



GAMBLING REGULATORY AUTHORITY

*Ensuring transparency and good governance
in the conduct of gambling*

ANNUAL REPORT

2013





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ANNUAL REPORT 2013



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VISION, MISSION AND CORE VALUES

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, ensure that gambling activities are conducted in a fair and transparent manner, and foster responsible gambling in order to minimize harm caused by gambling.

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.



ACTING CHIEF EXECUTIVE'S MESSAGE

I have the pleasure to present the 2013 Annual Report of the Gambling Regulatory Authority (GRA).

The period under review has been marked by a number of new initiatives by the Authority which are, inter alia, geared towards improving further, the quality of service in this sector, increasing surveillance against malpractices and enhancing the image of the sector on the local and international scene. As part of its Responsible Gambling Programme, the Authority held consultations with stakeholders in the sector to raise awareness on the importance of the Programme and its implementation. The Authority is following the ICE concept to promote responsible gambling by punters through improved Information, Communication and Education in collaboration with the operators. In the same spirit, the Authority has studied the recommendations of the Survey on the Prevalence of Gambling in Mauritius conducted by the University of Mauritius and is looking into its implementation.

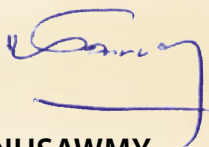
New initiatives were also taken at operational level to improve surveillance and monitoring capacity. The Authority signed a Memorandum of Understanding with the Mauritius Revenue Authority (MRA) which provides for joint and concerted actions against evasion of betting and gaming taxes and non-compliance by licencees.

The transfer of the Horse Racing Betting Server to the Mauritius Revenue Authority will also go a long way in creating greater synergies between the two institutions in tracking down unlawful transactions and enhancing the sharing of information. Our common aim is to ensure that the gambling sector operates within the strict parameters of the law.

Furthermore, the Authority reinforced its Licensing and Inspectorate Unit with additional Officers to carry out inspections in the various outlets across the country with the collaboration of the Police des Jeux. The increased capacity will also allow timely response to the complaints being received at the GRA. In the light of

experience acquired over the years and taking into account the dynamic nature of the gambling sector, a number of amendments were also brought to the GRA Act last year to improve monitoring. I would like here to thank all stakeholders who have continued to collaborate with the Authority in this respect throughout the year and hope that the same spirit will prevail ahead.

With the ever-changing gambling environment, the challenges will be more daunting in the coming years. However, I am confident that with a dedicated staff and support of the Board, the Authority will continue to provide the right platform for the sector to operate and expand. Finally, I wish to seize this opportunity to thank the staff of the GRA for their continued support and dedication and the Chairperson and Board members for their valuable contribution towards meeting the objectives of the Authority.

A handwritten signature in blue ink, likely belonging to A. Ponnusawmy, is positioned above the name and title.

A. PONNUSAWMY
Ag. Chief Executive

OUR ROLE

The Gambling Regulatory Authority (GRA) is a body corporate set up under the GRA Act 2007 responsible mainly for the issue of gambling licences and collection of the licence fees from stakeholders. It operates under the aegis of the Ministry of Finance and Economic Development (MOFED) which has an overall monitoring and supervisory role over the affairs of the Authority. It is administered and managed by a Board. As per Section 4 of the GRA Act 2007, the objects of the Authority include, amongst others, to:-

- (a) regulate and control gambling activities and the organisation 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.

THE GRA ACT 2007

In line with sound corporate governance practices, Section 5 of the GRA Act 2007 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. Furthermore, Section 9 of the GRA Act 2007 stipulates that *“Every member of the Board 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.”*
4. In fact the GRA Board ensures that the affairs of the Authority are conducted in accordance with the GRA Act, other relevant statutory provisions and the principles of good corporate governance. And that all functions are exercised honestly, in good faith, with due care and diligence and in the best interests of the GRA and its stakeholders.

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STRATEGIC OBJECTIVES & PLAN

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STRATEGIC OBJECTIVES

The objective of the Authority is to become a reference regulator in matter pertaining to gambling both locally and internationally.

To this end, 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.

STRATEGIC PLAN 2012 – 2014

- Provide accurate and timely information to the legislature, public and other stakeholders.
- Increase compliance with gaming laws and regulations.
- Promote Responsible Gambling.





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	Formulating Policy	Performing to the satisfaction of Government	95%	95%
1.2	Process application/ renewal for all gambling and gaming licences including registration of Bookmaker's clerk	No. of licence renewed/ processed	500	500
1.3	Collection of licence fees	Ensure prompt collection of licence fees and remitted to the consolidated fund	100%	100%
1.4	Application of financial rules regulations of budgetary disciplines	Ensure all payments which is in order settled	100%	100%
1.5	Compliance with recommendation of the NAO and Internal Audit & FRC	Implementation of recommendations	90%	85%
Goal 2		Increase compliance with gaming laws and regulations		
2.1	Monitor compliance to conditions of licences, guidelines and correctness of "Rules of Games"	Ensure all licence holders comply with conditions and rules	100%	100%
		% of Investigations	60%	50%
2.2	Investigation of complaints from Bookmakers and other stakeholders about the conduct of gambling and malpractices	% of complaints resolved	90%	85%
Goal 3		Promotion of Responsible Gambling		
3.1	Promotion of Responsible Gambling	Setting up a Responsible Gambling Programme	Final Report on National Survey, prevalence of gambling in Mauritius submitted	



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CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

The Gambling Regulatory Authority is committed to comply with the Code of Corporate Governance of Mauritius as good corporate governance practices are imperative for good performance within the organisation. 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 powers and duties of the GRA Board are set out in the GRA Act. As per Section 6 of the GRA Act, the direction, control and accountability of the business of the GRA are vested upon the Board. Management operates within the policy framework laid down by the Board

FUNCTIONS OF THE BOARD

Section 6 of the GRA Act 2007 provides that the Board shall have such functions as 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 organisation 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.

COMPOSITION OF THE BOARD

For the period 1st January to 31 December 2013, the Board was constituted as follows:-

Chairperson: Mr. A. O. Jankee

Vice – Chairperson: Mr L.A. P. Hack up to March 2013

Mr H.N. Froget as from 18 September 2013

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

All members of the Board are non-executive Directors

PROFILE OF BOARD MEMBERS



Mr Oopuddhye Amritlall JANKEE - Chairperson

Mr Oopuddhye Amritlall Jankee, is a Solicitor practising 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

Mrs 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 organisations.



Mrs Premila ROY - Board Member

Mrs 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 Gerard BUSSIER - Board Member

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



Mr Rampersad SOOROOJEBALLY - Board Member

Mr 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

Mr 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

Mr 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.

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

MEMBERS	BOARD MEETINGS ATTENDED
Mr. A. O. Jankee	10 / 10
Mr L.A.P. Hack (up to March 2013)	02 / 02
Mr H.N. Froget (as from Sept 2013)	03 / 04
Mrs K.O. Fong Weng-Poorun	05 / 10
Mr. D. Dabee	10 / 10
Mr G. Bussier	09 / 10
Mrs P. Roy	09 / 10
Mr. R. Sooroojebally	10 / 10
Mr. S. K. Ah Kim	09 / 10
Mr B. Balluck	09 / 10

BOARD FEES

The Chairperson of the Board was paid a monthly fee of Rs 50,000 and in accordance with his terms & 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.

The total amount of Board fees paid for the financial year 2013 amounts to Rs 2,050,167.

MAJOR DECISIONS OF THE BOARD DURING THE PERIOD JANUARY TO DECEMBER 2013

During the course of the period under review, the Board approved inter-alia the following:

- the maximum type of bets for conducting fixed odds betting on foreign matches played outside Mauritius by the licenced football Bookmakers;
- the regulations for Limited Payout Machines as per requirements of the Act;
- the transfer of the Horse Racing Betting Server to the Mauritius Revenue Authority as announced in the 2013 Budget Speech;
- the signing of a Memorandum of Understanding between the Gambling Regulatory Authority and the Mauritius Revenue Authority;
- amendments to the Gambling Regulatory Authority Act for ensuring better control in the gambling industry and protection of the punters;
- the organisation of a nine race meeting twice per month by the Horse Racing Organiser; and
- The implementation of the 2013 Report on the Salary and Grading Structures and Conditions of Employment at the Authority.

PROCUREMENT POLICIES AND PROCEDURES

The Tender 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.

The GRA Tender Committee is constituted as follows:-

Mr S.K Ah Kim - Chairperson

Mr G. Bussier - Member

Mr B. Balluck - Member

Mr A. Ponnusawmy - Acting Chief Executive of the GRA

TENDER COMMITTEE

Two Tender Committee meetings were held for the period 1st January to 31st December 2013 and the Tender Committee Attendance is summarised below:

MEMBERS	TENDER COMMITTEE MEETING
Mr. S.K. Ah Kim	2 / 2
Mr G. Bussier	1 / 2
Mr B. Balluck	1 / 2
Mr A. Ponnusawmy	2 / 2

OTHER COMMITTEES

The Board and the Acting Chief Executive of the GRA ensure corporate governance through adoption of appropriate procedures. In view of the small size of the organisation and as the internal control procedure is in-built in the operating system, the need for the setting of an Audit Committee is not warranted at the moment. As regards the other committees, these are yet to be set up.

INTERNAL AUDIT

The Authority had recourse to the assistance of Internal Controllers of the Internal Control Division of the Ministry of Finance and Economic Development. 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 Internal Controllers carried out one internal audit exercise during the period under review and submit their recommendations. 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 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 3 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 Minister of Finance and Economic Development with such reports and financial statements.

MANAGEMENT PROFILE

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
- Lead Analyst – Ministry of Finance & Economic Development

Experience: He has served the Civil Service for more than 30 years.

COMMUNICATION WITH STAKEHOLDERS

The GRA maintains constant dialogues with its stakeholders 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 (CSR).

MANAGEMENT SYSTEMS & INTERNAL CONTROL

The GRA Board is responsible for ensuring that procedures and practices are in place to protect the Authority's assets and reputation. In this context, it reviews the processes and procedures to ensure the effectiveness of the Authority's Internal Control Systems and proper segregation of duties.

RISK MANAGEMENT

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. However, the setting of a risk committee to advise the Board on the risk strategies is being envisaged.

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.

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 IPSAS 20 (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 provides high importance to the health and safety of its staff and stakeholders. Hence, the need to provide and maintain a healthy, safe and secure working environment for its staff and stakeholders is adhered to.

RESPONSIBILITY TOWARDS THE ENVIRONMENT

The GRA is committed to providing a green office environment as well as ensuring that the operations of its licencees are conducted in an environmentally conscious and responsible manner not to the detriment of the society and environment. Employees of the Authority have been sensitized to the saving energy campaign and switching off the air conditioner and lights when an office is not in use have become a regular feature.

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GENERAL REVIEW

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GENERAL REVIEW

STAFFING

In accordance with Section 13(1) of the GRA Act, the responsibility of 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.

During the reporting period 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

The Mauritius Turf Club sought and obtained the approval of the Board to organise forty-one race meetings during the 2013 Racing Season.

FINANCIAL MONITORING

Section 106 of GRA Act 2007 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."*

During the period under review all licencees have complied with this provision.

COMPLAINTS

Section 158(1) of the GRA Act provides that *"Any person who is aggrieved by any act or omission in respect of any activity regulated under this Act may make a complaint in writing to the Authority."*

A significant number of complaints arise from customers failing to understand or follow the stated terms and conditions of the licence 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 licence 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 TO 31ST DECEMBER 2013.

ACTION TAKEN							
Activity	Types of complaints	Total	Refer to Police des Jeux	Settled	Withdrawn	Not upheld	Under Process
Gaming House	Malfunctioning of Gaming Machine						
	Non validation of winning bet	2		1		1	
	Incident near gaming house						
	Miscellaneous	1			1		
Bookmaker conducting Fixed Odds Betting on local race	Tickets – lost, unreadable, cancelled & erroneous, refund i.c.w withdrawal & wrong results	25	1	7		13	4
Bookmaker conducting Fixed Odds Betting on Football Matches	Scheduled kick-off time, tickets (lost, unreadable & erroneous), void matches, Inaccurate fixtures & results	22	1	3		18	
Limited Payout Machine	Disturbance, operating without licence	2	1			1	
Miscellaneous (lotteries)	Tickets – lost, unreadable	7				7	
TOTAL		59	3	11	1	40	4

POLICE DES JEUX

The Police des Jeux works in close collaboration with the Authority. 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 2013, the Police des Jeux has detected 61 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
61	118	55	-	-	6	4	51

LICENSEES

Section 7 of the GRA Act provides that the GRA Board shall have powers to enable it to effectively discharge its functions and in particular to issue, renew, suspend or revoke any licence. The table gives a breakdown of licence types for period 1st January to 31st December 2013.

Licencee	No. of Licences as at 31st Dec 2012	No. Licences Issued/ renewed	No. of Licences not renewed	No. of Licences as at 31st Dec 2013
Bookmakers	50	48	2	48
Bookmakers operating by Telephone	2	2	-	2
No. of Outlets	38	38	-	38
Bookmakers operating by SMS	1	1	-	1
No. of Outlets	20	20	-	20
Bookmaker – FOB on Football matches	7	7	-	7
No. of Outlets	76	76	-	76
Collector	93	86	7	86
Casinos	4	4	-	4
Gaming House "A"	20	20	-	20
Gaming House "B"	4	4	-	4
No. of Gaming Machines	1779	1747	48	1747
Horse Racing Organiser	1	1	-	1
Agent of Foreign Pool Promoter	1	1	-	1
Local Pool Promoter	1	1	-	1
Sweepstake Organiser	3	3	-	3
Dart Games Operator	9	9	-	9
Promotional Lottery	49	47	NA	47
Operator of Mauritius National Lottery	1	-	-	1
Totalisator	2	2	-	2
No. of Outlets	49	48	1	48
No. Amusement with Prizes machines	846	846	-	846

LICENCE FEES

The Act clearly specifies that no person shall not operate unless he holds a licence and pays the appropriate licence fee as 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

	Licence	Fee (Rupees)	Period
	(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
	(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;	350,000	12 months
	(b) in respect of each additional place of business	20,000	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	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	—

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REVENUE COLLECTIONS

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REVENUE COLLECTIONS

Revenue collections for the year 2013 amounted to Rs 350.3 million, some Rs 8.4 million above the budget estimates. The table below compares 2013 revenue collections, by licence type, with budgetary estimates and revised 2013 estimates.

Revenue Collections for the year ended 31 December 2013					
Licence Fee	Budgeted Estimates	Revised Estimates	Actual Collections	Increase/decrease over budgeted estimates	Increase/decrease over revised estimates
	Rs '000	Rs '000	Rs '000		
Bookmaker-On course	13,300	12,775	12,775	-3.9%	-
Bookmaker-Off course	3,850	3,850	3,850	-	-
Bookmaker-Rem. Com. (SMS)	1,190	1,150	1,150	-3.4%	-
Bookmaker-Rem. Com. Telephone	2,220	2,220	2,220	-	-
Horse Racing Organiser	1,000	1,000	1,250	25.0%	25.0%
Totalisator	6,960	7,040	13,910	99.9%	97.6%
Casino	12,250	14,000	14,000	14.3%	-
Gaming House "A"	61,750	65,250	65,250	5.7%	-
Gaming House "B"	200	200	212	6.0%	6.0%
Gaming Machines	212,000	216,000	219,249	3.4%	1.5%
Sweepstake Organiser	112	112	225	100.0%	100.0%
Local Pool Promoter	30	30	30	-	-
Agent of a Foreign Pool Promoter	38	38	38	-	-
Collector	30	30	26	-13.3%	-13.3%
Lottery	8,000	8,000	6,410	-19.9%	-19.9%
Dart Games	570	540	540	-5.3%	-
Fixed Odds Betting on Football matches	3,970	3,970	4,010	-	-
Operator of Mauritius National Lottery	500	500	500	-	-
Limited Payout Machine (LPM)	14,000	4,230	4,230	-69.8%	0.0%
Penalty Fee	-	438	502	-	14.6%
Total	341,970	341,373	350,377	2.5%	2.6%

GRA figures are on a cash basis

As shown in the above table the increase in collections as compared with the budget estimates was mainly attributable to:-

- Renewal of licences by the Horse Racing Organiser, Totalisators and Sweepstake Organiser for the racing season 2014 were effected before the end of their expiry in December 2013 in the wake of the amendment brought to the GRA Act in the Finance Act 2013; and
- Collections under Casino, Gaming Houses and Gaming Machines which fall due beginning of 2014 were settled in 2013.

However, collections in respect of other licence types were below estimates mainly as a result of:

- The cessation of operations by two bookmakers conducting fixed odds betting on local race;
- The change of places of operation by a Bookmaker conducting fixed odds betting through remote communications (sms).
- Cessation of operations by some pool Collectors.
- The decrease in the organization of promotional lotteries.
- Non-renewal of two dart boards by Dart Games Operators;
- Non finalisation of technical standards and regulations for Limited Payout Machines.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

GRA has prepared financial statements for the year 2013 which give a true and fair view of its financial position and its financial performance.

In preparing these financial statements, GRA ensures that:

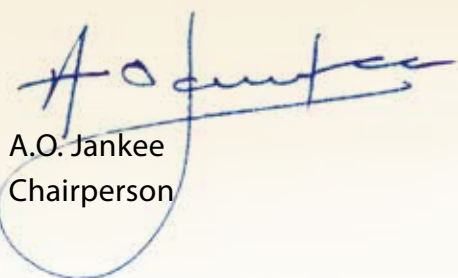
- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures and explained in the financial statements;
- The Financial Statements have been prepared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

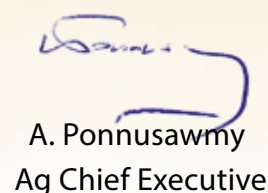
GRA is responsible for keeping proper accounting records for the purpose of recording all the transactions relating to its undertakings, funds, activities and property.

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.



A.O. Jankee
Chairperson



A. Ponnusawmy
Ag Chief Executive





REPORT OF THE DIRECTOR OF AUDIT







NATIONAL AUDIT OFFICE

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

Report on the Financial Statements

I have audited the financial statements of the Gambling Regulatory Authority which comprise the statement of financial position as of 31 December 2013, statement of financial performance, statements 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 the International Public Sector Accounting 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.

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 the 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 financial statements give a true and fair view of the financial position of the Gambling Regulatory Authority as of 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting 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.

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

Opinion

Statutory Bodies (Accounts and Audit) Act

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.

The Financial Reporting Act

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius (“Code”). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are 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

3 September 2014



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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2013

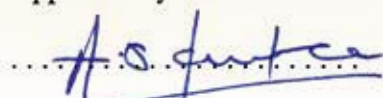




STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		31 DECEMBER 2013	31 DECEMBER 2012 As Restated
	NOTES	Rs	Rs
ASSETS			
Current Assets			
Cash & Cash Equivalents	4	7,702,020	10,877,220
Receivables	5	52,159	68,429
Inventories		108,188	116,098
Prepayments	5	63,104	71,976
		7,925,471	11,133,723
Non-Current Assets			
Property, Plant & Equipment	6	5,847,278	3,724,170
Intangible Assets	7	205,562	896,757
Retirement Benefits Obligations	8	786,753	573,464
		6,839,593	5,194,391
Total Assets		14,765,064	16,328,114
LIABILITIES			
Current Liabilities			
Payables	9	60,780	340,706
Employee Benefits	10	417,545	78,232
Deferred Income	12	1,296,603	1,798,581
		1,774,928	2,217,519
Non-Current Liabilities			
Payables	9	--	92,037
Employee Benefits	10	497,050	367,758
Deferred Income	12	5,597,634	2,013,857
Refundable Guarantee Deposits	11	3,685,843	7,545,957
		9,780,527	10,019,609
Total Liabilities		11,555,455	12,237,128
Net Assets		3,209,609	4,090,986
NET ASSETS/EQUITY			
Capital and Reserves			
General Fund		3,209,609	4,090,986
Total Net Assets/Equity		3,209,609	4,090,986

Approved by Board Resolution on the 25th August 2014


A.O. Jankee
Chairperson


B. Balluck
Board Member


A. Ponnusawmy
Ag Chief Executive

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2013				
			31 DECEMBER 2013	31 DECEMBER 2012
				As Restated
	NOTES	Rs		Rs
OPERATING REVENUE				
Government Grant	12	17,021,598		15,648,201
Other Income	13	375,717		677,549
Deferred Income		1,296,603		1,798,581
Total Revenue		18,693,918		18,124,331
OPERATING EXPENSES				
Staff costs	14	7,148,750		4,134,254
Rent & Utilities	15	6,766,791		6,912,630
General Administration	16	5,533,259		4,200,236
IT Expenses		7,418		398,104
Supplies and Consumables		43,436		38,085
Depreciation & Amortization		1,296,603		1,798,581
Total Operating Expenses		20,796,257		17,481,890
Net (Deficit)/Surplus for the period		(2,102,339)		642,441

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED
31 DECEMBER 2013**

	General Fund Rs	Total Rs
Balance at 1 January 2012	3,448,545	3,448,545
Surplus/(Deficit) for the year/period	642,441	642,441
Balance at 31 December 2012	4,090,986	4,090,986
Balance at 1 January 2013	4,090,986	4,090,986
Transfer to Consolidated Fund	(1,026,375)	(1,026,375)
Transfer from Refundable Deposits	2,247,337	2,247,337
(Deficit)/Surplus for the year	(2,102,339)	(2,102,339)
Balance at 31 December 2013	3,209,609	3,209,609

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013		
	31 DECEMBER	31 DECEMBER
	2013	2012
		As Restated
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus for the year	(2,102,339)	642,441
Adjustments for:		
Depreciation and Amortization	1,296,603	1,798,581
Deferred Income	(1,296,603)	(1,798,581)
Transfer to General Fund	2,247,337	-
Increase in provisions relating to employee costs	(213,289)	(144,762)
Assets written off	1,649,886	-
Interest Income	(688,569)	(678,407)
Decrease/(Increase) in Inventories	7,910	18,781
(Increase)/Decrease in Receivables	25,142	(23,385)
Increase/(Decrease) in payables	(3,763,472)	2,535,988
Net cash flow from operating activities	(2,837,394)	2,350,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Plant & Equipment (Note b)	(4,378,402)	(2,367,209)
Interest Received	688,569	678,407
Net cash flow from investing activities	(3,689,833)	(1,688,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Government Grant Received	4,378,402	2,367,209
Contribution to the Consolidated Fund	(1,026,375)	-
Net cashflow from Financing Activities	3,352,027	2,367,209
	(3,175,200)	3,029,063
Net Increase in Cash and Cash Equivalents		
Cash & Cash Equivalents at beginning of year (Note a)	10,877,220	7,848,157
Cash & Cash Equivalents at end of year (Note a)	7,702,020	10,877,220
	(3,175,200)	3,029,063
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.		
	2013	2012
	Rs	Rs
Cash in hand and at bank	7,702,020	10,877,220
(b) Property, Plant and Equipment		
During the year ended 31 December 2013, the GRA acquired property, plant and equipment with an aggregate cost of Rs 4,378,402 of which Rs 3,700,000 was acquired by means of capital grants by the Government.		

STATEMENT OF BUDGET AND ACTUAL REVENUE FOR THE YEAR ENDED 31 DECEMBER 2013				
	Original Budget Rs	Final Budget Rs	Actual Amounts Collected Rs	Difference Final and Actual Rs
Revenue				
<u>License Fees</u>				
Bookmaker-On course	13,300,000	12,775,000	12,775,000	-
Bookmaker-Off course	3,850,000	3,850,000	3,850,000	-
Bookmaker-Rem. Com. (SMS)	1,190,000	1,150,000	1,150,000	-
Bookmaker-Rem. Com. Telephone	2,220,000	2,220,000	2,220,000	-
Horse Racing Organiser	1,000,000	1,000,000	1,250,000	250,000
Totalisator	6,960,000	7,040,000	13,910,000	6,870,000
Casino	12,250,000	14,000,000	14,000,000	-
Gaming House "A"	61,750,000	65,250,000	65,250,000	-
Gaming House "B"	200,000	200,000	212,500	12,500
Gaming Machines	212,000,000	216,000,000	219,248,750	3,248,750
Sweepstake Organiser	112,500	112,500	225,000	112,500
Local Pool Promoter	30,000	30,000	30,000	-
Agent of a Foreign Pool Promoter	37,500	37,500	37,500	-
Collector	30,000	30,000	25,840	(4,160)
Lottery	8,000,000	8,000,000	6,410,106	(1,589,894)
Dart Games	570,000	540,000	540,000	-
Fixed Odds Betting on Football matches	3,970,000	3,970,000	4,010,000	40,000
Operator of Mauritius National Lottery	500,000	500,000	500,000	-
Limited Payout Machine (LPM)	14,000,000	4,230,000	4,230,000	-
Penalty Fee	-	438,000	501,900	63,900
Total License Fees	341,970,000	341,373,000	350,376,596	9,003,596
<u>Others</u>				
Interest on Bank Account	-	-	1,340,000	1,340,000
	341,970,000	341,373,000	351,716,596	10,343,596

In accordance with Section 11(2) of the Gambling Regulatory Act 2007, license fee amounting to Rs 350,376,596 has been collected for the year 2013 and paid to the Consolidated Fund. An amount of Rs 1,340,000 representing interest received on license fee Bank Account has also been credited to the Consolidated Fund.

**STATEMENT SHOWING COMPARISON OF BUDGET FOR THE YEAR ENDED
31 DECEMBER 2013**

	Budgeted Amounts			
	Original	Final	Actual Amount	Difference: Final Budget and Actual
	Rs	Rs	Rs	Rs
Revenue:				
License Fee	341,970,000	341,373,000	351,716,596	10,343,596
Other Revenue	-	-	323,558	323,558
Recurrent Budget	23,400,000	19,400,000	17,021,598	(2,378,402)
Recurrent Expenditure (excluding Depreciation and Amortization)				
Salaries, Allowances & Bonus	7,400,000	5,185,000	5,315,599	(130,599)
Travelling & Transport	820,000	700,000	696,078	3,922
Overtime	45,000	50,000	49,871	129
Staff Welfare	25,000	25,000	-	25,000
Cost of utilities	1,250,000	1,100,000	986,463	113,537
Fuel ,Oil, Insurance & Road Tax	300,000	310,000	157,435	152,565
Rental of Building & Parking Slots	5,735,000	5,781,000	5,780,328	672
Equipment & Furniture	100,000	489,000	-	489,000
Office Sundries	75,000	125,000	90,563	34,437
Maintenance	750,000	755,000	224,326	530,674
Printing & Stationery	250,000	200,000	229,723	(29,723)
Air Tickets & Accommodation Costs	1,400,000	-	-	-
Board Members Fees	2,065,000	2,050,000	2,050,167	(167)
Fees for Training,Legal and Consultants	450,000	720,000	668,000	52,000
Audit Fees	130,000	80,000	60,000	20,000
Passage Benefits,Sick/Annual Leave,Gratuity	200,000	500,000	834,266	(334,266)
General Expense	1,105,000	505,000	379,016	125,984
Pension Contribution	300,000	325,000	252,935	72,065
Responsible Gambling	1,000,000	500,000	74,997	425,003
Total Expenses	23,400,000	19,400,000	17,849,768	1,550,232
Budgeted/Actual Surplus/(Deficit)	-	-	(828,170)	(828,170)
Capital Budget				
	Original	Final	Actual Amount	Difference: Final Budget and Actual
	Rs	Rs	Rs	Rs
Capital Expenditure	1,000,000	3,700,000	3,700,000	-

**STATEMENT SHOWING REASONS FOR VARIANCES BETWEEN REVISED
BUDGET AND ACTUAL AMOUNT RECEIVED/PAID FOR THE YEAR ENDED 31
DECEMBER 2013**

	Revised Budget	Actual Amount Received/ Paid	Difference Revised Budget and Actual Amount Received/ Paid	Comments
	Rs	Rs	Rs	
Revenue:				
License Fee	341,373,000	351,716,596	10,343,596	Licence fee paid in 2013 for 2014 race season
Grant	23,100,000	21,400,000	(1,700,000)	-
Other Revenue	-	375,717	375,717	-
Expenditure				
Salaries, Allowances & Bonus	5,185,000	5,528,888	(343,888)	Salaries of staff revised due to PRB
Travelling & Transport	700,000	696,078	3,922	Savings
Overtime	50,000	49,871	129	Savings
Staff Welfare	25,000	-	25,000	Savings
Cost of utilities	1,100,000	979,950	120,050	Savings
Fuel, Oil, Insurance & Road Tax	310,000	110,668	199,332	Savings
Rental of Building & Parking Slots	5,781,000	5,780,328	672	Savings
Equipment & Furniture	489,000	678,402	(189,402)	Purchase of IT Equipment
Office Sundries	125,000	90,573	34,427	Savings
Maintenance	755,000	224,326	530,674	Savings
Printing & Stationery	200,000	254,467	(54,467)	Purchase of stationeries
Air Tickets & Accommodation Costs	-	-	-	-
Board Members Fees	2,050,000	2,050,167	(167)	-
Fees for Training, Legal and Consultants	720,000	668,000	52,000	Savings
Audit Fees	80,000	60,000	20,000	Savings
Passage Benefits, Sick/Annual Leave, Gratuity	500,000	218,569	281,431	Savings
General Expense	505,000	393,285	111,715	Savings
Pension Contribution	325,000	252,935	72,065	Savings
Responsible Gambling	500,000	224,991	275,009	Savings
Total Recurrent Expenditure	19,400,000	18,261,499		
Capital Expenditure	3,700,000	3,700,000	-	
Total Expenditure	23,100,000	21,961,499	1,138,501	

**STATEMENT SHOWING RECONCILIATION OF ACTUAL CASH FLOWS WITH
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

	31 December 2013	31 December 2012
	Rs	Rs
Expenditure		
Actual Recurrent Expenditure	18,261,499	17,024,522
Commitment for the period	60,780	204,427
Inventories at 1 January 2013	116,098	134,879
Provisions		
Employee Benefits Obligations	615,697	123,400
Retirement Benefits Obligations	(213,289)	(144,762)
Non-cash items		
Depreciation & Amortization	1,296,603	1,798,581
Assets Written-off & Disposed	1,649,886	-
	21,787,275	19,141,047
Commitment of last year	(204,427)	(44,260)
Inventories at December 2013	(108,188)	(116,098)
Additions to PPE and Intangible Assets	(678,402)	(1,498,799)
Expenditure as per Statement of Financial Performance	20,796,257	17,481,890

NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2013

1. PRINCIPAL 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 (GRA) 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 Ministry of Finance & Economic Development.

As per Act the objects of the Authority are:

- (a) *regulate and control gambling activities and the organisation of lottery games, sweepstakes and lotteries;*
- (b) *regulate and monitor the organisation 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.*

Reporting Period

The Financial Statements for the current period have been prepared for the 12 months ended 31 December 2013 with comparative information for the 12 months ended 31 December 2012.

2. ADOPTION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSASs)

2.1 Standards Adopted

The Authority has adopted the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Board (IPSASB) as from the year 2011 in line with amendments made in the Statutory Bodies (Accounts and Audit) Act.

2.2 Standards and Interpretations in issue but not yet effective

At the date of authorization of these Financial Statements, the following International Public Sector Accounting Standards (IPSASs) had already been issued but not yet effective.

					Effective Date
					Annual period beginning on or
IPSAS 32: Service Concession Arrangements - Grantor					1 January 2014

The Authority anticipates that the adoption of the above standards/amendments in the future periods will have no material impact on the Financial Statements.

3. 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 comply with International Public Sector Accounting Standards (IPSASs) for the accrual basis of accounting.

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) of the International Accounting Standards Board (IASB) are applied.

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.

3. ACCOUNTING POLICIES (CONT'D)

(ii) Revenue Recognition

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

GRA is an agent of the Government for collection of licence fee under the GRA Act. The revenue collected on behalf of the Government is not reported in the financial statements.

(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 financial performance.

(iv) 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.

(v) Deferred Income

Grant received from Government for capital expenditure are treated as deferred income. An amount equal to depreciation and amortization charge for the year is transferred to other income in the statement of financial performance and the amount of deferred income to be amortized in the next 12 months is recognized as current liability.

(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. ACCOUNTING POLICIES (CONT'D)

(b) Defined Benefit Pension Plan

The GRA staff pension fund is 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 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 depreciation is calculated to write off the cost of the tangible fixed assets on a straight line basis over their expected useful lives. Depreciation is charged on a pro-rata basis in the year of acquisition and non in the year of disposal.

The annual rate of depreciation are as follows:-

	Expected useful life	Rates of Depreciation per annum
Computer Equipment	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%

Purchase of non-current assets below the threshold of Rs 5,000 is expensed to the statement of financial performance.

3. ACCOUNTING POLICIES (CONT'D)

(ix) Intangible Assets

Intangible assets are carried out at cost less accumulated amortization and impairment losses.

Computer software costs are recognized as intangible assets and amortized using the straight-line method over their useful lives, not exceeding a period 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.

(xii) Inventories

Inventories consist of consumables and are valued at cost. Cost comprises the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined by the first-in, first-out (FIFO) method.

(xiii) 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) Accounts Receivables

Accounts receivables are stated at their original invoice amount less an estimate for doubtful receivable based on a review of all outstanding amount at year end.

3. ACCOUNTING POLICIES (CONT'D)

(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.

(c) Accounts Payables

Accounts payables are stated at their fair value.

(xiv) Government Grant

Revenue Grant

Grant received from Government to meet recurrent expenditure is treated as revenue grant.

(xv) Critical Judgements and Key Sources of Uncertainty

The preparation of Financial Statements in conformity with IPSAS and generally accepted accounting practices 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.

4. CASH AND CASH EQUIVALENTS

	31 DECEMBER		31 DECEMBER
	2013		2012
	Rs		Rs
Savings A/C	56,998		925,841
Savings A/C - License	2,979		1,026,375
Savings A/C -Deposit	7,637,149		8,921,291
Cash in Hand	4,894		3,713
Total	7,702,020		10,877,220

The bank balances comprise cash held by the Authority at the Mauritius Post and Cooperative Bank.

5. RECEIVABLES

	DECEMBER		DECEMBER
	2013		2012
	Rs		Rs
Receivables			
Interest Receivable	52,159		68,429
	52,159		68,429
Deposit and Prepayments	63,104		71,976

6. PROPERTY, PLANT & EQUIPMENT

	COMPUTER HARDWARE, PERIPHERALS	OFFICE EQUIPMENT	FURNITURE & FIXTURES	MOTOR VEHICLES	TOTAL
COST	Rs	Rs	Rs	Rs	Rs
At 1 January 2013	9,569,374	742,338	2,172,361	3,925,411	16,409,484
Additions	436,816	7,311	--	3,788,800	4,232,927
Disposal	(8,813,183)	(66,988)	--	--	(8,880,171)
At 31 December 2013	1,193,007	682,661	2,172,361	7,714,211	11,762,240
DEPRECIATION					
At 1 January 2013	8,313,257	553,604	777,172	3,041,281	12,685,314
Charge for the year	314,634	84,658	217,236	601,197	1,217,725
Disposal	(7,925,541)	(62,536)	--	--	(7,988,077)
At 31 December 2013	702,350	575,726	994,408	3,642,478	5,914,962
CARRYING AMOUNT					
At 31 December 2013	490,657	106,935	1,177,953	4,071,733	5,847,278
At 31 December 2012	1,256,117	188,734	1,395,189	884,130	3,724,170

The Gambling Regulatory Authority Act 2007 was amended in the Finance Act 2013 for the transfer of the responsibility for the setting up and maintenance of the Central Electronic Monitoring System (CEMS) for the on-line recording and monitoring and control of lottery games, gaming and betting transactions to the Mauritius Revenue Authority as announced in the 2013 Budget speech.

Accordingly, the Central Horse Racing Betting Control System as well as all assets mainly computer hardware, software and devices have been transferred to the Mauritius Revenue Authority since March 2013. Assets at a cost of Rs 13,109,662 with carrying amount of Rs 1,649,886 was written off in the accounts of the Authority.

7. INTANGIBLE ASSETS

		COMPUTER SOFTWARE
COST		Rs
At 1 January 2013		4,650,749
Additions		145,475
Disposal		(4,229,491)
At 31 December 2013		566,733
DEPRECIATION		
At 1 January 2013		3,753,992
Charge for the year		78,878
Disposal		(3,471,699)
At 31 December 2013		361,171
CARRYING AMOUNT		
At 31 December 2013		205,562
At 31 December 2012		896,757

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 the SICOM Ltd.

	31 DECEMBER	31 DECEMBER
	2013	2012
	Rs	Rs
Amount recognised in Statement of Financial Position at end of year		
Present value of funded obligation	598,684	338,181
(Fair value of plan assets)	(1,193,842)	(844,628)
	(595,158)	(506,447)
Present value of unfunded obligation	-	-
Unrecognised actuarial gain/(loss)	(191,595)	(67,017)
Liability recognised in statement of financial position at end of year	(786,753)	(573,464)
Amounts recognised in statement of financial performance:		
Current service cost	104,665	71,573
(Employee Contributions)	(108,241)	(57,992)
Fund expenses	54,946	3,480
Interest cost	27,054	24,335
(Expected return on plan assets)	(77,653)	(70,174)
Total, included in staff costs	771	(28,778)
Movements in liability recognised in statement of financial position:		
At start of year	(573,464)	(428,702)
Total staff cost as above	771	(28,778)
(Contributions paid by employer)	(214,060)	(115,984)
At end of year	(786,753)	(573,464)
Actual return on plan assets:	97,147	57,645
Main actuarial assumptions at end of year:		
Discount rate	8.00%	10.00%
Expected rate of return on plan assets	8.00%	10.00%
Future salary increases	5.50%	7.00%
Future pension increases	3.50%	5.00%
The assets of the plan are invested in funds managed by State Insurance Company of Mauritius Ltd.		
The discount rate is determined by reference to market yields on bonds.		

8. RETIREMENT BENEFIT OBLIGATION (CONT'D)

	31 DECEMBER	31 DECEMBER
	2013	2012
	Rs	Rs
Reconciliation of the present value of defined benefit obligation		
Present value of obligation at start of period	338,181	243,348
Current service cost	104,665	71,573
Interest cost	27,054	24,335
(Benefits paid)	(15,288)	--
Liability (gain)/loss	144,072	(1,075)
Present value of obligation at end of period	598,684	338,181
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	844,628	616,487
Expected return on plan assets	77,653	70,174
Employer contributions	214,060	115,984
Employee contributions	108,241	57,992
(Benefits paid + other outgo)	(70,234)	(3,480)
Asset gain/(loss)	19,494	(12,529)
Fair value of plan assets at end of period	1,193,842	844,628
Distribution of plan assets at end of period		
Percentage of assets at end of year	2013	2012
Government securities and cash	59.1%	58.8%
Loans	4.9%	6.6%
Local equities	21.9%	21.0%
Overseas bonds and equities	13.4%	12.8%
Property	0.7%	0.8%
Total	100%	100%
Additional disclosure on assets issued or used by the reporting entity		
Percentage of assets at end of year	2013	2012
	(%)	(%)
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
History of obligations, assets and experience adjustments		
Year	2013	2012
Currency	Rs	Rs
Fair value of plan assets	1,193,842	844,628
(Present value of defined benefit obligation)	(598,684)	(338,181)
Surplus/(deficit)	595,158	506,447
Asset experience gain/(loss) during the period	19,494	(12,529)
Liability experience gain/(loss) during the period	(144,072)	1,075
Year	2014	
Expected employer contributions	165,420	

9. PAYABLES

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Current Liabilities		
Payables and Accrued Expenses	60,780	340,706
Non Current Liabilities		
Other Payables (payables after one Year)	--	92,037

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, annual leave, passage benefits and gratuity. This year the accumulated balance under these items are detailed as below:-		
	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Opening Balance	445,990	422,748
Earnings for the year	546,837	123,400
Paid to staff	(78,232)	(100,158)
Balance as at 31 December	914,595	445,990
These obligations are payable as follows:		
Current Liabilities		
Payable within one year	417,545	78,232
Non Current Liabilities		
Payable after one year	497,050	367,758
	914,595	445,990

11. REFUNDABLE GUARANTEE DEPOSITS

Security Deposit in the form of Bank Guarantee for the sum of Rs 125,510,697 has been furnished by licencees in 2013 and Rs 116,207,711 in 2012. An amount of Rs 3,685,843 was received in terms of cash in 2013.

An amount of Rs 2,247,337 representing refundable deposit of more than 5 years has been transferred to the General Fund.

12. DEFERRED GRANTS

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
At 1 January	3,812,438	3,243,810
Grant Received for the year	3,700,000	868,410
Transfer from Recurrent Grant	678,402	1,498,799
Amount released to Statement of Financial Performance	(1,296,603)	(1,798,581)
	6,894,237	3,812,438
Amount to be amortized within one year recognized as Current Liability	(1,296,603)	(1,798,581)
At 31 December	5,597,634	2,013,857
RECURRENT GRANTS		
	31 DECEMBER 2013	31 DECEMBER 2012
Received during the period	17,700,000	17,147,000
Transfer to Capital Expenditure	(678,402)	(1,498,799)
	17,021,598	15,648,201

13. OTHER INCOME

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Interest Received	620,140	609,120
Interest Receivable	52,159	68,429
Less Interest Received & Transferred to Consolidated Fund	(313,625)	
Sundry Income	17,043	--
	375,717	677,549

14. STAFF COSTS

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Social Security Costs	252,935	162,576
Salaries and other allowances	6,493,407	3,993,040
Employee Benefits obligations	615,697	123,400
Retirement Benefits Obligations	(213,289)	(144,762)
	7,148,750	4,134,254
Number of Employees	14	10

The Authority was seconded by four officers from the Ministry of Finance and Economic Development. Only the allowance paid to them were included in staff costs. An amount of approximately Rs 2.8m as staff cost was incurred by the parent Ministry for the officers on secondment to the Authority.

15. RENT & UTILITIES

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Rent of Building	5,645,778	5,645,778
Rental of Parking Slots	134,550	130,813
Telephone Charges	418,037	545,823
Electricity Charges	568,426	590,216
	6,766,791	6,912,630

16. ADMINISTRATIVE EXPENSES

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Board Members' Fees	2,050,167	2,145,167
Legal Fees	318,000	334,500
Police des Jeux	160,000	75,000
Postage	11,803	9,020
Newspapers & Periodicals	35,324	57,333
Repairs & Maintenance	224,326	527,427
Printing & Stationery	229,723	272,402
General Expenses	200,008	191,053
Bank Charges	11,590	8,233
Consultancy Fees	350,000	-
Assets Written Off & Disposed	1,649,886	-
Responsible Gambling	74,997	424,983
Fuel & Oil, Insurance & Road Tax	157,435	95,120
Audit Fees	60,000	60,000
	5,533,259	4,200,236

17. OPERATING LEASE ARRANGEMENTS

	31 DECEMBER 2013	31 DECEMBER 2012
	Rs	Rs
Minimum lease payments under operation lease recognised	5,780,328	5,776,591
At Balance Sheet date, the Authority has outstanding commitments under non-cancellable operating leases, which fall due as follows:-		
- within one year	1,445,082	5,780,328
- In the second to third years inclusive	-	1,445,082
	1,445,082	7,225,410

Operating lease payments represents rentals payable by the GRA for leasehold of office space and two parking slots with effect from 1st April 2009 for a period of five years.

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 twenty-one cases which are being disputed before the court. However, it is difficult to give a prudent estimate of their financial effects.

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 IPSAS 20 (Related Party Disclosures).

	31 DECEMBER	31 DECEMBER
	2013	2012
	Rs	Rs
(i) Grants from Government		
Capital Grant		
Balance 1 January	2,958,168	3,243,810
Received during the period	3,700,000	868,410
Deferred during the period	(601,197)	(1,154,052)
Balance 31 December	6,056,971	2,958,168
Revenue Grant		
Received during the period	17,700,000	17,147,000
(ii) Compensation to key Management Personnel		
<u>Short term benefits</u>		
Fees to Board Members	2,050,167	2,145,167
Management Personnel Compensation	624,000	480,000
	2,674,167	2,625,167

21. RECONCILIATION OF BUDGETARY RESULTS AND RESULTS AFTER IPSAS ADJUSTMENT FOR THE YEAR

In order to reconcile the budget outturn results to the results after IPSAS adjustments for the year, differences between budget accounting and accrual accounting need to be taken into account. The most significant of these differences are the following:

- In budget accounting, revenue is required to cover all committed expenditures. In accrual accounting, revenue and expenses only includes amounts corresponding to amounts accruing to the period. The difference is treated as deferred revenue or expenses in accrual accounting.
- In budget accounting, capital expenditures are recorded as current year expenses. In accrual accounting this expenses is capitalized and depreciated over the useful lives of the assets. These capital expenditures and associated depreciation are recorded at their net value as assets in the Statement of Financial Position, Depreciation expense is recorded in the Statement of Financial Performance.

- (c) In budget accounting expenditure for employee benefits is accounted for on a pay you go basis as in the case for payments of pensions on retirement. In accrual accounting, the expense is estimated by an actuary in accordance with a methodology set out in accounting standards. Basically, the pension and post-employment benefits obligation is to be reported in the Statement of Financial Position.