



GAMBLING REGULATORY AUTHORITY

*Ensuring gambling is conducted in a
fair
and transparent manner*

GAMBLING REGULATORY AUTHORITY

ANNUAL REPORT
JANUARY 2016 – JUNE 2017

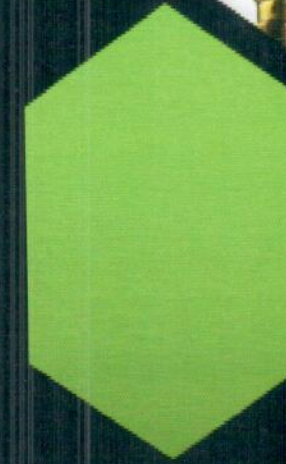


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Vision and Mission

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.

Message from the Chief Executive

In the past 18 months, the Authority has been faced with numerous challenges which nevertheless, has enabled its development towards greater strengths and resilience.

There is a strong willingness, at all levels, to change the manner in which the Authority has been operating since its creation. We have the mandate to protect the punters and ensure integrity in gaming practices. To this effect, the Authority has moved towards adoption of international benchmarks and best practices in terms of gambling operations. Successful regulatory models such as that in UK, Denmark or Singapore have been studied and adapted for the local context. The Personal Management Licence and Player Cards are examples of such international practices.

In addition, in an effort to create a long term responsible gambling framework for Mauritius, international consultants are called upon to guide the Authority and adopt the best possible approach. As an accountable Authority, we are adamant that Responsible Gambling should be part of the local culture and the Government has made it a priority to assist and educate punters.

We must remind all stakeholders that the gambling sector is growing and contributing significantly to Government Revenue. In terms of licence fees only, the contribution for the last financial period amounts to more than MUR 600 million, apart from taxes and betting duties. Consequently, it is even more crucial to protect the punters from fraudulent gambling activities and dishonest operators.

Furthermore, with increased inter agency collaborations, the sharing of information has helped in intelligence building and subsequently in the investigations being carried out for suspicious cases of illegal betting or cheating.

We have given our utmost support to the different institutions/ agencies for the success of our common goal which remains the fight against illegal betting and money laundering in Mauritius.

With the set of new strategic directions for the Authority, we are confident to have established the foundations for higher effectiveness and efficiency which will result in a complete transformation of the Authority and subsequently in the gambling industry. Our priority focus has nonetheless remained the compliance to the Gambling Regulatory Authority Act and the protection of punters.

As a relatively new organisation undergoing sweeping changes, it has been important to ensure that our people, structures and governance frameworks support our strategic intent. We have worked towards building a strong and cohesive team which has been a key achievement. The Authority has recruited 11 additional support officers and is in the process of increasing its staffing. The organizational structure has been further reviewed to include two new Divisions as approved by the Board of the Authority, namely the Horse Racing Division and the Integrity and Intelligence Division. The staffing for these two new divisions is in progress and will be completed before the start of the next racing season.

On another perspective, reviewing the internal processes and strengthening corporate governance and reporting have helped in laying a robust foundation for the Authority. The ICAC team has been called to review the internal control system and



make necessary recommendations in order to help the Authority continue to implant a culture of accountability and continuous improvement.

Relevant amendments have been brought to the GRA Act to foster more integrity, transparency and professional behavior in the gambling sector. The objective is to make operators accountable for their conduct and operations.

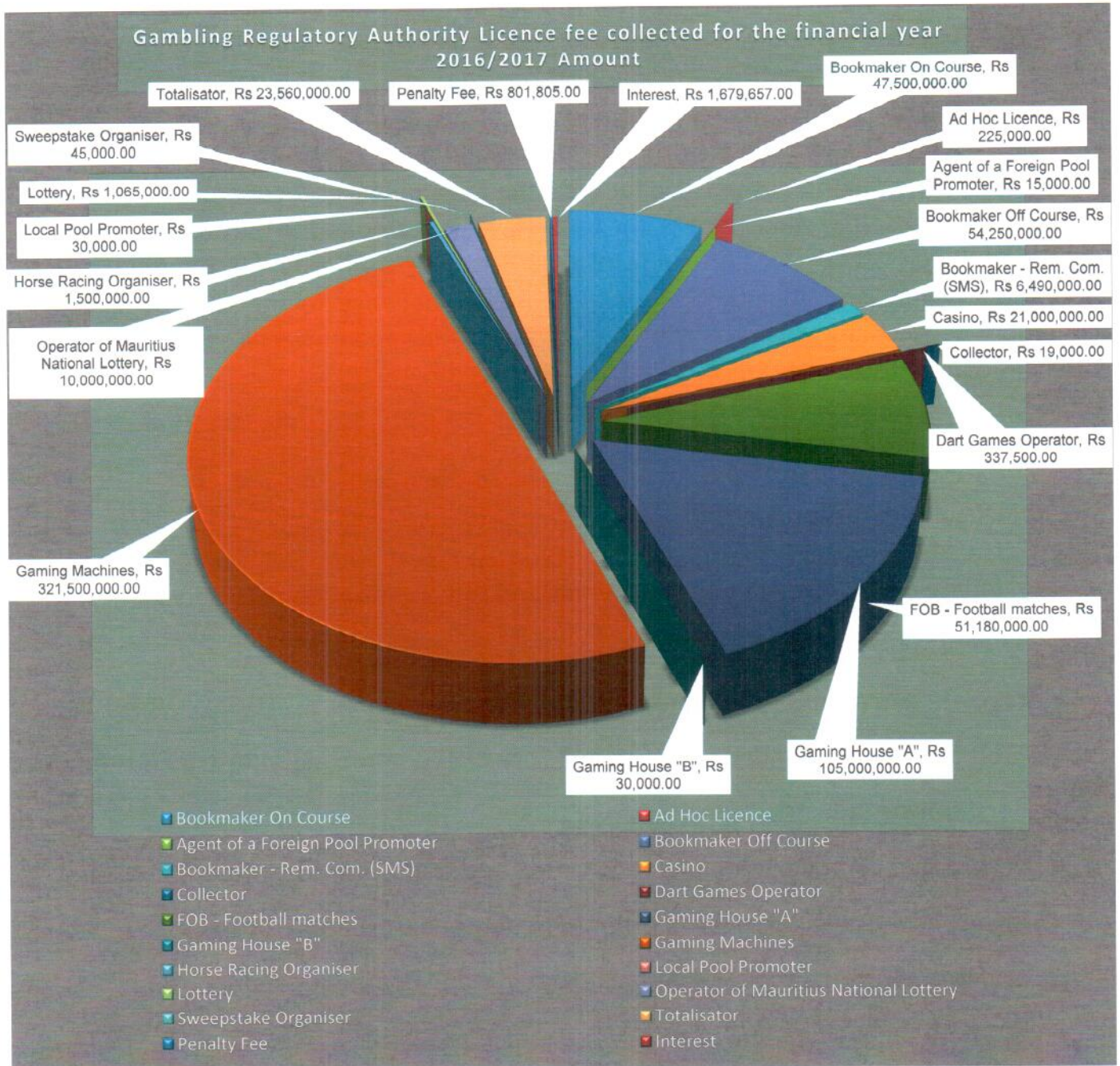
We recognize that technology and continuous capacity building is essential for a modern and efficient regulator. The Authority is investing in capacity building for its officers as well as for officers of the Police des Jeux for more precise and successful actions on the field. GLI (Gaming Laboratories International) is assisting the Authority to this effect.

The undeniable support and engagement from the Board members, the GRA team, the Police des Jeux, other agencies and the Parent Ministry is greatly motivating to move forward as one team. We also very much value and take inspiration from the strong will and determination demonstrated by the Prime Minister to put order in the gambling industry and fight those who bring it into disrepute.

Finally, at the end of a very demanding year, we have achieved what we set out to do as an organisation and a regulator. We wish to thank all our stakeholders for their contribution. The priority remains the welfare of the punter and growth of the gambling business in a responsible, transparent and sustainable manner, combatting money laundering and illegal betting.


.....
Chhayan Roy Ringadoo
Chief Executive

GRA in figures



Total Revenue Collected = Rs 646,227,962



Our Role

The Gambling Regulatory Authority (GRA) was set up under the Gambling Regulatory Act (GRA) 2007 and is a corporate body falling under the aegis of the Prime Minister's Office (PMO). The Authority is administered and managed by the Gambling Regulatory Board as per section 5 of the GRA Act.

The Authority is primarily responsible for the issue of gambling licences and collection of the licence fees from stakeholders, the total of which is credited to the consolidated fund and funds are thereafter made available to the Authority for meeting its operational expenses. The GRA equally ensures compliance to the GRA Act and conditions to Licences as well as conducts investigations and enforces sanctions for offences committed by licensees.

Objects of the Authority

The objects of the Authority are to: -

- regulate and control gambling activities and the organization 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

- (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 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, as the case may be, every 3 years, 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	% No. 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 and regulations of budgetary disciplines	% of payments settled	100%	100%
1.4	Compliance with recommendation of the NAO and Internal Audit & FRC	% of recommendations implemented	100%	100%
Goal 2		Increase compliance with gaming laws and regulations		
2.1	Monitor compliance to conditions of licenses, guidelines and correctness of "Rules of Games"	% license holders complying with conditions and rules	100%	100%
		% of Investigations carried out	100%	100%
2.2	Investigation of complaints from Bookmakers and other stakeholders about the conduct of gambling and malpractices	% of complaints resolved	100%	100%
Goal 3		Promotion of Responsible Gambling		
3.1	Promotion of Responsible Gambling	% Responsible Gambling Programme implemented	100 %	100 %

CORPORATE GOVERNANCE

Corporate Governance

The Gambling Regulatory Authority recognizes good corporate governance practices as a pre – requisite for good performance within the organization. The corporate governance structures put in place are in accordance with the code of Corporate Governance of Mauritius. This section highlights the main corporate governance structures of the GRA as set out in this report relating to GRA Board, its Roles and Functions, Board Committees, Risk Management and Internal Audit, 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.

Composition of the Board

As per Section 5 of the GRA Act, the Board is constituted of 10 non-executive Directors including the Chairperson. For the period 1st January to 31 December 2015, the Board was constituted as follows: -

- (1) "The Authority shall be administered and managed by a Gambling Regulatory Board which shall consist of-
 - (a) a Chairperson;
 - (b) a Vice-Chairperson;
 - (c) a representative of the Prime Minister's Office;
 - (d) a representative of the Attorney-General's Office;
 - (e) a representative of the Ministry responsible for the subject of finance;
 - (f) a representative of the Ministry responsible for the subject of tourism;
 - (g) a representative of the Commissioner of Police; and

- (h) 3 other members having adequate experience in economics, accountancy, law, scientific or business administration.
- (2) The Chairperson, Vice-Chairperson and the 3 members referred to in subsection (1) (h) shall be appointed by the Minister on such terms and conditions as he may determine.
- (3) Where the Chairperson is absent or unable to exercise his functions for any reason, the Vice-Chairperson shall act in his stead.
- (4) 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.
- (5) Every member shall be paid by the Board such fees as the Board may, with the approval of the Minister, determine.”

Functions of the Board

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

- (a) ensure that a horse-racing organizer effectively discharges its responsibilities regarding the organization 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 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.

Powers of Board

“(1) The Board shall have such powers as are necessary to enable it to effectively discharge its functions and in particular to-

- (a) issue, renew, suspend or revoke any licence;
- (b) register, or cancel the registration of, a lottery retailer and a bookmaker's clerk;
- (c) issue directives to licensees and impose terms and conditions on licences;
- (d) issue guidelines to licensees, including guidelines pertaining to measures to be implemented to prevent the laundering of money and the financing of terrorism;
- (e) approve rules of gambling, lottery games, sweepstakes and lotteries;
- (f) approve, for implementation by licensees, rules in respect of internal control systems, including accounting and reporting procedures and any other procedures or systems;
- (g) approve a racecourse or the use of a racecourse, the frequency and number of race meetings in a year and the number of races at a race meeting;
- (h) approve any event or contingency on which betting is to be conducted;
- (i) supervise and control the conduct and operation of any activity regulated under this Act;
- (j) impose any financial penalty for non-compliance with the conditions of a licence, rules, directions or guidelines;

- (k) require a licensee or any other person to furnish such information or documents as may be specified by the Board or to attend before the Board at such time as may be specified for the purpose of being examined in respect of any transaction or matter relating to any gambling activity licensed under this Act;
 - (l) deal with complaints;
 - (m) ensure the protection of the public through the regulation and supervision of gambling, lottery games, sweepstakes and lotteries;
 - (n) carry out investigations into any illegal, dishonorable or improper practice in relation to any activity regulated under this Act and take such appropriate action as it thinks fit; and
 - (o) generally, do such acts and things as may be necessary for the purposes of this Act.
- (2) Subsection (1) (n) shall be without prejudice to the powers of a horse racing organiser under the Rules of Racing.
- (3) The Minister may, in relation to the exercise by the Board of any of its powers under this Act, give such directions of a general character to the Board as the Minister considers necessary in the public interest.
- (4) Where a direction is given under subsection (3), the Board shall comply with the direction.”

Profile of Board Members

For the period of January 2016 to June 2017, the Board was constituted as follows: -

Chairperson	Mr. R. Gulbul
Vice – Chairperson	Dr S. Maharahaje
Members	Mr. D. Dabee - Representative of the Attorney-General’s Office
	Mr K. Beekharry – Member
	Mr G. Bussier - Representative of the Ministry of Finance and Economic Development
	Mr. K. Jhugroo - Representative of the Commissioner of Police
	Mr. O. K. Dabidin – Member
	Mr C. Ujoodhia – Member
	Mrs S. Nowbuth - Representative of the Prime Minister’s Office

Mr. R. A. GULBUL
Chairperson



Mr Raouf Gulbul holds the LLB (Honours) Degree from the University of London and was called to the Bar of England and Wales at the Honourable Society of the Middle Temple in 1983. He took the oath to practice as a Barrister in Mauritius on 3rd October 1983.

In 1986, he was appointed by the Judicial and Legal Service Commission as Magistrate and has served in the District Courts of Port Louis, Rose Hill, Curepipe, Black River and the Court of Rodrigues.

In 1988, he returned to private practice at the Bar and has appeared before all the Courts of Mauritius and the Judicial Committee of the Privy Council. He has 33 years of experience as a Barrister in independent practice.

He was appointed Chairperson of the Gambling Regulatory Authority Board in March 2015.

Dr S.P.WMAHARAJE
Vice Chairperson

Dr. Somnath Maharajahje was appointed to the Board in May 2015 as Vice - Chairperson. He has served for several years in the Ministry of Health and Quality of Life as Consultant Orthopaedic Surgeon and as Regional Health Director. He is also a member of the Medical Tribunal in the Ministry of Social Security and National Solidarity and Reform Institutions.



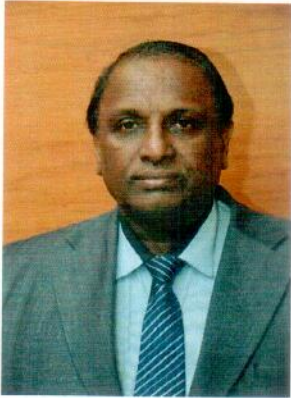
Mr. Kreedeo (Dev) BEEKHARRY
Board Member



Mr. K. Beekarry is currently Senior Adviser at the Prime Minister's Office. He is also a board member of the Mauritius Duty Free Paradise Co. Ltd. He is a communications specialist and has had a rich career as economic and financial journalist. Mr. Beekarry was formerly deputy editor-in-chief of Business Magazine, Editor of the Top 100 Companies and of the Directory of Financial Institutions. He was appointed to the Board in March 2015.



Mr. Om Kumar Dabidin
Board Member



Mr Om Kumar Dabidin is Permanent Secretary at the Prime Minister's Office (Home Affairs Division). He was appointed to the Gambling Regulatory Board on the 30th of March 2015.

Mr Dabidin is also amongst others, Board member of the following statutory bodies:

- (i) Mauritius Ports Authority;
- (ii) Cargo Handling Corporation Ltd;
- (iii) Mauritius Oceanographic Institute; and
- (iv) Information and Communication Technologies Authority.

Mr Dabidin began his career in the civil service as Administrative Officer at the Prime Minister's Office. He is a seasoned public officer having held a number of senior positions over the last two decades across a wide range of Ministries: Finance; Youth and Sports; Agriculture, Food Technology and Natural Resources and Civil Service and Administrative Reforms. He was also Deputy Permanent Secretary at the Ministry of Environment and Acting Permanent Secretary at the Ministry of Health and Quality of Life. Mr Dabidin spearheaded a number of projects in a number of Ministries and contributed to public sector reforms designed at bringing about more effectiveness and efficiency in public sector service delivery and improving the quality of service to citizens.

Dheerendra Kumar DABEE G.O.S.K., S.C
Board Member

Mr D.K. DABEE, Solicitor-General in the Attorney General's Office, a Senior Counsel, and a former Laureate (Economics Side) is a graduate in Law and Political Science from Birmingham University and was called to the bar in UK in 1981 at the Middle Temple, ex Officio and was appointed to the Board in March 2015.

Besides his over 34 years' experience as a lawyer and legal adviser to, and Counsel for, Government Departments and a number of other public bodies, he has held various other positions in the regulatory financial and commercial sectors.

He is the Chairperson of the Control and Arbitration Committee of the Mauritius Cane Industry Authority and a former member of the Arbitral Tribunal of the Commonwealth Secretariat.

He also represents the Attorney General's Office on the Boards of the Independent Broadcasting Authority. He is also Board Director of Mauritius Telecom.

He was appointed Vice-Chairman of the Financial Services Commission in February 2016



Gerard BUSSIER
Board Member

Mr G. Bussier, ex officio, was appointed to the Board in March 2015. 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. Mr G. Bussier was also been appointed as Director on the following Boards in 2015:

- State Informatics Ltd
- National Insurance Co. (NIC) Ltd
- NIC General Insurance Co. Ltd



Mr Krishna JHUGROO
Board Member

Mr K. Jhugroo, was appointed to the Board in March 2015. He is presently Deputy Commissioner of Police and has served several years in the Police Force.



Mr Chandrashekar UJODHIA
Board Member



Mr C. Ujoodhia was appointed to the Board in March 2015. He holds a B Com (Hons) from Delhi University and Post Graduate Certificate in Education from Mauritius Institute of Education. He is currently the Head of Department of Business Studies in a Private Secondary College and is in the teaching sector for nearly 20 years. He was formerly the Marketing Executive of a textile firm.

Attendance at Board Meetings & Committees

Attendance at Board meetings and Committees

The Board of the Gambling Regulatory Authority met on twenty-four occasions (sixteen Board meetings and eight Special meetings for specific issues) for the reporting period as summarised below.

Board meetings are organized on a monthly basis by giving appropriate notice and members are expected to attend each Board Meeting unless exceptional circumstances prevent them from doing so.

For the period of January 2016 to June 2017, the attendance of Board Meetings is summarized below: -

Members	Title	Appointment Date	Board Meetings Attended	Special Board Meeting Attended
Mr R.Gulbul	Chairperson	13-Mar-15	16/16	7/8
Dr S.P.W Maharahaje	Vice Chairperson	15-May-15	16/16	7/8
Mr D.K. Dabee	Representative of the Attorney General's Office	13-Mar-15	13/16	4/8
Mr. K. Beekharry	Representative of the Prime Minister's Office	15-Mar-15	14/16	6/8
Mrs P. Roy	Representative of the Ministry of Tourism and External Communications (January 2016 – February 2016)	19-Mar-15	2/2	0/1
Mr. R. Moolye	Representative of Ministry of Tourism and External Communications	07-Apr-16	10/13	4/7
Mr O.K. Dabidin	Representative of Prime Minister's Office (Jan 2016- Beginning of May 2017)	30-Mar-15	14/15	7/8
Mrs S.D Gujadhur-Nowbuth	Representative of Prime Minister's Office	26-May-17	1/1	0/0
Mr G.P. Bussier	Representative of the Ministry of Finance and Economic Development	17-Mar-15	15/16	7/8
Mr K. Jhugroo	Representative of the Commissioner of Police	17-Mar-15	15/16	8/8
Mr F.H.N Henry	Member (January 2016-December 2016)	13-Mar-15	10/12	5/5
Mr C. Ujoodhia	Member	13-Mar-15	16/16	7/8

Board Allowances and Board Fees

The Chairperson of the Board was paid an all-inclusive, monthly fee of Rs 70,000 and was paid an ad hoc allowance of Rs 25,000 for period January to March 2016 which increased to Rs 55,000 for the period of April 2016 to June 2017.

The Vice Chairperson and all other Board Members were paid an all-inclusive, monthly fee of Rs 35,000 and Rs 25,000 each respectively.

The following members were paid an adhoc allowance for the month of October 2016 for participating in HR matters.

Member	Allowance
Dr. S.P.W. Maharaje	Rs 2630
Mr O.K Dabidin	Rs 1,740
Mr K. Beekharry	Rs 890
Mr H.N Henry	Rs 3530

The Chairperson was paid an adhoc allowance (in arrears) of Rs 90,000 in April 2016 and Mr. Rechad Moolye was paid a fee (in arrears) of Rs 3,225.80 in April 2016.

Fees drawn by each Board Member for the period of January 2016 to June 2017 are as follows:

	Rs
Mr Raouf Gulbul (Chairperson)	2,160,000.00
Mr. Somnath Panday Woogra Maharahaje (Vice Chairperson)	630,000.00
Mr. Dheerendra Kumar Dabee (Member)	450,000.00
Mr. Kreedeo Beekharry (Member)	450,000.00
Mrs. Premila Roy (Member)	50,000.00
Mr. Rechad Moolye (Member)	375,000.00
Mr. Om Kumar Dabidin (Member)	450,000.00
Mr. Gerard Pascal Bussier (Member)	450,000.00
Mr. Krishna Jhugroo (Member)	450,000.00
Mr. Herbert Nicolas Frederic Henry (Member)	300,000.00
Mr. Chandrashekar Ujoodhia (Member)	450,000.00
TOTAL	6,215,000.00



Major Decisions of the Board during the period ending June 2016

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

- Review the structure of the Gambling Regulatory Authority with the setting up of new specialized divisions to enable the Authority to become more effective and efficient in order to stay ahead of the rapidly evolving gambling industry.
- The creation of the Horse Racing Division and the Integrity and Intelligence Division;
- The recruitment of additional staff to strengthen the team (Public Relations Officer, Legal Officer, Gambling Regulators and Inspectors, Accountant, Administrative Secretary);
- A Framework for Responsible Gambling in Mauritius and the Setup of the Managing Committee of the Responsible Gambling and Capacity Building Fund as well as a separate account for the Responsible Gambling and Capacity Building Fund;
- Introduction of couple bets with regards to horse racing to protect the punters from the illegal betting practices of heavy betters;
- New standard Rules for fixed odds betting in respect of football matches taking place outside Mauritius;
- Revision of the Conditions of License and Rules for Betting relating to Racing bookmakers and totalizators with a view to standardizing them;
- Amendments to the GRA Act 2007 to bring tighter control over the gaming industry;
- ICAC to (i) conduct an independent review of the Authority's internal process, (ii) propose a code of conduct for the Authority and, (iii) educate the Authority's personnel and stakeholders on their duties and responsibilities (Ethics and Good Governance);



- Working towards the full connectivity of all operators to the Central Electronic Monitoring System (CEMS) to enable better control and monitoring of gambling activities;
- Due diligence exercise to be conducted on ultimate beneficiaries, directors, managers and officers of licensees of the GRA to prevent cases of money laundering;
- Implementing a standard verification mechanism and process for renewal of all Gambling Regulatory Authority licences to eliminate risks of non-compliance and to ensure a proper control and monitoring on the renewal of licences;
- MOU with the Financial and Intelligence Unit

Procurement Policies and Procedures

The Finance and Procurement Committee

The Finance and Procurement 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 reporting period, the GRA Finance and Procurement Committee was constituted as follows: -

- Mr. Frederic Herbert Nicolas Henry - Chairperson
- Dr Somnath Panday Woogra Maharahaje - Member
- Mr Kreedeo Beekharry - Member
- Mrs Chhayan Ringadoo - In attendance
(Chief Executive of the GRA)

The GRA Finance and Procurement Committee held one meeting for the reporting period and the Attendance is summarised below:

Members	Attendance for the Finance and Procurement Committee Meeting
Mr. Frederic Herbert Nicolas Henry Chairperson	1/1
Dr. Somnath Panday Woogra Maharahaje, Member	1/1
Mr Kreedeo Beekharry, Member	1/1
Mrs Chhayan Ringadoo (in attendance)	1/1

Human Resource Committee (HRC)

The Human Resources Committee (HRC)

The GRA HRC has been set up to assist the Board in: -

- (i) Making recommendations for all the HR matters including promotion, retirement gender policy, and recruitment of employees after examining, interviewing and shortlisting of candidates.
- (ii) Examining representations from employees regarding conditions of employment or matters connected with their employment when not satisfactorily attended by Management.

- (iii) Dealing with complaints against employees of the Authority or any staff matters that may be referred thereto.

For the reporting period, the GRA HRC was constituted as follows: -

- Mr. Rechad Moolye - Chairperson
- Mr. Kreedeo Beekharry - Member
- Mr Chandrashekar Ujoodhia - Member
- Mrs Chhayen Ringadoo - In attendance
(Chief Executive of the GRA)

During the reporting period, the HRC met on three occasions specifically for: -

(i) the shortlisting and interview of candidates who had applied for the post of;

- Management Support Officers,
- Telephonist/Receptionist and
- Driver

(ii) the shortlisting of candidates who had applied for the post of;

- Chief Gambling Regulator and Investigator,
- Gambling Regulators and Investigators,
- Accountant,
- Legal Affairs Officer,
- Administrative Secretary,
- Public Relations/Responsible Gambling Officer.

(iii) for recommendation to the Board in respect of the Pay review, Grading Structure, and conditions of employment for the staff.

Human Resource Committee Attendance for the reporting period is summarised below:

Members	No of Human Resource Committee Meeting attended
Mr. Rechad Moolye	2/3 (2 as Chairperson)
Mr Kreedeo Beekharry	3/3 (1 as Chairperson and 2 as Member)
Mr Chandrashekar Ujoodhia	3/3 (as Member)
Mrs Chhayen Ringadoo	3/3 (In attendance)

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: -

Mrs Chhayon Roy Ringadoo

Chief Executive Officer (as from 04th January 2016)

Qualifications:- Masters in Business Administration - Mauritius

Experience:- Mrs C.Ringadoo has worked in the Private Sector for more than 18 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 recognizes 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 PRB Report 2013 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 recognizes 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(l) of the GRA Act.

The Authority was headed by a Chief Executive and supported by a personnel of twenty four (24) members including one (1) officer on Secondment from the Ministry of Finance and Economic Development and seven 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 37 race meetings for 2016 Racing Season by the Mauritius Turf Club and 37 for the 2017 racing season.

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 favor are treated as settled as soon as the license holder settled 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 2016 to 30 June 2017

Activity	Types of Complaints	Total	Action Taken				
			Refer to Police Des Jeux	Settled	Withdrawn	Not upheld	Under Process
Casino	Circulation of Faked Chips						
Gaming House	Malfunctioning of Gaming House	9	1			6	2
	Non-Validation of winning bet	2				2	
	Miscellaneous	6	1			1	4
Bookmaker conducting Fixed Odds Betting on local race	-Tickets -Lost, unreadable, cancelled & erroneous, refund i.c.w withdrawal & wrong results,etc	30	16	2	1	9	2
Bookmaker conducting Fixed Odds Betting on Football Matches	- Scheduled kick-off time, tickets (lost, unreadable & erroneous), void matches. Inaccurate fixtures & results,etc	17	2	2	2	9	2
Miscellaneous (lotteries)	Tickets - lost, unreadable ,etc	24	5			12	7
TOTAL		88	25	4	3	39	17

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 18 months' period from 1st January 2016 to 30 June 2017, the Police des Jeux has detected 132 cases which contravened the Act.

A summary of these cases is 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
132	113	50	8	2	8	1

Licensees as at 30 June 2017

As per the GRA Act, the GRA Board shall have power to issue, renew, suspend or revoke any licence. The table gives a breakdown of licence types for the 18 months' period ending 30 June 2017.

Licensee	No. of Licensees as at 31st December 2015	No. Licences Issued/ renewed 1st Jan 16 to 30th Jun 17	No. of Licences not renewed 1st Jan 16 to 30 Jun 17	No. of Licences as at 1st Jan 16 to 30th Jun 17
Bookmakers Racourse & Offcourse	39	6	2	43
Bookmakers operating by SMS	1	1	-	1
• No. of Outlets	20	20	-	20
Bookmaker – FOB on Football matches	8	8	-	8
• No. of Outlets	81	11	9	83
Casinos	3	1	-	4
Gaming House "A"	20	20	-	20
Gaming House "B"	1	2	-	2
Gaming Machines	1657	142	38	1756
Horse Racing Organiser	1	1	-	1
Operator of Mauritius National Lottery	1	1	-	1
Totalisator Operator	2	2	-	2
• No. Of Outlets	48	47	1	47
Limited Payout Machines Operator	1	-	1	-
Agent of Foreign Pool Promoter	1	1	-	1
Local Pool Promoter	1	1	-	1
Collector	83	43	-	43
Sweepstakes Organiser	3	3	-	3
Dart Games Operator	8	8	-	8
Promotional Lottery	54	76	-	76

Licence fees

No person shall not 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.	<p>Totalisator operator—</p> <p>(a) at the racecourse</p> <p>(b) outside the racecourse, in respect of each place of business</p> <p>(c) conducting bets through remote communication—</p> <p>(i) in respect of the principal place of business;</p> <p>(ii) in respect of each place at which facilities are provided;</p> <p>(d) conducting local race inter-totalisator betting</p> <p>(e) conducting foreign race inter-totalisator betting</p>	<p>1,000,000</p> <p>40,000</p> <p>40,000</p> <p>40,000</p> <p>3,500,000</p> <p>3,500,000</p>	<p>Yearly or part thereof</p> <p>Yearly or part thereof</p> <p>Yearly or part thereof</p> <p>Yearly or part thereof</p> <p>Yearly or part thereof</p> <p>Yearly or part thereof</p>
7.	<p>Bookmaker conducting fixed odds betting on local race—</p> <p>(a) at the racecourse;</p> <p>(b) outside the racecourse;</p> <p>(c) through remote communication—</p> <p>(i) in respect of the principal place of business;</p>	<p>500,000</p> <p>500,000</p> <p>1,750,000</p> <p>1,750,000</p> <p>1,750,000</p> <p>1,750,000</p>	<p>1 January to 15 August of every year or part thereof</p> <p>16 August to 31 December of every year or part thereof</p> <p>1 January to 15 August of every year or part thereof</p> <p>16 August to 31 December of every year or part thereof</p> <p>1 January to 15 August of every year or part thereof</p> <p>16 August to 31 December of every year or part thereof</p>

	(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
8.	Bookmaker conducting fixed odds betting on any event or contingency— (a) in respect of the principal place of business; (b) in respect of each additional place of business	3,500,000 20,000	12 months 12 months
9.	Sweepstake organiser	37,500	Yearly or part thereof
10.	Local pool promoter	15,000	12 months
11.	Agent of a foreign pool promoter	37,500	12 months
12.	Collector	190	12 months
13.	Operator of dart games— Authorised days and time Days immediately preceding race day falling on Saturday— <i>Day</i> <i>Time</i> Thursday 13.00 hrs to 18.00 hrs Friday 10.00 hrs to 18.00 hrs Days immediately preceding race day falling on Sunday— <i>Day</i> <i>Time</i> 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	15,000 per dart board 15,000 per dart board	1 January to 15 August every year or part thereof 16 August to 31 December every year or part thereof

14.	Operator of Mauritius National Lottery	5,000,000	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 18 months' period ending June 2017 which give a true and fair view of its financial position and its financial performance.

In preparing these financial statements, GRA ensures that: -

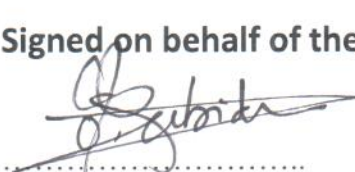
- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures and explained in the financial statements;
- The financial statements have been prepared 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



O. K. Dabidin
Chairperson



K. Beekharry
Board Member



C. Ringadoo
Chief Executive

REPORT OF THE DIRECTOR OF AUDIT



NATIONAL AUDIT OFFICE

REPORT OF THE DIRECTOR OF AUDIT TO THE BOARD OF THE GAMBLING REGULATORY AUTHORITY

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of the Gambling Regulatory Authority, which comprise the statement of financial position as at 30 June 2017, and the statement of profit and loss and other comprehensive income, statement of changes in general fund and statement of cash flows for the 18-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements, give a true and fair view of the financial position of the Gambling Regulatory Authority as at 30 June 2017, and of its financial performance and its cash flows for the 18-month period then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

Contingent Liabilities-Pending Litigations

At 30 June 2017, the Gambling Regulatory Authority was directly or indirectly involved in 30 court cases. A few of these cases were about to be determined. The Authority's Attorney has not replied to my request for information regarding any litigation, claims, judgments, settlements, or any transactions that could affect accounts as at 30 June 2017.

Responsible Gambling and Capacity Building Fund

The Responsible Gaming and Capacity Building Fund was established under the Gambling Regulatory Authority Act, subsequent to the Finance (Miscellaneous Provisions) Act 2016. The Fund was made operative with effect from 1 October 2016 and was financed by a levy of 2 per cent on gross gambling yield. During the period 1 October 2016 to 30 June 2017, levies for a total amount of Rs 42,654,093 were collected and were credited to a Deposit Account – "Responsible Gambling and Capacity Building Fund" at the Accountant General's Department. The levies collected have not been recognized in the financial statements.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Gambling Regulatory Authority in accordance with the INTOSAI Code of Ethics and ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Gaming Licence fees

The Gambling Regulatory Authority Act was amended subsequent to the Finance (Miscellaneous Provisions) Act 2015, which provided for a major increase in the Gaming Licence Fees payable by all gaming operators while restricting the number of gaming licences in issue, with effect from 1 July 2015. As shown in the statement of cash flows, Gaming Licence fee collections increased from Rs 367.5 million during the year 2015 to Rs 646.2 million during the period January 2016 to June 2017. The full effect of the change in legislation occurred during the period starting on 1 January 2016.

How my audit addressed the Key Audit Matter

I designed my audit procedures to verify that the change in legislation was applied timely and accurately in respect of all Gaming Licences being renewed after 30 June 2015.

I am satisfied that correct Licence fees have been collected from gaming operators during the 18-month period to 30 June 2017.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Gambling Regulatory Authority, but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance 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 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.

In preparing the financial statements, management is responsible for assessing the Gambling Regulatory Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Gambling Regulatory Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions 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 International Standards of Supreme Audit Institutions, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 and appropriate to provide a basis for my 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 Gambling Regulatory Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gambling Regulatory Authority's ability to continue as a going concern. If I conclude that a

material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Gambling Regulatory Authority to cease to continue as a going concern.

- 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.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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 Gambling Regulatory Authority's expenditure and income have been applied for the purposes intended by those charged with governance. 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 of the Gambling Regulatory Authority were submitted to my Office on 31 October 2017. A few amendments were deemed necessary. An amended set of financial statements was submitted on 27 June 2018.

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

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 annual 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

10 July 2018

GAMBLING REGULATORY AUTHORITY

AUDITED FINANCIAL STATEMENTS


FOR THE 18 MONTHS ENDED 30 JUNE 2017


GRA FINANCIAL STATEMENTS

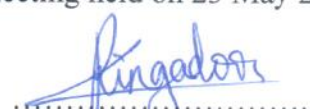
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

		30 JUNE	31 DECEMBER
		2017	2015
		<i>(18 Months)</i>	<i>(12 Months)</i>
	NOTES	Rs	Rs
NON-CURRENT ASSETS			
Property, Plant & Equipment	4	975,989	3,371,387
Intangible Assets	5	145,526	145,381
Car Loan Receivables	6	571,428	785,714
Retirement Benefits Obligations	7	525,399	682,659
		<u>2,218,342</u>	<u>4,985,141</u>
CURRENT ASSETS			
Inventories		164,316	168,082
Trade & Other Receivables	8	85,922	35,819
Car Loan Receivables Short Term	6	142,857	142,857
Cash & Cash Equivalents	9	57,704,955	12,783,232
Prepayments	8	72,085	103,374
		<u>58,170,134</u>	<u>13,233,364</u>
TOTAL ASSETS		<u>60,388,476</u>	<u>18,218,505</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
General Fund		137,561	2,385,213
TOTAL NET ASSETS/EQUITY		<u>137,561</u>	<u>2,385,213</u>
NON-CURRENT LIABILITIES			
Payables			
Car Loan Long Term	6	571,428	785,714
Employee Benefits	10	1,818,748	1,305,790
Deferred Income	11	2,562,557	2,840,275
Refundable Guarantee Deposits	12	10,407,014	7,806,420
		<u>15,359,747</u>	<u>12,738,199</u>
CURRENT LIABILITIES			
Payables	13	503,722	239,041
Car Loan Short Term	6	142,857	142,857
Employee Benefits	10	475,804	405,705
Deferred Income	11	1,168,465	1,517,892
Deposit Licence Fees		42,600,320	789,598
		<u>44,891,168</u>	<u>3,095,093</u>
TOTAL EQUITY AND LIABILITIES		<u>60,388,476</u>	<u>18,218,505</u>

The Financial Statements has been approved at the 108th Board Meeting held on 23 May 2018.


 O. K. Dabidin
 Chairperson


 K. Beekharry
 Board Member


 C. Ringadoo
 Chief Executive

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

		30 JUNE	31
		2017	DECEMBER
		<i>(18 Months)</i>	<i>(12 Months)</i>
	NOTES	Rs	Rs
REVENUE			
Government Grant	11	37,923,680	22,313,349
Other Income	14	637,757	470,480
Deferred Income		1,168,465	1,517,892
Total Revenue		39,729,902	24,301,721
EXPENDITURE			
Operating costs	15	10,809,566	7,222,765
Staff costs	16	16,622,780	8,143,121
Administrative costs	17	12,914,843	5,864,473
Depreciation	18	1,168,465	1,517,892
Finance costs		134,681	63,923
		41,650,335	22,812,174
NET SURPLUS/(DEFICIT) FOR THE PERIOD		(1,920,433)	1,489,547
OTHER COMPREHENSIVE INCOME			
Not reclassified to profit or loss in a subsequent period		(327,219)	(156,211)
Actuarial Gains/(losses) on Defined Benefit Obligations		(327,219)	(156,211)
Total Other Comprehensive Income		(327,219)	(156,211)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(2,247,652)	1,333,336

GRA FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(2,247,652)	1,333,336
Adjustments for:		
Depreciation and Amortization	1,168,465	1,517,892
Deferred Income	(1,168,465)	-1,517,892
Receipt from Licence	646,227,962	367,546,543
Remitted to consolidated fund-licence	(604,417,240)	(367,546,543)
Retirement Benefits Obligations-adjustment	157,260	(23,635)
Increase in provisions relating to employee costs	583,157	95,978
Assets Written off	1,768,108	
Interest Income	(637,757)	(417,537)
OPERATING SURPLUS/DEFICIT BEFORE WORKING CAPITAL CHANGES		
Decrease/(Increase) in Inventories	3,766	(30,533)
(Increase)/Decrease in Receivables	281,394	(912,564)
Increase/(Decrease) in payables	50,395	1,087,256
Increase/(Decrease) in payables	2,600,495	(464,365)
Increase in Deposits	-	789,598
Net cash flow from operating activities	44,369,888	1,457,534
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant & Equipment	(541,320)	(266,881)
Interest Received	551,835	417,537
Net cash flow from investing activities	10,515	150,656
CASH FLOWS FROM FINANCING ACTIVITIES		
Government Grant Received	541,320	266,881
Net cashflow from Financing Activities	541,320	266,881
	44,921,723	1,875,071
Net Increase in Cash and Cash Equivalents		
Cash & Cash Equivalents at beginning of year/period (Note a)	12,783,232	10,908,161
Cash & Cash Equivalents at end of year/period (Note a)	57,704,955	12,783,232
	44,921,723	1,875,071
Notes to the statement Cash Flows		
(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.		
	30 JUNE	31 DECEMBER
	2017	2015
	Rs	Rs
Cash in hand and at bank	57,704,955	12,783,232

GRA FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN GENERAL FUND FOR THE PERIOD ENDED
30 JUNE 2017**

	General Fund Rs
Balance at 1 January 2015	1,051,877
Surplus/(Deficit) for the year	<u>1,333,336</u>
Balance at 31 December 2015	<u><u>2,385,213</u></u>
Balance at 1 January 2016	2,385,213
(Deficit)/Surplus for the period	<u>(2,247,652)</u>
Balance at 30 June 2017	<u>137,561</u>

**STATEMENT SHOWING COMPARISON OF BUDGET FOR THE PERIOD ENDED
30 JUNE 2017**

BUDGETED AMOUNT

	Budgeted Amount	Actual Amount	Difference Budgeted and Actual Amount
	Rs	Rs	Rs
Revenue:			
License Fee	622,500,000	646,227,962	23,727,962
Recurrent Budget	40,600,000	38,465,000	(2,135,000)
Other Revenue		551,835	551,835
Recurrent Expenditure (Excluding Depreciation and Amortization)			
Salaries, Allowances & Bonus	14,000,000	12,487,350	1,512,650
Travelling & Transport	1,250,000	1,208,116	41,884
Overtime	175,000	454,940	(279,940)
Staff Welfare	25,000	18,886	6,114
Cost of utilities	1,400,000	1,304,553	95,447
Fuel, Oil, Insurance & Road Tax	322,000	110,256	211,744
Rental of Building & Parking Slots	9,152,600	8,673,954	478,646
Equipment & Furniture	875,000	541,320	333,680
Office Expenses	200,000	1,121,746	(921,746)
Maintenance	362,500	199,342	163,158
Cleaning Services	220,000	193,275	26,725
Publications & Stationery	600,000	321,059	278,941
Overseas Travel	1,750,000	1,128,222	621,778
Board Members Fees	6,000,000	6,317,016	(317,016)
Audit Fees	150,000	160,000	(10,000)
Passage Benefits, Sick/Annual Leave, Gratuity	1,195,000	1,260,189	(65,189)
Miscellaneous Expenses	277,900	510,000	(232,100)
Pension Contribution	610,000	490,277	119,723
Training Fees	510,000	18,800	491,200
Professional Charges	775,000	1,911,558	(1,136,558)
Responsible Gambling	750,000	5,320	744,680
Total Expenses	40,600,000	38,436,179	2,163,821
Capital Expenditure	10,000,000		
Budgeted/Actual Surplus/(Deficit)		28,821	28,821



GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

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 under the aegis of the Prime Minister's Office.

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.

(b) REPORTING PERIOD

Following amendments in the Statutory Bodies (Accounts and Audit) Act, the financial statements have been prepared for the 18 months ended 30 June 2017 with comparative information for the 12 months ended 31 December 2015. Hence the amounts presented in the financial statements may not be entirely comparable.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

2. STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

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

	Effective Date
	Annual period beginning on or after
IFRS 1: First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements 2014-2016 Cycle (removing short term exemptions)	1 January 2018
IFRS 2: Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	1 January 2018
IFRS 4: Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9	1 January 2018
IFRS 15: Revenue from Contracts with Customers	1 January 2018
IFRS 16: Leases	1 January 2019
IAS 28: Investments in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014-2016 Cycle (clarifying certain fair value measurements)	1 January 2018
IAS 40: Investment Property - Amendments to clarify transfers of property to, or from, investment property	1 January 2018

The Authority anticipates that the adoption of the above IFRS/IAS amendments in the future periods will have no material impact on the financial statements.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 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) **Revenue Recognition**

Revenue consists of grants received from the Government and is recognized on an accrual basis.

(iii) **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 profit or loss and other comprehensive income.

(iv) **Operating Lease**

Rentals payable under operating lease agreements are charged to the Statement of Profit or Loss and Other Comprehensive Income 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.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Operating Lease Arrangements	30 JUNE	31 DECEMBER
	2017	2015
	(18 Months)	(12 Months)
	Rs	Rs
Minimum lease payments under operating lease recognised	8,670,504	5,780,328
At Balance Sheet date, the Authority has outstanding operating leases, which fall due as follows:-		
- within one year	5,780,328	5,780,328
Later than one year and not more than three years	10,115,574	8,670,492
Total Operating Lease Obligations	15,895,902	14,450,820

Operating lease payment represents rentals payable by the GRA for the leasehold of office space and three parking slots with effect from 1st April 2017 for a period of three years.

(v) 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.

(vi) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

(vii) Employee Leaves Entitlement

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

(viii) 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 Equipment -Hardware	3 years	33.33%
Computer Software	5 years	20%
Office Equipment	5 years	20%
Motor Vehicles	5 years	20%
Furniture, Fixtures & Fittings	10 years	10%

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 Profit or Loss and Other Comprehensive Income.

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

(ix) 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.

(x) 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.

(xi) 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.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(xii) 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.

(xiii) 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.

(xiv) 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) Trade payables

Trade payables are stated at their nominal value.



GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(xv) 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.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

4. PROPERTY, PLANT & EQUIPMENT

	COMPUTER HARDWARE, PERIPHERALS	OFFICE EQUIPMENT	FURNITURE & FIXTURES	MOTOR VEHICLES	TOTAL
COST	Rs	Rs	Rs	Rs	Rs
At 1 January 2016	1,573,508	737,401	2,217,902	4,657,211	9,186,022
Additions	369,280	--	89,240	--	458,520
Disposal	--	--	--	(3,788,800)	(3,788,800)
At 30 June 2017	1,942,788	737,401	2,307,142	868,411	5,855,742
DEPRECIATION					
At 1 January 2016	1,263,299	679,855	1,423,120	2,448,361	5,814,635
Charge for the year	296,848	18,615	329,605	440,742	1,085,810
Disposal	--	--	--	(2,020,692)	(2,020,692)
At 30 June 2017	1,560,147	698,470	1,752,725	868,411	4,879,753
CARRYING AMOUNT					
At 30 June 2017	382,641	38,931	554,417	--	975,989
At 31 December 2015	310,209	57,546	794,782	2,208,850	3,371,387

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

5. INTANGIBLE ASSETS

	COMPUTER SOFTWARE
COST	Rs
At 1 January 2016	656,323
Additions	82,800
Disposal	--
At 30 June 2017	739,123
DEPRECIATION	
At 1 January 2016	510,942
Charge for the year	82,655
Disposal	--
At 30 June 2017	593,597
CARRYING AMOUNT	
At 30 June 2017	145,526
At 1 January 2016	145,381

6. CAR LOAN

Eligible officers of the GRA are granted car loan as per terms and conditions in the PRB Report.

Outstanding capital on car loans as at 30 June 2017 were as follows:

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
Balance at 1 January	928,571	1,000,000
Refunds	(214,286)	(71,429)
Balance at 30 June 2017	714,285	928,571
Analysed as follow:-		
Short Term	142,857	142,857
Long Term	571,428	785,714
	714,285	928,571

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

7. 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.

	30 JUNE	31
	2017	DECEMBER
	<i>(18 Months)</i>	<i>2015</i>
	Rs	Rs
Amount recognised in Statement of Financial Position at end of year:		
Defined benefit obligation	1,790,346	1,103,804
Fair value of plan assets	(2,315,745)	(1,786,463)
Liability recognised in statement of financial position at year end	(525,399)	(682,659)
Amounts recognised in Income Statement:		
Service cost:		
Current service cost	282,628	141,513
Past service cost	-	-
(Employee contributions)	(156,509)	(94,475)
Fund Expenses	50,669	5,354
Net Interest expense/(income)	(59,814)	(59,033)
P & L Charge	116,974	(6,641)
Remeasurement		
Liability (gain)/loss	276,105	52,206
Assets (gain)/loss	51,114	104,005
Total Other Comprehensive Income (OCI) recognised	327,219	156,211
Total	444,193	149,570
Movements in liability recognised in statement of financial position:		
At start of year	(682,659)	(659,024)
Amount recognised in P & L	116,974	(6,641)
(Special Contributions)	-	-
(Contributions paid by employer)	(286,933)	(173,205)
Amount recognised in OCI	327,219	156,211
At end of year	(525,399)	(682,659)
Actual return on plan assets:	156,657	19,035



GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

7. RETIREMENT BENEFIT OBLIGATION (Cont'd)

	30 JUNE	31
	2017	DECEMBER
	<i>(18 Months)</i>	<i>2015</i>
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	1,103,804	852,301
Current service cost	282,628	141,513
Interest cost	134,681	63,923
(Benefits paid)	(6,872)	(6,139)
Liability (gain)/loss	276,105	52,206
Present value of obligation at end of period	1,790,346	1,103,804
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	1,786,463	1,511,325
Expected return on plan assets	194,495	122,956
Employer contributions	286,933	173,205
Employee contributions	156,509	94,475
Special Contributions	-	-
(Benefits paid + other outgo)	(57,541)	(11,493)
Asset gain/(loss)	(51,114)	(104,005)
Fair value of plan assets at end of period	2,315,745	1,786,463
Distribution of plan assets at end of period		
	JUNE 2017	DECEMBER
		2015
Percentage of assets at end of year		
Fixed Interest securities and cash	56.6%	58.1%
Loans	4.4%	4.3%
Local equities	15.8%	15.9%
Overseas bonds and equities	22.6%	21.0%
Property	0.6%	0.7%
Total	100%	100%
Additional disclosure on assets issued or used by the reporting entity		
	JUNE 2017	DECEMBER
	(%)	(%)
Percentage of assets at end of year		
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	JUNE 2017	DECEMBER
Currency	Rs	Rs
Asset experience gain/(loss) during the period	(51,114)	(104,005)
Liability experience gain/(loss) during the period	(276,105)	(52,206)
Surplus/(deficit)	(327,219)	(156,211)
Year	2017/2018	
Expected employer contributions (Estimate to be reviewed by Gambling Regulatory Authority)	201,786	
Weighted average duration of the defined benefit obligation (Calculated as a % change in PV of liabilities for a 1% change in discount rate)	37 years	

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

7. RETIREMENT BENEFIT OBLIGATION (Cont'd)

The plan is exposed to actuarial risks such as: Investment risk, interest risk, longevity risk and salary risk. The risk relating to death in service benefits is re-insured.

The cost of providing the benefits is determined using the Projected Unit Method. The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Year ending 30 June 2017	Year ending 31 December 2015
Discount rate	6.50%	7.50%
Future salary increases	4.00%	5.00%
Future pension increases	3.00%	3.00%
Mortality before retirement	A 6770 Ultimate Tables	
Mortality in retirement	PA (90) Tables - rated down by 2 years	
Retirement age	As per Second Schedule in the Statutory Bodies Pension Funds Act	

The discount rate is determined by reference to market yields on bonds.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate, expected salary increase and mortality.

The sensitivity analyses below have been determined based reasonably on possible changes of the assumptions occurring at the end of the reporting period.

- If the discount rate would be 100 basis points (one percent) higher (lower), the defined obligation would decrease by Rs 470,921 (increase by Rs 659,830) if all other assumptions were held unchanged.
- If the expected salary growth would increase (decrease) by 100 basis point, the defined obligation would increase by Rs 480,330 (decrease by Rs 381,010) if all assumptions were held unchanged.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

7. RETIREMENT BENEFIT OBLIGATION (Cont'd)

- If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 41,055 (decrease by Rs 41,201) if all assumptions were held unchanged.

In reality one might expect interrelationships between the assumptions, especially between discount rate and expected salary increases, given that both depends to a certain extent on expected inflation rates. The analysis above abstracts from these interdependence between the assumptions.

8. TRADE AND OTHER RECEIVABLES

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Receivables		
Interest Receivable	85,922	35,819
	85,922	35,819
Deposit	3,500	3,000
Prepayments	68,585	100,374
	72,085	103,374

9. CASH AND CASH EQUIVALENTS

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Savings A/C	1,924,276	1,861,303
Savings A/C - License	42,600,320	789,598
Savings A/C -Deposit	13,176,112	10,129,674
Cash in Hand	4,246	2,657
Total	57,704,955	12,783,232

The bank balances comprise cash held by the Authority at the MAU Bank.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

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:

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Opening Balance	1,711,395	1,615,415
Earnings for the year	988,862	734,075
Paid to staff	(405,705)	(638,095)
Balance as at 31 December	2,294,552	1,711,395
These obligations are payable as follows:		
<u>Current Liabilities</u>		
Payable within one year	475,804	405,705
<u>Non Current Liabilities</u>		
Payable after one year	1,818,748	1,305,690
	2,294,552	1,711,395

11. GRANT FROM GOVERNMENT

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Capital Grant		
At 1 January	4,358,167	5,609,178
Transfer from Recurrent Grant	541,320	266,881
Amount released to Statement of Financial Position	(1,168,465)	(1,517,892)
	3,731,022	4,358,167
Amount to be amortized within one year recognized as Current Liability	(1,168,465)	(1,517,892)
At 30 June	2,562,557	2,840,275
Recurrent Grant		
Received during the period	38,465,000	22,580,230
Transfer to Capital Expenditure	(541,320)	(266,881)
	37,923,680	22,313,349

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

12. REFUNDABLE GUARANTEE DEPOSITS

Security Deposit in the form of Bank Guarantee for the sum of **Rs 121,456,707/-** has been furnished by licensees at 30 June 2017.

An amount of **Rs 6,775,532/-** received in terms of cash, has been included in Accounts Payables as detailed below:

	30 JUNE 2017	31 DECEMBER 2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Balance at 1 January 2015	7,806,520	8,270,885
Deposit Received	6,775,532	1,807,160
less refund of Deposit	(4,175,037)	(2,271,525)
Balance at 30 June 2017	10,407,014	7,806,520

13. TRADE AND OTHER PAYABLES

	30 JUNE 2017	31 DECEMBER 2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
<u>Current Liabilities</u>		
Payables and Accrued Expenses	156,844	239,041
TDS-MRA	62,832	--
PAYE-MRA	284,046	--
	503,722	239,041

14. OTHER INCOME

	30 JUNE 2017	31 DECEMBER 2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Interest Received	2,231,492	417,661
Interest Receivable	85,922	35,819
Less Interest Received & Transferred to Consolidated Fund	(1,679,657)	--
Sundry Income	--	17,000
	637,757	470,480

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

15. OPERATING COSTS

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Police des Jeux	510,000	315,000
Rent of Building	8,670,504	5,780,328
Rental of Parking Slots	3,450	--
Telephone Charges	663,903	400,505
Electricity Charges	640,650	502,508
Printing and Stationery	321,059	224,424
	10,809,566	7,222,765

16. STAFF COSTS

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Social Security Costs	203,344	50,352
Salaries and other allowances	15,448,281	7,429,258
Employee Benefits obligations	988,862	734,075
Retirement Benefits Obligations	(17,707)	(70,564)
	16,622,780	8,143,121

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

17. ADMINISTRATIVE EXPENSES

	30 JUNE	31 DECEMBER
	2017	2015
	(18 Months)	(12 Months)
	Rs	Rs
Board Members' Fees	6,317,016	3,238,615
Legal Fees	387,589	258,460
Postage	27,240	5,696
Newspapers & Periodicals	33,055	16,755
Press Notice	214,240	89,552
Office Supplies and Refreshments	147,119	33,537
Cleaning Services	193,275	134,558
Repairs & Maintenance	199,342	179,534
General Expenses	62,546	50,333
Bank Charges	27,992	17,727
Fuel & Oil, Insurance & Road Tax	110,256	153,212
Insurance Personal & Assets	47,563	27,566
Overseas Mission	1,128,222	44,900
Professional Fees	656,873	1,614,028
Consultancy Fees	867,096	-
Seminars & Conference Abroad	407,253	-
Subscription	154,738	-
Assets Written Off & Disposed	1,768,108	-
Responsible Gambling	5,320	-
Audit Fees	160,000	-
	12,914,843	5,864,473

18. DEPRECIATION

Depreciation Charge		RATE	
Motor Vehicle	440,742	20%	931,442
Furn & Fixtures	329,605	10%	214,059
Office Equipment	18,615	20%	40,717
Computer Equipment	296,848	33%	267,009
Computer Software	82,655	20%	64,665
	1,168,465		1,517,892

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

19. RISK MANAGEMENT

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.

20. CONTINGENT LIABILITIES

The GRA has contingent liabilities in respect of 35 cases which are being disputed before the court. However, it is difficult to give a prudent estimate of their financial effects.

GRA FINANCIAL STATEMENTS

Notes to the financial statements for the period ended 30 June 2017

21. 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 are being made in accordance with IAS 24.

	30 JUNE	31 DECEMBER
	2017	2015
	<i>(18 Months)</i>	<i>(12 Months)</i>
	Rs	Rs
Revenue Grant		
Received during the period	38,465,000	22,580,230
Compensation to key Management Personnel		
<u>Short term benefits</u>		
Fees to Board Members	6,317,016	3,238,615
Management Personnel Compensation	1,818,000	624,000
	8,135,016	3,862,615