



ANNUAL INTEGRATED REPORT 2022

“Managing during the
COVID 19-Era”.



Casinos



Gambling
machines



Bingo



Betting



Promotional
Competitions



Lottery

“ *The Gambling Authority should facilitate the growth of the gambling and gaming industry in Botswana as an alternative revenue source for the economy, and to diversify from current and largely mineral based revenue earners.* ”

Extract from Minister Kgafela's speech at the farewell event for outgoing CEO, Mr. Thulisizwe W. Johnson.



Minister of Trade and Industry
Honourable Mmusi Kgafela

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Report Submission Letter to the Honourable Minister

Hon. Mmusi Kgafela (M.P)
Minister of Trade and Industry
Private Bag 004
Gaborone

Dear Hon. Minister,

Submission of the Gambling Authority Annual Integrated Report 2022

We are pleased to submit the Gambling Authority (the “Authority”) Annual Integrated Report in accordance with Section 31 of the Gambling Act, 2012 (the “Act”). The report covers the Authority’s performance for the fiscal year 2021/2022 and highlights both our financial and non-financial reporting matters. It also includes the Responsible Gambling Report as required by Section 113 of the Act.

Sincerely,

.....
Mr. Marvin T. Torto
Acting Board Chairperson

.....
Mr. Emolemo Peter Kesitilwe
Acting Chief Executive Officer



ABBREVIATIONS/ ACRONYMS

AML	Anti-Money Laundering	<IR>	Integrated Reporting Framework
ACAMS	Association of Certified Anti- Money Laundering Specialists	IT	Information Technology
ARCO	Audit and Risk Committee	ICT	Information Communication Technology
BAOA	Botswana Accountancy Oversight Authority	IFRS	International Financial Reporting Standards
BAC	Bid Adjudication Charter	IIRC	International Integrated Reporting Council
BEC	Bid Evaluation Charter	KYC	Know Your Customer
BoBS	Botswana Bureau of Standards	MTI	Ministry of Trade and Industry
CAGR	Compound Annual Growth Rate	MoU	Memorandum of Understanding
CBD	Central Business District	N/A	Not Applicable
CDD	Customer Due Diligence	NDP	National Development Plan
CIPA	Companies and Intellectual Property Authority	NGO	Non- Governmental Organisation
COVID19	Corona virus Disease 2019	NLDF	National Lottery Distribution Fund
CFT	Combating the Financing of Terrorism	NSO	National Strategy Office
CPF	Counter Proliferation Financing	OECD	Organization for Economic Cooperation and Development
CSI	Corporate Social Investment	PEEPA	Public Enterprises Evaluation and Privatisation Agency
DCEC	Directorate on Corruption and Economic Crime	PFMA	Public Finance Management Act
DNFBP	Designated Non-Financial Businesses and Professions	PMS	Performance Management System
EDMS	Electronic Document Management System	(PTY) LTD	Proprietary Limited
EGM	Electronic Gaming Machine	REGCO	Regulatory Committee
EGP&R	Excessive Gambling Prevention and Rehabilitation	RFA	Request for Applications
ERTP	Economic Recovery and Transformation Plan	RFAC	Risk, Finance and Audit Committee
FATF	Financial Action Task Force	SaaS	Software as a Service
FC	Financial Capital	SDC	Service Delivery Capital
FI	Financial Institutions	SOE	State Owned Enterprise
FIA	Financial Intelligence Agency	SPESCO	Strategy, Policies, Ethics and Social Committee
F&KIBS	Finance and Knowledge Intensive Business Services	SRC	Stakeholders Relationship Capital
FY	Financial/ Fiscal Year	STM	Suspicious Transaction Monitoring
GA	Gambling Authority	OC	Organisational Capital
G&SC	Governance and Safety Capital	TOR	Terms of Reference
GDP	Gross Domestic Product	UN	United Nations
GGR	Gross Gambling Revenue	VOIP	Voice Over Internet Protocol
HR	Human Resources	VDR	Virtual Data Room
IAGR	International Association of Gaming Regulators		
ICRG	International Cooperation Review Group		
IoDSA	Institute of Directors Southern Africa		
IR	Integrated Reporting		





About the Gambling Authority

The Gambling Authority (the “Authority”) is a body corporate that has been established in terms of the Gambling Act No 7 of 2012. The Authority is charged with regulating the gambling industry in Botswana. The Gambling Act, 2012 commenced fully on 1st April, 2016 thus enabling the Gambling Authority to commence its regulatory function. Prior to April 2016, the gambling industry in Botswana was regulated under the Casino Act and The Lotteries and Betting Act.

Our purpose is to contribute to Botswana’s transformational agenda and socio-economic development by diversifying the gaming industry through developing and implementing a responsive licensing regime and promoting responsible gaming.





OUR BRAND

THE LOGO



The Authority reserves the right to build and enhance their brand identity or corporate image. We have therefore built brand symbols to visually represent the Authority. The brand seeks to bring balance within its operational structure as a regulatory body. The infinity symbol insinuates a balance, with the two parallel lines balancing each other out. The Authority's responsibility is to ensure both a fair and balanced approach and outcome for all licensed brands associated with it, along with the community within which it operates. The Infinity Loop (our symbol) is a mathematical representation of the industry's continuity. It is self-perpetuating and thus sustainable, a key value of the GA. Finding the balance is a key responsibility of the Authority as a regulator. This should capture gambling in all its facets, both as a dangerously addictive form of recreation with numerous positive outcomes in terms of monetary and socio-economic benefits.

Our Logo Explained



A tick or check mark

A check mark or tick is a mark used to indicate the concept "yes" (e.g., "yes, this has been verified")



A cross or X mark

An x mark (also known as a cross, x, ex, mark or into mark) is a mark used to indicate the concept of negation (for example "no, this has not been verified")



An infinity loop

Limitless or endless in space, extent, or size; impossible to measure or calculate. The infinity loop also represents a perfect self-perpetuating balance.





*“Quit while you’re ahead.
All the best gamblers do.”*
Baltasar Gracián Morales

Legislative Mandate

The Authority is regulated under the following laws among others:

- Gambling Act (2012).
- Financial Intelligence Act (2019).
- Citizen Inclusion Act (2021).
- Public Procurement And Asset Disposal Act (2020).
- Financial Reporting Act (2010).

The Gambling Act empowers the Authority:

- To regulate and control all gambling establishments and activities in Botswana;
- To issue, suspend and revoke licences;
- To collect all levies and fees with respect to gambling activities;
- To issue and control the licence to operate the National Lottery in Botswana;
- To evaluate and disburse funds to deserving applicants from the National Lottery Distribution Fund; and
- To ensure that gambling and betting activities are carried out in a responsible manner including mitigating the effects of problem gambling.

The Gambling Act, 2012: <http://gamblingauthority.co.bw/wp-content/uploads/2016/07/gamblingAct.pdf>

Furthermore, the Authority is mandated to issue the following specific gambling Licences:

- Casino;
- Totalizator;
- Bookmakers;
- Betting, including sports betting;
- Racing, including horse racing;
- National Lottery and other types of lotteries; and
- Bingo.





Policy Mandate

The Authority subscribes to and is bound by the following policies amongst others:

- Gaming and Gambling Policy;
- EDD policy
- BWP10m reservation policy for citizens; and the
- Gaming and Gambling Policy for Botswana. (<http://gamblingauthority.co.bw/docs/Gaming-And-Gambling-Policy.pdf>)





OUR COVID RESPONSE



THE GAMBLING AUTHORITY HAS IMPLEMENTED A COUPLE OF INITIATIVES TO RESPOND TO THE COVID19 PANDEMIC

- i. Partnered with a private healthcare provider to amongst others.
 - Manage employee and visitor screening on entry to premises.
 - Manage employee Covid-19 testing.
 - Covid-19 positive case management (monitoring recovery of Covid-19 positive patients and offering advisory services).
 - Staff education on Covid-19 protocols and prevention strategies through healthtalks.
 - Offering psycho-social support to staff to assist them deal with the negative effects of the pandemic.
- ii. Office de-congestion.
 - Authority decided to de-congest the work environment by introducing working from home arrangements such that their office occupancy is always at 50%.
 - Provision of tools to enable work from home arrangements (Laptops and home internet)
- iii. Provision of PPE to all staff including face masks and sanitisers.
- iv. Frequent disinfection of surfaces in the workplace to reduce the risk of infection whilst in the workplace

COVID19 Information and Help

Helpline: 16649 Portal: <https://covid19portal.gov.bw/>





POK





ER





General information

**Postal Address**

Chief Executive Officer
Private Bag BR161
Gaborone

**Physical Address**

Plot 70667
West Wing
Fairscape Precinct
Fairgrounds Office Park
Gaborone

**Telephone**

+267 3957672

**Email**

General Enquiries: info@gamblingauthority.co.bw

Responsible Gambling:

responsible@gamblingauthority.co.bw

Feedback: feedback@gamblingauthority.co.bw

**Auditors**

PWC

**Bankers**

First National Bank of Botswana Limited
Access Bank Botswana Limited
African Alliance Botswana Limited

**Website**

www.gamblingauthority.co.bw

**Facebook**

Botswana Gambling Authority

**Twitter**

@GamblingBW

**Instagram**

@gambling_authority

**LinkedIn**

Botswana Gambling Authority





About the Integrated Report

Audience and Purpose

We strive to contribute to Botswana’s transformational agenda and socio-economic development by diversifying the gaming industry through the development and implementation of a responsive licensing regime and promotion of responsible gaming. This report demonstrates how we leverage the highest standards of corporate governance and capital deployment to improve our stakeholders’ value.

.....
Mr. Marvin T. Torto
Acting Board Chairperson

Reporting Boundary and Scope

Our report covers the financial year from April 01, 2021, to March 31, 2022. It discusses material information intended to provide Stakeholders with insights into the Authority’s operations.

.....
Mr. Emolemo Peter Kesitilwe
Acting Chief Executive Officer

Materiality

A matter is material if it could substantively affect the Authority’s ability to create value in the short, medium or long term. The material matters and their determination criterion can be found on page 40 under Material Matters in 2022.

Reporting Frameworks

Our report has been prepared in accordance with the principles of the International Integrated Reporting (IIR) Framework, the King IV Code on Corporate Governance, the Gambling Act (2012), the Financial Reporting Act (2010) and the International Financial Reporting Standards.

Integrated Report Approval

The Board is responsible for ensuring the integrity and completeness of this report. With the support of the Audit and Risk Committee, the Board collectively assessed the report’s content and believes that it provides a fair and balanced representation of the Authority’s performance and prospects. The Board acknowledges that the report reflects continued improvement towards full compliance with the Framework.

“The report informs our stakeholders of how the Authority’s governance, business model, strategy, performance and outlook create and preserve value in the short, medium and long term.”





Gambling Authority's Response to the IIRC's Framework Objectives

There is a shift from shareholder value to stakeholder value centric models, therefore, financial statements alone are not sufficient as a reporting tool. Stakeholders and investors look beyond the balance sheet to determine an organization's sustainability. This has necessitated integrated thinking and integrated reporting. Integrated thinking looks at how functions operate to create value to impact all stakeholders, and integrated reporting is concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, leads to the creation of value over the short, medium and long term. Therefore, the IIRC's long-term vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by integrated reporting as the corporate reporting norm. The cycle of integrated reporting and thinking results in efficient and productive capital allocation, will act as a force for financial stability and sustainable development. The following are integrated reporting objectives and how the Gambling Authority responds to their realization:

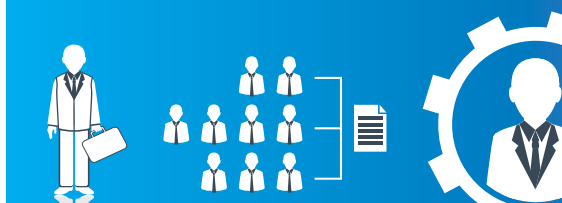
OBJECTIVES	GAMBLING AUTHORITY'S RESPONSE
Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital.	Since 2019 when we adopted elements of integrated reporting, GA has continued to enhance the level of reporting through the adoption of the latest trends in worldwide corporate governance and reporting.
Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting standards and communicates the full range of factors that materially affect the ability of an organization to create value over time.	Material matters have been identified and defined in the report.
Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies.	Our business model is demonstrated in this report; we detailed the interdependencies in our capitals, and these will be monitored going into the future.
Support integrated thinking, decision-making, and actions that focus on the creation of value over the short, medium and long term.	This is work in progress, and we aim to report more concisely on this aspect as the years progress.
To explain to stakeholders how an organisation creates value over time.	Through regular reporting, we aim to demonstrate how we create value. The Authority issues quarterly reports of its performance.



Acting Chairperson's Statement



**Mr. Marvin
T. Torto**
Acting Board
Chairperson



On behalf of the Board, I present the Integrated Report for the period April 2021 to March 2022. In the last report, we presented a gloomy outlook owing to the global Covid-19 pandemic that was ravaging lives, business and livelihoods. Our industry was not spared, however the Authority and the industry it regulates showed resilience and stayed afloat. This was mainly due to our decisiveness and the strategic interventions we employed. We are happy to report that the gambling and gaming industry is showing signs of recovery post Covid-19. This report discusses this recovery in more detail along with other activities carried out during the period under review.

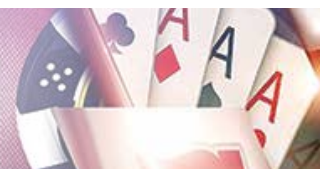
The New Strategy

The current reporting period marks the last year of the Authority's Strategic Plan 2017 – 2022. The Board had started the process to formulate a new strategic plan but paused to allow for the ongoing rationalization of Botswana Government's ministries. The process will resume after the ministry's rationalization process. Meanwhile, the Authority will be guided by the current strategic foundations.

Licensing

During the period under review, we experienced challenges with the licensing programme. Key challenges included lack of funding due to delays in the establishment of the Gambling Levy Fund and the revision of the Gambling Act to fill some loopholes as well as delays in the award of the National Lottery license due to litigation. Some awarded licences are yet to begin operation due to Covid 19 disruptions. The Authority is engaging with stakeholders including the parent Ministry to resolve these issues.





Acting Chairperson's Statement (continued)

Governance

During the year under review, the Board fulfilled all its responsibilities including strategic leadership, Board performance evaluation, effective Audit Committee oversight, external audit, management of risk through the Enterprise Risk Management Framework, and monitoring compliance. Notable successes include the Shareholder Compact, Responsible Gaming Framework, budget forecast and Gambling Prevalence Research. The Board has performed well on all evaluation variables including Board activity, governance, meetings, administration, and staff support. Individual members of the Board also performed very well on various performance indicators.

Integrated Thinking and Reporting

The current Integrated Report is the Authority's third since we adopted IIRC's Integrated Thinking and Reporting Model. We continue to make good progress in the adoption of the integrated thinking and reporting governance model, the OECD Principles on Corporate Governance and King IV Code on Corporate Governance. These models seek to improve ways of working, governance and reporting frameworks. Using frameworks and tools such as risk management and combined assurance, the Authority has tailored and deployed five capitals to achieve its mandate and deliver value. This report will demonstrate how we deployed our capitals to create value in line with our mandate as the gambling regulator in Botswana.

Notable Events

The Authority continues to work towards the award of the National Lottery Licence with the new preferred applicant (former reserve applicant). Failed negotiations with the initial Preferred Bidder led to litigation and appeals to the Minister. Once the matter is resolved, the Authority will announce the award of the license.

The Authority continues to engage with its parent Ministry to expedite interventions necessitated by operational challenges it has encountered. These interventions include the review of both the Gambling Act and regulations governing its operations.

The Authority extracted and created optimum value from deploying its five capitals of the integrated thinking model. This value, including lost value, is demonstrated throughout this report.

Financial Report

Our FY2021/2022 audited financial statements form part of this report and they show that we utilise our finances in an accountable manner. The report will show that the Authority received a clean audit.

Appreciation and Conclusion

I thank the Minister and the Assistant Minister at our parent Ministry, and management and the team at the Gambling Authority for their support and guidance. I thank the parastatals in our Ministry for their support too. We are indebted to stakeholders even outside the Ministry for giving us support and assistance when we needed it. I commend and thank our licensees for their support and cooperation.

Mr. Marvin T. Torto
Acting Board Chairperson





“Using frameworks and tools such as risk management and combined assurance, the Authority has tailored and deployed five capitals to achieve its mandate and deliver value.”





Acting Chief Executive Officer's Statement



**Mr. Emolemo
Peter
Kesitilwe**

**Acting Chief
Executive Officer**



I am happy to report on the Authority's activities for the fiscal year 2021/2022. This marks our third Integrated Report since we adopted Integrated Thinking and Reporting in 2020.

Integrated Thinking and the New Strategic Plan

With the current shift from shareholder value to stakeholder value-centric models for sustainability, the Authority looks at how its functions operate to create value to impact all stakeholders. We review, at every reporting period, how our strategy, governance, performance, and prospects, in the context of our external environment, lead to the creation of value over the short, medium, and long term. This cycle of integrated reporting and thinking underpins our capital allocation for financial stability and sustainable development. The current reporting period marks the last year of implementation of the Authority's Strategic Plan 2017 - 2022. This provides an opportunity to align the yet-to-be-formulated strategy to the GA's five capitals of Integrated Thinking. The Board awaits the ongoing Government ministry rationalization exercise to come to an end so as to resume the strategic plan formulation process.

Aligning our Strategy to the National Transformation Agenda and Vision 2036

The Authority as a responsible corporate citizen contributes to Botswana's developmental aspirations. The just expired strategic plan was formulated just after the launch of the National Vision 2036 whose key aspiration is to elevate Botswana from an upper middle income to a high-earning economy. This is to be realised through an economy that is diversified, competitive, private sector led, and with sustainable business opportunities. Among the key





Acting Chief Executive Officer's Statement (continued)

priority areas of the Vision is to develop diversified sources of economic growth, including gaming tourism. The Board and stakeholders will be cognisant of these aspirations in formulating the Authority's new strategic plan.

Performance against Strategic Objectives

The following strategic objectives guided the implementation of the just-ended plan:

1. To drive financial sustainability;
2. To create a diversified gaming industry;
3. To engage stakeholders;
4. To attract and retain a competent workforce; and
5. To enhance employee skills and capabilities.

The following paragraphs highlight performance against these objectives. A detailed account is contained in subsequent sections of the report:

To drive financial sustainability - Our income for the period under review still shows a worrying trend where 88% of the Authority's income comes from government's subvention. We are working to diversify revenue sources to reverse this trend. The trend shows as a significant risk and a material issue as government disbursed a reduced subvention owing to its financial challenges.

To attract and retain a competent workforce and to enhance employee skills and capabilities - Of the 57 approved positions, 40 are occupied which leaves a vacancy rate of 17. The Authority is at different levels in the hiring process for the vacant positions. The Authority continues in its human capital development endeavours. Staff have attended various trainings during the reporting period.

To engage stakeholders - We continue to engage stakeholders, principally our parent

Ministry, to resolve challenges we face that hinder value creation. Key among these are: the new Board-approved Organisation and Salary Structure; the Gambling Levy Fund Order; the National Lottery Distribution Fund; and proposed amendments to the Gambling Act. The latter issue is of material significance as loopholes open up the Authority for litigation which delays service provision.

To create a diversified gaming industry - The Board chairperson has alluded to this and it has also been referenced above. We experienced challenges with the licensing service where loopholes in the Gambling Act led to litigation thereby causing delays in the award of the National Lottery license.

The Future Ahead

Overdependence on government subvention is an issue of material significance. The Authority is working to expedite diversification of revenue streams. This will be captured as a matter of interest in the upcoming strategic planning exercise. Various opportunities exist to diversify income streams. The fact that the gambling and gaming industry in Botswana is still at a nascent stage offers a lot of growth potential which can be monetized.

Gratitude

I thank my colleagues at the Authority for their hard work and responsiveness to the challenges we face. I thank the Board for their support always, and operators and suppliers for walking this journey with us. I thank the Minister, Permanent Secretary, the leadership of MTI and other Ministries for the support they give us always.

Mr. Emolemo Peter Kesitilwe
Acting Chief Executive Officer





Governance

*“Good Governance
cannot remain merely
a philosophy. Concrete
steps have to be taken
for realizing its goals.”
Narendra Modi*





Board of Directors



Blessed S. Monyatsi was the Chairperson of the Board. He is the Head of New Projects at ACHAP and he is a Social Development, Health and Administration expert with special skills in development and management of health programs. He holds a Master of Business Administration and a Master of Development Studies both from the University of Botswana. Mr Monyatsi's term of office ended on 31st May 2022.



Marvin T. Torto is the Acting Board Chairperson. He is the Managing Partner of the law firm Salbany Torto Attorneys. He holds a Bachelor of Laws Degree (University of Botswana) and is admitted to practice as a Conveyancer, Notary Public and Attorney in the Courts of Botswana. He has extensive experience in Property Law and Conveyancing, Corporate/Commercial Work, Litigation and Debt Recovery. Further to this, during his tenure with Bayford & Associates Mr. Torto gained considerable experience in criminal litigation and trial conduct. Mr Torto is the Vice Chairperson of the Board and amongst his roles is acting for the Chairperson in his absence.



Rosinah Bontsi is the former Director of the Economic Diversification Drive Unit, in the Ministry of Trade and Industry, a position she has occupied since 2016. She was nominated by the Minister responsible for Trade and Industry in accordance with Section 7 of the Gambling Act. Previously she was Director of the Department of Trade and Consumer Affairs in the same Ministry. Ms. Bontsi holds a BA (Economics and Administration) from the University of Botswana. Ms Bontsi has retired from public service but remains a member of the Board.



Arabang Kanego, was the Deputy Director of the Department of Tourism. She was nominated by the Minister responsible for Environment, Wildlife and Tourism in accordance with Section 7 of the Act. Ms. Kanego held an MSc in Advanced Professional Studies from the University of Strathclyde and a BA in Environmental Science and Theology from the University of Botswana. Sadly, she passed away on 1st September 2021.



Itumeleng Mareko was nominated by the Minister responsible for Finance in line with Section 7 of the Gambling Act. Ms Mareko is the of Director of Finance and Banking Unit. Her responsibilities include review of legislation/regulations governing banks and non-bank financial institutions in order to incorporate new developments in the financial sector. Other responsibilities include anti-money laundering and combating the financing of terrorism. She holds a M.Com (Accounting and Finance) from Macquarie University in Australia and a BA (Economics and Accounting) from the University of Botswana.



Mmakome F. Masendu is retired. Before, she held the position of Chief Commercial Officer at the Ministry of Trade and Industry. He role included overseeing the activities of the Liquor Licensing, Trade Licensing and the Gaming and Gambling Divisions. She holds a Diploma in Trade Policy from Switzerland and a Bachelor of Commerce from the University of Botswana.



Eunice N. Mmono is the Director of Town and Country Planning and was nominated by the Minister responsible for Land Management, Water Management and Sanitation Services. She holds a Master of Science in Urban Planning (Oxford Brooks University in the UK). Her term of office expired on the 31st May 2022.



Thulisizwe W. Johnson was the Chief Executive Officer of the Gambling Authority. He has a distinguished career having led the National Development Bank, Metropolitan Life Botswana, Brizant (Pty) Limited and Barclays Bank of Botswana. Mr. Johnson holds a Master of Science in Management from Hult University in the USA and he majored in Finance. He also holds a Bachelor of Arts in Economics from the University of Botswana. Mr. Johnson's term of office ended on 31st May 2022. Mr. Kesitilwe acts in this position.





Co-Opted Committee Members



Dr. Kgomotso Jongman (Regulatory Committee member) is a Lecturer in Social Work at the University of Botswana. He has an illustrious career in the counselling field in Botswana, having worked for various organisations including Government and civil society organisations. Dr Jongman holds a Bachelor's degree in Social Work and a Masters in Social Work both from the University of Botswana. He also holds a Ph.D in Social Work and Social Development from Stellenbosch University. Dr Jongman's research interests lie in youth development and their psychological and social development. He also has a keen interest in counselling.



Mr Setlhalefi Motshegwa (Audit and Risk Committee member) has consulted extensively in company financial and management accounting, business management and development, project appraisal and tax advisory. He holds an MBA from the University of Central England, a B. Comm (Accounting) from the University of Botswana and an ACCA. Mr. Motshegwa is a Fellow Certified Chartered Accountant (FCCA) and Fellow Chartered Professional Accountant (FCPA).



Ms Boitumelo Vavani (Regulatory Committee member) lectures Psychology at the University of Botswana. She also provides counselling services at the University's Psychology Clinic. She was previously employed as a consultant at the Tara H Moross Mental Hospital in Johannesburg, South Africa. She is a graduate of the University of Witwatersrand, MA (Clinical Psychology), and University of Botswana (Bachelor of Psychology).



Ms Mmametsi Setlhare (Audit and Risk Committee member) holds a BCom in Accounting and is a member of the Chartered Institute of Management Accountants (CIMA) where she is a Fellow Chartered Management Accountant (FCMA, CGMA). Other memberships include the Institute of Internal Auditors, the Institute of Directors (South Africa) (IoDSA), and the Information Systems Auditors & Control Association (ISACA). Currently the Head of Audit Services at Debswana Diamond Company, Ms Setlhare is a seasoned Internal Audit Practitioner with more than 27 years' experience at Senior and Executive Management level. Her focus is on delivering and transforming Internal Audit and Risk management functions to adopt leading and world class practices. She is an experienced Board member, having served in various sectors, working with large multinational and global organisations, state owned enterprises, the private sector, and financial institutions.



Executive Management



Mr Thulisizwe W. Johnson
Former Chief Executive Officer

- Overall Strategic Direction
- Authority's long and short term plan
- Leading and motivating a high performing organisation
- Overseeing all operations and organisation activities



Mr Potlako Mawande
Chief Operations Officer

- Licensing
- Compliance
- Monitoring
- Investigations



Mr Emolemo P. Kesitilwe
Chief Finance Officer (Now Acting CEO)

- Finance
- Administration
- HR Management
- Information Technology
- Procurement



Mrs Chandida Masomosomo
Chief Legal Officer

- Legal Advice
- Litigation
- Due Diligence
- Negotiation and drafting of contracts



Mr Mbatl Lebang,
Chief Internal Auditor

- Internal Audit
- Risk Management
- Combined Assurance
- Internal control



Mr Moruntshi Kemorwale
Chief of Staff

- Public Affairs
- Corporate Affairs
- Research Coordination
- Corporate Strategy
- Responsible Gambling



Mr Joseph M. Matome
Board Secretary

- Corporate Governance
- Governance Compliance (Statutory and Voluntary)
- Board Meeting Secretarial Services
- Integrated Thinking and Governance





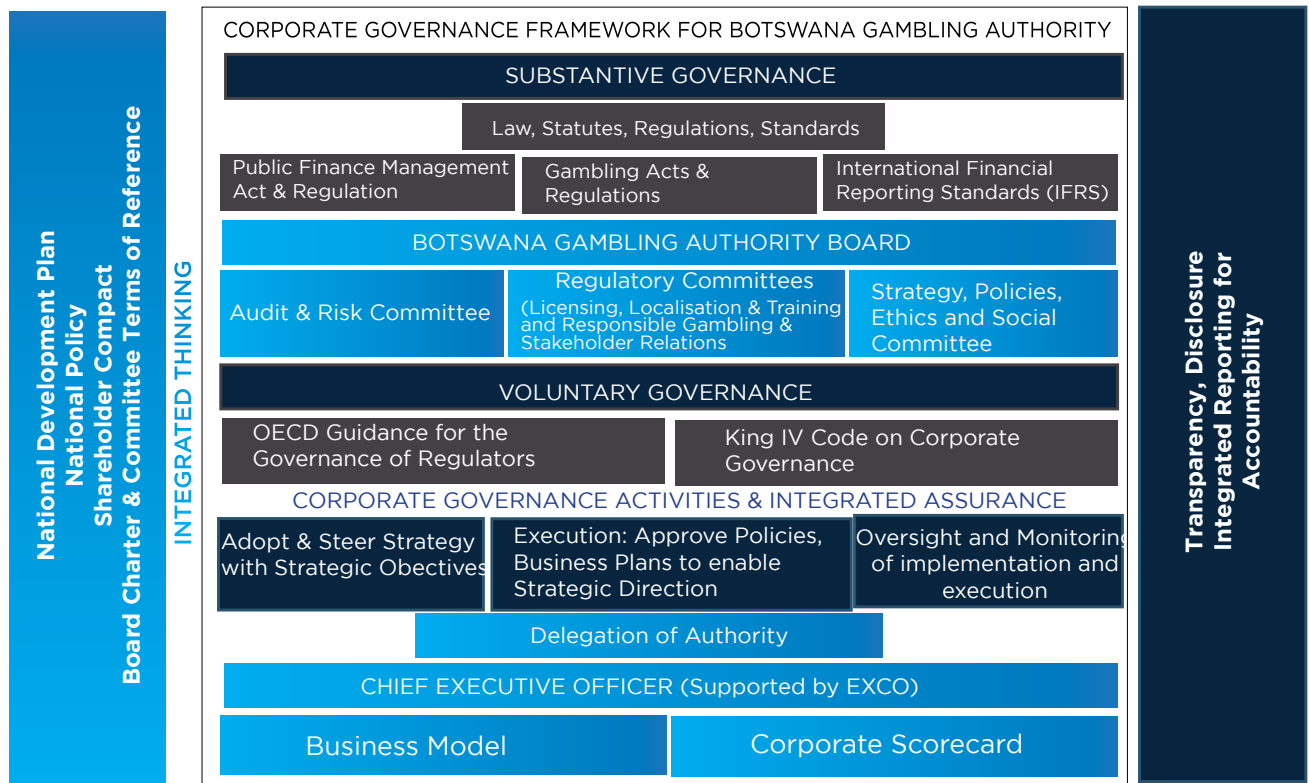
Integrated Governance Framework

Governance is not only about compliance but is also a tool for the achievement of our mandate, as well as our responsibility to all our stakeholders (stakeholder inclusivity) as demonstrated by integrated thinking and reporting.

Our governance checks and balances include a Combined Assurance Model which includes Policies and Procedures (approved and monitored by the Board), Internal and External Audit, Finance, Operations, Stakeholder Management as well as Legal and Board Secretarial functions. The model gives assurance on compliance with relevant laws (e.g. Gambling Act), governance principles (King IV), financial principles (IFRS, etc.), shareholder expectations (Shareholder Compact), and stakeholder expectations (Stakeholder engagement and responses thereto).

Our corporate governance enables:

- Diverse opinions and competencies at the Board level to improve decision-making;
- Risk evaluation and controls;
- Improved integrated reporting to our stakeholders; and
- Prioritized stakeholder engagements.



© Adapted from "The Governance Framework", Peter Goss (Pty) Ltd





Integrated Governance, Thinking and Reporting

Much of the intended Integrated Governance Framework has been accomplished.

The Framework acknowledges that the primary level of government is compulsory statutory governance supported by the voluntary codes of governance.

The voluntary codes include the King Code (King IV in our case) advocated for by BAOA and to this, we have added the OECD guidance for the governance of regulators like the Gambling Authority.

Underpinning these are the governance structures of the Authority which include the Board and its committees, corporate governance activities, and the Integrated Combined Assurance Model.

The new Board committee terms of reference have been implemented with new focused agendas that enable the Board and its committees to carry out monitoring and oversight over the Authority.

The Board, during the 2020-2021 financial year approved the replacement of the previous six (6) committees with the following three (3):

- Audit and Risk Committee – ARCo - (Financial Capital and Organisational Capital, Governance and Safety Capital)
- Regulatory – REGCo - (Service Delivery Capital and Stakeholder Relations Capital – incorporating committees required by the Act)
- Strategy, Policies, Ethics and Social – SPESCo - (Organisational Capital and Stakeholder Capital)

The new committees incorporate statutory committees which address responsible gambling and training, and localisation in the industry. The outcome of this on Governance and Safety Capital has been shorter more focused and therefore more

productive meetings. This resulted in better focus on oversight and monitoring of strategic and material matters and better, more robust, and faster decision-making. This will continue to build trust from our external and internal stakeholders.

The Shareholder Compact which defines the relationship between the Authority (Board and management) and the Shareholder (Government represented by MTI) was signed with new or enhanced clauses. These relate to the frequency of meetings between the Chairperson of the Board and the Minister of our host Ministry, MTI, and the involvement of the Board in the appointment process for new Board members; to indicate skills required and influence balance in the Board.

The outcomes and impact of this new Compact are yet to be measured. This, if implemented properly, should facilitate quick responses from our shareholder on matters such as approval of the revised Gambling Act, the new Organisational Structure, and the Fund Orders we seek to provide for financial sustainability, transparency, trust, and a full and balanced Board and subcommittee structures for even better governance.

The following activities remained for completion of the framework at the end of the year under review:

1. Delegation of Authority Policy and matrix (Due in December 2022).
2. Performance Management System cascading to Exco and then all staff (March 2022)
3. Approval of the Organisational Structure by the Shareholder (Government).
4. Fourth version of the Integrated Report (October 2022).





Governance Report

Roles and responsibilities of the Board

According to both King IV Report and the Gambling Act, the Board has a responsibility to determine the policy regarding gambling in Botswana and to oversee the performance of the Authority. Members should assume collective responsibility for setting the Authority's direction, approving policies and plans, oversee implementation by management, and ensure accountability for the Authority's performance. During the year under review, the Board fulfilled all of these responsibilities including strategic leadership, ensuring appropriate composition of the Board, induction of Directors, Board performance evaluation, effective Audit Committee oversight, external audit, management of risk through the Enterprise Risk Management Framework and monitoring compliance.

Board Composition

Both the King IV and the Act stipulate a good balance of skills and competencies in the Board. Nine members will constitute the board with four being independent, four being nominated by Ministers responsible for various Ministries, and one - the CEO - being ex-officio full member of the Board.

Furthermore the Board has eight (8) non-executive members and one (1) executive member (ex-officio) being the CEO.

Of the 9 positions, two were vacant at the end of the year under review leaving a total of 7 members active (quorum is 4). Replacement requests were made to the Honourable Minister of MTI (The appointing officer as per the Gambling Act).

Four out of the Seven are female and their tenure is as follows; 1 for 8 years (executive Board member); 1 for six (6) years; 1 for five (5) years; 3 for three (3) years; this provided for good continuity and retention of institutional knowledge.

Members

NAME	POSITION	APPOINTMENT DATE	END DATE	RENEWAL DATE
B S Monyatsi (Mr)	Chairperson	01/06/2016	31/05/2022	-
M T Torto (Mr)	Vice Chairperson	01/12/2019	31/05/2022	30/11/2022
T Johnson (Mr)	Chief Executive	01/06/2014	30/11/2021	-
R Bontsi (Ms)	Member	01/09/2018	31/10/2023	30/04/2023
A Kanego (Ms)	Member	01/06/2016	01/09/2021	Deceased
I Mareko (Ms)	Member	01/06/2019	31/05/2022	30/11/2021
M F Masendu (Ms)	Member	01/05/2017	28/02/2023	-
E N Mmono (Ms)	Member	01/06/2019	31/05/2022	-

Board Goals for the Year under Review (Board Meetings)

Twelve Board meetings were held in line with budgeted expectations along with supporting committee meetings where appropriate. Meeting outputs and resultant outcomes are as follows:



1. Licence renewals;
2. Information and Technology (I & T) Strategy approval;
3. Responsible Gambling Research report consideration and Responsible Gambling Strategy approval; and
4. First ever Half Year Integrated Report approval and authorisation for publication.

Board Goals for the Year under Review (Board Meetings)

Task	Status
Corporate Strategy/Scorecard Measures and Metrics for Approval	Done
Board Annual Plan 2021/2 for Approval	Done
Budget 2021/2022 For Approval	Done
Shareholder Compact	Done
Board Annual Evaluation and Assessment 2020/2021	Done
Chief Executive Officer Annual Performance Assessment 2020/2021 (April 2021)	Done
Annual Financial Statements 2020 for Approval	Done
Annual Integrated Report for Approval	Done
Governance Review – Revised Board Charter for Approval – 2022-2023	Outstanding
Governance Review – Delegation of Authority Policy and Matrix for Approval – 2022-2023	Outstanding
Responsible Gaming Guidelines and Framework	Done
Approve RFAs for other Licence Types – 2022-2023	Outstanding
Annual Report Delivery to Government (30th September)	Done
Annual Budget Estimates and Three-Year Forecast	Done
Approval Unaudited Half Year Integrated Report (Paperless)	Done
QMS ISO 9000 Certification Confirmed – 2022-2023	In Progress
Gambling Prevalence Research Report	Done
Gambling Prevalence Supplementary Research – 2022-2023	In Progress
New Strategy 2022-2027 – Five-Year Strategy (2022-2027) for Approval - 2022-2023	In Progress
Board Secretary Appointment – For Approval – 2022/2023	In Progress
Corporate Scorecard 2022/3 for Approval	Done
Board Annual Plan 2022/3 for Approval	Done
Budget 2022/3 For Approval – Post February 2022 Budget Speech	Done
Implementation of new Organisation Structure	Outstanding
Implementation of changes to Gambling Act and Regulations	Outstanding
Half Year Integrated Report Implemented	Done
Performance Management System Implemented	In Progress
Committee Level Board Evaluation Implemented	Done
Award National Lottery Licence	In Progress
Award two (2) Sports Betting (Other) Licences – 2022-2023	Outstanding
Responsible Gaming Guidelines and Framework Published	Done
Chairpersons IoDSA Course – 2022-2023 budget – Funds Approved	Outstanding
Audit and Risk Committee (Arco) Risk Oversight Training to be completed in 2022-2023	Outstanding
Board Members to attend at least one Board Development/Training Course 2022-2023 budget – Funds Approved	Outstanding
At least 2 Board or Board Committee/Management Members to achieve Certified Board Member Status – Board Secretary Now a Certified Director, post year end (June 2022)	In Progress
ALL Board Members to attend Two Annual Induction/Re-induction Workshops	In Progress





There was 90% attendance per member for scheduled Board and committee meetings. No meetings were postponed due to non-attendance.

Board Committees

The Board continued with the three committees approved during the previous financial year. Below are the three committees:

- Audit and Risk Committee – ARCo - (Financial Capital and Organisational Capital, Governance and Safety Capital)
- Regulatory – REGCo - (Service Delivery Capital and Stakeholder Relations Capital – incorporating committees required by the Act)
- Strategy, Policies, Ethics, and Social – SPESCo - (Organisational Capital and Stakeholder Capital)

The new Committees incorporate the statutory committees addressing responsible gambling as well as training and localization in the industry.

AUDIT and RISK COMMITTEE (ARCO)

Purpose

The Audit and Risk Committee (ARCO) is formed under section 13 of the Gambling Act, which provides for the establishment of, and delegation of powers, roles and responsibilities to Board committees. ARCO is the Board's committee entrusted with providing independent monitoring and oversight of the effectiveness of specific Board assurance functions provided by external auditors, internal audit, risk management, finance function and combined assurance.

ARCO terms of reference set out how the Board provides stakeholders and users of the Annual Financial Statements, users of the Integrated Annual Report and users of any other external reports issued by the Board with the following important information that enables assessment of the Authority's performance. It offers appraisal of the external auditor's viewpoint on areas of significance identified during the audit, while being the intermediary between external auditors and internal auditors, other combined assurance providers and top management. ARCO supports the Board by satisfying itself about how significant findings, made by assurance providers, were addressed by management.

ARCO has no executive powers with regards to its work. The committee is responsible for oversight, supervision and monitoring.

ARCO has the following powers delegated to it by the Board:

- (a) To recommend appointment of the Chief Internal Auditor.
- (b) To approve the Internal Audit Plan
- (c) To approve the Audit Closeout Letter
- (d) To note and approve Liquidity and Financial Sustainability reports.

Board Charter

The new Board committee terms of reference have been implemented with the new focused agendas that enable the Board and committees to carry out monitoring and oversight over the Authority.



Members (7)

NAME	POSITION	APPOINTMENT REAPPOINT DATE)	END DATE	RENEWAL DATE
I Mareko (Ms)	Chairperson	04/12/2020	01/09/2021	30/11/2021
A Kanego (Ms)	Member	04/12/2020	01/09/2021	Deceased
M F Masendu (Ms)	Member	04/12/2020	28/02/2023	31/08/2022
S Motshegwa (Mr)	Member	04/12/2020	30/04/2024	30/04/2024
M Setlhare (Ms)	Member	04/12/2020	03/12/2023	30/06/2023

REGULATORY COMMITTEE (REGCO)

Purpose

The Regulatory Committee (REGCO) is formed under section 13 the Gambling Act which provides for the establishment of, and delegation of powers, roles and responsibilities to Board Committees.

REGCO is the Board committee entrusted with providing independent monitoring and oversight in relation to regulatory compliance regarding inter alia licensing and monitoring of gambling establishments and activities, compliance with license conditions for all licensees, licensing of employees in the gambling industry, licensee's conduct of their business in a compliant manner.

REGCO's responsibility includes the oversight and monitoring in relation to the following:

- i. Recommending to the Board for approval, policy proposals and strategies for the regulation of the gaming industry in Botswana.
- ii. Receipt of reports on the licenses considered by the Authority and all outcomes.
- iii. Compliance and monitoring activities in relation to licenses issued, industry technology compliance, licensing, localization, training and actions that may have been taken by management.

REGCO has the following powers delegated to it by the Board:

- i. To approve the annual statutory Responsible Gambling Report and submit the report to the Minister of Trade and Industry as per section 113 of the Gambling Act.
- ii. To approve and review the effectiveness of the annual stakeholder engagement plan.
- iii. To approve the annual licensing program and review progress against the plan.
- iv. To approve the compliance monitoring program and to receive exceptions reports related thereto.





Members (7)

NAME	POSITION	APPOINTMENT REAPPOINT DATE)	END DATE	RENEWAL DATE
M T Torto (Mr)	Chairperson	04/12/2020	30/11/2022	31/05/2022
T W Johnson (Mr)	Member	04/12/2020	31/05/2022	30/11/2021
R Bontsi (Ms)	Member	04/12/2020	31-10-2023	30/04/2023
I Mareko (Ms)	Member	04/12/2020	31/05/2022	30/11/2021
E N Mmono (Ms)	Member	04/12/2020	31/05/2022	30/11/2021
K Jongman (Mr)	Member	04/12/2020	26/02/2023	25/08/2022
B Vavani (Ms)	Member	04/12/2020	26/02/2023	25/08/2022

STRATEGY, POLICIES, ETHICS AND SOCIAL COMMITTEE (SPESCO)

Composition and Attendance

The Strategy, Policies, Ethics and Social Committee (SPESCO) is formed under section 13 the Gambling Act which provides for the establishment of, and delegation of powers, roles and responsibilities to Board committees.

SPESCO is the Board committee entrusted with providing independent supervision, monitoring and oversight of the Board's commitment to promoting an ethical culture, corporate citizenship and remuneration policy.

Furthermore, SPESCO is responsible for oversight, supervision and monitoring in relation to implementation of the following:

- a) Corporate Strategy.
- b) Corporate Policy.
- c) Human Resource Planning and Succession.
- d) Remuneration Policy.
- e) Social and Ethics Strategy and Policy.
- f) Stakeholder Relationship Strategy and Policy.
- g) Information and Technology Policy and Governance.

NAME	POSITION	APPOINTMENT REAPPOINT DATE)	END DATE	RENEWAL DATE
E N Mmono (Ms)	Chairperson	04/12/2020	31/05/2022	30/11/2021
R Bontsi (Ms)	Member	04/12/2020	31-10-2023	30/04/2023
A Kanego (Ms)	Member	04/12/2020	01/09/2021	Deceased
M F Masendu (Ms)	Member	04/12/2020	28/02/2023	31/08/2022
M T Torto (Mr)	Member	04/12/2020	30/11/2022	31/05/2022



Shareholder Compact

The Shareholder Compact defining the relationship between the Authority (Board and Management) and the Shareholder (Government represented by MTI) has been signed with new or enhanced clauses relating to the frequency of meetings between the chairperson of the Board and The Minister of our Host Ministry, MTI. The outcomes and impact of this new compact are yet to be measured. Upon full implementation, the Compact should facilitate speedy responses from our shareholder on critical matters.

Board Remuneration

Board Member Remuneration	
BOARD FEE TOTALS	
The financial year 2021-2022	
Board meetings	142 650.00
Board Training & Retreat	74 250.00
SPESco	45 900.00
REMco	22 050.00
ARco	43 200.00
REGco	37 800.00
TOTAL	365 850.00
Budget	492 750.00





Board Evaluation - 2020/2021

Group Evaluation

The Board scored high on Board activity (4.61/5.00.) This covers: Board assignments for members (4.8/5.00); Board adhering to policy on term limits for members (5.00/5.00). The lowest score was for nomination and appointment of Board members following established procedures and using known criteria (4.2/5.00). This area is being addressed in the new Shareholder Compact signed late in the 2021.

The Board scored moderately high on Governance (4.35/5.00). This covers such areas as the Board having adequate agendas and minutes (4.5/5.00) and adequate committee structures (4.5/5.00). The lowest scores were for various reports provided by Management being adequate for effective Board Governance and decision making (4.2/5.00), and Board not addressing issues of substance (4.2/5.00). These areas are being addressed by introducing internal quarterly as well as externally published half-yearly integrated reporting from 2021-2022.

The Board scored moderately high on Board Meetings (4.2/5.00). This covers areas such as the Board meetings being long enough to accomplish the Board's work (4.8/5.00) and the lowest being Board members' full and positive participation in meetings (4.2/5.00).

The Board scored moderately high on Board membership (3.83/5.00). This covers areas such as the Board size being adequate to effectively govern the organization and having a good range of talents and experience (4.5/5.00). The lowest scored were for diversity of the Board (3.7/5.00), and the annual review of members' performance (3.7/5.00). These areas are being addressed by a proposed

budget for a three-yearly independent Board and Board Evaluation process for the 2022-2023 financial year. This is subject to authorisation as there are challenges with reduced subvention in 2022-2023.

The Board scored high on Administration and Staff Support (4.47/5.00). This covers areas such as staff support during and after meetings (4.7/5.00) and the strength of communication between the Board and Staff (4.2/5.00).

Member Evaluation by Members

Board members generally scored high (between 4 and 5) when evaluated by their peers. The average score was 4.33/5.00. A training organized for the Board did not take place due to Covid-19 restrictions and budgetary constraints during the year under review. This area is being addressed in 2022-2023 with a budget proposed, which is still subject to authorisation as there are challenges with reduced subvention in 2022-2023.

Chairperson Evaluation by Members

The Board Evaluation scored the Board Chairperson's performance high, especially his contribution to the Authority and allowing appropriate time for discussions within the Board.



“
*Hoping to recoup
is what ruins the
gambler.*”

Irish Proverb





Material Matters in 2022

*"Materiality involves disclosure of information about matters that substantively affect the organization's ability to create value over the short, medium and long term."
International Integrated Reporting Council*







Material Matters in 2022

The following items have been identified as significant and had impacted or have the potential to impact the value creation process of the Authority. The Authority has adopted integrated risk management and a combined assurance approach which leverages the combined efforts from different assurance providers such as risk managers, external auditors, internal auditors, and other specialists. The concerted efforts from this varied pool of

expertise assist with the implementation of a coordinated approach to identifying, quantifying, and developing appropriate mitigation strategies that will reduce risk exposure to tolerable levels. Factors identified through this approach and regarded as having high residual risk make the material matters for that reporting period. The following risk factors have been identified as having material significance.

Risk	Strategic Objective Impacted	Mitigation Effort
Delays in licensing due to legal challenges. Additionally there are insufficient funds to fund litigation.	Create a diversified gambling industry.	The Authority improved its process documentation. It has proposed amendment to the Gambling Act to address numerous gaps and deficiencies to enhance the regulatory function. Finally, the Authority has prioritised adequate budget provision to finance litigation.
Cyber security threats to information systems and cloud computing.	Create a diversified gambling industry.	The Authority has put in place and implements a Cyber Security Management Plan. Cloud hosting service providers and other stakeholders contributed ideas during the process of making the management plan.
Poor perception of gambling	Create a diversified gambling industry.	The Authority has developed and implements a Responsible Gambling Program. Staff has been recruited for the program and research has been conducted to provide baseline data on problem gambling prevalence, and to inform interventions going forward.
Overdependence on government subvention for operational expenses	Drive financial sustainability	The Authority continues to explore efforts to diversify revenue sources.
Covid 19 Pandemic	Drive financial sustainability	95% of staff is fully vaccinated. The Authority continues to work with a private medical contractor, Storkfort Health, to facilitate booster shots for the remaining members of staff who did not receive vaccination.



Our Business Model and how we Deploy Capitals

“ To competently perform rectifying security service, two critical incident response elements are necessary: information and organization. ”

Robert E. Davis

SCANNING... 

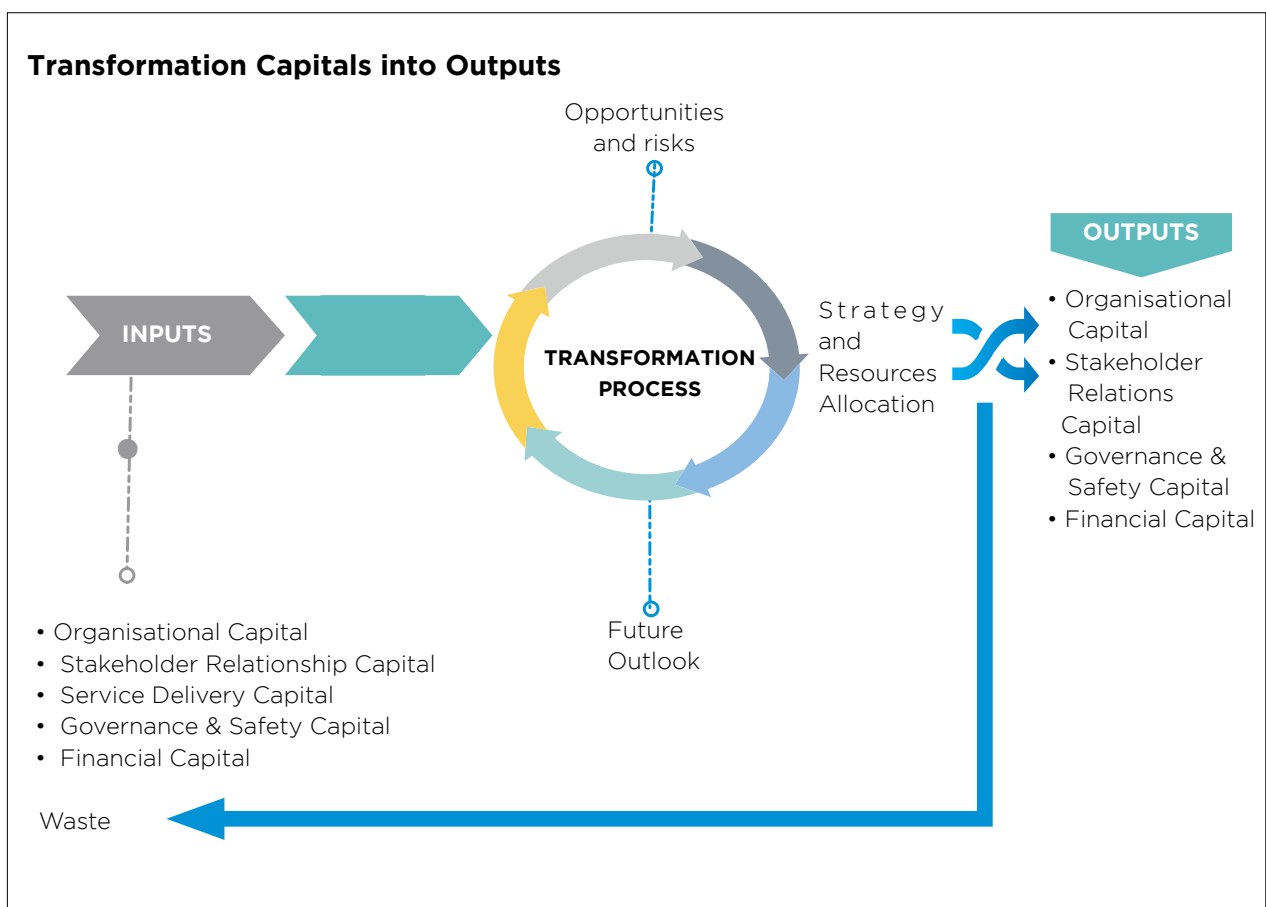




Our Business Model and how we Deploy Capitals

Our Business Model Snapshot

The Authority’s business model transforms inputs, through various business activities, into outputs and outcomes that fulfil its strategic purpose and create value over the short, medium and long term. The figure below illustrates this model.



The above diagram illustrates the transformation model GA adopted from the Integrated Reporting’s Octopus Model. It illustrates how we use our capitals (inputs) through our transformation process to deliver value for our stakeholders. We acknowledge existence of gaps in our systems and processes which erodes value from our organisation. We, therefore, strive to identify all the risks that may have negative impact on our business and turn them into opportunities



Business Model Canvas

The Authority developed a Mission Model Canvas (an adapted Business Model Canvas for mission focused organisations) that highlights how such organizations mobilize resources and creates value for stakeholders. This model illustrates our approach in transforming allocated resources (capitals) into services. Our business model is summarized in the diagram below. The business model covers and introduces key partners, key activities, our value proposition, buy-in and support, key resources, deployment and beneficiaries. The totality of the canvas below demonstrates our key activities and processes as well as the beneficiaries of our organisational planning and performance.

Mission Model Canvas

Mission (or problem) Description- To effectively regulate and control the gambling industry, account for revenue from the industry and contribute to the socio-economic development of Botswana

Key Partners	Key Activities	Value Proposition	Buy-In and Support	Beneficiaries
<ul style="list-style-type: none"> • Legal advisors • Technical Advisors • External auditors • Regulators (local and international) • ICT Infrastructure • Providers • ICT service providers • Government • Research Institutions • Botswana Police Service (BPS) • Directorate on Corruption and Economic Crime (DCEC) 	<ul style="list-style-type: none"> • Licensing • Compliance • Research • Fund distribution • Public awareness and training • Stakeholder Relationship Management • Levy collection • Development of Technical standards • Responsible gambling • Strategy development and Implementation 	<ul style="list-style-type: none"> • Contribution to GDP • Revenue • Employment • Fair play • Player protection • Entertainment • Clear and transparent rules • Elimination of illegal gambling • Funding • Capacity Building • Recreational facilities • Sustainable development of talent • Administrative capability (coaches, referees, administrators, etc) and facilities • Growth of industry (Arts and Culture) to support economic diversification • Youth empowerment • Creation of centres excellence • Family protection • Minor protection • Skills development • Business continuity 	<ul style="list-style-type: none"> • His Excellency the President • Cabinet • Gambling Authority Board • Ministry of Trade and Industry • Ministry of Finance • Ministry of Youth Empowerment, Sports and Culture • Ministry of Nationality Immigration and Gender Affairs • Parliament • Attorney General • Land Boards • Botswana Police Service • Directorate of Intelligence Services • Financial Intelligence Agency • Councils • Village Development Committees • Awarding Committees • Non Governmental Organisations • Foreign Investors • Business Community • Industry suppliers • Advisors • Operators • Players • Youth • IAGR • CIPA • Botswana Unified Revenue Services 	<ul style="list-style-type: none"> • Government • Consumers (Players/ Punters) • Industry suppliers • Charities • Sports Federation • Arts and Culture Association • Youth Organisations • Councils • Primary and Secondary • Tourism Organisations • Non-Governmental Organisations
	<p>Key Resources</p> <ul style="list-style-type: none"> • Competencies • Funding • Facilities • IT Infrastructure 		<p>Deployment</p> <ul style="list-style-type: none"> • Regional Offices • Targeted communication (Media, Outreach programmes, Publications) • Digital Monitoring channels • Pitso and Kgotla meetings 	

Mission Achievement (or "fulfilment" or "Impact" Factors or Criteria
 • Economic Impact • Social Impact • Safe and Fair Gaming Environment • Industry diversification (Tourism and Gambling environment) • Wealth creation (citizen economic empowerment and number of millionaires • Strong Brand Image • International Recognition





Deployment of Capitals to Create, Preserve and Erode Value

The Authority adopted the International Integrated Reporting Council's Integrated Reporting Framework among other standards. To ensure alignment and relevance on how the capitals have been processed to extract value going into the future, the Authority reworked the six capitals of the Framework to its own five capitals.

IIRC & GA Capitals	
<p>The Authority has translated the 6 capitals defined by the International Integrated Reporting Council (IIRC) to 5 capitals and redefined them in line with our mandate</p>	<p>THE 5 GAMBLING AUTHORITY REDEFINED CAPITALS</p> <p>Organisational Capital • Internal Resources • People, Policies, Systems, Technology, Processes</p> <p>Stakeholder Relationship Capital • Stakeholder interests, Vision 2036, Govt (NDP 11, MTI), Licensees, gamblers, citizen, NGOs</p> <p>Service Delivery Capital • Solutions/Regulations/Responsible/ Gaming/the Act</p> <p>Governance & Safety • Combined Assurance Model, <i>From NDP & Vision 2036 Responsible Gaming, FIA Act.</i></p> <p>Financial Capital • Govt subvention, levies, grants/loans, revenue from industry</p>
<p>THE 6 CAPITALS (IIRC)</p> <ul style="list-style-type: none"> • Financial Capital • Manufactured Capital • Human Capital • Intellectual Capital • Social and Relationship Capital • Natural Capital 	

These five capitals, listed below, have been redefined to align with the Authority's mandate.

Organisational Capital - refers to our internal resources which encompass people, policies, systems, technology, and processes. It entails our responsibility to our people and other assets.

Stakeholder Relationship Capital - through a stakeholder mapping matrix, we have identified our key stakeholders. We developed a stakeholder relationship action plan to guide our interactions with this diverse portfolio of stakeholders which includes government, licensees, gamblers, citizens, non-governmental organisations and others. We continue to play a role in the realization of the National Vision 2036 which aims for, among others, a diversified tourism industry which includes gaming tourism.

Governance and Safety - the Authority implements a number of statutes and standards to attain good corporate governance and stakeholder safety. These include the Combined Assurance Model, Gambling Act, King IV, a Responsible Gaming Programme, and the Financial Intelligence Act.

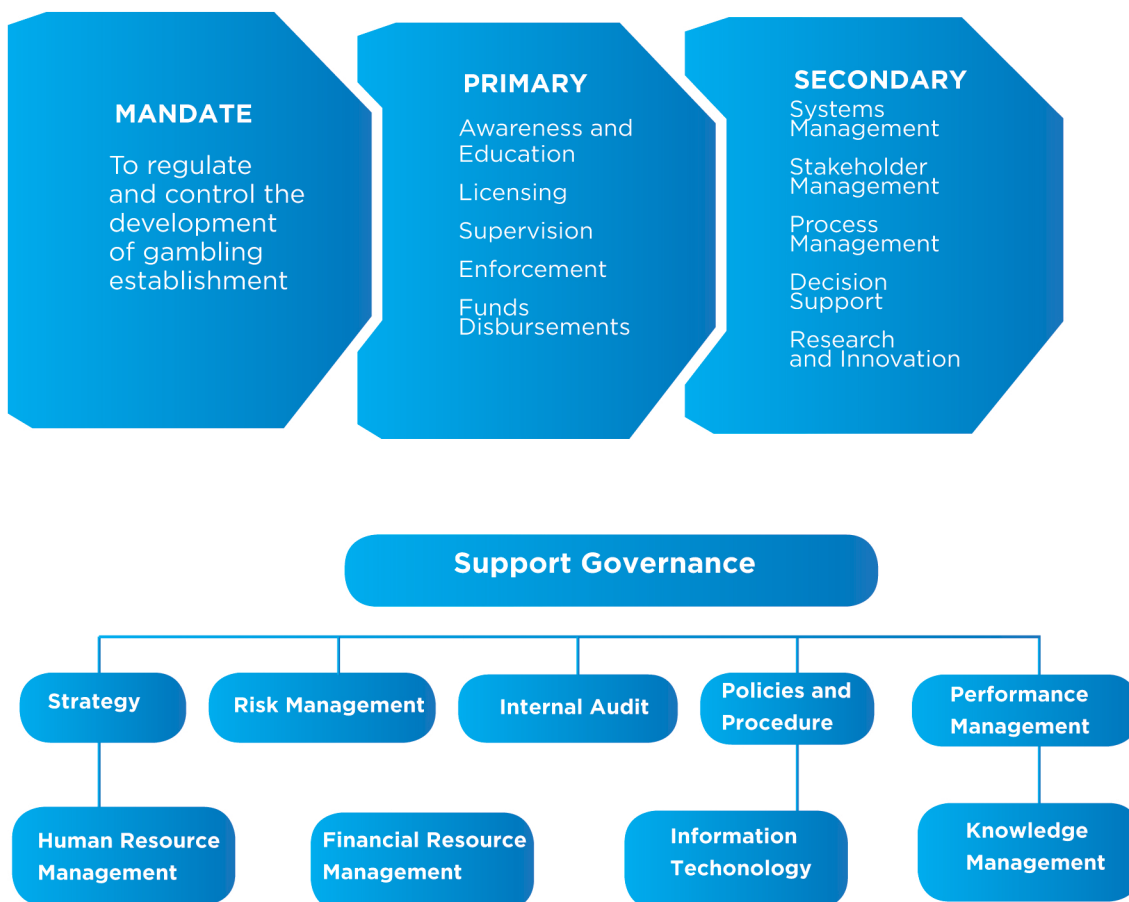
Service Delivery Capital - the Authority has invested in online systems to ensure that its stakeholders all over Botswana and abroad obtain its services.



Financial Capital: These include government subvention, levies, grants/ loans, as well as revenue from industry.

The Capability Model

The capability model (illustrated below) is what our stakeholders and the nation see when we process our capitals through our business model. Our capitals are the intangibles (at least to our stakeholders) of our organisation and capability model is what stakeholders are likely to interact with.





As the capitals are deployed to create value, the impact on the capitals is varied. Value can both be created and preserved or it can be eroded. The table below illustrates this process for the Authority.

IIRC Capital	Corresponding GA Capitals	Description	Impact
Financial	Financial Capital	<p>To deliver on our mandate, the Authority receives an annual subvention from Botswana government of about 88% of the total budget. The remaining 12% is financed through levies, grants and revenue from industry.</p> <p>Our ability to source and responsibly utilize the financial capital is key in ensuring sustainable delivery of services to stakeholders.</p>	<p>Deployment of this capital impacts the following capitals:</p> <p>Human - improvements in human capital as a result of training.</p> <p>Social - improved brand perception as a result of engaging stakeholders and giving sponsorship to deserving causes through the Authority's CSI programme.</p> <p>Manufactured - investing in IT infrastructure for an efficient operation.</p> <p>Intellectual - research to inform robust programme development around issues like program gambling and stakeholder perception.</p> <p>Natural - then Authority has adopted a technological savvy approach which include a paperless office. This green approach is friendly to the environment.</p> <p>Continued use of this capital erodes it but preserves all the other capitals.</p>
Human	Organizational Capital	<p>Our people, both at the board and operational levels, are our greatest asset in delivering the Authority's mandate. Their expertise and experience is an asset in delivering the Authority's strategic goals.</p>	<p>Investment in this capital erodes the financial capital in the short term. However, it preserves the human capital in the long term as trained personnel deliver operational efficiency.</p>



Social	Stakeholder and Relationship	How our stakeholders, both internal and external, perceive us as the Authority is crucial. The Authority offers graduates internships for skills development. We also engaged a local consultancy firm to conduct a customer perception survey to inform the Authority's strategy going forward. The work we do in our community correlates with stakeholder perception, therefore positive social investment will improve stakeholder perception about the Authority.	Deploying the social capital erodes financial capital in the short term. However, it preserves intellectual capital through resultant positive customer perception.
Manufactured	Serve Delivery	The Authority runs a technologically savvy operation with its unparalleled IT infrastructure. This has improved operational efficiency which translates into satisfying customer needs and expectations.	While deploying the manufactured capital erodes financial capital in the short term, there are long term gains as it improves operational efficiency. It preserves also the natural capital as the Authority has adopted green paperless workplace approaches which are facilitated by the adopted technologies.
Intellectual	Organizational Capital	Industry knowledge, effective internal control, and regulatory methodologies assist in delivering on the Authority's mandate.	Investment in this capital erodes financial capital in the short term, however there is long term benefit in the resulting improved operational efficiencies and customer satisfaction. Therefore, this capital improves the human and social capitals.
Natural	Service Delivery	The Authority is a service oriented entity and therefore does not deploy natural environmental assets directly to achieve its strategic goals. However, the Authority is alive to climate change challenges which result from unsustainable use of natural assets. To reverse this trend, the Authority has therefore adopted green methodologies in the delivery of our mandate. Key to this approach is the Authority's adoption of technologies such as Paper trail which eliminates the use of paper in the office.	Investment in the natural capital erodes available financial capital in the short term but has long term benefits to the environment, hence improves preserves the natural capital.





Risk, Opportunities and Combined Assurance

“Creative risk-taking is essential to success in any goal where the stakes are high.”
Gary Ryan Blair







Risk, Opportunities and Combined Assurance

The Authority has adopted integrated risk management and a combined assurance approach which leverages the combined efforts from different assurance providers such as risk managers, external auditors, internal auditors, and other specialists. The concerted efforts from this varied pool of experts assist with the implementation of a coordinated approach to identifying, quantifying, and developing appropriate mitigation strategies that will reduce risk exposure.

The Authority maintains a corporate risk register which is considered quarterly

by the Board. The Board is satisfied with continued efforts designed to mitigate identified risks. The aggregate efforts from our combined assurance model have continued to equip both management and Board with requisite assurance and insight for informed decisionmaking. These efforts have had a positive impact on safeguarding our value creation.

During the year under review, and through this coordinated approach, the following key risks were identified. The Authority acted decisively to mitigate their effects.

Risk	Strategic Objective Impacted	Mitigation Effort
Delays in licensing due to legal challenges. Additionally there are insufficient funds to fund litigation.	Create a diversified gambling industry.	The Authority improved its process documentation. It has proposed amendment to the Gambling Act to address numerous gaps and deficiencies to enhance the regulatory function. Finally, the Authority has prioritised adequate budget provision to finance litigation.
Cyber security threats to information systems and cloud computing.	Create a diversified gambling industry.	The Authority has put in place and implements a Cyber Security Management Plan. Cloud hosting service providers and other stakeholders contributed ideas during the process of making the management plan.
Poor perception of gambling	Create a diversified gambling industry.	The Authority has developed and implements a Responsible Gambling Program. Staff has been recruited for the program and research has been conducted to provide baseline data on problem gambling prevalence, and to inform interventions going forward.
Overdependence on government subvention for operational expenses	Drive financial sustainability	The Authority continues to explore efforts to diversify revenue sources.
Covid 19 Pandemic	Drive financial sustainability	95% of staff is fully vaccinated. The Authority continues to work with a private medical contractor, Storkfort Health, to facilitate booster shots for the remaining members of staff who did not receive vaccination.

Opportunities

The Authority continues to seek ways to transform identified risks into opportunities for the business. Mitigation efforts detailed in the table above are some of the ways that this is being done. Overarching opportunities identified to facilitate value creation in the short, medium and long term include:

1. As reported elsewhere in the report, 88% of the Authority's revenue comes

from government's subvention. Therefore there is an opportunity to diversify funding sources for sustainability.

2. The gambling and gaming industry in Botswana is still nascent and there remain huge potential for development. This provides untold untapped value chain economic opportunities that could be exploited to create value for the Government and people of Botswana.



Other identified risks for the period under review are detailed in the table below;

5 CRITICAL RISKS			
No	Risk Issue	Description	Mitigative Actions
1.0	PANDEMIC & HEALTH RISK (COVID-19)	National lockdowns, freezing economic activity and loss of staff	<ol style="list-style-type: none"> 1. Social distancing 2. Business Continuity Planning 3. Provision of PPE to all staff 4. Voluntary Covid-19 testing 5. Encourage staff to vaccinate
2.0	POLITICAL & ECONOMIC RISK	1. Rationalisation of parastatals	1. Stakeholder engagement as per Stakeholder engagement Plan.
		2. Lack of a fund order for National Lottery Distribution Fund	<ol style="list-style-type: none"> 1. Engage with Minister of Finance and MITI. 2. Finalise the NLDF governance, NLDF order, and present it to Board.
3.0	LEGAL & LITIGATION RISK	Delays in licensing decisions due to legal challenges	<ol style="list-style-type: none"> 1. Ensure robust documented processes. 2. Best Corporate Governance practices (King IV, OECD, Integrated Reporting and Industry guides such as the World Lottery Association Guidelines). 3. Facilitate increased ongoing knowledge of the different license types across stakeholders. 4. Adequate budget provision finance litigation.
4.0	TECHNOLOGY DISRUPTION	National bandwidth adequacy	1. Bandwidth requirements to be incorporated in license conditions.





5.0	SOCIAL ENVIRONMENT RISK	1. Perceptions of poor reputation	1. Completion of the baseline study on problem gambling in Botswana.
			2. Development and implementation of the Responsible Gambling Program.
		2. Stakeholder confidence and buy-in	1. Stakeholder engagement as per the stakeholder engagement plan and facilitation of MOUs.
			1. Continuous monitoring and evaluation of strategy execution and reporting.
		3. Shareholder fatigue	2. Engagement through implementation of the Shareholder Compact.
			1. Continuous stakeholder engagement
		4. Unfounded allegations to institutional integrity	2. Strong Governance Framework (including availability of whistleblowing service)



“ *There is a very easy way to return from a casino with a small fortune; go there with a large one.* ”

Jack Yelton





Strategy and the External Context

*“Strategy without tactics
is the slowest route to
victory, tactics without
strategy is the noise
before defeat.”
Sun Tsu,
Ancient Chinese
Military strategist*





Strategy and the External Context

This reporting period marks the end of the implementation period for the Authority’s Strategic Plan 2017 – 2022. The strategy was formulated just after the launch of the National Vision 2036 whose key aspiration is to elevate Botswana from an upper middle income to a high earning economy. This is to be realised through an economy that is diversified, competitive, private sector led and with sustainable business opportunities.

Among the key priority areas of the Vision is to develop diversified sources of economic growth. The Authority revised its strategic intent to align with the National Vision and drive this transformative agenda. As a regulator, the Authority sought to facilitate the growth of the gaming industry as an alternative source of economic growth. Therefore, the Authority’s Board, management and key stakeholders revised its strategic foundations to capture this new direction.

These foundations are noted below:

Revised Purpose Statement:

We will contribute to the transformation agenda and economic development of Botswana by diversifying the gaming industry through the development and implementation of a responsive licensing regiment and promotion of responsible gaming.

Revised Vision Statement:

Transform Botswana’s economy through safe gaming.

Revised Mission Statement:

To effectively regulate and promote responsible gaming, and contribute to the socio-economic development of Botswana.

Revised Values:

- Professionalism,
- Integrity

- Commitment
- Transparency, shortened as Pro-ICT, which speaks to the Authority’s reliance on ICT as a platform for service delivery and solutions.

The Authority then focused on the following five strategic themes that are aligned with being a strong gambling regulator while driving the corporation’s strategic intent:

- Organisational Capability;
- Good Corporate Governance ;
- Robust and Responsive Regulatory Framework ;
- Operational Excellence; and
- Effective Stakeholder Communication and Engagement.

The following strategic objectives guided implementation:

1. To drive financial sustainability.
2. To create a diversified gaming industry.
3. To engage stakeholders.
4. To attract and retain a competent workforce.
5. To enhance employee skills and capabilities .

The diagram below summarizes this strategy map.





The strategy gave the Authority guidance as it deployed capitals through various business processes to realise outputs and outcomes. Refer to page 42 under Business Model and page 44 for Deployment of Capitals for a full report on how capitals were transformed into results. Refer also to page 59 under Performance for a full report on performance against strategic objectives and performance comparison with the previous year.

The Authority has begun a strategic planning process to put together a new strategy to guide it in the delivery of its mandate going forward. The process has been paused owing to the ongoing Government ministry rationalization. The strategic planning process requires that the Authority's strategic objectives feed off of those of the parent Ministry, therefore, the information as to which ministry hosts the Authority and what that ministry's strategic direction is will only be available after the rationalization process is complete.





Performance

*"A total commitment
is a paramount to
reaching the ultimate
in performance."*

Tim Flores



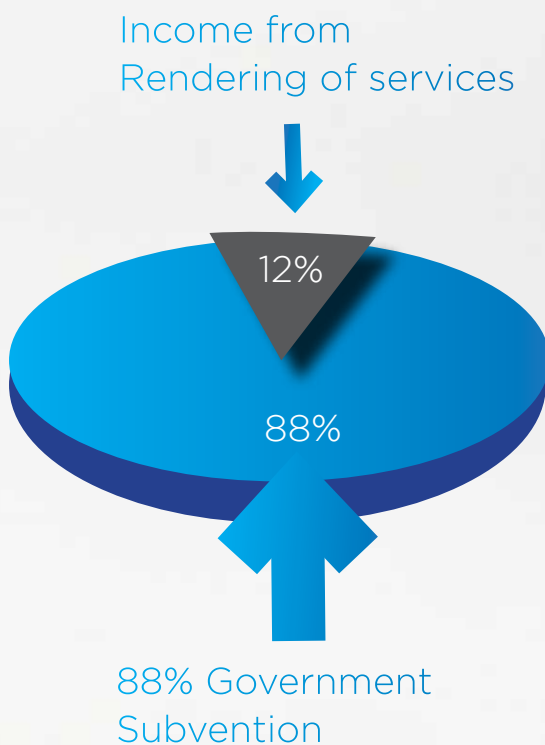
Performance

Five strategic objectives guide our operation.

1. To drive financial sustainability;
2. To create a diversified gaming industry
3. To engage stakeholders
4. To attract and retain a competent workforce
5. To enhance employee skills and capabilities

Strategic Objective 1: To drive financial sustainability

For the year under review, our income was P38, 383, 399, where P33, 950, 070 (88%) was government subvention and the balance P4, 433, 329.00 (12%) came from rendering of services. The subvention received was P1.29 million less than the approved subvention for the period.





Strategic Objective 2: To create a diversified gaming industry

Licensing

The Authority is responsible for issuing gambling industry licenses and considering requests to conduct promotional competitions and thereby ensures effective supervision, regulation and protection of the industry. This is achieved through the screening of applicants to ensure that only persons who are fit and proper participate in the industry.

National Lottery

The Authority commenced negotiations on National Lottery license with Growmine (Pty) Ltd on the 19th January 2021. The negotiations were unsuccessful and Growmine's status as the Preferred Applicant was revoked.

Casino Licensing

During the current reporting period, the Authority approved three casino license renewal applications for the Grand Palm Casino, Menateng Casino and Teemane Casino respectively. The validity periods for issued licenses is as follows:

Name	Location	License Expiry Date
Grand Palm Casio	Gaborone	29 April 2031
Menateng Casino	Selebi Phikwe	15 August 2031
Teemane Casino	Jwaneng	10 September 2031
Avani Gaborone Casino	Gaborone	1 July 2023
Moonlite Casino	Gaborone	23 October 2026
Sedibeng Casino	Francistown	31 July 2022
Thakadu Casino	Letlhakane	9 September 2025
Marang Casino	Francistown	2 July 2023

Gambling Industry Employee Licensing

During the year under review, there was a noticeable decline in the number of licensed casino employees by 30 from 334 employees in 2020/2021 to 304 employees in 2021/2022. The reduction is attributed to Covid 19 lockdown restrictions that compelled operators to retrench staff. For the reporting period, the Authority issued 29 Service Provider employee licenses.

Promotional Competitions

Businesses use promotional competitions to market their products and services and the Authority regulates compliance of these competitions. In the post Covid 19 restrictions and lockdown era, we have seen 48% increase in promotional competition requests from 91 during the previous year to 135 during the current reporting period.

Private Lotteries

The year under review was characterized by a low number of charitable organization requests. This could be caused by the Covid 19 lockdown restrictions which restricted numbers at public gatherings and the organizations may still be recovering. The department considered 17 applications during the year under review, 11 were approved while 6 were rejected.



Service Providers

The Authority registers and regulates service providers to the industry. 12 service providers were registered during the year under review.

Service Provider	Type of Service
Aruze Gaming Africa (Pty) Ltd	Maintenance provider and seller of gambling machines and devices
International Game Technology Africa (Pty) Ltd	Distributor of gambling machines and devices
Associated Casino Management Services (Pty) Ltd	Distributor of gambling machines and devices
SG Gaming Africa (Pty) Ltd	Distributor of gambling machines and devices
SNB Investments (Pty) Ltd	Maintenance provider and seller of gambling machines and devices
Umlingo Trade and Invest 70 (Pty) Ltd	Maintenance provider and distributor of gambling machines and devices
umAfrika Gaming Technologies (Pty) Ltd	Supplier of gambling machines and devices
Novomatic Africa (Pty) Ltd	Supplier of gambling machines and devices
TCS John Huxley Africa (Pty) Ltd	Supplier of gambling machines and devices
DRGT Africa (Pty) Ltd	Manufacturer, supplier, and maintenance provider of gambling machines and devices
GLI Africa (Pty) Ltd	Testing agent of gambling machines and devices
Omega Gaming (Pty) Ltd	Maintenance provider and distributor of gambling machines and devices





Gambling Machines and Devices

Section 89 of the Gambling Act stipulates that a person shall not own or possess any gambling machine unless it is licensed with the Authority. Therefore all gambling machines and tables in the country are licensed with the Authority as follows:

Casino Name	Location	Number of Machines	Number of Tables	Spare Machines	Spare Tables
Grand Palm	Gaborone	150	15	23	0
Avani	Gaborone	146	11	28	0
Menateng	Francistown	58	0	8	0
Marang	Francistown	62	0	9	0
Moonlite	Gaborone	122	10	0	0
Sedibeng	Francistown	50	0	21	0
Teemane	Jwaneng	64	0	0	5
Kings	Lobatse	50	4	2	0
Thakadu	Letlhakane	50	0	0	0
Total		752	40	91	0

Compliance

Inspections

The Compliance and Monitoring Unit of the Authority ensured compliance through general, targeted and ad-hoc inspections. A risk-based approach was used to conduct both on-site and off-site inspections for casinos. During the year under review, a total of 13 casino inspections were conducted as per the table below. The number of inspections have remained the same over the last few reporting periods. These inspections comprised 11 targeted on-site inspections and two off-site general inspections. Moreover, the Authority received a tip-off on illegal gambling in some villages in Botswana. Through ad-hoc inspections the Authority in conjunction with the Botswana Police Service confiscated five illegal gambling machines in liquor outlets in Mochudi and surrounding villages.

CASINO	TYPE OF INSPECTION		TOTAL
	General	Targeted	
AVANI Casino	-	Targeted On-site Inspection (Reversal Transactions) Date: 06/07/2021	1
Grand Palm Casino	-	Targeted On-site Inspection (Reversal Transactions) Date: 05/07/2021	1
Moonlite Casino	-	Targeted On-site Inspection (Employee Licensing) Date: 04/05/2021	8



		<p>Targeted On-site Inspection (Machine/Table register) Date: 23/06/2021</p> <p>Targeted On-site Inspection (AML/ CFT Due Diligence) Date: 10/06/2021</p> <p>Targeted On-site Inspection (Transaction reporting (STR/CTR) Date: 15/06/2021</p> <p>Targeted On-site Inspection (AML/CFT records keeping) Date: 30/06/2021</p> <p>Targeted On-site Inspection (Training, Independent Audit and Sanction List Screening) Date: 07/07/2021 to 08/07/2021</p> <p>Targeted On-site Inspection (Casino Surveillance Compliance) Date: 11/07/2021</p> <p>Targeted On-site Inspection (Internal Procedures) Date: 28/07/2021</p>	
Menateng Casino	Off-site General Inspection (Licence renewal) Date: 24/05/2021	-	1
Teemane Casino	Off-site General Inspection (Licence renewal) Date: 06/07/2021 to 07/07/2021	Targeted On-site Inspection (Sector Risk Assessment Questionnaire) Date: 16/02/2022	2
Marang Casino	-	-	0
Thakadu Casino	-	-	0
Sedibeng Casion	-	-	0
Kings Casino	-	-	0
TOTAL	2	11	13

Casino Requests

In addition to inspections, the Authority ensures regulatory compliance by overseeing all operations that takes place at Casinos. In this regard, the Authority considers requests





made by Casinos for changes on the gaming floor, gaming devices and procedures. The consideration of such requests by the Authority has resulted in improved monitoring of casinos.

CASINO	PERIOD	
	2020/2021	2021/2022
Marang	4	-
Avani	15	10
Grand Palm	11	4
Moonlite	9	9
Thakadu	-	-
Sedibeng	2	2
Menateng	3	-
Teemane	-	-
Kings	-	-

Casino Promotional Competitions

To ensure safe gaming and customer protection in casinos, the Authority reviews the mechanics for casino promotional competitions. There has been an increase in the number of casino promotional competitions during the period under review as compared to the previous one. This increase is likely attributable to the fact that casinos are trying to recover from the impact of business disruptions caused by the COVID-19 pandemic.

CASINO	PERIOD	
	2020/2021	2021/2022
Marang	-	2
Avani	2	2
Grand Palm	2	5
Moonlite	4	16
Thakadu	-	-
Sedibeng	1	5
Menateng	-	2
Teemane	-	-
Kings	-	-







Machine Disposal

The Authority regulates disposal through destruction of gaming devices. During the year under review, no such requests were received.

Shipment of Approved Gaming Equipment

There has not been much acquisition of gaming equipment for both current and previous review periods as casinos have been significantly affected by the COVID-19 pandemic. Most of the approvals were for gaming equipment that was just passing through Botswana and not necessarily being imported into the country. However, minor equipment like table layouts, progressive controllers and gaming software were imported into the country.

Service Provider	Shipment			
	Slots Machines	Tables	Game Software/ Kits	Others
TCS John Huxley (Pty) Ltd	-	-	-	Ten (10) Table Lay outs
SG Gaming Africa (Pty) Ltd	-	-	five (5) gaming software	one (1) Progressive Controller

Machine Register

The total number of slot machines and tables have remained the same since there was no machine disposal nor importations. The table below summarizes the current number of machines in Botswana.

Subject	Quantity
Number of operational Machines	752
Number of operational Tables	40
Number of Spare Machines	91
Number of spare Tables	5

Enforcement

The Authority continues to receive and adjudicate complaints from the public arising from gambling disputes or other gambling-related activities. During the period under review the Authority received four complaints against casinos. Investigations on the matters were conducted and the cases have been resolved. Two complaints were play related while the other two were about unfair exclusions from casinos.

AML/CFT/CPF

Following Botswana's FATF Grey listing as a country needing increased monitoring due to its strategic deficiencies in its AML/CFT/CPF regime, Botswana made a political commitment to address the strategic deficiencies through making progress reports on the identified action items. For the period under review Botswana was able to exit the FATF Grey Listing as the country expeditiously and within the agreed timeframes completed and addressed its strategic deficiencies. The Gambling Authority as the Supervisory Authority for the Casino Sector continues to implement its Risk Based Supervisory Obligations as a continuous measure in sustaining dedication to ensure that Botswana does not fall back into the FATF Grey Listing.





Below is the progress made by the Authority for the period under review.

ACTION ITEM	ACTION ITEM UPDATE
<p>(1) PROVIDE STAFF WITH ADE- QUATE TRAINING IN AML/CFT SUPERVISION</p>	<p>National Workshop: Strengthening UNSCR 1540 (2004) Implementation in Botswana - Phase One</p> <p>On a quest to continue with capacity building on the concept of Proliferation Financing and in order to enhance national efforts to implement UNSCR 1540 (2004) a virtual training was hosted by the Chemical, Biological, Nuclear, Radiological Weapons Management Authority (CBNRMA) in collaboration with the UN Office for Disarmament Affairs (UNODA) with the financial support of the European Union and the United States. The virtual training was from the 11-12th August 2021. The Operations department was in attendance.</p> <p>Risk-Based Supervision (RBS) Training for DNFBP Supervisors</p> <p>In line with the Working Group on Risk, Compliance and Financial Inclusion Work Programme (2020/2023) and in cognizance of the decision of the ESAAMLG Task Force Plenary on Risk Based Supervision, supervisors of DNFBPs including the Gambling Authority compliance unit attended a 3-day RBS workshop held virtually from 20th - 22nd September 2021. The purpose of the workshop was to assist the region with developing a Risk Based Supervision Framework.</p> <p>Expected Impact The training will assist the Authority in:</p> <ul style="list-style-type: none"> conducting a sectorial risk assessment on Money Laundering, Terrorism Financing and Proliferation Financing in order understand the Casinos sectors vulnerabilities and threats and ways to assist the sector in mitigating the identified risks. Prioritizing supervisory tools for high-medium risk Casinos <p>Royal United Services Institute (RUSI) webinar on Countering-Proliferation Financing for the public and private sector</p> <p>On the 23rd and 24th of November 2021 the Operations Department as well as the Casino Sector attended a virtual webinar on Countering Proliferation Financing. The sessions were divided into two (2), with the Supervisory Authorities attending on the 23rd and the Supervised entities on the 24th respectively.</p> <p>Scope of the Training (Supervisory Authorities)</p> <ul style="list-style-type: none"> Introduction to Proliferation Financing Risk Proliferation Financing obligations Best Practices in public-private cooperation on PF Introduction to RUSI's National PF Risk Assessment Methodology. <p>Impact</p> <ul style="list-style-type: none"> Enhanced knowledge on concept of Proliferation Financing.



	<ul style="list-style-type: none"> • The training will also assist the Authority in assessing the Proliferation Financing risk within its sectorial risk assessment. <p>Information Sharing between FIUs, LEAs and Supervisory Authorities, Virtual Workshop for East and Southern Africa Egmont Region-</p> <p>Information Sharing between FIUs, LEAs and Supervisory Authorities, Virtual Workshop for East and Southern Africa Egmont Region</p> <p>On the 11th of November 2021, three (3) officers from the Gambling Authority attended a virtual workshop on Information sharing between Financial Intelligence Units (FIU's), Law Enforcement Agencies (LEAs) and Supervisory Authority. The training was hosted by Egmont Group.</p> <p>Scope of the training</p> <ul style="list-style-type: none"> • Enhancing the role of FIUs in financial investigations • Formal and informal mechanisms for cooperation between FIUs, supervisors and LEAs, • The importance of public-public partnerships • Best practices for information sharing <p>Impact</p> <ul style="list-style-type: none"> • The training will assist the Authority in setting up Memorandum of Understanding with different Law Enforcement Agencies and the Financial Intelligence Agency for seamless sharing of information. <p>CAMS Certification</p> <p>Two (2) staff members of the of the Operations department successfully passed the CAMS examination in November 2021 and are now Certified Anti-Money laundering specialists, making a total of four (4) staff members who are now accredited specialists</p>
<p>2) PROMOTE UNDERSTANDING AND IMPLEMENTATION OF PROLIFERATION FINANCING (PF) OBLIGATIONS</p>	<p>As a means to raise awareness and sensitize the casino sector in understanding PF and their obligations a virtual training session on Proliferation and Proliferation Financing was hosted by the Authority in collaboration with the Chemical, Biological, Nuclear, Radiological Weapons Management Authority (CBNRMA) on the 29th of June 2021.</p>
<p>(3) OUTREACH PROGRAMS TO ENHANCE APPLICATION OF AML/CFT/CPF OBLIGATIONS</p>	<p>In an effort to assist the Casino industry to implement targeted financial sanctions the Authority on the 14th of April 2021 conducted a virtual training which covered, Background of United Nations Security Council, Botswana's Legal Framework on the Implementation of Targeted Financial Sanctions, and guidance on the Implementation of Targeted Financial Sanctions.</p> <p>Impact of the training</p> <ul style="list-style-type: none"> • There is better understanding on the implementation of targeted financial sanctions, the processes, and procedures to be followed as per the Botswana legal framework. • Improvement in the time taken to disseminate the UN sanction list as received from FIA (undue delay) • Increased filing of returns by Casinos





4) IMPLEMENT RISK-BASED SUPERVISION OR MONITORING PROGRAMMES INCLUDING INSPECTIONS	For the period under review, the Authority conducted one full scope on-site inspection on one of its supervised entities. The choice of the Casino was as per the profile of the Casino (high risk). The objective of the on-site examination was to assess the effectiveness of the Casino's AML/CFT program and determine whether the programmes were commensurate with the Casino's level of risk. Upon conclusion of the inspection, there were areas of non-compliance which the Authority continues to monitor in order for the Casino to rectify them.
5) SECTOR RISK ASSESSMENT – IDENTIFY, ASSESS AND UNDERSTAND INTERNATIONAL AND DOMESTIC ML/TF/PF IN THE SECTOR	Moreover, in a continuous effort to implement the risk-based approach the Gambling Authority recently completed its sectorial risk assessment to understand the threats and vulnerabilities within the Casino Sector. The assessment was done using the World Bank Tool, which provided a guide on what factors to consider in the assessment. To kick start the exercise the Authority developed an ML/TF risk assessment questionnaire which was sent to all Casinos to respond to. The information collected was used to assess the vulnerabilities within the sector, moreover in analysing the threat, letters were sent out to different stakeholders to request for information on (reported and prosecuted ML/TF Cases as well as reported cash transactions and suspicious transactions within the sector. The results of the sector risk assessment will assist in continuously prioritising its supervisory tools (inspections and awareness's) for medium to high Casinos.

Levies Revenues

There are two (2) streams of Casino revenue; 1) revenue generated from slots and tables which aggregates to gross gaming revenue (GGR), and 2) fees collected from casino players as entrance fees. The table below summarises revenue performance of the casinos during the year under review:

Summary Of Revenues

LICENSEE	GGR		ENTRANCE FEES		RESPONSIBLE CONTRIBUTION	
	2020/2021	2021/2022	2020/21	2021/22	2020/21	2021/22
Grand Palm	52 710 351,11	70 655 012,30	731 374,00	1 052 260,00	2 353 140,67	3 098 904,05
Avani Gaborone	36 596 399,56	41 861 533,37	433 510,00	482 210,00	1 633 767,84	1 836 032,17
Moonlite	26 973 650,73	39 558 860,03	418 760,00	546 733,00	1 204 180,84	1 735 037,72
Marang	6 925 641,13	7 637 833,03	123 900,00	155 280,00	309 180,41	334 992,68
Sedibeng	6 046 059,78	6 493 515,12	190 219,00	257 852,00	269 913,38	284 803,29
Menateng	3 442 963,23	3 730 355,55	125 650,00	141 660,00	153 703,72	163 612,09
Teemane	1 901 970,19	2 259 074,03	42 780,00	59 410,00	84 909,38	99 082,19
Thakadu	634 468,91	1 537 332,82	24 760,00	47 480,00	28 324,50	67 426,88
Kings	-	-	-	-	-	-
	135 231 504,46	173 733 516,25	2 090 953,00	2 742 885,00	6 037 120,74	7 619 891,06



“


*True luck consists not
in holding the best of
the cards at the table;
luckiest is he who
knows just when to
rise and go home.*

”

John Milton Hay







*“If there weren’t
luck involved, I
would win every
time.”
Phil Hellmuth*





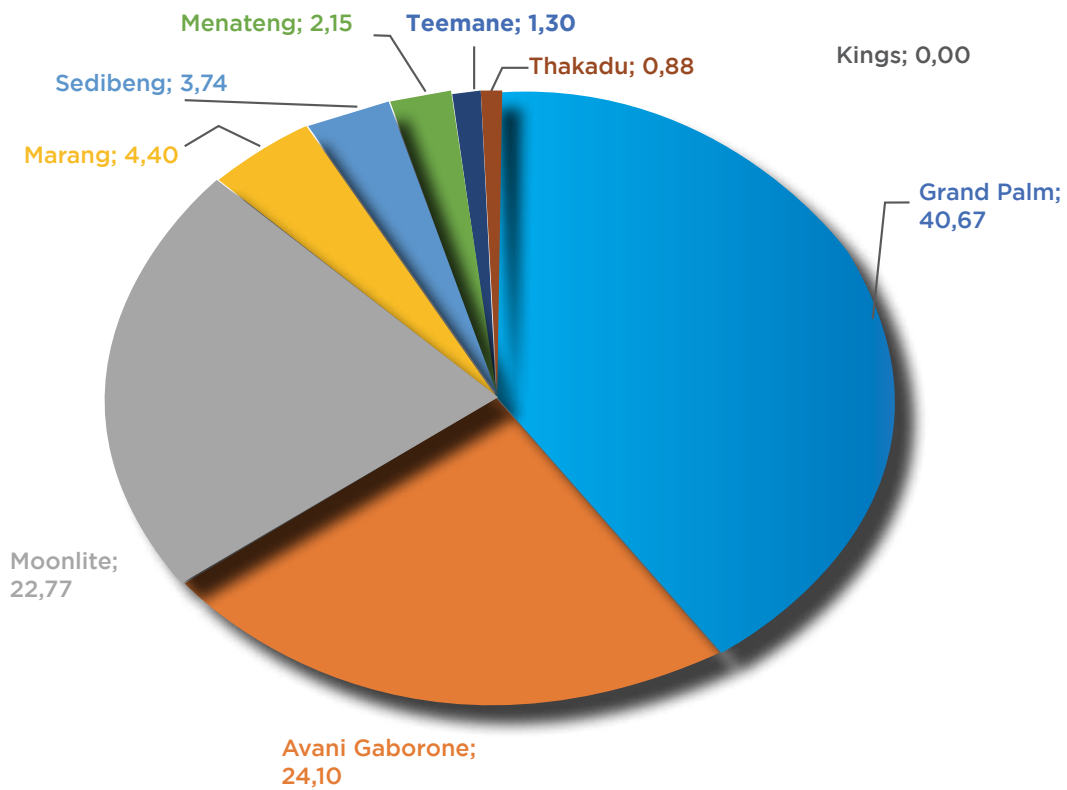
All casinos yield desired results in terms of the revenue. This is primarily due to the recovery of the economy from the adverse effects of the COVID-19 global pandemic.

Penalties

Penalties are imposed on licensees when found guilty of contravening the gambling legislation. There are few casinos which paid their levies late and were charged penalties. They have all since paid. It must be noted however that most casinos pay their levies timeously.

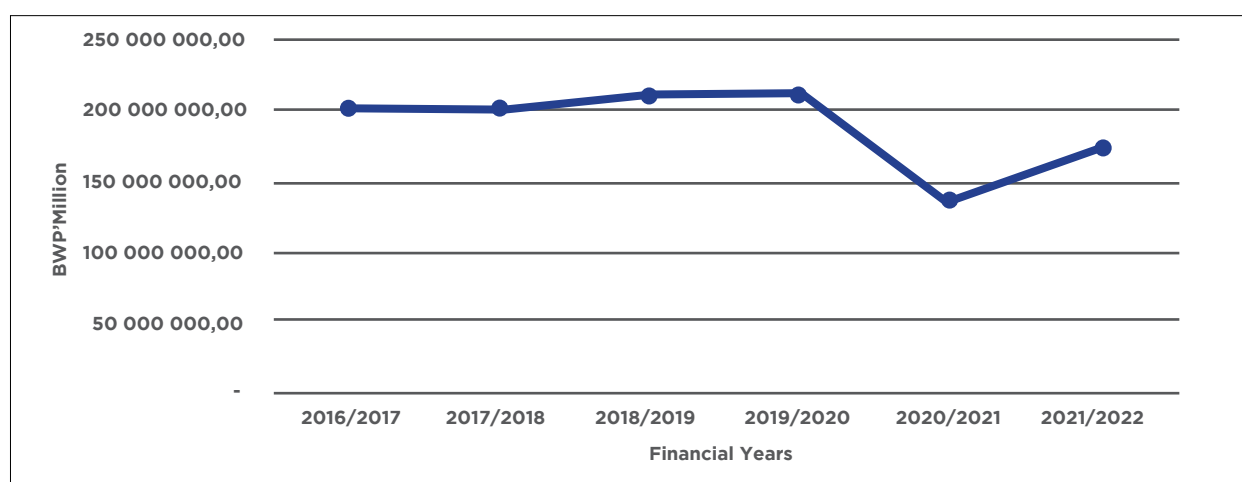
Market Share 2021/22

CASINO MARKET SHARE 2021-2022



The Grand Palm Casino continues to dominate the market with a 40% market share, followed by Avani Casino with 24%. The Moonlite Casino has grown exponentially over the last years to capture a sizeable share of the market and it's the third largest with a 22% share of the market. The casinos with sizeable market share are all within Gaborone.

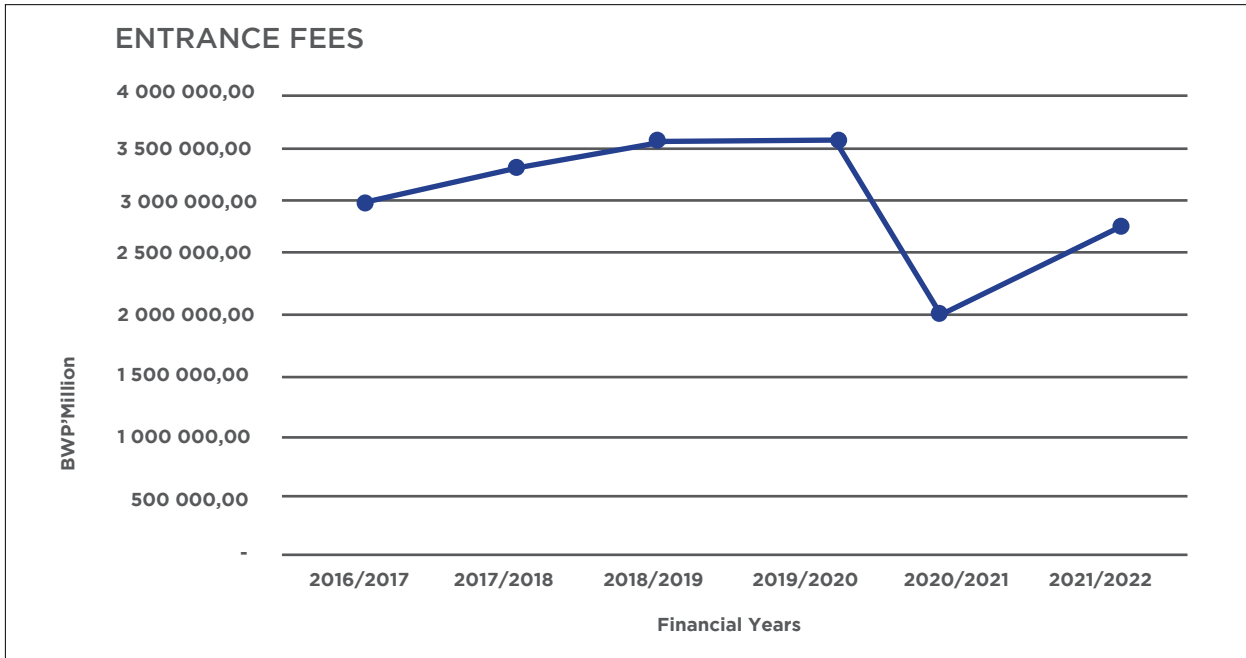
YEAR	REVENUE
2016/2017	203 500 396,19
2017/2018	201 931 543,37
2018/2019	210 832 633,28
2019/2020	211 184 993,15
2020/2021	135 231 504,64
2021/2022	173 733 516,25



The casinos gaming revenue grew from P203 500 396,19 to P211 184 993,15 or 3,77% (2016-2020). However, the revenues drastically dropped in 2020 due to the Covid pandemic. For the period under review, the casino revenues are evidently showing a recovery.

YEAR	ENTRANCES FEES
2016/2017	2 965 500,54
2017/2018	3 335 231,00
2018/2019	3 578 441,00
2019/2020	3 552 156,00
2020/2021	2 090 953,00
2021/2022	2 742 885,00





The entrance fees grew by 19,7% from 2016 to 2020, though they were also significantly affected by the Covid pandemic. However, they have moderately recovered.

Overall, casino revenue has greatly improved for the period under review. The Government eased the conditions of doing business (normal operation) hence, the improvement of the levies. The revenues which include the Gross Gaming Revenue (GGR) and entrance fees have increased over the years though they were greatly affected by the Covid pandemic.

Sustainability and Responsible Gambling

The Authority notes that gambling, and the extent of the harm associated with it, is a significant public health issue hence the decision to license and regulate gambling to ensure the safety of all involved and the sustenance of the industry. A full report on Responsible Gambling is accessible on page 84 of this Integrated Report.

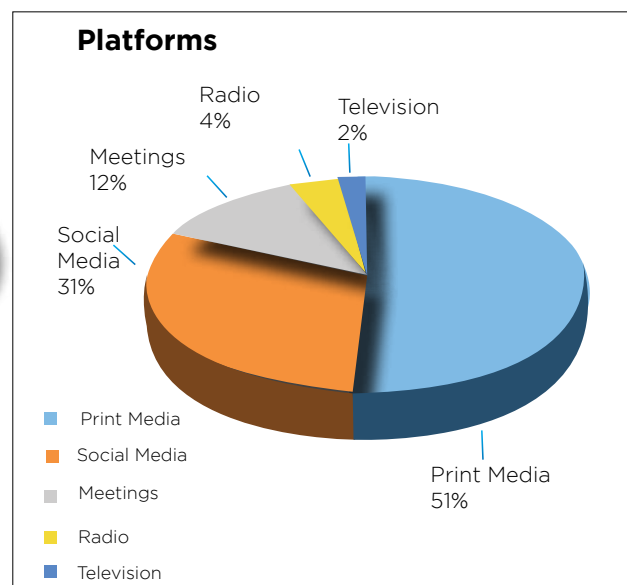
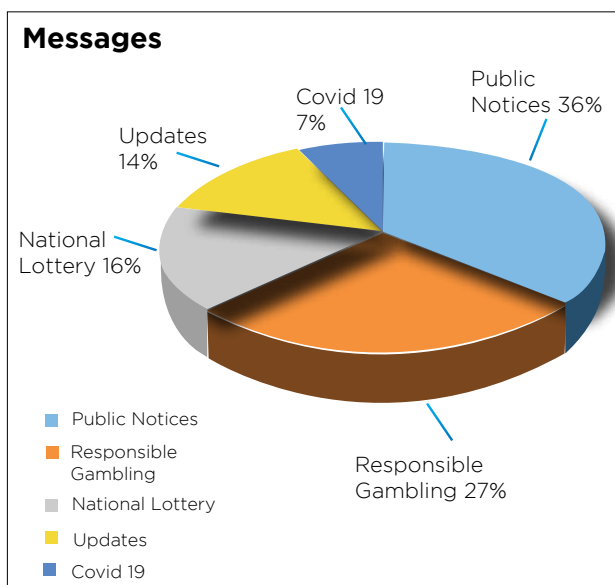
Strategic Objective 3: To engage stakeholders

Stakeholders make the backbone of the integrated thinking and reporting model. The value created through the capital inputs is for the stakeholders. Therefore, the Authority engages and involves various stakeholders to communicate the Authority’s mandate through a comprehensive plan and appealing packaging. The Authority also strives to build and maintain good stakeholder relations. The advent of the COVID19 pandemic compelled the world to shift from traditional to digital communication platforms. For the Authority, the shift was not seismic as it had already developed a smart office environment which proved handy at the height of the pandemic. The figure below details the Authority’s key stakeholders and the nature of the relationship it has built with them.



Stakeholder	Relationship with Authority
Ministry of Trade and Industry	The Ministry of Trade and Industry is the Authority's parent Ministry. They work collaboratively to achieve their mandates. The Authority continued playing an active role in the Ministry's initiatives to support the youth and people with disabilities.
Parliament and Cabinet	Parliament and cabinet are vital partners in the Authority's role to change legislation. For example, the Authority is currently working to review and change some sections of the Gambling Act and to pass regulations to guide operators and players in the Botswana gaming space. Parliament and cabinet are therefore instrumental in supporting these undertakings.
FIA	The Authority has established close relationships with FIA in order to work collaboratively to address money laundering, terrorism as well as proliferation financing.
Casinos	These are the establishments where punters are legally allowed to partake in gambling activities and the Authority maintained strong contact with these establishments throughout the year on regulatory and compliance matters as well as on matters of responsible gambling.
Media Houses	The media's role is to disseminate communication to various stakeholders. The Authority has kept media practitioners abreast of activities happening within it. This was done through media conferences addressed by the Chief Executive Officer and through media releases. The Authority has a standing policy of responding to all media enquiries within 48 hours, and has lived up to it both during the year under reporting and in previous years.
Punters	This refers to players at casino establishments and the Authority, through its Operations Division, maintains an up-to-date record of all gamblers in Botswana as well as an exclusion register, which is a requirement of the Gambling Act, 2012. The Authority is currently working on developing a self-help portal for punters and their families.
Business Botswana	This is a business umbrella body, therefore maintaining a relationship with them provides the Authority a captive audience of the entire Botswana business sector. The Authority maintains cordial relations with them.
Counselling Centres	Counselling centres play a vital role in supporting the responsible gambling wing of the Authority. The Authority outsources problem gambling cases to the centres for counselling interventions.
Gambling Association of Botswana	This is a community of people who consume gambling products and services. They give insights on how best to work with casinos and punters. The organisation is faced with challenges among them lack of operational space, lack of commitment by the members among others.
Ministry of Health and wellness	The Ministry is responsible for the nation's health and wellbeing. In this regard, the Authority engages with it through the Responsible Gaming Programme to leverage its skilled personnel and facilities to rehabilitate gambling addicts. The Ministry sits on the Authority's reference group for the responsible gambling research.

The authority has continued engagement with its diverse portfolio of stakeholders. Figures below detail the messages relayed and the communication channels used.





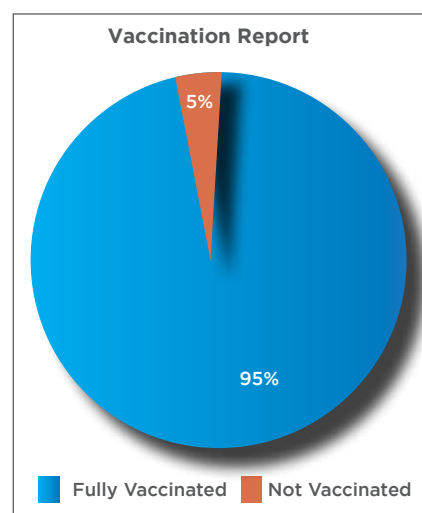
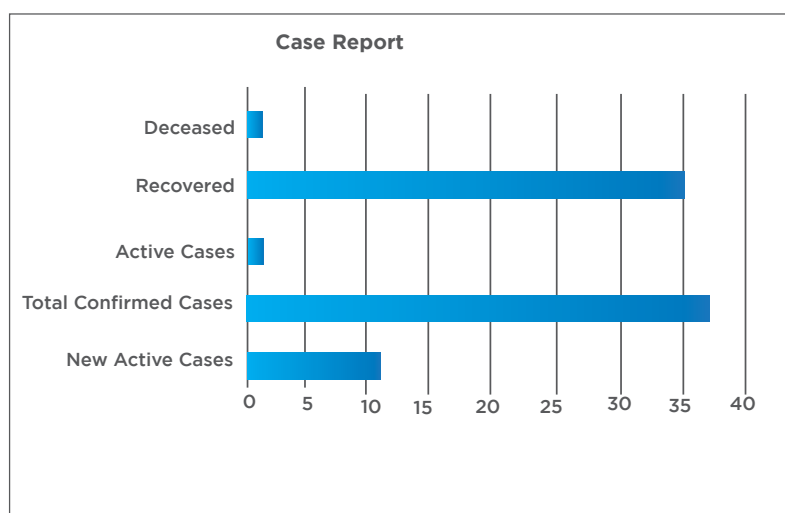
Strategic Objective 4: To attract and retain a competent workforce

Staffing

As of 31st March 2022, we have a total number of 40 against an approved staff complement of 57 resulting in 17 vacancies.

Department	Approved Complement	Vacancies	Current Staffing	Males	Females	Total
CEO'S Office	2	0	2	1	1	2
Chief of Staff	4	3	1	1	0	1
Board Secretariat	1	0	1	1	0	1
HRBP	1	1	0	0	0	0
Internal Audit	4	0	4	3	1	4
Operations	18	0	18	9	9	18
Legal Services	3	2	1	0	1	1
Finance & Admin	19	6	13	4	9	13
Fund& Grant Disbursement	5	5	0	0	0	0
Total	57	17	40	19	21	40

COVID-19 Case Report



Recruitment

Position	Status
Chief of Staff	Interview Stage
Board Secretary	Appointed
Senior Legal Officer	Appointed
HR Business Partner	To be re-advertised
Procurement Manager	Interview Stage
Responsible Gambling Manager	Interview Stage
IT Manager	Interview Stage
Legal Officer	Interview Stage

The Authority will be advertising for the second and last batch of positions as follows: -

- Accounts Officer
- Senior Admin Officer
- Accounts Assistant
- Public Educator X2
- Research Officer
- Counselling Centre Agents X2
- Rehabilitation Officer
- Driver X2

Performance Management

Executive management contracts have been completed and await the appointment of an Acting CEO to be signed off.

Staff Engagement Survey

The Authority undertook a staff engagement survey during the period under review and scored a 60%. This is slightly lower than the 61.1% score achieved on the same survey undertaken in the previous year.

Strategic Objective 5: To enhance employee skills and capabilities

Staff Development

The Authority resolved to adopt the BOS ISO 9001:2015 Quality Management System (QMS). By adopting the standard, the Authority aims to enhance customer satisfaction through the effective application of the system, including processes for continuous improvement and the assurance of conformity to customer

and applicable statutory and regulatory requirements. A total of 16 staff (9 project team members and 7 EXCO members) attended a virtual awareness training of BOS ISO 9001:2015 Quality Management System (QMS) on the 26th - 27th May 2021.

The Authority staff also benefitted from the following staff development webinars:

- Botswana Institute of Chartered Accountant (BICA) -Audit Managers Webinar International Financial Reporting Standards (IFRS) attended by 1 staff member from the Internal Audit Department.
- Sports wagering policy and operations webinar facilitated by the University of Nevada was attended by 5 staff members from the Operations Department.
- BICA Webinar on strategic finance management attended by 2 members from the Finance Department.
- BICA Webinar on Tax seminar- CPD attended by 5 staff members from finance department.
- BICA Webinar on Valuations for Finance Reporting Purposes attended by 3 staff members from Finance department.
- Online Strategic HR Conference attended by 5 staff members from Audit, Finance and Administration departments.
- Online ACCA Africa Members Conference attended by 2 staff members from Finance











Responsible Gambling Report

*“Gambling is not about how
well you play the games,
it’s really about how well
you handle your money.”*
V. P. Pappy.





Responsible Gambling Report

This report is prepared in fulfilment of Section 113 (1) (c) of the Gambling Act, 2012. It outlines activities of the Gambling Authority for Fiscal Year 2021/2022. The Authority notes that gambling, and the extent of the harm associated with it, is a significant public health issue for all jurisdictions across the world, thus, Botswana took a deliberate decision to license and regulate gambling to ensure the safety of all involved and the sustenance of the industry.

Background Information

The Gambling Act, 2012 establishes the Excessive Gambling and Rehabilitation Committee (EGPR) as a sub-committee of the Board and its purpose is to guide and monitor the development and implementation of programmes and strategies aimed at preventing addictive or compulsive gambling and to rehabilitate compulsive gamblers. It is worth a note that this committee has been reconfigured and given an added mandate and to capture this revised mandate aptly it will now be called the Regulatory Committee (REGCO).

REGCO Terms of Reference

The following are key REGCO terms of reference in relation to its responsible gambling mandate:

1. Guide and monitor the development and implementation of programmes and strategies aimed at preventing addictive or compulsive gambling and the rehabilitation of compulsive gamblers.
2. Promote responsible and safe gambling practices in Botswana by putting in place measures to prevent problem gambling.
3. Employ early intervention strategies and train staff, both within gambling establishments and the Authority, to implement the strategies.

4. Explore and implement methods currently used to treat problem gamblers among them counselling, education, self-exclusion, and prohibition.

5. Ensure data collection and evaluation.

6. Engage in gambling policy research, formulation, and evaluation.

7. Work with other professionals in the health and social settings to ensure that gambling remains safe.

8. Ensure that problem gambling is understood adequately through research and community sensitization activities.

9. Put in place policies that ensure licensees act ethically.

10. Encourage the gambling industry and the community to share information on societal concerns on gambling.

11. Monitor and evaluate the impact of responsible gambling measures.

Duties and Responsibilities

The duties and responsibilities of the committee in relation to responsible gambling are to:

- Consider policy proposals and strategies to proactively combat excessive gambling practices.
- Ensure that under-age and vulnerable persons are protected from gambling activities and that messages/advertising is not targeted at children.
- Determine what research, education and treatment programmes are needed to support the responsible gambling strategy and their requisite resources.
- Carry out research, surveys and studies



on the prevalence, health and social impact of gambling in Botswana with a view to provide remedial solutions.

- Encourage the gambling industry to put in place proactive excessive gambling prevention measures.
- Review regulations from time to time to ensure that they capture Board objectives on safe gambling.
- Ensure that self-exclusion procedures are implemented effectively.
- Hold public enquiries and hearings, or workshops and seminars, or publish articles for publication in journals on any topic within its purview.
- Guide industry practices on measures that would reduce problem gambling including exclusions and other feasible options.
- Build capacity for treatment of problem gamblers.

Contribution to the Responsible Gaming Levy - FY 2021-2022

The Gambling Regulations of 2016, Part XXVI, Section 109 state that: A licensee shall, in addition to the levy provided in Excessive Gambling regulation 108, contribute five per cent of its gross revenue to the Excessive Gambling Prevention and Rehabilitation Levy which funds prevention, monitoring and rehabilitation programmes against problem gambling. The Responsible gambling contribution increased by 26, 2% to P7, 619, 891.06 from the previous year's P6, 037, 120.74. The growth in revenue for the industry, which resulted in increased responsible gaming contributions, points to recovery from adverse effects of the Covid 19 pandemic.

Activities of the Committee

The Authority recognizes that gambling and

its associated harm constitute a significant public health threat. As a result, Botswana decided to license and regulate gambling to ensure safety for all involved and to sustain the country's nascent gambling industry. This the Authority discharges through a two pronged programme; proactive and reactive approaches. The former approach entails public education, stakeholder engagement, networking, and ongoing psychosocial support strategies; while the latter approach engages exclusion, psychosocial support, rehabilitation, and treatment strategies. The proactive approach is the cornerstone of the responsible gambling programme and various capitals have been channelled its way to ensure that it gotten right the first time.

Counselling and other Support

Gamblers and their family members have the choice to undertake voluntary counselling and/or rehabilitation at any stage of their gambling lives, including post gambling, with costs borne by the Authority.

Self-Exclusion and Third-Party Exclusion

Exclusion is a common practice in responsible gambling. The Gambling Act provides for two types of exclusion, being self-exclusion and third party exclusion. Self-exclusion is available to assist gamblers who recognize that they have lost control over their gambling and wish to invoke external controls. Third-party exclusion is made available to protect individuals who show a severe gambling disorder and are unable or unwilling to exclude themselves from a licensed gaming facility. Statistical data is provided in tables that follow to illustrate exclusion prevalence for the year under review. During the year under review, the Authority excluded 45 punters compared to 52 in the previous year, bringing the cumulative number of excluded persons to 364 since April 2016 when the Authority started to operate.

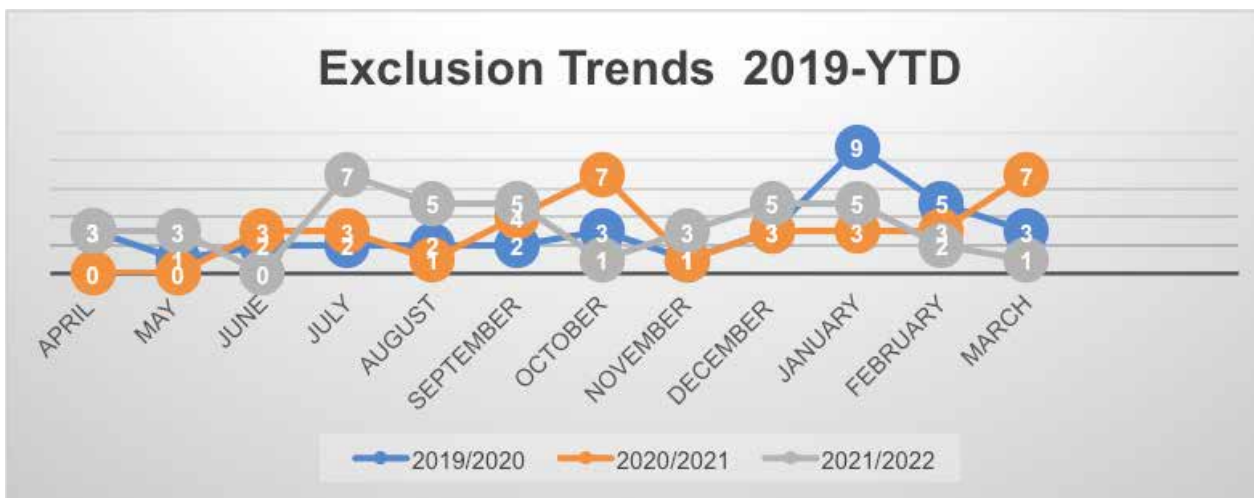




Monthly Gambling Exclusion Data (FY2021/22)

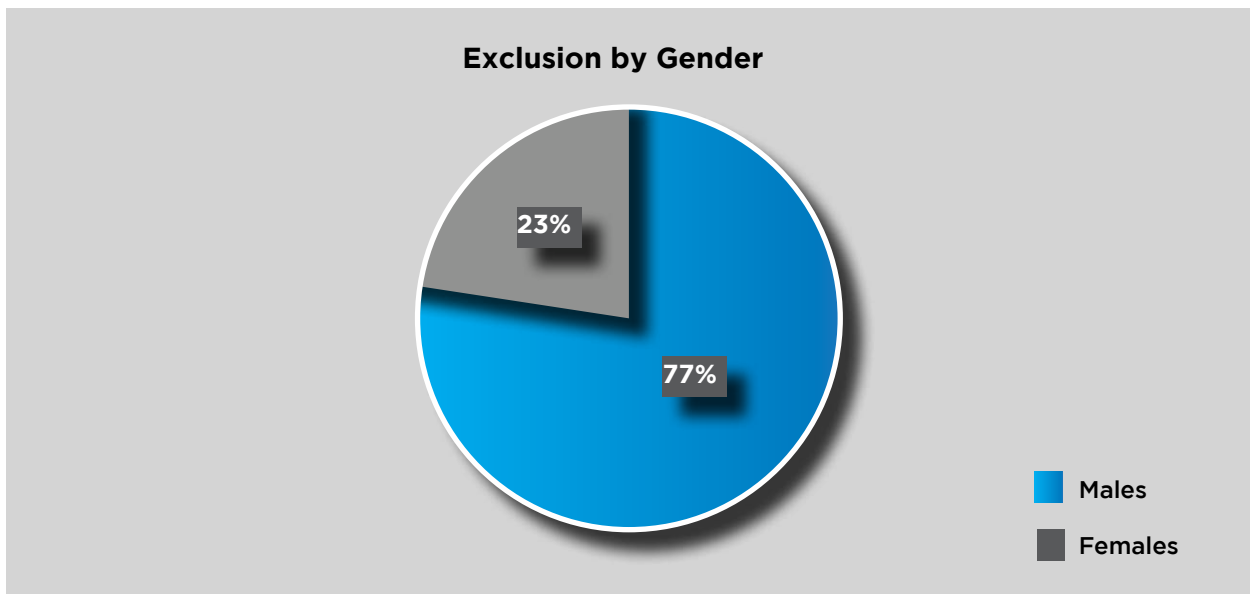
Month	Total Exclusions	Self -Exclusions	Third-Party Exclusions	
			Exclusions by casinos	Exclusions by the Authority
April	3	3	-	-
May	1	1	-	-
June	2	-	2	-
July	8	7	1	-
August	7	7	-	-
September	6	5	-	-
October	1	1	1	-
November	3	2	-	1
December	5	5	-	-
January	5	5	-	-
February	2	2	-	-
March	2	1	-	1
Total	45	39	4	2

The graph below demonstrates exclusion trends for the last three (3) years and there are no significant changes. The below statistics account for both self and third-party exclusion



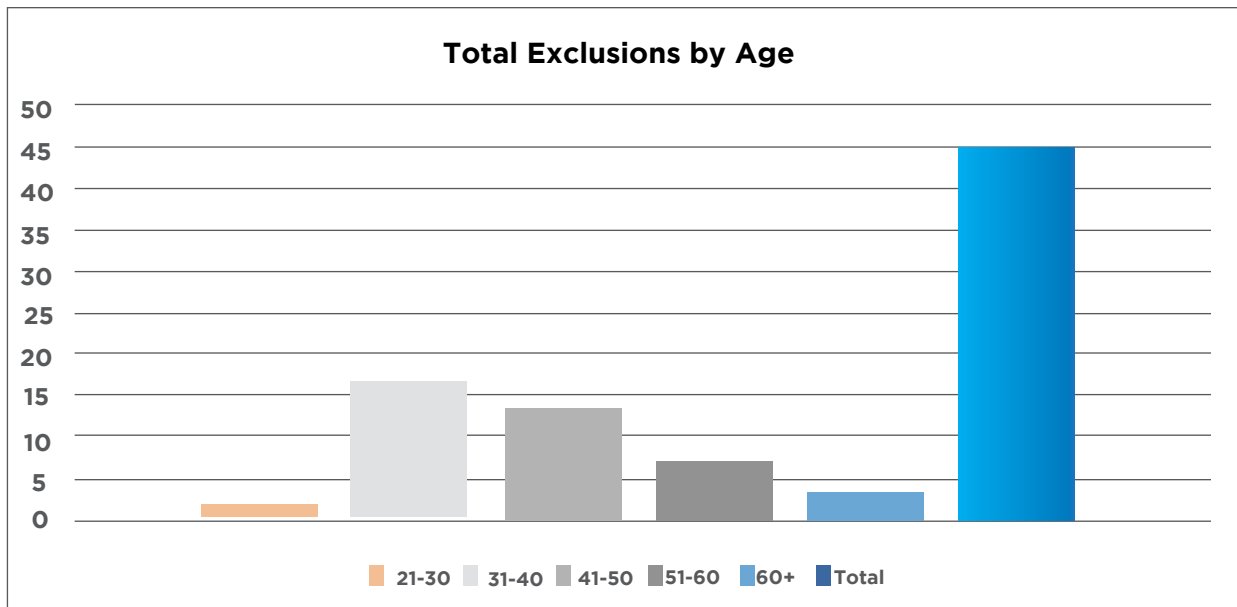
Gambling Self-Exclusions by Gender (April-March 2022)

The chart indicates that more males (77%) than females (23%) applied for exclusion over the period under review. This shows no significant change when compared to last year (2020/21) when we recorded males (76%) and females (24%)



Total Gambling Exclusions by Age (April- March 2022)

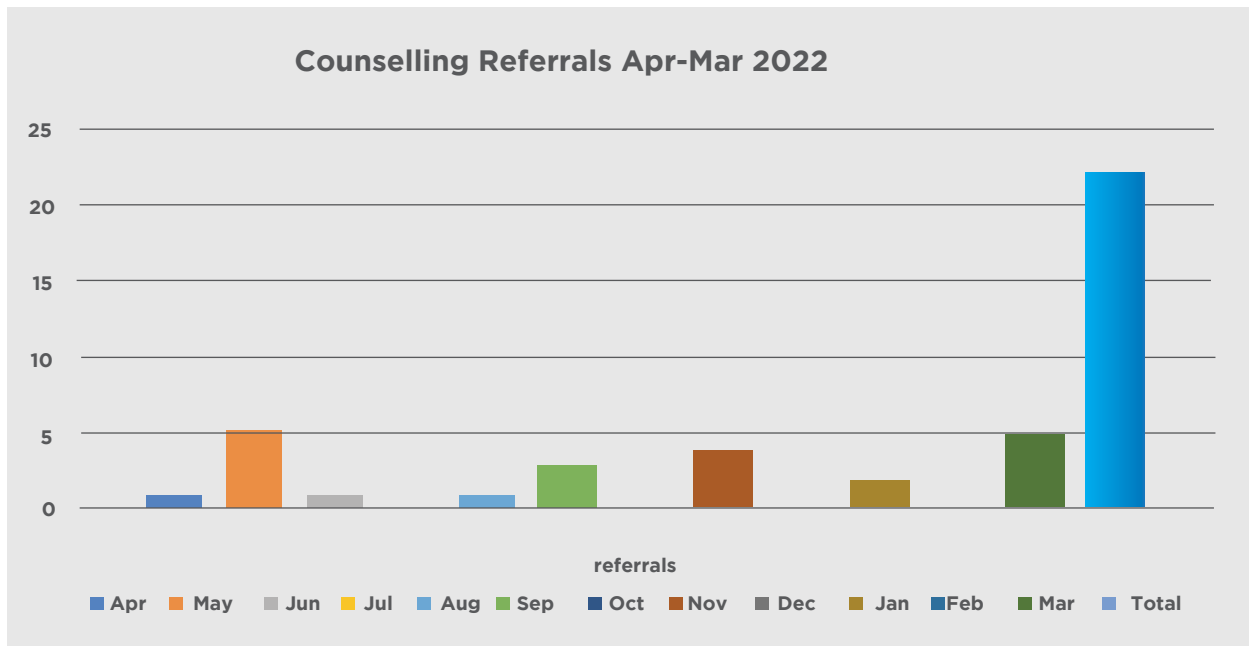
The younger-aged cohort 31-40 had the highest inclination for gambling exclusion followed by the middle-aged cohort 41-50 as compared to the year 2020/2021 where the middle-aged cohort 41 - 50 had the highest inclination for gambling exclusion at 17 exclusions followed by the youthful age cohort 31 - 40. This shift will be investigated during the recently commissioned study on risk factors for problem gambling in Botswana.





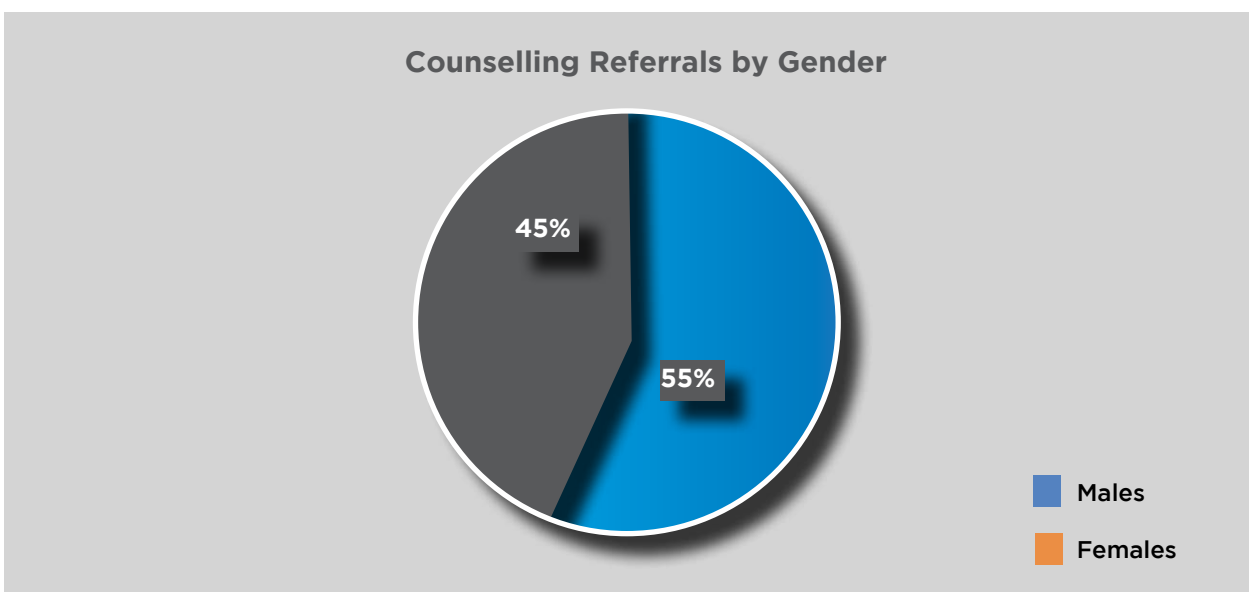
Counselling and Rehabilitation

Counselling Referrals (April-March 2022)



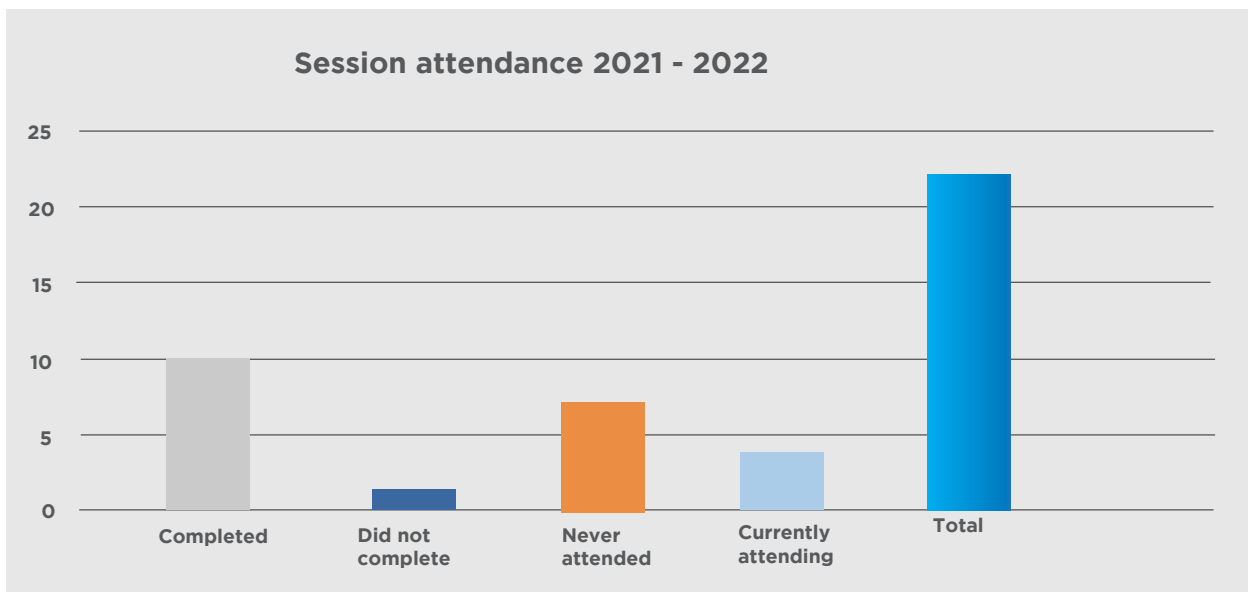
A total of 22 punters were referred for counseling from April 2021 to March 2022. This is a significant improvement when compared to the 11 that were referred for counselling in the previous year.

Counselling referrals by gender



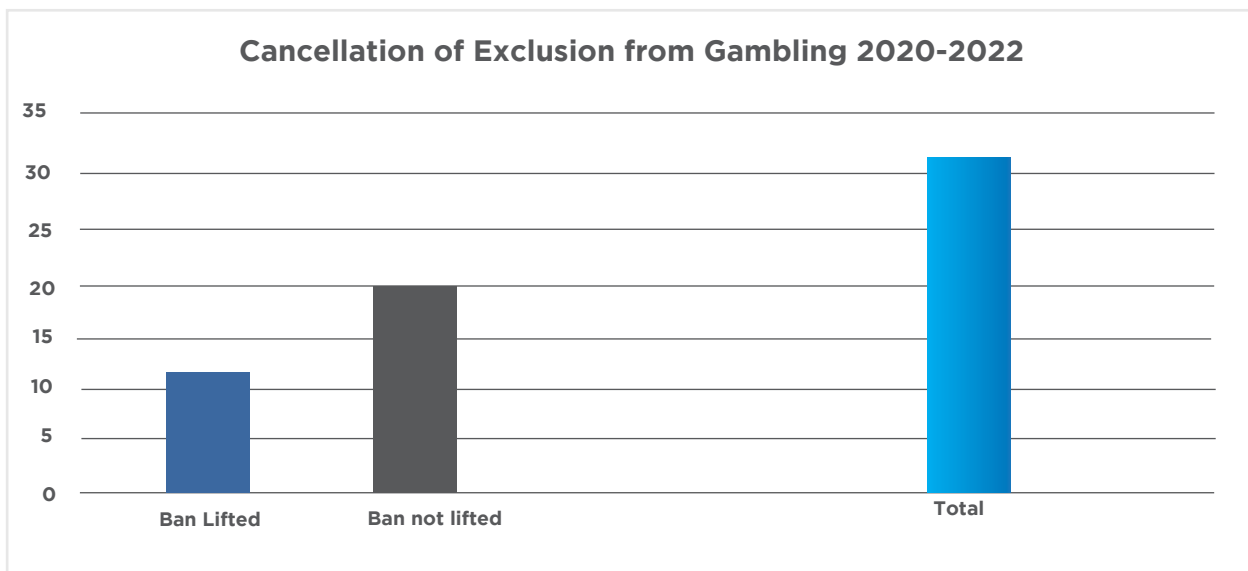
Twelve (12) punters accounting for 55% of the punters were males and ten (10) or 45% were females as compared to the year 2020/2021 where more females (82%) than males (18%) were referred for counselling. The Board approved study on risk factors for problem gambling is expected to shed light on these trends.

Counselling session attendance (April-March 2022)



Of the 22 punters (April -March), 10 completed their sessions, 7 have not yet attended, 1 did not complete and 4 are currently attending, Compared to the year 2020/2022 of the 11 punters 2 completed their sessions, 3 did not complete their sessions, 2 never attended and 4 were currently attending their sessions.

Cancellation of exclusions from Gambling (2020-2022)





A cumulative total of 32 punters were referred for counselling since the first referral in 2020. 12 completed their sessions and were cleared to go back to gambling. Four (4) others, who completed their sessions preferred other forms of entertainment. Twenty (20) of the referred punters are still excluded.

Factors influencing the onset of gambling

- Cover pain and trauma.
- Financial reasons.
- Lonely and in need of excitement.

Patterns and trends of people struggling with addiction

The Authority has commissioned a study on the socio-economic impacts of gambling in Botswana, and it is expected that the study will shed more light on the patterns and trends of behaviours of people struggling with gambling. We, however, continue to collect and collate information on the subject in our daily interactions with punters, and below we capture some of the negative impacts of gambling:

- Punters generally have financial problems; lose money, have debts, and their businesses are affected.
- They tend to be heavy on alcohol use.
- There are family tensions and marriages are affected.
- Are struggling in terms of their social life, and rarely make genuine connections as their spare time from work is mainly taken by gambling.
- Most patients report sad depressed moods.
- All patients do not particularly want to attend therapy but just desire to have their gambling ban lifted.

Outlook, challenges, and opportunities

Punters are not receptive to having to go through the process of counselling before their restrictions could be lifted. Motives to attend the sessions and resume gambling are solely for re-admission to gambling and not to cope with the addiction. However, some punters do complete their sessions and are allowed by their counsellors to resume gambling.

On the same note, though reluctant at first, the process helps the punters to face the real reasons why they were gambling and unpacks the unhealthy patterns in their gambling. Punters who were referred but never attended usually have made a new decision not to go back to gambling resulting in them not attending counselling at all. The Authority has developed a plan for community mobilization, events, campaigns, and counselling referrals to educate the community on preventive information and awareness on gambling habits and disorders as a medical condition

New Research

The baseline research on the prevalence of problem gambling in Botswana previously carried out has helped identify more gaps that needed to be covered. Following its conclusion, the Regulatory Committee of the Authority proposed and adopted two



further studies that needed to be carried out to fully appreciate and comprehensively address the problem of gambling in Botswana. The studies, which will be concluded in the next financial year, are as follows.

- a) Risk Factors for Problem Gambling in Botswana.
- b) Socio-Economic Impact of Gambling in Botswana.

*“The subject of gambling
is all-encompassing. It
combines man’s natural
play instinct with his
desire to know about his
fate and future.”
Franz Rosenthal,
linguist*





Outlook

*"Your input determines
your outlook. Your
outlook determines your
output, and your output
determines your future."
Zig Ziglar*



Outlook

The Authority will continue to leverage its capitals to deliver its mandate and create shared value for all stakeholders. This will be done by remaining alert to the ongoing risks identified in its operating environment. Furthermore, the Authority will leverage the ensuing economic rebound and tap into opportunities provided by this growth. We will continue implementing risk mitigation measures as identified under material matters as follows:

Risk	Mitigation Effort
Delays in licensing due to legal challenges. Additionally there are insufficient funds to fund litigation.	The Authority improved its process documentation. It has proposed amendment to the Gambling Act to address numerous gaps and deficiencies to enhance the regulatory function. Finally, the Authority has prioritised adequate budget provision to finance litigation.
Cyber security threats to information systems and cloud computing.	The Authority has put in place and implements a Cyber Security Management Plan. Cloud hosting service providers and other stakeholders contributed ideas during the process of making the management plan.
Poor perception of gambling	The Authority has developed and implements a Responsible Gambling Program. Staff has been recruited for the program and research has been conducted to provide baseline data on problem gambling prevalence, and to inform interventions going forward.
Overdependence on government subvention for operational expenses	The Authority continues to explore efforts to diversify revenue sources.
Covid 19 Pandemic	95% of staff is fully vaccinated. The Authority continues to work with a private medical contractor, Storkfort Health, to facilitate booster shots for the remaining members of staff who did not receive vaccination.





The key activity for the Authority in the immediate future is the finalization of the new Corporate Strategy 2022-2027. The strategy will define new strategic objectives to realise the Authority's vision of transforming Botswana's economy through safe gaming, and its mission to effectively regulate, promote responsible gambling, and contribute to the country's socio-economic development.

This strategy development exercise will be cognizant of ongoing global and national contexts that have potential impact on operations of the Authority. These contexts present both risks and opportunities.

Globally, the gambling market is projected to grow to US\$876 Billion by 2026 growing at a CAGR of 3.6% over the analysis period. Lottery and betting are the most promising segments with a growth projection of 2.8% CAGR and 4.4% CAGR respectively. These figures account for adjustments due to the COVID 19 pandemic and its induced economic crisis. The global gambling market is driven by increasing penetration of online gaming and betting.

In Botswana, the economy, which has continued in a pattern of soft economic downturn over the last few years since the onset of COVID-19, is showing slow rebound across major sectors following the lifting of some COVID-19 restrictions and this is expected to be uneven. The gambling and gaming industry lost value at 35% of casino gaming revenues in FY2020/21. It has, however, bounced back at 38.5% growth in revenues between FY2020/21 and FY2021/22.

We will leverage this economic rebound and tap into opportunities this growth provides to further transform Botswana's economy through safe gaming.



Annual Financial Statements

GAMBLING AUTHORITY

(Established under the
Gambling Act, 2012)

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March
2022





**GAMBLING AUTHORITY
GENERAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

Country of incorporation and domicile	Botswana
Nature of business and principal activities	Gambling Authority is a statutory entity formed in terms of the Gambling Act, 2012 to license and regulate all gambling activities in Botswana.
Members of the Board	Mr. Blessed S Monyatsi Mr. Marvin T Torto (Acting Board Chairperson) Ms. Itumeleng Mareko Ms. Arabang Kanego (deceased on 01 Sept 2021) Mr. Eunice N Mmono Ms. Mmakome F Masendu Ms. Rosinah Bontsi Mr. Thulisizwe W Johnson (retired on 31 May 2022) Mr. Emolemo Peter Kesitilwe (Acting Chief Executive Officer, appointed on 29 August 2022)
Registered address:	West Wing Fairscape Presinct, Fairgrounds Office Park Gaborone
Postal address:	Private Bag BR 161 Broadhurst Gaborone
Bankers:	First National Bank of Botswana Limited Access Bank Botswana Limited (BancABC) African Alliance Botswana Limited
Auditors	PricewaterhouseCoopers
Legal form	Statutory body formed in terms of the Gambling Act, 2012

(The Annual Financial Statements are expressed in Botswana Pula ("P") , the currency of Botswana.)



**GAMBLING AUTHORITY
INDEX TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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Independent auditor’s report	99 - 101
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Statement of financial position	103
Statement of changes in funds	104
Statement of cash flows	105
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Annexure 1: Detailed income statement	129





**GAMBLING AUTHORITY
STATEMENT OF RESPONSIBILITY AND APPROVAL OF ANNUAL FINANCIAL
STATEMENTS BY THE MEMBERS OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2022**

The Members of the Board of Gambling Authority are responsible for the annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and the Gambling Act, 2012.

Gambling Authority (the “Authority”) maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of Authority’s assets. The members of the Board are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of members of the Board to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The Members of the Board of the Authority are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to the Government of Botswana (through the Honourable Minister of Investment, Trade and Industry).

The going concern basis has been adopted in preparing the annual financial statements. The Members of the Board have no reason to believe that the Authority will not be a going concern in the foreseeable future, based on the continuous support by the Government of Botswana through the Ministry of Investment, Trade and Industry.

Our external auditors conduct an examination of the annual financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the members of the Board.

The annual financial statements on pages 102 to 129 and supplementary information on Annexure I were authorised for issue by the members of the Board on 08 August 2022 and are signed on its behalf by:

.....
Mr. Marvin T Torto
(Acting Board Chairperson)

.....
Mr. Emolemo Peter Kesitilwe
(Acting Chief Executive Officer)





INDEPENDENT AUDITORS REPORT








 GAMBLING AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 P	2021 P
Revenue	3	2,938,055	2,737,836
Government subvention	12	33,950,070	37,266,632
Amortisation of capital grants	11	318,311	987,145
Other income	4	1,176,963	1,740,959
Total income		38,383,399	42,732,572
Operating expenses	5	(36,133,591)	(40,957,472)
Operating surplus		2,249,808	1,775,100
Finance income	6	16,723	156,498
Finance cost	6	(2,302,890)	(2,335,514)
Deficit for the year		(36,359)	(403,916)
Other comprehensive income		-	-
Total comprehensive deficit for the year		(36,359)	(403,916)



GAMBLING AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 P	2021 P Restated	2020 P Restated
ASSETS				
Non-current assets				
Property, plant and equipment	8	3,832,485	4,194,989	5,559,396
Right-of-use asset	15	24,596,375	27,324,628	12,529,253
		28,428,860	31,519,617	18,088,649
Current assets				
Trade and other receivables	9	4,093,384	3,903,567	3,000,556
Short-term investments	24	51,351,188	45,356,946	117,371,904
Cash and cash equivalents	10	4,113,867	5,261,878	7,570,646
		59,558,439	54,522,391	127,943,106
Total assets		87,987,299	86,042,008	146,031,755
FUNDS AND LIABILITIES				
Funds				
Accumulated fund		540,539	576,898	980,814
		540,539	576,898	980,814
Non-current liabilities				
Capital grants	11	2,009,888	1,746,053	2,733,198
Lease liability	16	24,118,032	26,724,436	10,491,598
		26,127,920	28,470,489	13,224,796
Current liabilities				
Deferred income	12	51,721,662	45,172,105	43,076,884
Lease liability	16	2,612,578	2,150,766	2,166,220
Accounts and other payable	13	3,214,031	5,106,047	6,642,925
Levies payable	14	3,770,569	4,565,703	79,940,116
		61,318,840	56,994,621	131,826,145
Total liabilities		87,446,760	85,465,110	145,050,941
Total funds and liabilities		87,987,299	86,042,008	146,031,755





GAMBLING AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2022

	Accumulated fund P	Total P
Balance at 1 April 2020	980,814	980,814
Total comprehensive deficit for the year	(403,916)	(403,916)
Balance at 31 March 2021	576,898	576,898
Balance at 1 April 2021	576,898	576,898
Total comprehensive deficit for the year	(36,359)	(36,359)
Balance at 31 March 2022	540,539	540,539



GAMBLING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 P	2021 P Restated
Cash generated from operations			
Operating surplus		2,249,808	1,775,100
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	8	1,133,084	1,751,335
Depreciation on right of use asset	15	2,728,253	3,232,396
Loss on disposal property, plant and equipment		4,076	3,021
Amortisation of capital grant	11	(318,311)	(987,145)
<i>Changes in working capital</i>			
Increase in trade and other receivables		(189,817)	(903,011)
Decrease in accounts and other payables		(1,892,016)	(1,536,878)
Increase in levies payable		360,418	455,905
Increase in deferred income	12	6,549,557	2,095,221
Net cash generated from operations		10,625,052	5,885,944
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(786,600)	(403,808)
Proceeds from disposal of property, plant and equipment		11,943	13,859
Redemption of short-term investments		35,494,543	45,289,812
Investment in short-term Investments		(41,488,785)	(173,274,854)
Interest received	6	16,723	156,498
Net cash (used in) / generated from investing activities		(6,752,175)	71,781,507
Cash flows from financing activities			
Lease payments	16	(4,447,482)	(4,145,901)
Capital grants received	12	582,146	-
Net cash used in financing activities		(3,865,336)	(4,145,901)
Net change in cash and cash equivalents		7,541	73,521,550
Cash and cash equivalents at beginning of year		1,763,654	(71,757,896)
Cash and cash equivalents at end of year	10	1,771,195	1,763,654





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies

Statement of compliance

The annual financial statements of the Gambling Authority have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The annual financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

Basis of preparation of annual financial statements

The annual financial statements are prepared on the historical cost and are presented in Botswana Pula ('P'). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Adoption of new and revised International Financial Reporting Standards

Standards and interpretations effective in the current year

In the current year, the entity has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on or after 1 April 2021. These did not have a significant impact on the Authority's annual financial statements:

- *Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2) - effective date: Annual periods beginning on or after 1 January 2021*

The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Standards in issue but not yet effective

- *Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use - effective date: Annual periods beginning on or after 1 January 2022*

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

- *Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current - effective date: Annual periods beginning on or after 1 January 2023*

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

- *Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - effective date: Annual periods beginning on or after 1 January 2023*

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Property, plant and equipment

All Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment charges. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

- Office equipment	4 years
- Furniture, fittings and equipment	5 -10 years
- Computer equipment	3 years
- Motor vehicles	4 years
- Leasehold improvements	Over the lease period
- E Books	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Financial Instruments

Classification

The Authority classifies its financial assets and financial liabilities into the following categories:

- Financial assets at amortised cost
- Financial liabilities at amortised cost

The classification depends on the purpose for which the financial instruments were obtained/incurred. Management determines the classification of its financial assets at initial recognition.

Recognition and measurement

Financial instruments are recognised initially when the Authority becomes a party to the contractual provisions of the instruments.

The Authority classifies financial instruments or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement.

Subsequent measurement

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Authority's receivables, which are not provisionally priced, consist of fixed or determined cash flows related solely to principal and interest amounts. The Authority's intent is to hold these receivables until cash flows are collected. Receivables are recognised initially at fair value, net of any transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. The Authority recognises a loss allowance, as appropriate, for expected credit losses on a financial asset that is measured at amortised cost.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest rate method, unless they are required to be measured at fair value through profit and loss.

De-recognition

Financial assets are de-recognised when the rights to receive cash flow from the investments have expired or have been transferred and the Authority has transferred substantially all risk and rewards of the ownership.

Off-setting financial instruments

Financial assets and financial liabilities are off-set and the net amount reported in the statement of financial position when there is a legally enforceable right to off-set the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Impairment of financial assets

The Authority recognises a loss allowance for expected credit losses on trade and other receivable. The amount of expected credit losses (ECL) is updated at each reporting date. The loss allowance is measured at a lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivable has not increased significantly since initial recognition, then the loss allowance is measure at 12 month ECL. In order to assess whether to apply lifetime ECL or 12 month ECL to trade and other receivables, the Authority considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

In assessing whether credit risk on a receivable or group of receivable has significantly increased since initial recognition, the Authority compares the risk of a default occurring as at reporting date with the risk of default occurring as at the date of initial recognition. The Authority considers both quantitate and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost and effort.

An impairment gain or loss is recognised in surplus or deficit with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in surplus or deficit as a movement in credit loss allowance.

The Authority writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

Trade and other receivable

Trade and other receivables, excluding prepayments, are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.

Trade and other receivables are recognised when the Authority becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounts and other payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Levies payable

Levies payable includes the license levy collected and held by the Authority on behalf of the Levy Fund.

Right-of-use assets and lease liability

Initial measurement

Upon lease commencement, a right-of-use asset and a lease liability are recognised. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

Subsequent measurement

After lease commencement, the right-of-use asset is measured using a cost model (cost less accumulated depreciation and impairment charges), amortised over shorter of the underlying useful life (10 years) and the lease term on straight-line basis.

Lease liability is subsequently remeasured to reflect changes in:

The lease term (using a revised discount rate); the assessment of a purchase option (using a revised discount rate); the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate). The remeasurements are treated as adjustment to the right-of-use asset.





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods/services supplied, stated net of discounts and returns. The Authority recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Authority; and when specific criteria have been met for each of the Authority's activities, as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Rendering of services

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. This includes application fees, annual fees, transfer fees, national lottery fees, casino entrance fees, income from gambling machines, employee licence fees etc. earned by the Authority as a part its principal activities as the Regulator of gambling activities. The Authority recognises revenue from rendering services when it transfers control of a service to a customer.

Contribution towards responsible gambling

This includes contribution received from all licensed casinos in respect of activities relating to excessive gambling prevention and rehabilitation, which are carried out by Excessive Gambling Prevention and Rehabilitation Committee, a committee established by the Authority's Board for the said purpose. This contribution is accounted for as deferred income at initial recognition and subsequently recognised in the statement of comprehensive income over the period necessary to match with the expenses relating to excessive gambling prevention and rehabilitation activities which they are intended to compensate. Contribution received for which the related expense have not been incurred is carried as deferred income and is included under current liabilities.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Government grants

Government grants are assistance by the Government in the form of transfers of resources to the Authority in return for compliance with certain conditions relating to the operating activities of the Authority.

Government subventions relating to a particular period are recognised in the statement of comprehensive income in the respective period when there is a reasonable assurance that the subventions will be received.



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

1 Summary of significant accounting policies (continued)

Government Grants (continued)

Grants from the Government are initially recognised to unspent grants under current liabilities in the statement of financial position, once there is reasonable assurance that the Authority will comply with the conditions attaching to them (as applicable) and it is reasonably assured that the grant will be received.

Grants received for specific expenses are recognised in the statement of comprehensive income over the period necessary to match with the expenses they are intended to compensate. Grants received for which the related expense have not been incurred remain included in current liabilities as unspent grants received from Government.

Grants received for the acquisition of property, plant and equipment (“capital grants”) are transferred from unspent grants to capital grants in the statement of financial position in the period in which the underlying asset is bought. Grants, for which the underlying asset has been bought, is subsequently recognised in the statement of comprehensive income to match the depreciation of the related assets, as other income. Grants received for which assets have not been purchased, remain included in current liabilities as unspent grants received from Government.

Employee benefits

The Authority operates a pension and severance schemes for its citizen employees in accordance with the Employment Act (CAP 47:01). Members of Executive Committee are paid terminal gratuities in accordance with the terms of their respective contracts of employment.

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of statement of financial position.

2 Critical accounting estimates and judgements

In preparing the annual financial statements management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities, and disclosures of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

In applying the Authority’s accounting policies, the following estimates and judgements have been made which carry the risk of causing significant material adjustments to the carrying value of asset and liabilities within the next year:





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements (continued)

Estimated useful lives and residual values of property, plant and equipment

The Authority follows the guidance of IFRS and determines the residual values and useful lives of assets at each reporting date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the reporting date and the practice adopted by similar organisations.

Accounting for license levies and contributions towards responsible gambling collected from Licensed casinos

Gambling Authority (the “Authority”) collects license levy (at 10% on gaming revenue) and contribution (at 5% on gaming revenue) towards activities relating to prevention of excessive gambling and rehabilitation from all licensed casinos in Botswana.

License levy collected is expected to be transferred to a fund (the “Levy Fund”) to be established in accordance with Section 134(1) of the Gambling Act, 2012 (the “Act”) which has not been established by the year end.

The Authority had considered that the License Levy collected as amounts collected on behalf of the Levy Fund and has recognised as a liability and included under current liabilities pending the establishment of the Levy Fund and finalisation of its structure, control and administration. The accounting treatment would depend on the final conclusions relating to its structure, control and administration upon its establishment.

During the year ended 31 March 2021, the Ministry of Investment Trade and Industry instructed the Authority to transfer all License levies collected to date on behalf of the Levy Fund to a Government Bank account held at the Bank of Botswana. It was further instructed to continue depositing levies to such account until otherwise directed once the Gambling Levy Fund order is made into law. Accordingly, the treatment of accounting for the license levies as a liability is considered to be appropriate.

This includes contribution received from all licensed casinos in respect of activities relating to excessive gambling prevention and rehabilitation, which are carried out by Excessive Gambling Prevention and Rehabilitation Committee, a committee established by the Authority’s Board for the said purpose. This contribution is accounted for as deferred income at initial recognition and subsequently recognised in the statement of comprehensive income over the period necessary to match with the expenses relating to excessive gambling prevention and rehabilitation activities which they are intended to compensate. Contribution received for which the related expense have not been incurred is carried as deferred income and is included under current liabilities.



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements (continued)

Treatment of grants received from Government

Taking into account its nature and substance, the Authority considers amounts that it receives from the Government to fall within the scope of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. In reaching this conclusion, the Authority considers the terms attached to each of the grants received and the current practice adopted by other parastatals in Botswana. Accordingly, the Authority recognises the amounts received in accordance with the accounting policy as included in *note 1 - Government grants*.

Determining the lease term

Lease liabilities include the net present value determined using the following observable data inputs: the remaining lease period, the lease payments and interest rate implicit in the lease.

In determining the remaining lease period, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Among others management's intention of renewal, amounts already spent on leasehold improvements, conditions attached renewal, particularly rental being market rent for renewal period will be based on market rates, location and underlying importance of the property for the Authority etc have been taken into account. Extension options are only included in the lease term if the lease is reasonably certain to be extended.





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 P	2021 P
3 Revenue		
Rendering of services		
Annual fees	800,000	800,000
Renewal fees	300,000	83,415
Casino entrance fees	1,100,655	982,421
Income from gambling machines	583,250	702,000
Employee license fees	154,150	170,000
	<u>2,938,055</u>	<u>2,737,836</u>
4 Other income		
Responsible gaming contributions (Note 12)	1,124,832	1,720,176
Other operating income	52,131	20,783
	<u>1,176,963</u>	<u>1,740,959</u>
5 Operating surplus		
Operating surplus is arrived at after charging the following items:		
Auditors remuneration - audit fees	(311,044)	(267,827)
Consultancy and professional fees	(3,916,892)	(6,404,795)
Depreciation on property, plant and equipment (Note 8)	(1,133,083)	(1,751,335)
Depreciation on right of use asset (Note 15)	(2,728,253)	(3,232,396)
Donations	-	(87,819)
Board members fees (Note 18)	(142,650)	(174,600)
Legal fees	(916,349)	(1,568,645)
Loss on disposal of property, plant and equipment	(4,076)	(3,021)
Meeting and conference costs	(598,847)	(311,356)
Provision for loss allowance (Note 9)	(171,931)	(100,263)
Staff cost (Note 5.1)	(20,900,795)	(21,224,175)
Insurance	(402,332)	(386,660)
Security	(752,894)	(703,981)
Telephone, internet and utility	(1,403,166)	(1,271,729)
COVID-19 crisis management	(420,904)	(883,303)
Expenses on responsible gaming activities (Note 12)	(1,124,832)	(1,720,176)
Other expenses	(1,205,543)	(865,391)
	<u>(36,133,591)</u>	<u>(40,957,472)</u>
5.1 Staff costs		
Salaries	(20,520,871)	(20,416,230)
Staff welfare	(379,924)	(807,945)
	<u>(20,900,795)</u>	<u>(21,224,175)</u>



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 P	2021 P
6 Net finance cost		
Finance income		
Interest income	(16,723)	(156,498)
Finance cost		
Interest on IFRS 16: Lease liability (Note 16)	2,302,890	2,335,514
Net finance cost	<u>2,286,167</u>	<u>2,179,016</u>

7 Taxation

Authority is exempt from income tax under paragraph (xx) Part 1 of the second schedule of the Income Tax Act (52:01).



8 Property, plant and equipment

	Leasehold improvements	E-Books	Office equipment	Computer equipment	Furniture and fittings	Motor vehicles	Total
	P	P	P	P	P	P	P
As at 31 March 2020							
Cost	2,546,016	8,120	2,122,434	1,368,391	3,131,742	1,886,969	11,063,672
Accumulated depreciation	(1,523,040)	(5,576)	(794,638)	(740,585)	(1,746,068)	(694,369)	(5,504,276)
Net book amount	1,022,976	2,544	1,327,796	627,806	1,385,674	1,192,600	5,559,396
Year ended 31 March 2021							
Net book amount at beginning of year	1,022,976	2,544	1,327,796	627,806	1,385,674	1,192,600	5,559,396
Additions	135,143	-	158,521	110,144	-	-	403,808
Disposals	-	-	-	(112,351)	-	-	(112,351)
Depreciation on disposal	-	-	-	95,471	-	-	95,471
Depreciation	(409,656)	(1,543)	(366,640)	(245,151)	(494,334)	(234,011)	(1,751,335)
Net book amount at end of year	748,463	1,001	1,119,677	475,919	891,340	958,589	4,194,989
As at 31 March 2021							
Cost	2,681,159	8,120	2,280,955	1,366,184	3,131,742	1,886,969	11,355,129
Accumulated depreciation	(1,932,696)	(719)	(1,161,278)	(890,265)	(2,240,402)	(928,380)	(7,160,140)
Net book amount	748,463	1,001	1,119,677	475,919	891,340	958,589	4,194,989
Year ended 31 March 2022							
Net book amount at beginning of year	748,463	1,001	1,119,677	475,919	891,340	958,589	4,194,989
Additions	-	-	46,619	191,315	8,305	540,360	786,600
Disposals	-	-	-	(74,103)	-	(26,441)	(100,544)
Depreciation on disposal	-	-	-	66,016	-	18,509	84,524
Depreciation	(124,717)	(595)	(339,609)	(215,225)	(262,272)	(190,665)	(1,133,084)
Net book amount at end of year	623,746	406	826,687	443,922	637,373	1,300,352	3,832,485
As at 31 March 2022							
Cost	2,681,159	8,120	2,327,574	1,483,396	3,140,047	2,400,888	12,041,185
Accumulated depreciation	(2,057,413)	(714)	(1,500,887)	(1,039,474)	(2,502,674)	(1,100,537)	(8,208,700)
Net book amount	623,746	406	826,687	443,922	637,373	1,300,352	3,832,485

Property, plant and equipment up to 31 March 2017 wholly includes assets funded through capital grants. From the financial year 2018 onwards, Authority purchased assets from self generated funds. Disclosed below are the respective net book values as at 31 March 2022 and 31 March 2021 and depreciation for the year then ended.

Net book value as at 31 March 2022							
Funded by capital grants	499,918	406	119,329	61,094	569,864	759,301	2,009,913
Funded by internally generated funds	123,827	-	707,358	382,828	67,509	541,050	1,822,572
	623,746	406	826,687	443,922	637,373	1,300,352	3,832,485
Net book value as at 31 March 2021							
Funded by capital grants	586,831	1,001	122,832	-	787,165	248,224	1,746,053
Funded by internally generated funds	161,632	-	996,845	475,919	104,175	710,365	2,448,936
	748,463	1,001	1,119,677	475,919	891,340	958,589	4,194,989
Depreciation for the year ended 31 March 2022							
Funded by capital grants	86,913	595	3,503	1,654	217,301	8,346	318,311
Funded by internally generated funds	37,805	-	336,107	213,571	44,971	182,319	814,772
	124,717	595	339,609	215,225	262,272	190,665	1,133,084
Depreciation for the year ended 31 March 2021							
Funded by capital grants	384,061	1,543	53,996	46,811	452,142	48,592	987,145
Funded by internally generated funds	25,595	-	312,644	198,340	42,192	185,419	764,190
	409,656	1,543	366,640	245,151	494,334	234,011	1,751,335

GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
9 Trade and other receivables		
Fees receivable	1,591,836	1,647,305
Less: Loss allowance	(618,127)	(495,500)
	<u>973,709</u>	<u>1,151,805</u>
Levies receivable	1,427,897	1,067,479
Pre-payments	1,519,370	1,320,243
Other receivables	172,408	364,040
	<u>4,093,384</u>	<u>3,903,567</u>

Trade and other receivables are receivable within a year. Since impact of discounting is not significant, the fair value of trade and other receivables equals the carrying amount.

Levies, contributions and fees receivable are normally collected within 90 days. Provision has been made in respect of long outstanding and/or irrecoverable balances. Owing to the nature of Authority's receivable, debtors have been individually assessed.

Loss allowance

Opening balance	(495,500)	(402,500)
Amount written-off	49,304	7,263
Provision for the year	(171,931)	(100,263)
Closing balance	<u>(618,127)</u>	<u>(495,500)</u>

Gross carrying values and loss allowance categorised based on ageing are as follows:

	Gross carrying value	Loss allowance	Net carrying value
31 March 2022			
0 to 30 days	2,373,570	-	2,373,570
31 to 60 days	-	-	-
61 to 90 days	25,000	-	25,000
Over 90 days	621,163	(618,127)	3,036
	<u>3,019,733</u>	<u>(618,127)</u>	<u>2,401,606</u>
31 March 2021			
0 to 30 days	2,165,284	-	2,165,284
31 to 60 days	29,000	-	29,000
61 to 90 days	-	-	-
Over 90 days	520,500	(495,500)	25,000
	<u>2,714,784</u>	<u>(495,500)</u>	<u>2,219,284</u>





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 P	2021 P Restated
10 Cash and cash equivalents		
Cash on hand	247	910
Cash at bank (Note 24)	4,113,620	5,260,968
	<u>4,113,195</u>	<u>5,261,878</u>

As at 31 March 2022, cash and cash equivalents included an amount of P 2.34Mn (2021: P 3.49Mn) relating to licence levy held by the Authority on behalf of the Levy Fund.

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

Cash and cash equivalents as above (Note 24)	4,113,867	5,261,878
Less: Licence levy received	<u>(2,342,672)</u>	<u>(3,498,224)</u>
	<u>1,771,195</u>	<u>1,763,654</u>

11 Capital grants

Balance at beginning of year	1,746,053	2,733,198
Purchase of assets during the year (Note 12)	582,146	-
Amortisation of grant to income during the year	(318,311)	(987,145)
Depreciation of property, plant and equipment (Note 8)	<u>(318,311)</u>	<u>(987,145)</u>
Balance at end of year	<u>2,009,888</u>	<u>1,746,053</u>



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 P	2021 P
12 Deferred income		
<i>Government subvention</i>		
Balance at beginning of year	1,335,130	5,367,719
Received during the year	32,614,940	33,234,043
Less: Amount utilised during the year and transferred to income	(33,950,070)	(37,266,632)
Balance at end of year (Note 12.1)	-	1,335,130
<i>Excessive Gambling Prevention and Rehabilitation Committee</i>		
Balance at beginning of year	43,836,975	37,709,165
Amounts utilised during the year and transferred to capital grants (Note 11)	(582,146)	-
Amounts utilised during the year and transferred to other income (Note 4)	(1,124,832)	(1,720,176)
Contributions during for the year	7,619,009	6,023,087
Interest accrued	1,972,656	1,824,899
Balance at end of year (Note 12.1)	51,721,662	43,836,975
Total deferred income	51,721,662	45,172,105
12.1 This refers to contribution collected from licensed casinos towards a programme aimed at supporting responsible gambling monitored by the Excessive Gambling Prevention and Rehabilitation Committee. The unutilised portion of contributions collected is treated as deferred income.		
13 Accounts and other payables		
Fees received in advance	125,000	300,000
Accrued leave pay, gratuity and severance	734,169	2,599,358
Accruals and other payable	2,354,862	2,206,689
	3,214,031	5,106,047
14 Levies payable		
Licence levy payable to Levy Fund	3,770,569	4,565,703

Levies payable represent the total amount of licence levies collected and held by the Authority as at the year-end. On 19 June 2020, Ministry of Investment Trade and Industry instructed the Authority to transfer all Levy collected to date on behalf of the Levy Fund to a Government Bank account held at the Bank of Botswana. It was further instructed to continue depositing levies to such account until otherwise directed once the Gambling Levy Fund order is made into law.





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

15 Right-of-use asset

The Authority leases its office building. The rental contract is made for fixed periods of 5 years with an extension option for further 5 years.

	2022 P	2021 P
Buildings		
Opening net book value	27,324,628	12,529,253
Lease modifications (Note 16)	-	18,027,771
Depreciation charge	(2,728,253)	(3,232,396)
Closing net book value	24,596,375	27,324,628
Cost	33,021,795	33,021,795
Accumulated depreciation	(8,425,420)	(5,697,167)
Closing net book value	24,596,375	27,324,628

16 Lease liability

Balance at beginning of year	28,875,202	12,657,818
Lease modification	-	18,027,771
Interest accrual	2,302,890	2,335,514
Repayments	(4,447,482)	(4,145,901)
Balance at end of year	26,730,610	28,875,202

Lease modification mainly refers to the change in remaining lease period considered in the determination of lease liability. During the year ended 31 March 2021, the Authority renewed its lease agreement and additional extension period of 5 years has been considered as management is reasonably certain that the extension option would be exercised.

The lease payments are discounted using the interest rate implicit in the lease which approximates to 8.25% p.a.

Current	2,612,578	2,150,766
Non-current	24,118,032	26,724,436
Total lease liability	26,730,610	28,875,202

The maturity of the lease liabilities is as follows:

No later than 1 year	4,720,875	4,453,655
Later than 1 year and no later than 5 years	18,701,837	19,275,298
More than 5 years	12,794,031	16,935,271
	36,216,743	40,664,224
Less: finance charges	(9,486,133)	(11,789,022)
	26,730,610	28,875,202



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 P	2021 P Restated
17 Financial instruments by category		
The accounting policies for financial instruments have been applied to the line items below:		
Financial assets at amortised cost		
Trade and other receivables	2,574,014	2,583,324
Cash and cash equivalents	4,113,867	5,261,878
Carrying Amount	6,687,081	7,845,202
Financial assets at fair value		
Short-term investments	51,351,188	45,356,946
Financial liabilities at amortised cost		
Lease liabilities	26,730,610	28,875,202
Accounts and other payables	2,337,120	4,806,047
Levies payable	3,770,569	4,565,703
	32,838,299	38,246,952

The fair value of financial assets and financial liabilities approximates to their carrying values.

18 Related party disclosures

Gambling Authority is established under Gambling Act, 2012 and is a parastatal of the Republic of Botswana.

The following transactions were carried-out with related parties.

(a) Grant received

Ministry of Investment Trade and Industry (Note 12)	32,614,940	33,234,043
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(b) Compensation to key management personnel

Key management includes Members of the Board and Members of the Executive Committee. The compensation paid or payable to key management for employee services are shown below;

Short term-employee benefits	7,488,557	7,564,478
Accrued gratuity	227,397	1,630,348





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 P	2021 P
18 Related party disclosures (continued)		
(c) Directors' emoluments		
Ms. Eunice Mmono	25,200	23,400
Ms. Itumeleng Mareko	21,600	21,600
Mr. Marvin Torto	21,600	19,800
Ms. Arabang Kanego	10,800	23,400
Mr. Blessed Monyatsi	47,250	45,000
Ms. Mmakome Masendu	16,200	25,200
Mr. Olebile Machete	-	14,400
Ms. Boitumelo Tembo	-	1,800
	142,650	174,600

19 Financial risk management

Capital risk management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide benefits to stakeholders.

There are no externally imposed capital requirements and there have been no changes to what the Authority manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The Authority's activities expose it to a variety of financial risk as follows;

Liquidity risk

The Authority's risk to liquidity is a result of the funds available to cover the future commitments. The Authority manages liquidity through an ongoing review of future commitments and credit facilities.

The following tables detail the Authority's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Authority can be required to pay.

31 March 2022

	Less than 1 year P	1 - 5 years P	Over 5 years P
Accounts and other payables	2,337,120	-	-
Levies Payable	3,770,569	-	-
Lease liability	4,720,875	18,701,837	12,794,031
	10,828,564	18,701,837	12,794,031



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

19 Financial risk management (continued)

31 March 2021	Less than 1 year P	1 - 5 years P	Over 5 years P
Accounts and other payables	4,806,047	-	-
Levies Payable	4,565,703	-	-
Lease liability	4,453,655	19,275,298	16,935,272
	<u>13,825,405</u>	<u>19,275,298</u>	<u>16,935,272</u>

Credit risk

Credit risk consists mainly of cash and cash equivalents and accounts receivable.

The Authority only deposits cash with major banks and financial institutions with high quality credit standing and limits exposure to any one counter-party. As at the year-end, the Authority has deposits with First National Bank of Botswana Limited, African Alliance Botswana Limited, Access Bank Botswana Limited and Vunani Fund Managers Propriety Limited. There are no credit ratings available in Botswana.

First National Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of First Rand Holdings Limited, a company listed on the Johannesburg Stock Exchange. African Alliance Botswana Limited and Access Bank Botswana Limited are subsidiaries of African Alliance Limited and BancABC House respectively. Vunani Fund Managers Propriety Limited has 60% shareholding in AME Capital Propriety Limited a company listed on Johannesburg Stock Exchange.





GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

19 Financial risk management (continued)

Financial assets exposed to credit risk at the year end were as follows:

	2022 P	2021 P
Trade and other receivables	2,574,014	2,583,324
Cash at bank and short-term bank deposits		
First National Bank of Botswana Limited	4,113,620	5,260,968
African Alliance Assets Management Limited	386,322	1,936,838
Access Bank Botswana Limited	18,129,019	11,920,108
Vunani Fund Managers Proprietary Limited	32,835,847	31,500,000
	<u>55,464,808</u>	<u>50,617,914</u>
Total exposure to credit risk	<u>58,038,822</u>	<u>53,201,238</u>

Market risk: Cash flow interest rate risk

Fluctuation in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk.

At 31 March 2022, if interest rates on short-term deposit had been 0.5% higher / lower with all other variables held constant, surplus for the year would have been P19,053 (2021:P17,284) lower/higher, mainly as a result of higher / lower interest income on floating rate deposits.

20 Commitments - Capital commitments

There were no capital expenditure contracted for at the reporting date but not yet incurred.

21 Contingent liabilities

There were no contingent liabilities at the reporting date.

22 Events after reporting date

At the date of finalisation of the annual financial statements, no events have come to the attention of Management and the Board of Directors that require disclosure in or adjustments to these annual financial statements.



GAMBLING AUTHORITY
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

23 Going concern

The Authority incurred a deficit of P 36,359 for the year and as at 31 March 2022 (2021: P 403,916), and the Authority's current liabilities exceed its current assets by P 1,760,401 (2021: 2,472,230). These conditions would ordinarily cast significant doubt on the Authority's ability to continue as a going concern.

During the current financial year, the Authority had a cut in its Government subvention received and reduced income from casino entrance fees due to the impact of the COVID 19 pandemic. However, with cost savings strategies, Authority was able to manage the operations. A subvention of P 30.9 Mn has been approved for the next financial year 2022/2023 and taking into account various plausible impact scenarios and information available at the time of approving the annual financial statements, the Authority assessed that it has sufficient cash and liquid assets available to meet its obligations as these fall due and to remain a going concern for the ensuing twelve months. No material uncertainty exists that would indicate the Authority will not be a going concern,

Based on the foregoing, the Authority has prepared the annual financial statements on the going concern basis.

24 Restatement of cash and cash equivalents and short-term investments

In previous years, short-term investments held with Vunani Fund Managers Botswana Proprietary Limited, Access Bank Limited (formerly, BancABC Limited) and African Alliance Botswana Limited have been erroneously classified as cash and cash equivalents in the financial statements. During the year, management has identified that these investments do not meet the definition of cash and cash equivalents and hence, cannot be classified as cash and cash equivalents in terms of International Accounting Standards 7, Statement of Cash Flows ("IAS 7").

This above error is material to the prior and current period financial statements, and constitutes a prior period error as defined by the International Accounting Standards 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). The error affects the comparative information and has an impact on the beginning of the preceding period, hence, a third statement of financial position is required. The above error has now been corrected with retrospective effect in accordance with the requirements of IAS 8. The effects of the restatement are summarised as follows:

(a) Effect on the statement of financial position

Cash and cash equivalents - as previously stated
Impact of restatement
Restated balance

	2021 P	2020 P
	50,618,824	94,942,550
	<u>(45,356,946)</u>	<u>(87,371,904)</u>
	<u>5,261,878</u>	<u>7,570,646</u>




 GAMBLING AUTHORITY
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 MARCH 2022

**24 Restatement of cash and cash equivalents and short-term investments
(continued)**

	2021 P	2020 P
Cash and cash equivalents - as previously stated	50,618,824	94,942,550
Impact of restatement	(45,356,946)	(87,371,904)
Less: Licence levy received	(3,498,224)	(79,328,542)
	1,763,654	(71,757,896)
Short-term investments - as previously stated	-	30,000,000
Impact of restatement	45,356,946	87,371,904
Restated balance	45,356,946	117,371,904
(b) Effect on the statement of cash flows		
Net cash generated from operations	5,879,902	9,799,857
Cash flows from investing activities		
Net cash generated from / (used in) investing activities	29,772,591	(31,082,800)
Impact of restatement	(45,356,946)	(87,371,904)
Net cash used in investing activities	(15,584,355)	(118,454,704)
Net cash used in financing activities	(4,145,901)	(4,103,787)
Net change in cash and cash equivalents - as restated	(13,850,354)	(112,758,634)
Cash and cash equivalents at beginning of year - as previously restated	15,614,008	41,000,738
Cash and cash equivalents at end of year	1,763,654	(71,757,896)

The error noted above does not impact on the amounts or disclosures related to operating and financing cash flows. Further, the above restatement has no impact on retained earnings.



GAMBLING AUTHORITY
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

Annexure I

	2022 P	2021 P
INCOME		
Rendering of services	2,938,055	2,737,836
Government subvention	33,950,070	37,266,632
Amortisation of capital grants	318,311	987,145
Others	1,176,963	1,740,959
Interest received	16,723	156,498
	38,400,122	42,889,070
EXPENDITURE		
Advertising and promotions	(234,960)	(181,428)
Auditors remuneration	(311,044)	(267,827)
Bank charges	(25,504)	(33,260)
Cleaning	(17,150)	-
Consultancy and professional fees	(3,916,892)	(6,404,795)
Courier and postage	(3,420)	(237)
Depreciation	(3,861,336)	(4,983,731)
Board fees	(142,650)	(174,600)
Donations	-	(87,819)
Insurance	(402,332)	(386,660)
Interest on IFRS 16: Lease liability	(2,302,890)	(2,335,514)
Legal fees	(916,349)	(1,568,645)
Loss on disposal property, plant and equipment	(4,076)	(3,021)
Meeting and conference costs	(598,847)	(311,356)
Motor vehicle expenses	(166,869)	(184,902)
Office expenses	(469,957)	(221,946)
Printing and stationery	(12,848)	(6,941)
Provision for loss allowance	(171,931)	(100,263)
Repairs and maintenance	(41,157)	(65,423)
Salaries and wages	(20,520,871)	(20,416,230)
Security	(752,894)	(703,981)
Staff welfare	(379,924)	(807,945)
Subscriptions	(46,469)	(22,889)
Telephone and internet	(1,103,166)	(942,430)
Utility	(300,000)	(329,299)
Licensing and monitoring	(187,209)	(148,365)
Responsible gaming costs	(1,124,832)	(1,720,176)
COVID-19 crisis management	(420,904)	(883,303)
Total expenditure	(38,436,481)	(43,292,986)
Deficit for the year	(36,359)	(403,916)

The supplementary information does not form part of the annual financial statements and is unaudited.







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