



**GAMING BOARD OF TANZANIA**

# **ANNUAL REPORT**

## **2019/20**

**FOSTERING GAMING REGULATORY EFFICIENCY**

**Gaming for Leisure  
not for gain;**

**not for persons under 18 years**

---

**Law enforcement,  
fairness and responsible  
gaming.**

# WHO WE ARE

The Gaming Board of Tanzania (GBT) is a Government corporate body which oversees, monitors and regulates the conduct of gaming activities in the country as mandated by the Gaming Act Cap. 41 of 2003.



## Vision Statement

The GBT aims to become a world class gaming regulator that contributes meaningfully to social and economic development of Tanzania.

## Mission Statement

The GBT seeks to properly regulate the gaming industry in Tanzania so that it ensures integrity, maximization of long-term socio-economic benefits and protection of the gaming public from gaming hazards by enforcing a world class gaming legislation and adapting best practices.



## Core Values

Gaming Board of Tanzania (GBT) believes on the following values:



**Honesty and Integrity;** The GBT upholds integrity through demonstrating moral and ethical conduct in all its dealings. It is expected to treat with fairness and honesty Tanzania's gaming operators and other stakeholders. It affirms to treat all its stakeholders with trust and confidentiality.



**Professionalism;** The GBT is committed to maintain the highest degree of professionalism and ethical standards as it seeks to build value-added relationships with its stakeholders. Therefore, the GBT will endeavor to continually develop the knowledge and capacity of its staff.



**Efficiency and Effectiveness;** The GBT aims to improve its delivery of regulatory roles with utmost care while always maintaining a focus on the quality of its work. The GBT further recognizes its obligation to maximize the use of its resources in the course of striving to achieve its objectives.





**Team Work;** The GBT believes in the advantage of staff working together in combined and diverse expertise towards achieving a common goal in the most effective and efficient manner. With this in mind, contribution from each member of staff is well considered so that we have exchange of ideas and information that boosts our effort to push up productivity.



**Excellent Customer Care:** The GBT strives to deliver high quality services to its customers with a friendly attitude while resolving associated challenges as efficiently as possible. The GBT embraces a customer-oriented approach in the delivery of its services.

### **Major Responsibilities**



#### **Licensing**

The GBT is responsible for issuance of gaming licenses in Tanzania.



#### **Enforce Compliance of the Gaming Law**

The GBT ensures gaming operations are conducted in compliance with the requirement of the Gaming Legislation.



#### **Advise on Imposition of Gaming Taxes, levies and fees**

The GBT has the statutory responsibility to advise the Government on imposition of taxes, levies and fees on gaming activities and the manner of collection.



#### **Protect the Public Against Potential Gaming Harm**

The GBT is responsible for implementing measures to protect the public against adverse impacts of gaming and promote responsible engagement in the same.



#### **Dispute Resolution**

The GBT is responsible for handling and determining complaints between players and operators arising from their involvement in gaming activities.

## **Copyright**

©GBT. All rights reserved. This report is intended for general information only and is not intended to serve as a financial advice. While necessary precaution has been observed to ensure accuracy of information contained herein, GBT shall not be liable for reliance of this report for investment decision. The content of this publication may not be quoted or reproduced in any form without fully acknowledging GBT Annual Report 2019/20 as the source.

**This report is also available at:  
<http://www.gamingboard.go.tz>**

# TABLE OF CONTENTS

<b>WHO WE ARE</b> .....	<b>i</b>
Copyright .....	<b>iii</b>
<b>TABLE OF CONTENTS</b> .....	<b>iv</b>
List of Abbreviations and Acronyms .....	<b>v</b>
Statement of the Director General .....	<b>vi</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
INTRODUCTION .....	<b>3</b>
<b>CHAPTER TWO</b> .....	<b>7</b>
INSTITUTIONAL OVERVIEW .....	<b>9</b>
<b>CHAPTER THREE</b> .....	<b>11</b>
STRUCTURE AND GOVERNANCE .....	<b>13</b>
<b>CHAPTER FOUR</b> .....	<b>17</b>
GAMING OPERATING ENVIRONMENT .....	<b>19</b>
<b>CHAPTER FIVE</b> .....	<b>23</b>
PERFORMANCE OVERVIEW .....	<b>25</b>
<b>CHAPTER SIX</b> .....	<b>39</b>
GAMING INDUSTRY PERFORMANCE .....	<b>41</b>
<b>CHAPTER SEVEN</b> .....	<b>45</b>
RESPONSIBLE GAMING .....	<b>47</b>
<b>CHAPTER EIGHT</b> .....	<b>53</b>
CORPORATE SOCIAL RESPONSIBILITY .....	<b>55</b>
<b>CHAPTER NINE</b> .....	<b>61</b>
FUTURE OUTLOOK .....	<b>63</b>
<b>APPENDICES</b>	
Appendix I – List of Licensees 2019/20	
Appendix II – Audit Report for 2019/20	



## LIST OF ABBREVIATIONS AND ACRONYMS

Act	-	Gaming Act, 2003
COVID19	-	Coronavirus Disease 2019
GBT	-	Gaming Board of Tanzania
GLICA	-	Gaming Licensing, Inspection and Compliance Application
GRAF	-	Gaming Regulators Africa Forum
GReMS	-	Gaming Regulatory Management System
IAGR	-	International Association of Gaming Regulators
MoFP	-	Ministry of Finance and Planning

# STATEMENT OF THE DIRECTOR GENERAL



It is my great pleasure to avail to our stakeholders with the GBT Annual Report for the Financial Year 2019/20. The Report provides useful information on the GBT mandate and performance during the year and gives important insights into the gaming industry trend during the year. It is a document worth reading and could be a useful starting point for further search for information on the understanding of the GBT and the gaming sector in Tanzania. It is my sincere hope that readers will find it useful.

Conventionally, the corporate annual report contains the Statement of the Chairperson of the Board of Directors which precedes the Statement of the Chief Executive Officer. It is unfortunate that this one will miss such a crucial part as the position was vacant during the reporting period.

The issuance of this Annual Report is as per the requirement of Section 68 of the Gaming Act No. 4 of 2003.

Apart from other relevant information, this Report also contains the audited accounts of the GBT which is a statutory requirement in terms of the cited Act.

Once again, I am elated to state that the GBT obtained a clean opinion issued by the Controller and Auditor General (CAG) during the year under review. The GBT has maintained this good record since its inception in July, 2003. Our commitment is to continue ensuring proper management of GBT resources in a manner that complies with the applicable Laws, Policies and Procedures in order to ensure continued clean audit opinion.

The GBT continued to carry out its statutory obligation during the year to ensure that the gaming sector contributes meaningfully to the country's economy while ensuring due public protection against potential gaming harm.



In so doing, during the year, the GBT issued 4,819 gaming licenses for various gaming activities as compared to 4,114 licenses issued in 2018/19. Additionally, the GBT conducted planned and ad hoc inspections to enforce compliance with the Gaming Law, resolved disputes involving licensees and players and advised the Government on matters relating to imposition and collection of gaming tax and levy.

During the period, the GBT implemented several measures to protect the public against potential adverse gaming impacts, including strengthening controls on prohibition of minors to participate in gaming activities, the impact of which is being felt.

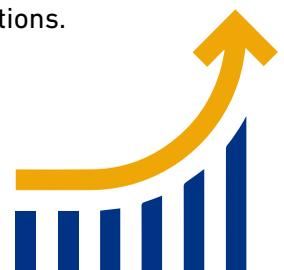
On this noble obligation, the GBT conducted awareness programmes to promote adoption of responsible gaming practice.

The GBT's financial performance during the year was good whereby revenue collection amounted to TZS 10.01 billion compared to the TZS 9.39 billion collected during the Financial Year 2018/19, which is an increase of 6.60%.

Meanwhile, the total operating expenses amounted to TZS 6.56 billion, which is an increase of 11.9% compared to TZS 5.86 billion of 2018/19. On the other hand, total assets as at 30th June 2020 was TZS 15.29 billion, thus recording a slight decline of 3.23% from TZS 15.80 billion as at 30th June 2019 while net assets increased to TZS 14.43 billion compared to TZS 13.28, recording a growth of 8.66%.

The 2018/19 Annual Report expressed our commitment to accomplish ICT regulatory management system, which was initiated during the Fiscal Year 2017/18. Indeed, the GBT in collaboration with the Ministry of Finance and Planning concluded development of the system, which is comprised of two modules, namely GLICA and GREMS. The completion of the regulatory system has significantly upgraded our regulatory capacity in a more effective and efficient manner whereby it has enabled the GBT to implement appropriate measures to ensure its continued enhancement with a view to upgrading its regulatory capacity. As such, we are committed to continue embracing technology and promote the same in the gaming sector as a key success factor in supporting our regulatory function. .

The year 2019/20 cannot be cited without mentioning the damning experience of the Covid-19 pandemic. The pandemic was a global challenge that brought about far-reaching and devastating social and economic consequences. It necessitated invention of new order of doing things particularly that which entailed taking advantage of technology in an attempt to cope with human obligations.



The gaming sector in Tanzania, like it was the case with other social and economic sectors, was badly affected by the pandemic. The performance of the sector during the year recorded a decline compared to the previous year of 2018/19. This was demonstrated by a fall of about 6% in gaming tax collections. During the year a collection of TZS 89.1 billion was achieved compared to TZS 95.1 billion collected in 2018/19. We are optimistic that, as the world recovers from the aftermath of the pandemic and gradually returning to normalcy, the industry will bounce back to its profitability trend. We at the GBT will continue to observe the local and global trends of the pandemic with a view to taking appropriate measures when necessary.

This statement of mine has simply provided brief remarks on what transpired during the year and now I urge you to read the in-depth Annual Report that follows. I therefore wish to end my remarks at this point and invite our readers to scan through the rest of the Report which I trust you will find useful.

However, before signing off, may I, on behalf of my GBT Management colleagues, extend our appreciation and gratitude to the Ministry of Finance and Planning as well as the Office of the Treasury Registrar for their tireless support and guidance. Last but not least, we extend our sincere gratitude to all GBT employees for their dedication and hard work in fulfilling their obligations while calling upon them to continue with the good spirit.



James B Mbalwe  
**DIRECTOR GENERAL**







# Chapter One

# **INTRODUCTION**



# INTRODUCTION

This Annual Report is prepared in compliance with the requirement of Section 68(1) of the Gaming Act No. 4 of 2003, which demands that the GBT issues it annually. It covers the period from 1<sup>st</sup> July, 2019 to 30th June, 2020.

The report is intended to provide information on the conduct of the GBT functions during the year under review. Specifically, it contains highlights on the fulfillment of the regulatory role during the period while providing some useful information on the Gaming sector performance.

The Year 2019/20 goes down the memory lane as unique following the outbreak and prevalence of COVID-19 pandemic which was a global challenge. The pandemic was not only a public health crisis but also a threat to the global economy.

Certainly, there is no doubt that COVID-19 has had a profound impact on every industry in the world and Gaming industry was not spared. Jurisdictions implemented various control measures to limit the spread of this unprecedented global pandemic.

The measures included travel restrictions, shutdown of businesses and lockdowns which brought about adverse impact on performance of the world economy and social interactions.

The Gaming sector globally was hugely afflicted as it witnessed the accelerated down-turn performance. In Tanzania for instance, Gaming tax collection declined by 6.3% from TZS 95.07 billion in 2018/19 to 89.05 billion in 2019/20, reflecting the pandemic control measures implemented locally and globally.

It was not business-as-usual at the GBT as it had to re-invent its regulatory approach to suit the pandemic operating environment and ensure safety of Gaming operations and its sustainability. It was during this time that off-site surveillance was mainly the new order of Gaming monitoring and control in a bid to implement Government directives and globally issued protocols aimed at curbing the pandemic.



The GBT continued to implement its third Corporate Plan whose four-year term ended with the year under review. Significant regulatory achievement was recorded during the lifetime of the Plan.

Some of the notable achievements include improvement of the Gaming Law to correspond with the dynamic Gaming operating environment, development of ICT regulatory systems with a view to increasing regulatory efficiency and effectiveness.

Furthermore, in keeping with the objective of promoting responsible Gaming in the country, several awareness campaigns were rolled out to ensure the public is sufficiently protected against adverse social impact of Gaming. Such campaigns focused on harmful consequences of irresponsible Gaming and uncontrollable Gaming habits with special emphasis on prohibition of children involvement in Gaming activities. The overall regulatory performance, in terms of compliance of the sector with the Gaming law and its contribution to the economy, was good, thereby enhancing public confidence and trust on the regulation of the sector.

The Report constitutes nine chapters. Chapter One, provides general introductory remarks and sets the platform for the reader. Chapter Two describes the mandate of the GBT as enshrined in the Gaming Act No.4 of 2003 and Regulations made thereon.

Chapter Three presents the structure of the GBT which enables it to carry out its regulatory mandate. Chapter Four identifies the operating environment and discusses its impact on Gaming operation and regulations. Chapter Five gives highlights on the GBT performance during 2019/20 while Chapter Six provides a synopsis of the contribution of the gaming sector to the economy. Chapter Seven presents the initiatives taken by the GBT to promote responsible Gaming in the country while Chapter Eight outlines the Corporate Social Responsibility initiatives undertaken by the GBT during 2019/20. Finally, Chapter Nine shares the future outlook of the sector and the regulatory framework in Tanzania.

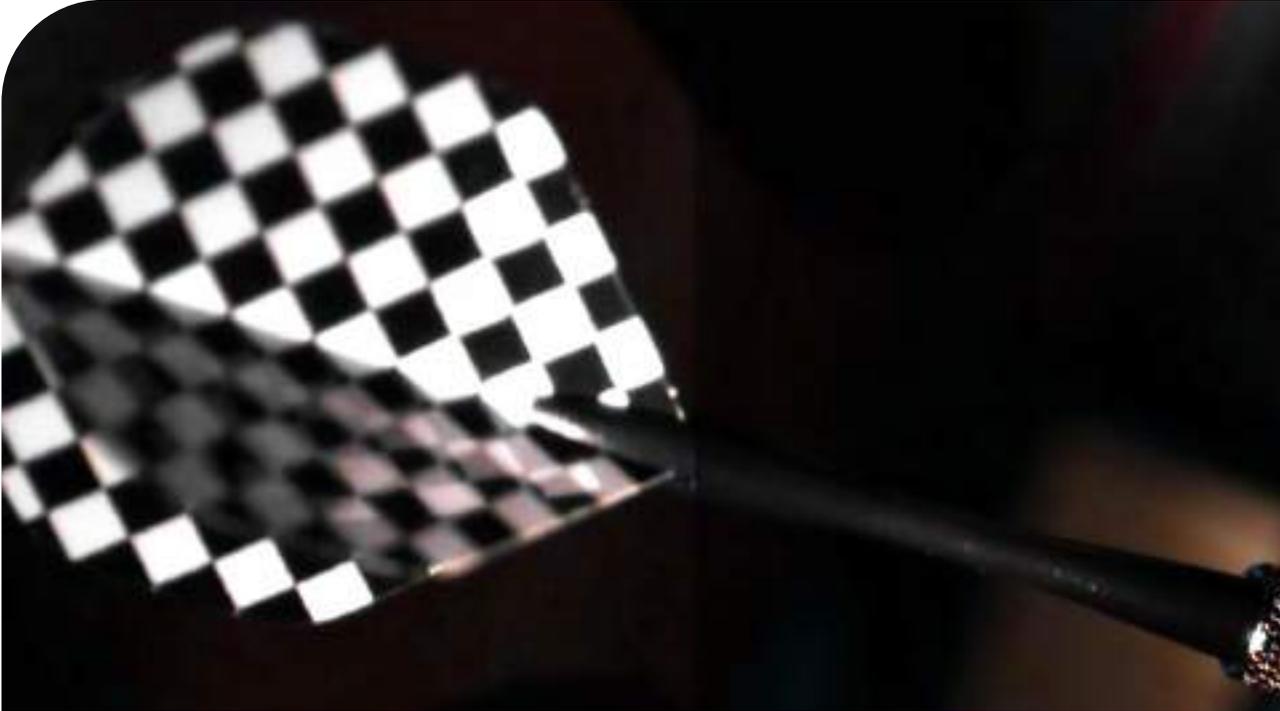
The Report is not intended to provide exhaustive information on the Gaming sector. However, it is no doubt an important reading for its users who are likely to find it useful on basic understanding of the Gaming sector as a whole and the GBT in particular.

It is our expectation, therefore, that the Report will provoke the readers into wanting to know more about the GBT, the Gaming sector and the applicable Gaming Legislation. It will be our pleasure to attend to enquiries or suggestions from readers of this Report, who will be free to reach us through the general contact information provided at the end of this document.

The information herein has mainly been sourced from regulatory records maintained by GBT, which it obtained in the course of conducting its regulatory functions. Business statistics and other information contained in this Report are presented in a manner that preserves confidentiality of individual Gaming operators. As such, the report is designed to suit generic use of various stakeholders of the Gaming sector.







# Chapter Two

# **INSTITUTIONAL OVERVIEW**

Legal Establishment	9
Statutory Mandate	9
Power to Obtain Information, Documents and Evidence	11
Source of Financing	11



# INSTITUTIONAL OVERVIEW

## 2.1 Legal establishment

The GBT is a gaming regulatory institution, which was established under Section 4 of the Gaming Act 2003 and became effective on 1st July, 2003. It was primarily established to oversee, monitor and regulate the conduct of gaming activities in Tanzania. The GBT is under the ministry responsible for the country's finance affairs, which is currently the Ministry of Finance and Planning.

## 2.2 Statutory mandate

Section 7 of the Gaming Act, 2003, outlines the specific functions of the GBT as stated herein below:

- (i) Granting, issuing, suspending, withdrawing and amending of gaming licenses and any other license pertinent to gaming activities;
- (ii) Advising on the imposition of taxes, levies, and fees in respect to any gaming activities and collection thereof;
- (iii) Conducting inspections, gaming audits, seizure, forfeiture and destroying of unfit gaming device or any other item connected with gaming activities.
- (iv) Devising policy guidelines and setting norms and standards of conduct for lotteries and gaming activities;
- (v) Fostering stability and success of gaming and preserving competitive economy and free competition;
- (vi) Bringing about honesty and competitiveness in the gaming industry;
- (vii) Conducting a continuous study and investigation of gaming activities to ascertain any defects in the rules and regulations to discover abuses in administration and operations of the industry and to deal with them;
- (viii) Exercising such other incidental powers as may be necessary to ensure safe and orderly regulation of the industry including performing background checks of applicants, qualifications and registration thereof, approving licensees' internal control procedures, and testing of gaming devices;



- (ix) Defining standards, principles and procedures in respect to operations, premises, equipment, personnel, supplies procurement of services and enforcing compliance therewith;
- (x) Developing mechanisms for stakeholders' involvement and measures for dealing with the adverse social impact of gaming activities;
- (xi) Handling and determining complaints arising from gaming activities involving licensees and players and
- (xii) Carrying out any other activities which are necessary for the performance of the GBT functions and powers.

- (i) Money from time to time approved by the Parliament;
- (ii) All moneys received by the GBT from licensing fees and levies;
- (iii) All moneys borrowed by the GBT and
- (iv) Any other moneys received by or donated or made available to the GBT for the purpose of performing its functions under the Act.

### 2.3 Power to Obtain Information, Documents and Evidence

In the course of carrying out its regulatory mandate, the GBT is empowered to obtain any information, documents or evidence for that purpose. This is provided under Section 9 of the Gaming Act, 2003.

### 2.4 Source of Financing

Sources of funds for the Board are provided under Section 63(1) of the Gaming Act 2003 Cap 41 and consist of: -





# Chapter Three

# **STRUCTURE AND GOVERNANCE**

Institutional Setup	13
Board of Directors	13
The Director General	15
Management Team	15



# STRUCTURE AND GOVERNANCE

## 3.1 Institutional setup

The organization structure of the GBT is designed to suit its corporate size while taking into consideration the unique nature of its statutory role and to allow for adequate autonomy. The structure is comprised of factions which facilitate proper delivery of the GBT regulatory role in the most effective and efficient manner. Nevertheless, without compromising practices of good governance, the overall performance of the GBT is regularly monitored by the Ministry of Finance and Planning as well as the Treasury Registrar. The key elements of the structure are briefly described below.

## 3.2 Board of Directors

The Board of Directors is the apex organ for decision making at the GBT. It is comprised of seven members, including a chairperson who is appointed by the President of the United Republic of Tanzania while the rest are appointed by the Minister responsible for Finance. The members are appointed on a three-year term and are eligible for re-appointment for one additional term only

The Board is vested with powers to oversee the overall performance of the GBT by formulating and executing its strategic direction. It is the key organ responsible for the long-term success of the GBT.

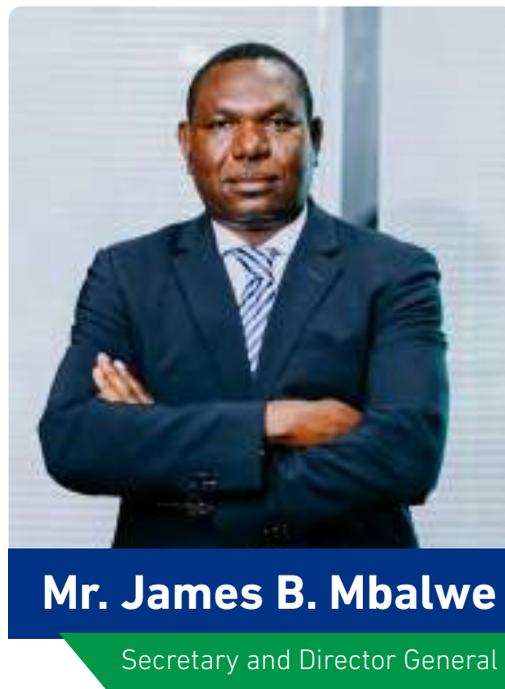
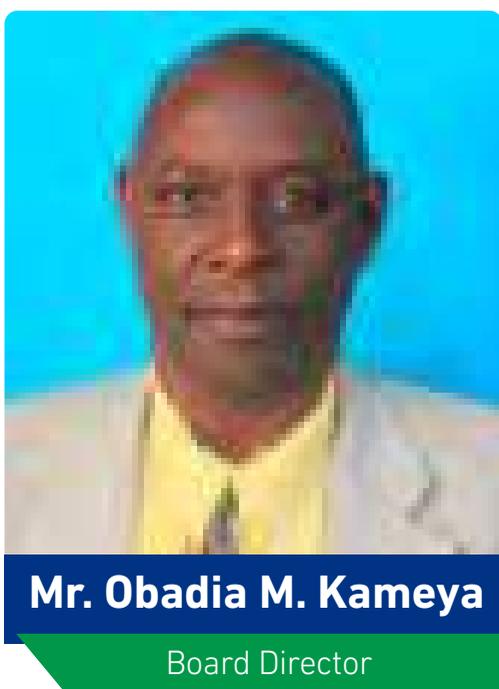
Its specific roles include policy development and change, long and short-term plans, issuance of gaming licences, revocation and suspension of gaming licenses, amendment of the Gaming Law, implementation of internal control system and overall risk management.

The Board discharges its roles during ordinary meetings held quarterly or in extra-ordinary meetings as the case may be. There are two Board Committees, namely, Compliance Committee and Audit and Risk Committee which are intended to enhance efficiency and effectiveness in fulfillment of the Board roles. The Audit and Risk Committee assists the Board in fulfilling its oversight responsibility in regard to effectiveness of internal control system, integrity of financial statement, adequacy of Internal Audit function and risk management system and practices.

On the other hand, the Compliance Committee assists the Board on matters relating to oversight of the regulatory functions, which involve licensing, inspection, dispute resolution, responsible gaming, gaming tax collection and other matters relating to the general compliance with regulatory requirements.

These committees meet and dwell comprehensively in matters falling under their respective portfolios prior to submitting recommendations to the Board for decision. Since the Board is comprised of non-executive members, the Gaming Law requires that it delegates the exercise of its functions to the Director General.

## GBT BOARD DIRECTORS



### 3.3 The Director General

The Director General is the Chief Executive Officer (CEO) of the GBT, who also serves as Secretary to the Board of Directors, and is appointed by the President of the United Republic of Tanzania. He is generally responsible for driving GBT corporate strategy towards attaining its vision; with the assistance of a management team. Specifically, the Director General is in charge of proper conduct of the regulatory functions, which involve licensing and compliance activities as well as safeguarding the GBT resources. Furthermore, the CEO is the Accounting Officer and chief spokesperson of GBT affairs

### 3.4 Management Team

The management team of the GBT is headed by the Director General who is assisted by two directors, four managers and two heads of Units. The GBT organization structure provides for two directorates, four departments and two units, namely:

- (i) Directorate of Strategic Operations and Legal Services: This one is headed by a director and is responsible for the regulatory functions;
- (ii) Directorate of Corporate Services: This is headed by a director and is responsible for the support functions;

- (iii) Licensing and Legal Services Department: This department is responsible for licensing of Gaming activities and provision of Legal services;
- (iv) Inspection and Compliance Department: This one is responsible for Gaming inspection and compliance.
- (v) Finance and Administration Department: It is responsible for finance, human resources and general administration;
- (vi) Information and Communication Technology Department: This one is responsible for development and maintenance of ICT infrastructure and general ICT support;
- (vii) Internal Audit Department: It is responsible for internal audit function and
- (viii) Procurement Management Unit: This one is responsible for procurement functions.

The Management team which served during 2019/20 is composed of the following members:



# GBT MANAGEMENT TEAM



**Mr. James B. Mbalwe**

Director General



**Mr. Daniel W. Ole Sumayan**

Director of Corporate Services



**Mr. Julius M. Siyame**

Chief Internal Auditor



**Ms Beatrice H. Murihano**

Finance & Administration Manager



**Ms Catherine M. Lamwai**

Licencing & Legal Services Manager



**Mr. Sadiki M. Elimsu**

Inspection & Compliance Manager



**Mr. Kabora E. Mboya**

ICT Manager

# Chapter Four

# **GAMING OPERATING ENVIRONMENT**

Success Factors	19
Limiting Factors	21



# GAMING OPERATING ENVIRONMENT

Gaming in Tanzania has continued to advance over time. The local operating and regulatory environment have painted an attractive image of the sector to the outside world. As a gaming regulator, we face a dynamic operating environment which presents regulatory challenges and opportunities. We continuously work to adapt to changes while navigating through those challenges to ensure improved regulatory role. The GBT has therefore continued to operate successfully due to presence of enabling business environment and for our part, we have aptly managed to handle the associated challenges.

## 4.1 Success Factors

There have been factors that influenced successes in Tanzania's gaming industry over time. The factors have been fundamental in attracting gaming investment within and outside the country and these include:

### 4.1.1 Existence of a Strong Gaming Regulatory Institution

The Gaming Board of Tanzania is the sole regulator of gaming activities in the country whereby its statutory mandate is provided by the Gaming Act No.4 of 2003.

It is the only institution in the country which is responsible for issuance of licences to operate gaming activities as well as monitoring and regulating the conduct of such activities.

The existence of a sole regulatory institution with sufficient operational autonomy has been key to its efficiency and effectiveness. As such, regulatory prosperity is best experienced by most jurisdictions with dedicated agencies. The setup has enabled the GBT to build its capacity sufficiently in terms of personnel and other relevant resources including benefiting from international Gaming experiences through collaboration with advanced gaming jurisdictions and participation to various gaming forums globally.

Accordingly, the regulatory competence of the GBT has been continually improving. This has boosted the reputation of Tanzania's gaming industry locally and internationally, thus attracting gaming investors who are impressed by our regulatory practice.

### 4.1.2 Dynamic Gaming Legislation

The Gaming Act of 2003 as amended from time to time has been a fundamental attraction for prospective gaming investors into our country. Most new foreign gaming licence applicants have echoed this feedback and confirmed that Tanzania's Gaming Legislation is among the best worldwide.

The GBT has continued to regularly review the Gaming Legislation to keep pace with the dynamic environment, which is highly driven by technological advancement. We remain committed to ensure continued relevance of the legislation to provide for fair competitive environment, adequate public protection and meaningful revenue contribution to the Government.

### 4.1.3 Supportive Government Policies

The Government has continued to provide for enabling business environment by improving policy and legal frameworks so as to promote business opportunities. The initiative has been advantageous to the gaming sector whereby it has experienced growth and expansion over time. The GBT will continue to work closely with the Government in its bid to ensure that the sector is well policed.



#### 4.1.4 Social Tolerance

Tanzania is home to a society of diverse cultures, politics, religious faiths and ideologies, so there exists divergent viewpoints with regard to gaming. This scenario, however, has not posed serious threat amongst members of our society. The tranquil atmosphere plays a pivotal role in the success of the sector, just like other segments of the economy, thus enhancing investors' confidence in gaming.

### 4.2 Limiting Factors

Beside the enabling operating environment, the GBT also experienced some setbacks during the Fiscal Year 2019/20. We will name three:

#### 4.2.1 COVID-19 Constraint

During the second half of 2019/20, Covid-19 outbreak posed far-reaching consequences in the global economy, and the gaming industry was not spared. Tanzania, like the rest of the world, banned some gaming operations, particularly those which caused players to interact physically. In congruence with the Government move to control human interactions, the GBT introduced several measures such as offsite inspections process that enabled the GBT to monitor gaming operations remotely.

The GBT further took appropriate measures to safeguard the health of gaming stakeholders including members of the GBT staff, employees of gaming outfits as well as the general public. The measures included mandatory temperature checks, distribution of personal protective gear such as masks and sanitisers, adoption of ICT regulatory systems whereby operators could obtain Gaming services online, hence minimizing physical contact with the stakeholders.

Covid-19 restricted the GBT from attending international programmes on gaming, particularly those relating to staff capacity building and regional forums organized by GRAF and IAGR. The said programmes could not be undertaken as most countries were either in lock-downs or implementing strict control measures to avoid importation of Covid-19. As such, the gaming fraternity globally suspended most of the popular annual international programmes to facilitate controls against the pandemic.

#### 4.2.2 Illegal gaming operations

The growth and expansion of gaming activities in the country have come along with the challenge of unlicensed gaming operations. Although the magnitude of such activities is not alarming, it disturbs the orderly regulatory environment of the industry.

Such illegal operations provide avenues for substandard slot machines, underage gaming and denies the Government gaming revenue. The GBT, in collaboration with law enforcement agencies, has successfully conducted several operations to bar illegal gaming. Such activities have declined over time as the GBT continues to institute stringent measures, including, destruction of illegal machines, closure of illegal gaming sites, strengthening its regulatory capacity and collaboration with other Government agencies. The GBT is committed to continue designing more suitable measures, including appropriate ICT regulatory solutions, in its effort to fully control and eliminate illegal gaming in Tanzania.

### 4.2.3 Absence of National Lottery

Gaming in Tanzania has been without National Lottery operations for about three and half years. This follows revocation in September, 2018 of the National Lottery license that was held by M/s Murhandziwa Limited, a South Africa company. After the revocation, the Government decided to undertake a study to determine a more suitable approach in conducting National Lottery operations. This decision was taken because by Act, the Government it is the owner of National Lottery, however its operation is contracted to a private company. The GBT expects this important gaming portfolio will be revived when the Government makes the relevant decision on it.



# Chapter Five

# **PERFORMANCE**

# **OVERVIEW**

Strategic Direction	25
Accomplishment in Financial Year 2019/20	26
Regulatory Performance	31
Financial Performance	35



# PERFORMANCE OVERVIEW

## 5.1. Strategic Direction

The performance of Gaming Board of Tanzania (GBT) is guided by two important instruments, namely the Gaming Legislation which stipulates its mandate and the Corporate Plan that provides for short and medium-term plans. The Fiscal Year 2019/20 marks the third year of implementation of GBT Corporate Plan, which covers a four-year period from 1st July, 2017 to 30th June, 2021. The Plan contains eight strategic objectives intended to achieve the long-term vision of the GBT. In implementing its strategy and mandate, the GBT envisions to attain a level of excellence by becoming a world class gaming regulator. In doing so, it is committed to attain the following eight objectives over time:

- (v) Ensuring that the public is effectively protected against adverse gaming effects;
- (vi) To make sure appropriate engagement with gaming stakeholders is maintained;
- (vii) Ensuring competent, professional, ethical and motivated staff members are recruited and retained and
- (viii) Seeing to it that organizational capacity of the GBT is improved.

- (i) HIV/AIDS and non-communicable diseases are controlled
- (ii) Maintaining a corruption-free zone at the GBT;
- (iii) Ensuring effective and efficient regulation of the gaming industry in Tanzania;
- (iv) Seeing to it that the contribution of the gaming industry towards socio-economic development of the country is maximised;

The implementation of the GBT strategy is undertaken in a manner that aligns with the National Five Years Development Plan 2016/17- 2020/21 and the Tanzania Development Vision 2025.

## 5.2. Accomplishment in 2019/20

### 5.2.1 Operationalization of ICT Regulatory Systems

The 2018/19 Annual Report indicated the commitment of the GBT to develop ICT regulatory system to facilitate its regulatory role. The task was to be accomplished in collaboration with the Ministry of Finance and Planning (which is our parent ministry), the Bank of Tanzania (BoT) and the Tanzania Revenue Authority (TRA). The commitment has been attained whereby Gaming Regulatory Monitoring System (GReMS) and Gaming Licensing Inspection and Compliance (GLICA) was developed and commissioned.

Following the realization of this important milestone, the licensing process has been greatly automated, thereby bringing about convenience in applications as well as increasing the number of licences issued due to enhanced speed.

The automation (GLICA) enables applicants to submit applications of gaming licence online from anywhere in the world and the same to be processed remotely by the GBT without the need to visit its offices.

In case the application is adequately supported, the applicant may only have to visit the GBT offices at the final phases of the process for due diligence purposes. During the coming Financial Year 2020/21, some enhancement will be made on GLICA to enable full automation of the licensing process.

The ICT regulatory system includes GReMS, which is a module specifically developed for purposes of monitoring Government revenue from gaming operations. The module is capable of accessing financial data in ICT systems of operators and automatically compute and verify corresponding gaming tax, fees, and levy reported by licensees.

It is the commitment of the GBT to carry out the remaining enhancement on the module during the Fiscal Year 2020/21 so that it fully delivers as per the expectation.

When fully completed, GReMS will also be capable of monitoring gaming behaviour by automatically tracking gaming trends and frequency to identify indications of problem gaming. The information will prompt engagement with relevant persons and initiate measures for responsible gaming, including controlling respective gaming frequency or exclusion arrangement.



## Other Implemented ICT Tools

- (i) The e-Office Application was fully operational effective February, 2020, along with digital signature that was deployed on e-Office as of 1st June, 2020. The e-Office solution was developed for paperless file and documents management system with single and standard file movement across the Government. The e-Office acts as a single repository of documents from where all department/ministry users can access the necessary information.
- (ii) Government Mailing System (GMS). is a secure system for Government communication and exchange of information. GMS was fully operational effective August 2019 and
- (iii) Tanzanian National e-Procurement System (TANEPS) is a full-fledged e-procurement system developed by the Public Procurement Regulatory Authority (PPRA). It supports the entire public procurement circle—from planning to contract management. TANePS was fully adopted by GBT in December 2019, thereby enhancing transparency in its procurement function.



## 5.2.2 Amendment of the Gaming Act, 2003

The 2018/19 Annual Report indicated areas of amendment of the Gaming Legislation which were proposed by the GBT. Some proposed amendments took effect during the year under review. The amendments included introduction of security bond to safeguard payment of prizes and Government tax, introduction of administrative penalties to enhance compliance and empowering the GBT to seize and confiscate illegal gaming devices and the introduction of gaming regulatory management system.

Such amendments are intended to update the Gaming Legislation so that it continues to be relevant and keep pace with the rapidly evolving gaming sector.

## 5.2.3 Promoting Responsible Gaming

Responsible gaming has continued to be among the regulatory priorities of the GBT during the Fiscal Year 2019/20 in its effort to ensure protection of the gaming public and minors. Several programmes were therefore implemented, including public awareness, with a view to protecting responsible gaming practices. As such, responsible gaming initiative will continue to be a standing regulatory agenda for the GBT for years to come. It is also the intention of the GBT to continue involving various relevant stakeholders in promoting responsible gaming within our society.



## 5.2.4 Stakeholder Engagement

Gaming in Tanzania is still considered to be in its infancy and somehow viewed negatively due to societal morals and certain religious orientations. On the basis of this, the GBT pursues various measures to nurture the sector while allowing it to mature in an orderly manner.

Several engagement programmes were conducted during the year with some relevant stakeholders in order to promote a positive outlook of the gaming sector. The stakeholders met during the Fiscal Year 2019/20 include the Regional Security Committee for Mwanza Region, Sport Betting Association of Tanzania and gaming operators. The engagement was intended to enhance awareness on gaming as an important avenue for leisure. More engagement programmes will be strategically conducted in the coming years.



## 5.3. Regulatory Performance

### 5.3.1 Licensing Activities

In accordance with the Gaming Act, 2003, the GBT is the only institution which is mandated to issue gaming licences and permits in the country. Gaming activities are divided into two main categories, namely, commercial and non-commercial. Most gaming licences have a tenure of one year but are subject to renewal upon satisfactory performance and compliance. There is, however, an exception with the National Lottery licence whose term is eight years but is subject to annual licence fee.

During the Fiscal Year 2019/20, the GBT licensed 931 gaming operators out of which 68 were commercial and 863 non-commercial. These operators belonged to different gaming categories as summarized in Table 1 below.

**TABLE 1: NUMBER OF GAMING OPERATORS IN YEAR 2019/20**

S/N	Type of operation	No. of Operators
<b>Commercial gaming activities</b>		
1.	Casino (Land-based 9 & online 7)	16
2.	Sports Betting (Land-based 11 & online 24)	35
3.	Slots Machines (Route Operations)	14
4.	SMS Lottery	3
	<b>Subtotal</b>	<b>68</b>
<b>Non - Commercial gaming activities</b>		
5.	Amusement Games	28
6.	Promotional Lotteries	30
	<b>Subtotal</b>	<b>58</b>
	<b>GRAND TOTAL</b>	<b>126</b>

The total number of licences issued during the Fiscal Year 2019/20 was 4,819 compared to 4114 licences issued during Fiscal Year 2018/19, which is an increase of 17.1%. Out of the total number of issued licences, 1,658 were new and 3,161 were renewals.





**LICENSING AND LEGAL SERVICES DEPARTMENT**



**TABLE 2: NUMBER OF GAMING LICENCES ISSUED DURING 2019/20**

No.	Description	New	Renew	Total
1.	Casino Licence-Land-based & Internet	4	12	16
2.	Principal Licence - Slots	1	13	14
3.	Slot machine Shops	110	189	299
4.	Slot Machines - Bar Sites	275	2,504	2,779
5.	Slot Machines - Forty Machine Sites	3	7	10
6.	Principal Licence -Sports Betting	0	11	11
7.	Sport Betting-Land-based	110	176	286
8.	Internet Sport Betting	5	19	24
9.	Promotional Lottery	30	N/A	30
10.	Public/Private Lottery	2	N/A	2
11.	Prize Competition	24	N/A	24
12.	SMS Lottery	0	3	3
13.	Fete	787	N/A	787
14.	Pool Table	13	N/A	13
15.	Play Station	33	N/A	33
16.	Casino Key Employees	3	33	36
17.	Casino Support Employees	150	58	208
18.	Key Employees-Slots	63	53	116
19.	Support Employees-Slots	44	82	126
20.	Manufacture's Certificate	0	1	1
21.	Seller's /Distributor's Licence	1	0	1
<b>GRAND TOTAL</b>		<b>1,658</b>	<b>3,161</b>	<b>4,819</b>

### 5.3.2 Inspection and Compliance activities:

Inspection is a key aspect of the GBT regulatory role, whose primary objective is to assess and enforce compliance with the Gaming Legislation. Just like in other gaming jurisdictions, inspectorate function forms a significant activity of the GBT. The GBT managed to conduct inspections in all gaming operations as planned for the year. Following the outbreak of Covid-19 in Tanzania during early March 2019, the GBT adopted offsite inspections process whereby gaming operations were monitored remotely.

Apart from planned inspections, the GBT also conducts impromptu inspections, which are conducted on ad hoc basis whenever it comes to the GBT knowledge that gaming legislation is being violated. Incidents which prompt this type of inspection include illegal gaming operations, gaming tax evasion, allowing minors to access gaming or other incidents which are prohibited by the legislation. The GBT in collaboration with the Tanzania Revenue Authority (TRA) and other law enforcement agencies seized more 1,000 illegal gaming machines during the period and these were confiscated and the owners subjected to legal proceedings.

The GBT also conducts inspections on premises earmarked for gaming activities so as to determine suitability of such sites prior to issuance of a gaming licence. During the Fiscal Year 2019/20, the GBT inspected 327 sites and these were all found to be suitable and qualified for gaming licenses.

### 5.3.3 Dispute Resolution

Among the regulatory roles assigned by the Gaming Legislation to GBT is dispute resolution, which involves gaming operators with their respective customers. The GBT received 65 complaints in 2019/20 and managed to resolve 46 which is 71% of such complaints; the remaining 19 were in progress for resolution at the time this Report was being compiled. Payment of prizes continues to be the major subject of dispute. The GBT managed to resolve all disputes without referring and forestalled the necessity of taking matters to court.

## 5.4 Financial Performance

The overall financial performance of the GBT continued to be impressive during the year although it slowed a bit due to Covid-19 effect. In accordance with the Gaming Act, 2003, GBT funds shall consist of money approved by the Parliament from time to time, likening fees and levies, borrowings and any other moneys received, donated or made available to it for the purpose of performing its functions under the Act.

The GBT performance highlights for the year under review are briefly detailed below:



## 5.4.1 Revenue Highlights

The GBT's total revenue collection was TZS 10.01 billion, which is an increase of 6.60% compared to TZS 9.39 billion collected in the Fiscal Year 2018/19.

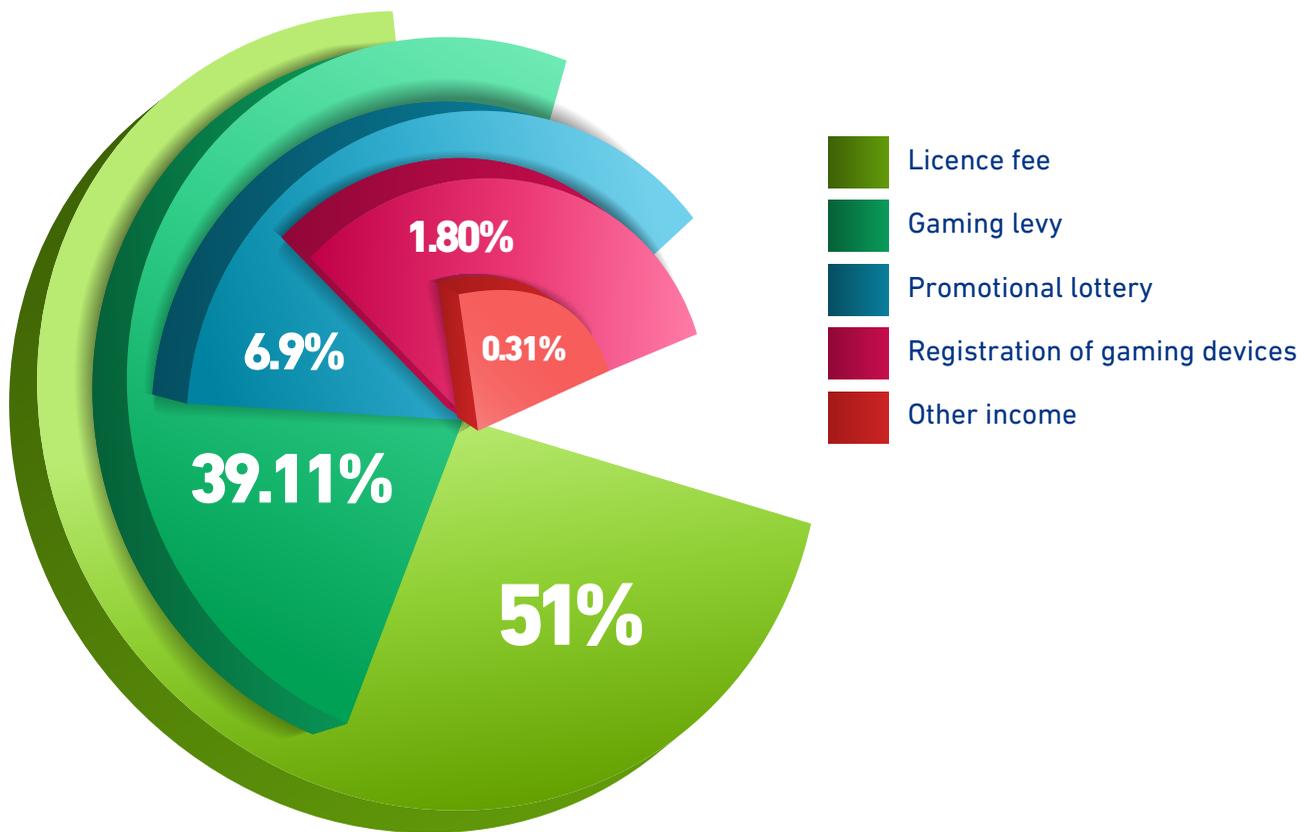
The amount does not include gaming tax collection as the same does not form part of GBT revenue but goes to the Consolidated Fund of the United Republic of Tanzania. The major component of revenue was licence fee which accounted for 51.19%% of the total collection, followed by gaming levy which accounted for 39.11%.

Revenue collection during the period under review is presented in Table 3.

**TABLE 3: REVENUE COLLECTION BY SOURCE (IN TZS BILLIONS)**

No.	Revenue Source	Amount	Percentage
1.	Licence Fee	5.19	51.85%
2.	Gaming Levy	3.91	39.11%
3.	Promotional Lottery	0.18	1.8%
4.	Registration of Gaming Devices	0.7	6.96%
5.	Other Income	0.03	0.31%
	<b>TOTAL</b>	<b>10.01</b>	<b>100%</b>

**DIAGRAM 1: GBT REVENUE DISTRIBUTION DURING FISCAL YEAR 2019/20**



### 5.4.2 Expenditure Outlook

During the period under this review, the GBT continued to finance its activities adequately. Total operating expenses amounted to TZS 6.56 billion, which is an increase of 11.9% compared to TZS 5.86 billion spent in the Fiscal Year 2018/19. The increase reflects growth of the sector, which translates to increased activities of the GBT through regular inspections, licensing activities, combating of illegal gaming and general administration activities to enable smooth conduct of GBT's regulatory functions.

### 5.4.3 Financial Position at a Glance

Total assets of the GBT as at 30th June, 2020 was TZS 15.29 billion, which is a decline of 3.23% from TZS 15.80 billion as at 30<sup>th</sup> June 2019. On the other hand, total liabilities amounted to TZS 0.86 billion compared to TZS 2.52 billion as at 30th June, 2019, which reflects a decline of 66.27%. Retained earnings amounted to TZS 14.43 billion which is an increase of 8.66% compared to TZS 13.28 billion earning as of 30th June, 2019.

### 5.4.4 Annual Audit Overview

The Controller and Auditor General (CAG) is the statutory auditor of all Government ministries, institutions and agencies. The GBT is therefore subject to statutory annual audit by the CAG. The audit covers GBT's financial conduct, regulatory performance and procurement function. Following the audit for the year under review, the CAG issued the GTB a clean audit opinion, which provides assurance on the integrity and propriety of the GBT's performance during the Fiscal Year 2019/20. The clean audit opinion indicates the following:

- ✓ The audited financial statements present a true and fair view;
- ✓ The applicable accounting standards have been observed;

- ✓ The financial statements were free from material errors and misstatements;
- ✓ The internal control system of the GBT is adequate;
- ✓ The regulatory roles were carried out properly and adequately;
- ✓ The procurement function complied with the procurement legislation and
- ✓ Implementation of proper budgetary control.

Further in regard to the above, the GBT has always obtained clean audit opinion in all its previous audits. This confirms that the financial and operational performance of the GBT is in order and that its practices of good governance are prevalent. The CAG Audit Report for the Fiscal Year 2019/20 is included in this Report as Appendix 1.



# Chapter Six

# **GAMING INDUSTRY**

# **PERFORMANCE**

Overview	41
Industry Performance	42



# GAMING INDUSTRY PERFORMANCE



## 6.1 Overview

The Financial Year 2019/20 witnessed significant operational challenges attributed to the Covid-19 pandemic which was an unprecedented global catastrophe that affected all economic and social spheres of life. Covid-19 was first diagnosed and reported in China in late December 2019 and subsequently spread swiftly to other parts of the world.

The first case of Covid-19 in Tanzania was announced on 16th March, 2020, and clearly, it was an “imported” case.

**The first half of the Year 2020 was characterised by strict measures adopted by various countries world-wide, including Tanzania, in a bid to control the spread of the pandemic.**

Such measures were, among others, suspension of mass gatherings, sporting events, travel restrictions, lock-downs, curfews and social distancing. Generally, the measures had detrimental effects on businesses and everybody's social life. Gaming activities suffered, because visits to physical gaming locations such as casinos, bingo halls and sales points for sport betting and lottery tickets were restricted or even suspended. It is noteworthy that gaming operators were vigilant and mindful in taking appropriate initiatives to check the spread of the pandemic.

## 6.2 Industry Performance

The industry recorded satisfactory compliance with the Gaming Legislation and other pertinent laws of the country during the period under this review. There was no significant violation of the Gaming legislation by the licensed operators. However, cases of illegal gaming were prevalent due to the proliferation of unlicensed operations of slot machines and online gaming. However, such activities did not pose a significant threat to the overall compliance status of licensed operators.

### 6.2.1 General Compliance with Gaming Legislation

The industry recorded satisfactory compliance with the Gaming Legislation and other pertinent laws of the country during the period under this review.

There was no significant violation of the Gaming Legislation by the licensed operators. However, cases of illegal gaming were prevalent due to the proliferation of unlicensed operations of slot machines and online gaming.

However, such activities did not pose a significant threat to the overall compliance status of licensed operators. The market share was dominated by sports betting, followed by slot machines and casino operations.



## 6.2.2 Gaming Tax Contribution

TABLE 4: GAMING TAX RATES ON VARIOUS GAMING ACTIVITIES

Gaming Activity	Applicable Tax	
	Gaming Tax on GGR	Gaming Tax on Winning
National Lottery	20%	20%
Sports Betting	25%	20%
SMS Lottery	25%	20%
Online Casino	25%	20%
Land-based Casino	18%	12%
Forty Machine Sites	25%	
Slot Machines	TZS 100,000 per machine	N/A

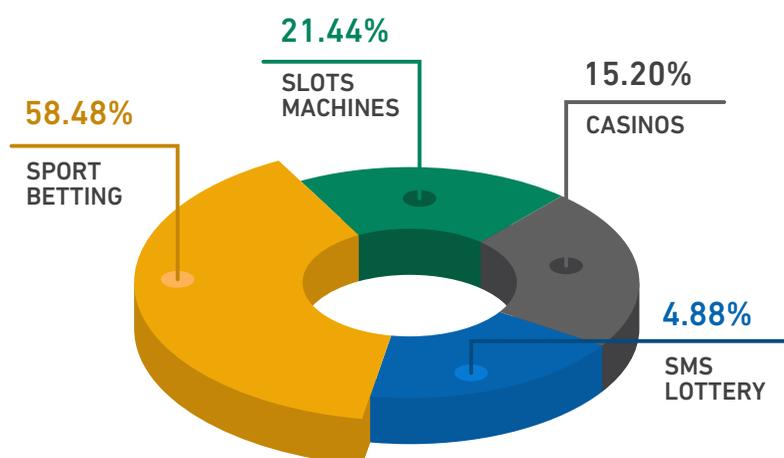
The amount of gaming tax collected from the industry during the Fiscal Year 2019/20 amounted to TZS 89.5 billion. The collection represents 94.1% of the previous year gaming tax, which was TZS 95.1 billion, recording a decline of 5.8%.

2015/16 - TZS 24.49 billion  
 2016/17 - TZS 33.64 billion  
 2017/18 - TZS 78.76 billion  
 2018/19 - TZS 95.07 billion  
 2019/20 - TZS 89.09 billion

**TABLE 5: GAMING TAX DISTRIBUTION DURING 2019/20 (IN TZS BILLIONS)**

Gaming Product		2018/19	Percentage to total in 2018/19
1.	Casino Operations	13.54	15.20
2.	SMS Lottery	4.35	4.88
3.	Sports Betting	52.10	58.48
4.	Slot Machines (include forty machine sites)	19.10	21.44
Total		89.09	100.00

**Diagram 2: Gaming tax distribution by Activity During 2019/20**



### 6.2.3 Employment in the Gaming Sector

The total number of people employed in the gaming sector during the Fiscal Year 2019/20 is over 20,000. These include persons employed directly in gaming companies and those employed indirectly in businesses which support gaming such as agents, ICT support agencies and consultancy organisations.



# Chapter Seven

# **RESPONSIBLE**

# **GAMING**

Awareness Programmes	47
Exclusion Programmes	51
Curbing Illegal Gaming Operation	51
Amendment of the Gaming Law	51



# RESPONSIBLE GAMING

Responsible gaming has continued to form an integral part of the GBT functions. It entails increased awareness to the public on potential gaming related harm with emphasis on avoiding excessive gaming and calling for operators to conduct business in socially responsible manner.

The GTB requires gaming operators and other relevant stakeholders to observe the existing regulatory requirements on responsible gaming. The purpose of the GBT initiative on responsible gaming is to ensure that the public, notably the players remain safe and protected from adverse gaming impacts and that gaming remains a recreational venture. Some of the initiatives carried out during the Fiscal Year 2019/20 are discussed below:

## 7.1 Awareness Programs

During the Fiscal Year 2019/20, the GBT implemented several awareness campaigns, among those, included the two popular programmes which were specifically tailored for the youth and minors. The first was dubbed “**Makinika Kijana**” and the second was titled “**Mlinde Mtoto**”, which are swahili phrases meaning “**Youth be Vigilant**” and “**Protect the Minor**”. While the first campaign urged the youth not to substitute gaming for employment and consider it as an avenue of leisure, hence refrain from excessive gaming and The other one called for the society at large to protect minors from involvement in gaming.



# ***Makinika***

## ***Kijana, Kubeti siyo AJIRA***

***“michezo ya kubahatisha siyo mbadala wa ajira wala chanzo cha mapato bali ni sehemu ya burudani.”***



*The GBT Saba Saba Exhibitors Team listening attentively to a visitor inquiring on various gaming related issues at the GBT booth during the 44th Dar Es Salaam International Trade Fair (DITF)*



## 7.2 Exclusion Programmes

The GBT has designed special programmes which allow persons with a gaming problem to discontinue their involvement, on temporary or permanent basis. The arrangement can either be by way of self-exclusion whereby a person applies to the GBT to be excluded and barred from entering gaming premises for a certain period of time.

The other arrangement is when a person is viewed by the operator or relatives as posing gaming problem. In this regard, the operator or the relative of an affected person applies to the GBT for the victim to be barred from participating in gaming for a certain period. The exclusion programmes are intended to assist affected persons from further harm.

## 7.3 Curbing Illegal Gaming Operation

Illegal gaming constitutes gaming activities which are conducted without being licensed by the GBT. Since such activities are operated illegally, they fall short of legal requirement and standard procedures and do not give regard to responsible gaming. Illegal gaming has therefore been a potential cause of problem gaming and its associated harm. During the Fiscal Year 2019/20, the GBT implemented aggressive measures to curb illegal gaming, which included ad hoc operations, awareness programmes in both print and electronic media. Seminars were also conducted for the benefit of various stakeholders including Regional Security Committees and gaming operators.



## 7.4 Amendment of the Gaming Law

The GBT commitment to promote responsible Gaming and protect society from harm is manifested in the amendments of the Gaming Act, 2003 which took effect in September 2019. The amendment introduced provisions which enforce responsible Gaming practice as follows:



*The GBT Director General Mr. James Mbalwe addressing the pupils at Mwananyamala 'B' Primary School on minor prohibition to participate on gaming activities.*

Additional powers vested to the GBT including seizing and destroying seized illegal gaming devices and confiscation of money involved in such activities as per Section 82A of the Act and control of excessive advertisement of gaming as per Section 86A of the Act.

The above will have the effect of controlling incidents which are likely to promote irresponsible gaming in society.



# Chapter Eight

# **CORPORATE SOCIAL RESPONSIBILITY**

Overview

55

CSR Programmes During 2019/20

56



# CORPORATE SOCIAL RESPONSIBILITY



*The GBT Director General, Mr. James Mbalwe handing over several COVID-19 protective gears to the Regional Education officer for distribution to various schools in Dar es Salaam region (Looking on are Head Teachers)*

## 8.1 Overview

The GBT is a conscientious citizen that participates actively in contributing to corporate social responsibility (CSR) initiatives. It performs this noble obligation as part of its commitment which is enshrined in its Corporate Plan, namely to maximize contribution of the gaming industry towards socio-economic development of the country.

Besides empowering society, the initiative is also intended to promote the corporate image of the GBT and its regulatory role and instill a positive view to society on gaming. The initiatives are guided by a designated CSR policy which delineates focus areas to be funded, which include:

- i. **Social Issues:** Matters relating to health, education, sports and community development projects
- ii. **Economic Issues:** Entrepreneurship skills, technology and innovation, employment and vocational skills;
- iii. **Environmental sustainability projects:** Such initiatives entail the areas conservation, preservation of the national historical sites and other important heritages'



**IV. Natural disasters and humanitarian crises:** These include initiatives towards providing humanitarian relief arising from natural calamities and disasters such as floods and earthquakes.

## 8.2 CSR Programmes During 2019/20

Several CSR activities were conducted by the GBT during the year, including provision of Covid-19 protective gear and other relevant donations and sponsorship programmes. Some of the activities carried out include:

### 8.2.1 COVID-19 Protective Gears

The Corona pandemic affected almost the entire universe in different aspects of society during the year. In the effort to achieve maximum impact, the GBT directed most of its CSR resources and activities towards supporting Government efforts to prevent, mitigate and curb the spread of the Covid-19 virus. In this alignment, the GBT donated protective gear worth TZS 30 million to 16 schools (8 primary and 8 secondary schools) within all 5 municipalities of Dar es Salaam City and to some Government institutions as depicted in Table 6 and 7.



*COVID-19 protective gears donated by GBT to the Kariakoo Market in Dar es Salaam region.*

**TABLE 6: COVID GEARS DONATED TO THE GOVERNMENT INSTITUTIONS**

Government Institution	List of Sponsorship for each Institution
<p><b>Tanzania Trade Development Authority (TANTRADE)</b></p> <p><i>The 44th Sabasaba Exhibitions, 2020: Donated 13 Simtanks out of which 3 were permanently stationed at the grounds while 10 were temporarily offered to serve the public during the event.</i></p>	<p>13-foot operated Simtanks @500 litres with basins and buckets.</p> <p>80 gallons (@5litres) of liquid hand-washing soap.</p> <p>10 litres of hand sanitizer</p> <p>2 sanitizer dispensers</p> <p>2 thermometres</p> <p>20 boxes of masks</p>
<p><b>Kariakoo Market Corporation</b></p>	<p>5 foot operated Simtanks (@500 Litres) with basins and buckets.</p> <p>40 gallons (@5 liters) of liquid hand washing soap.</p> <p>10 litres of hand sanitizer</p> <p>2 sanitizer dispensers</p> <p>10 boxes of mask</p>
<p><b>Office of the Dar es Salaam Regional Commissioner</b></p>	<p>1 foot operated Simtank of 55 litres with basin and bucket.</p> <p>25 gallons @ 5litres) of liquid hand washing soap</p> <p>10 litres of hand sanitizer</p> <p>1 sanitizer dispenser</p> <p>10 boxes of mask</p>
<p><b>National Stadium</b></p>	<p>2 foot operated Simtanks @ 500 litres with basins and buckets.</p> <p>25 gallons @ 5ltrs of liquid hand washing soap</p> <p>10 litres of hand sanitizer</p> <p>1 sanitizer dispenser</p> <p>10 boxes of mask</p>



**TABLE 7: LIST OF SCHOOLS IN DAR ES SALAAM CITY**

Municipal	School(s)	List of Sponsorship for each school
<b>Temeke</b>	Kibasila Primary School Karibuni Secondary School Taifa Secondary School	1 foot operated Simtank of 500 litres with a basin and a bucket.
<b>Kinondoni</b>	Makumbusho Primary School Kijitonyama Kisiwani Primary School Mapinduzi Primary School Mbezi Juu Secondary School	25 gallons @ 5ltrs of liquid hand washing soap
<b>Ilala</b>	Msongola Mpya Primary School Magole Secondary School	10 litres of hand sanitizer
<b>Ubungo</b>	Malamba Mawili Primary School Goba Mpakani Secondary School Manzese Secondary School	1 sanitizer dispenser
<b>Kigamboni</b>	Darajani Primary School Mizimbini Primary School Paul Makonda Secondary Kimbiji Secondary School	10 boxes of masks

The above sponsored schools and other institutions were identified in collaboration with other relevant authorities. The GBT will continue being an agent of social and economic change through CSR initiatives.

## 8.2.2 Other CSR Programmes

Besides its support towards curbing Covid-19, the GBT conducted several other CSR activities, including supporting education initiatives, sporting activities, donating to the less privileged members of society and supporting initiatives on provision of sanitation facilities to young girls in schools.

In its effort to create significant impact, the GBT encourages and collaborate with gaming operators to join CSR initiative whenever it is possible. In this regard, operators have been on the forefront and have contributed immensely back to the society by way of CSR activities, notably in sports, health and education.

Notwithstanding its significance on socio-economic development, CSR have played a vital role in building positive image and reputation of the Gaming sector in the country. Through CSR, we are able to shift negative perception on Gaming and have made considerable strides in this regard.





*The Inspection and Compliance Manager, Mr. Sadick Elimsu handing COVID-19 protective gears to the Benjamin Mkapa Stadium Manager Mr. Godon Nsajigwa*

# Chapter Nine

# **FUTURE OUTLOOK**

Overview	63
Maintaining a Properly Regulated Sector	63
Technological Enhancement	63
Stakeholders Involvement	63



# FUTURE OUTLOOK

## 9.1 Overview

Our commitment is to continue strengthening our regulatory framework and embrace technology advancement in the bid to promoting a progressive and well-regulated gaming sector. We aspire to become a world class gaming regulator who oversee and regulate a sector which is operated responsibly and contributes meaningfully to the economy and well being of our society. We constantly seek new approaches that will help to accomplish the goals of the sector and satisfy interests of various stakeholders. This commitment will be achieved by implementing the following measures:

## 9.2 Maintaining a Properly Regulated Sector

The Board will continue to effectively regulate the gaming industry, ensuring that the industry is free from criminal elements or exploitation, while also ensuring that vulnerable members of our communities are shielded from the harm associated with the industry.

The GBT is committed to providing broad access to information, education and public-awareness programmes that grow awareness of responsible gaming. Going forward, the GBT will continue to take regulatory measures to eradicate illegal gaming through regular operations to combat illegal operation, developing and revising Gaming Law and policies, enhancing our ICT regulatory system as well as implementing other strategies contained in the Corporate Plan.

## 9.3 Technological Enhancement

The efficiency and effectiveness in today's business and regulatory processes and approaches are determined by technology solutions. The GBT is committed to continue embracing technology as an important leverage in the success of its business processes as well as its regulatory role.

Considering the unique nature of the sector, the GBT will continue to involve various stakeholders on gaming regulatory matters. The GBT will therefore promote engagement with gaming operators, Ministry of Finance and Planning, Tanzania Revenue Authority and other relevant Government agencies with a view to ensuring an orderly operated and regulated gaming sector. The commitment for stakeholders' involvement has proved to be useful and the GBT will continue to uphold it.

## 9.4 Stakeholders Involvement

Considering the unique nature of the sector, GBT will continue to involve various stakeholders on Gaming regulatory matters. The GBT will therefore promote engagement with Gaming operators, Ministry of Finance and Planning, Tanzania Revenue Authority



and other relevant Government agencies with a view to ensuring an orderly operated and regulated gaming sector. The commitment for stakeholders' involvement has proved to be useful and the GBT will continue to uphold it.

## 10. Conclusion

Regulating the gaming sector is never an easy task! It requires a well-equipped regulatory agency in terms of technical capacity as well as enabling ICT regulatory infrastructure and more over the ability to blend well with other relevant stakeholders. The GBT will continue to ensure a properly regulated sector by continuing to maintain a relevant Gaming Legislation that corresponds with the rapid evolution of the sector.

The GBT is therefore committed to ensure regular reviews of the Gaming Legislation so that it answers the call of the sector's sustainably while ensuring adequate public protection and meaningful contribution of the sector to the country's economy. Gaming stakeholders should rest assured that the sector is in good stewardship and will continue to enjoy a properly operating and regulated environment.

# LIST OF OPERATORS FOR THE YEAR 2019/20



## CASINO OPERATIONS

## SPORTS BETTING OPERATIONS

## SLOT MACHINE/ROUTE OPERATIONS

Land based Casino	Internet Casino	Land Based Sports Betting	Online Sports Betting	Slot Machine	SMS Lottery
Complexe Limited	Bit Tech Limited	360 Bet Limited	360 Bet Limited	Agamalotto & Mining Ltd	Mobibet Company Limited
Evergrande Investment Develop Co.Ltd	Digital Gaming Solutions Limited	Bit Tech Limited	Acumen Communications Limited	Bit Tech Limited	Vodacom Tanzania Limited
Joker Casino Limited	Dunia Investment Limited	Entertainment Africa Limited	Betwin Limited	Bonanza Trading Company Limited	
Macau Entertainment Ltd	Gateway Gaming Limited	Fido Technologies Ltd	Betx Limited	Cleopatra Gaming (T) Ltd	
TGI Limited	Lucky Games Limited	Paladin & Associates Company Ltd	Bit Tech Limited	Dar Entertainment Service Ltd	
Princess Leisure (T) Limited	Nanovas Tanzania Limited	Playmaster Gaming Corporation Limited	Digital Gaming Solutions Limited	Gameshow (T) Ltd	
Resorts World Limited	Paladin & Associates Company Ltd	Starsbet Tanzania Company Ltd	Entertainment Africa Limited	Salim Sunderji	
Sea Cliff Casino Limited	Playmaster Gaming Corporation Limited	Throne Bet Ltd	Limited	Premier Victoria Limited	
Thinamy Entertainment Limited	Princess Leisure (T) Limited		Fido Technologies Ltd	Jx Betting (T) Limited	
	Sportpesa Limited		Gateway Gaming Limited	Lotus Valley Ltd	
	The Network (T) Company Limited		Jx Betting (T) Limited	Luckywell (T) Limited	
	Ultimate Gaming System Limited		Katavi Gaming Limited	Magic Coins Ltd	
	Winbet Limited		Lev Tanzania Limited	Playmaster	
			Lucky Games Limited	Gaming Corporation Limited	
			Marawin Limited		
			Mobibet Company Limited	Slots And Keno Limited	
			Nanovas Tanzania Limited	Throne Bet Ltd	
			Limited	Winbet Limited	
			Paladin & Associates Company Ltd		
			Piccadilly Holding Company (T)Limited		
			Playmaster Gaming Corporation Limited		
			Princess Leisure (T) Limited		
			Rain Digital Limited		
			Sportpesa Limited		
			Triventure Investments Limited		
			Ultimate Gaming System Limited		



THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF GAMING BOARD OF TANZANIA  
FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2020

Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P.O. Box 950,  
41104 Tambukareli,  
DODOMA.  
Tel: 255 (026) 2161200,  
Fax: 255 (026) 2117527,  
E-mail [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

March, 2021

AR/PA/GBT/2019/20

## Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008. The Controller and Auditor General is the statutory auditor of all Government revenues and expenditures including the revenues and expenditures of the Gaming Board Tanzania (GBT).

## Vision, Mission and Core Values

### Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

### Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

### Core Values

In providing quality services, NAO is guided by the following Core Values:

- **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- **Integrity:** We observe and maintain high standards of ethical behaviour, rule of law and a strong sense of purpose.
- **People focus:** We value, respect and recognize interest of our stakeholders.
- **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

We do this by: -

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

© This report is intended to be used by Gaming Board of Tanzania. However, upon adoption of this report by the Board, the report becomes a matter of public record and its distribution may not be limited.

## ABBREVIATIONS

BOT	Bank of Tanzania
CAG	Controller and Auditor General
GBT	Gaming Board of Tanzania
GePG	Government Electronic Payment Gateway
GRAF	Gaming Regulators Africa Forum
HESLB	Higher Education Students Loans Board
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IAGR	International Association of Gaming Regulators
ICT	Information and Communication Technology
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public-Sector Accounting Standards
IPSASB	International Public Sector Accounting Standard Board
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
MOFP	Ministry of Finance and Planning
NBAA	National Board of Accountants and Auditors
PFA	Public Finance Act No.6 of 2001 (Revised 2004)
PSPF	Public Sector Pension Fund
PSSSF	Public service Social Security Fund
TZS	Tanzania Shillings
URT	United Republic of Tanzania
USD	United States Dollar

## **1.0 REPORT OF THE DIRECTORS**

### **1.1 INTRODUCTION**

The Directors present their report together with the audited financial statements for the year ended 30<sup>th</sup> June, 2020 which disclose the state of affairs of Gaming Board of Tanzania (GBT). The report has been prepared in accordance with International Public-Sector Accounting Standards (IPSAS) Accrual basis.

### **1.2 ESTABLISHMENT**

GBT is a body corporate established under Section 4 of the Gaming Act No.4 of 2003. The Act became effective on 1<sup>st</sup> July, 2003. GBT is mandated to oversee, monitor and regulate the conduct of gaming activities in Tanzania. In so doing, GBT performs functions and exercise such powers as provided in the Act with a view to properly promoting, protecting and benefiting the gaming industry in Tanzania.

GBT has been audited in all previous financial years and in all occasions obtained clean audit opinion. This is the seventeenth audit of GBT.

### **1.3 VISION**

Becoming a world-class gaming regulator that facilitates growth of the gaming industry in Tanzania.

### **1.4 MISSION**

To promote, oversee, monitor and regulate the gaming industry in Tanzania to ensure integrity, maximisation of long-term socio-economic benefits and protection of the general public by enforcing a world class gaming legislation and adapting best practices.

### **1.5 CORE VALUES**

- Honesty and integrity;
- Professionalism;
- Efficiency and effectiveness;
- Teamwork; and
- Excellent customer care.

### **1.6 PRINCIPAL ACTIVITIES**

The principal activities of Gaming Board are stipulated in Section 7 of the Gaming Act No. 4 of 2003 as outlined herein below: -

- a) Granting, issuing, suspending, withdrawing and amending of gaming license and any other license pertinent to the gaming activities;
- b) Advising on the imposition of taxes, levies and fees in respect of any gaming activities;
- c) Devising policy guidelines and setting norms and standards of conduct for lotteries and gaming activities;
- d) Fostering stability and success of gaming and preserving free competitive economy;
- e) Bringing about honesty and competitiveness in gaming industry;
- f) Conducting a continuous study and investigation on gaming activities for the purpose of ascertaining any defects in the rules and regulations to discover abuses in administration and operations of the industry and to deal with them;
- g) Exercising such other incidental powers as may be necessary for ensuring safe and orderly regulation of the industry including performing background checks of applicants, qualifications and registration thereof, approving licensees internal control procedures and testing of gaming devices;
- h) Defining standards, principles and procedures in respect of operations, premises, equipment, personnel, supplies and procurement of services and enforcing compliance thereof;
- i) Developing mechanisms for stakeholders' involvement and measures for dealing with adverse social impact of gaming activities; and
- j) Doing all other things, which are necessary for or in connection with the performance of its functions and powers or to enable it to discharge its duties.

## 1.7 COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the Board who have served during the period under review were:

No	Name	Position	Age	Appointment Date	End of Tenure	Nationality	Qualification
1	Ms. Elizabeth Nyambibo	Member	64	15 <sup>th</sup> October, 2017	14 <sup>th</sup> October, 2020	Tanzanian	MA Development Studies
2	Dr. Hamisi Kibola	Member	64	15 <sup>th</sup> October, 2017	14 <sup>th</sup> October, 2020	Tanzanian	PhD in Law
3	Mr. Obadia Mugasa	Member	50	15 <sup>th</sup> October, 2017	14 <sup>th</sup> October,	Tanzanian	LLM, International

No	Name	Position	Age	Appointment Date	End of Tenure	Nationality	Qualification
	Kameya				2020		Business Law
4	Mr. James B. Mbalwe	Secretary and Director General	49	January 2017	On going	Tanzanian	LLM

In 2019/20 GBT had no Chairperson of the Board following resignation of Prof. Florens Luoga during the year 2018/19. In view of this and in accordance with Section 54(2) of the Interpretation of Laws Act (Cap.1) as amended in 2019, Mr. Doto James who is the Permanent Secretary of the Ministry of Finance and Planning performed the roles of the Chairperson of the Board.

The Company Secretary of the board during the financial year ended 30<sup>th</sup> June, 2020 was Mr. James B. Mbalwe who is the Director General of GBT.

#### Meetings of the Board of Directors

The Board of Directors is required to meet at least four times in a financial year. In 2019/2020 a total of eight board meetings were conducted (2018/19: 10), whereby four were ordinary meetings while four extra-ordinary/special meetings (2018/19: 6). The Board members demonstrated adequate commitment and had devoted their time for attending meetings. Attendance of Board Members during 2019/20 is presented in the table below: -

S/N	Name	Position	Attendance
1	Evance B. Assenga	Ag. Chairperson	6/8
2	Ms. Elizabeth Nyambibo	Director	8/8
3	Dr. Hamisi Kibola	Director	8/8
4	Mr. Obadia Mugasa Kamea	Director	7/8
5	Mr. James B. Mbalwe	Secretary to the Board	8/8

Major matters discussed and approved during the meetings were: -

- i. Gaming Board of Tanzania quarterly performance reports;
- ii. Proposal to amend the Gaming Act,2003;
- iii. Budget and Annual Procurement Plan of 2020/21;
- iv. Review and amendment of various GBT internal policies; and
- v. Audit report for the year 2018/19.

## 1.8 CORPORATE GOVERNANCE

GBT is committed to the highest standards of corporate governance. The Board of Directors is composed of four members including the Chairperson. The Chairperson of the Board is appointed by the President of the United Republic of Tanzania whereas other members of the Board are appointed by the Minister responsible for Finance. The Director General is the Secretary to the Board. All members of the Board are appointed for a term of three years and are eligible for re-appointment for another one term only.

The Board of Directors takes overall responsibility for GBT including general oversight of operations, responsibility for identifying key risk areas, considering and monitoring significant financial matters and reviewing the performance of management strategies, work plans and budgets. The Board of Directors is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and in compliance with sound corporate governance principles. The directors also recognize the importance of integrity, transparency and accountability.

The Board of Directors meet at least once in every quarter, however, may call for special meetings where there is a business to conduct. The Board delegates the day-to-day management of GBT to the Director General who is assisted by a management team. Management is invited to attend to board meetings to facilitate effectiveness of such meetings and is also responsible for effective control of all operational activities.

The Board is committed to the principles of effective corporate governance. There are two Committees of the Board namely the Compliance Committee and the Audit and Risk Committee. The details of the two Committees are provided herein below:

### 1.8.1 Audit and Risk Committee

The Board Audit and Risk Committee is responsible for advising the Board on all matters of budget and financial performance. This Committee also undertakes on behalf of the Board, the oversight role on internal controls, risk management, human resources and governance processes. Members of the committee who served for the period under review were:

S/N	Name	Position	Organization	Attendance
1	Ms.Elizabeth Nyambibo	Chairperson	Retired Public Servant	4/4
2	Dr. Hamisi Kibola	Member	Retired Public Servant	4/4
3	Mr. James B. Mbalwe	Secretary	Gaming Board of Tanzania	3/4

### 1.8.2 Compliance Committee

The Committee performs its roles in accordance with Sec.30 – 32 of the regulations to the Public Finance Act (PFA) No. 6 of 2001. The Compliance Committee is responsible for oversight functions relating to licensing activities, compliance matters and on other technical matters pertaining to regulation of the gaming industry. The Committee provides

its recommendations to the Board of Directors for consideration and approval. During 2019/20 the Committee held four meetings.

Members of the committee who have served during period under review were:

S/N	Name	Position	Organization	Attendance
1	Dr. Hamisi Kibola	Chairperson	Retired Public Servant	4/4
2	Mr. Obadia Kamea	Member	Attorney General	4/4
3	Mr. James B. Mbalwe	Secretary	Gaming Board of Tanzania	3/4

## 1.9 OTHER CORPORATE GOVERNANCE AREAS

### 1.9.1 Tender Board

Gaming Board has established a Tender Board in accordance with the requirement of the Public Procurement Act No 7 of 2011 (amended 2016).

The Tender Board performs the following functions:

- Adjudication of recommendations from the Procurement Management Unit and award of contracts;
- Review all applications for variations, addenda or amendments to on-going contracts;
- Approving tendering and contract documents;
- Approving procurement and disposal by tender procedures;
- Ensuring that best practices in relation to procurement and disposal by tender are strictly adhered by Gaming Board;
- Ensure compliance with the Public Procurement legislation; and
- Liaising directly with the Public Procurement Authority on matters within its jurisdiction.

The Tender Board is comprised of five (5) members who are all Tanzanians and also officers of the Board. During the year under review the Tender Board held nine (9) meetings and the attendance was as follows:

S/N	Name	Position	Title	Attendance
1	Daniel Ole Sumayan	Director of Corporate Services	Chairperson	8/9
2	Hamis Salum	Head of PMU	Secretary	9/9
3	Glory Osoki	Senior Accountant	Member	8/9
4	Jehud Ngolo	Senior Inspector	Member	9/9
5	Chiku Saleh	Senior Inspector	Member	8/9
6	Mwanaisha Mkumbwa	Licensing Officer	Member	9/9

### 1.9.2 Budgetary Control

The Director General submits the annual budget not later than two months before the end of each financial year to the Board of Directors for approval. No expenditure is made out of the funds of the Board unless that expenditure is part of the expenditure approved by the Board in the annual budget.

Performance review of the annual budget is done by the Budget Committee once in every quarter by comparing actuals with estimates and establishing reasons for variations.

The Budget Committee of Gaming Board of Tanzania is composed of:

S/N	Name	Position	Title
1	Mr. James B. Mbalwe	Chairman	Director General
2	Mr. Daniel Ole Sumayan	Member	Director of Corporate Services
3	Ms. Beatrice Murihano	Member	Finance and Administrative Manager
4	Mr. Sadiki Elimsu	Member	Inspection and Compliance Manager
5	Mr. Julius Siyame	Member	Chief Internal Auditor
6	Ms. Catherine Lamwai	Member	Licensing and Legal Services Manager
7	Mr. Kabora Mboya	Member	Information and Communication Technology Manager
8	Mr. Nahum Anneny	Secretary	Senior Licencing officer

### 1.9.3 Corporate Social Responsibility Committee

Gaming Board of Tanzania has also established a Corporate Social Responsibility Committee whose responsibilities includes: -

- Monitoring issues and practices relating to Gaming Board's corporate social responsibility initiatives;
- Reviewing the prudence of having the Organization to prepare and publish a Corporate Social Responsibility report and, in the event the Committee determines such a report is prudent, overseeing the preparation of such report;
- Monitoring significant programs and activities aimed at enhancing Gaming Board's communications, crisis management, media relations and community relations;

- When appropriate, making recommendations to Management with respect to any of the areas that the Committee oversees, reviews, or monitors, and any other major social responsibility policies and practices of Gaming Board;
- Reviewing and making recommendations to Management regarding stakeholders' proposals submitted for inclusion in Gaming Board annual budget relating to social responsibility issues.

Composition of the Committee is as provided in the Table below:

S/n	Name	Position	Title
1	Mr. Sadiki Elimsu	Inspection and Compliance Manager	Chairperson
2	Ms. Catherine Lamwai	Licensing and Legal Services Manager	Member
3	Mr. Donatus Nzyela	Assistant Accountant	Member
4	Ms. Zena Athumani	Office Management Secretary	Secretary

## 1.10 MANAGEMENT

The day-to-day management of GBT is under the Director General who is assisted by two Directors namely; the Director of Corporate Services and the Director of Strategic Operations and Legal Services. Moreover, there are five departments which are headed by managers who also form part of the management team. These departments are:

- Finance and administration department;
- Information Communication Technology department;
- Licensing and legal service department;
- Inspection and Compliance department; and
- Internal Audit department.

The Management team is composed of the following members:

S/N	Name	Position	Title
1	Mr. James B. Mbalwe	Chairman	Director General
2	Mr. Daniel Ole Sumayan	Member	Director of Corporate Services
3	Ms. Catherine Lamwai	Member	Licensing and Legal Services Manager
4	Ms. Beatrice Murihano	Member	Finance and Administration Manager
5	Mr. Sadiki Elimsu	Member	Inspection and Compliance Manager
6	Mr. Julius Siyame	Member	Chief Internal Auditor
7	Mr. Kabora Mboya	Member	Information and Communication Technology Manager

Brief profile on the Management Structure of Gaming Board is provided herein below;

a) Director General

The Director General is the Chief Executive Officer of the Board. He is responsible for daily running of the organization. The Director General holds office for a term of five years and is eligible for re-appointment.

b) Directorate of Corporate Services

The Directorate of Corporate Services is headed by a Director of Corporate Services. The Directorate is responsible for finance function, human resource management and administration function. It provides support services to Gaming Board of Tanzania.

c) Finance and Administration Department

This department is headed by Finance and Administration Manager. The department is responsible for matters relating to finance, human resources management and general administration. Specifically, the department is responsible for preparation and control of annual budgets, maintenance of staff welfare, training and development of staff, maintenance of accounts, office supplies and monitoring safety of GBT assets. The department also coordinates appraisal of staff through an Open Performance Review and Appraisal System (OPRAS).

d) Information and Communication Technology Department

The department is headed by Information and Communication Technology Manager. This department performs an important support function to the Board by way of putting in place appropriate information and communication technology infrastructure with a view to enhancing operational efficiency and effectiveness.

e) Directorate of Strategic Operations and Legal Services

The directorate is responsible for enforcing the gaming legislation by ensuring proper licencing and compliance functions together with inspection of operators. The directorate also provides legal services to the Board. Although the structure of the Board provides for the directorate to be headed by a Director of Strategic Operations and Legal Service, the position is yet to be filled. However, the Board is considering filling the position in the near future considering growth of its activities.

f) Licensing and Legal Services Department

This department is headed by Licensing and Legal Services Manager and is responsible for licencing of all gaming activities and conducting background investigations in respect of application for licences. The department champions regular reviews of the gaming legislations and recommends for relevant amendment with a view to maintaining a dynamic gaming legislation.

## g) Inspection and Compliance Department

The department is headed by Inspection and Compliance Manager and is responsible for carrying out inspections of all gaming operations to assess compliance with the gaming legislation. The department conducts planned and ad hoc inspections.

## h) Internal Audit Department

The department is headed by Chief Internal Auditor who reports functionally to the Audit and Risk Committee of the Board and administratively to the Director General. This mode of reporting is intended to enhance independence of Internal Audit.

The department provides assurance and advisory services to the Board on efficient and effective utilisation of resources. It is specifically responsible for ensuring existence of good internal control system and compliance thereto, ensuring integrity and reliability of accounting information and safeguarding of Gaming Board's assets.

## i) Procurement Management Unit

This department is headed by Head of Procurement Unit and is set specifically to manage the procurement function of the Board. The unit is established in compliance with the procurement legislation and conducts its responsibilities in accordance with the requirement of the legislation.

## j) Management Meetings

The Management team meets weekly to discharge its various responsibilities. The meetings are attended by the following members:

S/N	Name	Position	Title
1.	Mr. James B. Mbalwe	Chairman	Director General
2.	Mr Daniel Ole Sumayan	Secretary	Director of Corporate Services
3.	Ms. Catherine Lamwai	Member	Licensing and Legal Services Manager
4.	Ms. Beatrice Murihano	Member	Finance and Administration Manager
5.	Mr. Sadiki Elimsu	Member	Inspection and Compliance Manager
6.	Mr. Julius Siyame	Member	Chief Internal Auditor
7.	Mr. Kabora Mboya	Member	Information and Communication Technology Manager

## 1.11 INTERNATIONAL AND LOCAL RELATIONS

During the year 2019/20 the Board had continued to maintain its relationship with various stakeholders including, the general public, local and international organizations. The Board continued to be a member of International Association of Gaming Regulators (IAGR) and Gaming Regulators Africa Forum (GRAF). The relationship with international and regional regulatory bodies helps Gaming Board to share relevant issues of common interest, share

regulatory experiences as well as joint strategies for the development of the gaming industry.

#### **1.12 FUTURE DEVELOPMENT PLANS**

The four year (July, 2017 to June, 2021) Corporate Plan of GBT, which is the third Corporate Plan, provides for its development plan both in the short and medium terms. The financial year 2019/20 marks the third year of the Corporate Plan. The Plan provides for the GBT long-term vision, which is to become a world class gaming regulator. It guides GBT towards a strategic direction through implementation of short and medium-term strategies that are intended to achieve the vision. GBT is committed to continue pursuing creative initiatives with a view to properly realizing its vision.

#### **1.13 RESULTS FOR THE YEAR**

The overall performance of GBT during the financial year 2019/20 was good. This is despite of the outbreak of COVID-19 which had impacted on the conduct of gaming operations during the period. During the financial year, GBT recorded a surplus of TZS 3.45 billion compared to a surplus of TZS 3.53 billion in 2018/19. The surplus resulted from total income of TZS 10.01 billion during the year against total operating expenses of TZS 6.56 billion.

#### **1.14 PERFORMANCE FOR THE YEAR**

Gaming Board continued to conduct its statutory functions properly as stipulated in the Gaming Legislation. Gaming Licenses Issued During The Financial Year 2019/20 Included 16 (2018/19:16) Casino Licenses, 299 (2018/19:246) Slots Machines Shops Licenses, 2,779 (2018/2019: 2,712) Bar Sites, 10 (2018/19:2) Forty Machine Sites,3 (2018/19:5) Sms Lotteries, 321(2018/19:301) Sports Betting Licenses, 30 (2018/19:73) Promotional Lotteries, 833 (2018/19: 266) Other Gaming Licenses And Permits. The Licenses Issued During the Period Included Renewed Licenses for Existing Operations as well as New Licenses for new applicants.

Apart from Issuing Gaming Licenses, Gaming Board Conducted inspections in various Gaming operations to assess and enforce compliance with the Gaming Regulations. All Gaming Licenses are always required by the Gaming act no. 4 of 2003 to maintain their suitability in order to qualify for continued holding of gaming license.

#### **1.15 RISK MANAGEMENT AND INTERNAL CONTROL**

The Board accepts final responsibility for the risk management and internal control systems of Gaming Board. It is the responsibility of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations;
- Safeguarding of Gaming Board`s assets;
- Compliance with applicable laws and regulations;
- Reliability of accounting records;
- Operational sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Gaming Board system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

#### **1.16 SOLVENCY**

The financial position of GBT as at 30<sup>th</sup> June, 2020 confirms its solvency to be satisfactory. No matter has come to the attention of the directors to indicate that GBT will not remain a going concern for at least the ensuing financial year.

#### **1.17 GOING CONCERN**

The directors are of the opinion that Gaming Board of Tanzania will be a going concern in the years ahead. Accordingly, the financial statements have been prepared on a going concern basis.

#### **1.18 RELATED PARTY TRANSACTIONS**

Details of transactions with related parties are disclosed in note 19 of the financial statements.

#### **1.19 EMPLOYEE WELFARE**

The Board continued to motivate employees and management towards overall productivity enhancement in the business by increasing empowerment. Motivation is considered a fundamental feature of the Board`s philosophy towards enhanced employees` morale and is essential for management of risk. This is achieved through training, development, information sharing and progressive co-operative contributions to operating methods and planning, supported by short term and long-term competitive rewards at all levels.

It is the aim of the Board to be the employer of choice. In order to achieve this, the Board designs employment policies which are appropriate to its business and markets and which

attract, retain and motivate quality staff. The Board is committed to an active equal opportunities policy from recruitment, selection through training and development, appraisal, promotion to retirement.

i. Training Facilities

Gaming Board facilitates to various trainings, local and international, to its staff and Board members so to build their technical skills & capacity and hence effectiveness; and also, to help them develop their full potential. The Board is committed to provide comprehensive trainings to enhance the quality of personnel skills. Some of the trainings attended by staff and Board members during the period under review included: -

- Training on TCRA's DMS and DNSSEC;
- Effective Human resource Management Strategic Planning;
- Record management for better service delivery;
- Gaming Management systems;
- e - Procurement;
- Public service act and its disciplinary procedures;
- Drivers' ethics;
- Training on Legislative drafting and statutory interpretation;
- GRAF Conference;
- Board and Audit Committee Forum and Chief Audit Executive Forum;
- Half Annual General Meeting and CLE Seminars;
- Directors' day and conference;
- Board Secretary course;
- Preparation of financial statements using IPSAS;
- Annual conference for Records and Archives Management professionals;
- Accounting and governance best practices for decision makers;
- IT for non-IT Auditors, financial audit for internal auditors and managing difficult clients;
- Modern techniques for administrative assistants and professional secretaries;
- Procurement and supplies professional annual;
- Accountants annual conference;
- ICE Totally gaming conference;
- Professional standards, taxation and governance issues;
- GePG users' annual meetings;
- CLE Seminar;
- Training on ACL 303;
- Training on Risk Management, Anti-corruption practices, corporate culture and HIV /AIDS; and
- Training on GLICA system and other GBT ICT systems.

ii. Medical Facility

In compliance with the applicable laws, Gaming Board contributes to a compulsory Health Insurance Scheme established by Act No. 8 of 1999, the National Health Insurance Scheme (NHIF). All members of staff with a maximum five beneficiaries (dependents) for each employee were availed medical coverage whereby they were treated in hospitals with NHIF facility.

iii. Health and Safety

Gaming Board strives to ensure a safe working environment is maintained for all employees, and also their customers, stakeholders and the general public are not exposed to health and safety hazards. This is mainly done by providing adequate and proper personal protective equipment, training and supervision as necessary.

iv. Financial Assistance to Staff

Depending on the financial position, the Board provides financial support to all confirmed employees depending on the assessment of the need and circumstances in accordance with the Gaming Board Financial Regulations and Staff Regulations. Gaming Board also works with different financial institutions to facilitate bank loans for employees who are interested.

v. Employees Benefit Plan

The Board pays contributions to the Public Service Social Security Fund (PSSSF), which is a publicly administered pension scheme. The contribution is mandatory and qualifies to be a defined contribution plan. Monthly contribution to this fund is calculated at 20% of the employees' gross salary whereby the employer contributes 15% and the employee contributes 5%.

vi. Staff Communication

Management meets with staff through regular meetings. During such meetings Management briefs staff on various matters relating to GBT performance and provides clarifications on other relevant issues.

## 1.20 GENDER BALANCE

The Gaming Board recognizes gender balance matters. Recruitment and promotion processes provide for equal opportunity to both men and women. The Board of Directors and the Management constitute both men and women. As at 30<sup>th</sup> June, 2020 Gaming Board had the following distribution of employees by gender: -

Gender	2019/20	2018/19
Male	31	17
Female	16	15
Total	47	32

### 1.21 POLITICAL AND CHARITABLE DONATIONS

During the year under audit, the Board made donations worth TZS 12.50 million (2018/19: 8 million) in support of government initiatives to mitigate the spread of COVID –19 pandemic.

### 1.22 THE CORPORATE PLAN

The 3<sup>rd</sup> four years Corporate Plan of Gaming Board became effective on 1<sup>st</sup> July, 2017. The Plan is geared to achieve the following strategic objectives:

- i. HIV AIDS and Non- communicable diseases are prevented and controlled;
- ii. Maintaining a Corruption Free zone at GBT;
- iii. Effective and efficient regulation of the gaming industry;
- iv. Maximization of contribution of the gaming industry towards social economic development;
- v. The public is effectively protected against adverse gaming effect;
- vi. Maintenance of appropriate communication framework with gaming stakeholders;
- vii. Recruitment and retention of competent, professional, ethical and motivated staff; and
- viii. Organization capacity of Gaming Board is improved.

### 1.23 AUDITORS

The Controller and Auditor General is the Statutory Auditor of the Gaming Board of Tanzania by virtue of Article 143 of the Constitution of the United Republic of Tanzania (URT) and as amplified in Section 10 of the Public Audit Act No. 11 of 2008.

ON BEHALF OF THE BOARD OF DIRECTORS



Signed by Mr. Doto M. James  
Permanent Secretary Treasury



James B. Mbalwe  
Director General

**2.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

The Gaming Act no 41 of 2003 requires that the Board of Directors, prepare audited accounts for each financial year that gives a true and fair view of the state of affairs of the Board as at the end of the financial year and of its financial performance for that year. It also requires the Directors to ensure that they maintain proper accounting records that disclose, with reasonable accuracy, the financial position of Gaming Board of Tanzania. The Directors are also responsible for safeguarding assets of Gaming Board of Tanzania and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. The directors are of the opinion that the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public-Sector Accounting Standards (IPSAS) and in the manner required by the Gaming Act no 41 of 2003 presents fairly in all material respects the state of affairs of Gaming Board as at the end of the financial year and its surplus for that year.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

The Directors have made an assessment of the Board's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the financial year ahead.

ON BEHALF OF THE BOARD OF DIRECTORS



---

Mr. Doto M. James  
Permanent Secretary Treasury



---

James B. Mbalwe  
Director General

**3.0 STATEMENT OF DECLARATION OF THE HEAD OF ACCOUNTING FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020**

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity position and performance in accordance with the International Public-Sector Accounting Standards (IPSAS) and the requirements of the Gaming Act, CAP 41 of 2003. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under the statement of directors' responsibility on an earlier page.

I, Daniel Ole Sumayan, being the Director of Corporate Services of Gaming Board of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30<sup>th</sup> June, 2020 have been prepared in compliance with International Public-Sector Accounting Standards (IPSAS) and the requirements of Gaming Act, CAP 41 of 2003.

I thus confirm that the financial statements give a true and fair view of the Gaming Board of Tanzania as on that date and that they have been prepared based on properly maintained financial records.



.....  
Signed by: Daniel Ole Sumayan

Position: Director of Corporate Services

NBAA Membership No: ACPA 1159

Date: 04.02.2021  
.....

#### 4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Permanent Secretary,  
Ministry of Finance and Planning,  
Government City-Mtumba,  
Hazina Street,  
P.O. Box 2802,  
40468 DODOMA.

#### 4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

##### Opinion

I have audited the financial statements of Gaming Board of Tanzania, which comprise the statement of financial position as at 30<sup>th</sup> June, 2020, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Gaming Board of Tanzania as at 30<sup>th</sup> June, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis.

##### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Gaming Board of Tanzania in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

##### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

##### Other Information

Management is responsible for the other information. The other information comprises the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

#### Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also: -

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

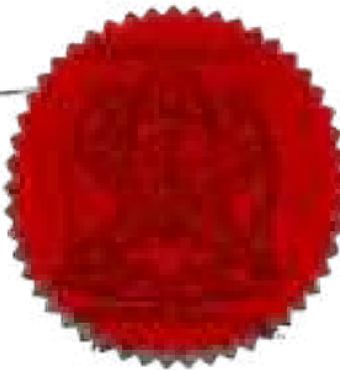
In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 (as amended in 2016) requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

#### **4.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

Compliance with the Public Procurement Act, No.7 of 2011 (as amended in 2016)

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Gaming Board of Tanzania procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 (as amended in 2016) and its underlying Regulations of 2013 (as amended in 2016).



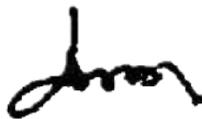
Charles E. Kichere  
Controller and Auditor General  
Dodoma, United Republic of Tanzania  
31<sup>st</sup> March, 2021

## 5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE, 2020

	Notes	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
<b>ASSETS</b>			
Current Assets			
Cash and Cash equivalents	6	4,936,954,712	7,074,211,673
Receivable from non-exchange operations	7	353,644,439	271,268,208
Other receivables	7	325,271,827	162,481,373
Prepayments and deposits	7	71,024,090	20,043,660
		5,686,895,068	7,528,004,914
Non-Current assets			
Property and Equipment	8	7,814,197,012	7,654,971,630
Other noncurrent receivables	7	252,580,873	111,465,018
Intangible assets	9	1,539,510,960	509,920,593
Total non-current assets		9,606,288,845	8,276,357,241
Total assets		15,293,183,913	15,804,362,155
<b>LIABILITIES</b>			
Current liabilities			
Trade payables	10	386,323,967	630,867,508
Other payables	10	472,636,246	569,496,405
Contribution to Treasury	11	-	1,321,855,216
Total Liabilities		858,960,213	2,522,219,129
Net Assets		14,434,223,700	13,282,143,026
<b>NET ASSETS/EQUITY</b>			
Capital fund	12	111,605,500	111,605,500
Accumulated surplus		14,322,618,200	13,170,537,526
		14,434,223,700	13,282,143,026

The accompanying notes are integral part of the financial statements which were authorized for issue by the Permanent Secretary on behalf of the Board of Directors and were signed on its behalf by:



Mr. Doto M. James  
Permanent Secretary Treasury



James B. Mbalwe  
Director General

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

	Notes	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
<b>Revenue</b>			
Revenue from non-exchange transactions	13	9,981,870,214	9,253,097,202
Other income	14	31,339,380	142,315,126
<b>Total revenue</b>		<b>10,013,209,594</b>	<b>9,395,412,328</b>
<b>Expenses</b>			
Salaries, wages and employee benefits	15	3,829,800,031	3,323,657,923
Capacity building	16	327,362,513	255,785,607
Administrative expenses	17	2,004,416,604	2,080,587,826
Board expenses	18	35,439,583	48,500,000
Depreciation	8	360,957,135	157,527,609
Loss on derecognised assets	8	3,153,054	-
<b>Total Expenses</b>		<b>6,561,128,920</b>	<b>5,866,058,965</b>
<b>Surplus for the year</b>		<b>3,452,080,674</b>	<b>3,529,353,363</b>

The accompanying notes are integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

	Capital fund (TZS)	Accumulated surplus (TZS)	Total (TZS)
Balance at 30 June, 2018	111,605,500	9,641,184,163	9,752,789,663
Surplus for the year		3,529,353,363	3,529,353,363
Balance as at 30 June, 2019	111,605,500	13,170,537,526	13,282,143,026
Surplus for the year	-	3,452,080,674	3,452,080,674
Contribution to Treasury	-	(2,300,000,000)	(2,300,000,000)
Balance as at 30 <sup>th</sup> June, 2020	111,605,500	14,322,618,200	14,434,223,700

The accompanying notes are integral part of the financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

	Original Budget	Final Budget	Actual	Difference from Final budget
	TZS	TZS	TZS	TZS
<b>RECEIPTS</b>				
Government grant/reserves	2,311,600,000	1,947,549,577	0	1,947,549,577
Non-exchange transactions	8,819,968,112	8,819,968,112	9,628,225,775	(808,257,663)
Other Income	6,845,000	6,845,000	26,119,400	(19,274,400)
<b>Total Income</b>	<b>11,138,413,112</b>	<b>10,774,362,689</b>	<b>9,654,345,175</b>	<b>1,120,017,514</b>
<b>PAYMENTS</b>				
Staff Emoluments	(3,877,077,387)	(3,877,077,387)	(3,829,800,031)	(47,277,356)
Capacity building	(366,500,000)	(366,500,000)	(327,362,512)	(39,137,488)
Administrative expenses	(3,918,506,169)	(3,918,506,169)	(2,004,416,604)	(1,914,089,565)
Directors remuneration expenses	(48,000,000)	(48,000,000)	(35,439,583)	(12,560,417)
Development expenditures	(2,928,329,556)	(2,564,279,133)	(1,590,077,648)	(974,201,485)
<b>Total payment</b>	<b>(11,138,413,112)</b>	<b>(10,774,362,689)</b>	<b>(7,787,096,378)</b>	<b>(2,987,266,311)</b>
<b>Net Receipt (Payment)</b>			<b>1,867,248,797</b>	<b>(1,867,248,797)</b>

\*The Statement of comparison of budget and actual amounts is to be read in conjunction with note 20 of the financial statements.

\*The Statement of Comparison of Budget and Actual performance is prepared on cash basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2020

## 1. GENERAL INFORMATION OF THE REPORTING ENTITY

Gaming Board of Tanzania (GBT) is a Government owned institution that was established under the Gaming Act No. 4 of 2003.

The Gaming Board has its offices located on 27<sup>th</sup> Floor of PSSSF Twin Towers - Wing A, Mission Street/Sokoine Drive, Dar es Salaam.

The registered address of Gaming Board is P.O Box 1717, Dar es Salaam, Tanzania

## 2. BASIS OF PREPARATION

## a) Statement of Compliance

The financial statements have been prepared in compliance with International Public-Sector Accounting Standards (IPSAS) accrual basis and its interpretations adopted by International Public-Sector Accounting Standards Board (IPSASB).

The preparation of financial statements in conformity with IPSAS Accrual requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

## b) Functional and Presentation Currency

The financial statements are presented in Tanzania Shillings (TZS) which is the Gaming Board's both functional and presentation currency. The rounding up of figures in the financial statements has been limited to the nearest shilling.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis except for the financial instruments which are presented at fair value through the statement of financial position and are measured at fair value or otherwise stated in the accounting policies below.

## a) Changes in accounting policy and disclosures

#### New and amended standards adopted by the Gaming Board

There are no IPSAS or its interpretations that are effective for year beginning on or after 1 July 2019 that would be expected to have a material impact on Gaming Board that have not been adopted.

#### b) New and amended standards that have been issued during the year but not effective

The standards and amendments that are issued, but not yet effective are disclosed below. Gaming Board intends to adapt these standards, if applicable when they become effective.

##### i. IPSAS 41: Financial Instruments

This standard establishes new requirements for classifying, recognizing and measurement of financial instruments, and replaces IPSAS 29: Financial Instruments: recognition and measurement.

IPSAS 41 greatly enhance the relevance of information for financial assets and liabilities. It provides users of financial information with more useful information than those provided in IPSAS 29 by:

- Applying a single classification and measurement model for financial assets that considers characteristics of the cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing;
- Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity' risk management strategies and the accounting treatment for instruments as part of the risk management strategy;
- This standard is effective for annual reporting periods beginning on or after 1 January 2022.

##### ii. IPSAS 42: Social benefits

The objective of this standard is to define social benefits and determining when expense and liabilities of social benefits are recognized and how they are measured. It provides for guidance on accounting for social benefit expenditure.

IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that the reporting entity provided in the financial statements regarding social benefits. The information provides help to users of financial statement to assess:

- The nature of such social benefits provided by the entity
- The key features of operation of those social schemes
- The impact of such social benefits provided on the entity's financial performance, financial position and cash flows

This standard is effective for annual reporting periods beginning on or after 1 January 2022. The directors have assessed the relevance of the standards, amendments and interpretations with respect to Gaming Board's operations and concluded that they do not have a material impact on the Gaming Board's financial statements.

c) Revenue Recognition

**i) Revenue from operations**

Revenue is recognized when it is probable that future benefits or service potential will flow to the entity and these benefits can be measured reliably. Application fees and license fees in respect of gaming operations are recognized as received, normally when a license so applied is issued by the Gaming Board. Revenue from gaming levy is recognized when it is determined that such income will accrue to the Board.

**ii) Grants/ Government Subvention**

Government subventions and other grants are accounted for when there is a reasonable assurance that the grants will be received. Revenue recognition is based on an assessment of whether an asset or a liability has been created. For capital grants without conditions attached, revenue is recognized immediately in the statement of financial performance. If conditions are attached, a liability is recognized as capital funds in the statement of financial position and is reduced and revenue recognized as the conditions are satisfied.

d) Foreign Currency Translation

The financial statements are presented in Tanzania Shillings (TZS), which is the Gaming Board's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of transaction. Monetary

assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the date of the statement of financial position. All differences are taken to the statement of financial performance. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates ruling as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

e) Property and Equipment.

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the service potential associated with the item will flow to the Board and the cost of item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Depreciation charges are recognized in the statement of financial performance on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The annual rates used for the purpose of calculating depreciation charges are:

Description of Asset	Annual Rate (%)
Motor vehicles	20
Office furniture	20
Office equipment	20
Other office equipment	14.29
Equipment's Racks	10
Computers	25
Product development	20
Office building	2

An asset's carrying amount is written down immediately to its recoverable amount when there is strong evidence that carrying amount is greater than its estimated recoverable amount. Likewise, the assets' residual values and useful lives are reviewed only when the conditions to warrant the review exists at the date of the statement of financial position.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Gain and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are credited/ charged to the statement of financial performance. Leasehold improvements are recognized as assets, valued at cost and depreciated over the lesser of the remaining useful life of the improvements or the lease term.

#### Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future service potential embodied within the part will flow to the Gaming Board and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day to day servicing of property and equipment are recognized in the statement of financial performance as incurred.

#### f) Financial Instruments

##### i) Non-derivative Financial Instruments

The Gaming Board initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of financial performance) are recognized initially on the transaction date at which the Gaming Board becomes a party to the contractual provisions of the instrument.

The Gaming Board derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Board is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Gaming Board has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

##### ii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdraft (if any) that are repayable on demand and form an integral part of the Board's cash management are included as component of cash and cash equivalents for the purpose of the statement of cash flows.

**iii) Financial assets at fair value through Surplus or Deficit**

An instrument is classified at fair value through surplus or deficit if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through surplus or deficit if the Gaming Board manages such investments and make purchase and sale decisions based on their fair value in accordance with the Board's documented risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognized in the statement of financial performance when incurred. Financial instruments at fair value through surplus or deficit are measured at fair value, and changes therein are recognized in the statement of financial performance.

**iv) Other Non-Derivative Financial Instruments**

Other non-derivative financial instruments are measured at amortized cost thought their useful life less any allowance for impairment.

Gains and losses are recognized in the statement of financial performance when the loans and receivables are derecognized or impaired as well as through the amortization process.

**g) Impairment****Impairment of Non-Financial Assets**

The Gaming Board assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management estimates the expected remaining service amount of a non-cash generating asset or non-cash generating unit and choose a suitable discount rate in order to calculate the present value of the remaining service potential.

**Impairment of Receivables.**

The Gaming Board assesses recoverability of receivables from time to time and where there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Gaming Board will not be able to collect all of the amounts due under the original terms of invoice. The carrying amount of receivable is reduced to reflect recoverable amount.

**h) Employee benefits****i) Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

**ii) Retirement benefits**

The Gaming Board has statutory obligations to contribute to pension schemes in favor of all the employees employed under permanent and pensionable terms. The pension scheme in force to which the Board contributes is the Public Service Social Security Fund (PSSSF).

Contributions to this fund are recognized as an expense in the period the employees render the related services.

**iii) Termination benefits**

Termination benefits are recognized as an expense when the Gaming Board is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if Gaming Board has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

**iv) Short-Term Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or performance-sharing plans if the Board has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

i) Intangible Assets

The intangible assets that are acquired by the Board and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the service value embodied in the specific assets to which it relates. All other expenditure is recognized in the statement of financial performance as incurred.

j) Provisions

A provision is recognized if, as a result of a past event, the Gaming Board has a present legal or constructive obligation that can be estimated reliably, it is probable that an outflow of resources embodying service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

k) Receivables

Receivables are non-interest bearing and are carried at anticipated realizable value. An estimate is made for doubtful receivables based on the review of all outstanding amounts at the year-end. Bad debts are written off when all reasonable steps to recover them have failed.

l) Payables

The liabilities payables are carried at cost, which is measured at the fair or contractual value to be paid in respect of goods or services supplied to the Board, whether billed or not.

m) Related Party

Related parties comprise Board of Directors, Key Management and Staff of the Gaming Board of Tanzania, the Ministry of Finance and all that have significant influence over the Gaming Board of Tanzania affairs.

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant accounting judgement, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## 5. FINANCIAL RISK MANAGEMENT

The Gaming Board is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Gaming Board's exposure to each of the above risks, the Gaming Board's objectives, policies and processes for measuring and managing risk, and the Gaming Board's management of capital. Further quantitative disclosures are included throughout these financial statements. The Gaming Board's directors have overall responsibility of the establishment and oversight of the Board's risk management framework.

The Gaming Board's risk management policies are established to identify and analyses the risks faced by the Board, to set appropriate risk limits and controls, and to monitor adherence to risk limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Gaming Board, through its training and management standards and procedures, aims at developing a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The directors are responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risk faced by the Board. The directors are assisted in these functions by the managers.

### Credit Risk

Credit risk is the risk of financial loss to the Board if operators or counterparty to a financial instrument fails to meet its contractual obligations. Potential concentration of credit risk arises principally from the Board's receivables and balances with banks. As at 30<sup>th</sup> June, 2020 the Board had a receivable balance of TZS 353,644,439 (June 2019: TZS 271,268,208) from non-exchange transactions.

Other receivables do not have standard credit characteristics; they differ depending on whether they are normal prepayments and deposits, “governed by specific prepayment and deposits terms” or the creditworthiness of entity from which they are receivable.

No collateral is held for receivables from non-exchange transaction and other receivables.

The Board only utilises banking services of reputable banks.

Category of receivables as defined by IPSAS 29, analysing the carrying amounts – similar to their fair values at the reporting date. The maximum exposure is equal to the carrying amount and approximates their fair value.

Loans and Receivables	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
Cash at bank	4,935,954,712	7,073,211,673
Recoverable from Non- exchange transactions	353,644,439	271,268,208
Other receivables (excluding prepayments)	577,852,700	273,946,390
	<u>5,867,451,851</u>	<u>7,618,426,271</u>

Financial assets subject to credit risk are further classified as follows;

5.1.1.1	Neither past due nor impaired *	5,614,870,978	7,506,961,253
5.1.1.2	Past due but not impaired **	252,580,873	111,465,018
		<u>5,867,451,851</u>	<u>7,618,426,271</u>

## 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

There are no receivables that are impaired as at 30 June 2020(2019: Nil)

\*Neither past due nor impaired

The balance constitutes of;

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
Cash at bank	4,935,954,712	7,073,211,673
Receivable from non-exchange transactions	353,644,439	271,268,208
Other receivables (excluding prepayment)	325,271,827	162,481,373
	<u>5,614,870,978</u>	<u>7,506,961,254</u>

\*\*Past due but not impaired

Aging analysis of receivables that were past due but not impaired is as follows;

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
3 - 12 months	-	-
Over 1 year	252,580,873	111,465,018
	<u>252,580,873</u>	<u>111,465,018</u>

## 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

## Liquidity risk

Liquidity risk is the risk that the Gaming Board will not be able to meet its financial obligations as they fall due. The Board monitors its risk to a shortage of funds using a recurring liquidity planning procedure, which considers the maturity of both accounts receivable and projected cash flows from operations. The Gaming Board's objective is to maintain a balance to allow continuity of operations.

The Gaming Board's current assets exceeded the current liabilities by TZS 4,827,934,855 (June 2019: TZS 5,005,785,785).

The table below analyses the Board's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 30 <sup>th</sup> June, 2020	Within 1 year TZS
Non-derivative financial liabilities	
Trade and other payables	858,960,213
	<u>858,960,213</u>
At 30 <sup>th</sup> June, 2019	
Trade and other payables	1,200,363,913
	<u>1,200,363,913</u>

Other payables arise from normal Board's operations with suppliers of goods and services.

## 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

## Market risk

Market risk is the risk that arises from changes in market prices, such as foreign exchange rates, interest rates and related risks that are bound to affect the Board's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

## Foreign currency risk

The Board operates wholly within Tanzania and its assets and liabilities are reported in local currency. Foreign currency risk is managed at an operational level and monitored by the finance department. Exposure to losses is managed through prompt payment of outstanding liabilities and holding of bank balance in relevant foreign currency.

The Board has limited transactional currency exposure on its daily operations as most of its transactions are denominated in Tanzania shillings, the Board's functional and presentation currency. At 30 June 2020, if the Tanzanian Shilling had weakened/strengthened by 5% against the US dollar with all other variables held constant, surplus for the year would have been TZS 43,497,133 (2019: TZS 24,755,178) higher/lower, mainly as a result of US dollar cash at bank.

## 6. CASH AND CASH EQUIVALENTS

	30 <sup>th</sup> June, 2020	30 <sup>th</sup> June, 2019
	TZS	TZS
NBC Limited – Samora Avenue Branch	127,312,699	799,431,556
NBC Limited – Samora Collection Account	600,000	424,574,528
CRDB Bank – Lumumba Branch (TZS A/C)	36,454,001	12,707,770
CRDB Bank – Lumumba Branch (USD A/C)	66,210,788	403,523,193
Azania Bank	30,454,366	6,491,861
Petty Cash	1,000,000	1,000,000
GBT –BOT Revenue	1,280,140,074	20,336,927
GBT –BOT Gaming Tax	6,926,675	6,926,675
GBT –BOT License Fee	2,335,907,237	5,132,190,097
GBT –BOT Performance Bond	247,778,661	175,448,690
NBC Limited – Samora Avenue USD account	34,448	91,580,376
CRDB Bank – Collection TZS A/C	438,345	-
CRDB Bank – Collection USD A/C	803,697,418	-
Total	4,936,954,712	7,074,211,673

## 7. RECEIVABLES

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
Recoverable from non-exchange transactions		
Deposit receivable with respect to Inspection	-	10,866,567
Trade receivables	353,644,439	260,401,641
Subtotal	<u>353,644,439</u>	<u>271,268,208</u>
Other receivables		
Furniture & House Hold Loan	26,267,634	41,251,813
Staff loan	149,527,459	78,413,209
Staff imprest	37,015,000	16,074,000
Staff Motor Vehicle Loan	112,441,734	26,742,351
HESLB	20,000	-
Sub total	<u>325,271,827</u>	<u>162,481,373</u>
Prepayments		
Deposits	1,200,000	1,200,000
Prepayments	69,824,090	18,843,660
Subtotal	<u>71,024,090</u>	<u>20,043,660</u>
Non-current receivables		
Furniture & Household loan	43,522,354	25,824,800
Staff Motor Vehicle loan	209,058,519	85,640,218
Sub total	<u>252,580,873</u>	<u>111,465,018</u>
Total receivables	<u>1,002,521,229</u>	<u>565,258,259</u>

## 8. PROPERTY PLANT AND EQUIPMENT

	Land	Building	Motor Vehicles	Machineries & Equipments	Office Equipment	Other Equipment	Equipment Racks	Office Furniture	Office Computers	Leasehold Improvement	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
<b>Cost</b>											
1 July 2018.											
Reclassification	3,341,000,000	-	344,980,337	81,452,420	-	-	13,279,625	43,418,300	122,076,600	-	4,867,196,082
Prior Year Adjustment	(1,871,720,105)	-	-	(133,717,115)	4,575,000	312,377,386	-	55,056,768	(196,514,896)	-	3,341,000,000
Restated Balance	1,469,279,895	4,275,268,425	328,355,232	52,264,695	-	-	13,279,625	98,475,068	322,481,151	-	(1,113,562,259)
Additions	94,060,001	850,301,197	673,335,569	-	4,575,000	312,377,386	13,279,625	248,042,855	248,042,855	-	7,094,633,823
30 June 2019	1,563,339,896	5,125,569,622	673,335,569	81,452,420	5,205,000	869,592,186	18,944,149	393,573,115	268,309,355	-	8,917,868,892
<b>Depreciation</b>											
1 July 2018											
Prior Year Adjustment	-	-	158,115,988	9,706,196	-	-	43,360,201	6,327,988	318,247,766	-	217,510,371
Reclassification	-	-	450,797,365	54,951,756	-	-	(64,657,952)	63,862,394	(170,637,313)	-	887,859,282
Restated Balance	-	-	608,913,353	4,415,625	-	-	13,279,625	70,190,382	190,970,654	-	1,105,369,653
Charge for the year	-	68,340,928	1,053,633,338	127,500	4,415,625	217,600,015	13,279,625	18,527,403	25,526,458	-	157,527,609
30 June 2019	-	68,340,928	619,449,691	4,543,125	4,843,125	251,974,587	13,374,034	88,717,785	216,497,112	-	1,262,897,262
<b>Net book value</b>											
30 June 2019	1,563,339,896	5,057,228,694	53,885,878	661,875	661,875	617,617,599	5,570,115	304,855,330	51,812,243	-	7,654,971,630
<b>Cost</b>											
1 <sup>st</sup> July 2019											
Reclassification	1,563,339,896	5,125,569,622	673,335,569	-	5,205,000	869,592,186	18,944,149	393,573,115	268,309,355	-	8,917,868,892
Additions	-	(3,756,648)	-	-	-	(5,373,720)	5,260,000	9,130,368	-	-	-
Disposal/Reversals	-	(7,994,500)	-	-	11,913,280	261,757,196	-	-	68,527,320	213,029,485	560,487,281
30 <sup>th</sup> June 2020	1,563,339,896	5,113,818,474	673,335,569	(300,000)	(300,000)	(33,186,265)	5,260,000	(63,243,675)	(12,946,743)	-	(117,671,183)
<b>Depreciation</b>											
1st July 2019											
Reclassification	-	68,340,928	619,449,691	4,543,125	4,543,125	251,974,587	13,374,034	88,717,785	216,497,112	-	1,262,897,262
Charge for the year	-	102,226,281	53,885,878	598,109	598,109	103,865,389	1,048,619	63,453,351	24,045,720	-	360,957,135
Disposal	-	-	-	(300,000)	(300,000)	(32,899,877)	-	(31,219,802)	(12,946,740)	-	(77,366,419)
30 <sup>th</sup> June 2020	-	170,567,209	673,335,569	4,841,234	4,841,234	322,940,099	14,422,653	120,951,334	227,596,092	11,833,788	1,546,487,978
<b>Net book value</b>											
30 <sup>th</sup> June 2020	1,563,339,896	4,943,251,265	-	-	11,977,046	769,849,298	9,781,496	218,508,474	96,293,840	201,195,697	7,814,197,012

Included in Property and Equipment balance at the end of the reporting period are:

- i. Costs of Leasehold improvements in respect of GBT rented office in Dodoma. The costs involve partitioning, flooring and networking to enable the office to be habitable.
  - ii. Fully depreciated assets at cost value of TZS 1,059,277,542. The assets include all Motor Vehicles, some Office Computers, Other Equipment, Office Furniture, Equipment Racks and Office Equipment. Despite being fully depreciated the assets are still in good condition for office use.
  - iii. During the year, GBT derecognized PPE whose cost was TZS 80,519,476 which were no longer expected to generate future economic benefits to GBT or are beyond economic repair and unserviceable. These assets had accumulated depreciation of TZS 77,366,422 resulting in a loss in value of TZS 3,153,054.
9. INTANGIBLE ASSETS.

During the year, Gaming Board of Tanzania finalized development of an ICT project which was jointly conducted by Gaming Board and the Ministry of Finance and Planning. The project was initially recognized as Work in Progress (WIP) at the cost of TZS 509,920,593 during the financial year 2018/19. The project was completed on 30<sup>th</sup> June 2020; and the Work in Progress was transferred to Intangible Assets and capitalized at the cost of TZS 1,539,510,960.

10. PAYABLES

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
Trade payables	386,323,967	630,867,508
Other payables		
Audit fee payable	148,917,000	165,000,000
Deposit with Inspection	75,940,585	156,540,669
Deposits – Performance	247,778,661	247,778,661
Sundry payables	-	177,075
	472,636,246	569,496,405
Total payables	858,960,213	1,200,363,913

## 11. CONTRIBUTION TO THE TREASURY

Gaming Board was required to contribute 15% of its total revenue to the Consolidated Fund of the United Republic of Tanzania. However, for the financial years 2017/18 to 2018/19 the Board did not remit fund to the Consolidated Fund. This was due to inadequate capacity to contribute following removal of share of gaming tax from sources of GBT revenue. The share of gaming tax used to form a large part of GBT's revenue source. However, during the year 2019/20, the Board paid TZS 3,621,855,216 to the Consolidated Fund. The amount comprised of TZS 2,300,000,000 for this year and TZS 1,321,855,216 relating to prior years.

## 12. CAPITAL FUND

The capital fund of TZS 111,605,500 represents excess of assets over liabilities that were taken over by the Board from the defunct National Lotteries at 30<sup>th</sup> June, 2003.

## 13. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	30 <sup>th</sup> June, 2020	30 <sup>th</sup> June, 2019
	TZS	TZS
Revenue from non-exchange operations		
Application fee – Casino	9,000,000	9,000,000
Application fee – Pool tables	300,000	245,000
Application fee – Slot machines	44,310,000	54,020,000
Application Fee – Pool betting	-	50,000
Application fee – Key sports betting	40,000	110,000
Application fee – Key slot machines	650,000	1,140,000
Application fee – online sports betting	13,500,000	-
Application fee - SMS lottery	4,000,000	3,000,000
Application fee - 40 machines	700,000	800,000
Application fee – Internet casino	13,000,000	8,000,000
Application fee - Key Employees-Casino	410,000	870,000
Application fee – Manufacturer	-	500,000
Application fee – Sports betting shops	129,509,155	198,990,845
Application fee - Service provider	1,500,000	500,000
Application fee – Sellers/distributors	1,000,000	-
Certificate of Suitability	9,000,000	12,000,000
Fete	7,820,000	10,480,000
Gaming levy –Bingo in hall/Virtual games	2,031,783,329	1,125,945,834
Gaming Levy for Slot machines	1,883,810,000	1,426,200,000
Licence fee Manufacturer	1,000,000	1,000,000
License fee - SMS Lottery	275,036,062	457,469,200
License fee for - 40 Machine sites	14,000,000	8,000,000
License fee for Sports betting	287,000,000	1,783,953,022
License fee – key employees-slot machines	12,360,000	7,440,000

License fee - Internet Casino	733,323,626	548,576,400
License fee - Key Employees Casino	10,240,000	12,480,000
License Fees – Casino	675,662,320	859,559,050
License Fees - Slot machines	230,390,000	204,360,000
Permit fee- Pool table	455,000	490,000
Principle Licence - Slot machines	450,029,652	351,128,222
Principle Licence - Sports betting	550,043,118	618,280,950
Promotional Lottery	180,267,293	478,521,679
Registration of Gaming devices	697,200,000	480,290,000
License fee sellers/Distributors	1,000,000	-
License fee service provider	-	1,000,000
License fee –prize competition	63,830,935	15,315,000
License fee –online sports betting	1,649,699,724	-
Tombola	-	275,000
License Holder register	-	20,000
Government Subsidy	-	573,087,000
<b>Total</b>	<b>9,981,870,214</b>	<b>9,253,097,202</b>
<b>14. OTHER INCOME</b>		
Exchange rate fluctuation	5,219,980	69,514,309
Miscellaneous Income	26,119,400	72,800,817
	<b>31,339,380</b>	<b>142,315,126</b>
<b>15. EMPLOYEE COSTS</b>		
	<b>30<sup>th</sup> June, 2020</b>	<b>30<sup>th</sup> June, 2019</b>
	<b>TZS</b>	<b>TZS</b>
Salaries and Wages	1,914,581,462	1,592,962,737
House Allowance	392,463,135	334,537,579
Staff extra duty	166,631,302	224,007,477
Guard allowance	94,113,971	90,376,341
Transport Allowance	651,864,579	565,699,669
Staff Welfare and miscellaneous expenses	37,233,240	25,243,793
Medical expenses	7,270,000	218,000
PSSSF	404,221,999	402,494,377
Subsistence allowance	33,390,000	6,020,000
Risk allowance	2,502,445	3,924,625
Workers compensation Fund	16,313,372	14,016,094
Staff terminal benefits	55,507,750	17,797,963
NHIF Employer contribution	53,706,776	46,359,268
	<b>3,829,800,031</b>	<b>3,323,657,923</b>

## 16. CAPACITY BUILDING

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
Computerization process	1,900,000	7,369,157
Conferences & Seminars	203,047,250	134,185,420
Staff recruitment	23,476,000	51,119,730
Training – Local	98,939,263	63,111,300
	<u>327,362,513</u>	<u>255,785,607</u>

## 17. ADMINISTRATIVE EXPENSES

	30 <sup>th</sup> June 2020 TZS '000'	30 <sup>th</sup> June,2019 TZS '000'
Furniture grants	96,227,906	-
Office rent	83,167,180	207,371,282
Electricity expenses	51,505,145	28,400,000
Maintenance cost – Motor vehicles	33,958,857	14,743,892
Maintenance cost – Furniture	22,000	-
Maintenance cost – Machines and equipment	18,223,409	-
Maintenance cost – Computers	19,873,427	2,850,000
Maintenance cost – Building	4,094,100	135,000
Fuel & Oil	3,012,040	9,763,510
Printing & Stationery	26,974,234	53,324,149
Bank charges	15,197,875	13,920,738
Audit fee	148,917,000	165,000,000
Legal & Consultancy fees	19,513,448	90,033,800
Tender expenses	39,775,000	30,400,000
Insurance on Motor vehicles	16,817,945	16,534,652
Other audit expenses	65,903,155	25,713,201
Office Cleaning	30,488,698	20,411,000
Motor vehicle parking fees	10,909,011	21,926,694
Service allowance	234,210,000	145,737,240
Travel on duty - Local	236,125,052	232,748,123
Travel on leave	152,948,819	132,099,013
Advertisement & Publicity	16,001,390	17,700,990
Education on gaming	1,670,000	84,842,000
Telephone & Fax	6,977,131	3,003,156
Mobile phones	27,810,000	16,750,000
Postage	524,700	346,434
WEBSITE expenses	2,347,024	1,770,000
Internet expenses	44,256,990	21,807,324
Local and Foreign papers	13,994,400	13,063,500
Subscription-professional bodies	5,082,500	7,242,500
Donations	12,500,000	8,000,000
Illegal gambling control	61,535,518	84,677,242
Security expenses	14,219,000	9,440,000

ADMINISTRATIVE EXPENSES	TZS '000'	TZS '000'
Burial expenses	10,995,750	9,209,250
Utility expenses	42,000,000	42,000,000
Land rent expenses	1,008,525	568,000
Software License fee	21,839,328	5,864,270
Professional advise/fee	-	19,678,340
MOFP/ICT Project Expenses	169,523,295	292,569,506
Tax Expenses	123,253,288	159,184,292
Service Charge	65,909,069	38,804,514
National Events Expenses	29,874,240	32,954,214
Moving expenses	17,756,055	
Employee Health Care	6,843,500	-
HIV Awareness	630,600	-
	<u>2,004,416,604</u>	<u>2,080,587,826</u>

## 18. BOARD EXPENSES

As per the provisions of the Gaming Act, the Board of Directors is required to convene in every quarter of the year to deliberate on operational issues of the Gaming Board. However extraordinary meetings are convened when need arises.

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
Director fees	<u>35,439,583</u>	<u>48,500,000</u>

## 19. RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the period were as follows;

	30 <sup>th</sup> June, 2020 TZS	30 <sup>th</sup> June, 2019 TZS
(i) Directors fees	<u>35,439,583</u>	<u>48,500,000</u>
(ii) Key management remuneration*	<u>1,544,181,077</u>	<u>1,530,845,908</u>
(iii) Staff loans**	<u>540,817,700</u>	<u>322,616,795</u>

\*Remunerations to the management team employees.

\*\*Staff loans include other receivables, other non-current receivables excluding staff imprest.

## 20. VARIANCE ANALYSIS ON THE BUDGET

The budget is always prepared on cash basis while the financial statements are prepared on IPSAS accrual basis. The approved budget covers the fiscal period from 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020. The reasons behind the noted variances on the statement of comparison of the budget and actual amounts are explained as follows:

### (i) Total actual expenditure Vs. Total budgeted expenditure

The reasons behind the reduced expenditure:

- a) Proper expenditure management was adopted by Management to enable the Board to fund its statutory roles, and other necessary tasks involving the ICT project. Implementation of the ICT project has automated all GBT business processes and was concluded in June 2020. This will enhance the efficiency and effectiveness in the regulatory functions as well as GBT's service delivery.
- b) Outbreak of Covid-19 pandemic. The disease disrupted the normal conduct of some social and economic activities including the gaming sector. To mitigate the spread of the pandemic and to maintain social distance, some activities were cancelled as control measure. The activities included temporary suspension of:
  - Planned onsite inspection and audits which involves physical visits to operators,
  - Enforcing measures against money laundering and other forms of criminal activities in gaming operations,
  - Conducting awareness programs and to conduct media monitoring, analysis on regulatory affairs and Gaming operations/industry.
  - Cancellation of some planned events such as Introduction of gaming week, GBT participation in National events, and
  - Cancellation of local and international trainings.

Expenditure involving these activities were not incurred resulting into the observed variance.

### (ii) Total Actual CAPEX Vs Total Budgeted CAPEX

Gaming Board planned to carry out preliminary works on the construction of GBT Dodoma offices on the acquired office plot at Medeli in Dodoma. The exercise was planned to involve procurement of consultancy services for designs, supervision works in respect of construction and initial construction costs. However, the activity was not performed during the year due to procurement logistics related to tendering

processing whereby there was a significant price variance quoted by tenderers compared to the budget. This hindered awarding of the tender which resulted into non-implementation of the activity within the required timeframe, and hence low level of expenditure in capex.

(iii) Budget reconciliation with statement of financial performance as at 30<sup>th</sup> June, 2020

	TZS
Surplus as per actual cash collected as of 30 <sup>th</sup> June 2020	3,074,675,903
<b>ADD</b>	
Accrued income from non-exchange transaction	437,262,969
Subtotal	<u>3,511,938,872</u>
<b>LESS</b>	
Accrued expenses	(341,403,696)
Depreciation and loss on disposal	364,110,189
Decrease due to derecognized assets	37,151,705
Subtotal	<u>59,858,198</u>
Surplus for the year	<u><u>3,452,080,674</u></u>
<b>21. CASH RECEIVED FROM CUSTOMERS</b>	
Receivables Opening balance	545,214,600
Add: Revenue for the period	10,013,209,594
Increase in Prepayments and deposits	(50,980,430)
Less: Receivables - Closing balance	(931,497,139)
	<u>9,575,946,625</u>
<b>22. CASH PAID TO SUPPLIERS</b>	
Expenses incurred during the year	2,731,328,889
Add: Decrease in payables	341,403,696
Less: Decrease due to de-recognition of assets	(37,151,705)
Less: Depreciation and Loss on disposal of assets	(364,110,189)
	<u>2,671,470,691</u>
<b>23. CONTINGENT LIABILITY</b>	
<p>The directors are aware of a contingent liability against the Gaming Board as at the date of this report. This involves one former Gaming Board employee who has appealed against his termination from service of the Board to the Permanent Secretary-Ministry of Finance and Planning. However, as of 30<sup>th</sup> June, 2020, the Board could not ascertain the possible financial outcome from the appeal.</p>	
<b>24. SUBSEQUENT EVENTS</b>	
<p>As at the date of signing of these financial statements, there were no subsequent events that would affect these financial statements.</p>	

25. TAX STATUS OF THE BOARD

Under the second schedule of the Income Tax Act, 2004 of the United Republic of Tanzania, the Board is exempted from paying corporate taxes on the excess of income over expenditures.

## **GENERAL CONTACT INFORMATION**

### Physical Addresses:

Gaming Board of Tanzania  
27th Floor, PSSSF Towers  
Mission Street/Sokoine Drive  
Dar es Salaam

Gaming Board of Tanzania  
3rd Floor, Kambarage Tower  
NCC Link, Tambuka Reli  
Dodoma, TANZANIA

Postal Address: Director General,  
Gaming Board of Tanzania,  
P. O. Box 1717,  
Dar es Salaam.

### Telephone Numbers:

+255 (022) 221 4500  
+255 (026) 2966054/5

Fax Number: +255 (022) 2124705

E-mail: [info@gamingboard.go.tz](mailto:info@gamingboard.go.tz)

Website: [www.gamingboard.go.tz](http://www.gamingboard.go.tz)

