



GAMBLING REGULATORY AUTHORITY

ANNUAL REPORT

2017-2018

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Vision and Mission

1. Our Vision

As a regulatory body, our activities revolve around deeply rooted values of incorruptibility, meritocracy and impartiality. Those values are not only at the core of the GRA, but govern what we ambition to become in the future: a respected, world-class, forward-looking and dynamic Authority, recognised for its proactiveness, strong sense of integrity and justice.

2. Our Mission

Our primary mission is to protect gamblers while ensuring that any gambling activity they might engage themselves into is legally compliant and does not violate their rights. In addition, the Gambling Regulatory Authority's role is to find means and ways to curtail illegal betting and to monitor gambling activities so that they are conducted in a fair and transparent manner. We aim to:

- a. Deliver prompt and efficient services to our stakeholders;
- b. Monitor all gaming and gambling activities and ensure that they are conducted in a fair and transparent manner;
- c. Foster responsible gambling in order to create awareness and minimize the harm caused by gambling; and
- d. Depict Mauritius as an innovative and safe betting destination for tourists.

Message from the Chairperson



The past year has been marked with positive changes. Many of them, either planned or anticipated, have in a way or the other contributed to the Authority's growth and progress.

As the sole regulator for gambling and betting activities in Mauritius, the Gambling Regulatory Authority (GRA) has had to face numerous challenges. However, thanks to our unshakable pledge towards transparency, fairness and integrity coupled with the willingness to communicate with our stakeholders, strong and healthy relationships were built. I can proudly say that the GRA has successfully engaged licencees and other stakeholders by adopting a thoroughly open approach throughout the year.

The Authority has experienced a couple of changes internally. Three brand new units have been created. A Legal Affairs Officer, a Public Relations and Responsible Gambling Officer and a Head of Integrity and Intelligence have been appointed in 2018. The Head of Integrity and Intelligence of the Authority has extensive experience in gambling regulations as he has been working for the British Horseracing Commission for several years. His expertise would not only strengthen the GRA's ranks, but enable it to gather intelligence for substantiated investigations. In addition to the aforementioned posts, one Accountant was appointed in 2018. The GRA has also recruited twelve (12) Gambling Regulators and Investigators who have joined the Licensing and Inspectorate Unit. As matters stand, the Gambling Regulatory Authority employs thirty six (36) staff, and others are expected to join next year. Knowing that our workforce constituted of nine (9) employees in 2015, these recruitments are considered as a major achievement which demonstrates our readiness to reinforce internal capacity and proficiency.

Moreover, in an attempt to raise our standards and accommodate the growing team, the GRA has renovated its office. This tailor-made workspace not only reflects our actual needs, but corroborates with our inclination to further improve our image and overall service as a regulator, and to provide a conducive working environment not only for our employees but also to our stakeholders who visit our premises.

On another note, the year 2017/2018 will be remembered as the turning point in Responsible Gambling matters. Members of the Managing Committee for the Responsible Gambling and Capacity Building Fund have been meeting regularly since the beginning of the financial year and taking crucial decisions to contribute to the betterment of the gaming industry. As a matter of fact, Responsible Gambling consultants had been appointed in December 2017. Sustainable Gaming, the selected consultancy firm comprising Canadian Paul Smith and American Don Feeney, has been selected for setting up a tailor-made Responsible Gambling Framework to suit the Mauritian context to meet the local industry's exigencies.

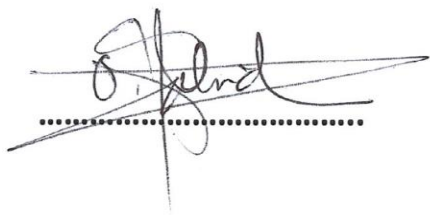
To get to know the dynamics of the population, a study focussing on human behaviour would be undertaken soon. Prior to that, a tender exercise had been carried out in order to appoint a research firm responsible for conducting this study. DCDM Research has been retained for this purpose and will collect data which will enable Sustainable Gaming consultants to build an appropriate framework.

Furthermore, as per the consultants' recommendations, the Authority will put in place a Responsible Gambling Helpline. Through this telephone line, the GRA is aiming to provide support and counselling to those who feel concerned about their gambling habits.

Following the enactment of Finance Act 2018, the GRA Act 2007 was amended to make provisions for Hotel Casino licence. This measure has been adopted with a view to satisfy the demand of tourists visiting Mauritius, whilst boosting the tourism industry and the economy.

On a closing note I wish to express my gratitude to all the Board members, to our stakeholders and the Parent Ministry, and last but not least, to the staff, without whom these aforementioned changes, amongst others, might not have taken place. I thank them for their hard work and am confident that their dedication, devotion and commitment will allow the Authority to attain even greater heights during the forthcoming years.

Om Kumar Dabidin
Chairperson



Our Roles & Objectives

1. 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, as a regulatory body, also ensures compliance to the GRA Act and conditions to Licences as well as conducts investigations and enforces sanctions for offences committed by licensees.

2. 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.

CORE VALUES AND STRATEGIC OBJECTIVES

1. 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.

2. Strategic Objectives

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

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.

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.

CORPORATE GOVERNANCE

1. 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.

2. 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.

3. Composition of the Board

(1) As per Section 5 of the GRA Act, the Board shall be constituted of 10 non-executive Directors including the Chairperson as follows:

- (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.”

4. 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.

5. 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, dishonourable 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.”

6. Composition and Profile of Board Members

Composition of the Board

For the period of July 2017 June 2018, the Board was constituted as follows: -

Chairperson	Mr. R. Gulbul – (01.07.17 to 22.11.17)
Acting Chairpersons	Dr S. Maharahaje – (23.11.17 to 04.04.18) Mr O.K Dabidin – (as from 05 April 2018)
Vice – Chairperson	Dr S. Maharahaje
Members	Mr. D. Dabee - Representative of the Attorney-General's Office
	Mr K. Beekharri – Member
	Mr G. Bussier - Representative of the Ministry of Finance and Economic Development
	Mr. K. Jhugroo - Representative of the Commissioner of Police
	Mr R. Moolye – Representative of the Ministry of Tourism
	Ms K. Kautick – Representative of the Prime Minister's Office (as from 27.11.17)
	Mr. O. K. Dabidin – Member (27.11.17 to 05.04.18)
	Mr C. Ujoodhia – Member
	Mrs S. Nowbuth - Representative of the Prime Minister's Office (01.07.17 to 31.08.17)

Profiles of Board Members



Mr. Om Kumar Dabidin
Chairperson

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 27th November 2017 and is with effect from 05 April 2018, Chairman of the Authority.

Mr Dabidin is, 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 as a teacher and later joined 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 Acting Permanent Secretary at the Ministry of Health and Quality of Life. 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.

With his present position at the Gambling Regulatory Authority, he is committed together with all Board Members and staff to work towards the realization of the objective set by Government for the Gambling Industry.

Dr S.P.W. MAHARAJE
Vice Chairperson

Dr. Somnath Maharajah 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 and member of Medical Council of Mauritius.



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. 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, UK, and was called to the bar in UK in 1981 at the Middle Temple, Inn of Court.

He joined the Crown Law office in Mauritius in 1982 and occupied all higher positions in Attorney General's Office, including those of Parliamentary Counsel and Acting Director of Public Prosecutions, until his appointment as Solicitor General in 1998.

He has since long been elevated to the rank of Senior Counsel. He was conferred the G.O.S.K award by the President. He is the main non-political legal adviser to Government and the legal adviser of a number of public bodies. He has represented the State in Criminal and Civil, as well as constitutional and administrative law cases before lower Courts as well as the Supreme Courts.

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 was also Board Director of Air Mauritius Ltd, SBM Ltd and a board member of the Mauritius Revenue Authority.

He has also acted as Chairman of the Stock Exchange Commission and the MOBAA (Mauritius Offshore Business Activities Authority) prior to the FSC taking over the functions of these entities and he is also a former member of the Arbitral Tribunal of the Commonwealth Secretariat.

He is the Chairperson of the MCIA's Control and Arbitration Committee of the Mauritius Cane Industry Authority and of the Medical Tribunal. He also represents the Attorney General's Office on the Boards of the Gambling Regulatory Authority and the Independent Broadcasting Authority.

He was Vice-Chairman of the Financial Services Commission from February 2016 to May 2017 and is currently Chairman of the Financial Intelligence Unit following his appointment in November 2016.



Gerard BUSSIER
Board Member

Mr G. Bussier was appointed to the Board in March 2015. He is presently performing the duties of Deputy Financial Secretary, Ministry of Finance and Economic Development and has served the Civil Service for several years.



Mr. Reshad Moolye
Board Member

Mr. Reshad Moolye has been appointed to the Board in April 2016. He holds a Diploma in Public Administration and Management from the University of Mauritius, a Master in Business Administration and a BSc in Public Administration and Management from the University of Technology Mauritius. He holds more than 25 years of experience in public administration and management, and has worked on different projects and assignments giving him an in-depth overview of the Government machinery. He has formerly served as Chairperson of the Manufacturing Adjustment and SMEs Development Fund and Tourism Authority. He was previously part of the Board of Directors of the Mauritius Standards Bureau, EPZ Labour Welfare Fund, Mauritius Shipping Corporation Limited, Small and Medium Enterprise Development Authority, Mauritius Film Development Corporation, Mauritius Sports Council and of the Mauritius Duty Free Paradise. He currently serves as a Board member of the Tourism Authority, Tourism Employees Welfare Fund, Sir Gaëtan Duval Ecole Hotelière and Mauritius Society for Animal Welfare.

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.

Ms Kalianee Kautick

Board Member

Ms Kalianee Kautick, Deputy Permanent Secretary, posted to Cabinet Office of the Prime Minister's Office since September 2017. She holds a Master of Science in Public Sector Management as well as a *Diplome du Cycle International d'Administration Publique* at *Ecole Nationale d'Administration* in Strasbourg.

In her capacity as Assistant Permanent Secretary she has worked at the National Development Unit dealing essentially with projects and Home Affairs Division of the Prime Minister's Office as desk officer for issues related to Police and security.

7. Attendance at Board Meetings & Committees

Attendance at Board meetings and Committees

The Board of the Gambling Regulatory Authority met on fifteen occasions (twelve Board meetings and three 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 01 July 2017 to 30 June 2018, the attendance of Board Meetings was as summarized below: -

Members	Title	Appointment Date	Board Meetings Attended	Special Board Meeting Attended
Mr R.Gulbul	Chairperson	13-Mar-15 to 22-Nov-17	5/5	1/1
Mr O. K Dabidin	As Member	27-Nov-17	4/4	1/1
	As Acting Chairperson	05-Apr-18	3/3	1/1
Dr S.P.W Maharahaje	As Acting Chairperson	23-Nov-17 to 04-Apr-18	4/4	1/1
	Vice Chairperson	15-May-15	7/8	1/2
Mr D.K. Dabee	Representative of the Attorney General's Office	13-Mar-15	11/12	2/3
Mr. K. Beekharry	Representative of the Prime Minister's Office	15-Mar-15	10/12	3/3
Mr. R. Moolye	Representative of Ministry of Tourism and External Communications	07-Apr-16	8/12	1/3
Ms K. Kautick	Representative of Prime Minister's Office (As from 27 November 2017)	27-Nov-17	7/7	2/2
Mrs S.D Gujadhur-Nowbuth	Representative of Prime Minister's Office	26-May-17 to 31-Aug-2017	2/2	1/1
Mr G.P. Bussier	Representative of the Ministry of Finance and Economic Development	17-Mar-15	9/12	1/3
Mr K. Jhugroo	Representative of the Commissioner of Police	17-Mar-15	11/12	3/3
Mr C. Ujoodhia	Member	13-Mar-15	10/12	2/3

8. Board Allowances and Board Fees

The Chairperson of the Board, Mr Raouf Gulbul, was paid an all-inclusive, monthly fee of Rs 70,000 and was paid a monthly ad hoc allowance of Rs 55,000 for the period 01 July 2017 to 22 November 2017.

The Acting Chairperson of the Board, Mr O. K. Dabidin was paid an all-inclusive monthly fee of Rs 50,000.

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 participating in the conduct of interviews during the year.

Member	Allowance
Mr O. K. Dabidin	Rs 10,000
Mr. Gerard Pascal Bussier	Rs 7,000
Mr K. Beekharry	Rs 8,500
Mr R. Moolye	Rs 64,000
Ms K. Kautick	Rs 9,000
Mrs S.D. Nowbuth Gujadhur	Rs 4,000
Mr C. Ujoodhia	Rs 52,500

Mr S.P.W Maharahaje acted as Chairperson for period 23 November 2017 to 04 April 2018 and was paid an all-inclusive monthly fee of Rs 50,000.

Fees drawn by each Board Member for the period of July 2017 to June 2018 are as follows:

	Rs
Mr Raouf Gulbul (Chairperson) (01.07.2017 to 22.11.2017)	593,445
Mr. Om Kumar Dabidin (Member from 28.11.2017 to 04.04.2018 / Acting Chairperson as from 05 April 2018)	249,167
Mr. Somnath Panday Woogra Maharahaje (Vice Chairperson)	437,000
Mr. Dheerendra Kumar Dabee (Member)	300,000
Mr. Kreeddeo Beekharry (Member)	300,000
Mrs. S. D. Gajadhur Nowbuth	50,000
Mr. Rechad Moolye (Member)	300,000
Mr. Gerard Pascal Bussier (Member)	300,000
Mr. Krishna Jhugroo (Member)	300,000
Ms Kalianee Kautick (Member)	153,333
Mr. Chandrashekar Ujoodhia (Member)	300,000

9. 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 C. Ujoodhia - Chairperson
- Dr S. Maharahaje - Member
- Mr G. Bussier - Member
- Ms K. Kautick - Member

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 C. Ujoodhia	1/1
Dr. S. Maharahaje	1/1
Mr G. Bussier	1/1
Ms K. Kautick	1/1

10. 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.
- (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 R. Moolye - Chairperson
- Mr K. Beekharri - Member
- Mr C. Ujoodhia - Member
- Mr V. Vythilingum

During the reporting period, the HRC met specifically for: -

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

- Accountant
- Public Relations and Responsible Gambling Officer
- Gambling Regulator and Investigator
- Legal Affairs Officer
- Administrative Officer

(ii) 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 R. Moolye	1/1
Mr K. Beekharri	1/1
Mr C. Ujoodhia	1/1
Mr V. Vythilingum	1/1

11. The Responsible Gambling and Capacity Building Fund (RGCBF)

Section 11A of the Gambling Regulatory Authority Act provides that the Gambling Regulatory Authority shall set up a Responsible Gambling and Capacity Building Fund and:

- (a) into which shall be paid the levy raised from licensees; and
- (b) out of which shall be paid such sums as the Managing Committee may approve for:
 - (i) developing and implementing a responsible gambling programme for the public;
 - (ii) identifying and addressing the ills associated with the gambling industry;
 - (iii) capacity building at the Authority;

- (iv) ensuring integrity and best practices in the gambling industry; and
- (v) any other purpose as the Board may determine.

The Managing Committee for the Responsible Gambling and Capacity Building Fund

Section 11B of the Gambling Regulatory Authority Act provides that:

- (1) The Responsible Gambling and Capacity Building Fund shall be administered by a Managing Committee which shall consist of a chairperson and not more than 4 other persons, to be appointed by the Board after consultation with the Minister.
- (2) The Managing Committee shall hold its meetings at such time and place as the Chairperson may determine.
- (3) The Managing Committee shall regulate its meetings and proceedings in such manner as it may determine.
- (4) Notwithstanding subsections (2) and (3), the Managing Committee shall, where required by the Minister or Board –
 - (a) furnish information in respect of its activities; and
 - (b) comply with such directions of a general character as the Minister or Board considers necessary in the public interest.

Composition of the Managing Committee for the Responsible Gambling and Capacity Building Fund

For the period of 01 July 2017 to 30 June 2018, the Managing Committee was constituted as follows:

Chairperson	Mr G. Goburdhun
Members	Mr M. Bheekhee
	Mr N. Soopramanien

Profiles of Managing Committee Members



**Mr Goolabchund GOBURDHUN -
Chairperson**

Mr Goburdhun is a licensed auditor by the Financial Reporting Council. He is currently the Chairperson of the National Pensions Board at the Ministry of Social Security, National Solidarity and Reform Institutions, and the Board Director and Chairperson of MauBank Holdings Ltd since 2016. He was appointed as the Chairperson of the Managing Committee for the Responsible Gambling and Capacity Building Fund on the 31st of May 2017.



**Mr Mahensingh BHEEKHEE -
Member**

Mr Bheekhee is currently Lead Analyst at the Ministry of Finance and Economic Development. He started his career as Education Officer and has worked at the Ministry of Finance for more than 24 years. He holds a Bsc (Hons) in Economics from the University of Mauritius and a Master in Financial Economics from the University of London.

External appointments

- Board Member at the Mauritius Revenue Authority
- Board Director at the Mauritius Civil Service Mutual Aid Association Ltd
- Board Director at the State Investment Finance Corporation Ltd



Mr Gilbert Nicolas SOOPRAMANIEN -
Member

Mr Soopramanien is a clinical psychologist, and President of the Société des Professionnels en Psychologie. He holds about ten years of hands-on experience as a practitioner locally. Further to his studies in France at the Université Denis Diderot, his expertise was sought in educational institutions such as Ecole du Centre, St Mary’s West College and Association d’Alphabétisation de Fatima, as well as in shelters namely Centre d’Education et de Développement pour les Enfants Mauriciens (CEDEM), SOS Village, ARISE and Foyer Père Laval. He also worked in the penitentiary service through NGOs such as Kinouété and Groupe Elan.

Attendance and Managing Committee Meetings

The Managing Committee met on nine occasions for the period 01 July 2017 to 30 June 2018. Attendance was as follows:

Name	Title	Attendance
Mr G. Goburdhun	Chairperson	9/9
Mr M. Bheekhee	Member	7/9
Mr N. Soopramanien	Member	9/9

Managing Committee Fees and Allowances

The Chairperson of the RGCBF is paid an all-inclusive monthly fee of Rs 12,000. The Members of the RGCBF are paid an all-inclusive monthly fee of Rs 10,000. During the year Members of the Management Committee were paid arrears of fees for the month of May 2017 and June 2017 as follows:

Mr G. Goburdhun – Rs 12,387.10

Mr M. Bheekhee – Rs 10,322.58

Mr N. Soopramanien – Rs 10,322.58

Fees paid for period 01 July 2017 to 30 June 2018 was as follows:

Member	Allowance
Mr G. Goburdhun	Rs 144,000
Mr M. Bheekhee	Rs 120,000
Mr N. Soopramanien	Rs 120,000

12. 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 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 4 months 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.

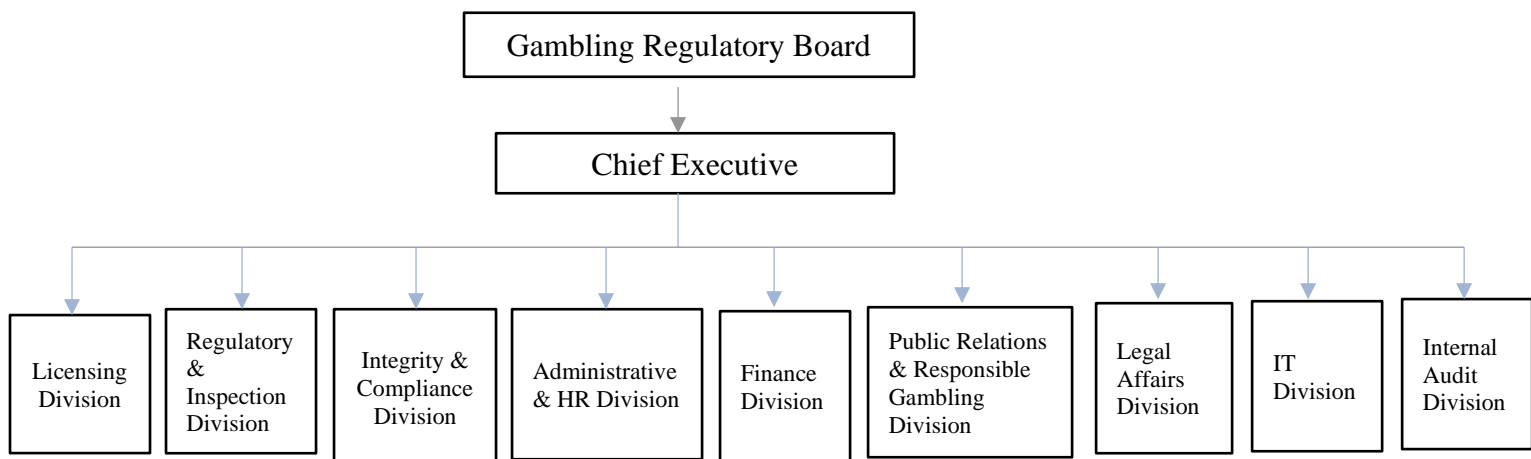
Financial statements of previous financial year, which was for 18 month's period January 2016 to June 2017, have already been audited and Audit Report has already been received.

13. Staffing & Divisions of the Authority

Staffing

Several recruitments were effected during the year such as Management Support Officers, Accountant, Public Relations and Responsible Gambling Officer, Legal Affairs Officer, Gambling Regulators and Investigators and Administrative Officer. These recruitments were of paramount importance to enable the Authority to achieve its goals and objectives. As at 30 June 2018 the total number of employees at the Authority was 38.

The different divisions at the Authority is as follows:



The staff position at the Authority as at 30 June 2018 was as follows:

Sn	Grades	Number in post as at 30 June 2018
1	Chief Executive	1
2	Information Systems Officer	1
3	Accountant	1
4	Public Relations and Responsible Gambling Officer	1
5	Legal Affairs Officer	1
6	Administrative Officer	1
7	Licensing & Inspectorate Officer	5
8	Gambling Regulator and Investigator	12
9	Confidential Secretary	1
10	Office Management Assistant	1
11	Management Support Officer	10
12	Receptionist	1
13	Office Assistant	1
14	Driver	1
15	One officer was on secondment from the Ministry of Finance and Economic Development	

14. 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.

15. Corporate Social Responsibility

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

16. 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.

17. 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.

18. 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 2016 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.

19. Oath of 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.

20. Related Party Transaction

The Authority regards the Government of Mauritius as its controlling party and has disclosed at Note 23 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.

21. 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.

22. 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

1. 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.”

2. Complaints

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

Complaints which involve an expectation by the complainant that they will receive a financial settlement in their favour are treated as settled as soon as the license holder 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 01 July to 30 June 2018

Activity	Types of Complaints	Total	Action Taken				
			Refer to Police Des Jeux	Settled	Withdrawn	Not upheld	Under Process
Casino	Miscellaneous	1	-	1	-	-	-
Gaming House	Alleged manipulation of gaming machines	1	-	1	-	-	-
	Malfunctioning of gaming house	5	-	4	1	-	-
	Non- Validation of winning bet	3	-	1	-	-	2
	Alleged mismanagement of gaming house	2	1	-	-	-	1
	Miscellaneous	1	-	-	-	-	1
	Alleged harassment from senior staff	1	-	-	-	-	1
Amusement Machine	Negative influence on society	5	1	1	-	1	2
	Illegal operation of Amusement machine	1	-	-	-	-	1
	Illicit activities and alleged Money Laundering	1	-	-	-	-	1
Bookmaker conducting Fixed Odds Betting on Football Matches	- Scheduled kick-off time, tickets (lost, unreadable & erroneous), void matches. Inaccurate fixtures & results,etc	17	1	2	-	8	6
TOTAL		38	3	10	1	9	15

3. Police des Jeux

The Authority has recourse to the assistance of the Police des Jeux in accordance with section 113 of the GRA Act.

Regular meetings are held with the Officer-in-Charge of the Police des Jeux to discuss strategies with a view to combat illegal betting and to enforce the provision of the Act.

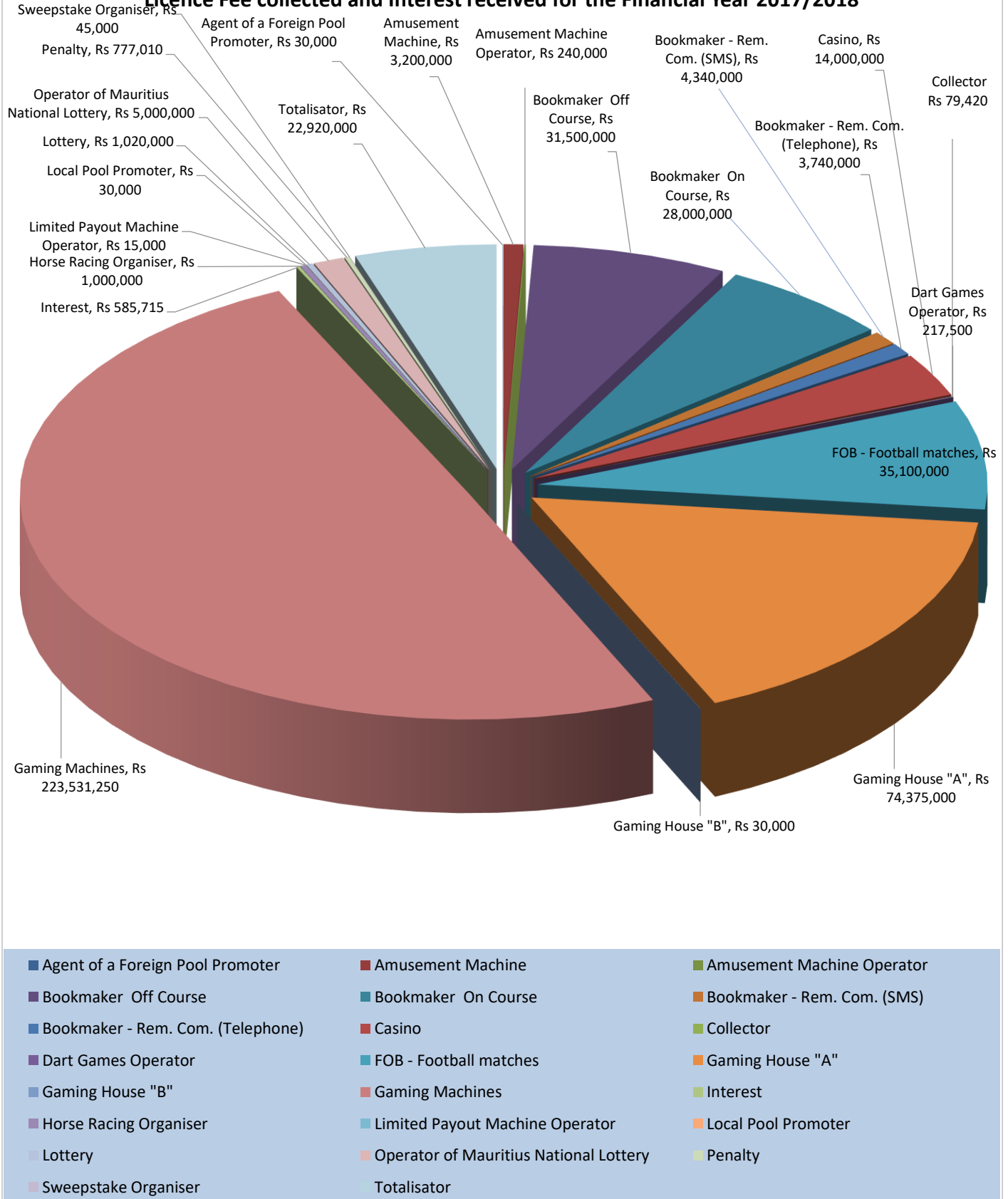
During the period from 1st July 2017 to 30 June 2018, the Police des Jeux has detected 59 cases which contravened the Act.

4. Licensees as at 30 June 2018

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 as at 30 June 2018.

Licensee	No. of Licensees as at 30 June 2017	No. of new Licences issued – 01 July 2017 to 30 June 2018	No. of Licences renewed 01 July 2017 to 30 June 2018	No. of Licences not renewed 01 July 2017 to 30 June 2018	No. of Licences as at 30th June 2018
Bookmakers : Race Course & Off course	43	1	43	12	32
Bookmakers operating by SMS	1	-	1	-	1
• No. of Outlets	20	-	20	-	20
Bookmakers operating by telephone	-	2	-	-	2
• No of outlets	-	12	-	-	12
Bookmaker – FOB on Football matches	8	1	8	-	9
• No. of Outlets	83	7	83	-	90
Casinos	4		4	-	4
Gaming House “A”	20		20	-	20
Gaming House “B”	2		2	-	2
Gaming Machines	1756	39	1698	58	1737
Horse Racing Organiser	1		1	-	1
Operator of Mauritius National Lottery	1		1	-	1
Totalisator Operator	2		2	-	2
• No. Of Outlets	47	1	47	-	48
Limited Payout Machines Operator	-	1	-	-	1
Agent of Foreign Pool Promoter	1	1	1	-	2
Local Pool Promoter	1		1	-	2
Collector	43	374	43	-	417
Sweepstakes Organiser	3		3	-	3
Dart Games Operator	8		8	1	7
Amusement Machine Operator	-	16	-	-	16
No. Of Machines	-	320	-	-	320
Promotional Lottery	76	68	-	-	68

Licence Fee collected and Interest received for the Financial Year 2017/2018



TOTAL LICENCE FEES COLLECTED AND REMITTED TO THE CONSOLIDATED FUND RS 449,775,895

5. Licence fees

No person shall operate unless he holds a licence and pays the appropriate licence fee as per third schedule of the GRA Act which are set out in the table below. As per GRA Act all licence fees collected are remitted to the Accountant General.

	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"	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
3.	Gaming house "B"	15,000 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	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
4A.	Limited payout machine	10,000 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>(ii) in respect of each additional place at which facilities are provided.</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>20,000</p> <p>20,000</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> <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>
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 40,000	12 months 12 months
9.	Sweepstake organiser	15,000	Yearly or part thereof
10.	Local pool promoter	15,000	12 months
11.	Agent of a foreign pool promoter	15,000	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	7,500 per dart board 7,500 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	15,000 in respect of each lottery organised	—

Measures announced in the Budget Speech 2017-2018 to enhance control on Gambling Activities by amending GRA Act:

- (a) introduce international best practices including updates that take into account avenues of innovative IT enabled operations. This will allow Gambling Regulatory Authority (GRA) to better combat illegal betting and associated problems related to money laundering offences;
- (b) introduce the Personal Management Licence for the horseracing and gaming sectors to foster integrity and better supervise gambling activities, as is applicable under the UK Gambling Commission and the British Horseracing Authority;
- (c) reinforce its regulatory functions and powers as regards the horseracing industry, as well as the betting activities carried therein and for establishing a level playing field among operators;
- (d) ban cash betting transactions above Rs 2,000 and introduction of an account based betting together with a player card program/ system. This will increase audit trail on betting activities and facilitate the tracking of offences related to money laundering;
- (e) make it mandatory for licensees /operators earning Rs 10 million or above, to report and file suspicious transaction reports to relevant Authorities for a more effective fight against illegal activities in the gambling sector;
- (f) make provisions for every licensee, other than a collector or an operator of dart games, to:
 - (i) prepare and submit his financial statements in accordance with the International Financial Reporting Standards (IFRS);
 - (ii) have his financial statements audited by an auditor licensed by the Financial Reporting Council; and
 - (iii) not later than 6 months after the closing of the account submit the audited financial statements to the GRA and the Mauritius Revenue Authority;
- (g) transfer the licensing of coin operated machines from Local Authorities to the GRA to increase control on these machines;
- (h) make provisions for penalties in respect of failure to comply to conditions of licence relating to the Central Electronic Monitoring System; and

(i) make provisions for payment of the appropriate fees for coin operated machines. The GRA has already formulated a framework for responsible gambling, which includes a code of conduct for the gambling industry. This framework will be applicable as from November 2017. It will be mandatory for licensees and stakeholders to adopt this framework, which will promote responsible gambling.

Hotels will be allowed to host gaming machines within their premises and such games will be restricted to non-residents/ foreigners.

ACHIEVEMENTS

Some of the main achievements for the period July 2017 to June 2018 were as follows:

(i) Setting up of different divisions at the Authority and recruitments

Different divisions were set up during the year and recruitments were effected to enable smooth operations of the division as follows:

- Finance Division – An Accountant was recruited to head the finance division
- Legal Division – A Legal Affairs Officer was recruited
- Public Relation and Responsible Gambling Unit – A Public Relations and Responsible Gambling Officer was recruited
- Integrity and Intelligence Division – A selection exercise was performed and an offer was made to the selected candidate to lead the Integrity and Intelligence Division
- The Authority also recruited 12 Gambling Regulators and Investigators during the year

(ii) Transfer of Coin Operated machines

Coin operated machines (Amusement Machines) which was previously regularised by the Local Authorities was transferred to the GRA for better control of these gambling operations.

(iii) Responsible Gambling

A Responsible Gambling Division was created and a foreign consultancy firm with expertise in responsible gambling was appointed to advise on responsible gambling aspects.

A helpline for counselling was also set up during the year.

(iv) Training of the GRA Team

The officers of the Authority were offered training as follows:

- Responsible Gambling;
- Gaming Machines by GLI Expert Mr Pierre Otto

(v) Issue of Directions

The Authority issued new Directions for the racing industry aiming at raising the level of competition.

(vi) Testing and sampling processes

The Authority applied tighter control over pre-race and post-race sampling processes as well as out of competition testing. This consequently resulted in the detection of doping cases. Moreover a testing agreement was signed with the equine laboratory namely 'Quantilab Ltd'.

(vii) Horse Racing Industry

Following a holistic review of the horse racing industry, the Board has reviewed the contribution of all stakeholders with an aim to bring more fairness to the industry.

(viii) Proposed amendments to the GRA Act in relation to:

- Mitigation the risks of Money Laundering;
- Adding sanctions for improper use of licensed gambling equipment. Up to Rs5 Million in terms of fine;
- New licensing for betting in hotel
- Technical standards for Gaming Machines and Amusement Machines

Statement of Directors' Responsibilities

GRA has prepared financial statements for the year ended 30 June 2018, which in our opinion, give a true and fair view of its financial position and its financial performance.

In preparing these financial statements, the Authority, as far as possible, ensures that:-

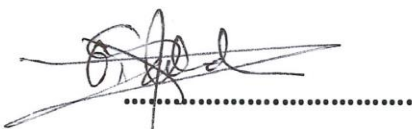
- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures and explained in the financial statements;
- The financial statements have been prepared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

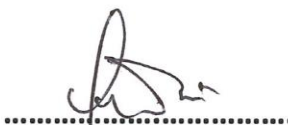
GRA is responsible for keeping proper accounting records for the purpose of recording all the transactions relating to its undertakings, funds, activities and property.

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

GAMBLING REGULATORY AUTHORITY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



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

Opinion

I have audited the financial statements of the Gambling Regulatory Authority, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, the statement of changes in net assets/equity, statement of cash flows and statement of comparison of budget and actual expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Gambling Regulatory Authority as at 30 June 2018, and of its financial performances and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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, together with the 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 opinion.

Emphasis of Matter

Accounts of the Responsible Gambling and Capacity Building Fund (RGCBF)

I draw attention to Note 20 of the financial statements.

The RGCBF was established under the Section 11A of the Gambling Regulatory Authority Act, subsequent to the Finance (Miscellaneous Provisions) Act 2016 and is administered by a Management Committee appointed by the board of the Gambling Regulatory Authority.

The Accounts of the RGCBF have been incorporated in the financial statements of the Gambling Regulatory Authority. The revenue and expenditure of the RGCBF have been disclosed in Note 20.

My opinion is not modified in respect of this matter.

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. I have determined that there are no key audit matters to communicate in my report.

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 auditor's 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.

Corporate Governance Report

My responsibility under the Financial Reporting Act is to report on the compliance with the Code of Corporate Governance disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From my assessment of the disclosures made on corporate governance in the annual report, the Gambling Regulatory Authority has, pursuant to section 75 of the Financial Reporting Act, complied with the requirements of the Code.

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 Public Sector Accounting Standards (IPSASs), 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 of 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 ISSAIs, 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 ISSAIs, I exercise professional judgement and maintain professional scepticism 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 Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Gambling Regulatory Authority's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister, in so far as they relate to the accounts, have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Gambling Regulatory Authority has been applying its resources and carrying out its operations fairly and economically; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

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

Statutory Bodies (Accounts and Audit) Act

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

Delay in submission of financial statements

The financial statements of the Gambling Regulatory Authority for the financial year ended 30 June 2018 were submitted to my Office on 31 May 2019, that is, seven months after the statutory date limit of 31 October 2018. Major amendments to the financial statements were deemed necessary. An amended and appropriate set of financial statements were submitted on 19 February 2021.

Except for the late submission of the financial statements, the Gambling Regulatory Authority has complied with the Statutory Bodies (Accounts and Audit) Act and any directions of the Minister in so far as they relate to the accounts.

Based on my examination of the records of Gambling Regulatory Authority, nothing has come to my attention that causes me to believe that:

- (a) any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Gambling Regulatory Authority has not applied its resources and carried out its operations fairly and economically.

Public Procurement Act

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.



C. ROMOOAH
Director of Audit

National Audit Office
Level 14,
Air Mauritius Centre
PORT LOUIS

02 March 2021

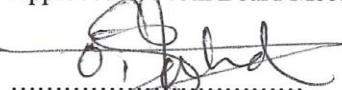
GAMBLING REGULATORY AUTHORITY


STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

**As at
30 June 2018**

	Notes	Rs
ASSETS		
<u>Current assets</u>		
Cash and cash equivalents	10	164,289,564
Inventories		205,826
Receivables from exchange transactions	9	69,509
Receivables from non-exchange transactions	9	6,723,916
Prepayments	9	132,605
		<u>171,421,420</u>
<u>Non current assets</u>		
Property, plant and equipment	5	2,446,993
Intangible assets	6	157,797
Receivables from non-exchange transactions	9	428,571
Retirement benefits obligations	8	807,580
		<u>3,840,941</u>
Total assets		<u>175,262,361</u>
LIABILITIES		
<u>Current liabilities</u>		
Payables under exchange transactions	15	5,443,008
Payables under non-exchange transactions	15	157,367
Employee benefits	11	642,834
Deposit licence fees		27,151,707
		<u>33,394,916</u>
<u>Non current liabilities</u>		
Payables under non-exchange transactions	7	428,571
Employee benefits	11	1,892,434
Refundable guarantee deposits	14	9,369,402
		<u>11,690,407</u>
Total liabilities		<u>45,085,323</u>
Net assets		<u>130,177,038</u>
NET ASSETS / EQUITY		
<u>Accumulated surplus</u>		
Gambling Regulatory Authority		9,564,435
Responsible Gambling and Capacity Building Fund	20	120,212,603
Revaluation reserve		400,000
Total Net Assets / Equity		<u>130,177,038</u>

Approved at 140th Board Meeting held on 26 January 2021


.....
O. K. Dabidin - Chairperson


.....
K. Beekarry - Board Member

OPENING STATEMENT OF FINANCIAL POSITION AS AT 01 JULY 2017

As at

1 July 2017

(Restated)

Rs

ASSETS

Current assets

Cash and cash equivalents	57,704,955
Inventories	164,316
Receivables from exchange transactions	85,922
Receivables from non-exchange transactions	49,316,450
Prepayments	72,085
	<u>107,343,728</u>

Non current assets

Property, plant and equipment	975,989
Intangible assets	145,526
Receivables from non-exchange transactions	571,428
Retirement benefits obligations	525,399
	<u>2,218,342</u>

Total assets

109,562,070

LIABILITIES

Current liabilities

Payables under exchange transactions	203,554
Payables under non-exchange transactions	489,735
Employee benefits	475,804
Deposit licence fees	42,600,320
	<u>43,769,413</u>

Non current liabilities

Payables under non-exchange transactions	571,428
Employee benefits	1,818,749
Refundable guarantee deposits	10,407,014
	<u>12,797,191</u>

Total liabilities

56,566,604

Net assets

52,995,466

NET ASSETS / EQUITY

Accumulated surplus

Gambling Regulatory Authority	3,868,583
Responsible Gambling and Capacity Building Fund	49,126,883
Total Net Assets / Equity	<u>52,995,466</u>

GAMBLING REGULATORY AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

		As at 30 June 2018
	Notes	Rs
REVENUE		
Non-Exchange Transactions	13	38,000,000
Exchange Transactions	13	360,847
Total revenue		<u>38,360,847</u>
EXPENDITURE		
Operating costs	16	7,297,710
Staff costs	17	14,360,017
Administrative costs	18	10,222,247
Depreciation	19	864,334
Finance costs		24,461
Total expenditure		<u>32,768,769</u>
Surplus for the year		<u>5,592,078</u>



GAMBLING REGULATORY AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Revaluation Surplus	Responsible Gambling and Capacity Building fund	General Fund	Total
Balance as at 30 June 2017			49,126,883	137,561	49,264,444
Restatement upon adoption of IPSAS	12			3,731,022	3,731,022
			49,126,883	3,868,583	52,995,466
Changes in net asset / equity for period					
Surplus of revenue over expenditure	20		71,085,720		71,085,720
Revaluation surplus for period		400,000			400,000
Net surplus / (deficit) for period		-		5,592,078	5,592,078
Remeasurement gain				103,834	103,834
Prior year adjustment				(60)	(60)
Balance as at 30 June 2018		400,000	120,212,603	9,564,435	130,177,038

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

**As at
30 June 2018**

	Rs
CASH FLOWS FROM OPERATING ACTIVITIES	
(Deficit)/surplus for the year	5,592,078
Adjustments for:	
Depreciation and amortization	864,334
Remeasurement gain	103,834
Receipt from licence	449,775,895
Remitted to consolidated fund-licence	(465,243,316)
Receipts from Mauritius Revenue Authority - RGCBF	119,382,154
Expenses relating to RGCBF	(1,734,125)
Retirement Benefits Obligations-adjustment	(282,181)
Increase in provisions relating to employee costs	240,715
Prior year adjustment	(60)
Interest	(248,955)
OPERATING SURPLUS/DEFICIT BEFORE WORKING CAPITAL CHANGES	108,450,373
Decrease/(Increase) in inventories	(41,511)
(Increase)/Decrease in receivables	82,337
Increase/(Decrease) in payables	(243,157)
Net cash flow from operating activities	108,248,042
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of plant and equipment	(1,947,609)
Interest received	284,176
Net cash flow from investing activities	(1,663,433)
Net increase in cash and cash equivalents	106,584,609
Cash and cash equivalents at beginning of year	57,704,955
Cash and cash equivalents at end of year / period	164,289,564

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2018

	Budgeted Amount	Actual Amount	Difference Budgeted and Actual Amount	Explanatory Notes
	Rs	Rs	Rs	
Revenue:				
License Fee	440,500,000	449,775,705	9,275,705	21 (i)
Recurrent Budget	37,000,000	37,000,000	-	
Other Revenue				
Recurrent Expenditure (Excluding Depreciation and Amortization)				
Salaries and compensation	11,135,000	9,210,683	(1,924,317)	21 (ii)
Passage benefits	200,000	332,108	132,108	21 (iii)
Gratuity	700,000	662,841	(37,159)	21 (iv)
End of year bonus	1,400,000	586,167	(813,833)	21 (v)
Cash in lieu of leaves	650,000	328,823	(321,177)	21 (vi)
Allowances	2,210,000	1,154,766	(1,055,234)	21 (vii)
Travelling and transport	1,500,000	1,053,053	(446,947)	21 (viii)
Overtime	150,000	190,717	40,717	21 (ix)
Staff welfare	50,000	36,826	(13,174)	21 (x)
Pension contribution	2,000,000	450,734	(1,549,266)	21 (xi)
Cost of utilities	900,000	947,546	47,546	21 (xii)
Fuel ,oil, insurance and road tax	200,000	129,378	(70,622)	21 (xii)
Rental of building and parking slots	5,946,000	5,780,337	(165,663)	21 (xiv)
Equipment and furniture	400,000	1,404,387	1,004,387	21 (xv)
Office expenses	150,000	190,076	40,076	21 (xvi)
Maintenance	275,000	1,112,912	837,912	21 (xvii)
Cleaning services	150,000	148,200	(1,800)	
Publications and stationery	450,000	633,318	183,318	21 (xviii)
Overseas travel	2,500,000	2,230,366	(269,634)	21 (xix)
Board Members fees	4,350,000	3,331,367	(1,018,633)	21 (xx)
Audit fees	150,000	150,000	-	
Subscriptions	35,000	7,938	(27,062)	21 (xxi)
Insurance	50,000	30,989	(19,011)	21 (xxii)
General expenses	49,000	267,068	218,068	21 (xxiii)
Training fees	500,000	147,215	(352,785)	21 (xxiv)
Professional Charges	900,000	2,274,389	1,374,389	21 (xxv)
Total Expenses	37,000,000	32,792,204	(4,207,796)	
Capital expenditure	1,000,000	388,700	(611,300)	
Total	38,000,000	33,180,904	(4,819,096)	

GAMBLING REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. GENERAL INFORMATION ON REPORTING ENTITY

The Gambling Regulatory Act 2007 was proclaimed on 6 December 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 and during the financial year 2017/2018 the Authority was under the aegis of the Prime Minister's Office.

As per Gambling Regulatory Act 2007 the objects of the Authority are to:

- (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 minimise harm caused by gambling;
- (f) promote tourism, employment and economic development generally; and
- (g) promote the welfare and leisure of the race-going public.

2 BASIS OF PREPARATION

(i) Statement of compliance

Following amendments made to the Statutory (Accounts & Audit) Act and the Financial Reporting Act made in the Finance (Miscellaneous Provisions) Act 2017, the financial statements of the Gambling Regulatory Authority have been prepared in accordance with the International Public Sector Accounting Standards (IPSASs) issued by the International Public Sector Accounting Standard Board (IPSASB) which is a Board of the International Federation of 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 are applied.

The date of transition to accrual basis IPSAS is July 01, 2017. The Authority has opted not to provide and disclose comparative figures for the period 2016-2017 based on guidance provided in IPSAS 33.

(ii) First time adoption of IPSAS

These are the first set of financial statements prepared in accordance with IPSAS. Previous year financial statements were prepared under IFRS. The financial statements include:

- (a) One statement of financial position and an opening statement of financial position as at 01 July 2017;
- (b) One statement of financial performance ;
- (c) One statement of changes in net assets/equity ;
- (d) One cash flow statement ;
- (e) A statement of comparison of budget and actual amounts for the current year.
- (f) Related notes and the disclosure of narrative information about material adjustments.

(iii) Reporting date

The financial statements covers the financial year 01 July 2017 to 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(iv) **Going concern**

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.

(v) **Use of estimates and judgements**

The preparation of financial statements, in conformity with IPSAS and generally accepted accounting practices required the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

In the application of the GRA accounting policies, Management are required to make judgements estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions, based on actual results, may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the estimate affects only that period or in the period of revision and future periods if the revision affects both current and future periods. Estimates include but are not limited to fair valuation of inventories, accounts receivables, contingent assets and liabilities, and degree of impairment of property, plant and equipment.

One of the main assumptions and estimates concerning the future and reporting date is the Retirement Benefit Obligation. This necessitate the use of actuarial calculations and/or other assumptions such as significant estimates in respect of the expected return on plan assets, future salary and pension variation. These significant estimates are assessed periodically by management with the actuaries where applicable. Difference between actual and estimates are recorded as actuarial gain or losses.

(vi) **Functional and presentation of currency**

The financial statements are presented in Mauritian Rupees. Roundings have been done where applicable to the nearest rupee.

(vii) **Measurement base**

The accounting principles recognised as appropriate for the measurement and reporting of the financial performance, cash flows and financial position on an accrual basis using historical cost are followed in the preparation of the financial statements. The effects of transactions and other events are recognised when they occur and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

(viii) **Early adoption of standards**

The Authority has made an early adoption of IPSAS 39, Employee Benefits with effect from 01 July 2017. There is no material impact on the financial statements and disclosures resulting from the early adoption of IPSAS 39.

(ix) **Budget information**

The Authority prepares its budget on cash basis classified by nature of expenses and covers 12 months period from 01 July 2017 to 30 June 2018.

3 IPSAS ISSUED BUT NOT YET EFFECTIVE

IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) requires disclosure of new IPSAS that have been issued but are not yet effective.

IPSAS - 40 Public Sector Combinations (Effective 01 January 2019)

The objective of IPSAS 40 is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about a public sector combination and its effects.

The standard classifies public sector combinations as either amalgamations or acquisitions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 ACCOUNTING POLICIES

(i) Revenue Recognition

Based on IPSAS 23 'Revenue from Non-Exchange Transactions (Taxes and Transfers)' the Authority classifies its revenue as Revenue from Exchange Transactions and Revenue from Non-Exchange Transactions.

Revenue from Non Exchange Transactions

Revenue from Non Exchange Transactions includes recurrent and capital grants from the Government. Capital grants received from the Government were treated as deferred income up to 30 June 2017 and same was amortised accordingly. With the full implements of IPSAS 23 as from 01 July 2017 the deferment policy has been reviewed and transfers received are now recognised as income in the period in which the transfer arrangements becomes binding. All balances as at 30 June 2017 in respect of deferred income have been transferred to the statement of financial performance.

Revenue from Exchange Transactions

Revenue from Exchange Transactions are measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefit or service potential associated with transactions will follow to the Authority and that the revenue can be reliably measured.

(ii) Expenses

All expenses have been accounted on an accrual basis.

(iii) Property, Plant and Equipment

Property, plant and equipment are stated at cost or revalued amount less accumulated depreciation and any recognised impairment losses. Costs includes expenditures that are directly attributable to the assets.

Assets with a total contract value below the Rs 5,000 threshold are expensed in the Statement of Financial Performance during the year of acquisition.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight line method at the following rates:

Computer equipment	33.33%
Computer software	20%
Office equipment	20%
Motor vehicles	20%
Furniture, fixtures and fittings	10%

Depreciation is fully charged in the year of acquisition and no charge is made in the year of disposal.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits will flow to the Authority and its cost can be measured reliably. The cost of the day-to-day servicing of property plant and equipment are recognised in the Statement of Financial Performance as incurred.

The gain or loss arising on the disposal of an item of plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

At each Statement of Financial Position date, the Authority reviews the carrying amount of its tangible assets to determine whether there is an 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 and the carrying amount of the asset is reduced to its recoverable amount.

Intangible assets such as computer software are recognised only if it is probable that future economic benefits that are attributable to the assets will flow to the Authority and the cost of the assets can be measured reliably.

The vehicle of the Authority was revalued by a valuation expert. The vehicle was revalued at Rs 400,000 as at 30 June 2018.

(iv) Provisions

Provisions are measured at the management's best estimates of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 ACCOUNTING POLICIES (CONT.)

(v) Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances and cash in hand.

(vi) Inventories

Inventories consist of consumables and are stated at the lower of cost (determined on a first-in-first-out basis) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to the present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling.

If the recoverable amount of an asset is estimated to be less than its carrying amount, then the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Financial Performance, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(vii) Financial Instruments

Financial assets and financial liabilities are recognized on the Statement of Financial Position when the GRA becomes a party to the contractual provisions of the financial instruments. Financial instruments are initially measured at cost until such time when the rights to receive cash flows from those assets have expired or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership.

The Authority's accounting policies in respect of the main financial instruments are as follows:

(viii) Trade and other receivables

Trade and other receivables are stated at original invoice amount less any estimate of doubtful receivables.

(ix) Trade and other payables

Trade and other payables are stated at their nominal value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**4 ACCOUNTING POLICIES (CONT.)****(x) Retirement and other benefit obligation****Employee benefits**

Employee benefits comprise all forms of consideration given by the Authority in exchange of service rendered by employees. These includes current and short term benefits such as salaries, National Savings Funds, Family Protection Schemes, contribution, annual leaves, vacation leaves, sick leaves and passage benefits.

Sick leave

Sick leaves not taken are accumulated by employees to a bank maximum of 110 days. Sick leaves are either cashed in full on resignation, on retirement or taken as leave prior to retirement and are recognised as liability in the financial statements.

Passage benefits

Passage benefits are provided to eligible employees as part of their contract of employment. It is calculated as a percentage of employee's salary as specified in the Pay Research Bureau Report 2016. The amount earned is accrued and same is cleared as and when employees take their passage benefit entitlement. They are therefore classified as employee benefits and are measured at their nominal value. The carrying amount is re-measured each year and after taking into account amount paid and earned during the year.

Benefits for officers on contract

Benefits such as gratuity, unutilised annual leaves and passage benefits for officers employed on contract are expensed during the period and amount unpaid as at the date of reporting are accrued and recognised as liability.

Vacation leave

Provision is made at the end of each reporting date with respect to vacation leaves accruing to the employees as per conditions and recommendations stipulated in the Pay Research Bureau.

Defined Benefit Pension Plan

Provision for retirement benefits to employees of Authority is made under the Statutory Bodies Pension Funds Act, as subsequently amended. The Scheme is partly funded by GRA and the employee. Its assets are managed by the State Insurance Company of Mauritius Ltd. The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of annual reporting period.

The present value of the defined benefit obligations is recognized in the Statement of Financial Position after adjusting the fair value of the plan's assets, any unrecognized actuarial gains and losses and any unrecognised past service. The net total of the current service cost, interest cost, expected returns on plan's assets, fund expenses, any recognized actuarial gains and losses, any recognized past service cost and the effect of any curtailment or settlement is recognized in the Statement of Financial Performance.

Family Protection Scheme

This scheme is established by the Civil Service Family Protection Scheme Act.

Under this Act every public officer shall, from the date of his appointment, make a contribution to the Scheme at the rate specified in the Schedule, until he ceases to be a public officer and attains the age of 60 or optionally up to 65 years. On the death of the contributor, his surviving spouse and children are granted a pension at the rate specified in the Act. The pension granted ceases on the death of the surviving spouse or remarriage.

State Pension Plan

Contributions to the National Pension Scheme on behalf of temporary and contract employees are expensed in the Statement of Financial Performance in the period in which they fall due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4 ACCOUNTING POLICIES (CONT.)

(xi) Provisions and Contingent Liabilities

A provision is recognised in the statement of financial position when the Authority has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

As at 30 June 2018 the Authority has contingent liabilities in respect of 22 cases which are being disputed before the court.

(xii) Risk Management Policies

A description of the various risks to which the Authority is exposed to is shown below and the approach adopted by management to control and mitigate those risks.

(xiii) Currency Risk

Currency risk arises only from purchase of goods and services which are denominated in foreign currencies that are negotiated at prevailing exchange rates.

(xiv) Financial Risk

The Authority as a public sector entity, is not much exposed to financial risks. The Authority does not use any derivative financial instruments to hedge risk exposures.

(xv) Operational Risk

Operational risk, which is inherent in all organisations activities, is the risk of financial loss instability arising from failures in internal controls, operational processes or the system that supports them. It is recognized that such risks can never be entirely eliminated and the costs of controls in minimizing these risks may outweigh the potential benefits.

(xvi) Legal Risk

Legal risk is the risk that business activities of the Authority have unintended or unexpected legal consequences. The Authority identifies and manages legal risks through legal advice from the State Law Office on all its day to day dealings.

(xvii) Taxation

No provision has been made in the financial statements for income tax and value added tax, on the basis that the Authority is exempted.

(xviii) Foreign Currency Transactions

Transaction in foreign currencies are recorded in Mauritian Rupees at the exchange rate ruling at the date of transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

5 PROPERTY, PLANT & EQUIPMENT

	COMPUTER HARDWARE, PERIPHERALS	OFFICE EQUIPMENT	FURNITURE & FIXTURES	MOTOR VEHICLES	TOTAL
COST / VALUATION	Rs	Rs	Rs	Rs	Rs
As at 01 July 2017	1,942,788	737,401	2,307,142	868,411	5,855,742
Additions / valuation	307,050	1,016,948	541,961	(468,411)	1,397,548
Disposal	-	-	-	-	-
At 30 June 2018	2,249,838	1,754,349	2,849,103	400,000	7,253,290
DEPRECIATION					
As at 01 July 2017	1,560,147	698,470	1,752,725	868,411	4,879,753
Charge for the year	297,905	215,191	281,859	-	794,955
Disposal / valuation	-	-	-	(868,411)	(868,411)
At 30 June 2018	1,858,052	913,661	2,034,584	-	4,806,297
CARRYING AMOUNT					
At 30 June 2018	391,786	840,688	814,519	400,000	2,446,993
At 30 June 2017	382,641	38,931	554,417	-	975,989

Note:

As at 30 June 2018 the Authority had one vehicle at cost of Rs 868,411 which was fully depreciated.
The vehicle was revalued by a valuation expert at Rs 400,000 as at 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6 INTANGIBLE ASSETS

	COMPUTER SOFTWARE
COST	Rs
At 01 July 2017	739,123
Additions	81,650
Disposal	-
At 30 June 2018	820,773
DEPRECIATION	
At 01 July 2017	593,597
Charge for the year	69,379
Disposal	-
At 30 June 2018	662,976
CARRYING AMOUNT	
At 30 June 2018	157,797
At 01 July 2017	145,526

7 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 2018 were as follows:

	As at 30 June 2018
Car loan	571,428

Movement in car loans are as follows:

Balance as at 01 July	714,285
New loan	-
Refund during the year	(142,857)
Balance as at 30 June	571,428
Amount shown as current (non-exchange transactions)	142,857
Amount shown as non-current (non-exchange transactions)	428,571

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 RETIREMENT BENEFIT OBLIGATION - IPSAS 39

The actuarial valuation of the Authority Staff Pension Fund managed by SICOM Ltd as at 30 June 2018 is reported as follows:

	As at 30 June 2018
	Rs
Amount recognised in Statement of Financial Position at end of year:	
Defined benefit obligation	2,064,764
Fair value of plan assets	(2,872,344)
year end	(807,580)
Amounts recognised in Income Statement:	
Service cost:	
Current service cost	198,535
Past service cost	-
(Employee contributions)	(118,427)
Fund Expenses	6,711
Net Interest expense/(income)	(48,049)
P & L Charge	38,770
Remeasurement	
Liability (gain)/loss	(42,644)
Assets (gain)/loss	(61,190)
Total Other Comprehensive Income (OCI) recognised	(103,834)
Total	(65,064)
Movements in liability recognised in statement of financial	
At start of year	(525,399)
Amount recognised in P & L	38,770
(Special Contributions)	-
(Contributions paid by employer)	(217,117)
Amount recognised in OCI	(103,834)
At end of year	(807,580)

GAMBLING REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 RETIREMENT BENEFIT OBLIGATION (CONT'D)

	As at 30 June 2018
	Rs
Reconciliation of the present value of defined benefit obligation	
Present value of obligation at start of period	1,790,346
Current service cost	198,535
Interest cost	125,324
(Benefits paid)	(6,797)
Liability (gain)/loss	(42,644)
Present value of obligation at end of period	2,064,764
Reconciliation of fair value of plan assets	
Fair value of plan assets at start of period	2,315,745
Expected return on plan assets	173,373
Employer contributions	217,117
Employee contributions	118,427
Special Contributions	-
(Benefits paid + other outgo)	(13,508)
Asset gain/(loss)	61,190
Fair value of plan assets at end of period	2,872,344
Distribution of plan assets at end of period	
	JUNE 2018
Percentage of assets at end of year	
Fixed Interest securities and cash	59.5%
Loans	3.7%
Local equities	14.6%
Overseas bonds and equities	21.6%
Property	0.6%
Total	100%
Additional disclosure on assets issued or used by the reporting entity	
	JUNE 2018
Percentage of assets at end of year	(%)
Assets held in the entity's own financial instruments	0
Property occupied by the entity	0
Other assets used by the entity	0
Components of the amount recognised in OCI	
	JUNE 2018
Year	
Currency	Rs
Asset experience gain/(loss) during the period	61,190
Liability experience gain/(loss) during the period	42,644
Surplus/(deficit)	103,834
Year	2018/2019
Expected employer contributions	486,810
(Estimate to be reviewed by Gambling Regulatory Authority)	
Weighted average duration of the defined benefit obligation	30 years
(Calculated as a % change in PV of liabilities for a 1% change in discount rate)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 RETIREMENT BENEFIT OBLIGATION (CONT'D)

The plan is exposed to actuarial risks such as: Investment risk, interest rate 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 2018

Discount rate	7.00%
Future salary increases	4.50%
Future pension increases	3.50%
Mortality before retirement	A6770 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 analysis 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 526,691 (increase by Rs 730,531) if all other assumptions were held unchanged.

If the expected salary growth would increase (decrease) by 100 basis point, the defined benefit obligation would increase by Rs 526,466 (decrease by Rs 421,343) if all assumptions were held unchanged.

If life expectancy would increase (decrease) by one year, the defined benefit obligation would increase by Rs 47,519 (decrease by Rs 47,353) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

9 TRADE AND OTHER RECEIVABLES

**As at
30 June 2018
Rs**

Exchange Transactions (Current Asset)

Interest Receivable	69,509
	69,509
Deposit	3,500
Prepayments	129,105
	132,605

Non-Exchange Transactions (Current Asset)

Car Loan (Notes 7)	142,857
Responsible Gambling and Capacity Building Fund	6,581,059
	6,723,916

Non-Exchange Transactions (Non Current Asset)

Car Loan (Notes 7)	428,571
	428,571

10 CASH AND CASH EQUIVALENTS

**As at
30 June 2018
Rs**

Savings A/C	7,130,432
Savings A/C - License	27,151,707
Savings A/C -Deposit	12,358,445
Responsible Gambling and Capacity Building Fund (Notes 20)	117,648,029
Cash in Hand	951
Total	164,289,564

The bank balances comprise cash held by the Authority at the Maubank Ltd and the State Bank of Mauritius Ltd. A difference of Rs 60 was noted in the closing bank balance as at 30 June 2017 and same was adjusted through prior year adjustment in the statement of changes and equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

11 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:-

	As at 30 June 2018 Rs
Opening Balance	2,294,552
Earnings for the year	716,519
Paid to staff	(475,803)
Balance as at 30 June 2018	<u>2,535,268</u>

These obligations are payable as follows:

Current Liabilities

Payable within one year	642,834
-------------------------	---------

Non Current Liabilities

Payable after one year	1,892,434
	<u>2,535,268</u>

12 Reconciliation of previous years financial figures

Adjustments following adoption of IPSAS accruals

Deferred grant:

Short term	1,168,465
Long term	2,562,557
	<u>3,731,022</u>

13 REVENUE

Non - Exchange Transactions

	As at 30 June 2018
Grant received from government	<u>38,000,000</u>

Exchange Transactions

	As at 30 June 2018
Interest received	855,689
Interest receivable	69,509
	925,198
Interest transferred to Consolidated Fund	(590,321)
	334,877
Sundry income	25,970
	<u>360,847</u>

GAMBLING REGULATORY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14 REFUNDABLE GUARANTEE DEPOSITS

Security Deposit in the form of Bank Guarantee for the sum of Rs 143,813,531/- has been furnished by licensees at 30 June 2018.

An amount of Rs 3,219,332/- received in terms of cash, has been included in Accounts Payables as detailed below:

	As at 30 June 2018
	Rs
Balance at 1 July 2017	10,407,015
Deposit Received	3,219,332
less refund of Deposit	(4,256,945)
Balance at 30 June 2018	<u>9,369,402</u>

15 TRADE AND OTHER PAYABLES

	As at 30 June 2018
	Rs
<u>Exchange Transactions</u>	
Payables and Accrued Expenses	1,426,524
Payables - Responsible Gambling and Capacity Building Fund	4,016,484
	<u>5,443,008</u>
<u>Non Exchange Transactions</u>	
Car loan (note 7)	142,857
TDS-MRA	14,510
	<u>157,367</u>

16 OPERATING COSTS

	As at 30 June 2018
Police des Jeux	276,860
Rent of Building & parking slot	5,780,337
Telephone Charges	475,067
Electricity Charges	472,479
Printing and Stationery	292,967
	<u>7,297,710</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

17 STAFF COSTS

As at
30 June 2018

Rs

Social Security Costs	401,158
Salaries, allowances and other staff cost	13,242,340
Employee Benefits obligations	716,519

14,360,017

18 ADMINISTRATIVE EXPENSES

As at
30 June 2018

Rs

Board Members' Fees	3,331,367
Legal Fees	937,388
Postage	46,294
Newspapers & Periodicals	73,850
Press Notice	220,507
Office Supplies and Refreshments	190,076
Cleaning Services	148,200
Repairs & Maintenance	1,112,912
General Expenses	272,512
Bank Charges	3,470
Fuel & Oil, Insurance & Road Tax	129,378
Insurance Personal & Assets	30,989
Overseas Mission	2,230,366
Professional Fees	128,650
Consultancy Fees	1,208,350
Subscription	7,938
Audit Fees	150,000
	10,222,247

19 DEPRECIATION

Depreciation Charge	RATE
Motor Vehicle	0 20%
Furn & Fixtures	281,859 10%
Office Equipment	215,191 20%
Computer Equipment	297,905 33%
Computer Software	69,379 20%
	864,334

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

20 RESPONSIBLE GAMBLING AND CAPACITY BUILDING FUND

The Responsible Gambling and Capacity Building Fund (RGCBF) was set up under the Finance (Miscellaneous Provisions) Act 2016. As per the Finance (Miscellaneous Provisions) Act 2016 the Gambling Regulatory Authority shall set up a Responsible Gambling and Capacity Building Fund:

- (a) into which shall be paid the levy raised from licensees; and
- (b) out of which shall be paid such sums as the Managing Committee may approve for –
 - (i) developing and implementing a responsible gambling programme for the public;
 - (ii) identifying and addressing the ills associated with the gambling industry;
 - (iii) capacity building at the Authority;
 - (iv) ensuring integrity and best practices in the gambling industry;
 - (v) any other purpose as the Board may determine.

As per the Finance (Miscellaneous Provisions) Act 2016:

1. The Responsible Gambling and Capacity Building Fund shall be administered by a Managing Committee which shall consist of a chairperson and not more than 4 other persons, to be appointed by the Board after consultation with the Minister.
2. The Managing Committee shall hold its meetings at such time and place as the Chairperson may determine.
3. The Managing Committee shall regulate its meetings and proceedings in such manner as it may determine.
4. Notwithstanding subsections (2) and (3), the Managing Committee shall, where required by the Minister or Board –
 - (a) furnish information in respect of its activities; and
 - (b) comply with such directions of a general character as the Minister or Board considers necessary in the public interest.

The day to day tasks of the RGCBF are managed by employees of the Gambling Regulatory Authority situated at the 12 floor, Newton Tower, Sir William Newton Street, Port Louis.

The Mauritius Revenue Authority collects levy from licensees and remit same to the Responsible Gambling and Capacity Building Fund. The Mauritius Revenue Authority started to remit levy collected as from October 2016. No separate financial statement is prepared for the Responsible Gambling and Capacity Building Fund and the cash flows related to the fund since October 2016 are included in this financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

20 RESPONSIBLE GAMBLING AND CAPACITY BUILDING FUND (CONTINUED)

Revenue and expenditure for the Responsible Gambling and Capacity Building Fund for year ended 30 June 2018 were as follows:

	Year ended 30 June 2018 Rs
REVENUE	
Non Exchange Transactions	77,768,887
Exchange Transactions	174,780
Total revenue	<u>77,943,667</u>
EXPENDITURE	
Projects costs	5,198,275
Member fees	372,522
Allowances	101,475
Administrative costs	28,238
Contribution to CSR	1,154,047
Finance costs	3,390
	<u>6,857,947</u>
Surplus for the year	<u>71,085,720</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**21 EXPLANATORY NOTES ON DIFFERENCE BETWEEN BUDGET AND ACTUAL EXPENDITURE**

The Authority prepares its budget on a cash basis. A budget for a total amount of Rs 42.6 M was submitted to the Prime Minister's Office. A revised budget of Rs 38 M was subsequently prepared based on ceiling allocated to the Authority. Differences in budget and actual amount are explained below.

- (i) **License Fee**
The difference in actual and budget amount is due to penalty fees paid by licencees. There was also an increase in number of licences issued which lead to increase in licence fees.
- (ii) **Salaries and Compensation**
Provision was made for recruitment of 33 additional officers. However, as at 30 June 2018 only 24 additional recruitment was effected.
- (iii) **Passage Benefits**
Provision was made for passage benefits payable to employees employed on contract. The difference is due to the fact that employees on establishment cashed their accumulated passage benefits during the year.
- (iv) **Gratuity**
Provision of gratuity was made for five Licensing and Inspectorate Officers but contract of one officer was terminated during the year.
- (v) **End of year bonus**
Provision was made for additional recruits which did not materialised. On the other hand most of the recruitments was effected during the third and fourth quarter of the financial year and bonus was paid on prorata basis.
- (vi) **Cash in lieu of leaves**
Provision was made for payment of cash in lieu of leaves to officers in post. The amount was overstated.
- (vii) **Allowances**
Provision was made for allowances payable to officers of Police de Jeux, but payment did not materialise due to administrative issues.
- (viii) **Travelling & Transport**
Provision was made for travelling cost for new recruits which did not materialised.
- (ix) **Overtime**
The increase is because more overtime was performed by the office attendants with regards to renovation of office.
- (x) **Staff welfare**
Provision was made for end of year lunch. Number of attendees was less than forecast.
- (xi) **Pension contributions**
Provision was made for payment of pension contribution for new recruits which did not materialise.
- (xii) **Cost of utilities**
The capacity of ADSL was increased during the year leading to an increase in telephone bills.
- (xiii) **Fuel, Oil, Insurance & Road Tax**
Less fuel was used as officers used their own vehicle for official purpose.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

21 EXPLANATORY NOTES ON DIFFERENCE BETWEEN BUDGET AND ACTUAL EXPENDITURE (CONT.)

(xiv) **Rental of building and parking slots**

Provision was made for additional parking slots which did not materialise.

(xv) **Equipment and furniture**

The offices of the Authority were renovated and new equipment and furnitures were purchased.

(xvi) **Office expenses**

There was an increase due to renovation of offices.

(xvii) **Maintenance**

Actual figure includes cost incurred for renovation of offices. The renovation was necessary so as to accommodate additional staff.

(xviii) **Publications and stationery**

More press notices were placed than budgeted.

(xix) **Overseas expenses**

One board member designated to participate in an overseas mission was unable to proceed for the overseas mission.

(xx) **Board Member Fees**

Mr R. Gulbul resigned as Chairperson in November 2017. Ad-hoc allowances paid to Mr R. Gulbul was not paid to the acting Chairpersons.

(xxi) **Subscriptions**

Payment of subscription was deferred.

(xxii) **Insurance**

Insurance was approved based on lowest quote which was less than budgeted.

(xxiii) **General expenses**

There was an increase in expenses due to renovation of offices.

(xxiv) **Training fees**

Provision was made for training of staff but same was deferred as recruitment was delayed.

(xxv) **Professional charges**

During the year the Board took the decision to conduct an evaluation exercise on rates payable by the MTC for which services of a professional firm was hired.

(xxvi) **Capital expenditure**

Purchase of computers was deferred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

22 LEASE

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.

Operating Lease Arrangements

**As at
30 June 2018**

Rs

Minimum lease payments under operating lease recognised 5,780,337

At Statement of Financial Position date, the Authority has outstanding commitments under non-cancellable operating leases, which fall due as follows:-

- within one year	5,780,328
Later than one year and not more than three years	4,816,940
Total Operating Lease Obligations	<u>10,597,268</u>

Operating lease payments represent rentals payable by the GRA for leasehold of office space and 3 parking slots with effect from 1st April 2017 for a period of 3 years.

23 RELATED PARTY TRANSACTION

For the purpose of these financial statements, parties which are considered to be related to the GRA are the government ministries, public bodies and departments, mostly represented on the Board of the GRA.

For the year ended 30 June 2018 the Authority received grant from the government to the tune of Rs 38 M and fees paid to board members amounted to Rs 3.3 M.

Eligible employees are granted duty free facilities and/or loans for the purchase of car as prescribed in the Pay Research Bureau Report. The details, amounts granted and balances under these loans are given at note number 7. There are no other loans to key management personnel or to other categories of staff.

Following amendments brought to the GRA Act under Finance Act 2016, the Mauritius Revenue Authority effect remittance of 2% levy to the Responsible Gambling & Capacity Building Fund (RGCBF). This Fund is managed by the GRA.