



**GAMING BOARD OF TANZANIA**



# **ANNUAL REPORT 2020/21**

FOSTERING GAMING REGULATORY EFFICIENCY

**Gaming is for Leisure  
not for Gain;**

**Not permitted to persons  
under 18 years;**

**GBT stands for Law  
Enforcement, Protection  
and Fairness.**



© Gaming Board of Tanzania

All rights reserved. This Report is intended for general information only and is not intended to serve as financial advice. While necessary precaution has been observed to ensure accuracy of information contained herein, the GBT shall not be liable for reliance of this Report for any investment decision. The content of this publication may not be quoted or reproduced in any form without fully acknowledging the GBT Annual Report 2020/21 as the source.

For any inquiry please contact:  
The Director General,  
Gaming Board of Tanzania,  
PSSSF Twin Towers, 27th Floor,  
Mission Str./Sokoine Drive,  
P. O. Box 1717,  
Dar Es Salaam, TANZANIA.  
Email: [info@gamingboard.go.tz](mailto:info@gamingboard.go.tz)

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

# Who are We



We are the exclusive Government corporate body entrusted with the responsibility to oversee, monitor and regulate the conduct of gaming activities in Tanzania.

## Major Responsibilities

### Licensing

Issuance of all types of gaming licences, revoking, withdrawing or amending when compelled.

### Enforcing Compliance

Ensure continuity operation of gaming activities comply and adhere to the Gaming Legislation and other pertinent Laws.

### Advise on Imposition of Gaming Taxes, Levies and Fees

Advise the Government on the imposition of the gaming statutory dues.

### Protect the Public Against Potential Gaming Harm:

Protect the public against adverse impacts of gaming and promote responsible participation.

### Dispute Resolution

Mediate complaints between players and operators.



# Strategic Direction

## Vision



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

## Mission



To properly regulate the gaming industry in Tanzania so that to ensure 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 to the best practices.

## Core Values

**Honesty and Integrity:** To uphold veracity, equality, trust and confidentiality in all its dealings.

**Professionalism:** To act diligently and devotedly through well-developed staff while embracing modern technology.

**Efficiency and Effectiveness:** To perform its regulatory roles with utmost care and maximized resources.

**Team Work:** working together towards achieving a common goal and boost productivity.

**Excellent Customer Care:** To deliver high quality services and resolve challenges in a friendly manner.

## Corporate Plan

The Gaming Board of Tanzania (GBT) Corporate Plan (CP) defines the mission into the strategic implementation objectives which provide guidance towards realization of the overarching GBT vision. The CP is developed after every four years where the year under review marked the end of the GBT's CP which covered the period from 1st July 2017 to 30th June, 2021.

# Table of Contents

WHO WE ARE .....	iii
TABLE OF CONTENTS .....	v
STATEMENT OF THE CHAIRMAN OF THE BOARD .....	vi
STATEMENT OF THE DIRECTOR GENERAL .....	vi
LIST OF ABBREVIATIONS .....	xiii
<b>CHAPTER ONE</b> .....	1
INTRODUCTION .....	2
<b>CHAPTER TWO</b> .....	4
INSTITUTIONAL OVERVIEW .....	5
<b>CHAPTER THREE</b> .....	12
OPERATING ENVIRONMENT .....	13
<b>CHAPTER FOUR</b> .....	18
CORPORATE GOVERNANCE .....	19
<b>CHAPTER FIVE</b> .....	22
PERFORMANCE OVERVIEW .....	23
<b>CHAPTER SIX</b> .....	34
INDUSTRYS' TREND AND ECONOMIC CONTRIBUTION .....	35
<b>CHAPTER SEVEN</b> .....	40
RESPONSIBLE GAMING .....	41
<b>CHAPTER EIGHT</b> .....	47
CORPORATE SOCIAL RESPONSIBILITY .....	48
<b>CHAPTER NINE</b> .....	50
FUTURE OUTLOOK .....	51
<b>GENERAL CONTACT INFORMATION</b> .....	53
<b>APPENDIX I: List of Licensees during the year 2020/21</b> .....	54
<b>APPENDIX II: Audit Report for the year 2020/21</b> .....	55



## STATEMENT OF THE CHAIRPERSON

I am pleased to present the Gaming Board of Tanzania (GBT) annual report for the financial year 2020/21, which ended on 30th June 2021. This report was prepared in compliance with the requirement of Section 68 of the Gaming Act No.4 of 2003 as amended, which requires the report to be issued annually.

The report provides summarized regulatory information on the gaming industry in Tanzania during 2020/21. During the period, GBT continued to implement its Strategic Plan which provides a strategic focus that enabled effective and efficient implementation of its regulatory mandate. The term of the four-year Strategic Plan, which started on 1st July 2017 concluded on 30th June 2021. Accordingly, GBT developed a successor Plan during 2020/21 which commenced on 1st July 2021. This is another four years Strategic Plan which will guide GBT towards further realization of its strategic vision of becoming a world class gaming regulator.

It is worth appreciating that during 2020/21, the gaming industry continued to be properly regulated, thereby providing for level playing field which is essential for promoting fairness and consumer protection. The Government plays an essential role in maintaining suitable operating environment by supporting various GBT policy and regulatory initiatives with a view to improving operational and regulatory efficiency of the industry. Consequently, gaming has remained to be an important social and economic segment of our country. GBT is committed to unwaveringly continue to enhance the proper delivery of its regulatory performance with a view to enabling realization of meaningful potential of the gaming industry to our country.

We will therefore continue to embrace proper regulatory framework that ensures sustainable level playing field and promotion of healthy competition in the industry as an important element for success of all industry players.

May I conclude by commending my colleagues in the Board of Directors for working tirelessly to provide strategic leadership and guidance for better performance of GBT during the year. I also thank the GBT Management and members of staff for working hard in implementing their day-to-day regulatory role. I urge them to continue working hard and professionally in the years to come so as to enable the gaming industry to continue to contribute meaningfully to our economy.



**Amb. Modest J. Mero (Rtd)**  
**CHAIRPERSON**



## STATEMENT OF THE DIRECTOR GENERAL

It is a great honour to present the annual report of GBT for the financial year 2020/2021, which ended on 30th June 2021. This report is prepared in compliance with the requirement of Section 68(1) of the Gaming Act No. 4 of 2003. The Act requires the annual report to provide information regarding the exercise of the functions of GBT and should incorporate the audited accounts for the year under review.

The conduct of GBT towards accomplishing the pursuit to maintain a well-regulated gaming environment is guided by its regulatory instruments. The instruments include the Gaming Act No. 4 of 2003 and its Regulations, Sports Betting Rules of 2016, Corporate Plan (July 2017 – June, 2021), various GBT Policies, Annual Budgets and Plans.

The year under review was still surrounded by prevalence of the Covid-19 pandemic and its associated drawbacks with slightly subsiding impact. However, in Tanzania, the Government had maintained an enabling environment to sustain the continuity of business undertakings alongside encouraging adherence to the preventive measures in mitigating spread of the pandemic. In order to keep pace with the operating dynamism and upholding the Government directives, GBT strived to automate its operations whereby most of its functions were done online.

During the year, GBT accomplished efficient execution of its regulatory mandates and recorded satisfactory performance amidst the pandemic situation. We basically managed to implement most of the planned activities which included issuance and renewal of gaming licenses, conducted inspections, performed audits to gaming operators, reviewed gaming legislation and internal guiding tools, combated illegal gaming operations and conducted enhancement of ICT regulatory systems.

Additionally, we successfully promoted responsible gaming practices, resolved disputes emanating from gaming operations, participated in improving the social welfare of the disadvantaged groups through CSR initiatives and contributed to the Government coffers. During the year, the GBT ensured that gaming industry remained safe and productive.

The industry performance during the year exhibited growth due to a number of factors which included the enabling business continuity environment, re-opening of the closed gaming centers due to Covid -19 pandemic, expanded gaming operations and increased applications for online gaming operations. This resulted to issuance of 5,865 licenses compared to 4,819 licenses issued during the preceding financial year 2019/20 when Covid-19 was at the peak. The upward trend was also manifested through gaming revenue collections whereby gaming tax increased by 48% to TZS 132 billion during 2020/2021 as compared to TZS 89.1 billion collected during 2019/2020.

During the financial year under review, the Controller and Auditor General (CAG) conducted annual statutory audit on GBT. Following the audit, the CAG issued a clean audit report which signifies proper management of GBT resources and adequate conduct of its regulatory functions. GBT will continue to institute appropriate control measures to ensure its resources are properly managed and that its functions are conducted effectively and efficiently while upholding practices of good corporate governance.

Further details pertaining to GBT and the gaming industry performance for the year under review, are provided in the report contents in which you are mostly welcome to grasp to the end.

On behalf of the Management team, I would like to sincerely thank the Office of the Treasury Registrar and the Ministry of Finance and Planning for their support and strategic guidance in fulfilling the GBT regulatory duties. I commend my colleagues for fulfilling their managerial roles and all GBT members of staff for their commitment and hard work.



**James B. Mbalwe**  
**DIRECTOR GENERAL**

# LIST OF ABBREVIATIONS

BCP	Business Continuity Plan
COVID-19	Coronavirus Disease 2019
CP	Corporate Plan
CSR	Corporate Social Responsibility
DNS	Domain Name System
DNSSEC	Domain Name System Security Extensions
DRP	Disaster Recovery Plan
FRMS	Fatigue Risk Management System
GA	Gaming Act, 2003
GBT	Gaming Board of Tanzania
GDP	Growth Domestic Product
GLICA	Gaming Licensing, Inspection and Compliance Application
GRAF	Gaming Regulators Africa Forum
GReMS	Gaming Regulatory Management System
IAGR	International Association of Gaming Regulators
ICT	Information Communication Technology
ISO	International Standards Organization
LGA	Local Government Authorities.
MoFP	Ministry of Finance and Planning
MTE	Medium Term Expenditure Framework
PSO	Public Sector Organization



# 1

## INTRODUCTION



# Chapter One

## INTRODUCTION

### 1.1 Statutory Basis

GBT is responsible for the regulation and sustainability of the gaming industry in Tanzania. It is therefore committed to making significant progress in UPHOLDING the best and most favorable operating gaming environment in the country whilst strengthening regulatory processes to enhance efficiency and effectiveness.

Section 68 (1) of the Gaming Act No. 4 of 2003 requires GBT to prepare an Annual Report after 31st December each year in respect of the preceding year up to 30th June and submit it to the Minister responsible for finance. In fulfilling the requirement, GBT has prepared this Annual Report for the financial year 2020/2021, which covers the period from 1st July 2020 to 30th June 2021.

### 1.2 The Report Highlights

The report provides an overview of the GBT performance during the year under review and outlines the attained achievements alongside the institutional future inspirations. During the year, GBT continued to promote industry's integrity through adequate monitoring and enhanced compliance with the gaming law. Nevertheless, the fundamental role of protecting the public and other vulnerable groups from potentially gaming harms was at the core.

The year 2020/2021 continued to experience prevalence of the COVID-19 pandemic. However, the looming hope of recovery from the pandemic challenges and risks was witnessed in the course of the year, through various Government initiatives that enabled business continuity in the country.

Accordingly, GBT had to reinvent its regulatory approaches to respond and cope with the pandemic operating environment with a view to sustaining the industry. As such, GBT strengthened online gaming regulatory and monitoring approaches through ICT regulatory management systems thus enabling automation of its operations and offsite surveillance. Amidst the challenging business environment, the gaming industry recorded growth whereby gaming tax collection increased by 48.12%; from TZS 89.10 billion in 2019/20 to TZS 132 billion in 2020/21.

### **1.3 Structure of the Report**

This Report is made up of nine chapters whereby Chapter One provides general introductory remarks while Chapter Two presents an institutional overview and GBT mandates as provided by the Gaming Legislation. Chapter Three describes the operating environment and discusses its impact on gaming operations and regulations. Chapter Four dwells on governance related issues whereas Chapter Five highlights GBT performance during the year 2020/2021. Chapter Six points out the industry growth trend and its contribution to the national economy. Chapter Seven describes GBT endeavors towards promotion of responsible gaming practice to mitigate adverse impact of gaming. In Chapter Eight, the report provides the Corporate Social Responsibility (CSR) initiatives undertaken by GBT during the year under review. Finally in Chapter Nine, the report shares the industry's aspiring future insights and the regulatory framework in Tanzania.





# 2

## **INSTITUTIONAL OVERVIEW**



# Chapter Two

## INSTITUTIONAL OVERVIEW

### 2.0 Establishment

The GBT is a gaming regulatory body, which was established under Section 4 of the Gaming Act No. 4 of 2003 and became effective on 1st July, 2003. GBT was established to solely oversee, monitor and regulate the conduct of gaming activities in Tanzania Mainland. GBT operates under the oversight of the Ministry of Finance and the Treasury Registrar.

### 2.1 Statutory Mandate

The GBT functions are stipulated in Section 7 of the Gaming Act No. 4 of 2003 as outlined hereunder:

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 devices 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;

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





## 2.2 Power to Obtain Information, Documents and Evidence

Section 9 of the Gaming Act, Cap 41 empowers GBT to obtain any information, documents or evidence in the course of carrying out its regulatory mandate.

## 2.3 Source of Funds

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

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

## 2.4 Organization Structure

The organization structure of GBT is consistent with its statutory role which allows for adequate autonomy necessary for carrying out its regulatory role. The structure represents a division of roles and responsibilities between the Board of Directors and Management in implementing the overall GBT regulatory functions effectively and efficiently.

### Board of Directors

The Board of Directors is the oversight organ vested with the duties to oversee the management of regulatory functions of GBT. The composition of the Board of Directors is provided under Section 5 of the Gaming Act No. 4 of 2003 which include:

i	Board’s Chairman appointed by the President
ii	Other six members appointed by the Minister for Finance and Planning
iii	Director General who is the Secretary to the Board

## **Management**

The GBT Management team is headed by the Director General who is appointed by the President of the United Republic of Tanzania. The Director General is the Chief Executive Officer of GBT and is responsible for the day-to-day oversight and performance of GBT. The Director General is assisted by two Directors and line Managers and Heads of Units.

The GBT Organization Structure provides for two directorates, four departments and two units as described below:

## **Directorates**

### **i) Directorate of Strategic Operations and Legal Services**

The directorate is responsible for enforcing the gaming legislation by ensuring proper licensing and compliance functions. The directorate also provides legal services to GBT.

### **ii) Directorate of Corporate Services**

This directorate is responsible for finance, human resources, administration and ICT functions. It provides support services to GBT.

## **Departments**

### **i) Inspection and Compliance**

The department is responsible for inspection and compliance functions. It carries out inspections of all gaming operations to assess compliance with the gaming legislation. In fulfillment of its roles, the department conducts planned as well as ad hoc inspections. The department is also responsible for conducting operations for curbing illegal gaming.

## **ii) Licensing and Legal Services**

The department is responsible for licensing of all gaming activities, conducting due diligence investigations in respect of application for licenses, attending disputes between operators and players, and coordinating reviews of the gaming legislation.

## **iii) Finance and Administration**

The department is responsible for matters relating to finance, human resource management and administration. It is responsible for preparation and control of annual budgets, maintenance of members of staff welfare, training and development of members of staff, maintenance of accounts, office supplies and monitoring safety of GBT assets.

## **iv) Information and Communication Technology**

The department performs supportive functions to GBT, including maintenance of computer hardware and software, to enhance operational efficiency and effectiveness.

## **Units**

### **i) Internal Audit**

The Unit provides assurance and advisory services to GBT on efficient and effective utilization of resources. It also assesses and provides advice on the adequacy of the GBT internal control system and adherence thereto. It is an independent function, which reports functionally to the Board of Directors and administratively reports to the Director General.

### **ii) Procurement Management**

The Unit manages the GBT procurement function in accordance with the requirements of the procurement legislation. It is responsible for the procurement processes of goods and services at GBT.

**MANAGEMENT  
TEAM WHICH  
SERVED DURING  
THE YEAR 2020/21**



**Mr. James B. Mbalwe**  
Director General



**Mr. Daniel W. Ole Sumayan**  
Director of Corporate Services



**Ms. Beatrice H. Murihano**  
Finance & Administration Manager



**Mr. Julius M. Siyame**  
Chief Internal Auditor



**Ms. Catherine M. Lamwai**  
Licensing & Legal Services Manager



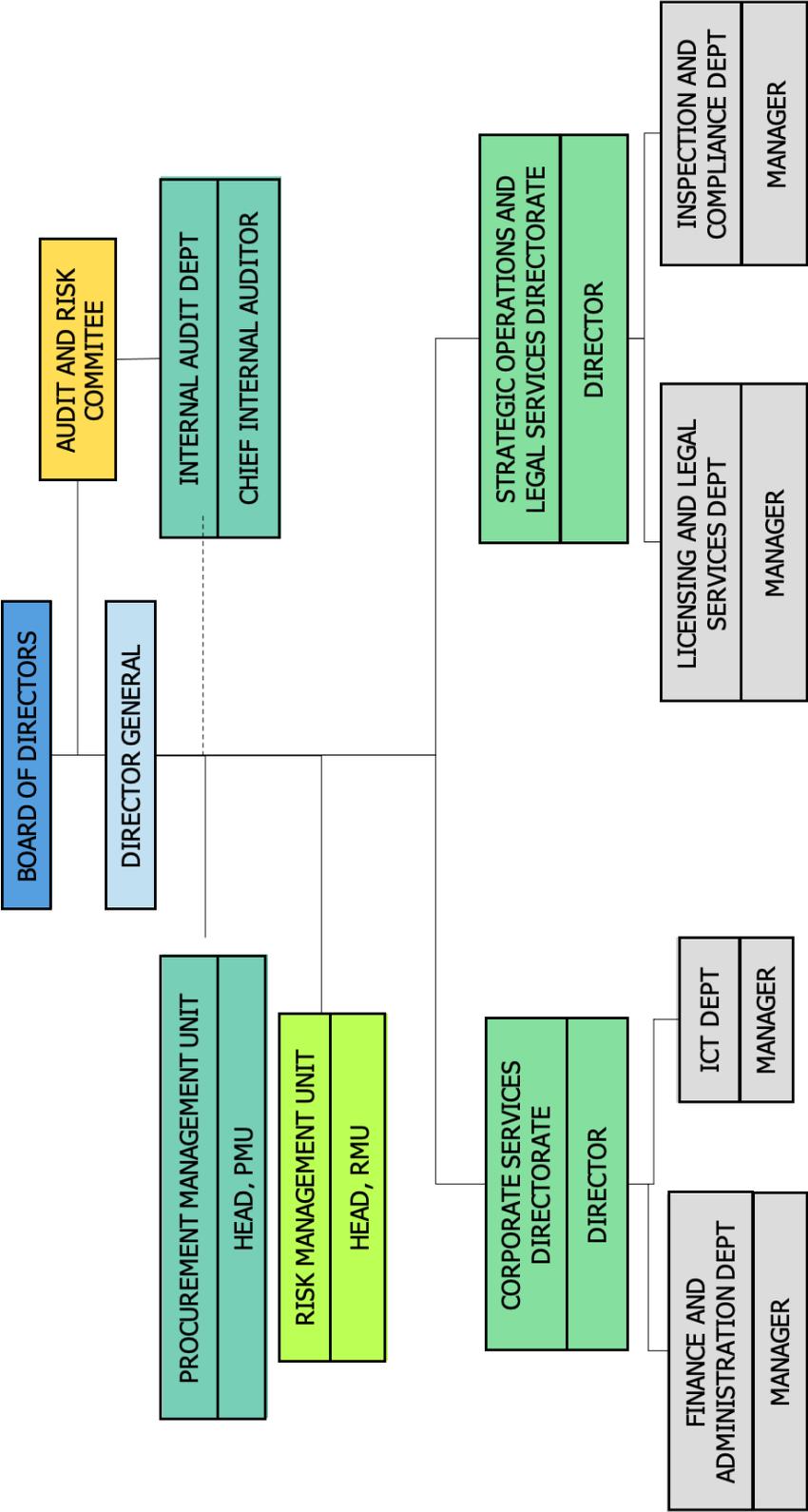
**Mr. Kabora J. E. Mboya**  
ICT Manager



**Mr. Sadiki M. Elimsu**  
Inspection & Compliance Manager



# ORGANISATION STRUCTURE





**3**

**OPERATING  
ENVIRONMENT**



# Chapter Three

## OPERATING ENVIRONMENT

### 3.0 Introduction

The gaming industry has gradually proceeded to strengthen its presence in Tanzania. The operating and regulatory environments have portrayed an appealing presentation of the gaming sector globally. However, like in other jurisdictions, the gaming industry in Tanzania is facing a dynamic operating environment that brings about regulatory challenges and opportunities. As a regulator, the GBT has continued to work and embrace changes while navigating the challenges by ensuring an enhanced regulatory role.

### 3.1 Success Leading Factors

Factors influencing success of gaming industry have gradually been fundamental in attracting new investors within and outside the country. These factors include: -

#### 3.1.1 Regulatory oversight

GBT is the sole institution mandated by the Law to govern gaming activities in the country. The existence of a specific authority has proven adequate operational autonomy that expedites the regulation processes. Moreover, it has set an efficient and effective gaming industry through adequate resources and adapting international gaming practices. The GBT adept in the regulatory function has been a fundamental factor in attracting gaming investors locally and internationally.

#### 3.1.2 Dynamic Gaming Legislation

The existence of a solid and dynamic gaming legislation is among the fundamental factors for the gaming industry's prosperity in Tanzania. A review of the enabling legislation has been conducted from time to time to cope with the dynamic environment to foster growth, encourage innovation and attract investment.

A firm legal framework provides confidence to the investors in the safety of their investment and the general public regarding the fairness and transparency in the gaming activities.

### **3.1.3 Compliance with Gaming Legislation**

The industry recorded satisfactory compliance with the gaming legislation and other pertinent laws of the country. During the year under review, there was no notable violation of the gaming legislation reported against licensed operators or gaming players. GBT is devoted in assuring integrity, fairness, honesty, and awareness to foster better gaming operations and instill consumer trust.

### **3.1.4 Policy Development and Legislative Changes**

Various Government policies have continued to enable GBT's strategic direction and implementation of its mandate to achieve the intended outcome. The gaming sector has also gained from Government policies whereby gaming investment has increased from different parts of the globe. Industry growth determination is expected to continue into the foreseeable future.

### **3.1.5 Economic Growth**

The country's average GDP growth rate of 4.8% in 2020 makes Tanzania among Africa's fastest-growing economies. The Government's priority in the next five years is to reach a GDP growth rate of at least 8% yearly. Tanzania's economy provides a suitable growth environment for business and attracts investment structures. In keeping abreast with the gaming business, the gaming industry is also benefiting from a stable economic growth as the critical factor for sustainable investments.

### **3.1.6 Social Tolerance**

Tanzania's society is made up of diverse ideologies in terms of cultures, politics, religions and faith. The diversity comes with conflicting views and perceptions regarding gaming operations. However, the differing perceptions have not posed a severe threat to the industry's prosperity.

The societal stance has further provided confidence to investors in the gaming business in the safety of their investment and expansion strategies. GBT has continued to provide awareness regarding the nature of the gaming industry and advocating for responsible gaming and public protection, particularly, for minors and other vulnerable groups in society.

### **3.1.7 Technology and Innovation**

Technology is becoming a significant driving force in all business endeavors worldwide. The technological advancements have led to a new era in the gaming industry. The gaming industry has significantly benefited from technological advancements over the years. As a regulator, GBT has taken advantage of the ICT opportunity to revolutionize its business operating environment through the development of gaming regulatory systems to advance its regulatory role as well as automation of its business processes.

## **3.2 Limiting Factors**

Despite the enabling operating environment, during the period under review, the industry also encountered several drawbacks. Among the challenges that we came across during 2020/21 include: -

### **3.2.1 Illegal Gaming Operations**

Trade and business interactions among nations have increased as a result of globalization. This is due to increased regional integration and cooperation, technological evolution, increase in population, supply chain and improved transportation infrastructure and systems. However, the available resources have not evolved at the same pace thus leading to the violation of guiding laws. This fact has contributed to illegal gaming operations through online platforms and movement of the gaming devices. Although the degree of such deviation is not alarming, unlicensed gaming operations disturb the industry regulatory environment. GBT, in alliance with other law enforcement authorities, has implemented several measures and operations to restrain illegal gaming in the country. This includes seizing and destroying the illegal machines found during

operations, blocking illegal gaming sites and filing criminal charges against persons involved in unlawful operations. GBT is keen to uphold supplemental measures to fight illegal gaming operations by enhancing its ICT regulatory mechanisms to eliminate unlicensed gaming operations in Tanzania.

### 3.2.2 Absence of the National Lottery

The National Lottery Licence is a supreme licence issued by GBT. The latest National Lottery licence was revoked by GBT in 2018 due to unsatisfactory performance. The absence of a National Lottery denies the country from economic and social benefits that accrue from the Lottery. Considering the need for a viable National Lottery, the Government conducted a study to determine how best to re-introduce a National Lottery which is capable of contributing meaningfully to the social and economic development of the country. In line with the provisions of Section 41 (1) and (2) of the Gaming Act No. 4 of 2003, the National Lottery is owned by the Government, while its operation is undertaken by a private company appointed by GBT. Given this, GBT will continue to liaise and engage with the Government to advise properly on the re-introduction of a viable National Lottery.



### 3.2.3 Misconception of Gaming Activities

There are negative perceptions towards participation in gaming amongst some segments of our societies that consider gaming to be bad and harmful. On the other hand, some segments of our society tend to depend on gaming winnings to be a source of income. However, gaming is an entertainment venture for which its participation should be for leisure and not a source of income and our society should consider it as such. GBT has continued to provide public awareness to enhance society's knowledge and understanding of gaming while advocating responsible gaming and the protection of minors and other vulnerable groups in the society.

### 3.2.4 Interference from other Authorities

The mandate for issuance of all types of licenses to run gaming businesses in Tanzania is exclusively and lawfully vested on GBT. However, there are some cases in which other government authorities including Local Government Authorities (LGAs) have issued permits for such business contrary to Section 13 of the Act. The permits which are mainly issued by other authorities are for slot machine and pool table operations. By doing so the LGAs are allowing unvetted gaming operators to proliferate unfit/illegal gaming devices contrary to the requirements of the guiding legislation. GBT has been engaging with such authorities, including providing awareness programs to various authorities such as LGA's officials, Regional Security Councils, etc. to eliminate the interference and allow proper regulation of the gaming business.

Nevertheless, despite the above prevailing circumstances and associated challenges, during the period under review, GBT has conducted its regulatory role satisfactorily.



# 4

## **CORPORATE GOVERNANCE**



# Chapter Four

## CORPORATE GOVERNANCE

### 4.0 Introduction

Corporate governance is the system of rules, practices and processes by which an organization is directed and controlled. GBT being a government institution, implements governance facets to achieve the highest standard on execution of its roles while enhancing transparency. Good governance was observed through maintaining the position of the Board of Directors and its standing committees, external and internal auditing functions, code of conduct to its employees, risk management framework, dynamic legal framework, social responsibility and formal reporting procedures. Implementation of these governance facets resulted into the improved performance through enhanced regulation and reduced risks.

### 4.1 The Board and Portfolio Committees

The Board of Directors is the highest decision-making organ of GBT. It is conferred with powers to exercise oversight role in carrying out the gaming regulatory functions. The Board delegates the day-to-day management of GBT to the Director General. The Board formed two standing Board Committees namely, Audit and Risk Committee and Compliance Committee, with a view to facilitating the conduct of its business.

#### 4.1.1 Audit and Risk Committee

The Committee ensures proper financial reporting system, effectiveness of internal audit function, effective internal controls, adherence to applicable regulations and industry guidelines, compliance with legal and ethical framework, good financial management and sound risk management practices.

### **4.1.2 Compliance Committee**

The committee assists the Board in regard to the oversight responsibility of ensuring the effectiveness of the regulatory functions which involve licensing, enforcement, dispute resolution and responsible gaming.

## **4.2 Internal Audit**

GBT has an Internal Audit Unit, which is headed by Chief Internal Auditor. The Unit reports functionally to the Board of Directors and administratively to the Director General. The role of the internal audit is to provide assurance to the Board on the adequacy and effectiveness of internal control systems and whether they are being observed. It also advises on the adequacy of the GBT risk management practices.

## **4.3 Risk Management**

Risk Management is an integral part of the Management functions. GBT has adopted a comprehensive approach in managing risks. The approach involved developing an Enterprise Risk Management Framework which guides on overall risk management. During the year under review, GBT developed a Risk Register which keeps records on types of risks, the principal risk owners, likelihood of its impact and the control measures in place. Following the risk assessment during the year, all the risks identified and assessed were mitigated to the level of low status.

## **4.4 External Audit**

GBT, being a government institution, is subject to annual external audit as provided under the Public Audit Act No. 8 of 2008 and its Regulations (GN 47 of 2009) which applies to Tanzania Mainland. The legislation provides for the Controller and Auditor General (CAG) to audit accounts of public authorities or bodies. Consequently, CAG is the statutory external auditor of GBT.



## 4.5 Quarterly Management Reports

GBT prepares quarterly performance reports, which forms an important aspect of corporate governance. Through such reports, relevant stakeholders are regularly informed on the performance of GBT thus enhancing transparency. During the year under review, all GBT quarterly performance reports were prepared in time and shared with relevant stakeholders.

## 4.6 Code of Conduct

GBT maintains a Code of Conduct which guides employees towards the achievement of its vision by delivering of its mission and best practices to high standards while ensuring continued improvement. Compliance with its Code of Conduct is a necessity in defining GBT culture and identity in proper accomplishment of its regulatory mandate.

## 4.7 Social Responsibility

During the period, GBT in collaboration with other stakeholders conducted various community programs to improve community social welfare and promote responsible gaming to mitigate social ills of gaming. The programs included participation in the Dar es Salaam International Trade Fair (Saba Saba Exhibitions) which provided gaming awareness, protection of minors and other vulnerable groups. It also participated in other community development initiatives such as the construction of water boreholes for the provision of clean water, the provision of school gear and donations to physically challenged persons just to mention a few.



5

# PERFORMANCE OVERVIEW



# Chapter Five

## PERFORMANCE OVERVIEW

### 5.0 Strategic Direction

The Gaming Legislation and GBT Corporate Plan are the regulatory instruments which guide planning and decision making. The Plan facilitates the discharging of the GBT roles and functions while the Legislation bestows regulatory mandates. The year under review marked the end of the 3<sup>rd</sup> GBT Corporate Plan which covered a period of four (4) years, from 1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2021. The Plan outlined the following strategic objectives to be achieved: -

i	HIV/AIDS and non-communicable diseases are prevented and controlled,
ii	Maintaining a corruption-free zone at the GBT,
iii	Effective and efficient regulation of the gaming industry in Tanzania,
iv	Maximization of the contribution of the gaming industry towards socio-economic development,
v	Effective protection of the public against adverse gaming effects,
vi	Maintenance of appropriate communication framework with gaming stakeholders,
vii	Recruitment and retention of competent, professional, ethical and motivated staff and
viii	Improvement of organizational capacity of the GBT.

In order to realize the CP objectives, GBT prepares annual budgets and action plans with a result-based management orientation as envisioned in the four (4) years Strategic Plan.

Preparation of the CP of GBT aligned with the National Five-Year Development Plan 2016/17 – 2020/21 and the Tanzania Development Vision 2025.



## 5.1 Strategic Accomplishments during the year

### 5.1.1 Maintenance and Enhancement of ICT Systems

GBT has two internally developed ICT management systems namely; Gaming Licensing, Inspection and Compliance Application (GLICA) and, Gaming Regulatory Monitoring System (GReMS). Deployment of the two systems has to a great extent automated GBT business processes, improved its monitoring functions thereby enhancing efficiency and effectiveness in the implementation of the regulatory roles and service delivery.

During the financial year ended 30th June 2021, GBT made close monitoring and maintenance of its ICT regulatory systems to ensure optimum performance. GBT ensured the availability of the systems; implemented enhancements based on user needs and continued monitoring of its performance to increase system capacity and efficiency.

In addition, GBT managed to strengthen its capacity in order to improve ICT service delivery whereby the Business Continuity Plan/ Disaster Recovery Plan (BCP/ DRP) was reviewed and two new ICT tools namely Acceptable User Policy and User Access and Password Guideline were developed.

### **5.1.2 Comprehensive review of the Gaming Regulations, 2003**

During the financial year 2020/21, GBT in collaboration with its stakeholders, reviewed its Gaming Regulations, 2003 aiming to establish inadequacy in the provisions and come up with enabling amendments for effective regulation and enhance compliance. The areas considered for amendments included reducing the tax rate on winnings from 20% to 15% and introducing a new tax rate of 10% on virtual games revenue. The amendments geared towards increasing the tax base for more revenue to the Government and tax relief to gaming players.

### **5.1.3 Preparation of the 4th Corporate Plan (CP) of GBT**

During the year under review, GBT prepared its 4th Corporate Plan (2021/22-2024/25). The Strategic Plan clearly sets the strategic direction that GBT will take towards achieving optimal performance in fulfilling its mandate of regulating the gaming sector. It contains strategic guidance for the four-year period, which focuses on attaining six objectives pursuant to the attainment of the GBT vision. The CP became effective on 1st July 2021.

### **5.1.4 Review of Risk Management Framework**

During the financial year ended 30th June 2021, GBT successfully reviewed its Risk Management Framework and aligned the risk management procedures with the Risk Management Guidelines 2012 in Public Sector Organization (PSO). Moreover, GBT adopted the ISO 31000:2018 Model of Risk Management Process in the implementation of its risk management process. The framework review aimed to enhance its guidance towards contemporary risk management practices and mitigation strategies associated with the gaming industry.

### **5.1.5 Public Awareness Programs**

GBT conducted various awareness programs during the year 2020/21, to provide education on gaming activities to society. It participated in the 45th Dar es Salaam International Trade Fair (SabaSaba Exhibitions) to promote awareness of gaming activities. For this year, GBT participated on its own pavilion, unlike preceding years when GBT had been participating under the pavilion of the MoFP. The SabaSaba event was successfully organized whereby more than 600 people visited the GBT booth and were appropriately educated on the roles of GBT, the protection of underage and other vulnerable groups as well as the protection of the public against the adverse social impact of gaming.

Furthermore, GBT conducted an awareness seminar for the Security Committee of Mwanza region to enhance awareness of gaming activities and strengthen collaboration in regulating the gaming sector. GBT also conducted a promotional campaign dubbed “Makinika Kijana” targeting the youth to enhance their awareness of the consequences of excessive gaming with an emphasis that they should not substitute gaming for work but rather consider it an avenue for leisure.

### **5.1.6 Ensure Good Corporate Governance**

During the year under review, GBT continued to observe practices of good corporate governance. This was by ensuring the timely preparation of quarterly performance reports, facilitating attendance to various meetings and active risk management. These governance practices enhanced transparency and accountability in the delivery of GBT regulatory functions.

### **5.1.7 Employees’ Capacity Building**

Employee competency is crucial for the proper execution of organizational functions and the attainment of objectives. In this regard, GBT facilitated training of its employees in various aspects to enhance their level of skills, knowledge and competencies. The training covered various areas among which included Anti-corruption, Risk Management, Information Communication Technology Audit for Non-Information Technology Auditors, preparation of credible Financial

Statements, Fatigue Risk Management System (FRMS), Medium Term Expenditure Framework (MTEF), Electronic Records Management, Capacity Building on Domain Name System (DNS) and DNS Security Extension (DNSSEC), Procurement and Cyber security. Such trainings enhanced the performance and productivity of the member of staff and improved service delivery.



**GBT's Human Resource Officers**

## 5.2 Regulatory Performance

The regulatory functions were conducted in compliance with the gaming legislation whereby the performance is measured by assessing the following activities:

### 5.2.1 Licensing Activities

The statutory role of issuing different types of gaming licenses, as provided under Section 26 of the Gaming Act No. 4 of 2003, was properly carried out by GBT in the period under review. Accordingly, a total of 5859 gaming licenses were issued, out of which 3926 were renewals and 1933 were new issues. Such licenses were issued to 171 gaming operators out of which 64 were commercial and 107 non-commercial operators. Categories of the issued licenses and licensed operators are provided in Table 1 and Table 2 below.

**Table 1: Licensed operators by category during the year 2020/2021**

S/N	Type of operation	No. of Operators		Growth
		2020/21	2019/20	
<b>Commercial Gaming Activities</b>				
1.	Casino (Land-based 9 & online 7)	16	16	-
2.	Sports Betting (Land-based 11 & online 24)	28	14	100%
3.	Slots Machines (Route Operations)	17	17	-
4.	SMS Lottery	3	3	-
	Subtotal	64	50	28%
<b>Non - Commercial Gaming Activities</b>				
5.	Promotional Lottery	64	30	113.33%
6.	Amusement Games	43	28	53.57%
	Sub - Total	107	58	84.48%
<b>GRAND TOTAL</b>		<b>171</b>	<b>108</b>	<b>58.33%</b>

Table 2: Gaming licenses issued during the year 2020/2021 by operation

S/N	Type of Licence/Permit	2020/21			2019/20			Growth
		New	Renew	Total	New	Renew	Total	
1	Casino – Land based & Internet	4	14	18	4	12	16	13%
2	Slot Machines-Shops	94	240	334	110	189	299	12%
3	Slot Machines-Bar Sites	139	3,051	3,190	275	2504	2779	15%
4	Slot Machines-Forty Machine Sites	1	12	13	3	7	10	30%
5	Sports Betting -Land based	46	427	473	110	176	286	65%
6	Sports Betting online Internet	6	25	31	5	19	24	29%
7	Principal Licence – Slot Machines	0	18	18	1	13	14	29%
8	Principal Licence - Sports Betting	1	8	9	0	11	11	(18%)
9	Certificate of Suitability	8	N/A	8	0	N/A	0	0%
10	Promotional Lottery	12	N/A	12	30	N/A	30	(60%)
11	Private Lottery & Public Lottery	0	N/A	0	2	N/A	2	(100%)
12	Prize Competition	52	N/A	52	24	N/A	24	117%
13	SMS Lottery	1	2	3	0	3	3	0%
14	Fete	787	N/A	787	787	N/A	787	0%
15	Pool Table	67	N/A	67	13	N/A	13	415%
16	Play station	22	N/A	22	33	N/A	33	(33.33%)
17	Key Employees-Casino	23	26	49	3	33	36	36.11%
18	Support Employees-Casino	262	54	316	150	58	208	52%
19	Key Employees -Slot Machines	11	32	43	63	53	116	(63%)
20	Support Employees –Slot Machines	395	15	410	44	82	126	225%
21	Manufacture's Certificate or Sellers' Distributer license	2	2	4	1	1	2	100%
	Total	1,933	3,926	5,859	1,658	3,161	4,819	22%

## 5.2.2 Compliance and Inspection Activities

During the year under review, GBT conducted inspections of gaming operators to enforce compliance. The inspections involved planned exercises which are routine and ad-hoc operations.

### 5.2.2.1 Combating Illegal Gaming Operations

GBT continued to implement appropriate regulatory measures to combat illegal gaming operations in the country. Consequently, a total of 381 illegal gaming devices were apprehended and destroyed. The anti-illegal gaming operation was conducted by GBT in collaboration with other Government institutions.

## 5.2.3 Disputes Resolution

The gaming law mandates GBT to handle and determine complaints involving licensees and players, which arise from gaming activities. During the financial year 2020/21, GBT resolved a total of 97 gaming complaints.

## 5.3 Financial Performance

The overall financial performance of GBT continued to be satisfactory during the year. The financial performance highlights are summarized herein below:

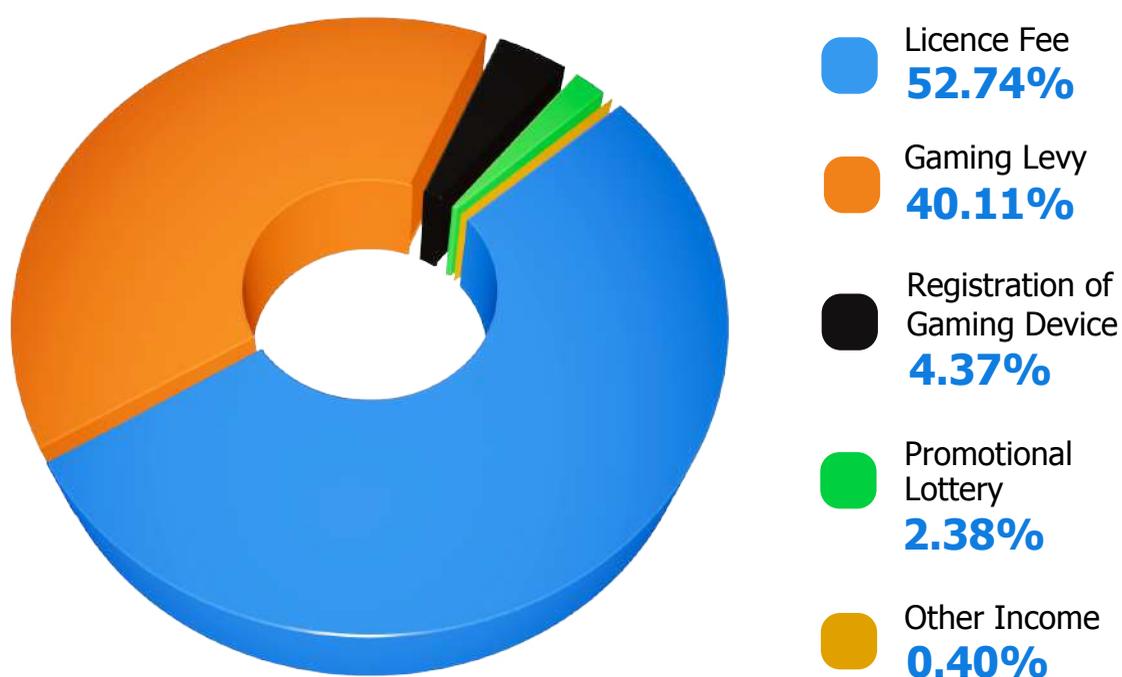
### 5.3.1 Revenue Highlights

Total revenue during the financial year 2020/21 was TZS 12.59 billion, which is an increase of 25.77% compared to TZS 10.01 billion of 2019/20. Despite the prevalence of COVID-19 pandemic, the revenue growth was attributed to increased online gaming. Revenue collection during the period under review is presented in **Table 3**.

Table 3: Revenue Collection by Source (in TZS billions) during 2020/2021

No.	Revenue Source	2020/2021	2019/2020	Increase/ (Decrease)
		Amount (TZS billions)	Amount (TZS billions)	
1.	Licence Fee	6.64	5.19	27.94%
2.	Gaming Levy	5.05	3.91	29.16%
3.	Promotional Lottery	0.30	0.18	66.67%
4.	Registration of Gaming Devices	0.55	0.7	(21.43%)
5.	Other Income	0.05	0.03	66.67%
	<b>TOTAL</b>	<b>12.59</b>	<b>10.01</b>	<b>25.77%</b>

Figure 1: GBT Revenue Distribution during the year 2020/2021



### **5.3.2 Expenditure Outlook**

Expenses during the year 2020/21 amounted to TZS 7.49 billion, which is an increase of 14.17% compared to TZS 6.56 billion recorded during 2019/20. The increase is attributed to increased regulatory activities due to the growth of the industry.

### **5.3.3 Surplus for the year**

Surplus fund during the year 2020/21 was TZS 5.10 billion, which is an increase of 47.84% compared to TZS 3.44 billion of the year 2019/20.

### **5.3.4 Contribution to the Government Consolidated Fund.**

In compliance with the Finance Act, No. 16 of 2015, during the year 2020/21, GBT contributed TZS 1.50 billion to the Government Consolidated Fund.

### **5.3.5 Financial Position at a Glance**

#### **5.3.5.1 Assets**

Total assets of GBT at the end of the year 2020/21 was TZS 17.68 billion, which is a growth of 14.88% compared to TZS 15.39 billion as at the end of the year 2019/20. The increase is attributed to the procurement of Office Equipment and Furniture & Fixtures for the GBT Dodoma Office.

#### **5.3.5.2 Liabilities**

Total liabilities by the end of the financial year 2020/21 was TZS 2.87 billion, which is an increase of 287.60% compared to TZS 0.74 billion at the end of the year 2019/20. The growth is attributed to accrued contribution to the Government Consolidated Fund, which amounted to TZS 1.88 billion.

### 5.3.5.3 Net Assets

Net assets as at the end of the year 2020/21 amounted to TZS 14.80 billion, which is an increase of 1.06% compared to TZS 14.65 billion as at the end of the year 2019/20. The Net Assets is comprised of Capital Fund, which amounted to TZS 0.11 billion and Accumulated Surplus of TZS 14.69 billion.

## 5.4 Annual Audit Overview

The Controller and Auditor General (CAG) is the statutory auditor for all Government institutions and therefore GBT is subject to statutory annual audit by CAG. The audit covers GBT financial conduct, regulatory performance and procurement function. Following the CAG audit for 2020/21, GBT was issued with a clean audit opinion, which provides assurance on the integrity and propriety of its performance during the year 2020/21. The clean audit opinion indicates the following:

i	The audited financial statements present a true and fair view;
ii	The applicable accounting standards have been observed;
iii	The financial statements were free from material errors and misstatements;
iv	The internal control system of GBT is adequate;
v	The regulatory roles were carried out properly and adequately;
vi	The procurement function complied with the procurement legislation and
vii	Proper budgetary control was observed.

GBT obtained unqualified audit opinions in all its previous audits. This confirms that its financial and operational performance is in order and there is prevalence of good governance practices overtime. The CAG Audit Report for the financial year ended 30th June 2021 is included in this Report as Appendix 1.



# 6

## **INDUSTRY TREND AND CONTRIBUTION TO THE ECONOMY**



# Chapter Six

## INDUSTRY TREND AND CONTRIBUTION TO THE ECONOMY

### 6.0 Overview

During the year 2020/2021, the gaming industry in Tanzania continued to demonstrate growth through a rising number of gaming investors, expansion of the existing operators and increased revenue generation. The economic benefits of the gaming industry in the country can be validated through the following attainments:

### 6.1 Source of Revenue to the Government

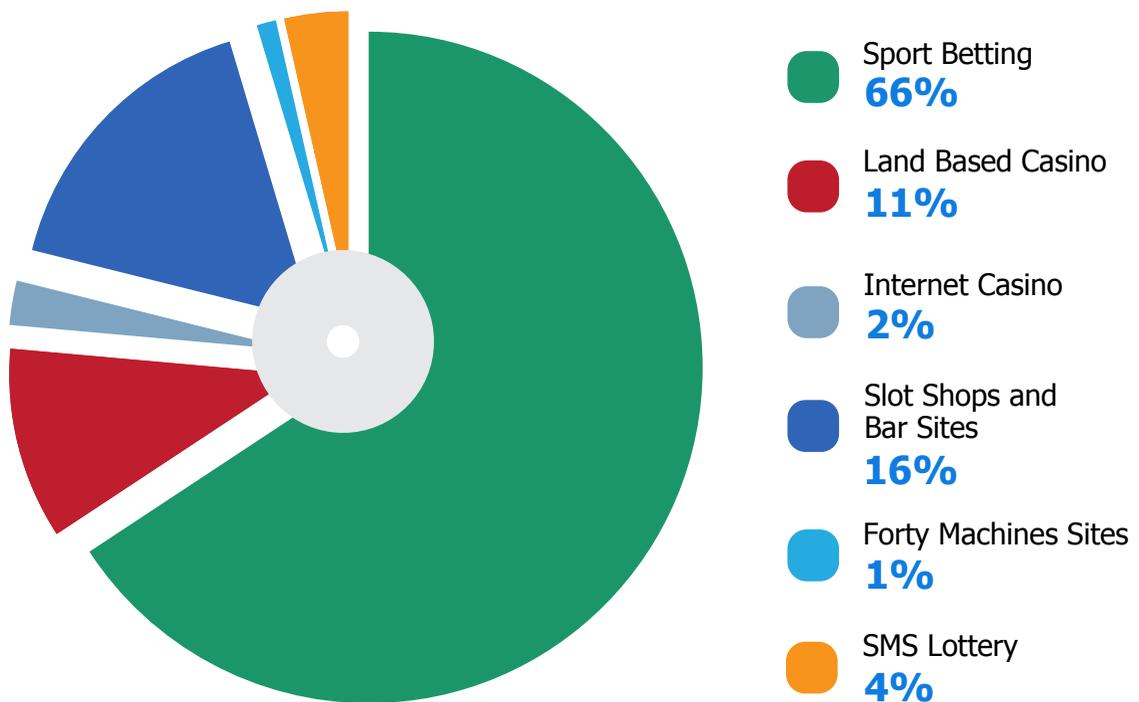
The gaming industry has exhibited significant contribution to the Government in terms of gaming tax collections. During the year under review, gaming tax collection increased by 48.14% to TZS 132 billion compared to TZS 89.1 billion collected in the preceding financial year 2019/20. The distribution of tax contribution by gaming operation is detailed in Table 4 below:

**Table 4: Gaming Tax Collections (In Billion TZS)**

No.	Source	2020/2021	2019/2020	Increase/ (Decrease)
1.	Sports Betting	86.80	52.10	67%
2.	Land Based Casino	14.06	11.56	22%
3.	Internet Casinos	3.25	1.99	63%
4.	Slot Shops and Bar Sites	21.76	18.04	21%
5.	Forty Machines Sites	1.43	1.06	35%
6.	SMS Lottery	4.70	4.35	8%
<b>Total</b>		<b>132.00</b>	<b>89.10</b>	<b>48.14%</b>

The graphical presentation of gaming tax collection from different gaming activities is presented by the pie chart below:

**Figure 2: Distribution of gaming tax collection by operations**



## 6.2 Trend of Gaming Tax Collections

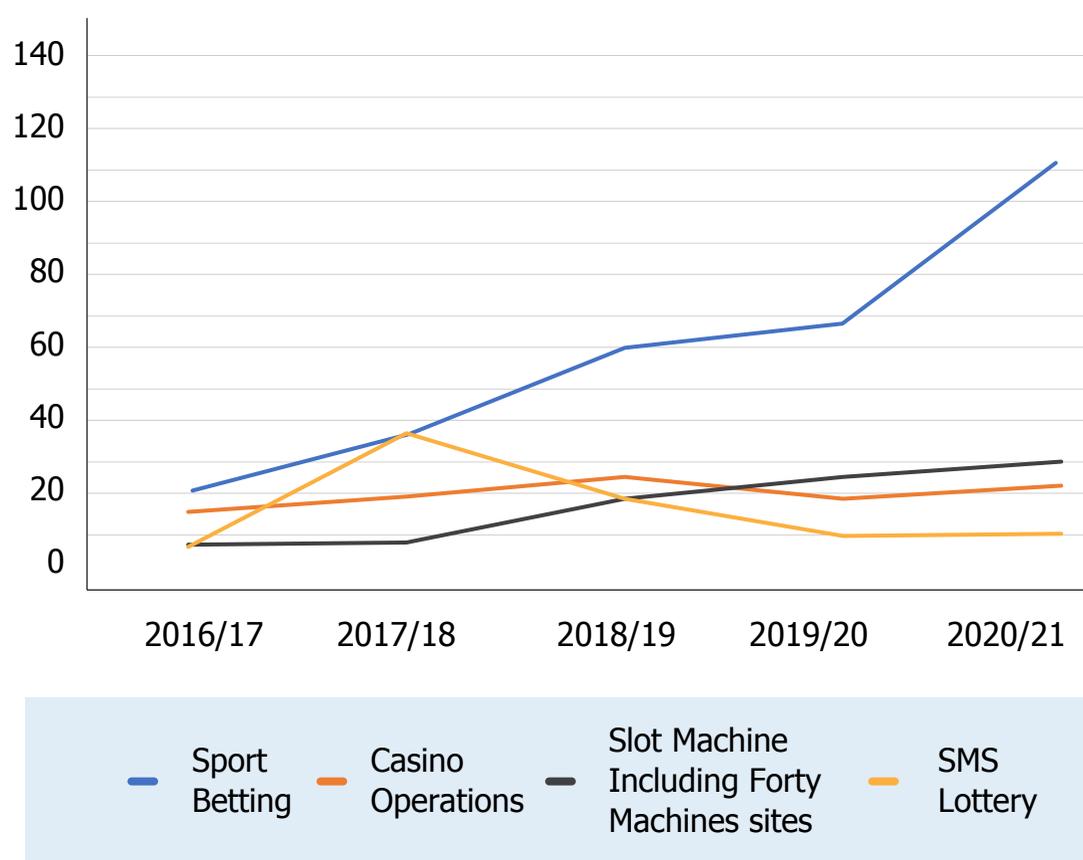
Gaming tax collected from the industry signified substantial growth over time. A notable growth of 392% was recorded in five years period from TZS 33.64 billion in 2016/17 to TZS 132 billion in 2020/21. The growth is attributed to several factors including enhanced regulatory efficiency, a conducive business environment, and adaptable legislations, which led to expanded operations of existing licensees and emerging of new licensees. The gaming tax collection trend during the last five years is demonstrated in Table 5 below:

**Table 5: Five Years Trend in Gaming Tax Collection (In billion TZS)**

Source	2016/17	2017/18	2018/19	2019/20	2020/21
Sports Betting	19.14	30.70	48.25	52.10	86.80
Casino Operations	10.63	14.61	19.22	13.55	17.31
Slot Machines (including forty machine sites)	2.03	2.89	13.72	19.10	23.19
SMS Lottery	1.83	30.56	13.88	4.35	4.70
	<b>33.63</b>	<b>78.76</b>	<b>95.07</b>	<b>89.10</b>	<b>132.00</b>

The graphical presentation of gaming tax collection from different gaming activities is presented by the chart below:

**Figure 3: Five years trend of gaming tax collection**



### **6.3 Employment Creation**

The gaming industry has provided direct and indirect employment opportunities to Tanzanians. The direct employment involved 2,723 citizens who are directly employed in the industry and 25,000 persons who are estimated to be indirectly employed in different gaming ventures. Indirect employees involved employment from emerging economic activities as a result of gaming activities such as food and beverage vendors, gaming agents and advertising opportunities, just to mention a few.

### **6.4 Foreign Direct Investment**

Attractive business operating environment in the country resulted into growth of gaming operations with increasing inflow of foreign direct investment. During the year under review, the industry recorded 10 new gaming licensees who invested more than USD 4.5 million which is equivalent to TZS 10.35 billion.

### **6.5 Resource Mobilization**

Gaming operations continued to provide a mechanism for capital formation in the economy. This occurs by pooling small amounts of wagered money into huge sums which ultimately is mainstreamed into the financial system to form a sizeable investment fund. During the year 2020/21, a total sum of TZS 12.4 trillion circulated through established gaming platforms.

### **6.6 Promoting other Businesses**

Some form of non-commercial lotteries, such as promotional lottery, is used as marketing tool in promoting products/services for business purposes. During the year under review, GBT issued 64 permits to non-gaming economic operations as essential tools for marketing and increasing sales of products and services. The increased awareness and sales enhance revenue to both investors and the Government.

## 6.7 Promotion of Sports Activities, Tourism and Leisure

Sports activities continued to be beneficiaries of the gaming industry by way of sponsorship from gaming operators. The main beneficiaries during the year included some football teams in the Tanzania Premier Leagues. Further, gaming operations continued to be one of the economic endeavors which provide avenues for leisure and entertainment through its interactive and live games.





**7**

**RESPONSIBLE  
GAMING**



# Chapter Seven

## RESPONSIBLE GAMING

### 7.0 Introduction

GBT has continued to embrace and advocate for responsible gaming practices amongst its stakeholders. The responsible gaming initiatives integrate public education and awareness programs, and strengthen the legal framework to encourage responsible participation and elevate compliance with the governing legislation. The initiative focuses on promoting gaming literacy and consumer education to mitigate problem gaming and reinforcing minor protection. This is a strategic insight to enhance operators understanding of responsible operation and their role in player protection.

### 7.1 Measures Undertaken to reinforce responsible gaming during the year

During the year 2020/2021, GBT undertook various initiatives in its quest to ensure adaptability to responsible gaming practice in the industry. These initiatives included;

#### 7.1.1 Public Awareness Programs

##### 7.1.1.1 Awareness Campaigns

During the year under review, GBT conducted a number of awareness campaigns to educate the public on gaming related issues including the potential adverse impact of gaming activities and the impact of illegal gaming. The awareness initiatives undertaken include the Amusement Campaign carried out in 6 districts of Dodoma Region namely, Bahi, Mpwapwa, Chamwino, Chemba, Kondoa and Kongwa. The amusements are gaming activities involving pool tables and play stations. The purpose of this campaign was to improve compliance and prevent the negative effects of such activities.

The two-renown awareness campaigns; “Makinika Kijana” and “Mlinde Mtoto” were also promoted concurrently to enhance responsible participation and underage protection. The efforts were intended to ensure gaming remains a safe recreational avenue that contributes meaningfully to the social and economic development of our country.



GBT officers conducting the awareness campaign on amusement machines in various districts of the Dodoma region.

### 7.1.1.2 Awareness Seminars

Apart from the general public, GBT also engaged with different stakeholders in its quest to foster collaboration and strengthen regulatory efficiency. During the year 2020/2021, GBT conducted two familiarization and educational Seminars for the Security Committees of Mwanza Region and Rombo District in Kilimanjaro Region.



The GBT's Director General, Mr. James B. Mbalwe, addressing the participants during the awareness seminar on gaming gaming related issues to the Security Committee of the Mwanza Region.

### 7.1.1.3 Awareness through National Events

In its effort to broaden public engagement, GBT participated in the 45th Dar es Salaam International Trade Fair (SabaSaba Exhibitions, 2021) held at Mwalimu Nyerere SabaSaba grounds. In this year's exhibitions, GBT participated in its pavilion alongside licensees of all types of gaming activities. The main purpose for the gaming industry participation to the exhibitions was to increase awareness of the public on the legalized gaming activities. It is estimated that more than 500 people visited the GBT pavilion. The event provided a great opportunity for direct interaction with the public (visitors) whereby visitors were properly educated on various matters, particularly on the roles and mandates of GBT, minors' protection, illegal gaming and responsible gaming practice. It was also an appropriate avenue for soliciting public opinion and responding to their concerns. "Makinika Kijana" and "Mlinde Mtoto" campaigns were also promoted to mitigate the negative effects of gaming activities for it to remain recreational and safe.



GBT participating in the 45th International Dar Es Salaam Trade Fair (DITF) known as SabaSaba Exhibitions.

### 7.1.2 Protection of Vulnerable groups

Public protection forms an integral part of GBT roles. Vulnerable groups comprise people with gaming disorders, students and minors. Among the measures taken by GBT to manage gaming problem include exclusion programs which involve self-exclusion or imposed exclusion. Self-exclusion is when a player desires to stop gaming voluntarily and requests to be excluded in writing while the imposed approach is utilized on players with gaming disorders to help them from more harm.

There were no reported cases of people with gaming disorder during the year, which required imposed exclusion. On the other hand, there were five (5) self-exclusions mainly from casino operations. The statistics represent a 60% increase compared to the three (3) self-exclusions reported in the preceding year, which indicates increased self-realization among players which is necessary in addressing problem gaming.



Winners  
Know **when**  
**to Stop**

### 7.1.3 Combating Illegal Gaming Operations

Illegal gaming has, to a great extent, been a latent cause of problem gaming and its associated negative impacts. Illegal gaming involves any gaming activity conducted without a valid licence issued by GBT or placing gaming machines and devices in an unauthorized location. During the year under review, GBT continued to undertake drastic measures to eradicate illegal gaming. The efforts included routine inspections and ad-hoc operations as well as awareness programs. Whistleblowing was also employed as a strategic technique to obtain information from the public on illegal gaming operations.

### 7.1.4 Destruction of illegal slots machines

This is among the initiatives undertaken to curb illegal gaming operations and protect society. GBT continued to ensure that gaming remains safe and that only authorized people and devices operate and are used in gaming operations. During the year under review, GBT managed to apprehend and confiscate more than 381 slot machines and institute legal action against the illegal operators.

### 7.1.5 Whistle blowing information

Public involvement and collaboration were at the core of ensuring proper regulation of the gaming activities. During the year 2020/21, GBT received useful information from anonymous persons that contributed to the cessation of unlawful related dealings within the gaming activities. GBT is committed to continue encouraging public participation in the enforcement of the gaming law to protect the society from harmful effects of illegal operations for gaming to be conducted responsibly.





8

**CORPORATE  
SOCIAL  
RESPONSIBILITY**



# Chapter Eight

## CORPORATE SOCIAL RESPONSIBILITY

### 8.0 Overview

Corporate Social Responsibility (CSR) is a noble obligation through which GBT gives back to society by participating in various social and economic initiatives to promote its corporate image and that of the gaming industry in general. During the year 2020/2021, GBT continued to actively participate in contributing to society through concerted CSR initiatives geared towards improving community welfare.

### 8.1 CSR Programs Highlights

Several CSR programs were implemented during the year under review. Mostly, such programs were directed towards contributing to the social welfare of communities on the health and education fronts. Some of the undertaken CSR initiatives included:

#### 8.1.1 Improving Health

- i GBT contributed to the Muhimbili Orthopedic Institute (MOI) to support the treatment of underprivileged children suffering from Scoliosis to enable them to undergo surgery.
- ii On the same line, GBT also supported a health checkup camp organized by the Dar es Salaam Regional Commissioner for the needy.

#### 8.1.2 Strengthening Education

- i GBT sponsored Education Stakeholders Forum organized by the Tanzania Education Authority to discuss approaches to improve education related issues in Tanzania.

- i We offered a school fee in support of Mr. Dennis Lackson, a student at the University of Dar es Salaam Computing Centre, to enable him to proceed and complete his studies and realize his dreams.

### 8.1.3 Promoting Sports Growth

The commitment of GBT and the gaming industry to support sports growth in the country was manifested through amendments to the gaming law in July 2021. The amendment introduced the allocation of 5% of the gaming tax collected from sports betting operations to the Tanzania Sports Council (BMT) to promote sports activities.





9

# **FUTURE OUTLOOK**



# Chapter Nine

## FUTURE OUTLOOK

### 9.0 Overview

The future outlook of the gaming industry in Tanzania is optimistic in terms of its growth and regulatory oversight. GBT in collaboration with the Government will continue to improve on the gaming business operating environment by implementing a friendly regulatory framework, which is governed by a dynamic gaming law.

The GBT 4th Corporate Plan, which covers a four-year period of 2021/22 to 2024/25 will guide the implementation of its medium-term plans. The focus will be on improving and enhancing its technology capacity to competently and appropriately regulate the industry which is intensively technology driven. GBT is committed to the implementation of this result-oriented Plan and anticipates positive outcomes. In its effort to attain a desired future outlook, GBT will undertake the following initiatives:



### 9.1 Effective and Efficient Regulation of the Gaming Sector

GBT is committed to continued enforcement of the gaming legislation, to ensure that gaming activities are conducted in compliance with the requirements of the law. Among other regulatory obligations, GBT will ensure public protection against

the adverse effects of gaming, maximization of social and economic benefits of gaming to the country and promotion of a competitive environment. The enforcement mechanisms will include continued gaming inspections and audits, investigations and public awareness programs of gaming activities. The regulatory approach will further be improved by adopting risk-based inspections and audits.

## 9.2 Enhancement of ICT regulatory systems

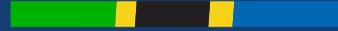
As the world continues to experience a series of technological evolution, the gaming industry has witnessed advancement and progression brought about by the phenomena. It is evident that rapid technological advancement is the order of the day. Hence, similar to other spheres, gaming shall have to align itself and be ever ready to embrace technology. On its side, GBT will oversee enhancements of its technology-based regulatory systems and implement new systems consistent with new technology orders.

## 9.3 Stakeholders Relationship

Building and maintaining positive relationships is critical to GBT's success in the delivery of its regulatory functions. In view of this, GBT will endeavor to maintain constructive engagements with its stakeholders and ensure continued and collective efforts toward proper regulation of the gaming industry while promoting responsible gaming to ensure the protection of minors and other vulnerable groups. Thus, GBT will continue to conduct public awareness programs to provide information and education, improve customer care with stakeholders, undertake CSR initiatives and improve internal and external communication.

Effective and efficient implementation of the regulatory functions requires a combination of various factors due to the dynamism of the gaming sector. GBT is committed to strengthening its internal capacity by ensuring the availability of sustainable financial capability, modern ICT infrastructure, effective legal framework, good working environment, adequate working tools, observing good governance, risk management and implementation of sound internal controls to drive its mission and achieve the overarching vision.

# GENERAL CONTACT INFORMATION



## Physical Addresses:

Gaming Board of Tanzania  
27th Floor, PSSSF Towers, Wing 'A'  
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)

## APPENDIX I: List of Gaming Licensees by operation during the year 2020/2021

S/N	CASINOS		SLOTS/ROUTE OPERATIONS	SPORTS BETTING		FORTY SITE MACHINE	SMS LOTTERY
	LAND BASED	ONLINE		ONLINE	LAND BASED		
1.	TGI Ltd t/a New Africa Casino	Dunia Investment Ltd Iplay 8 Casino	Bit Tech Limited.	Acumen Communications Limited	360 Bets Limited	Lotus Valley Ltd	Mobibet Company Ltd (BIKO)
2	Resort World t/a Palm Beach Casino	Bit Tech Limited.	Dar Entertainment Services Ltd	Piccadilly Holding Company Tanzania Limited	Throne Bet	Cleopatra Gaming Ltd	Vodacom (T) Ltd (TUSUA MAPEME)
3	Complex t/a Las Vegas Casino	Lucky Games Limited	Salim Sunderji	Princess Leisure Ltd Limited	Sea Cliff Casino	Win Bet Tanzania Ltd	Green Telecom Limited
4	Sea Cliff Ltd	The Network Limited	Win Bet Tanzania Ltd	Cheza IT Solution Limited	Playmaster Gaming Corporation Ltd		
5	Thinamy Entertainment Ltd t/a Le Grande Casino	WinBet Limited	Agamalotto & Mining Ltd	Katavi Gaming Limited	Bit Tech Limited		
6	Joker Africa Ltd	Playmaster Corporation	Playmaster Gaming Corporation Ltd	LEV Tanzania Limited	Entertainment Africa Ltd		
7	Princess Leisure (T) Ltd t/a Princess Casino	Gateway Gaming Ltd	Luckywell (T) Limited	Sports Pesa Limited	Fido Technologies Ltd		
8	Macau Entertainment Ltd	Paladin & Associates Company Ltd	Jx Betting (T) Limited	Digital Gaming Solution Ltd	Paladin & Associates Co. Ltd		
9	Everglad Investment Development Co. Ltd t/a Star City Casino	Ultimate Gaming System Ltd	Gameshow (T) Ltd	Gateway Gaming Ltd			
10		Princess Leisure (T) Ltd	Cleopatra Gaming Ltd	Lucky Games Ltd			
11		Digital Gaming Solution Limited	Bonanza Trading Company Ltd	Betx Limited			
12		Sportpesa Ltd	Premier Victoria	Fido Technologies Ltd			
13		Nanovas/Bet Pawa	Magic Coins Ltd	360 Bets Limited			
14			Slots And Keno Ltd	Nanovas Tanzania Limited			
15			Throne Bet Ltd	Rain Digital Ltd			
16			Lotus Valley Ltd	Ultimate Gaming System			
17			Bahati Jackpots	Entertainment Africa Ltd			
18			Entertainment Africa Limited	Jx Betting (T) Limited			
19				Dunia Investment Limited			
20				Paladin & Associates Company Ltd			
21				Marawin Limited			
22				Bit Tech Limited			
23				Betwin Limited			
24				Playmaster Limited			
25				Mobibet Ltd t/a BikoSports			
26				Wasafi Bet Company Limited			
27				Gaming Plug Limited			
28				Media Bay Limited			
<b>Total</b>	<b>9</b>	<b>13</b>	<b>18</b>	<b>30</b>	<b>8</b>	<b>3</b>	<b>3</b>



**THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE**



**GAMING BOARD OF TANZANIA  
REPORT OF THE CONTROLLER AND AUDITOR  
GENERAL ON THE FINANCIAL STATEMENTS  
AND COMPLIANCE AUDIT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2021**

-----  
Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P.O. Box 950,  
41101 Tambukareli,  
Dodoma, Tanzania.  
Tel: 255 (026) 2161200,  
Fax: 255 (026) 2321245,  
E-mail: [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

March, 2022

AR/ PA/GBT/2020/21

## About the National Audit Office

### Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the URT of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.

### Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

### Mission

To provide high-quality audit services through modernization of functions that enhance accountability and transparency in the management of public resources.

Motto: “Modernizing External Audit for Stronger Public Confidence”

### Core values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

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 adequate working tools and facilities that promote independence.

© This audit report is intended to be used by Gaming Board of Tanzania and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.



**TABLE OF CONTENTS**

ABBREVIATIONS.....	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL .....	1
2.0 REPORT OF THE DIRECTORS .....	6
3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2021 .....	22
4.0 STATEMENT OF DECLARATION OF THE HEAD OF ACCOUNTING .....	23
5.0 FINANCIAL STATEMENTS.....	24

**ABBREVIATIONS**

BOT	Bank of Tanzania
GBT	Gaming Board of Tanzania
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
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
MOFP	Ministry of Finance and Planning
NBAA	National Board of Accountants and Auditors
PSSSF	Public Service Social Security Fund
TZS	Tanzania Shillings
URT	United Republic of Tanzania
USD	United States Dollar

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairman of the Board,  
Gaming Board of Tanzania,  
P.O. Box 1717,  
Dar es Salaam, Tanzania

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified Opinion

I have audited the financial statements of Gaming Board of Tanzania, which comprise the statement of financial position as at 30 June 2021, 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 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348/the Local Government Finances Act, Cap. 290.

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 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.

Management is responsible for the other information. The other information comprises the Director's Report, statement of the chairperson for the board, statement of directors' responsibilities and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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 control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the 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; and
- 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 of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 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 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.

## 1.1 REPORT ON COMPLIANCE WITH LEGISLATIONS

### 1.1.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods and services

I performed a compliance audit on procurement of works, goods and services in the Gaming Board of Tanzania for the financial year 2020/21 as per the Public Procurement laws.

#### Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Gaming Board of Tanzania is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

### 1.1.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Gaming Board of Tanzania for the financial year 2020/21 as per the Budget Act and other Budget Guidelines.

### Conclusion

Based on the audit work performed, I state that, except for the matters described below, Budget formulation and execution of Gaming Board of Tanzania is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

The Gaming Board of Tanzania performs its regulatory functions under the directorate of Strategic Operations and Legal Services. The directorate is divided into two departments namely licensing and legal service department and Inspection and Compliance department. The Board had key functions of regulating gaming activities and ensure gaming operators comply with gaming laws and regulations.

During the financial year 2020/21 Board had a budget of TZS 543,750,000 for implementing activities in the licensing and legal services department and TZS 717,560,000 for Inspection and Compliance department.

My review noted that, a total of 28 activities were budgeted to be implemented in both departments but 13(46%) of these activities were not implemented. This led to actual budget utilization of TZS 108,548,045 (20%) for licensing and legal services and TZS 272,599,986 (38%) for inspection and compliance (Appendix II).

However, while budget implementation rates in these departments were low as indicated above, my review of the quarterly regulatory performance reports indicated higher performance of 94.7%, 77.3% and 83% for licensing, inspections and registration of gaming devices respectively (Table 5).



Salhina M. Mkumba  
Ag. Controller and Auditor General  
Dodoma, United Republic of Tanzania  
April, 2023



## 2.0 REPORT OF THE DIRECTORS

### 2.1 INTRODUCTION

The Directors present their report together with the audited financial statements for the year ended 30 June 2021 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.

### 2.2 ESTABLISHMENT

GBT is a body corporate established under Section 4 of the Gaming Act No.4 of 2003. The Act became effective on 1 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 eighteenth audit of GBT.

### 2.3 VISION

Becoming a world-class gaming regulator that facilitates level playing field among gaming operators for the growth of the gaming industry in Tanzania.

### 2.4 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.

### 2.5 CORE VALUES

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

## 2.6 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 licence and any other licence 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.

## 2.7 COMPOSITION OF THE BOARD OF DIRECTORS

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

No	Name	Position	Age	Appointment Date	End of Tenure	Nationality	Qualification
1	Ms. Elizabeth Nyambibo	Member	65	15 October 2017	14 October 2020	Tanzanian	MA Development Studies
2	Dr. Hamisi Kibola	Member	65	15 October 2017	14 October 2020	Tanzanian	PhD in Law
3	Mr. Obadia Mugasa Kameya	Member	51	15 October 2017	14 October 2020	Tanzanian	LLM, International Business Law
4	Mr. James B. Mbalwe	Secretary and Director General	50	January 2017	On going	Tanzanian	LLM

During 2020/21 GBT had no Chairperson of the Board following resignation of Prof. Florens Luoga in 2018/19. Section 54(2) of the Interpretation of Laws Act (Cap.1) as amended in 2019 accords the Permanent Secretary of the Ministry of Finance and Planning (MOFP) to perform the roles of the Chairperson of the Board. In view of this, Mr. Doto James who was the PST performed the roles. However, the referred Law grants the powers to the Permanent Secretary for a period of one year which expired in September 2020.

The Secretary of the Board during the financial year ended 30 June 2021 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 2020/21 three board meetings were conducted (2019/20: eight), whereby two were ordinary meeting and the other an extra-ordinary/special meeting (2019/18: eight). Prior to expiry of their tenure in October 2020, the Board members demonstrated adequate commitment in attending meetings. Attendance of Board Members during 2020/21 is presented in the table below:-

S/N	Name		Position	Attendance
1	PST Representatives	Evance B. Assenga	Chairperson	1/4
		Ellen Rwijage	Chairperson	1/4
		Michael O. John	Chairperson	1/4
2	Ms. Elizabeth Nyambibo		Director	3/4
3	Dr. Hamisi Kibola		Director	2/4
4	Mr. Obadia Mugasa Kamea		Director	3/4
5	Mr. James B. Mbalwe		Secretary to the Board	3/4

Major matters discussed and approved during the meetings were: -

- i. Gaming Board of Tanzania quarterly performance reports;
- ii. Approval of Casino licence;
- iii. Adoption of the proposal to conduct offsite surveillance;
- iv. Review of GBT Scheme of Service; and
- v. ICT project performance report.

## 2.8 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	2/4
2	Dr. Hamisi Kibola	Member	Retired Public Servant	2/4
3	Mr. James B. Mbalwe	Secretary	Gaming Board of Tanzania	2/4

**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 the year 2020/21 the Committee held two meetings.

Members of the committee who served for the period under review were:

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

**2.9 OTHER CORPORATE GOVERNANCE AREAS**

**2.9.1 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 six (6) members who are all Tanzanians and also officers of the Board. During the year under review the Tender Board held five (5) meetings and the attendance was as follows:

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

### 2.9.2 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 Administration 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

### 2.9.3 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	Attendance
1	Mr. Sadiki Elimsu	Inspection and Compliance Manager	Chairperson	3/4
2	Ms. Catherine Lamwai	Licensing and Legal Services Manager	Member	4/4
3	Mr. Donatus Nzyela	Assistant Accountant	Member	4/4
4	Ms. Zena Athumani	Office Management Secretary	Secretary	3/4

## 2.10 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 and 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. The Organisation structure of the Board provides for the directorate to be headed by a Director of Strategic Operations and Legal Services, (DSLLOS). Although the recruitment of DSLLOS was planned to take place during 2020/21, it could not be implemented due to absence of the Board which is its appointing authority.



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

## 2.11 INTERNATIONAL AND LOCAL RELATIONS

During the year 2020/21 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.

## 2.12 FUTURE DEVELOPMENT PLANS

The short- and medium-term development plans of GBT are provided in its 3<sup>rd</sup> Corporate Plan; a four years plan (July 2017 to June 2021). The financial year 2020/21 marks the fourth and final 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.

## 2.13 RESULTS FOR THE YEAR

The overall performance of GBT during the financial year 2020/21 was good. During the financial year, GBT recorded a surplus of TZS 5.10 billion compared to a surplus of TZS 3.45 billion in 2019/20. The surplus resulted from total income of TZS 12.59 billion during the year against total operating expenses of TZS 7.49 billion.

## 2.14 PERFORMANCE FOR THE YEAR

Gaming Board continued to conduct its statutory functions properly as stipulated in the Gaming Legislation. Gaming Licences issued During the Financial Year 2020/21 included 23 (2019/20:16) Casino Licences, 352 (2019/20:299) Slots Machines Licences, 3190 (2019/2020: 2,779) Bar Sites, 13 (2019/20:10) Forty Machine Sites, 3 (2019/20:3) SMS Lotteries, 513 (2019/120:321) Sports Betting Licences, 65 (2019/20:30) Promotional Lotteries, 894 (2019/20: 833) Other Gaming Licences and Permits.

The Licences Issued during the period included renewed licences for existing operations as well as new Licences for new applicants.

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

## 2.15 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.

## 2.16 SOLVENCY

The financial position of GBT as at 30 June 2021 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.

## 2.17 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.

## 2.18 RELATED PARTY TRANSACTIONS

Details of transactions with related parties are disclosed in note 20 of the financial statements.

## 2.19 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 attendance to various trainings, local and international, to its staff and Board members so as to build their technical skills & capacity and hence effectiveness; and also, to help them develop their full potential. Although several local trainings were conducted during the year, international trainings could not take place due to prevalence of COVID-19 pandemic. 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: -

- IT Audit for Non-IT Auditors Workshop;
- Preparation of Credible Financial Statements;
- Training on Driving Ethics and Communication Skills;
- Internal Audit Conference;
- PLANREP training;
- Training on Customer Care Skills;
- Tanganyika Law Society (TLS) Conference;
- Training on Medium Term Expenditure Framework (MTEF);
- PPRA Training on TANEPS, Public Procurement Act (PPA), Regulations, Procurement Implementation Tools and Contract Management for Internal Auditors;
- Training on Electronic records Management

- OTRMIS System training;
- Capacity building on Domain Name System (DNS) and DNS Security Extension (DNSSEC);
- Procurement training on key issues to consider in preparation of specifications for goods, schedule of requirements, activity schedule and terms of reference;
- Training on development and implementation of Risk Management Framework;
- Training on Government Assets Management Information System (GAMIS);
- Training on “Wasaidizi wa Ofisi Hatua ya Kwanza”;
- Training on preparation for retirement from public service;
- Training workshop on preparation of financial statements using IPSAS;
- Training on Public Assets Management;
- Anti-Corruption training;
- Training on Fraud Risk Management;
- Continuing Legal Education (CLE) Seminars;
- African Federation of Institute of Internal Auditors Conference (AFIIA Conference)
- Mafunzo Kuhusu Uzingatiaji wa Sheria za Kazi, Maadili, Utunzaji Siri za Kazi, Matumizi Sahihi ya Muda wa Mwajiri na Utoaji wa Huduma Bora Ndani ya Utumishi wa Umma;
- Training on Public Procurement Act and its regulations and Procurement Contract Management;
- HIV/AIDS Training;
- Cyber Security training; and
- Annual Audit, Risk and Cyber Security Conference.

#### 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, budget 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.

**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 June 2021 Gaming Board had the following distribution of employees by gender: -

Gender	2020/21	2019/20
Male	30	31
Female	<u>16</u>	<u>16</u>
Total	<u>46</u>	<u>47</u>

**2.20 POLITICAL AND CHARITABLE DONATIONS**

During the year under audit, the Board made donations worth TZS 29.54 million (2019/20: 12.50 million) towards mitigating the spread of COVID -19 pandemic, to support patients with scoliosis, and provision of support towards education.

**2.21 THE CORPORATE PLAN**

The 3<sup>rd</sup> four years Corporate Plan of Gaming Board became effective on 1 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.

The financial year 2020/21 is the final year of the 3<sup>rd</sup> Corporate Plan, whereby its implementation was assessed to be good.

2.22 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, Cap 418 (R.E 2021).

ON BEHALF OF THE BOARD OF DIRECTORS



---

Ambassador Modest J. Mero  
Chairman of the Board

Date: 24 March 2023



---

James B. Mbalwe  
Director General

Date: 24.03.2023

3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2021

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




---

Ambassador Modest J. Mero  
Chairman of the Board

Date: 24/March/2023




---

James B. Mbalwe  
Director General

Date: 24.03.2023

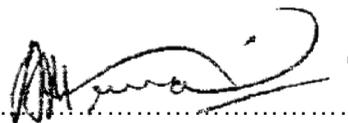
4.0 STATEMENT OF DECLARATION OF THE HEAD OF ACCOUNTING FOR THE YEAR ENDED 30 JUNE 2021

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 June 2021 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: 24.03.2023  
.....

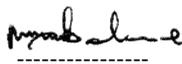
## 5.0. FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2020/21	2019/20
	s	TZS	Restated TZS
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	6	7,368,052,167	4,936,954,712
Receivable from Non-Exchange Transactions	7	473,245,089	353,644,439
Other Receivables	7	235,786,282	325,271,827
Prepayments and Deposits	7	<u>37,024,907</u>	<u>71,024,090</u>
Total Current Assets		8,114,108,445	5,686,895,068
Non-Current Assets			
Property and Equipment	8	7,932,479,659	7,917,632,158
Other Non-Current Receivables	7	255,265,715	252,580,873
Intangible Assets	10	1,385,559,864	1,539,510,960
Total Non-Current Assets		<u>9,573,305,238</u>	<u>9,709,723,991</u>
Total Assets		17,687,413,683	15,396,619,059
<b>LIABILITIES</b>			
Current Liabilities			
Trade Payables	11	470,912,667	224,070,743
Other Payables	11	329,204,473	323,719,246
Provisions	11	189,050,650	194,778,725
Contribution to the Government Consolidated Fund	12	<u>1,889,011,525</u>	-
Total Liabilities		2,878,179,315	742,568,714
Net Assets		14,809,234,368	14,654,050,345
<b>NET ASSETS/EQUITY</b>			
Capital Fund	13	111,605,500	111,605,500
Accumulated surplus		<u>14,697,628,868</u>	<u>14,542,444,845</u>
		14,809,234,368	14,654,050,345

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

  
 -----  
 Ambassador Modest J. Mero  
 Chairman of the Board  
 Date: 24 March 2023

  
 -----  
 James B. Mbalwe  
 Director General  
 Date: 24.03.2023

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/21 TZS	2019/20 TZS
<b>REVENUE</b>			
Revenue from Non-Exchange Transactions	14	12,542,610,615	9,981,870,214
Other Income	15	50,799,554	31,339,380
<b>Total Revenue</b>		<b>12,593,410,169</b>	<b>10,013,209,594</b>
<b>EXPENSES</b>			
Salaries, Wages & Employee Benefits	16	4,221,392,928	3,829,800,031
Capacity Building	17	236,068,031	327,362,512
Administrative Expenses	18	2,457,696,804	2,004,416,604
Board Expenses	19	13,000,000	35,439,583
Depreciation & Amortization	8&10	565,233,150	362,405,730
Loss on Derecognition of Assets	8	-	4,139,728
<b>Total Expenses</b>		<b>7,493,390,913</b>	<b>6,563,564,188</b>
<b>SURPLUS FOR THE YEAR</b>		<b>5,100,019,256</b>	<b>3,449,645,406</b>

The accompanying notes are integral part of the financial statements.

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Capital Fund (TZS)	Accumulated Surplus (TZS)	Total (TZS)
Restated Balance as at 1 June 2019	111,605,500	13,392,799,439	13,504,404,939
Surplus for the Year		3,449,645,406	3,449,645,406
Contribution to Treasury		(2,300,000,000)	(2,300,000,000)
Restated Balance as at 30 June 2020	111,605,500	14,542,444,845	14,654,050,345
Restated Balance as at 1 July 2020	111,605,500	14,542,444,845	14,654,050,345
Surplus for the Year		5,100,019,256	5,100,019,256
Contribution to the Government Consolidated Fund (Note 12)		(3,055,823,707)	(3,055,823,707)
Contribution Payable to the Government Consolidated Fund (Note 12)		(1,889,011,526)	(1,889,011,525)
Balance as at 30 June 2021	111,605,500	14,697,628,868	14,809,234,368

The accompanying notes are integral part of the financial statements.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/21	2019/20
		TZS	TZS
<b>Cash Flows from Operating Activities</b>			
Cash Receipts from Customers	22	12,594,609,405	9,575,946,625
Cash Paid to Suppliers	23	(2,460,165,759)	(2,785,173,72)
Salaries, Wages & Employee Benefits	16	<u>(4,221,392,929)</u>	<u>(3,829,800,03)</u>
Net Cash Flows from Operating Activities		5,913,050,717	2,960,972,873
<b>Cash Flow from Investing Activities</b>			
Purchase of Fixed Assets	8	(426,129,555)	(446,784,251)
Payment for System Development	10	-	(1,029,590,36)
Net Cash Flow Used in Investing Activities		<u>(426,129,555)</u>	<u>(1,476,374,61)</u>
<b>Cash Flow from Financing Activities</b>			
Contribution to the Government Consolidated Fund	12	(3,055,823,707)	(3,621,855,21)
Net Cash Flow Used in Financing Activities		<u>(3,055,823,707)</u>	<u>(3,621,855,21)</u>
<b>Net Cash and Cash Equivalents</b>			
		2,431,097,455	(2,137,256,96)
Cash and Cash Equivalents at Start of the Year		4,936,954,712	7,074,211,673
Cash and Cash Equivalents at End of the Year	6	<u>7,368,052,167</u>	<u>4,936,954,712</u>

The accompanying notes are integral part of the financial statements.

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Final Budget	Actual	Difference from Final budget	Percentage Difference	Reference
	TZ\$	TZ\$	TZ\$	TZ\$		
<b>RECEIPTS</b>						
Government Grant/Reserves	0	0	0	0	0	
Non-Exchange Transactions	12,455,457,636	12,455,457,636	12,543,809,851	(88,352,215)	-1%	
Other Income	79,370,000	79,370,000	50,799,554	28,570,446	36%	
Total Revenue	12,534,827,636	12,534,827,636	12,594,609,405	(59,781,769)	0	
<b>PAYMENTS</b>						
Staff Emoluments	(4,549,329,422)	(4,549,329,422)	(4,221,392,928)	(327,936,494)	7%	
Capacity Building	(663,949,820)	(663,949,820)	(236,068,031)	(427,881,789)	64%	21(i)
Administrative Expenses	(4,651,749,679)	(4,651,749,679)	(2,597,218,084)	(2,054,531,59)	44%	
Board Expenses	(82,000,000)	(82,000,000)	(13,000,000)	(69,000,000)	84%	
Development Expenditures	(707,574,570)	(707,574,570)	0	(707,574,570)	100%	Note 21(ii)
Contribution to the Government Consolidated Fund	(1,880,224,145)	(1,880,224,145)	(3,055,823,707)	1,175,599,562	-63%	
Total Payments	(12,534,827,636)	(12,534,827,636)	(10,123,502,750)	(2,411,324,886)		
Net Receipts (Payments)	-	-	2,471,106,655	(2,471,106,655)		

\* The Statement of comparison of budget and actual amounts is to be read in conjunction with note 21 of the financial statements.

\* The Statement of Comparison of Budget and Actual performance is prepared on cash basis and covers a period from 01 July 2020 to 30 June 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

### 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; and
- 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<sup>st</sup> 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 licence fees in respect of gaming operations are recognized as received, normally when a licence 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 Equipment	14.29
Equipment's Racks	10
Computers	25
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.

## 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.

### ii) 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.

### iii) 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 calculation is 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.

GBT recognizes intangible assets generated internally by capitalizing attributable expenditure which arising during development phase of a project if it can demonstrate that:

- Technical feasibility of completing the intangible asset is available so that the asset can be available for use;
- There is intention to complete the intangible asset so that it will be available for use;
- There is ability to use the intangible asset;
- The intangible asset will generate probable future economic benefits;
  
- The availability of the adequate technical financial and other resources to complete the development and to use the intangible asset; and
  
- The ability to reliably measure the expenditure attributable to the intangible asset during development.

#### 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; and
- 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 management.

#### 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 June, 2021 the Board had a receivable balance of TZS 473,245,089 (June 2020: TZS (353,644,439) 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.

	30 June 2021	30 June 2020
	TZS	TZS
Loans and Receivables		
Cash at bank	7,368,052,167	4,936,954,712
Recoverable from Non- Exchange Transactions	473,245,089	353,644,439
Other Receivables (excluding prepayments)	492,251,997	577,852,700
	<u>8,333,549,253</u>	<u>5,868,451,851</u>

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

Neither past due nor impaired *	8,078,283,537	5,615,870,978
Past due but not impaired **	255,265,716	252,580,873
	<u>8,333,549,253</u>	<u>5,868,451,851</u>

There are no receivables that are impaired as at 30 June 2021 (2020: Nil)

\*Neither past due nor impaired

The balance constitutes of;

	2020/21	2019/20
	TZS	TZS
Cash at bank	7,368,052,167	4,936,954,712
Receivable from Non-Exchange Transactions	473,245,089	353,644,439
Other Receivables (excluding prepayment)	235,786,282	325,271,827
	<u>8,077,083,538</u>	<u>5,615,870,978</u>

\*\*Past due but not impaired

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

	2020/21	2019/20
	TZS	TZS
3 - 12 months	-	-
Over 1 year	255,265,716	252,580,873
	<u>255,265,716</u>	<u>252,580,873</u>

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 5,235,929,129 (June 2020: TZS 4,944,326,354).

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 June 2021

Non-derivative financial liabilities

Within 1 year  
TZS

Trade and Other Payables

989,167,790

989,167,790

At 30 June 2020

Trade and Other Payables

742,568,714

742,568,714

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

### 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 30th June 2021, 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 9,790,204 (2020: TZS 43,497,133) higher/lower, mainly as a result of US dollar cash at bank.

#### 6. CASH AND CASH EQUIVALENTS

	2020/21 TZS	2019/20 TZS
NBC Limited – TZS Expenditure Account	235,576,137	127,312,699
NBC Limited – TZS Collection Account	100,000	600,000
NBC Limited – USD Collection Account	34,483	34,448
CRDB Bank – TZS Expenditure Account	37,686,150	36,454,001
CRDB Bank – USD Collection Account	30,209,674	66,210,788
Azania Bank Account	9,073,904	30,454,366
Petty Cash	1,500,000	1,000,000
		1,280,140,07
BOT Revenue Collection Account	1,008,700,254	4
BOT Gaming Tax Collection Account	6,926,675	6,926,675
		2,335,907,23
BOT Licence Fee Collection Account	5,434,477,687	7
BOT Performance Bond Account	247,778,661	247,778,661
NMB PLC-TZS Collection Account	0	0
NMB PLC-USD Collection Account	0	0
CRDB Bank – TZS Collection Account	6,514,019	438,345
CRDB Bank –USD Collection Account	349,474,523	803,697,418
Total	<u>7,368,052,167</u>	<u>4,936,954,712</u>

#### 7. RECEIVABLES

	2020/21 TZS	2019/20 TZS
Recoverable from Non-Exchange Transactions		
Accounts Receivables	473,245,089	353,644,439
Sub total	<u>473,245,089</u>	<u>353,644,439</u>



Other Receivables		
Furniture & House Hold Appliances Loan	27,175,379	26,267,634
Staff Loan	130,120,313	149,527,459
Staff Imprest	26,225,960	37,015,000
Staff Motor Vehicle Loan	52,264,630	112,441,734
HESLB	-	20,000
Sub total	<u>235,786,282</u>	<u>325,271,827</u>
Non-Current Receivables		
Staff Furniture & Household Appliances Loan	68,037,072	43,522,354
Staff Motor Vehicle Loan	187,228,643	209,058,519
Sub total	<u>255,265,715</u>	<u>252,580,873</u>
Total Receivables	<u>964,297,086</u>	<u>931,497,139</u>
Prepayments		
Deposits	1,200,000	1,200,000
Prepayments	35,824,907	69,824,090
Sub total	<u>37,024,907</u>	<u>71,024,090</u>



8. PROPERTY AND EQUIPMENT

CLASS	Land	Building	Motor Vehicles	Equipment	Furniture & Fixtures	Computers	Leasehold Improvement	Total
COST	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
1 July 2019	1,663,339,896	5,105,896,702	344,980,337	393,607,303	319,629,508	393,914,621	-	8,221,368,367
Additions	-	-	-	165,227,446	-	68,527,320	213,029,485	446,784,251
Disposal	-	-	-	(6,766,420)	(17,027,889)	(2,320,064)	-	(26,114,373)
30 June 2020	1,663,339,896	5,105,896,702	344,980,337	552,068,329	302,601,619	460,121,877	213,029,485	8,642,038,245
DEPRECIATION								
1 July 2019	-	68,078,623	181,618,372	44,162,444	31,295,690	58,819,874	-	383,975,003
Charge for the year	-	104,954,543	35,150,418	55,402,943	60,279,060	94,783,795	11,834,971	362,405,730
Disposal	-	-	-	(5,761,349)	(14,134,906)	(2,078,391)	-	(21,974,646)
30 June 2020	-	173,033,166	216,768,790	93,804,038	77,439,844	151,525,278	11,834,971	724,406,087
NET BOOK VALUE								
30 June 2019	1,663,339,896	5,037,818,079	163,361,965	349,444,859	288,333,818	335,094,747	-	7,837,393,364
30 June 2020	1,663,339,896	4,932,863,536	128,211,547	458,264,291	225,161,775	308,596,599	201,194,514	7,917,632,158

COST										
1 July 2020	1,663,339,896	5,105,896,702	344,980,337	552,068,329	302,601,619	460,121,877	213,029,485	8,642,038,245		
Additions	-	62,902,260	-	242,447,426	41,313,453	79,466,416	-	426,129,555		
Disposal	-	-	-	-	-	-	-	-		
30 June 2021	1,663,339,896	5,168,798,962	344,980,337	794,515,755	343,915,072	539,588,293	213,029,485	9,068,167,800		
DEPRECIATION										
1 July 2020	-	173,033,166	216,768,790	93,804,038	77,439,844	151,525,278	11,834,971	724,406,087		
Charge for the year	-	104,078,454	27,500,828	73,022,168	51,145,374	88,470,392	67,064,838	411,282,054		
Disposal	-	-	-	-	-	-	-	-		
30 June 2021	-	277,111,620	244,269,618	166,826,206	128,585,218	239,995,670	78,899,809	1,135,688,141		
NET BOOK VALUE										
30 June 2020	1,663,339,896	4,932,863,536	128,211,547	458,264,291	225,161,775	308,596,599	201,194,514	7,917,632,158		
30 June 2021	1,663,339,896	4,891,687,342	100,710,719	627,689,549	215,329,854	299,592,623	134,129,676	7,932,479,659		

## 9. PRIOR YEAR ADJUSTMENTS

The prior year adjustments relate to errors committed in the previous financial years which have been corrected in the current year. These relates to:

- i. A total amount of TZS 39,840,179 and TZS 116,391,500 of PPE was erroneously recognized as assets against Trade Payables during the year ended 30 June 2019 and 30 June 2020 respectively. Operationalising the contracts resulted into non-delivery of some items during the referred years leading to overstatement of PPE and Trade payables by the stated amounts. This has necessitated prior year adjustments which affects PPE and Payables balances.
- ii. During the year ended 30 June 2021, GBT reviewed useful life of its assets as directed in Circular No. 2 of 2018/19 with reference No. EG.3/102/02/03 dated 29 May 2019. This circular directed all public sector entities to make annual review of assets to determine their remaining useful life. Review of useful life was conducted and new carrying values of the assets were established. As a result, Accumulated Depreciation balances as at 30 June 2019 and 30 June 2020 decreased by TZS 4,949,377 and TZS 2,514,108 respectively while Accumulated Surplus increased by the same in respect of the years.
- iii. Further, the exercise of reviewing useful life of GBT assets necessitated the adoption of the valuation of assets made during the years ended on 30 June 2015 and 30 June 2017. This was adopted following the issuance of Circular No.3 of 2016/17 with reference No. EB/AG/FNA/16/VOL.I/76 dated 27 December 2016 which guided on valuation and review of useful life and depreciation rates of all assets controlled by public sector entities during the transition period of migrating from IPSAS Cash Basis of Accounting to IPSAS Accrual Basis of Accounting IPSAS. Adoption of the valuation resulted into valuation gain of TZS 217,312,536. However, Treasury Circular No. 2 of 2018/19 with reference No. EG.3 /102/03/01 dated 7 November 2018 directs retrospective correction of errors made on the balances of PP&E after valuation to comply with the Government PP&E Accounting Policy of Cost Model. A prior year adjustment has been made to correct the error in respect of TZS 217,312,536.

Impact of restatement of the financial statements is as follows:

Financial year ended 30 June 2019

Item	Before Restatement	Adjustments			Restated
		Recognition of deemed cost after revaluation	Recognition of effects of review of useful life on Depreciation	Derecognition of assets after changes in contract terms	
Property & Equipment	7,654,971,630	217,312,536	4,949,377	(39,840,179)	7,837,393,364
Accumulated Surplus	13,170,537,526	217,312,536	4,949,377	-	13,392,799,439
Trade Payables	630,867,507	-	-	(39,840,179)	591,027,327

Financial year ended 30 June 2020

Item	Before Restatement	Adjustments			Restated
		Recognition of deemed cost after revaluation	Recognition of effects of review of useful life on Depreciation	Derecognition of assets after changes in contract terms	
Property & Equipment	7,814,197,013	217,312,536	2,514,109	(116,391,500)	7,917,632,158
Accumulated Surplus	14,322,618,200	217,312,536	2,514,109	-	14,542,444,845
Trade Payables	386,323,967	-	-	(116,391,500)	224,070,740

## 10. INTANGIBLE ASSETS.

Gaming Board of Tanzania finalized development of its ICT project on 30 June 2020, which was jointly conducted with the Ministry of Finance and Planning. This led to recognition of an Intangible Asset which was capitalized at the cost of TZS 1,539,510,960. Due to technology dynamics, GBT has classified the asset to have a finite useful life of ten years and will be amortized on a straight-line basis at the rate of 10%. This asset is assessed for impairment whenever there is an indication of impairment; and the amortization period and the amortization method, for the asset is reviewed at the end of each reporting period.

## INTANGIBLE ASSETS CONTINUED

	TZS
COST	
1 July 2019	509,920,593
Additions	1,029,590,367
30 June 2020	<u>1,539,510,960</u>
AMORTIZATION	
1 July 2019	-
Charge for the year	-
30 June 2020	-
NET BOOK VALUE 30 JUNE 2020	<u>1,539,510,960</u>
COST	
1 July 2020	1,539,510,960
Additions	-
30 June 2021	<u>1,539,510,960</u>
AMORTIZATION	
1 July 2020	-
Charge for the year	153,951,096
30 June 2021	<u>153,951,096</u>
NET BOOK VALUE 30 JUNE 2021	<u><u>1,385,559,864</u></u>

11. PAYABLES

	2020/21 TZS	2019/20 TZS
Trade Payables	470,912,667	224,070,743
Other Payables		
Deposits-Inspection and Due Diligence Fee	41,416,612	75,940,585
Deposits – Performance Bonds	247,778,661	247,778,661
Staff Payables	40,009,200	-
	<u>329,204,473</u>	<u>323,719,246</u>
Provisions		
Audit Fee	148,900,000	148,917,000
Provision for Staff Leave	40,150,650	45,861,725
	<u>189,050,650</u>	<u>194,778,725</u>
Other Liabilities		
Contribution to the Government Consolidated Fund	1,889,011,525	
	<u>1,889,011,525</u>	
Total Payables	<u>2,878,179,315</u>	<u>742,568,714</u>

12. CONTRIBUTION TO THE GOVERNMENT CONSOLIDATED FUND

The Finance Act, No. 16 of 2015 requires remission of 15% of annual gross revenues to the Government Consolidated Fund. During the year 2020/21 the Gaming Board remitted TZS 3,055,823,707 to the Government Consolidated Fund. This constituted of TZS 1,501,198,442 which is 15% of gross revenue in respect of the year the 2019/20 and TZS 1,554,625,265 excess from the same year. The amount provided for during 2020/21 is TZS 1,889,011,525.41 being 15% of total revenue for the year.

For 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.

13. CAPITAL FUND

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

**14. REVENUE FROM NON-EXCHANGE TRANSACTIONS**

	2020/21	2019/20
	TZS	TZS
Application fee – Casino	11,000,000	9,000,000
Application fee – Pool Tables	560,000	300,000
Application fee – Slot Machines	17,100,000	44,310,000
Application Fee – Bar Sites	40,960,000	-
Application fee – Key sports betting		40,000
Application fee – Key slot machines	590,000	650,000
Application fee – Online sports betting	19,000,000	13,500,000
Application fee - SMS Lottery	5,000,000	4,000,000
Application fee - 40 Slot Machines Sites	1,500,000	700,000
Application fee – Internet Casino	14,000,000	13,000,000
Application fee - Key Employees-Casino	500,000	410,000
Application fee – Manufacturer	500,000	-
Application fee – Sports Betting Shops	220,000,000	129,509,155
Application fee - Service Provider		1,500,000
Application fee – Sellers/Distributors	1,500,000	1,000,000
Certificate of Suitability	8,000,000	9,000,000
Fete	7,870,000	7,820,000
Gaming levy –Bingo in Hall/Virtual Games	2,877,959,628	2,031,783,329
Gaming Levy-Slot Machines	2,174,340,000	1,883,810,000
Licence fee Manufacturer	1,000,000	1,000,000
Licence fee - SMS Lottery	275,797,292	275,036,062
Licence fee for - 40 Slot Machines Sites	34,000,000	14,000,000
Licence fee for Sports Betting	467,000,000	287,000,000
Licence fee – Key Employees-Slot Machines	4,300,000	12,360,000
Licence fee - Internet Casino	1,194,982,236	733,323,626
Licence fee - Key Employees Casino	4,900,000	10,240,000
Licence Fees – Casino	861,871,183	675,662,320
Licence Fees - Slot Machines	167,000,000	230,390,000
Permit fee- Pool Table	1,000,000	455,000
Principle Licence - Slot Machines	413,621,885	450,029,652
Principle Licence - Sports Betting	620,426,700	550,043,118
Promotional Lottery	64,389,325	180,267,293
Registration of Gaming devices	549,140,000	697,200,000
Licence fee sellers/Distributors	3,000,000	1,000,000
Licence fee-Bar Sites	95,700,000	-
Licence fee –Prize Competition	232,338,105	63,830,935
Licence fee –Online Sports Betting	2,137,244,261	1,649,699,724
Licence Fee-Support Employees Casino	6,320,000	-
Licence Fee-Support Employees Slot Machines	8,200,000	-
<b>Total</b>	<b>12,542,610,615</b>	<b>9,981,870,214</b>

15. OTHER INCOME

	2020/21 TZS	2019/20 TZS
Exchange Rate Fluctuation	-	5,219,980
Miscellaneous Income	50,799,554	26,119,400
	<u>50,799,554</u>	<u>31,339,380</u>

16. SALARIES, WAGES & EMPLOYEE BENEFITS

	2020/21 TZS	2019/20 TZS
Salaries and Wages	2,131,457,262	1,914,581,462
House Allowance	432,081,480	392,463,135
Staff Extra Duty	191,690,902	166,631,302
Guard allowance	100,554,537	94,113,971
Transport Allowance	723,755,120	651,864,579
Staff Welfare and Miscellaneous Expenses	31,303,262	37,233,240
Medical Expenses	2,720,000	7,270,000
PSSSF	500,745,171	404,221,999
Subsistence Allowance	14,490,000	33,390,000
Risk Allowance	2,445,301	2,502,445
Workers' Compensation Fund	18,119,923	16,313,372
Staff Terminal Benefits	8,834,213	55,507,750
NHIF Employer's Contribution	63,195,758	53,706,776
	<u>4,221,392,929</u>	<u>3,829,800,031</u>

17. CAPACITY BUILDING

Computerization Process	-	1,900,000
Conferences & Seminars	86,096,200	203,047,250
Staff Recruitment	-	23,476,000
Training – Local	149,971,831	98,939,262
	<u>236,068,031</u>	<u>327,362,512</u>

## 18. ADMINISTRATIVE EXPENSES

	2020/21 TZS	2019/20 TZS
Furniture Grants	-	96,227,906
Office Rent	86,291,959	83,167,180
Electricity Expenses	57,567,083	51,505,145
Maintenance cost – Motor vehicles	30,153,333	33,958,857
Maintenance cost – Furniture	292,000	22,000
Maintenance cost – Machines and equipment	10,989,298	18,223,409
Maintenance cost – Computers	15,001,737	19,873,427
Maintenance cost – Building		4,094,100
Fuel & Oil	9,053,608	3,012,040
Printing & Stationery	42,676,650	26,974,234
Bank charges	10,175,230	15,197,875
Audit fee	148,900,000	148,917,000
Legal & Consultancy fees	-	19,513,448
Tender expenses	28,050,000	39,775,000
Insurance on Motor vehicles	13,863,797	16,817,945
Other audit expenses	38,452,342	65,903,155
Office Cleaning	17,494,792	30,488,698
Motor vehicle parking fees	11,722,668	10,909,011
Service allowance	358,800,000	234,210,000
Travel on duty - Local	448,901,013	236,125,052
Travel on leave	179,772,850	152,948,819
Advertisement & Publicity	36,310,550	16,001,390
Education on gaming	1,770,000	1,670,000
Telephone & Fax	1,697,061	6,977,131
Mobile phones	18,900,000	27,810,000
Postage	483,300	524,700
Website expenses	1,921,712	2,347,024
Internet expenses	77,450,364	44,256,990
Local and Foreign papers	12,194,500	13,994,400
Subscription-professional bodies	5,242,500	5,082,500
Donations	29,545,000	12,500,000
Illegal gambling control	81,969,935	61,535,518
Security expenses	16,169,000	14,219,000
Burial expenses	50,837,185	10,995,750
Utility expenses	42,000,000	42,000,000
Land rent expenses	925,275	1,008,525
Software Licence fee	231,611,700	21,839,328
Professional Advice/Fee	3,000,000	-
MOFP/ICT Project Expenses	171,288,400	169,523,295
Tax Expenses	-	123,253,288
Service Charge	65,750,483	65,909,069
National Events Expenses	69,873,240	29,874,240
Moving expenses	19,751,300	17,756,055
Employee Health Care	305,000	6,843,500
HIV Awareness		630,600
Loss on Exchange Rate Fluctuation	10,541,939	-
	<u>2,457,696,804</u>	<u>2,004,416,604</u>

19. 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.

	2020/21 TZS	2019/20 TZS
Director fees	13,000,000	35,439,583

20. RELATED PARTY TRANSACTIONS

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

	2020/21 TZS	2019/20 TZS
(i) Directors' Fees	13,000,000	35,439,583
(ii) Key Management Remuneration*	1,650,549,999	1,544,181,077
(iii) Staff Loans**	464,826,037	540,817,700

\*Remunerations to the management team employees.

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

21. 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 July 2020 to 30 June 2021. 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 monitoring and maintenance of the performance of its ICT systems with a view to ensuring optimum performance. This has enhanced the efficiency and effectiveness in the regulatory functions as well as GBT's service delivery;

- b) Activity associated with conducting study on gaming Market and responsible gaming was not performed due to failure to obtain a responsive bidder;
- c) Presence of Covid-19 pandemic continued to be a challenge in gaming industry. This has hindered GBT participating in GRAF and other gaming association conferences due to suspension of most scheduled conferences as the result of presence of COVID-19 pandemic.

(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 because the process was halted by the Government during January 2021.

(iii) Budget reconciliation with statement of financial performance as at 30 June 2021

	TZS
Surplus as per Actual Cash collected as of 30 June 2021	5,913,050,718
LESS	
Accrued income from Non-Exchange Transactions	(1,199,236)
Subtotal	5,911,851,482
LESS	
Accrued Expenses	(246,599,076)
LESS	
Depreciation & Amortization	(565,233,150)
Surplus for the Year	5,100,019,256

22. CASH RECEIVED FROM CUSTOMERS

	2020/21 TZS	2019/20 TZS
Receivables Opening balance	931,497,139	545,214,600
Add: Revenue for the period	12,593,410,169	10,013,209,594
Add: Decrease in Prepayments and Deposits	33,999,183	(50,980,430)
Less: Receivables - Closing balance	(964,297,086)	(931,497,139)
	12,594,609,405	9,575,946,625

23. CASH PAID TO SUPPLIERS

Payable-Opening Balance	742,568,714	1,160,523,731
Add: Expenses incurred during the year	3,271,997,985	2,733,764,157
Less: Depreciation & Amortization	(565,233,150)	(362,405,730)
Less: Payables Closing Balance	(989,167,790)	(742,568,714)
Less: Loss on disposal	-	(4,139,723)
	<u>2,460,165,759</u>	<u>2,785,173,721</u>

24. CONTINGENT LIABILITY

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, 2021, the Board could not ascertain the possible financial outcome from the appeal.

25. SUBSEQUENT EVENTS

As at the date of signing of these financial statements, there were no subsequent events that would affect these financial statements.

26. 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.

