 August to 31 December every year or part thereof
	Authorised days and time		
	Days immediately preceding race day falling on Saturday—		
	Day	Time	
	Thursday	13.00 hrs to 18.00 hrs	
	Friday	10.00 hrs to 18.00 hrs	
	Days immediately preceding race day falling on Sunday—		
	Day	Time	
	Friday	10.00 hrs to 18.00 hrs	
	Saturday	10.00 hrs to 18.00 hrs	
	Race day	09.00 hrs to 18.00 hrs	
	Monday immediately following race day—		
	12.00 hrs to 16.00 hrs		
14.	Operator of Mauritius National Lottery	500,000	12 months
15.	Lottery under Part XVII	5,000 or 35 per cent of the total market value of the prizes, whichever is the higher	—

STATEMENT OF DIRECTORS' RESPONSIBILITIES

GRA has prepared financial statements for the year 2014 which give a true and fair view of its financial position and its financial performance.

In preparing these financial statements, GRA ensures that:-

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures and explained in the financial statements;
- The financial statements have been prepared on the going concern basis; and
- The Code of the Corporate Governance has been adhered to.

The Board confirms that above requirements have been complied with.

GRA is responsible for keeping proper accounting records for the purpose of recording all the transactions relating to its undertakings, funds, activities and property.

The Board is responsible for the system of Internal Control and Risk Management for the GRA. The Authority is committed to maintain a sound system of risk management and adequate control procedures with a view to safeguarding its assets and for taking responsible steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the GRA Board.



B.K. Dabee
Member



P. Roy (Mrs)
Member



A. Ponnusawmy
Ag Chief Executive



**REPORT OF THE
DIRECTOR OF AUDIT**

**On the Financial Statements
of the Gambling Regulatory Board
for the Year Ended 31 December 2014**

NATIONAL AUDIT OFFICE



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE GAMBLING REGULATORY BOARD

Report on the Financial Statements

I have audited the accompanying financial statements of the Gambling Regulatory Authority which comprise the Statement of Financial Position as at 31 December 2014, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Net Assets/ Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Statutory Bodies (Accounts and Audit) Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the attached financial statements give a true and fair view of the financial position of the Gambling Regulatory Authority as at 31 December 2014, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Management's Responsibility

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the laws and authorities which govern them.

Auditor's Responsibility

In addition to the responsibility to express an opinion on the financial statements described above, my responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the laws and authorities which govern them.

This responsibility includes performing procedures to obtain audit evidence about whether the agency's expenditure and income have been applied for the purposes intended by the legislature. Such procedures also include the assessment of risks of material non compliance.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion on Compliance

Statutory Bodies (Accounts and Audit) Act

The financial statements for the year ended 31 December 2014 were submitted to the National Audit Office on 22 May 2015. Errors were noted and an amended set of financial statements was submitted on 18 November 2015.

In my opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the Statutory Bodies (Accounts and Audit) Act.

Public Procurement Act

The Gambling Regulatory Authority is responsible for the planning and conduct of its procurement. It is also responsible for defining and choosing the appropriate method of procurement and contract type in accordance with the provisions of the Act and relevant Regulations. My responsibility is to report on whether the provisions of Part V of the Act regarding the Bidding Process have been complied with.

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examination of the relevant records.

Financial Reporting Act

The Directors are responsible for preparing the Corporate Governance Report. My responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In my opinion, the disclosure in the Corporate Governance Report is consistent with the requirements of the Code.



K. C. TSE YUET CHEONG (MRS)
Director of Audit

National Audit Office
Level 14, Air Mauritius Centre
PORT LOUIS

23 November 2015

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2014

STATEMENT OF FINANCIAL POSITION

December 31, 2014

		31 DECEMBER 2014 Rs	31 DECEMBER 2013 Rs (Restated)
NOTES			
Non Current Assets			
Property Plant And Equipment	6	4,557,733	5,847,278
Intangible Assets	7	210,047	205,562
Retirement Benefits Obligations	8	659,024	595,158
		<u>5,426,804</u>	<u>6,647,998</u>
Current Assets			
Inventories		137,549	108,188
Trade & other Receivables	5	78,140	52,159
Cash &Cash Equivalents	4	10,908,161	7,702,020
Prepayments	5	77,099	63,104
		<u>11,200,949</u>	<u>7,925,471</u>
TOTAL ASSETS		<u>16,627,753</u>	<u>14,573,469</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
General Fund		3,828,990	3,018,014
Total Net Assets/Equity		<u>3,828,990</u>	<u>3,018,014</u>
Non-Current Liabilities			
Payables		-	-
Employee Benefits	10	638,624	497,050
Deferred Income	12	4,020,628	5,597,634
Refundable Guarantee Deposits	11	6,023,548	3,685,843
		<u>10,682,800</u>	<u>9,780,527</u>
Current Liabilities			
Payables	9	80,356	60,780
Employee Benefits	10	447,018	417,545
Deferred Income	12	1,588,590	1,296,603
		<u>2,115,963</u>	<u>1,774,928</u>
Total Equity and Liabilities		<u>16,627,753</u>	<u>14,573,469</u>

Approved by Board Resolution on 16th November 2015.

 B.K. Dabee
 Member


 P. Roy (Mrs)
 Member


 A. Ponnusawmy
 Ag Chief Executive

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014**

		December 2014 Rs	December 2013 (Restated) Rs
REVENUE	Notes		
Government Grant	12	19,616,053	17,021,598
Other Income	13	703,881	375,717
Deferred Income		1,588,590	1,296,603
Total Revenue		21,908,524	18,693,918
EXPENDITURE			
OPERATING COSTS	16	6,988,853	6,766,791
STAFF COSTS	14	7,987,428	7,121,696
ADMINISTRATIVE COSTS	15	4,366,812	5,584,113
DEPRECIATION		1,588,590	1,296,603
FINANCE COSTS		47,895	27,054
		20,979,578	20,796,257
SURPLUS/(DEFICIT)FOR THE PERIOD		928,946	(2,102,339)
<i>Other Comprehensive Income</i>			
Actuarial Gains/(losses) on Defined Benefit Scheme		(117,970)	(124,578)
Total other Comprehensive Income		(117,970)	(124,578)
Total Comprehensive Income/(Loss) for the Year		810,976	(2,226,917)

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE PERIOD 31 DECEMBER 2014**

Rs

Balance at 31.12.12 4,090,986

Adjustment: Adoption of IFRS:

Retirement Benefit Obligations (67,017)

Restated Opening Balance at 01.01.13 4,023,969

Revised Deficit for year 2013 (2,226,917)

Transfer to consolidated fund (1,026,375)

Security Deposit transferred to Revenue 2,247,337

Closing Balance at 31.12.13 3,018,014

Surplus/(Deficit) for the year/period 810,976

Closing Balance at 31.12.14 3,828,990

Statement of Cash Flows
For the year ended December 31, 2014

	31 DECEMBER 2014 Rs	31 DECEMBER 2013 Rs Restated
CASH FLOWS FORM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	810,976	(2,226,917)
Adjustments for:		
Depreciation and Amortisation	1,588,550	1,296,603
Deferred Income	(1,588,550)	(1,296,603)
Transfer to General Fund	-	2,247,337
Retirement Benefits Obligations – adjustment	(357,847)	(88,711)
Assets written off	-	1,649,886
Interest Income	(617,240)	(688,569)
OPERATING SURPLUS/DEFICIT BEFORE WORKING CAPITAL CHANGES		
Decrease/(Increase) in Inventories	(29,361)	7,910
(Increase)/Decrease in Receivables	(36,976)	25,142
Increase in payables	(19,576)	-
Increase/(Decrease in payables)	2,749,333	(3,763,472)
Net cash flow from operating activities	2,499,309	(2,837,394)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant & Equipment	(213,900)	(4,378,402)
Interest Received	617,240	688,569
Net cash flow from investing activities	403,340	(3,689,833)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government Grant Received	303,491	4,378,402
Contribution to Consolidated Fund	-	(1,026,375)
Net cashflow from Financing Activities	303,491	3,352,027
	3,206,141	(3,175,200)
Net Increase in Cash and Cash Equivalents		
Cash & Cash Equivalents at beginning of year (Note a)	7,702,020	10,877,220
Cash & Cash Equivalents at end of year (Note b)	10,908,161	7,702,020
	3,206,141	(3,175,200)

Notes to the cash Flow Statement

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balance with bank and comprise the following statement of financial position amounts:

	2014 Rs	2013 Rs
Cash in hand and at bank	10,908,161	7,702,020

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

1. (a) LEGAL FORM AND ACTIVITIES

The Gambling Regulatory Act 2007 was proclaimed on 6 Dec 2007 and the Authority became operational on the same date. In accordance with Section 165 (7), the Gambling Regulatory Authority took over the activities, assets and liabilities of the Horse Racing Board. The assets were taken over at its net book value as stated in the Statement of Financial Position at 5th December 2007.

The Gambling Regulatory Authority is a body corporate which for the concerned reporting period ending 31 December 2014 fell under the aegis of the Ministry of Finance & Economic Development.

As per Act the objects of the Authority are:-

- (a) regulate and control gambling activities and the organization of lottery games, sweepstakes and lotteries;
- (b) regulate and monitor the organization of horse-racing;
- (c) promote public confidence in the integrity of the gambling industry and the horse-racing industry;
- (d) ensure that gambling is conducted in a fair and transparent manner;
- (e) foster responsible gambling in order to minimize harm caused by gambling;
- (f) promote tourism, employment and economic development generally; and
- (g) promote the welfare and leisure of the race-going public.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET ADOPTED

At the date of authorization of these financial statements, the following International Financial Reporting Standards (IFRS) had already been issued but not yet effective:-

List of IFRS in issue but not yet effective - 2014

Sn	IAS/IFRS	Date Issued	Effective Date	Early adoption Permitted
1	IFRS 14 Regulatory Deferral Accounts	January 2014	01-Jan-16	Yes
2	Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	May 2014	01-Jan-16	Yes
3	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16)	May 2014	01-Jan-16	Yes
4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 38)	May 2014	01-Jan-16	Yes
5	IFRS 15 Revenue from Contracts with Customers	May 2014	01-Jan-17	Yes
6	Agriculture: Bearer Plants (Amendments to IAS 16)	June 2014	01-Jan-16	Yes
7	Agriculture: Bearer Plants (Amendments IAS 41)	June 2014	01-Jan-16	Yes
8	Agriculture: Bearer Plants (Amendments to IAS 16 and 41) - Consequential Amendment to IAS 1	June 2014	01-Jan-16	Yes
9	Agriculture: Bearer Plants (Amendments to IAS 16 and 41) - Consequential Amendment to IAS 17	June 2014	01-Jan-16	Yes
10	Agriculture: Bearer Plants (Amendments to IAS 16 and 41) - Consequential Amendment to IAS 23	June 2014	01-Jan-16	Yes
11	Agriculture: Bearer Plants (Amendments to IAS 16 and 41) - Consequential Amendment to IAS 36	June 2014	01-Jan-16	Yes
12	Agriculture: Bearer Plants (Amendments to IAS 16 and 41) - Consequential Amendment to IAS 40	June 2014	01-Jan-16	Yes
13	IFRS 9 Financial Instruments	July 2014	01-Jan-18	Yes
14	Equity Method in Separate Financial Statements (Amendments to IAS 27)	August 2014	01-Jan-16	Yes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

15	Equity Method in Separate Financial Statements (Amendments to IAS 27) - Consequential Amendment to IFRS 1	August 2014	01-Jan-16	Yes
16	Equity Method in Separate Financial Statements (Amendments to IAS 27) - Consequential Amendment to IAS 28	August 2014	01-Jan-16	Yes
17	Annual Improvements to IFRSs 2012-2014 Cycle (IFRS 5 Non-current Assets Held for Sale and Discontinued Operations)	September 2014	01-Jan-16	Yes
18	Annual Improvements to IFRSs 2012-2014 Cycle (IFRS 7 Financial Instruments : Disclosures)	September 2014	01-Jan-16	Yes
19	Annual Improvements to IFRSs 2012-2014 Cycle (Consequential amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards)	September 2014	01-Jan-16	Yes
20	Annual Improvements to IFRSs 2012-2014 Cycle (IAS 19 Employee Benefits)	September 2014	01-Jan-16	Yes

The Authority anticipates that the adoption of these Standards in the future periods will have no material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparations of these financial statements are set out below:-

(i) **Basis of Accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The previous Financial Statements were prepared in accordance with International Public Sector Accounting Standards (IPSAS).

The Financial Statements have been prepared on a going-concern basis and the accounting policies have been applied consistently throughout the period. They have been prepared on the historical cost basis.

The Financial Statements are presented in Mauritian Rupees.

(ii) **Reclassification and Comparative figures**

Certain reclassifications and restatements have been made to the financial statements for the current year and comparative figures have been regrouped or restated, where necessary, to conform to the current year's presentation. The reclassifications and restatements have led to last year's deficit being increased from Rs2.1m to Rs2.2m.

(iii) **Revenue Recognition**

Revenue consists of grants received from the Government and bank interest and are recognized on an accrual basis.

Revenue from sale of goods are recognized at the time they are sold out to customers. Investment income is recognized in the Financial Statements when the organization's right to receive payments is established.

(iv) **Foreign Currency Transactions**

Transactions in foreign currencies are translated to Mauritian rupee at the exchange rate ruling at the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at balance sheet date and gains or losses on translation are recognized in the statement of financial performance

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (cntd)

(v) Operating Lease

Rentals payable under operating lease agreements are charged to the Statement of Financial Performance on a straight line basis over the term of the relevant lease.

Operating leases are leases of assets, the ownership of which are retained by the lessor.

(vi) Grant Receivable

Asset-related grants are treated as deferred income and amortized over the useful life of the assets, whereas income-related grants are recognized in the period they become receivable.

(vii) Retirement Benefit Costs

(a) State Plan

The Gambling Regulatory Authority contributes to National Pension Scheme for those working on contract basis. It also contributes for those holding a permanent and pensionable post to the Family Protection Scheme run by SICOM Ltd. The contributions are expensed to the Statement of Financial Performance in the period in which they fall due.

(b) Defined Benefit Pension Plan

The GRA operates a defined benefit pension plan managed by the SICOM Ltd. The Plan is funded by contributions from employees and employer. The employees contribute at the rate of 6% of pensionable salaries, which is effectively paid by the GRA on their behalf as from July 2008. The GRA's rate of contribution is determined by independent actuaries.

The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service costs, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognized actuarial losses and past service costs, plus the present value of available refunds and reductions in future contributions to the plan. The current service cost and any past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

(viii) Employee Leaves Entitlement

Employee entitlements to sick leave, annual leave, vacation leave, gratuity and passage benefits defined in the contract of employment are recognized as and when they accrue to employees.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

3. **SIGNIFICANT ACCOUNTING POLICIES** (cntd)

(ix) **Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets by equal installments over their estimated useful lives using the straight line methods as follows:-

	Expected useful life	Rates of Depreciation per annum
Computer- Hardware, Peripherals & Electronic Equipment	3 years	33.33%
Office Equipment	5 years	20%
Motor Vehicles	5 years	20%
Furniture, Fixtures & Fittings	10 years	10%

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Financial Performance.

Purchase of non-current assets below the threshold of Rs 5,000 is written off during the year.

(x) **Intangible Assets**

Computer software that is not considered to form an integral part of any hardware equipment is recorded as intangible assets. The software is capitalized at cost and amortized over its estimated useful lives of 5 years.

(xi) **Impairment**

At the end of each reporting period, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating-unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

3. **SIGNIFICANT ACCOUNTING POLICIES** (cntd)

(xii) **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and cash at bank which are subject to an insignificant risk of changes in value.

(xiii) **Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(xiv) **Provisions**

Provision are recognized when the GRA has a present obligation as a result of a past event, and it is probable that the GRA will be required to settle that obligation.

(xv) **Financial Instruments**

Financial assets and financial liabilities are recognized in the Authority's Statement of Financial Position when the Authority has become a party to the contractual provisions of the instrument.

The accounting policies in respect of the main financial instruments are set out below:-

(a) **Trade receivables**

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(b) **Cash and cash equivalents**

Cash includes balances with banks. Cash equivalents are short-term, highly liquid assets which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

3. **SIGNIFICANT ACCOUNTING POLICIES** *(cntd)*

(c) **Trade payables**

Trade payables are stated at their nominal value.

(xvi) **Critical Judgements and Key Sources of Uncertainty**

The preparation of financial statements in accordance with IFRS requires the Authority's management to exercise judgements in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognized in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the Statement of Financial Position date include useful lives of Property Plant and Equipment and Retirement Benefits Obligations.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

4. CASH AND CASH EQUIVALENTS

	31 DECEMBER 2014	31 DECEMBER 2013
	Rs	Rs
Savings A/C	408,751.48	56,998
Savings A/C-License	214,542.05	2,979
Savings A/C-Deposit	10,281,936.80	7,637,149
Cash in hand	2,931.15	4,894
TOTAL	10,908,161.48	7,702,020

5. RECEIVABLES

	DECEMBER 2014	DECEMBER 2013
	Rs	Rs
Receivables		
Interest Receivable	78,140.12	52,159.00
Prepayments	74,098.86	63,104.00
Prepayments -Deposit	3,000.00	
	155,238.98	115,263.00

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

6. PROPERTY PLANT AND EQUIPMENT

	COMPUTER HARDWARE PERIPHERALS	OFFICE EQUIPMENTS	FURNITURE & FITTINGS	MOTOR VEHICLES	TOTAL
COST	Rs	Rs	Rs	Rs	Rs
At 1 January 2014	1,193,007	682,661	2,172,362	7,714,211	11,762,241
Additions	168,360	-	45,540	-	213,900
Disposals				-	
At 31 December 2014	1,361,367	682,661	2,217,902	7,714,211	11,976,141
DEPRECIATION					
At 1 January 2014	702,350	575,726	994,408	3,642,478	5,914,962
Charge for the year	293,939	63,412	214,653	931,442	1,503,446
Disposal	-	-	-	-	-
At 31 December 2014	996,289	639,138	1,209,061	4,573,920	7,418,408
CARRYING AMOUNT					
At 31 December 2014	365,078	43,523	1,008,841	3,140,291	4,557,733
At 31 December 2013	490,657	106,935	1,177,953	4,071,733	5,847,278

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

7. INTANGIBLE ASSETS

	COMPUTER SOFTWARE
COST	Rs
At 1 January 2014	566,733.00
Additions	89,591.00
Disposals	-
At 31 December 2014	656,324.00
DEPRECIATION	
At 1 January 2014	361,172.00
Charge for the year	85,104.58
Disposal	
At 31 December 2014	446,276.58
CARRYING AMOUNT	
At 31 December 2014	210,047.42
At 31 December 2013	205,562.00

8 RETIREMENT BENEFIT OBLIGATION

The pension plan is a defined benefit plan for employees and is funded by both the GRA and its employees. The assets of the funded plan are held and administered independently by SICOM Ltd.

	31 DECEMBER 2014	31 DECEMBER 2013
	Rs	Rs
Amount recognised in Statement of Financial Position at end of year		
Present value of funded obligation	852,301	598,684
(Fair value of plan assets)	(1,511,325)	(1,193,842)
Liability recognised in Balance sheet at year end	(659,024)	(595,158)
Amounts recognised in statement of financial performance:		
Current service cost	126,080	104,665
(Employee Contributions)	(90,234)	(108,241)
Fund expenses	5,113	54,946
Interest cost	(57,381)	27,054
(Expected return on plan assets)	(77,653)	(77,653)
	(16,422)	771
Remeasurement		
Liability(gain)/Loss	85,962	144,072
Asset(gain)/Loss	32,008	(19,494)
Total other Comprehensive Income(OCI) recognised	117,970	124,578
Total	101,548	125,349
Movements in liability recognised in statement of financial position:		
At start of year	(595,158)	(506,447)
Total staff cost as above	(16,422)	771
(Contributions paid by employer)	(165,414)	(214,060)
Amount recognised in OCI	117,970	124,578
At end of year	(659,024)	(595,158)
Actual return on plan assets:	73,286	97,147
Main actuarial assumptions at end of year:		
Discount rate	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Future salary increases	5.50%	5.50%
Future pension increases	3.50%	3.50%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014



RETIREMENT BENEFIT OBLIGATION (CONT'D)

	31 DECEMBER 2014 Rs	31 DECEMBER 2013 Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	598,684	338,181
Current service cost	126,080	104,665
Interest cost	47,895	27,054
(Benefits paid)	(6,320)	(15,288)
Liability (gain)/loss	85,962	144,072
Present value of obligation at end of period	852,301	598,684
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	1,193,842	844,628
Expected return on plan assets	105,276	77,653
Employer contributions	165,414	214,060
Employee contributions	90,234	108,241
(Benefits paid + other outgo)	(11,433)	(70,234)
Asset gain/(loss)	(32,008)	19,494
Fair value of plan assets at end of period	1,511,325	1,193,842
Distribution of plan assets at end of period		
Percentage of assets at end of year	2014	2013
Government securities and cash	57.1%	59.1%
Loans	4.1%	4.9%
Local equities	21.1%	21.9%
Overseas bonds and equities	17.0%	13.4%
Property	0.7%	0.7%
Total	100%	100%
Additional disclosure on assets issued or used by the reporting entity		
Percentage of assets at end of year	2014	2013
	(%)	(%)
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
Components of the amount recognised in OCI		
Year	2014	2013
Currency	Rs	Rs
Asset experience gain/(loss)during the period	(32,008)	19,494
Liability experience gain/(Loss)during the period	(85,962)	(144,072)
Surplus/(deficit)	(117,970)	(124,578)
Year		
	2015	
Expected employer contributions	174,512	
Weighted average duration of the defined obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)	38 years	

9. TRADE AND OTHER PAYABLES

	31 DECEMBER 2014	31 DECEMBER 2013
	Rs	Rs
Current Liabilities		
Payables and accrued Expenses	80,355.75	60,780.00
Non-Current Liabilities		
Other Payables (Payables after one year)	-	-
	80,355.75	60,780.00

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

10. EMPLOYEE BENEFITS

Employee benefits represent provision for sick leave, annual leave, passage benefits and gratuity.

This year the accumulated balance under these items are detailed as below:

Employee benefits represent provision for sick leave, Passage benefits and gratuity

This year the accumulated balance under these items are detailed as below:-

	31 December 2014 Rs	31 December 2013 Rs
Opening Balance	914,595	445,990
Earnings for the year	588,591	546,837
Paid to staff	(417,545)	(78,232)
Balance as at 31 December	1,085,641	914,595

These obligations are as follows

Current Liabilities

Payable within one year	447,017	417,545
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Non Current Liabilities

Payable after one year	638,624	497,050
	1,085,641	914,595

11. REFUNDABLE GUARANTEE DEPOSITS

Security Deposit in the form of Bank Guarantee for the sum of Rs 108,525,000 has been furnished by licensees in 2014. An amount of Rs3,080,306 was received in terms of cash in 2014.

12. GRANT FROM GOVT

	31 DECEMBER 2014 Rs	31 DECEMBER 2013 Rs
At 1 January	6,894,237	3,812,438
Grant Received during the year	-	3,700,000
Transfer from Recurrent Grant	303,491	678,402
Amount released to Statement of financial position	(1,588,550)	(1,296,603)
	5,609,178	6,894,237
Amount to be amortised within one year recognised as current liability	(1,588,550)	(1,296,603)
At 31 December	4,020,628	5,597,634
Recurrent Grant		
Received during the period	19,929,000	17,700,000
Transfer to capital Expenditure	(303,491)	(678,402.00)
	19,625,509	17,021,598

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

13. OTHER INCOME

	31 DECEMBER 2014	31 DECEMBER 2013
Interest Received	617,240.45	620,140.00
Interest Receivable	78,140.12	52,159.00
Sundry income	8,500.00	
Total	703,880.57	672,299.00

14. STAFF COSTS

	2014 (Rs)	2013 (Rs) Restated
Social Security Costs	213,252.00	252,935
Salaries and Allowances	7,415,316.00	6,493,407
Employee Benefits Obligations	588,591.00	615,697
Retirement Benefits Obligations-In statement of Profit and loss	(229,731.00)	(240,343)
	7,987,428.00	7,121,696

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

15. ADMINISTRATIVE EXPENSES-2014

	31 DECEMBER 2014 Rs	31 DECEMBER 2013 Rs
Board Members' Fees	2,538,660	2,050,167
Legal Fees	180,000	318,000
Legal Fees	66,799	
Postage	9,311	11,803
MISC Expenses	16,625	-
Newspapers &Periodicals	17,650	35,324
Newspapers &Periodicals-due	1,395	
Press notice	244,694	
Office supplies and refreshments	25,074	
Cleaning services	133,548	
Cleaning due	4,452	
Repairs &Maintenance	100,848	224,326
General Expenses	12,595	200,008
Bank charges	18,348	11,590
Professional fees	376,598	350,000
Assets Written off &Disposed	-	1,649,886
Overseas mission	464,127	
Responsible Gambling	-	74,997
Insurance-personal and assets	21,545	-
Fuel & Oil.Insurance &Road Tax	72,313	157,435
Fuel due	2,232	
Audit Fees	60,000	60,000
	4,366,812	5,143,536

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

16. OPERATING COSTS

	DECEMBER 2014	DECEMBER 2013
	Rs	Rs
Police des Jeux	125,000.00	160,000.00
Office Rent	5,780,328.00	5,780,328.00
Telephone Charges	405,560.00	418,037.00
Telephone due	28,380.00	
Electricity Charges	474,541.00	568,426.00
Electricity due	43,897.00	
Printing and Stationery	131,147.43	229,723.00
Total	6,988,853.43	7,156,514.00

17. DEPRECIATION

	Rs
Motor vehicles	931,442.00
Furniture & fittings	214,653.00
Office equipment	63,412.46
Computer equipment	293,939.00
Computer software	85,104.00
TOTAL	1,588,550.00

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2014

18. FINANCIAL INSTRUMENTS

Fair Values

The Directors are of opinion that the carrying amounts of the financial assets and liabilities approximate their fair values due to the short term nature of the balances involved.

Currency profile

The Authority's financial assets and liabilities are denominated in Mauritian Rupees.

Currency risk

The Authority is not exposed to foreign currency risk.

Credit risk

The Authority's credit risk is primarily attributable to its trade receivables. At the year end, the Authority had no significant concentration of credit risk which has not been adequately provided for

Interest Rate risk

The Authority's income and operating cash flows are substantially independent of changes in market interest rates and it is considered that possibility of outflow in settlement is remote.

19. CONTINGENT LIABILITIES

The GRA has contingent liabilities in respect of 18 cases which are being disputed before the court. However, it is difficult to give a prudent estimate of their financial effects.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

20. RELATED PARTY TRANSACTIONS

The immediate and ultimate controlling party of the Authority is the Government of Mauritius and for the period under review the following disclosures is being made in accordance with IAS 24.

	31 DECEMBER 2014 Rs	31 DECEMBER 2013 Rs
(i) Grants from Government		
Capital Grant		
Balance 1 January	6,056,971.00	2,958,168.00
Received during the period	-	3,700,000.00
Deferred during the period	-	(601,197.00)
Balance 31 December	6,056,971.00	6,056,971.00
Revenue Grant		
Received during the period	19,929,000.00	17,700,000.00
(ii) Compensation to Key Management Personnel		
<u>Short term benefits</u>		
Fees to Board Members	2,538,660.00	2,050,167.00
Management Personnel Compensation	624,000.00	624,000.00
