



GAUTENG GAMBLING BOARD

ANNUAL REPORT
2024-2025







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PART A:

GENERAL INFORMATION

ANNUAL REPORT 2024-2025

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	Gauteng Gambling Board
REGISTRATION NUMBER	Not Applicable
PHYSICAL ADDRESS	125 Corlett Drive Bramley Johannesburg Gauteng South Africa 2090
POSTAL ADDRESS	Private Bag x15 Bramley 2018
TELEPHONE NUMBER	+27 (0)11 581 4800
FAX NUMBER	+27 (0)11 581 4900
EMAIL ADDRESS	info@ggb.org.za
WEBSITE ADDRESS	www.ggb.org.za
EXTERNAL AUDITORS	Auditor-General of South Africa 300 Middel Street New Muckleneuk Pretoria Gauteng South Africa 0001
BANKERS	Standard Bank Limited 9th Floor Standard Bank Centre 5 Simmonds Street Johannesburg Gauteng South Africa 2000
COMPANY/ BOARD SECRETARY	Mr. Thapelo Bodila Non-practicing attorney

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CASA	Casino Association of South Africa
CEO	Chief Executive Officer
CCMA	Commission for Conciliation, Mediation and Arbitration
CFO	Chief Financial Officer
CSI	Corporate Social Investment
DDM	District Development Model
GDED	Gauteng Department of Economic Development
GGT	Growing Gauteng Together (Vision 2030)
EXCO	Executive Council
FICA	Financial Intelligence Centre Act, 2001 (Act No.38 of 2001)
FLASH	Firearms, Liquor and Second-Hand Goods
GCR	Gauteng City Region
GDP	Gross Domestic Product
GEYODI	Standing Committee on Gender, Youth and People with Disabilities
GGB	Gauteng Gambling Board
GGT 2030	Growing Gauteng Together 2030
GNU	Government of National Unity
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practices
IT	Information Technology
iBAS	Integrated Business Automation System
MEC	Member of Executive Council
MTDP	Medium Term Development Plan
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NRGP	National Responsible Gambling Programme
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act (Act No. 1 of 1999)
POPIA	Protection of Personal Information Act (Act No. 4 of 2013)
PROVJOINTS	Provincial Joint Operations Structure
SAPS	South African Police Service
SARGF	South African Responsible Gambling Foundation
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDF	Sports Development Fund
UAT	User Acceptance Testing

3. FOREWORD BY MEC LEBOGANG MAILE



HON. LEBOGANG MAILE

MEC for Finance and Economic Development

The 2024/25 financial year has been defined by the execution of the Growing Gauteng Together 2030 (GGT2030) and the priorities of the 7th Administration as per the orientation during the strategic planning session for the 2025-2030 and the Annual Performance Plan (APP) 2024/25. Guided by this APP, the Gauteng Gambling Board (GGB) has made significant progress in furthering its legislative mandate of regulating and transforming the industry whilst remaining focused on increasing tax revenue collection for the benefit of the provincial fiscus. The revenue collected by the GGB contributes to economic growth, job creation and tourism development. The GGB remains the contender of the best Provincial Licensing Authority (PLA) in relation to the Gross Gambling Revenue (GGR) amongst other regulators nationally as per their licensed gambling modes boasting 7 casinos in the province.

The MEC of Gauteng Department of Economic Development (GDED), the GGB's shareholder, is delighted to present this Annual Report. The gambling sector is characterised by ever evolving technological advancements, making it prudent to automate the business processes to effectively regulate the industry. The Integrated Business Automation System (IBAS) is being implemented in phases and is now at 58 percent as of 31 March 2025. The licensing process in the Gauteng Province will soon be fully automated.

The Board is commended for achieving a successive clean audit opinion from the Auditor-General of South Africa. This outcome is reflective of the commitment by the Board, management and officials of the GGB to ensure good governance and prudent financial management. The Board is also commended for increasing tax revenue collection against the baseline in a transparent and efficient manner. This ultimately benefits its various stakeholders in the Gauteng City-Region (GCR) and the provincial fiscus. Upon the operationalisation of the issued Bingo and Bookmakers licences, the GGB is geared at improving the revenue collection from the declared 2 percent increase against the baseline.

The rise of online gambling has resulted in licensees finding ways to diversify their gambling revenue streams. The process of reviewing the current gambling legislation, which focuses on the incorporation of interactive gambling and streamline operational procedures, is at an advanced stage. Once it is completed, the Gauteng Provincial Government will be legislatively equipped to oversee a transformational gambling regime that will modernise gambling, and by extension, better contribute to the economic development of the Gauteng Province. The GDED expresses full confidence in the capabilities of both the executive, management and staff to spearhead the Board's strategy in alignment with GGT2030 and the 7th Administration priorities.



MR LEOGANG MAILE
MEC for Finance and Economic Development

4. FOREWORD BY THE CHAIRPERSON



Mr. Thabo Gumbi
Chairperson of the Board

Introduction

The GGB navigated a difficult economic landscape, marked by slow growth and external factors such as global economic trends and an exponential industry growth - away from Gauteng. Despite these challenges, we remained focused on our core mandate of ensuring a safe, fair, and responsible gambling environment in Gauteng.

We continue to monitor the accompanying socio-economic conditions and adapt our strategies, policies, and regulatory framework to meet the evolving needs of our stakeholders, while maintaining our commitment to regulatory excellence and social responsibility.

Financial overview

The GGB demonstrated resilience in the face of regulatory delays, achieving 2% Gross Gaming Revenue (GGR) growth year-on-year. I would like to extend my appreciation to the CEO, Ms Karabo Mbele, her Executive Management team and all members of staff for their diligence in securing an unqualified audit outcome for 2024/25 financial year, reflecting the Board's commitment to transparency and accountability.

Governance

The GGB's governance structure ensures effective oversight and guidance. The board, led by me as the Chairperson, provides strategic direction and ensures adherence to the regulatory mandate.

We are committed to upholding the highest standards of integrity, transparency, and accountability in our operations. Our purpose, values and assurance framework guide our decision-making, ensuring that we carry out our regulatory responsibilities with ethics and fairness at the forefront.

By prioritizing good governance, we maintain public trust and ensure a safe, fair, and responsible gambling environment in Gauteng.

Approach to sustainability

The GGB is tasked with ensuring that the business of gambling in the province is carried out in a just and equitable manner, ensuring that punters remain protected from unscrupulous operators. Despite our concerted efforts with law enforcement stakeholders, illegal gambling remains a persistent challenge in the province, marked by elusive operators and increasingly complex online network of illicit gambling. We have seen an effective use of our anonymous tip-offs line and response mechanisms and have ramped up our responsible gambling campaigns. However, illegal, and irresponsible gambling remain a significant challenge, not only in Gauteng, but for the country at large.

Through our CSI bursary program and Sports Development Funds (SDF), the GGB aims to create a positive and lasting change in the lives of our communities. The bursary scheme has provided learning opportunities to 14 undergraduate learners at various universities in the country. The SDF has funded 13 initiatives in communities mostly in need. These initiatives, profiled in a separate prospectus, have reached an estimated number of 18 communities and 37 221 beneficiaries. The programs supported include, amongst others, the development of track, swimming, and equestrian facilities for disadvantaged communities. This is a legacy I am proud of.

The GGB is investing in technologies and practices that will reduce its carbon footprint.

Prospects outlook

The gambling industry has been marked by exponential growth exceeding R1.1 trillion in wagering revenue in the year ending March 2024. This was accompanied by nearly R60 billion in GGR, or 26% increase year-on-year. While the fiscal contribution through taxes generates the necessary revenue for government coffers to provide public services and goods, there have been wide pronouncements regarding the negative consequences of this growth. In some instances, it is marked by an increase in illegal contingencies, operations, and underage participation in gambling activities. This downside is created by the regulatory vacuum to regulate online gambling contingencies. There are increasing effort by national government to address the vacuum. Equally, there have been concerted efforts by the GGB and the Member of the Executive Council (MEC) to expedite the implementation of updated enabling regulation in the Province. The amendment to the Gauteng Gambling Act is currently with the State Law Advisors for pre-certification. This is a significant milestone in this process. Our commitment to growing economic interest in Gauteng remains aligned with the GGT 2030 priorities.

Appreciation

On behalf of the Board of the GGB, I would like to extend our sincerest appreciation to all our stakeholders for their continued support. To our dedicated staff, your resilience and hard work have been instrumental in navigating the challenges we have faced, and we are grateful for your commitment.

To the board and its subcommittees, your guidance and oversight have been invaluable in ensuring we remain aligned with our strategic objectives and the Board's fiduciary duties. To the CEO and the Executive Management, our business leaders, your vision, and leadership have been pivotal in driving the GGB over the last financial year, ensuring that we navigate the challenges presented by the exponentially evolving operating environment.

I appreciate the contributions of each of these groups and look forward to continued collaboration and success.



Thabo Gumbi
Chairperson
Gauteng Gambling Board
Date

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Ms. Karabo Mbele
Chief Executive Officer

The 2024/25 financial year was a pivotal period for South Africa, marked by significant political and economic developments. Most notably, national elections were held in May 2024 ushering in the 7th Administration. This transition led to the formation of a Government of National Unity (GNU) at the national level and a Government of Provincial Unity (GPU) in Gauteng.

Amid these shifts, the GGB continued to implement its 5-year Strategic Plan (2020–2025), originally approved under the 6th Administration. In response to the evolving political landscape, the GGB also presented a Revised Annual Performance Plan (APP) for 2024/25, which was formally approved in September 2024. Amidst these changes, the GGB remained committed to our mission of regulating Gauteng's gambling industry in a transparent, fair, equitable, and competent manner for the benefit of all stakeholders, towards the NDP goals of reduced poverty and inequality.

Economic Environment

In 2024, Gauteng's macroeconomic landscape was marked by modest growth alongside ongoing structural challenges. The stabilisation of South Africa's electricity supply, coupled with renewed optimism following the establishment of a new national government, helped bolster investor confidence. Nevertheless, South Africa's gambling sector experienced significant growth, driven mainly by the surge in online sports betting.

To mitigate revenue losses and enhance regulatory compliance, the GGB has intensified efforts to combat illegal gambling. During the reporting period, the GGB conducted 502 raids and confiscated 922 illegal gambling devices - surpassing set targets and demonstrating a strong enforcement posture.

Despite these efforts, regulatory challenges related to online betting persist. The Gauteng Gambling Act imposes restrictions on the types of bets permitted under bookmaker licenses, placing Gauteng at a disadvantage compared to other provinces. In response, the GGB has initiated a legislative review to remove these limitations and harmonise Gauteng's regulatory framework with that of other provinces.

Sectoral Context and Strategic Role

The gambling industry continues to be a vital contributor to South Africa's GDP. At the provincial level, regulation and licensing of gambling serve as critical economic instruments to drive inclusive growth. In Gauteng, the sector underpins the provincial strategy to transform, modernise, and reindustrialise, while supporting three key developmental priorities:

- Building a capable, ethical, and developmental state;
- Promoting inclusive economic growth and job creation; and
- Reducing poverty and addressing the high cost of living.

Supply Chain Management (SCM)

The GGB's Supply Chain Management (SCM) Unit is fully operational and compliant with all applicable regulations, policies, and procedures. All SCM officials have signed the required Code of Conduct, which establishes clear ethical standards and professional guidelines to govern behaviour and decision-making throughout the procurement and supply chain processes. No unsolicited bid proposals were received during the reporting period and an internal audit confirmed that SCM controls are operating effectively.

As a result of strengthened SCM controls and dedicated management efforts, the GGB achieved the following notable outcomes during the year under review:

- 100% compliance with the requirement to pay service providers within 15 days of receiving invoices;
- Exceeding targets in promoting Gender, Youth, and People with Disabilities (GEYODI) initiatives; and
- An unqualified audit opinion from the Auditor-General with no significant audit findings reported and all minor issues raised in previous audit cycles resolved.

Revenue and Expenditure

In 2024/25, revenue performance was below target due to a challenging macroeconomic environment and the continued proliferation of illegal gambling. For the year under review, the GGB recorded a modest 2% increase in revenue, falling short of the 7% target set in the revised APP. Total revenue collected amounted to R1.255 billion, which was contributed to the provincial budget. Over this same period, operational expenditure remained within approved budgetary allocations, with a focus on enforcement, regulatory compliance, and stakeholder engagement. Where applicable, roll-over requests have been submitted to the Provincial Treasury for unspent conditional allocations tied to multi-year programmes.

Key Activities

Key activities undertaken during the year under review include development and implementation of the 2025 – 2030 Strategic Plan and engagements towards revising the Gauteng Gambling Act. No major programmes were discontinued; however, some non-core initiatives were deferred pending the outcome of the legislative review. Preparations are now underway for the implementation of the 2025/26 APP and Strategic Plan, while engagements with stakeholders on the legislative review have commenced.

Looking ahead, the GGB will continue to strengthen regulatory enforcement, modernise its legislative framework, and align its operations with the priorities of the 7th Administration. Enhanced collaboration with law enforcement and policy stakeholders is anticipated to improve revenue and regulatory outcomes. The Agency is confident that the GGB remains financially viable, supported by robust governance and operational efficiency.

In closing, I wish to extend my gratitude to the Board, our stakeholders - including the Provincial Government and industry operators - as well as the dedicated staff of the GGB for their continued support and commitment during this period.



Karabo Mbele
Chief Executive Officer
Gauteng Gambling Board
Date

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully,



Karabo Mbele
Chief Executive Officer
Date



Thabo Gumbi
Chairperson of the Board
Date

7. STRATEGIC OVERVIEW

In terms of section 2A of the Gauteng Gambling Act, 1995, the policy mandate rests with the Member of the Executive Council (MEC) responsible for gambling in the province. The GGB's mandate is therefore linked to the Gauteng Department of Economic Development's (GDED's) programme relating to Business Regulation and Governance.

The GGB's mandate is to regulate and control gambling in the province with a view to promote ethical business conduct, transformation imperatives, revenue generation for the fiscus, and protection of the gambling public.

The GGB's core functions fall under Programme 4 of the GDED and include the following:

- Regulating the gambling industry;
- Driving transformation within the gambling industry to align with government priorities; and
- Generating revenue from both the industry and the regulation of services to support Gauteng's socio-economic development.

In alignment with the objectives of the GDED, the GGB's strategic goal is: **"To promote an efficient, equitable and socially responsible business environment."**

The GGB's work is also aligned to the following strategic priorities of the GPG and GDED:

Priority 1	Priority 2	Priority 3
A capable, ethical, and developmental state	Inclusive economy and job creation	Poverty reduction and tackling the high cost of living
<ul style="list-style-type: none"> ✓ Promote good governance and ensure regulatory compliance. ✓ Practise financial accountability and ensure compliance to prescribed financial regulations and guidelines. ✓ Ensure efficient and effective regulation of gambling. ✓ Enhance organisational performance by providing an enabling environment. 	<ul style="list-style-type: none"> ✓ Support the growth of land-based gambling and online betting. ✓ Generate direct and indirect employment opportunities in the gambling sector and related industries such as hospitality, tourism, and technology. 	<ul style="list-style-type: none"> ✓ Increased responsible gambling campaigns and grant funding for Corporate Social Investment (CSI) and the Sports Development Fund (SDF). ✓ Contribute to the eradication of poverty through socio-economic development interventions geared towards reducing the harm caused by problem gambling. ✓ Aligning to and surpassing the GEYODI procurement targets.

6.1. Vision

"A leading and innovative regulator in the gambling industry."

6.2. Vision Statement

"A preferred regulator utilising cutting-edge technologies to enhance regulatory processes."

6.3. Mission

"To advance transformation by effective and efficient gambling regulation."

6.4. Mission Statement

"To regulate and transform the industry in an ethical and efficient manner for the benefit of all stakeholders."

6.5. Values

The GGB is guided by a set of core values that guide both its operational and strategic decisions. These values - accountability, service excellence, empowerment, and a focus on employees – ensure that the organisation maintains a high standard of integrity in all its activities.

Integrity and Consistency	"We act in a consistent and transparent manner, prioritising fairness in our engagements with all our stakeholders."
Service Excellence	"We embrace excellence and teamwork in the delivery of services to our stakeholders."
Empowerment	"We take accountability for our actions and embrace opportunities for transformation and diversity."
Employee Centricity	"Our employees are our most valuable resource, and we are committed to realising each employee's full potential"

8. LEGISLATIVE AND OTHER MANDATES

The GGB is a Schedule 3C public entity as defined under the Public Finance Management Act (PFMA). It is a statutory body established in terms of Section 3 of the Gauteng Gambling Act, No. 4 of 1995 and a regulatory authority in terms of the National Gambling Act, 2004.

Relevant Legislation

The GGB fulfils its mandate in terms of, among others, the following legislation:

- Constitution of the Republic of South Africa
- National Gambling Act, 2004 (Act No. 7 of 2004)
- National Gambling Regulations, 2004
- National Limited Pay-Out Machines Regulations, 2000
- Gauteng Gambling Act, 1995 (Act No. 4 of 1995)
- Gauteng Gambling Regulations, 1997
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001)

Regulators are administrative bodies that exercise state authority through administrative actions. The Constitution mandates that all administrators exercising public power must act lawfully and responsibly, adhere to fair procedures, and provide written reasons whenever the rights of any person in a subordinate position are adversely affected.

Schedule 4, Part A of the Constitution of South Africa, outlines the functional areas over which national and provincial legislatures have concurrent legislate competence. The GGB's mandate is to cover functional areas concerning "casinos, racing, gambling and wagering, excluding lotteries and sports pools."

Core Functions

The GGB's core functions are to:

1. Oversee and control gambling activities in Gauteng, including:
 - Licensing of individuals and entities to conduct gambling and related activities.
 - Registering of persons engaged in such activities.
 - Approving and registering of all gaming devices.
 - Collecting prescribed taxes and levies on behalf of the GPG and other designated beneficiaries.
2. Manage and administer the SDF.
3. Advise the MEC on matters relating to gambling.
4. Enforce the gambling industry's compliance with the requirements of the Financial Intelligence Centre Act (FICA).

5. Supervise and enforce compliance with the requirements of the National Gambling Act (2004, as amended) by the gambling industry, including:
 - Investigation and issuing of national entity and employment licences.
 - Ensuring that national licensees continuously meet suitability requirements and comply with legislative prescripts.

6. Protect the public, which is achieved by:
 - Ensuring the integrity of gambling activities by licensing credible operators and suppliers of gaming equipment; setting and regulating gaming equipment standards; approval and registration of gaming equipment; registration of suitable persons to be engaged in gambling occupations; and ensuring regulatory compliance by licensees on an ongoing basis.
 - Eradication of illegal gambling activities to protect the public from unfair and unregulated business practices.
 - Resolving disputes and assisting punters through the adjudication of public complaints arising from gambling-related activities.
 - Collecting gambling taxes and levies on behalf of the Gauteng Provincial Government (GPG).

The GGB cooperates with relevant organisations to assist those affected by problem gambling, through the following programmes:

- Self-Exclusion Programme: An anchor programme allowing individuals to voluntarily exclude themselves from the gambling floor of any regulated outlet, ensuring they do not participate in any licenced gambling activities.
- Professional Assistance Programme: Individuals can access a network of qualified counsellors who specialise in the treatment of addiction at no cost through referral to the National Responsible Gambling Programme (NRGP) of the South African Responsible Gambling Foundation (SARGF), via a toll-free helpline at 0800 006 008.

9. ORGANISATIONAL STRUCTURE

8.1 Board of Directors

- (a) Mr. Thabo Gumbi – Chairperson
- (b) Mr. Solomuzi Mabuza – Deputy Chairperson
- (c) Adv. Matankiso Morake – Board Member
- (d) Adv. Mbhazima Maluleke – Board Member
- (e) Dr. Gugulethu Xaba – Board Member
- (f) Mr. Krish Naidoo – Board Member
- (g) Mr. Barry Hendricks – Board Member
- (h) Ms. Neo Tiro – Board Member
- (i) Ms. Lindiwe Diputla – Board Member
- (j) Mr. Sello Tleane – Board Member
- (k) Ms. Mpho Sedibe – Board Member
- (l) Ms. Nalini Maharaj – Board Member

8.2 Audit & Risk Committee Members

- (a) Ms. Carol Roskruge – Chairperson
- (b) Mr. Tebogo Selau – Committee Member
- (c) Mr. Suren Maharaj – Committee Member
- (d) Ms. Mpho Sidibe – Committee Member
- (e) Mr. Molate Mashifane – Committee Member

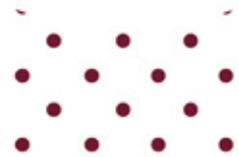
8.3 Organogram





PART B: PERFORMANCE INFORMATION

ANNUAL REPORT 2024-2025



1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA performed the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings reported under the Predetermined Objectives heading in the auditor's report. Refer to the Auditors report, published as Part F : Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

The gambling industry is complex, with extensive and continuously evolving regulatory requirements. The GGB consistently monitors and analyses emerging issues and trends that may impact the sector. One significant development has been the rapid growth in online betting, which now exceeds land-based gambling in popularity.

The increase in online gambling is driven by greater access to technology and the widespread use of advertising. These advertisements often target young adults and feature celebrities and influencers. Consequently, there is a growing vulnerability to gambling and its negative impacts.

Despite this shift, the GGB continues to face challenges regulating online betting within Gauteng. These challenges stem from restrictions in the Gauteng Gambling Act, which limit the types of bets that bookmaker licence holders are permitted to offer. As a result, the Gauteng gambling industry remains disadvantaged relative to other provinces.

To address this, the GGB has initiated a review of its founding legislation with the goal of removing current restrictions on online betting and aligning the Act with comparable legislation in other provinces.

On a positive note, the gambling industry makes a significant contribution to the national economy by generating substantial revenue. Growth in the sector - particularly in total wages and Gross Gaming Revenue (GGR) - has led to increased tax revenues for the government. The industry also creates a significant number of jobs.

However, despite the economic benefits, the industry may also exacerbate existing socio-economic inequalities. Low-income individuals, who are often more vulnerable to gambling-related problems, may be disproportionately affected by the expansion of gambling activities. To address these concerns, efforts have been made to reinforce responsible gambling outreach campaigns. These include public awareness campaigns and support services for those impacted by gambling addiction.

2.1.1 Gaming Regulation

The Board's primary objectives in regulating the gambling industry, as outlined in its Strategic Plan for the year under review, are to ensure that all gambling operations in the province are conducted in terms of the law – particularly the Gauteng Gambling Act and the National Gambling Act.

Through effective regulation, the GGB aims to ensure that:

- Gambling is free from any undue and criminal influence.
- Harm-minimisation strategies are implemented to reduce problem gambling.
- Gambling activities are conducted fairly and in accordance with approved rules, regulations and operating procedures.
- Licensees' administration, financial and security operations are conducted in accordance with the approved control procedures.
- Gambling equipment and devices meet high-quality standards and are only purchased from licensed suppliers.

2.1.2 Licensing

The GGB's primary function is to regulate and license various gambling operations and individuals to ensure a fair, transparent, and responsible gambling environment. Through its licensing activities, the GGB has upheld its commitment to inclusive economic growth by integrating job creation and transformation targets, particularly Black ownership, into license conditions. This approach aligns with the provincial priorities of lowering unemployment and enhancing socio-economic outcomes.

The licensing of natural and juristic persons ensures their eligibility in accordance with the provisions of the Gauteng Gambling Act, 1995 (as amended) and the National Gambling Act 2004 (as amended). Employees operating in low-risk areas – such as food and beverage service, and cleaning - are exempt from licensing requirements.

During the year under review, the GGB commissioned a feasibility study to establish the growth potential of the gambling market in Gauteng, including the extent of over- or under-saturation of gambling establishments/outlets. The study will also support the Board in overseeing and monitoring the equitable allocation and distribution of gambling activities in communities across the province.

To date, the GGB has issued 787 gambling licenses to Gauteng operators across the following nine categories.

Licence Type	Number of licences (as at 31 March 2025)
Bingo	20
Bookmaker	173
Casino	7
LPM Sites	545
Manufacturer	33
Race-meeting	1
Route Operators	5
Testing Agents	2
Totalizator	1
Total	787

2.1.3 Compliance Audits and Inspections

The Compliance Audit Department is responsible for regulatory audits to ensure that licensees comply in all material aspects with the provisions of relevant legislation, as well as revenue audits to ensure that weekly taxes due are correctly calculated and returns are accurate and reflect licensee activities. Furthermore, the Department reviews compliance with transformation targets and FICA compliance as legislated in the Gauteng Gambling Act.

During the year under review the Department conducted 203 compliance audits and 179 revenue audits. The number of compliance audits has increased with the licensing of new bookmakers. The Compliance Department's audit footprint is currently 1 015 licensees as per the table below:

Licence Type	Number of audits conducted (as at 31 March 2025)
Bingo	11
Bookmaker	173
Casino	7
LPM Sites	780
Manufacturer	35
Race-meeting	1
Route Operators	5
Testing Agents	2
Totalizator	1
Total	1 015

*The Board issued 43 bookmakers and 9 bingo licences during the period under review, of which some have not been operationalised. These licences will not be reflected on this table.

2.1.4 Gaming Control

Gaming Control is a core department in the GGB, responsible for overseeing and regulating gambling activities in Gauteng. The Gaming Control Department plays a critical role in delivering regulatory services to the gambling industry while advancing the GGB's strategic objectives. The Department ensures competent and high-quality service delivery by:

- Ensuring the technical and regulatory compliance of all gambling equipment;
- Ensuring operational compliance across all gambling modes; and
- Managing gambling-related information for all gambling operators.

During the reporting period, the Department met and exceeded its performance targets as outlined in both the Annual Performance Plan (APP) and Annual Operations Plan (AOP). A total of 1 067 compliance inspections were conducted across all modes of gambling against an AOP target of 1 000 inspections.

In line with Regulation 208 of the Gauteng Gambling Act, the GGB has set an APP target to approve 90% of applications for gambling equipment, devices and games within ten working days from the date of submission. The Gaming Control Department exceeded this target by processing 96.90% of applications within the designated timeframe.

In addition, the GGB, through the Gaming Control Department, continues to lead technology and innovation discussions at various platforms and forums, in line with a commitment to excellent stakeholder engagement.

2.1.5 Legal

a. Legislative Landscape

The GGB initiated a review of its founding legislation to align with industry's best practice and trends. This legislative review was preceded by the development of a policy framework, which was adopted by EXCO in February 2022.

While a comprehensive overhaul of the Gauteng Gambling Act was initially considered, the Board - after consultation with GDED Legal Advisory Services - opted to pursue targeted amendments. This decision was informed by stakeholder engagement sessions, strategic planning discussions, and alignment with the approved Annual Performance Plan (APP) for 2024/25.

In March 2025, MEC Lebogang Maile called a joint meeting with the management of the Board and GDED Legal Services to review the draft Bill. This MEC-led engagement resulted in finalisation of the draft amendments.

The draft Bill focuses on removing regulatory barriers affecting licensees as they conduct business operations, and on reducing the predictable, protracted, and preventable litigation engrained in the industry. The amendment also seeks to strengthen working relationships with all industry stakeholders.

Importantly, the Bill proposes the establishment of a tribunal as an alternative dispute mechanism to promote mediation and the review of adverse Board decisions expeditiously and with minimum costs.

The draft Bill is currently under consideration by State Law Advisors in the Office of the Premier, to ensure that it meets constitutional and legislative standards before it is certified and tabled to both EXCO and the legislature.

b. Disciplinary Committee

The Board has established a Disciplinary Committee in terms of Section 14(2)(a) of the Gauteng Gambling Act, 1995 to perform the functions outlined in Section 37(2) of the Act. These functions include:

- Conducting investigations and charging any person suspected of contravening the Act;
- Holding disciplinary proceedings in respect of the charges; and
- Making recommendations to the Board on sanctions to be imposed.

The Disciplinary Committee is comprised of members with diverse experience and expertise, including legal, finance and gaming-related backgrounds. The Board has imposed sanctions which include fines and suspended sentences where licensees were found to have contravened the legislation.

c. Litigation

The following table provides a summary of litigation matters involving the GGB during the reporting period:

MATTER	CAUSE OF ACTION	ATTORNEYS OF RECORD
1. South African Bookmakers' Association & Others vs The National Gambling Board of South Africa and & Other Provincial Gambling Boards (Case No: 75953/17)	SABA brought a declaratory application against the National Gambling Board, GGB & others declaring that they are not contravening section 7(a) of the National Gambling Act, 2004 by offering fixed odds betting on the outcome of dog races held outside South Africa.	Matabane Attorney Inc.
2. Vdiam Trading Holding (Pty) Ltd vs The Minister of SAPS and Others (Case No: 40647/18)	Vdiam Trading Holding seeks to set aside the search and seizure warrant for their premises and a spoliation order against confiscated goods.	Matabane Attorney Inc.
3. Elmiro Jose Pestana Martins vs The Minister of SAPS and Others (Case No: 13108/18)	Elmiro Jose Pestana Martins seeks to set aside the search and seizure warrant for their premises and a spoliation order against confiscated goods.	Matabane Attorney Inc.
4. Phumelela Gaming and Leisure Limited vs The MEC and Others (Case No: 11734/19)	Phumelela Gaming and Leisure served GGB, the MEC and another, an urgent interim interdict pending a final determination of a review application against the MEC decision to amend Regulation 276.	Ka-Mbonane Cooper Inc.
5. Meisie Kgaladi vs Minister of Police; And Others (Case No: 0011367)	Meisie Kgaladi seeks to set aside the search and seizure warrant at the premises where she is employed.	Thipa Attorneys Inc.
6. Mystique Internet Entertainment Lounge vs Minister of SAPS and Others (Case No: 37207/19)	Mystique Internet Entertainment Lounge seeks to set aside the search and seizure warrant at the premises where she is employed.	Mampeule Attorneys
7. Phumelela Gaming and Leisure Limited vs GGB and Others (Case No: 41790/19)	Phumelela Gaming and Leisure launched a review application against the GGB for finding the Company guilty of contravening condition 10 of its Race Meeting Licence and imposed a fine of R5 million of which R2.5 million is suspended for a period of five years.	Ka-Mbonane Cooper Inc.
8. Goldentree Asset Management LUX S.A.R.L & Another vs Chairperson of the Gauteng Gambling Board & Another (Case No: 2020/12441)	Goldentree Asset Management launched a review application against GGB seeking to review the Board decision granting consent to increase financial interest in Peermont, subject to a condition that the Second Applicant attain and indefinitely maintain a minimum of 26% BEE shareholding.	Maphanga & Associates Inc
9. Ledwaba Mazwai vs Gauteng Gambling Board & Another (Case No: 46982/12)	Ledwaba Mazwai seeks urgent interim interdictory relief, under Part A, pending the final determination of Part B in which it seeks a declaratory relief as well as a final interdict against the GGB. In Part B of the application, Ledwaba Mazwai seeks to review the GGB's decision and processes regarding tender -GGB/RFP/001.2019 ("the panel tender").	Malatji & Co Attorneys
10. Cristopher Luphahla vs Gauteng Gambling Board & Another (Case No: 21/24863)	Cristopher Luphahla seeks an order reviewing and setting aside the decision of the GGB which held that he did not have a winning ticket.	MMMG Attorneys

MATTER	CAUSE OF ACTION	ATTORNEYS OF RECORD
11. Casino Association of South Africa & Another vs Portapa (Pty) Ltd and the GGB (Case No: 9547/2018 And 38099/2018)	CASA launched a court application against Portapa (Pty) Ltd trading as Supabets and GGB seeking an order reviewing the Board's decision and declaring it unlawful for any persons other than the holder of a casino licence to offer fixed odd bets on the outcome of a casino game, including the game of roulette. The Court a quo reviewed and set aside the decision of the Board. The Supreme Court of Appeal granted the GGB leave to appeal.	Motlatsi Seleke Attorneys
12. Lucky Lukhwareni vs Gauteng Gambling Board (Case No: GAJB25404-23)	Lucky Lukhwareni referred a dispute to the Commission for Conciliation, Mediation and Arbitration (CCMA) to challenge his dismissal by the GGB on grounds that the dismissal was substantively and procedurally unfair.	Nkosi Sabelo Inc.
13. Gauteng Gambling Board vs Lucky Lukhwareni & Others (Case No: Jr 1764/2023)	The GGB launched a review against the Commissioner of the CCMA for finding that Lucky Lukhwareni was entitled to an acting allowance while in suspension.	Prince Mudau Inc.
14. Sky Bingo Cosmo City & Two Others vs Gauteng Gambling Board & Four Others (Case No: 2024-065714)	The Applicant launched a review application against the GGB decision to grant the Respondents (Eagle Eye Security Specialists (Pty) Ltd, Elastep (Pty) Ltd, Stodaset (Pty) Ltd and Zwakala Bingo (Pty) Ltd), bingo licences.	Malatji & Co Attorneys
15. Wisani Evidence Ngobeni vs Gauteng Gambling Board (Case No: J1419/22)	Mr. Ngobeni (Applicant), a former employee served on the GGB a statement of claim in the Labour Court seeking an order declaring that his resignation is void on grounds that he was mentally incapacitated at the time of his resignation.	Gildenhuys Malatji Attorneys
16. Motlatsi Seleke Attorneys vs Gauteng Gambling Board (Case No: 2025-028487)	The GGB disputed the invoices of Motlatsi Seleke on grounds of overreaching. In response, Motlatsi Seleke served on the GGB a notice of suspension of its services. On 19 February 2025, Motlatsi Seleke served and filed summons under case number: 2024-147614.	Mudau & Netshipise Attorneys
17. Bellico Gaming (Pty) Ltd vs Gauteng Gambling Board & Africa Bingo Evaton (Pty) Ltd (Case No: 2024-146169)	The Applicant launched a review application against the GGB decision to grant the Respondent (Africa Bingo Evaton) a bingo licence.	MB Mabunda Inc.

2.1.6 Law Enforcement

The Board continues to strengthen its partnership with law enforcement agencies to combat illegal gambling operations. Following the presentation by the Board on the prevalence of illegal gambling to the Provincial Joint Operational Structure (PROVJOINTS) this committee decided to form a Priority Committee on Illegal Gambling, which includes representatives from the National Prosecuting Authority (provincial office), Crime Intelligence, Gauteng Commercial Crime Investigation Unit, Asset Forfeiture Unit, Gauteng Organised Crime Investigation Unit, all District Commissioner Offices and Gauteng Provincial FLASH (Firearms, Liquor and Second-Hand Goods).

In the year under review, the law enforcement unit, in collaboration with SAPS, conducted 502 raids on illegal gambling operations, resulting in the confiscation of 922 gambling devices and equipment. Additionally, the GGB held 28 information-sharing sessions with law enforcement agencies to raise awareness and promote cooperation with similar organisations to address illegal outlets that contribute to revenue loss in the sector. Furthermore, a total of 522 disputes between punters and licensees were investigated and resolved to ensure fair gambling services are offered to the public.

Previously, law enforcement inspectors appointed by the Board were responsible for investigating non-compliance with the law, complaints and dispute resolution, and assisting law enforcement agencies in the eradication of illegal gambling. In terms of the current organisational structure, the functions of law enforcement inspectors are split into two units - investigation and illegal gambling – with five dedicated law enforcement inspectors responsible for assisting law enforcement agencies in the eradication of illegal gambling.

The Board is dependent on law enforcement agencies to eradicate illegal gambling because its inspectors are not Peace Officers in terms of the Criminal Procedure Act No. 57 of 1977 (Criminal Procedure Act). Government Notice No. R210 (Gazette 23144 of 19 February 2002) as amended by Government Notice No. R656 (Gazette 24849 of 16 May 2003), prescribes that the inspectors should undergo training prior to being declared as Peace Officers. Six of the Board's officials attended the Peace Officer training with the Nelson Mandela University from 18 to 21 November 2024, all successfully completing the programme.

Requests for clearance certificates have been submitted to the Gauteng Provincial Commissioner of SAPS to confirm that each Board official is competent to exercise the powers entrusted to peace officers of that category under Section 334 of the Criminal Procedure Act. The officials have also provided their fingerprints to SAPS in support of the abovementioned requests. Following this, the necessary application(s) will be submitted to the Minister of Justice and Constitutional Development for the formal declaration of Law Enforcement Inspectors as Peace Officers.

2.1.7 Dispute resolution

In terms of Regulation 24 of the Gauteng Gambling Regulations promulgated in terms of Section 84 of the Gauteng Gambling Act (1995, as amended), whenever a dispute arises between a punter and a licensee, as to the payment of alleged winnings or the precise amount thereof; or payment of a gambling debt or precise amount thereof by a punter to the licensee, and both parties are unable to resolve the dispute, either party may refer the dispute to the Board for resolution. Furthermore, in terms of Regulation 36(A), the Board is required to adjudicate upon a dispute between a licensee and a punter, relating to refusal of entry to licensed premises.

2.1.8 Responsible Gambling

The GGB, in line with its mandate to promote responsible gambling and combat illegal gambling activities, has successfully executed various strategic initiatives during the reporting period. These efforts were made possible through collaboration with key stakeholders, including entities under the GDED.

Through an integrated communications and marketing strategy, the GGB partnered with other entities within the Department to amplify the reach and impact of responsible gambling messaging. This collaborative initiative maximised the use of shared platforms and resources, ensuring effective dissemination of key messages across the province. As a result, the GGB was honoured with the Award for Best Marketing and Messaging by the South African Responsible Gambling Foundation (SARGF) and a Lifetime Achievement Award in honour of the late Chief Operations Officer of the GGB, Mr. Edward Lalumbe.

The GGB remains firmly committed to its mandate of promoting responsible gambling and curbing illegal gambling practices across Gauteng. Through strategic partnerships, targeted interventions, and continuous public engagement, the Board continues to play a leading role in fostering a safe, ethical and accountable gambling environment.

The GGB successfully planned and executed 30 Responsible Gambling Awareness campaigns in line with its APP targets. These campaigns were strategically implemented across various sectors of the gambling industry to promote responsible gambling messages and encourage informed and safe gambling practices. The GGB is pleased to report that all targeted focus areas were effectively covered, and the annual target for this programme has been fully achieved.

Public Awareness Campaigns

The GGB conducted extensive TV and radio campaigns aimed at addressing illegal gambling operations. These campaigns not only raised awareness but also led to the exposure of illegal gambling activities on national media platforms.

Senior Citizens Focus

Recognising the growing risk of irresponsible gambling among the elderly, the GGB developed a dedicated strategy in collaboration with the Gauteng Department of Social Development. This initiative is designed to assist senior citizens in understanding the dangers of gambling-related harm and to promote responsible behaviors within this vulnerable group.

Youth and School Campaigns

The GGB conducted comprehensive awareness campaigns in schools across Gauteng. These campaigns educated learners on the risks associated with illegal and irresponsible gambling, reinforcing the importance of making informed decisions.

Career Expo

In partnership with universities and other stakeholders, the GGB participated in career expos aimed at guiding matriculants in their future career choices. Responsible gambling messaging was also integrated into these sessions to instill awareness and preventative behavior at an early age.

2.1.9 Information Technology

The IT department operates with full efficacy to support the GGB in achieving its vision, mission and objective of becoming a leading and innovative regulator in the gambling industry. It is responsible for delivering modern and innovative solutions that align with the GGB's strategic goals by leveraging the capabilities of its IT architecture and infrastructure. This includes supporting human resource functions, managing risks, ensuring IT service continuity, providing value for money, and delivering its mandate to the people of Gauteng, as well as shaping the GGB into a public institution that upholds the highest standard of leadership in the public service and the broader gambling industry.

The IT department continues to provide technical support services to the staff and Board. The IT Strategic Plan 2020-2025 was implemented annually, guided by the IT Implementation Plan, which is aligned with the GGB's Strategic Plan. The IT Strategic Plan 2020-2025 lapsed on 31 March 2025, with 97% of implementation targets achieved. A review of the strategy is currently underway to align it with emerging technological advancements.

An ICT Corporate Governance Policy Framework is in place to ensure accountability for all governance structures, including the IT Steering Committee, Senior Management Team, Audit and Risk Committee and the Board. The IT Risk Register has been developed and is monitored quarterly. Furthermore, the IT department conducts vulnerability assessment annually to ensure that the Board information and systems are safeguarded from cyberattacks. IT-related audit findings identified by the internal and external auditors are continually being addressed and resolved.

Business process automation is a strategic priority geared towards improving service delivery as well as both the transparency and traceability of the requests submitted to the organisation, which are currently manually coordinated. The planned introduction of technology will assist in increasing GGB's efficiency for reporting and revenue collection purposes.

The IT department is responsible for the Integrated Business Automation System project and provides regular updates to the Audit and Risk Committee and to the Board. The dispute declared with the service provider has been resolved and the automation process is geared to be finalised during the 2025/2026 financial year.

Business process automation is a strategic priority aimed at enhancing service delivery and operations within the Board. The Integrated Business Automation System (iBAS) project was 58% complete as at 31 March 2025, with the remaining work underway. A comprehensive internal verification and quality assurance process is underway to validate the scope and quality of the completed components. This process is critical in ensuring compliance with defined project standards and business expectations. Additionally, User Acceptance Testing (UAT) will be conducted to further reinforce the assurance process, providing an added layer of validation from key stakeholders.

2.2. Organisational Environment

The Board of the GGB was appointed on 1 August 2023 and continues to deliver on its mandate to maintain governance and controls for the institution. In its tenure, the Board appointed the Chief Financial Officer (CFO), Company Secretary and the two Executives responsible for Regulatory Services and Corporate Services. Through the guidance of the Board and management, the GGB has improved relations with the shareholder, specifically the MEC and the GDED; resulting in improved collaboration and accountability across all GGB operations.

2.2.1 Stakeholder Relations Management

The GGB places significant emphasis on Stakeholder Relations Management as a core component of its regulatory and governance framework. This approach ensures that the Board remains responsive to the evolving needs of the gambling industry and its diverse stakeholders. The Stakeholder Management function is informed and governed by a comprehensive stakeholder strategy that aligns with continuous improvement on the Keynesian model and is aligned to the District Development Model (DDM) as articulated in the GGT 2030.

At the forefront of the GGB's relationships with stakeholders is the GGB Board, which plays a crucial role in ensuring strong governance and accountability across all organisational functions. The Stakeholder Management function is firmly grounded in a comprehensive stakeholder policy developed in alignment with King IV™ standards. The GGB confidently embraces a stakeholder-inclusive approach in its operations, understanding that a diverse range of stakeholders are integral to its strategic success and long-term sustainability. Stakeholders include licensees, members of the gambling public, regulators, government entities, non-profit organisations, and key business partners such as the SARGF. Ongoing engagements with stakeholders provide invaluable insights into the robustness of our relationships, both internally and externally.

The GDED continues to significantly enhance the GGB's efforts through its steadfast support, enabling the Agency to effectively navigate political and legislative landscapes. During this reporting period, the Gauteng Provincial Legislature and Provincial Treasury have facilitated substantial discussions on key issues related to the GGB's operations and financial performance.

2.3. Key Policy Developments and Legislative Changes

The gambling industry is technology-driven and requires rapid innovation and quick turnaround times for regulatory approvals. The Board is constantly reviewing its processes and working towards automation of processes in its regulatory environment.

Annually, the Gauteng Gambling Regulations are amended to provide an annual increase on licence and application fees which provide the necessary regulatory charge to enable the entity to discharge its mandate. This increase is determined in line with the analysis of the inflation rates and the forecast by National Treasury. The regulations are promulgated in terms of Section 84 of the Act.

2.4. Progress Towards Achievement of Institutional Impacts and Outcomes

The GGB aligns its operations with the Medium-Term Development Plan (MTDP) 2024–2029 by supporting the GDED's Programme 4, which focuses on business regulation and governance. This alignment ensures that the GGB's activities contribute to the province's broader socio-economic objectives.

The GGB's mandate and strategic goals are designed to support the MTDP's objectives as follows:

- **Gambling Regulation:** The GGB aims to regulate the gambling industry to promote ethical business conduct and transformation in alignment with government priorities.
- **Revenue Collection and Enhancement:** By efficiently collecting taxes and levies from the gambling sector, the GGB contributes to the province's fiscus, supporting socio-economic development initiatives. The GGB will focus on enhancing existing revenue sources, improving operational efficiency, increasing transparency, and eliminating loopholes to streamline the revenue collection system.
- **Responsible Gambling:** The GGB promotes responsible gambling practices to protect the public and reduce the harmful impacts of problem gambling. Public Awareness Campaigns are conducted across various media platforms to educate the public about the risks associated with illegal gambling and to encourage responsible gambling practices.
- **Eradication of Illegal Gambling:** The GGB actively combats illegal gambling to protect the public from unfair business practices and to uphold the integrity of the regulated gambling industry.

- Structural Economic Transformation: The GGB is committed to the ongoing transformation of the gambling industry and aims to promote economic growth in marginalised areas by increasing access to skills, technology, finance, and infrastructure.
- Regulatory Compliance Monitoring: The Board ensures that licensed operators adhere to the Gauteng Gambling Act and related regulations. This includes conducting inspections and taking disciplinary actions against non-compliant entities.
- ICT Integration: The GGB integrates IT into its business goals and objectives to enhance business automation in the regulatory environment.
- Re-Industrialisation: The GGB plans to commission a study for the creation of a Development Fund that is geared at improving access to finance for new entrants and manufacturers in the gambling industry. Localised production of gambling machines is expected to boost revenue through exports to other African countries.
- Research and Development: Given the evolving nature of the gambling industry and technological advancements it is essential for the GGB to stay informed through continuous research and development. This includes conducting impact analysis studies that will inform future interventions, such as assessing the saturation of gambling licences across regions, the prevalence of illegal gambling with a view to eradicating illegal outlets, and the promotion of responsible gambling.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Programme 1: Administrative Support

The programme is aimed at providing effective support in line with regulations and governance requirements through strengthening delegation, accountability and oversight. Under this programme the GGB has seven targets which were all achieved: with overachievement on the GEYODI targets.

- Percentage of procurement towards women owned businesses at 43,1% against the 40% target.
- Percentage of procurement towards youth owned businesses at 34,8% against a 30% target.
- Percentage of procurement towards People with Disabilities at 9,27% against a target of 2%.

Programme 2: Gambling Regulation

The purpose of this programme is to regulate the gambling industry to generate revenue towards the socio-economic development of the province. The programme has five targets, which were all achieved and aligned within prescribed timeframes.

Programme 3: Revenue Collection

The targeted percentage change in gambling taxes collected annually was not achieved. The GGB realised an increase of 2% against the targeted 7%. This is as a result of loss of revenue due to the rise of illegal gambling outlets and declining taxes in land-based operators; the growing prevalence of online betting which is regulated by other Provincial Licensing Authorities; and poor economic performance, leading to lower-than-expected tax collections, amongst others.

Programme 4: Transformation of the Gambling Industry

The revised APP 2024/25 has reduced the targets for the transformation programme to two, with the third target deferred to the next financial year. The two targets for 2024/25 were achieved, including a commissioned study and sufficient jobs created by the industry. The job creation target was overachieved at 1 405 against 270.

Programme 5: Eradication of Illegal Gambling

The purpose of the programme is to curb the proliferation of illegal gambling outlets through the targeted enforcement raids. In collaboration with law enforcement agencies, the GGB exceeded its target of 500 raids by executing 502 raids during the reporting period marking the highest number of raids conducted in any year to date.

Programme 6: Responsible Gambling

The Responsible Gambling programme seeks to minimise the negative impact of gambling in Gauteng through the delivery of awareness campaigns that promote responsible gambling. The GGB targeted 30 awareness campaigns, which were achieved in this financial year.

Programme 7: Socio-Economic Investment

The Socio-Economic Investment programme set three targets related to the Sports Development Fund (SDF), Corporate Social Investment (CSI) as well as CSI initiatives for People with Disabilities. The GGB achieved targets related to the SDF and CSI for People with Disabilities as per the budgeted Rand value for those projects. CSI targets were not achieved due to budgetary constraints resulting from the low revenue collection.

**Table 2.4.4.1: Performance report against the re-tabled APP:
Programme 1 – Administration**

Purpose: Provide effective support in line with regulations and governance requirements.

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/245	Reasons for deviations
Innovative and efficient regulator	Strong governance and regulatory compliance	Auditor-General audit outcome	Clean audit opinion received from the Auditor-General	Clean audit opinion received from the Auditor-General	Clean Audit opinion received by AGSA	Still pending	None	The Board improved governance issues
	Efficient and smart business processes	Percentage of supplier payments made within 15 days after receipt of the correct invoice	New indicator	99%	100%	100%	None	Internal processes and adherence to the turnaround time have improved
		% of procurement spend towards women owned suppliers	90%	54,6%	40%	43,12%	3,12%	Successful implementation of the Procurement Strategy aligned to GEYODI targets
		% of procurement spend towards youth owned suppliers			30%	34,8%	4,8%	Successful implementation of the Procurement Strategy aligned to GEYODI targets
		% of procurement spend towards persons with disabilities	New Indicator		2%	9,27%	7,2%	Successful implementation of the Procurement Strategy aligned to GEYODI targets
		Approved Stakeholder Relations Management Strategy	New Indicator		1	1	None	N/A
		Number of stakeholder engagement sessions held annually	New Indicator	New Indicator	2	2	None	N/A

**Table 2.4.4.2: Performance report against the re-tabled APP:
Programme 2 – Gambling Regulation**

Purpose: To regulate the gambling industry in order to generate revenue towards the socio-economic development of the province

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/245	Reasons for deviations
Improved Gambling Industry Compliance	Gambling Licence applications finalised to facilitate business efficiency	% of gambling licence applications received and processed within 120 working days	100%	100%	100%	100%	None	N/A
		% of employee registration applications received and processed within 45 working days	100%	100%	100%	100%	None	N/A
		% of gaming equipment applications received and processed within 10 working days	90%	90%	90%	98,6%		Improved effort to do the work in the required turnaround time
	Investigate noncompliance by gambling licensees	% of licensees' non-compliance incidences investigated and referred to the CEO within 70 working days	100%	100%	100%	100%	None	N/A
	Gambling disputes resolved	% of gambling disputes finalised against those received within 70 days	100%	100%	100%	100%	None	N/A

**Table 2.4.4.3: Performance report against the re-tabled APP:
Programme 3: Revenue Enhancement and Collection**

Purpose: To Ensure complete and accurate gambling tax revenue collection

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/245	Reasons for deviations
Increased economic growth	Increased Gambling Tax Revenue collected annually	% change in gambling taxes and levies revenue collected annually	22%	16%	7%	2% (increase) (1405)	The GGB only increased by 2% from the baseline	Decline in revenue collection from land-based gambling operations

**Table 2.4.4.4: Performance report against the re-tabled APP:
Programme 4: Transformation of the Gambling Industry**

Purpose: To entrench and broaden transformation of the gambling industry

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/245	Reasons for deviations
Gambling industry transformation	Commission a feasibility study for issuing of new licences in the different regions of the province	Feasibility study report	New Indicator	New Indicator	1 study	1	None	None
	Job Creation	Number of industry jobs created	700	0	270	1 405	1 135	The issuance of LPM Employee Licences and the operationalisation of Bookmaker licences issued in 2022 improved the intake on jobs

**Table 2.4.4.5: Performance report against the re-tabled APP:
Programme 5: Eradication of Illegal Gambling**

Purpose: Ensuring that gambling activities are conducted in terms of the Gambling legislation.

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/245	Reasons for deviations
Improved gambling industry compliance	Incidents of illegal gambling reduced	Number of gambling sites closed	478	438	500	502	2	Proactive engagements to collaborate with the public and law enforcement agencies

**Table 2.4.4.6: Performance report against the re-tabled APP:
Programme 6: Responsible Gambling**

Purpose: To minimise the negative impact of gambling in Gauteng

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/245	Reasons for deviations
Improved gambling industry compliance	Increased awareness of responsible and illegal gambling	Number of gambling awareness programme conducted for public awareness	24	24	30	30	N/A	N/A

Table 2.4.4.7: Performance report against the re-tabled APP
Programme 7: Socio Economic Investment

Purpose: Reducing the hardships of society through socio economic interventions

Outcomes	Outputs	Output indicators	Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Increased economic growth through socio-economic development	Rand value invested to support socio-economic development.	Rand Value funding through SDF	R24 million	R25,5 million	R25,5 million	R28,2 million	R2,7 million	Proactive engagements in funding sports development initiatives including combi courts at school
		Rand Value of projects to assist people with disabilities	New Indicator	R1 million	R2 million	R4,2 million	R2,2 million	Disability capacity building programmes
		Rand value funding distributed for socio economic development (CSI)	R3,2 million	R3,5 million	R4,5 million	R1 750 mill	R2,75 million	Constrained operational costs that were further impacted by the reduced revenue collection

Linking performance with budgets

Programme/activity/objective	2024/2025			2023 2024		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	107,294	73,766	33,528	101,087	100,809	278
2. Gambling Regulation	89,119	103,481	(14,362)	92,366	91,860	506
3. Revenue Collection	12,349	12,645	(296)	12,014	12,281	(267)
4. Transformation of gambling industry	4,797	4,797	-	6,753	7,072	(319)
5. Eradication of illegal gambling	10,488	10,809	(322)	7,234	9,984	(2,750)
6. Responsible Gambling	14,025	14,238	(213)	12,385	15,550	(3,165)
7. Socio-Economic Development	6,285	4,535	1,750	12,236	14,511	(2,275)
Total	244,3566	224,272	20,085	244 ,075	252 ,067	(7 ,992)

4. REVENUE COLLECTION

Sources of Revenue	2024/2025			2023/2024		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Licence Fees	80 571	76 627	(3 944)	76 010	75 997	(13)
Applications and Registration Fees	8 498	6 037	(2 461)	12 262	10 932	(1 330)
Sports Betting Levy	24 519	25 994	1 474	22 290	22 502	212
Collection Commission	121 419	100 458	(20 960)	113 694	98 914	(14 780)
Recoveries from Investigations	1 989	2 402	413	1 876	1 595	(281)
Penalties Charged	-	1 409	1 409	-	28 811	28 811
Interest Received	6 485	4 669	(1 817)	6 118	6 525	407
Sundry Income	875	21 124	20 249	11 825	17 165	5 340
Total	244 356	238 720	(5 637))	244 075	262 441	18 366

4.1. Licence Fees

Licence fee collections are lower than anticipated for the year ending 31 March 2025. GGB collected R76.6 million against the budget target of R80.5 million, which represents 4% less than targeted.

4.2 Application and Registration Fees

Application and registration fee collections were lower than the budgeted amount by 29% for the year ending 31 March 2025. GGB collected R6.0 million against the targeted budget of R8.4 million. This was driven by a lower number of employee registration applications by the licensees.

4.3 Sport Betting Levy

Sports betting levy collections were higher than the revenue projections for the year under review. GGB collected R25.9 million for the year ending 31 March 2025, against the targeted budget of R24.5 million, which represents 6% more revenue than targeted. The higher revenue collection was due to the bookmaker's activities.

4.4 Collection Commission

GGB collected R100.4 million for the collection commission. This is 17% lower than the budgeted target of R20.9 million. The lower revenue was due to lower taxes and levies collected.

4.5 Recoveries from Investigations

GGB recovered R2.4 million from investigations, which is higher than the budgeted amount of R1.9 million. However, it should be noted that the Board approved new charge-out rates for investigators, which were implemented on 01 April 2024.

4.6 Penalties Charged

GGB raised a penalty of R1.4 million from one of its licensees for a late payment of taxes and levies.

4.7 Interest Received

GGB earned an interest amount of R4.6 million against the budgeted amount of R6.4 million for the year ending 31 March 2025. This was mainly due to the lower bank balance.

4.8 Sundry Income

GGB collected R466 000 in rental income for the year ended 31 March 2025; the Board transferred R15 million from SDF to operations as per the Gauteng Gambling Act; and received R427 000 from the DED for the probity auditors. The Board, after the budget speech by the MEC of Finance, received R5 million from the Department.W

5. CAPITAL INVESTMENT

The GGB has neither a maintenance plan nor a capital investment plan. Its land and building have been valued as per the GGB non-current asset policy in the current financial year 2024/2025. The land and building were revalued at R163,8 million in the 2024/2025 financial year, which represented an increase of 31% in the carrying value of the land and building. The valuer's report indicates that the building is well maintained, and that the workmanship is of a very good standard.

The most significant additions to assets during the year were computers and intangible assets under development. The GGB has procured additional laptops and computers due to the increase in staff.

The estimated useful lives of assets were assessed at year-end and found to be reasonable.



PART C:
GOVERNANCE
ANNUAL REPORT 2024-2025



1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King IV™ Report on Corporate Governance.

The GGB remains steadfast in its commitment to integrity, fairness, transparency, and accountability across all its operations. In pursuit of these principles, the Board consistently upholds the highest standards of corporate governance in both its daily activities and the ongoing enhancement of best practices. With support from management, the Board assumes overall responsibility for governance, aiming to entrench a culture rooted in high performance, regulatory compliance, and exemplary governance practices.

2. PORTFOLIO COMMITTEES

The Gauteng Provincial Legislature exercises oversight over government policies, budgets, and performance, including that of provincial departments and public entities, by holding the MEC accountable. This oversight is implemented primarily through the work of Portfolio Committees, which review provincial legislation, monitor government activities, and engage with the public. The GGB falls under the oversight of the following Portfolio Committees:

- Standing Committee on Public Accounts (SCOPA): Reviews Annual Financial Statements and the audit findings of the Auditor-General.
- Portfolio Committee on Economic Development: Oversees the service delivery performance of public entities, scrutinises non-financial aspects of annual reports, and monitors initiatives related to economic development and inclusivity (youth, women, and people with disabilities).
- Committee on Scrutiny of Subordinate Legislation: Ensures that provincial subordinate legislation remains consistent with principal legislation.
- During the reporting period, Portfolio Committees raised key concerns and areas of interest, including:
 - Revenue trends and the prioritisation of meeting annual targets.
 - Progress on the review of gambling legislation, particularly the inclusion of interactive gambling.
 - Progress on declaring law enforcement inspectors as peace officers.
 - Clarity in the root causes of the inability to regulate online gambling, and what urgent interventions are made to mitigate an additional negative impact on revenue generation.
 - Progress on active investigations.
 - Status of litigation and labour matters
 - Feedback on Casino tax Regulations
 - Measures to address revenue losses due to online gambling.
 - Efforts to curb illegal gambling operations.
 - Prioritization of GEYODI (Gender, Youth, Disability) initiatives within the GGB's activities.
 - Legal Costs
 - Responsible gambling strategy for senior citizens

The Portfolio Committee on Economic Development expressed appreciation for the GGB's achievements, appreciated the work of the Board and CEO and the management, and praised the GGB's continued efforts to strengthen controls and support initiatives to curb illegal gambling, raise awareness on the risks associated with gambling, and enhance revenue generation through legislative reforms. The committee re-emphasised the implementation of the Township Economic Development Act as part of APP targets for the entity.

3. EXECUTIVE AUTHORITY

The Executive Authority of the GGB is the Gauteng MEC for Economic Development. The Executive Authority exercises oversight as prescribed by the PFMA and the Gauteng Gambling Board Act, particularly concerning the Strategic Plan, APP, budgets, Memoranda of Understanding, and the Board's reporting obligations. The Board serves as the Accounting Authority for the GGB, and its relationship with the Executive Authority is governed by a Shareholder Compact that promotes accountability and transparency in line with the PFMA and the objectives of the GDED.

The GGB submits quarterly reports, budgets, a five-year strategic plan, and its Annual Report to the Executive Authority, who, in turn, forwards these to relevant legislative bodies such as the Portfolio Committee on Economic Development and SCOPA.

The GGB provides monthly progress reports to its shareholder, in addition to attending GDEDs senior management team and executive management team meetings. Board-approved reports are submitted to the GDED on a quarterly basis. Ad hoc data and information are provided when requested. The Board attends briefing sessions when requested by the Executive Authority. A shareholder representative serves on the Board and attends Board meetings.

4. THE ACCOUNTING AUTHORITY / BOARD

The GGB was established under Section 3 of the Gauteng Gambling Act to regulate and oversee gambling activities within the province on behalf of the Gauteng Provincial Government. The Board consists of up to twelve non-executive members, including a Chairperson and Deputy Chairperson, all appointed by the MEC in line with legislative requirements. Adhering to best practices, the roles of Chairperson and CEO are distinctly separated to ensure independence and good governance. The Deputy Chairperson leads the Board in the Chairperson's absence or in instances of a conflict of interest.

The CEO is entrusted with executing approved strategies, implementing policies, and managing the organisation's daily operations. Board members are selected based on their diverse expertise and backgrounds, ensuring that the Board exercises transparent, objective, and independent judgment while steering the GGB's strategic direction and monitoring its performance against key indicators.

4.1 The role of the Board is as follows:

The Board's responsibilities are centred around ensuring clean and strong governance through:

- Setting the strategic direction for the GGB.
- Considering and approving operational budgets and business plans proposed by management.
- Delegating authority for capital projects and major expenditures.
- Overseeing organisational performance against objectives.
- Monitoring and reporting on governance, strategy execution, and operational outcomes.
- Identifying and managing key risks.
- Promoting ethical conduct and compliance with relevant legislation, policies, and internal codes of conduct.
- Maintaining accountability and responsiveness towards stakeholders.
- Upholding the principles of sound corporate governance through regular review and assessment.

The Board annually reviews its strategic agenda to ensure sufficient focus on planning and performance tracking.

4.2 Conflicts of Interest

Board members must promptly declare any conflicts or potential conflicts of interest, with declarations made annually and as matters arise during Board and committee meetings.

4.3 Board Charter

The Board Charter sets out the roles, duties, and responsibilities of the Board, as well as salient corporate governance principles. The Board and committee charters are revised annually to ensure effectiveness and relevance. In line with the Charter, the Board met a minimum of four times during this financial year to discharge its duties as set out in the PFMA and the King IV™ Report on Corporate Governance. Proceedings at meetings are directed by a formal agenda. The proposed agenda is circulated prior to the meeting to allow Board members sufficient opportunity to request additional agenda items. In addition, a comprehensive Board pack is distributed to all members in advance of meetings, to ensure that they are properly informed and to enable them to undertake meaningful discussions and effectively discharge their duties.

Board members also have full access to the Company Secretary, Board records, and external professional advice where appropriate.

4.4 Composition of the Board

The GGB Board comprises 12 non-executive members appointed by the MEC under the Gauteng Gambling Act.

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Mr. Thabo Gumbi	Chairperson of the Board	01 August 2023	-	National Diploma in Marketing, BTech Marketing, Master of Business Administration	<ul style="list-style-type: none"> Corporate Administration; Business Strategy; Business Development; Marketing. 	<ul style="list-style-type: none"> Non-Executive Board Member - Rhiza Ventures Non-Executive Board Member – Rays of Hope Board Non-Executive Board Member - Ngangezwe Foundation Board Trustee - mines 1970 Pension and Provident Funds Trustee - TEBA Employees Trust. 	<ul style="list-style-type: none"> Chairperson of the Technical Committee on Transformation, Social and Ethics Member of the HR & Remuneration Committee
Mr. Solomuzi Mabuza	Deputy Chairperson of the Board	01 August 2023	-	Bachelor of Theology (Honours)	Theology	<ul style="list-style-type: none"> Trustee – Gauteng Partnership Fund Member of the Gauteng Ethics Advisory Council 	<ul style="list-style-type: none"> Chairperson of the Dispute Resolution Committee Member of the Technical Committee on Transformation, Social and Ethics
Adv. Matankiso Morake	Board Member	01 August 2023	-	Bachelor of Laws (LLB), Professional Certificate in Data Analytics	Law and Data Analytics	<ul style="list-style-type: none"> Advocate of the High Court of South Africa Advocate of the Pan African Bar Association of South Africa Co-Founder Analytics (Pty) Ltd. 	<ul style="list-style-type: none"> Chairperson of the Legal Committee. Member of the Technical Committee on Transformation, Social and Ethics
Adv. Mbhazima Maluleke	Board Member	01 August 2023	-	MPA (Master's degree in Public Administration) Programmes in Advanced Strategic Management, LLB, BA in Development Studies, Advanced Diploma in Business Management	Law	<ul style="list-style-type: none"> Private Practice with Law Chambers at Hatfield Practising Advocate in the National Bar Council of South Africa Director of Jamela Estate (Pty) Ltd Director of Quantum Global Africa (Pty) Ltd Directors of Cosmic Global Corporation 	<ul style="list-style-type: none"> Member of the Legal Committee and Member of the Dispute Resolution Committee.

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Dr. Gugulethu Xaba	Board Member	01 August 2023	-	National Diploma in Company Administration, BTech Corporate Administration, M Tech Entrepreneurship, D-Tech Organisational Leadership.	Corporate Administration	<ul style="list-style-type: none"> · Director of the CPO, Lighthouse Community Centre · IoDSA Member 	Member of the Gaming and Responsible Gambling Committee; and Member of the Technical Committee on Transformation, Social and Ethics
Mr. Krish Naidoo	Board Member	01 August 2023	-	B-Proc, MLITT (Strategic Studies) Certificate in Banking Law and Financial Markets.	Law and Finance	<ul style="list-style-type: none"> · Director of JRN Investments (Pty) Limited · Director of KZN Strategy Consultants (Pty) Limited · Sole Shareholder of KZN Strategy Consultants (Pty) Limited. 	Chairperson of the Gaming and Responsible Gambling Committee; and member of the Human Resource and Remuneration Committee
Ms. Mpho Sedibe	Board Member	01 August 2023	-	BCom Accounting, BCom Accounting Honours, Post Graduate Organisational and Business Psychology, Diploma in Theology, Bible Studies and Pragmatic Ministry. IODSA certified director Chartered Accountant (South Africa); and Certified Expert in ESG and Impact Investment (Current)	Finance	<ul style="list-style-type: none"> · Founder and Managing Executive Director, MOPSY. Group · Chairperson, Altron Ascent Trust · Acting Trust Chairperson, SGS South Africa Community Trust. · Trustee, Nova Pioneer Property Trust. · Trustee Chairperson, Andress & Hauser Ubuntu Trust. · Trustee, Tribe of Judah Trust. · Non-Executive Director, Film and Publications Board. · Director Group Audit Committee, City of Johannesburg. · Non-Executive Director, Light Workplace NPC · Director, Instill Education Foundation NPC · Non-Executive Director: Clean Utilities Technical Assistance Facility NPC 	Member of the Audit and Risk Committee; Member of the Dispute Resolution Committee; and Member of the Legal Committee
Ms. Lindiwe Diputla	Board Member	01 August 2023	-	Certificate in Management and Business Accounting.	Public Administration	<ul style="list-style-type: none"> · Non-Executive Board Member, SOE 	Chairperson of the HR & Remuneration Committee; and Member of the Technical Committee on Transformation, Social and Ethics

Name	Designation	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams
Ms. Nalini Maharaj	Board Member	01 August 2023	-	B Proc, Bachelor of Laws (LLB), Corporate Governance, Financial Accounting for Public Entities,	Law and Finance	<ul style="list-style-type: none"> · Sole Proprietor/ Director N. Maharaj Attorneys/Ishana Maharaj Inc. · Board member – Overberg Water · Board member – Housing Development Agency · Board member – IRBA · Board member – South African Institute for Drug Free Sport 	Member of the Legal Committee; and Member of the Dispute Resolution Committee
Mr. Sello Tleane	Board Member	01 August 2023	-	BA in Politics and Public Administration, BA in Politics (Honours).	Public Administration and Politics	<ul style="list-style-type: none"> · Former Member of Parliament, of the Republic of South Africa 	Member of the Legal Committee and The Gaming and responsible Gambling Committee
Ms Neo Tiro	Board Member	01 August 2023	-	BA (Politics, Philosophy and Economics)	Corporate Governance and Business Development	<ul style="list-style-type: none"> · Director in Silofuture (Pty)Ltd · Director in Hadhi Foundation NPC · Director in Teremity (Pty) Ltd 	Member of the HR & Remuneration Committee and Member of the Gaming and Responsible Gambling Committee
Mr. Barry Hedricks	Board Member	01 August 2023	-	BSC in Zoology and Plant Science	Sport Administration	<ul style="list-style-type: none"> · Trustee Member of the Thoroughbred Horseracing Trust 	Member of The Dispute Resolution Committee

4.5 Board Committees

In terms of the Gauteng Gambling Board Act, the Board may establish committees to assist in the execution of its duties, powers and authorities, including monitoring the performance of the organisation to gain assurance that progress is made towards the GGB's objectives, within the limits imposed by the Board.

Each committee has clear terms of reference under which authority is delegated by the Board. The office of the Company Secretary provides secretarial services to the Board and each of the committees. To assist in fulfilling its mandate, the Board has established the following permanent committees:

- **Audit and Risk Committee.** The purpose of the Audit and Risk Committee (ARC) is to assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and control processes, the operation of adequate risk management processes and the review of the preparation of accurate and timely financial reports and statements by management, in compliance with all applicable legal requirements and accounting standards.

The independent members of the Audit and Risk Committee were appointed on 01 October 2023 and met during the year as detailed in the table below.

- **Gaming and Responsible Gambling Committee.** The purpose of this committee is to advise the Board on the formulation and implementation of responsible gambling policy. The committee also oversees gambling activities on behalf of the Board and formulates policies on matters related thereto.
- **Technical Committee: Transformation, Social and Ethics.** The purpose of this committee is to assist the Board with the oversight of social and ethical matters relating to the GGB.

- **HR & Remuneration Committee.** The purpose of this committee is to review, advise and make recommendations to the Board on matters relating to all corporate services. These are matters such as human resources, facilities management, corporate governance and any other related matters as delegated by the Board.
- **Legal Committee.** The role of this committee is to assist the Board with the oversight and the provision of technical and strategic advice on legal matters relating to the GGB.
- **Dispute and Resolution Committee.** The role of the committee is to provide guidance to the Board in relation to section 37 disciplinary processes against licensees, and, where appropriate, contribute objectively to policy development through reporting on key policy and Section 37 issues.

Each committee operates within clearly defined terms of reference and is supported administratively by the office of the Company Secretariat. The table below summarises the attendance of the various Board and Committees from 01 April 2024 to 31 March 2025.

Committee	No. of members	Name of members	No. of meetings held	Number of meetings attended
Audit and Risk Committee	05	Ms. Carol Roskrige - Chairperson	6	6/6
		Mr. Tebogo Selau		6/6
		Mr. Suren Maharaj		5/6
		Ms. Mpho Sedibe		6/6
		Mr. Molate Mashifane		6/6
Gaming and Responsible Gambling	05	Mr. Krish Naidoo - Chairperson	4	4/4
		Mr. Sello Tleane		4/4
		Dr. Gugulethu Xaba		4/4
		Ms. Neo Tiro		4/4
		Ms. Nalini Maharaj		4/4
Technical Committee on Transformation, Social and Ethics	05	Mr. Thabo Gumbi - Chairperson	4	4/4
		Mr. Solomuzi Mabuza		¼
		Dr. Gugulethu Xaba		¾
		Ms. Lindiwe Diputla		4/4
		Adv. Matankiso Morake		¾
Legal Committee	04	Adv. Matankiso Morake - Chairperson	5	4/5
		Adv. Mbazima Maluleke		5/5
		Ms. Mpho Sedibe		5/5
		Mr. Sello Tleane		5/5
Dispute Resolution Committee	05	Mr. Solomuzi Mabuza - Chairperson	4	2/4
		Ms. Nalini Maharaj		4/4
		Adv. Mbazima Maluleke		4/4
		Ms. Mpho Sedibe		4/4
		Mr. Barry Hendricks		4/4
Human Resource and Remuneration Committee	4	Ms. Lindiwe Diputla - Chairperson	4	4/4
		Mr. Thabo Gumbi		4/4
		Ms. Neo Tiro		4/4
		Mr. Krish Naidoo		4/4

4.6 Remuneration of Board Members

Board members' remuneration is paid by GGB funds, with rates determined by the MEC in accordance with Treasury guidelines. The last remuneration review occurred in 2018, and these rates remain applicable. Travel expenses are governed by the GGB Subsistence and Travel Policy. Full remuneration details are disclosed in the Annual Financial Statements.

Name	Remuneration
Mr. Thabo Gumbi	R606 197.00
Mr. Solomuzi Mabuza	R206 411.50
Dr. Gugulethu Xaba	R235 414.00
Adv. Matankiso Morake	R315 239.00
Adv. Mbhazima Maluleke	R240 693.00
Ms. Nalini Maharaj	R240 236.00
Mr. Sello Tleane	R239 022.00
Ms. Lindiwe Diputla	R302 945.00
Mr. Barry Hendricks	R197 496.00
Ms. Mpho Sedibe	R310 400.00
Mr. Krish Naidoo	R261 270.00
Ms. Neo Tiro	R227 880.00
Audit and Risk Committee	
Ms. CL Roskrige	R147 900.00
Mr TR Selau	R102 388.00
Mr. S Maharaj	R81 024.00
Disciplinary Committee	R297 000.00
Total	R4 011 515.50

5. RISK MANAGEMENT

The GGB, through its approved Risk Management Framework and Policy, has organised its risk management architecture to optimise its risk management capability. The GGB is committed to an enterprise-wide risk management process that is in accordance with the provisions of the PFMA (and other prescripts of good governance, such as the King IV™ Reports on Corporate Governance for South Africa). This shared responsibility rests with individuals at all levels of the organisation. During the year under review an effective risk management strategy has been in place to ensure that key risks identified in the annual risk assessments are effectively managed. Throughout the financial year, the risk profile is assessed to determine effectiveness of risk mitigation and emerging risks are tracked accordingly.

The GGB has ensured that there is an Audit and Risk Management Committee in place to provide oversight of the organisation's risk management systems. This oversight includes risk advisory, risk monitoring and commissioning independent monitoring of the system of risk management in the organisation. The Audit and Risk Management Committee played an important role in ensuring that key risks were mitigated to acceptable levels to ensure that the organisation meets its performance targets. Overall risk mitigations have yielded positive results which have seen notable improvements in performance, specifically programme risks.

6. INTERNAL CONTROL UNIT

The Internal Audit function is outsourced to RAKOMA & Associates Inc. who serve as an independent business unit that reports administratively to the CEO and functionally to the Audit and Risk Committee as provided for in the PFMA. Its main function is to give assurance to Management and the Board on the adequacy and effectiveness of controls, governance and risk management. At the beginning of each financial year, the Audit and Risk Committee approves the Internal Audit Plan, which is based on critical risks facing the Agency and covers all business units within the GGB. In the year under review, the Internal Audit Charter within which the internal audit functions, was reviewed and approved by the Audit and Risk Committee.

The GGB's Internal Audit process complies with all the international standards for professional practice of internal auditing as issued by the Institute of Internal Auditors. This is predicated on the outcome of the External Quality Assessment Review, which adjudged the Internal Audit to have obtained a "generally conforms" rating.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

The Audit and Risk Committee of the Board consists of a minimum of three members and maximum seven members appointed by the Board, the majority of whom are independent to the organisation and the Board. The Committee is chaired by an independent member and meets at least four times per annum and operates within an approved charter and has discharged its responsibilities for the year under review, in compliance with approved Terms of Reference.

The primary role of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities in areas such as financial management and reporting, the adequacy and effectiveness of the risk management and internal control systems, as well as fraud and ethics management within the GGB. The Committee is responsible for ensuring that the GGB's internal audit function is independent and has the necessary resources, skills, standing, and authority within the organisation to enable it to discharge its responsibilities effectively.

The Board has delegated the oversight of risk management to the Audit and Risk Committee. The purpose of the Audit and Risk Committee is to:

- Assist the Board in discharging its duties relating to the safeguarding of assets.
- The operation of adequate systems and control processes.
- The operation of adequate risk management processes.
- The review of the preparation of accurate and timely financial reports and statements by management.

The Committee acts primarily in an advisory capacity and does not have executive responsibilities, except in relation to:

- The approval of non-audit services performed by internal and external auditors.
- The approval of terms of engagement, and fees to be paid to the internal and external auditors.
- Approval of the appointment of internal auditors.

In addition, the Board specifically requires management to implement a system of control for identifying and managing risk. The Board, through the Audit and Risk Committee, regularly reviews the effectiveness of the system.

In this regard the role of the Audit and Risk Committee is to ensure that:

- Appropriate risk and control policies are in place and are communicated throughout the organisation.
- The process of risk management and the system of internal control are regularly reviewed for effectiveness.
- There is an ongoing process of identifying, evaluating and managing the significant risks faced by the GGB (including compliance and IT-related risks) and that this is in place throughout the year.
- A formal risk assessment is undertaken annually.
- There is an adequate and effective system of internal control in place to manage the more significant risks faced by the group to an acceptable level.
- A Risk Register is maintained and kept up to date.
- Appropriate insurance cover is placed and regularly reviewed, and that all uninsured risks are reviewed and managed.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms. Carol Roskrug	BSC Degree; BSC Honours; Master of Science and Master of Business Leadership in Finance and Corporate Governance	N/A	N/A	19 October 2023		6/6

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Mr. Tebogo Selau	CA (SA), Bachelor of Commerce in Accounting; BCom Honours degree (Accounting); (CTA), Post Graduate, Diploma in Accounting Sciences; and Bachelor of Laws (LLB)	N/A	N/A	19 October 2023	-	6/6
Mr. Suren Maharaj	BCom, Hons BCompt, CA(SA), MBA (cum laude)	N/A	N/A	19 October 2023	-	5/6
Ms. Mpho Sedibe	BCom Accounting; BCom Accounting Honours; Post Graduate Organisational and Business Psychology; Diploma in Theology, Bible Studies and Pragmatic Ministry; IODSA certified director; Chartered Accountant (South Africa); and Certified Expert in ESG and Impact Investment (Current)	N/A	N/A	19 October 2023	-	6/6
Mr. Molate Mashifane	BA in Government Administration and Development; PGDip Risk Management, PGDIP; Project Management (Cum Laude) PGDIP in Business Management and Administration; Master of Business Administration	N/A	N/A	25 March 2024	-	6/6

8. COMPLIANCE WITH LAWS AND REGULATIONS

The GGB is established in terms of Section 3 of the Gauteng Gambling Act and is a Schedule 3C public entity in terms of the PFMA. The Board is directly accountable for ensuring comprehensive compliance with a wide array of statutory, regulatory, supervisory, and best practice requirements. To accomplish this significant task, the Board has established a proactive legal compliance function that safeguards the organisation's integrity. In this regard, every business unit is expected to possess an in-depth understanding of the relevant laws and regulations that govern their operations and is obligated to diligently monitor and assess their compliance with these crucial legislations.

The Audit and Risk Committee of the Board has approved a detailed and comprehensive Compliance Framework, which meticulously outlines the compliance universe and sets forth strong protocols for effective compliance monitoring and reporting.

In this effort, the Legal Services Department plays an indispensable role, assisting the Board in managing compliance risks effectively. This department provides insightful quarterly reports that detail the current levels of compliance to the Audit and Risk Committee, fostering transparency and accountability. To ensure unwavering adherence to legal requirements, the Board employs a sophisticated software tool specifically designed for tracking and monitoring compliance, enhancing the organisation's ability to uphold its commitment to legal and ethical standards.

8.1 Compliance with the Promotion of Access to Information Act (PAIA, Act 2 of 2000)

During the year under review, a total of five requests for information were received and processed in terms of the PAIA. The report on the requests is compiled and submitted to the Information Regulator, as required in terms of Section 32 of PAIA (2000, as amended).

8.2 Compliance with the Protection of Personal Information Act (POPIA, 2013)

During the 2024/2025 financial year, the Board continued to conduct a comprehensive analysis on the impact of POPIA (2013) on the organisation to identify gaps in relation to data protection and ensuring that it has the necessary internal control measures to meet the legislative requirements.

9. FRAUD AND CORRUPTION

The GGB views fraud and corruption as serious issues that impact the quality-of-service delivery and erode the trust and confidence of our stakeholders. To tackle these concerns, the GGB has implemented a Fraud Prevention Plan, which includes provisions for whistleblowing. This plan underscores the GGB's commitment to minimising and regularly monitoring the Board's exposure to corrupt activities, supported by periodic risk assessments.

The Fraud Prevention and Whistle Blowing Policy enables whistle-blowers to report any misconduct or unethical behaviour anonymously and independent investigations are conducted and report to the Audit and Risk Committee where required.

The hotline is managed by an independent and reputable service provider, ensuring the anonymity of anyone who chooses to make a report. Reference numbers are issued so that those reporting incidents can follow up on matters should they wish to do so. Awareness sessions on the prevention of fraud and corruption were conducted with employees throughout the financial year. The GGB has a zero-tolerance policy towards bribery, fraud, and corruption involving members of the Board, employees, contractors, suppliers, and other business partners.

10. MANAGING ETHICS AND CONFLICT OF INTEREST

The GGB has established a comprehensive policy document that details the guidelines and requirements for conflict-of-interest disclosures. All Board and staff members are required to declare any potential conflicts of interest that may arise in relation to matters currently under consideration by the Board. Board members must also provide an annual declaration outlining any potential conflicts. At every meeting, a designated opportunity is provided for attendees to openly disclose any conflicts pertaining to the agenda items, fostering transparency and accountability.

11. CODE OF CONDUCT

The Code of Ethics is a fundamental pillar of our induction program for all new board members and staff, ensuring that every member embraces a strong commitment to ethical conduct from the outset. The GGB has developed this Code to actively prevent unethical behaviour while fostering a culture of integrity and ethical decision-making among all board members, employees, and relevant stakeholders.

In the year under review, no breach of the Code of Conduct has occurred. The risk management unit oversee the training and day to day managing of ethics. Management report on a quarterly basis to the Technical Committee on Transformation social and Ethics. Embedded in the principles of integrity, good faith, impartiality, openness, and accountability, the Code of Ethics serves as a guiding framework for our organisation. While the Risk Management Unit and the Social and Ethics Committee oversee its implementation, the ultimate responsibility for upholding ethical business practices lies with the Accounting Authority.

The GGB firmly believes that maintaining high ethical standards is paramount to its success. Therefore, any board member or employee who breaches the Code of Ethics will face appropriate sanctions, following a thorough investigation process that takes into consideration all relevant factors. By adhering to this Code, we demonstrate our unwavering commitment to ethical excellence in every aspect of our operations.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Board is committed to complying to the health and safety legislative framework, by ensuring that various measures are implemented and monitored continuously to ensure the health and safety of all employees, contractors, tenants and visitors. To this end, the prescripts of the Occupational Health and Safety Act (Act 85 of 1993, as amended) are observed and complied to strengthen the safety culture through enhanced training, proactive risk assessments, and consistent incident reviews, contributing to a sustained reduction in workplace incidents.

The reduction of loadshedding and improved power reliability has led to decreased reliance on backup generators, resulting in lower fuel consumption and associated emissions. This reduction not only supports the Board's environmental sustainability goals but also contributes to safer work environments by ensuring more stable and predictable operations.

These achievements reflect the Board's commitment to protecting its people, preserving the environment, and promoting responsible operational practices.

13. COMPANY /BOARD SECRETARY

The Board is responsible for selecting and appointing the Company Secretary in consultation with the CEO. The Company Secretary leads the Corporate Governance Services, playing a crucial role in ensuring that the Board and its Committees function effectively and uphold good corporate governance. The Company Secretary ensures compliance with Board and Committee procedures and advises them on governance issues.

In collaboration with the Board Chairperson, the Company Secretary oversees the induction process and performance evaluations of the Board and its Committees. In relation to their fiduciary duties and how to discharge such duties, the directors have unrestricted access to the advice and guidance of the Company Secretary. The directors are entitled to obtain independent professional advice at the GGB's expense, should they deem this necessary. In addition to the performance of other assurance functions, the Company Secretary monitors the GGB's compliance with the requirements of good corporate governance, adherence to the PFMA, the Companies Act and other relevant legislation.

14. SOCIAL RESPONSIBILITY

The GGB's and CSI intervention has resulted in the support of external programs primarily focused on education, community development, upliftment projects, and sports infrastructure initiatives. This includes the establishment of combi courts and the renovation of sports facilities.

In accordance with the Gauteng Gambling Act and the Socio-Economic Development Policy, the GGB's funding aims to stimulate the creation of employment opportunities and assist in the advancement of underprivileged communities, thereby improving the quality and standard of living for people in the province. The GGB has also strategically ensured that programs are offered across all five regions of Gauteng.

The GGB recognises its responsibility towards all stakeholders and the communities in which it operates, as part of good corporate citizenship. It is committed to contributing to community and socio-economic development in Gauteng characterised by sustainable development, aligning its vision and mission statement with its performance as a corporate citizen.

The following initiatives were funded by the GGB during the year under review:

Kutlwanong Centre for Maths, Science and Technology NPO was appointed to administer the GGB Bursary Scheme, which provides opportunities to students in specific academic fields in line with the priorities of the GGB, including Computer Science and Information Technology; Graphic Design; BCom Auditing; Bachelor of Laws; and Financial Accounting.

To maximise the impact of the Bursary Scheme, the bursary was structured in three categories:

- i. Laptop grant - Provides laptops to students with funding but unable to afford the tools needed for academic success.
- ii. Partial Bursary Fund - Designed as co-funding for students unable to settle their tuition fees, and covering meal allowances where necessary.
- iii. Full Bursary and Meal Allowance - Available to students with outstanding academic performance and significant financial need.

Based on the criteria and verification system set out by the GGB, 14 students were funded for the 2024 academic year, 40 students were identified as eligible for a laptop grant, eight students qualified for partial bursary funding and one student received a full bursary.

The GGB further supported the construction and refurbishment of combi courts in other regions of the province, including:

- Randburg School of Autism
- Diepsloot Secondary School
- Bopasenatla Secondary School
- Mamoudi Primary School Vosloorus
- Central Sports Ground in Mamelodi West
- Orlando West Community Centre

The GGB also funded the training of jockeys in Soweto and collaborated with Hollywoodbets to donate school shoes to underprivileged learners in the following schools:

- Ikokobetseng Primary School
- Diepsloot Secondary School

These initiatives had a positive impact on learners, while supporting the Gauteng Department of Education. The SDF and CSI funds are distributed to approved beneficiaries in accordance with the Gauteng Gambling Act and GGB's Socio-Economic Development Policy.

15. AUDIT COMMITTEE REPORT

The Audit and Risk Committee is established as an independent statutory committee in terms of the PFMA and the Gauteng Gambling Act. The GGB has adopted the King IV™ Report on Corporate Governance in South Africa (King IV™), and the Audit and Risk Committee has complied with the principles and recommended practices of the King IV™ during the period under review. We are pleased to present our report for the financial year ended 31 March 2025.

Audit and Risk Committee responsibilities

The Audit and Risk Committee reports that it has complied with its responsibilities arising from Section 51 (1) (a) (ii) of the PFMA and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter; has regulated its affairs in compliance with this Charter; and has discharged all its responsibilities as contained therein as well as reviewed changes in accounting policies and practices.

The PFMA, and particularly section 51(1)(a)(i), states that the Accounting Authority must ensure that the entity maintained an effective, efficient and transparent system of financial and risk management and internal control.

Membership of the Committee and Meeting Attendance

For the 2024/25 financial year, the Audit and Risk Committee (the "Committee") comprised of members listed in table xxx under paragraph 7 above.

The Committee held six (6) ordinary meetings during the 2024/25 financial year and discharged all responsibilities set out in terms of its charter, which is to assist the Board in ensuring that the organization maintains an effective and robust system of internal controls.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Risk Manager, Internal and External Auditors, as well as some of the Senior Executive Managers have a standing invitation to all meetings of the Committee.

Governance of risk

The Audit and Risk Committee is responsible for ensuring that robust risk management processes are in place at the GGB. In this regard, the committee reports that, risks are being continuously assessed, identified and managed through ongoing mitigation to ensure the risks do not materialize. Over and above the monitoring of strategic risks for the organization, operational risks are managed on a continuous basis. Additional information regarding risk events and their potential impact on the organization's activities is detailed elsewhere in the Integrated Annual Report.

The effectiveness of internal controls

The Audit and Risk Committee is responsible for ensuring that the GGB Internal Audit function, which is outsourced, is independent and has the necessary resources, standing and authority within the GGB to discharge its duties. The Audit and Risk Committee furthermore oversees cooperation between the internal and external auditors and serves as a link between the Accounting Authority and these functions.

As indicated by the various reports of the internal auditors issued during the year under review, the system of internal control and the associated control environment within the GGB has remained steady. The Audit and Risk Committee is pleased to report that there was no significant non-compliance with legal and regulatory provisions and that the policies and procedures of the GGB have been implemented.

The Audit and Risk Committee noted the audit conclusion for the GGB concerning the Internal Audit's opinion on the adequacy and effectiveness of the GGB's system of Governance, Risk Management and Control processes for the financial year end 2024/25 as being overall: ACCEPTABLE meaning that an adequate control framework is in place, but improvements are needed in certain key control activities. The ARC was assured that systems of governance, risk management and internal controls provide reasonable assurance that significant risks are managed within tolerance levels.

Quality of quarterly management reports submitted in terms of the PFMA

The Committee is satisfied that it received sufficient, reliable and timely information from Management to enable it to fulfil its responsibilities. During the period under review, quarterly management reports were presented by Management to enable the Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the GGB.
- Review the management accounts of the GGB and provide the Accounting Authority with an authoritative and credible view of the financial position of the GGB.
- Review the GGB's internal financial and operational controls, as well as the risk management systems.
- Review the disclosure in the financial reports of the GGB and the context in which statements on the financial health of the GGB are made.
- Review all material information presented together with the management accounts.

The Committee reviewed the quarterly and annual reports on GGB's performance against predetermined objectives and is satisfied with progress.

Combined assurance

Internal Audit provides the Audit Committee and management with assurance that internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. The Committee thus gains a combined assurance from Management, the various reports of the Internal Auditors, the Management Letter and Audit Report on the Annual Financial Statements received from the Auditor-General of South Africa (AGSA).

Evaluation of the Annual Financial Statements

The Committee reviewed the Annual Financial Statements of the GGB for the year under review and was satisfied that they complied with the relevant Financial Reporting Standards and that the accounting policies used are appropriate and consistent with those of prior years. The Committee recommended the approval of the Annual Financial Statements and the Integrated Annual Report to the Board.

The Annual Financial Statements were reviewed with focus on the following:

- Significant financial reporting judgements and estimates contained in the Annual Financial Statements.
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context.
- Changes in the accounting policies and practices.
- Significant adjustments resulting from the Audit.
- Compliance with accounting standards and legal requirements.
- Explanation for the accounting treatment adopted.
- Reasons for year-on-year fluctuations.
- Asset valuations and revaluations.
- The basis for the going concern assumption.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters are being adequately addressed. The entity has received an unqualified audit opinion without findings, which is a sustained audit outcome from prior year.

Conclusion

The Audit and Risk Committee confirms that the GGB's internal controls environment is adequately managed and there is commitment to ensure continuous improvement where required.

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The gambling industry has great potential to unlock the employment and empowerment of our people as part of building an inclusive economy. The GGB, as the regulator of this industry, has an important mandate to regulate this industry in a manner that will promote inclusive growth.

In terms of government policy and legislative framework, B-BBEE is one of the pillars utilised to promote an inclusive economy by ensuring that persons who were previously disadvantaged are given an opportunity to participate in the economic benefits derived from gambling. Some of the legislative provisions include Section 10 of the B-BBEE Act (2003, as amended), Section 32 of the Gauteng Gambling Act, 1995 and Section 53 of the National Gambling Act (2004, as amended).

Has the organisation applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	Licences are approved according to specific B-BBEE shareholding status. This level of B-BBEE shareholding must also be maintained throughout the tenure of the licence and is reviewed by the GGB's Compliance Audit department.
Developing and implementing a preferential procurement policy?	Yes	The GGB's supply chain processes are aligned to the implementation of the preferential procurement policy. B-BBEE procurement spend relates to discretionary goods and services procured by the GGB. Achieving the targets for businesses owned by women, youth, and people living with disabilities continues to be a priority for the GGB.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	The GGB is not involved in the sale of State-Owned Enterprises.
Developing criteria for entering into partnerships with the private sector?	N/A	The GGB does not enter into partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Yes	The GGB Socio-Economic Development Policy outlines the promotion of equality and the prevention of unfair discrimination. This is enforced by the Board's Technical Committee on Transformation, Social and Ethics.



PART D:

HUMAN RESOURCE MANAGEMENT

ANNUAL REPORT 2024-2025



1. INTRODUCTION

The governance of human resources is a critical aspect of the GGB, which the Board has delegated to the Human Resources and Remuneration Committee in line with the Board Charter. The delegation of oversight to the Human Resources and Remuneration Committee ensures focussed attention on the development and implementation of policies and strategies.

The human resource function is responsible for managing and delivering strategic, tactical, and human capital services to the GGB. At a strategic level, human resource partners with business to formulate and define the strategy of the organisation. In so doing, it interprets the organisation's strategic thrusts into relevant and value-adding human resource initiatives to deliver outcomes that support the organisational objectives.

The 2024/25 reporting period was marked by leadership transitions and the implementation of disciplinary processes involving senior management. These developments, while necessary to uphold ethical governance and accountability, had an impact on staff morale and organisational stability. The period was characterised by heightened uncertainty, reduced employee morale, and an overall cautious organisational climate.

Given funding constraints, the organisation adopted a measured and resource-conscious approach to staff support and engagement. Existing communication channels were strengthened to ensure transparency, while Employee Assistance Programme (EAP) services were promoted to support employee wellbeing. Line managers were encouraged to maintain regular team check-ins, and internal platforms were used to share updates, recognise staff contributions, and reinforce institutional values.

To ensure leadership capacity the GGB filled all executive roles while prioritising senior management, employing a combination of permanent, temporary and acting, and appointments to capacitate governance and delivery in various areas of the business. Retention strategies including internal mobility and recognition programs to preserve institutional knowledge were developed. Further employee capacitation was implemented through providing employees with bursaries, compliance, ethics, wellness, and health and safety programs.

Given funding constraints, the organisation adopted a measured and resource-conscious approach to staff support and engagement. Existing communication channels were strengthened to ensure transparency, while Employee Assistance Programme (EAP) services were promoted to support employee wellbeing. Line managers were encouraged to maintain regular team check-ins, and internal platforms were used to share updates, recognise staff contributions, and reinforce institutional values.

Looking ahead, the organisation remains committed to restoring a cohesive and positive workplace culture and strengthening employee relations and confidence. Key focus areas for 2025/26 will include:

- Organisational development and implementation of the approved structure.
- Re-establishing trust through transparent communication and leadership accountability.
- Enhancing employee engagement within available resource limits.
- Promoting leadership development to embed ethical, inclusive, and stable leadership practices.
- Supporting teams through ongoing structural changes while maintaining operational efficiency.

The challenges faced over the past year have underscored the importance of organisational resilience, ethical leadership, and consistent staff engagement, particularly in times of transition. With a committed workforce and a renewed leadership direction, the organisation is positioned to rebuild morale and continue delivering on its mandate through:-

- Promoting ethical, transparent, and accountable leadership;
- Enhancing employee engagement through inclusive communication;
- Supporting wellbeing using existing resources, reviewing capacity requirements, including an integrated Talent Management and Total Reward framework; and
- Reinforcing organisational values and a shared sense of purpose.

These efforts will contribute to building a resilient and performance-driven workforce capable of delivering on the organisation's regulatory mandate.

As the organisation evolves to meet growing regulatory demands, the Human Resources team will continue to be a key driver of organisational performance, development, and transformation. The team remains committed to building a values-aligned, high-performing workforce that upholds public trust, regulatory excellence, and sustainable service delivery.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

The following is a detailed view of the GGB's human resource oversight statistics for the reporting period ending 31 March 2025.

2.1 Personnel related expenditure

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
CEO's Office	18 321 981,88	18 321 981,88	13%	9	2 035 775,76
Company Secretary	5 030 623,14	5 030 623,14	3%	3	1 676 874,38
Corporate Services	23 319 793,26	23 319 793,26	16%	21	1 110 466,35
Finance	41 532 767,15	41 532 767,15	29%	38	1 092 967,56
Regulatory Services	54 839 986,33	54 839 986,33	38%	40	1 370 999,66
Other (Interns)	2 047 958,08	2 047 958,08	1%	26	78 767,62
Total	145 093 109,84	145 093 109,84	100%	137	1 059 073,79

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	25 425 431	16%	6	4 820 612,98
Senior Management	23 607 721	15%	9	2 590 286,81
Professional qualified	37 200 749	24%	23	1 573 384,16
Skilled	62 714 131	41%	63	932 291,19
Semi-skilled	12 910 999	8%	20	598 761,48
Unskilled	902 734	1%	3	277 648,78
Other(Interns)	2 047 958	1%	43	47 626,93
Total	154 688 285	100%	167	926 277,16

Performance Rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	1 322 365,88	24 103 064,92	0,9%
Senior Management	288 459,66	23 312 581,30	0,2%
Professional qualified	2 586 297,02	34 614 451,51	1,7%
Skilled	4 912 077,50	57 802 053,56	3,2%
Semi-skilled	935 769,04	11 975 229,58	0,6%
Unskilled	69 787,83	832 946,35	0,0%
Other (Interns)	-	2 047 958,08	0,0%
Total	10 114 756,93	154 688 285,30	6,5%

Training Costs

Programme/activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
CEO's Office	18 321 982	2 100,00	0%	2	1 050
Company Secretariat	5 030 623	-	0%	0	0
Corporate Services	23 319 793	317 604,00	1%	12	26 467
Compliance Audits	45 717 088	135 891,00	0%	5	27 178
Regulatory Services	54 839 986	317 770,00	1%	10	31 777
Finance	2 047 958	422 652,00	21%	10	42 265

Employment and vacancies

Programme/activity/objective	2023//2024	2024/2025	2024/2025	2024/2025	% of vacancies
	No. of Employees	Approved Posts	No. of Employees	Vacancies	
CEO's Office	10	15	9	6	40%
Company Secretariat	4	7	2	5	71%
Corporate Services	19	40	17	23	58%
Finance	40	46	41	5	11%
Regulatory Services	39	58	37	21	36%

Programme/activity/objective	2023/2024	2024/2025	2024/2025	2024/2025	% of vacancies
	No. of Employees	Approved Posts	No. of Employees	Vacancies	
Top Management	4	5	5	0	0%
Senior Management	7	10	6	4	40%
Professional qualified	17	46	23	23	50%
Skilled	65	65	57	8	12%
Semi-skilled	14	36	18	18	50%
Unskilled	5	4	3	1	25%
Total	112	166	112	54	33%

A moratorium on recruitment was implemented during the first quarter of the year under review, resulting in the suspension of all recruitment activities. During this time, acting and temporary appointments were implemented to capacitate the organisation. Further to the upliftment of the moratorium, ten vacancies were prioritised and recruitment process resumed during the final (fourth) quarter.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	5	0	0	5
Senior Management	8	2	3	7
Professional qualified	18	3	0	21
Skilled	58	4	5	57
Semi-skilled	16	1	1	16
Unskilled	3	0	0	3
Total	108	10	9	109

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	1%
Resignation	3	3%
Dismissal	2	2%
Retirement	3	3%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	9	8%

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	2

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	3	0	0	0	0	0	0
Senior Management	5	4	0	0	0	0	0	0
Professional qualified	13	11	0	1	0	1	0	0
Skilled	32	29	0	0	0	0	0	2
Semi-skilled	4	1	0	1	0	1	0	1
Unskilled	0	1	0	1	0	0	0	0
Total	58	49	0	3	0	2	0	3

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	1	0	0
Senior Management	3	2	0	1	0	1	0	1
Professional qualified	5	0	0	1	0	1	1	0
Skilled	25	24	1	0	0	1	0	1
Semi-skilled	13	11	0	1	0	1	1	0
Unskilled	3	1	0	1	0	1	0	0
Total	50	38	1	4	0	1	2	2

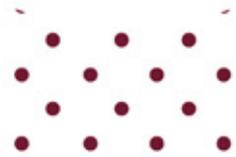
Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	1	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	1	2	0	0



PART E:

PFMA COMPLIANCE REPORT

ANNUAL REPORT 2024-2025



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	6,026	6,026
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable ¹	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	6,026	6,026

Irregular expenditure incurred is currently undergoing a formal condonation process in line with applicable regulatory requirements and internal governance procedures.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	-	6,026
Irregular expenditure that relates to the prior year and identified in the current year	6,026	-
Irregular expenditure for the current year	-	-
Total	6,026	6,026

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ²	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	0	0

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	-	-
Total	0	0

¹ Transfer to receivables

² Group similar items

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	0	0

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	0	0

Include discussion here where deemed relevant.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	-	-
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
None
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)³

Description	20YY/20ZZ4	20XX/20YY
	R'000	R'000
None		
Total		

³ Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

⁴ Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
None

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	205	205
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable ⁵	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	205	-
Closing balance	0	205

There are no fruitless and wasteful expenditure identified in the current year.

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	0	0

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁶	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	0	0

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	0	0

⁵ Transfer to receivables

⁶ Group similar items

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	0	0

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)⁷

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	0	0

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	0	0

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
Total	0	0

⁷ Information related to material losses must also be disclosed in the annual financial statements.

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(Group major categories, but list material items)	-	-
	-	-
	-	-
	-	-
	-	-
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	603	56,154
Invoices paid within 30 days or agreed period	603	56,154
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Syspro V.8.0 Upgrade	Syspro Africa(Pty)Ltd	Single source	P0105098	177
Sage 300 license renewal	Sage South Africa(Pty)Ltd	Single source	P0105108	317
Training of Board Members	IODSA	Single source	P0105344	671
Syspro Annual license renewal	Syspro Africa(Pty)Ltd	Single source	P0105385	84
Stakeholder Engagements	Pivot Hotel-Monte Casino	Single source	P0105386	50
Training of Law Enforcement	Nelson Mandela University	Sole Provider	P0105439	66
Printing of Licensing Papers	Government Printing Works	Single source	P0105526	194
Transportation services-Funeral Service	Coachman-Coaches	Urgent Procurement	P0105565	26
Total				1 585

3.2 Contract variations and extensions

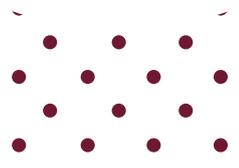
Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Panel of Attorneys	Panel of Attorneys	Extension of the period of the contract	GGB/RFP/001/2019	50 000	0	0
GGB Legislation Review	Ka-Mbonane Cooper	Extension of the period of the contract	GGB/RFP/02/2020	4 600	0	0
GRAF Conference	Raytoo(Pty)Ltd	Extension of scope	PO105230	978	0	145
Sage 300 Training	Sage South Africa(Pty)Ltd	Extension of scope	PO105379	317	0	45
Monitoring and Evaluation for funded projects	MNP Inc CA(SA)	Expansion of scope	PO105247	978	0	157
Printing services-AR	Lesedi 7 Group	Expansion of scope	PO105394	995	0	243
Monitoring of funded Projects	Malte Advisory	Expansion of scope	PO105401	569	0	377
Forecasting for Strategic Financial Planning	Siqalo Consulting	Expansion of scope	PO105527	900	0	90
Travel Management Policy	CORPMD Consulting	Expansion of scope	PO105415	282	0	39
Transportation Services-Panel	Transportation Services-Panel	Extension of the period of the contract	GGB/RFP08/003/2023	1 000	0	0
Travelling Services	City of Choice Travel & Tours	Increase in the scope of work	PO105457	42	0	5
General Cleaning Services	Gomotsegang Cleaning Services	Extension of the period of the contract	PO105605	485	0	40
Relocation of Office Printer	Konica Minolta SA	Expansion of scope	PO105703	1 870	0	3
Total				62 721	0	1 144



PART F:

FINANCIAL INFORMATION

ANNUAL REPORT 2024-2025



1. REPORT OF THE EXTERNAL AUDITOR

Report of the auditor-general to Gauteng Provincial Legislature on Gauteng Gambling Board

Report on the audit of the financial statements Opinion

Opinion

1. I have audited the financial statements of the Gauteng Gambling Board set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Gambling Board as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act No.1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect this matter.

Contingencies

7. With reference to note 31 to the financial statements, the public entity is the defendant in various review applications against it. The review applications were brought against the public entity by various parties. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Responsibilities of the accounting authority for financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue

as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx of the annexure to the auditor's report, forms part of my auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
13. I selected the following material performance indicators related to Programme 2 - Gambling Regulation presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
 - % of gambling license applications received and processed within 120 working days
 - % of employee registration applications received and processed within 45 working days
 - % of gambling disputes resolved against those received within 70 days from date of receipt.
 - % of licensees' non-compliance incidences investigated and reported to the disciplinary committee with 70 working days
 - % of gaming equipment applications received and processed within 10 working days
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/ measures taken to improve performance.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

18. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

19. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

20. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

21. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

22. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

23. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

27. I did not identify any significant deficiencies in internal control.

Other reports

28. I draw attention to the following engagement conducted by the executive council. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
29. A commission of enquiry was established by the member of executive council to investigate any corruption and unlawful conduct within the Gauteng Gambling Board. This investigation is still ongoing as at the date of this report.

Auditor General

Auditor- G'Mero.J
Johannesburg 31 July 2025



AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, 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 public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority 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 the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c'); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 44; 44 (1) and (2); 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 4.1.1; 4.1.3 Regulation 5.2.1; 5.2.3(d); 5.3.1 Regulation 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 11.4.1; 11.4.2; 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c') Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b);16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6.3(d) 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2(1) and (2); 16A 8.3; 16A8.3(d); 16A8.4; 16A9; 16A9.1; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f);16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(iii); Regulation 17.1.1. Regulation 18.2 Regulation 19.6.1 Regulation 19.8.4
Public service regulations	PSR 13 (c);18;18(1) and 18(2)
PRECCA	Section 29; 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)

Legislation	Sections or regulations
NT instruction note 4 of 2015/16	Paragraph 3.4
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Regulator in the gambling industry, established in terms of Section 3 of the Gauteng Gambling Act (Act No.4 of 1995), as amended.
Members	Gumbi T (Chairperson) Mabuza S (Deputy Chairperson) Tleane S Sedibe M Morake M Tiro N Naidoo K Maluleke M Diputla L Maharaj N Xaba G Hendricks B
Business address	125 Corlett Drive Bramley 2090
Postal address	Private Bag X15 Bramley 2018
Controlling entity	Gauteng Department of Economic Development
Chief Executive Officer	Ms. K Mbele
Chief Financial Officer	Mr. O Maripane
Board Secretary	Mr. T Bodila
Bankers	Standard Bank Limited
Auditors	Auditor-General South Africa Chartered Accountants (S.A.) Registered Auditors
Telephone Number	+27 11 581 4800
Fax Number	+27 11 581 4900
Email Address	info@ggb.org.za
Website Address	www.ggb.org.za

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Accounting Authority's Report

1. Accounting Authority

The members of the entity during the year and to the date of this report are as follows:

Names

Gumbi T (Chairperson)

Mabuza S (Deputy Chairperson)

Tleane S

Sedibe M

Morake M

Tiro N

Naidoo K

Maluleke M

Diputla L

Maharaj N

Xaba G

Hendricks B

The annual financial statements set out on page 4-60, which have been prepared on the going concern basis, were approved by the members on 29 May 2025 and were signed on its behalf by:

Mr. T. Gumbi

Chairperson

Statement of Financial Position as at 31 March 2025

	Note(s)	2025	2024
		R	R
Assets			
Current Assets			
Cash and cash equivalents	3	197 675	189 222
Receivables from exchange transactions	4	15 531	17 022
Receivables from non-exchange transactions	5	59 098	45 528
Deposits	6	242	242
Inventories	7	1 107	794
		273 653	252 808
Non-Current Assets			
Property, plant and equipment	8	177 663	129 931
Intangible assets	9	30 562	28 673
Heritage assets	10	539	539
		208 764	159 143
		482 417	411 951
Liabilities			
Current Liabilities			
Finance lease obligation	40	383	341
Payables from exchange transactions	11	83 064	69 100
Collections for distributions	12	125 979	121 874
Accruals	13	6 854	6 461
Provisions	14	5 465	-
License fees received in advance	15	70 884	69 132
		292 629	266 908
Non-Current Liabilities			
Finance lease obligation	40	393	777
		293 022	267 685
		189 395	144 271
Net Assets			
Reserves Revaluation reserve	16	44 716	266
Accumulated surplus	17	144 679	144 005
		189 395	144 271

Statement of Financial Performance

	Note(s)	2025	2024
		R	R
Revenue			
Rental income	18	466	382
Revenue from non-exchange transactions	18	104 030	127 270
Revenue from exchange transactions	18	124 127	128 264
Interest received	18	4 669	6 525
Government grants & subsidies	19	5 427	409
Reversal of impairment loss	41	7 639	-
Total revenue		246 358	262 850
Expenditure			
Employee related costs	20	(165 940)	(150 837)
Administration	21	(4 010)	(5 070)
Depreciation and amortisation	22	(4 946)	(4 599)
Finance costs	23	(113)	(11)
Loss on disposal of assets	24	(318)	(119)
Fiscal consolidation contribution	25	-	(21 789)
General Expenses	26	(69 782)	(82 222)
Impairment loss	41	(575)	(71)
Total expenditure		(245 684)	(264 718)
Surplus (deficit) for the year		674	(1 868)

Statement of Changes in Net Assets

	Revaluation reserve R	Accumulated surplus / deficit R	Total net assets R
Balance at 01 April 2023	266	145 873	146 139
Changes in net assets Deficit for the Year	-	(1 868)	(1 868)
Total changes	-	(1 868)	(1 868)
Balance at 01 April 2024	266	144 005	144 271
Changes in net assets Revaluation of Land and Buildings	44 450	-	44 450
Net income (losses) recognised directly in net assets	44 450	-	44 450
Surplus for the Year	-	674	674
Total recognised income and expenses for the year	44 450	674	45 124
Total changes	44 450	674	45 124
Balance at 31 March 2025	44 716	144 679	189 395
Note(s)	16		

Cash Flow Statement

	Note(s)	2025	2024
		R	R
Cash flows from operating activities			
Receipts			
Interest income		4 877	6 689
Other receipts		221 764	217 247
		<u>226 641</u>	<u>223 936</u>
Payments			
Cash paid to suppliers and employee cost		(214 423)	(338 946)
Net cash flows from operating activities	28	<u>12 218</u>	<u>(115 010)</u>
Cash flows from investing activities			
Purchase of Property, Plant and Equipment	8	(1 292)	(3 761)
Purchase of other intangible assets	9	(2 018)	(215)
Capitalised development costs	9	-	(1 292)
Net cash flows from investing activities		<u>(3 310)</u>	<u>(5 268)</u>
Cash flows from financing activities			
Finance lease payments		(455)	1 107
Net increase/(decrease) in cash and cash equivalents		<u>8 453</u>	<u>(119 171)</u>
Cash and cash equivalents at the beginning of the year		189 222	308 400
Cash and cash equivalents at the end of the year	3	<u>197 675</u>	<u>189 222</u>

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
R	R	R	R	R	

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Rental income	466	-	466	466	-	38.1
Revenue from non-exchange transactions	105 091	-	105 091	104 030	(1 061)	38.2
Revenue from exchange transactions	131 887	-	131 887	124 127	(7 760)	38.3
Reversal of Impairment loss	-	-	-	7 639	7 639	
Interest received - investment	6 485	-	6 485	4 669	(1 816)	38.4
Total revenue from exchange transactions	243 929	-	243 929	240 931	(2 998)	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	427	-	427	5 427	5 000	38.5
Total revenue	244 356	-	244 356	246 358	2 002	

Expenditure

Personnel	(165 857)	-	(165 857)	(165 940)	(83)	38.6
Administration	(4 122)	-	(4 122)	(4 010)	112	38.7
Depreciation and amortisation	(5 106)	-	(5 106)	(4 946)	160	38.8
Impairment loss/ Reversal of impairments	-	-	-	(575)	(575)	
Finance costs	-	-	-	(113)	(113)	
General Expenses	(69 271)	-	(69 271)	(69 782)	(511)	38.9
Total expenditure	(244 356)	-	(244 356)	(245 366)	(1 010)	

Operating surplus

Loss on disposal of assets and liabilities	-	-	-	(318)	(318)	
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Surplus before taxation

	-	-	-	674	674	
--	---	---	---	-----	-----	--

Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement

	-	-	-	674	674	
--	---	---	---	-----	-----	--

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in compliance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. All figures have been rounded to the nearest thousand Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The Board assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Board makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Impairment testing

The recoverable (service) amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact our estimations and may then require a material adjustment to the carrying value and tangible assets.

Accounting Policies

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 14 - Provisions.

Useful lives of property, plant and equipment and other assets.

The Board's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the Board.

Allowance for impairment

For receivables an impairment loss is recognised in surplus or deficit (Statement of Financial Performance) when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Value in use of cash generating assets

The Board reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by several factors, together with economic factors such as inflation and interest.

Value in use of non-cash generating assets

The Board reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Recognition

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Accounting Policies

Measurement at recognition

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value or cost. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Revaluation model

Revaluations are made on a regular basis such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When Land and Buildings are revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit (Statement of Financial Performance) to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit (Statement of Financial Performance) in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Accounting Policies

Subsequent measurement

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses except for Land and Building which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	40-50 years
Furniture and fixtures	Straight-line	20 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	25 years
IT equipment	Straight-line	4-10 years
Fixtures and Fittings	Straight-line	10-25 years
Finance Leased Assets	Straight-line	3 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit (Statement of Financial Performance).

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit (Statement of Financial Performance) when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Accounting Policies

Recognition

An intangible asset is recognised when:

it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Measurement

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Subsequent measurement

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Accounting Policies

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	indefinite
Computer software	Straight-line	3 years - 20 years

1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

Where the Board holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

Subsequent to initial measurement of heritage assets, whose fair value can be measured reliably, are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The entity assesses at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Accounting Policies

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Derecognition

The entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The Board classifies financial instruments into the following categories:

- Financial assets
- Financial liabilities

Classification

The entity has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Deposits	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Collections for distributions	Financial liability measured at amortised cost
License fees received in advance	Financial liability measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/ incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Accounting Policies

Initial recognition

The Board recognises a financial asset or a financial liability in its statement of financial position when the Board becomes a party to the contractual provisions of the instrument.

The Board recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The Board measures a financial asset and financial liability, other than those subsequently measured at fair value, initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Board measures all other financial assets and financial liabilities initially at fair value.

Subsequent measurement of financial assets and financial liabilities

The Board measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value
- Financial instruments at amortised cost

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectible in the case of a financial asset.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Board establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Board uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on Board-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the Board calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e, without modification or repackaging) or based on any available observable market data.

Short-term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Accounting Policies

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectability of financial assets

The Board assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the Board, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed.

The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Accounting Policies

Derecognition

Financial assets

The Board derecognises financial assets using trade date accounting. The Board derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the Board transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the Board, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Board:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amount of the transferred asset is allocated between the rights or obligations retained and those transferred on the bases of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The Board removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished - i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed,

is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction is accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Accounting Policies

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value. Inventories are measured at the current replacement cost where they are held for.

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Inventory comprises of stationery, consumables, marketing and promotional items that shall be consumed within a short-term period in the normal business of the Board and not held for sale.

Accounting Policies

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the Board to distinguish cash-generating assets from non-cash-generating assets are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Accounting Policies

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the entity uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the assets or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets unless a change is justified.

Accounting Policies

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

Accounting Policies

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.11 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the Board to distinguish non-cash-generating assets from cash-generating assets are as follows:

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Accounting Policies

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit (Statement of Financial Performance).

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

Accounting Policies

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Accounting Policies

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

The Board does not incur a liability for post-employment benefits.

Termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made to encourage voluntary redundancy.
- The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:
 - the location, function, and approximate number of employees whose services are to be terminated;
 - the termination benefits for each job classification or function; and
 - the time at which the plan will be implemented.

Implementation begins as soon as possible and the period to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Accounting Policies

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board or;
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is:

- a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the Board.;

Contingent assets and contingent liabilities are recognised. Contingencies are disclosed in note 31.

Accounting Policies

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the Board receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all on the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest

Interest earned on bank balances is recognised on a time proportionate basis that takes into account the effective yield on the interest investment.

Income from collection commission

Income from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income is recognised in terms of an agency agreement.

Accounting Policies

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are in terms of laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Accounting Policies

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the entity.

Where the entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

License fees

Revenue from license fees is recognised on an accrual basis in accordance with the terms of the license conditions and the Gauteng Gambling Act.

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

1.17 Accounting by principals and agents

Identification

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

Accounting Policies

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20 Irregular expenditure

Irregular expenditure is defined in section 1 of the PFMA as expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- a. this Act; or
- b. the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c. any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Accounting Policies

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.21 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.22 Commitments

Items are classified as commitments where the Board commits itself to future transactions that will normally result in the outflow of resources.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- where the purchase orders are approved and contracted for as commitments.
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

1.23 Budget information

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 Apr 2024 to 31 Mar 2025.

Accounting Policies

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.24 Related parties

The Board operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitution independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be potential related parties.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the entity.

1.25 Events after the reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 Accumulated surplus

The Board's surplus or deficit for the year is accounted for in the accumulated surplus in the Statement of Changes in Net Assets.

The accumulated surplus/deficit represents the net difference between total assets and total liabilities of the Board. Any surpluses and deficits realised during a specific financial year are credited/ debited against accumulated surplus/deficit. Prior year adjustments relating to income and expenditure are debited/credited against accumulated surplus when retrospective adjustments are made.

1.27 Offsetting

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is required or permitted by a Standard of GRAP.

Notes to the Annual Financial Statements

2025	2024
R	R

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> GRAP 1 (amended): Presentation of Financial Statements (Materiality) 	01 April 2023	

2.2 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> GRAP 105 Transfer of Functions Between Entities Under Common Control 	01 April 2019	
<ul style="list-style-type: none"> GRAP 103 (as revised): Heritage Assets 	Not Yet Determined	
<ul style="list-style-type: none"> GRAP 104 (as revised): Financial Instruments 	01 April 2025	

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"> GRAP 107 Mergers 	Not Yet Determined	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none"> GRAP 106 Transfer of Functions Between Entities Not Under Common Control 	Not Yet Determined	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none"> iGRAP 22 Foreign Currency Transactions and Advance Consideration 	01 April 2025	Not expected to impact results but may result in additional disclosure

Notes to the Annual Financial Statements

Background

The Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors (GRAP 3) applies to the selection of accounting policies. Entities apply the accounting policies set out in the Standards of GRAP, except when the effect of applying them is immaterial. This means that entities could apply alternative accounting treatments to immaterial items, transactions or events (hereafter called "items").

The Board received questions from entities asking whether past decisions to not apply the Standards of GRAP to immaterial items effect future reporting periods. Entities observed that when they applied alternative accounting treatments to items in previous reporting periods, they kept historical records on an ongoing basis of the affected items. This was done so that they could assess whether applying these alternative treatments meant that the financial statements became materially "misstated" over time. If the effect was considered material, retrospective adjustments were often made.

This Interpretation explains the nature of past materiality decisions and their potential effect on current and subsequent reporting periods.

iGRAP 21 addresses the following two issues:

- Do past decisions about materiality affect subsequent reporting periods?
- Is applying an alternative accounting treatment a departure from the Standards of GRAP or an error?

The effective date of these interpretation have not yet been set. 01 April 2023.

The entity expects to adopt the interpretation for the first time in the 2023/2024 01 April 2023.

The objective of this guideline: The Constitution of South Africa, 1996 (Act No. 108 of 1996) (the constitution), gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time. Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring, Other considerations, and Annexures with Terminology & References to pronouncements used in the Guideline.

The effective date of the guideline is for years beginning on or after 01 April 2023.

The entity expects to adopt the guideline for the first time in the 2023/2024 annual financial statements.

Notes to the Annual Financial Statements

2025	2024
R	R

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	197 675	189 222
Bank balances		
Standard Bank - Board Account	80 679	68 750
Standard Bank - Trust Account	116 996	120 472
	197 675	189 222

There are no cash and cash equivalents which were pledged as collateral. The Trust Account is not for operational purposes, it is mainly for taxes, levies, and the Sports Development Fund. Taxes are collected by the Board and paid over to the province monthly, as the Board collects them.

4. Receivables from exchange transactions

Prepayments	471	758
Gauteng Provincial Government: Collection commission	13 530	14 515
Staff receivables	577	588
Accrued bank interest	913	1 121
Sundry receivables	40	40
	15 531	17 022

Receivables from exchange transactions decreased in the current year as compared to prior year. This was mainly due to collection commission receivable at year end and a decrease in the bank interest.

Prepayments of R 471 (R 758: March 2024) were reclassified from sundry receivables and disclosed separately under receivables from exchange transaction

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. As at 31 March 2025, R 15 531 (March 2024: R 17 022) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	14 900	16 490
3 months past due	631	532

None of the receivables from exchange transactions have been pledged as security for any liability or contingent liability.

Notes to the Annual Financial Statements

2025	2024
R	R

5. Receivables from non-exchange transactions

Receivables - license fees, taxes and levies	59 098	45 528
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Receivables from non-exchange transactions past due but not impaired

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. As at 31 March 2025, R 59 098 (March 2024: R 45 528), there were no receivables from non-exchange outstanding for more than 30 days.

1 month past due	59 098	45 528
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None of the receivables from non-exchange transactions have been pledged as security for any liability or contingent liability.

6. Deposits

At amortised cost

City Power Johannesburg (SOC) Ltd	242	242
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Current assets

Deposits	242	242
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The amount relates to a deposit which was paid to City Power Johannesburg (SOC) Ltd when a municipal account was opened.

7. Inventories

Responsible gambling promotional materials and other	1 107	794
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Inventory at the end of the year comprises of stationery, consumables, marketing and promotional items that shall be consumed in the normal business of the Board and not held for sale.

Notes to the Annual Financial Statements

2025	2024
R	R

8. Property, plant and equipment

	March 2025			March 2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	60 058	-	60 058	40 959	-	40 959
Buildings	103 742	-	103 742	80 246	(7 509)	72 737
Furniture and fixtures	6 750	(4 088)	2 662	6 796	(3 383)	3 413
Motor vehicles	1 033	(1 032)	1	1 033	(1 016)	17
Office equipment	4 373	(2 084)	2 289	4 417	(1 795)	2 622
IT equipment	10 396	(5 600)	4 796	9 595	(4 419)	5 176
Leased assets	1 144	(409)	735	1 144	(32)	1 112
Furniture	9 420	(6 040)	3 380	9 508	(5 613)	3 895
Total	196 916	(19 253)	177 663	153 698	(23 767)	129 931

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Impairment loss	Impairment reversal	Total
Land	40 959	-	-	19 099	-	-	-	60 058
Buildings	72 737	-	-	25 351	(1 986)	-	7 640	103 742
Furniture and fixtures	3 413	-	(18)	-	(378)	(355)	-	2 662
Motor vehicles	17	-	-	-	(16)	-	-	1
Office equipment	2 622	185	(106)	-	(192)	(220)	-	2 289
IT equipment	5 176	1 107	(80)	-	(1 407)	-	-	4 796
Leased assets	1 112	-	-	-	(377)	-	-	735
Furniture	3 895	-	(42)	-	(473)	-	-	3 380
	129 931	1 292	(246)	44 450	(4 829)	(575)	7 640	177 663

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	40 959	-	-	-	-	40 959
Buildings	74 716	-	-	(1 979)	-	72 737
Furniture and fixtures	2 997	837	(73)	(348)	-	3 413
Motor vehicles	59	-	-	(42)	-	17
Office equipment	2 776	20	-	(174)	-	2 622
IT equipment	4 952	1 760	(38)	(1 427)	(71)	5 176
Leased assets	-	1 144	-	(32)	-	1 112
Furniture	4 376	-	(8)	(473)	-	3 895
	130 835	3 761	(119)	(4 475)	(71)	129 931

Notes to the Annual Financial Statements

2025	2024
R	R

Pledged as security

No property, plant and equipment were pledged as security for liabilities.

Finance lease assets relates to nine photocopier machines leased. (Also refer note 40: Finance lease obligation).

Revaluation of Land and Building:

The land and building was revalued on 31 March 2025 by an independent valuer, Mr. Sibusiso Gumede, a professional valuer from MSquared Projects at R163.8 million. Mr. Sibusiso Gumede is not connected to the entity. The R163.8 million is made of R60 million for Land and R103.8 million Buildings.

As per the independent valuation conducted by a registered professional valuer on 29 March 2025, the fair value of the land and buildings comprising Sections 3, 4, 5, and 6 of the sectional title scheme "SS Waverley Office Park (40/2013)" — was determined to be R163,800,000. The valuation was conducted using the Direct Comparable Sales Method as the primary approach, supported by the Income Capitalization Method as a secondary, cross-reference technique. The Income Capitalization approach considered a market related rental income of R140/m², adjusted for vacancies and recoveries, and applied a market derived capitalization rate of 9.75%. The dual-method approach reflects both the property's partial income-generating use and its market comparability, ensuring a fair and supportable estimate of value in line with GRAP 17's fair value measurement requirements. Gauteng Gambling Board revalue its land and building every three to five years cycle.

Disposals:

Current year's disposal amount relates to different assets that were disposed during the financial year. These includes IT equipment, furniture and fittings, and office equipment.

The residual value and useful life and depreciation method of each asset are reviewed at the end of each report year. The estimation is based on management opinion in consultation with internal experts.

Other information

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Building maintenance	2 025	3 092
Repairs and maintenance	10	18
	2 035	3 110

Notes to the Annual Financial Statements

2025	2024
R	R

9. Intangible assets

	March 2025			March 2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	1 401	(979)	422	1 401	(850)	551
Intangible assets under development	30 140	-	30 140	28 122	-	28 122
Total	31 541	(979)	30 562	29 523	(850)	28 673

Reconciliation of intangible assets - 31 March 2025

	Opening balance	Additions	Amortisation	Total
Computer software	551	-	(129)	422
Intangible assets under development	28 122	2 018	-	30 140
	28 673	2 018	(129)	30 562

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Additions	Internally generate	Amortisation	Total
Computer software	460	215	-	(124)	551
Intangible assets under development	26 830	-	1 292	-	28 122
	27 290	215	1 292	(124)	28 673

Pledged as security

No intangible assets were pledged as security for liabilities.

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

Computer software, internally generated	30 562	28 122
---	--------	--------

The R30,5 million relates to the Intergrated Business Automation System which is currently being developed by a service provider appointed by the Gauteng Gambling Board. The system is expected to improve the internal process and integrate to licensees systems in order to improve the revenue collection process and to also improve the licensees interface experience.

Carrying value of Intangible assets that is taking a significantly longer period of time to complete than expected

Intangible assets under development	30 562	28 122
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The Intergrated Business Automation System was tested for impairment at the end of year. The impairment testing was done by management in consultation with external experts.

The service provider is currently busy with Milestone 7 which was verified and signed off by Gauteng Gambling Board.

Notes to the Annual Financial Statements

In prior year, The service provider submitted an invoice for Milestone 5 on the basis that they have completed the development of Milestone 5. Gauteng Gambling Board did not sign off the milestone as there are technical glitches that the service provider still needed to resolve on Milestone 4

Milestone 4, 5 and 7 relates development of licencing department, gaming control department, finance department, compliance audit department and analytics and reporting, business automation processes.

10. Heritage assets

	March 2025			March 2024		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Paintings	539	-	539	539	-	539

Reconciliation of heritage assets 31 March 2025

	Opening balance	Total
Paintings	539	539

Reconciliation of heritage assets 31 March 2024

	Opening balance	Total
Paintings	539	539

Pledged as security

No heritage assets were pledged as security for liabilities.

11. Payables from exchange transactions

	2025	2024
	R	R
Payables	83 064	69 100

The amount of payables is mostly made of creditors, debtors with credit balances and accruals at year end.

Notes to the Annual Financial Statements

2025	2024
R	R

12. Collections for distributions

Gambling taxes are collected on behalf of Gauteng Provincial Government on a weekly basis from licensees and distributed to the province monthly. The Gauteng Gambling Board earns collection commission of 8% on all monies collected, less the amount of interest earned and bank charges on these monies. The collection commission is reflected in the Statement of Financial Performance.

The amount is reflected under Current Liabilities - Collections for distribution on the Statement of Financial Position.

Gauteng Provincial Administration	94 586	91 483
Sports Development Fund	31 393	30 391
	125 979	121 874

Reconciliation of taxes and levies collected

Heading

Totalizator - Horse racing

Totalizator - Horse racing	12 891	15 563
Totalizator - Other sport	4 490	4 794
On-course bookmakers - Horse racing	129	115
On-course bookmakers - Other sport	1 475	2 043
Off-course bookmakers - Horse racing	164 508	142 449
Off-course bookmakers - Other sport	211 201	172 588
	394 694	337 552

Gaming Tax

Casinos - Machines	464 437	482 085
Casinos - Tables	208 438	227 532
Casinos - Unclaimed dividends	1 277	5 257
Bingo	61 599	64 793
Limited pay out machines	123 111	119 728

Total gambling tax

	858 862	899 395
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Taxes collected for Gauteng Provincial Government

	1 253 556	1 236 947
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Levies collected

Sports Development Fund levies

Levies	47 251	39 942
Interest earned	1 356	1 447
Total sport development funds (SDF) collected	48 607	41 389

Total levies collected for SDF and Phumelela

	48 607	41 389
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Interest earned and penalties received	5 276	6 123
--	-------	-------

Grand total collected for distribution

	1 307 439	1 284 459
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Taxes and levies for distribution to beneficiaries at period end

	1 181 460	1 162 585
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Taxes and levies distributed during the period

Gauteng Provincial Administration	1 255 729	1 271 908
Sports Development Fund	47 605	71 650
Less: Prior year-end collections distributed during the period	(121 874)	(180 972)
	1 181 460	1 162 586

Notes to the Annual Financial Statements

2025	2024
R	R

13. Accruals

Leave pay	5 663	5 282
13th cheque	1 191	1 179
	6 854	6 461

The Gauteng Gambling Board has an obligation to either pay out unused leave or allow employees to carry over unused leave to future cycles up to a limit as detailed in the entity's applicable leave policy.

The Gauteng Gambling Board has an obligation to pay 13th cheque bonuses to those employees who opted for their 13th cheque payment to be made annually during December.

14. Provisions

Reconciliation of provisions - 31 March 2025

	Opening Balance	Additions	Total
Legal proceedings	-	5 336	5 336
Employee benefit cost	-	129	129
	-	5 465	5 465

Reconciliation of provisions - 31 March 2024

	Opening Balance	Utilised during the year	Reversed during the year	Total
Bursary provision	4 716	(1 846)	(2 870)	-
Performance bonus	10 000	(10 000)	-	-
	14 716	(11 846)	(2 870)	-

There are no bonus provisions in the current year.

Legal proceedings provisions

The legal provisions relate to disputed legal invoices from the panel attorney, which were dealing with labour related matters. The Board has taken the disputed invoices for taxing to establish whether the invoices are correct.

Bursary provision

Bursary provisions relates to the students that Gauteng Gambling Board (GGB) committed to fund in the current financial year. The Board made a resolution to cancel the agreement we had previously with Gauteng Youth Council (GYC) and administer the fund internally.

In prior year, Bursary provisions relates to 30 students that Gauteng Gambling Board (GGB) committed to fund through the Gauteng Youth Council (GYC) agreement. The Board made a resolution to cancel the agreement and administer the fund internally.

Notes to the Annual Financial Statements

2025	2024
R	R

15. License fees received in advance

License fees received in advance	70 884	69 132
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The amount constitutes of annual licence fees paid at year end relating to April 2025 to March 2026. The amounts are in line with the Gauteng Gambling regulations.

In terms of the Gauteng Gambling Regulations, 2017, licensees are required to renew and pay prescribed licence fees before 01 April for every year or part of a year ending on 31 March.

16. Revaluation reserve

Opening balance	266	266
Change during the year	44 450	-
	44 716	266

The revaluation reserves are non-distributable reserves which relates to the revaluation of land and buildings. The change in the current year is due to a valuation of land and buildings performed at year end by a service provider. The non-distributable reserves are not distributable to the shareholder.

17. Accumulated surplus

In terms of Section 17(6) of the Gauteng Gambling Act 1995, as amended, and Section 53 (3) of the Public Finance Management Act, surplus funds at the close of the financial year, shall be paid to the Provincial Revenue Fund, unless Treasury approval has been obtained to retain such funds. Gauteng Gambling Board opened with accumulated surplus of R145.8 million in 2023/2024 financial year and closed with a balance of R144 million.

The accumulated surplus for 2024/2025 financial year closed with a balance of R144.6 million at the end of 31 March 2025.

18. Revenue

Revenue from non-exchange transactions	104 030	127 270
Revenue from exchange transactions	124 127	128 264
Reversal of impairment loss	7 639	-
Interest received	4 669	6 525
Rental income	466	382
	240 931	262 441

The amount included in other revenue arising from non-exchange transactions is as follows:

Penalties collected	1 409	28 811
License fees	76 627	75 957
Sports betting levies	25 994	22 502
	104 030	127 270

Notes to the Annual Financial Statements

	2025	2024
	R	R
The amount included in other revenue arising from exchanges of goods or services are as follows:		
Recoveries of investigation expenses	2 402	1 595
Collection commission	100 458	98 914
Application and registration fees	6 037	10 932
Sundry income*	15 230	16 823
	124 127	128 264

*Sundry income includes an amount of R15 million transferred from Sports Development Fund in line with Gauteng Gambling Act section 100 to fund the Gauteng Gambling Board's operations. The transfer was approved by the MEC of Gauteng Department of Economic Development in line with the Act.

19. Government grants & subsidies

Operating grants

Government grant (operating)	5 427	409
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Government Grant (Operational)

Current-year receipts	5 427	409
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The Board received R5,4 million from Department of Economic Development(DED) for budget adjustment in the current year

In prior year 2023/2024, the Board received R409 thousands from Department of Economic Development(DED) for the probity auditors.

20. Employee related costs

Salaries, bonuses and allowances	139 112	125 675
Medical aid - company contributions	5 205	5 666
Other employer contributions	260	278
Workmen's compensation	98	179
Skills Development Levy	1 478	1 475
Leave pay contribution	1 663	1 341
Defined contribution plans	14 990	13 519
Group life contributions	3 134	2 704
	165 940	150 837

Refer to note 32 for executive remuneration

Employees' salaries are adjusted each year in January, in terms of Gauteng Gambling Board's Remuneration Policy.

Notes to the Annual Financial Statements

2025	2024
R	R

21. Administrative expenditure

Administration and management fees - Board fees

4 010

5 070

Refer to note 32

22. Depreciation and amortisation

Property, plant and equipment

4 816

4 475

Intangible assets

130

124

4 946

4 599

23. Finance costs

Finance costs

113

11

24. Loss on disposal of assets and liabilities

Loss on asset disposal

(318)

(119)

25. Fiscal consolidation contribution

Fiscal consolidation contribution

-

21 789

National Treasury implemented wage freeze and fiscal consolidation, and all government departments and entities' budget allocation were reduced over MTEF period. In the prior year R21.7 million was Board's contribution to Provincial Treasury for the fiscal consolidation.

Notes to the Annual Financial Statements

2025	2024
R	R

26. General expenses

Advertising		675	614
Auditors remuneration	27	2 533	3 514
Bank charges		113	134
Books and media subscription		248	721
Building maintenance		2 025	3 092
Conferences costs		673	581
Consulting and professional fees		3 769	6 670
Employee assistance programme		108	152
Information technology		7 396	9 294
Insurance		1 465	500
Investigation and enforcement costs		879	793
Legal expenses		25 054	17 009
Municipal charges and other rates and taxes		4 189	5 656
Office consumables and refreshments		885	1 457
Postage and stationery		71	617
Printing costs		151	118
Public relations		1 251	1 216
Repairs and maintenance		10	18
Responsible Gambling Awareness Programme		3 745	6 816
Security expenses		2 370	1 986
Social responsibility		1 750	10 014
Staff recruitment		1 778	2 084
Storage rentals		272	229
Training and development		1 345	1 384
Telephone and communications		1 667	1 872
Transcription costs		386	412
Travelling and subsistence - local		4 974	5 269
		69 782	82 222

27. Auditors' remuneration

Audit Fees - Internal		1 144	1 596
Audit Fees - External		1 389	1 918
		2 533	3 514

Notes to the Annual Financial Statements

2025	2024
R	R

28. Cash generated from (used in) operations

Surplus (deficit)	674	(1 868)
Adjustments for:	4 946	4 599
Depreciation and amortisation		
Loss on sale of assets and liabilities	318	119
Finance costs - Finance leases	113	11
Impairment deficit	575	71
Movements in provisions	5 465	(14 716)
Reversal of impairment loss	(7 639)	-
Changes in working capital:	(313)	(380)
Inventories		
Receivables from exchange transactions	1 491	(4 518)
Other receivables from non-exchange transactions	(13 570)	(34 394)
Payables from exchange transactions	13 908	(8 897)
Taxes and transfers payable (non-exchange)	4 105	(59 098)
Accruals	393	(443)
License fees received in advance	1 752	4 504
	12 218	(115 010)

29. Financial instruments disclosure

Categories of financial instruments

31 March 2025

Financial assets

	At amortised cost
Cash and cash equivalents	197 675
Receivables from non-exchange transactions	59 098
Receivables from exchange transactions	15 531
Deposits	242
	272 546

Financial liabilities

	At amortised cost
Trade and other payables from exchange transactions	83 064
Taxes and transfers payable (non-exchange)	125 979
License fees received in advance	70 884
	279 927

31 March 2024

Financial assets

	At amortised cost	Total
Cash and cash equivalents	189 222	189 222
Receivables from non-exchange transactions	45 528	45 528
Receivables from exchange transactions	17 022	17 022
Deposits	242	242
	252 014	252 014

Notes to the Annual Financial Statements

	2025	2024
	R	R
Financial liabilities		
Trade and other payables from exchange transactions	69 100	69 100
Taxes and transfers payable (non-exchange)	121 874	121 874
License fees received in advance	69 132	69 132
	260 106	260 106

30. Commitments

Authorised operational expenditure

Contractual and purchase orders commitments - 31 March 2025

• Accounting, Audit and Financial Services	2019-2026	2 237
• Facilities Management	2022-2026	342
• Information Technology Services	2021-2026	35 748
• Operational Services and Responsible Gambling	2022-2026	15 173
• HR and Payroll Services	2021-2026	124
• Legal Services	2022-2025	220
		53 844

Contractual and purchase orders commitments - 31 March 2024

• Accounting, Audit and Financial Services	2019-2024	6 393
• Facilities Management	2020-2024	482
• Information Technology Services	2020-2024	34 782
• Operational Services and Responsible Gambling	2020-2024	9 345
• HR and Payroll Services	2020-2024	250
• Legal Services	2020-2024	1 212
		52 464

31. Contingencies

The overall effect of contingent assets and liabilities resulted in a net contingent liabilities of R 3 957 951.55.

CONTINGENT LIABILITIES

PHUMELELA GAMBLING AND LEISURE LIMITED V THE MEC AND OTHERS CASE NUMBER: 11734/19

Initially Phumelela served on the Premier of Gauteng, the MEC, and the Gauteng Gambling Board (Respondents) an urgent interim interdict (Part A) pending a final determination of a review application (Part B). The review application sought to set aside amendment of Regulation 276 of the Gauteng Gambling Regulations effectively withdrawing 3% levies to the holder of a Totalizator licence (which is Phumelela and 4Racing as the subsequent holder of the licence).

In terms of the current regulations, Gauteng Gambling Board (GGB) is obligated to pay over the levies to the Fiscus. In the High Court (the Court of first instance) the Court found in favour of Phumelela and 4Racing and the Respondents are ordered to pay the arrear levies that are paid over to the Fiscus. The Respondents have subsequently petitioned the Supreme Court of Appeal (SCA) to appeal the judgment. Pending the matter before the SCA, the operation of the order is suspended until final judgment by the SCA. In the

Notes to the Annual Financial Statements

event that Phumelela and 4Racing are successful in their application, they will seek the arrear levies from the Respondents and since the levies were paid over to the Fiscus, Phumelela can claim from the Provincial Treasury in terms of the State Liability Act absolving both the MEC and the GGB.

PHUMELELA GAMING & LEISURE LIMITED V GGB AND OTHERS CASE NO. 41790/19

Phumelela launched a review application against the decision of the GGB for finding Phumelela guilty of contravening condition 10 of its Race Meeting licence and imposed a fine of R5 000 000 of which R2 500 000 is suspended for a period of 5 years. In the event that Phumelela is successful in its application, GGB will be liable to pay R2 500 000.

MOTLATSI SELEKE ATTORNEYS V GAUTENG GAMBLING BOARD, CASE NO. 2025-028487

The GGB disputed the invoices of Motlatsi Seleke on grounds of overreaching. In response, Motlatsi Seleke served on the GGB, a notice of suspension of its services. On 19 February 2025, Motlatsi Seleke served and filed summons under case number: 2024-147614. Motlatsi is seeking judgment for R 2 165 899.96.

GGB will be liable to pay R 4 665 899.96.

CONTINGENT ASSETS

JASPER JOHANNES MALAN v THE MINISTER OF SAPS N.O. AND OTHERS CASE NO.25953/18

The police (SAPS) assisted by GGB Law Enforcement Inspectors raided the premises at Bronkhorstspuit operated by the Applicant and confiscated illegal gambling equipment. The operator brought an application against the Magistrate, Minister of SAPS, and GGB, seeking the Court to set aside the warrant authorising the raid and a spoliation order. The estimated bill of costs in favour of the GGB is R100 000

LADOMAX (PTY) LIMITED v GAUTENG GAMBLING BOARD CASE NUMBER: 22220/2020

Ladomax launched a two-part court application against GGB. Part A of the application is an urgent interim interdict pending a final determination of a review application in Part B.

In Part B, the Applicant sought to review and set aside the decision of the Board, which granted the amendment to Hollywood's bookmaker's licence; allowing Hollywood to relocate to Shop 29, 36 Rand Road, Georgetown, Germiston, Ekurhuleni.

The matter was heard on 15 September 2020 and Ladomax's urgent application was dismissed with costs in favour of the GGB. The estimated bill of costs in favour of the Board is R100 000.

THE SOUTH AFRICAN BOOKMAKERS' ASSOCIATION v THE GAUTENG GAMBLING BOARD CASE NO. 31552/21

The Applicants launched a two-part court application. Part A of the application is an urgent interim interdict pending a final determination of a review application in Part B.

Part A sought an interim interdict against the Respondents from taking any steps to prevent the Applicants from operating their businesses; insofar as the Applicants do so in a lawful manner and in compliance with the regulations made under section 27(2) of the Disaster Management Act, 2002, which introduced a new "Adjusted Alert Level 4". The taxed bill of costs in favour of the Board is R 48,638.22.

Notes to the Annual Financial Statements

PIET THOKWANA v GAUTENG GAMBLING BOARD CASE NO: J1780/22

The Applicant (Piet Thokwana) sought an order interdicting his suspension and disciplinary enquiry pending the determination of the appointment of the former Acting CEO and the chairperson of the disciplinary hearing. The Court dismissed the application with costs in favour of the GGB, and the estimated bill of costs prepared is R 359 310.19.

S v HENNING KANZELLAR PRETORIUS// MINISTER OF SAPS N.O AND OTHERS CASE NO. 80329/18

Henning sought to set aside the search and seizure warrant executed at his premises and a spoliation order against confiscated goods. Henning subsequently withdrew the matter and tendered costs in favour of the GGB. The estimated bill of costs in favour of the GGB is R100 000.

32. Related parties

Relationships

Fellow entities reporting to the MEC

Gauteng Growth and Development (GGDA), Gauteng Enterprise Propeller (GEP), Gauteng Tourism Authority (GTA), Gauteng Liquor Board, Dinokeng Game Reserve

Members of Accounting Authority

Refer to accounting authority's report

Controlling entity

Gauteng Department of Economic Development

Members of key management

Refer to note 20&21

2025	2024
R	R

Related party balances

Amounts included in trade receivable (trade payable) regarding related

DED - Gauteng Provincial Administration - Refer to Note	12	(94 586)	(91 483)
DED - Gauteng Provincial Government: Collection commission - Refer to Note	4	13 530	14 515
DED - Gauteng Provincial Government (Software licence)		(2 775)	-

Amounts included in Revenue from exchange transactions with related parties

Gauteng Enterprise Propeller		-	10 000
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Related party transactions

Taxes and levies distributed during the period

DED - Taxes and Levies distributed - Refer to Note	12	1 161 143	1 271 908
DED - Taxes and Levies still to be distributed at year end		94 586	-

Commission collected during the period

DED - Collection Commission - Refer to the Revenue Note	18	86 928	98 914
DED - Collection Commission Receivable at year end		13 530	-

Monies payable to (received from) related parties

Gauteng Growth Development Agency		-	848
DED Grant - Refer to Note	19	(5 427)	409
DED - Microsoft		1 720	-

Administration fees paid to (received from) related parties

Gauteng Tourism Agency		2 289	-
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Notes to the Annual Financial Statements

Remuneration of management Management class: Board members

March 2025

Name	Board Fees	Total
Mr T Gumbi (Chairperson)	607	607
Mr SO Mabuza (Deputy Chairperson)	206	206
Ms NB Tiro	228	228
Mr SA Tleane	239	239
Adv M Morake	315	315
Ms LE Diputla	303	303
Ms M Sedibe	310	310
Adv MPT Maluleke	241	241
Dr GM Xaba	235	235
Ms N Maharaj	240	240
Mr K Naidoo	261	261
Mr BE Hendricks	197	197
Ms CL Roskruge (ARC Chairperson)	148	148
Mr TR Selau	102	102
Mr S Maharaj	81	81
Mr L Mashifane	-	-
Disciplinary committee	297	297
	4 010	4 010

Notes to the Annual Financial Statements

March 2024

	Board Fees	Total
Name		
Mr T Gumbi (Chairperson)	458	458
Mr SO Mabuza (Deputy Chairperson)	346	346
Ms NB Tiro	238	238
Mr SA Tleane	208	208
Adv M Morake	174	174
Ms LE Diputla	276	276
Ms M Sedibe	198	198
Adv MPT Maluleke	248	248
Dr GM Xaba	208	208
Ms N Maharaj	208	208
Mr K Naidoo	209	209
Mr BE Hendricks	122	122
Ms CL Roskruge* (ARC Chairperson)	75	75
Mr TR Selau*	35	35
Ms GP Mnguni*	35	35
Mr S Maharaj*	41	41
Administrator Fees: Majavu Inc	1 426	1 426
Disciplinary committee	565	565
	5 070	5 070

*The member is part of the ARC (Audit Risk Committee) which was appointed on 01 December 2023.

Management class: Executive management

March 2025

Notes to the Annual Financial Statements

Name	Basic salary	Gratuity	Cellphone Allowance	Travel Allowance	Acting Allowance	13th Cheaque Leave Payment	Paid Out	Long service	Other benefits received	Total
Mrs KT Mbele (Chief Executive Officer)	4 549 151	503 807	50 040	-	-	379 095	-	-	-	5 482 093
Mr KD Maripane (Chief Financial Officer)	2 987 255	170 465	30 000	168 000	-	262 937	-	-	-	3 618 657
Mr TM Bodila (Board Secretary)	2 383 084	239 813	20 040	240 000	-	218 590	-	-	-	3 101 527
Miss MGL Kobue (Senior Manager: Compliance)	633 635	-	6 680	10 500	-	106 185	342 572	-	831 641	1 931 213
Mr TM Letshwiti (Senior Manager: Licensing)	2 259 645	-	18 370	-	-	206 161	517 730	-	-	3 001 906
Mr L Makube (Senior Finance Manger)	2 019 501	157 628	20 040	117 000	-	159 118	-	-	-	2 473 287
Mr TT Marimuthu (Snr Manager: Gaming)	1 674 632	-	-	-	-	-	174 182	194 312	1 658 454	3 701 580
Miss ES Lottering (Senior Manager: Office of the CEO)	1 997 997	127 974	20 040	110 000	-	134 931	-	-	-	2 390 942
Mr SS Manganye (Executive Corporate Services Manager)	2 613 116	329 485	30 000	240 000	-	232 396	-	-	-	3 444 997
Adv HL Mokhutswane (Senior Manager: Legal Services)	2 089 921	139 455	14 040	96 000	-	92 199	-	-	-	2 431 615
Mr NJ Motjelele (Acting Senior Manager Gaming Control)	1 283 713	162 690	14 040	120 000	763 469	114 227	-	-	-	2 458 139
Ms B Simelane (Senior	2 141 274	-	20 040	-	-	178 439	-	-	-	2 339 753

Notes to the Annual Financial Statements

	Basic salary	Gratuity	Cellphone Allowance	Travel Allowance	Acting Allowance	13th Cheaque Leave Payment	Paid Out	Long service	Other benefits received	Total
Manager: Social Economic Development)										
Mr S Mlazi (Senior Manager - IT)	1 956 501	-	20 040	180 676	-	178 041	-	-	-	2 335 258
Adv TE Ngobese (Executive - Legal and Law Enforcement)	2 736 072	65 701	30 000	110 000	-	174 820	-	-	-	3 116 593
Mr MC Lekalaka (Senior Manager - Legal Services)	2 048 025	-	20 040	-	-	131 120	-	-	-	2 199 185
	33 373 522	1 897 018	313 410	1 392 176	763 469	2 568 259	1 034 484	194 312	2 490 095	44 026 745

March 2024

Name	Basic salary	Cellphone Allowance	Travel Allowance	Acting Allowance	Bonuses and Leave performance related payments	Paid Out	Employer Contributions	Other benefits received	Total
Mrs KT Mbele (Chief Executive Officer)*	2 568 081	29 190	-	1 451 686	202 428	-	351 536	-	4 602 921
Mr KO Maripane (Chief Financial Officer)**	246 416	2 500	12 000	1 575 573	21 535	-	47 530	-	1 905 554
Mr TM Bodila (Board Secretary)	1 509 905	16 700	190 000	227 651	233 507	-	306 315	-	2 484 078
Mr JS Sefako (Acting Senior Manager Gaming Control)	-	-	-	169 415	-	-	-	-	169 415
Mr DL Lukhwani (Senior Manager: Legal Services)	1 441 280	13 360	-	3 860	298 122	197 979	389 420	-	2 344 021
Miss MGL Kobue (Snr Manager: Compliance)	2 463 223	20 040	42 000	204 566	334 057	-	538 384	-	3 602 270
Mr TM Letshwiti (Snr Manager: Licensing)	2 418 723	20 040	-	-	324 338	-	556 139	-	3 319 240
Mrs ZN Gumedede (Snr Manager: Human Resources)	1 871 981	18 370	84 000	-	326 061	436 418	476 387	-	3 213 217
Mr L Makube (Senior Finance Manger)**	157 282	1 670	9 000	855 842	-	-	21 375	-	1 045 169
Mr A Malebane (Acting Snr Manager: Human Resources)	-	-	-	101 912	-	-	-	-	101 912
Mr TT Marimuthu (Snr Manager: Gaming)	1 505 053	15 030	-	7 450	328 944	273 716	443 719	-	2 573 912
Mr RJ Motlhokwane (Snr Manager: Gaming)	110 080	1 670	6 000	-	15 023	146 339	34 083	-	313 195

Notes to the Annual Financial Statements

	Basic salary	Cellphone Allowance	Travel Allowance	Acting Allowance	Bonuses and Leave performance related payments	Paid Out	Employer Contributions	Other benefits received	Total
Management Information System)									
Miss ES Lottering (Acting Snr Manager: Human Resources)*****	153 915	1 670	-	845 740	-	-	29 670	-	1 030 995
Mr SS Manganye (Chief Information Officer)	2 486 497	30 000	240 000	-	365 763	-	629 983	-	3 752 243
Mr BP Dlamini (Acting Snr Manager: Management Information System)	-	-	-	900 155	-	-	-	-	900 155
Adv HL Mokhutswane (Acting Senior Manager: Legal Services)	-	-	-	1 030 035	-	-	-	-	1 030 035
Mr NJ Motjelele (Acting Senior Manager Gaming Control)	-	-	-	355 781	-	-	-	-	355 781
Mr CM Molosi (Acting Senior Manager Gaming Control)	-	-	-	354 718	-	-	-	-	354 718
Ms B Simelane (Senior Manager: Social Economic Development)	2 033 804	20 040	-	280 475	276 604	-	465 956	-	3 076 879
Mr DS Dlamini (Chief Financial Officer)	1 572 744	17 500	-	-	212 942	295 685	311 703	3 303 002	5 713 576
Adv TE Ngobese (Executive - Legal and Law Enforcement)*****	636 588	5 840	-	19 424	-	-	-	47 128	708 980
Mr MC Lekalakala (Senior Manager - Legal)*****	64 848	1 670	-	-	-	-	-	37 704	104 222
	21 240 420	215 290	583 000	8 384 283	2 939 324	1 350 137	4 602 200	3 387 834	42 702 488

*Ms. K Mbele was appointed as Chief Executive Officer from 01 November 2023.

**Mr. O Maripane was appointed as Acting Chief Financial Officer on 23 February 2023. Mr. Maripane was appointed as the Chief Financial Officer effective from 01 March 2024.

***Mr L Makube was appointed as Acting Senior Manager-Finance on 23 February 2023. Mr. Makube was appointed as the Senior Manager-Finance effective from 15 March 2024.

****ES LOTTERING was appointed as Acting Senior Manager-Human Resource on 09 June 2023. Ms. Lottering was appointed as the Senior Manager-Office of the CEO effective from 15 March 2024.

*****Adv TE NGOBESE was appointed as Acting Senior Manager-Legal on 01 January 2023. Mr. Ngobese was appointed as the Executive - Legal and Law Enforcement effective from 01 March 2024.

*****Mr MC LEKALAKALA was appointed as Senior Manager-Legal on 15 March 2024.

Notes to the Annual Financial Statements

33. Comparative figures

There were no comparative figures that were restated in the current financial year.

34. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: credit risk and liquidity risk and market risk.

The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the entity's financial performance. The members provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the entity has sufficient cash flow and as a result does not maintain any credit lines.

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

Cash flow forecasts are prepared, and adequate cash management facilities are monitored.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	83 064	-	-	-
Collection for Distributions	125 979	-	-	-
Licence fees received in advance	70 884	-	-	-

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	69 100	-	-	-
Collection for Distributions	121 874	-	-	-
Licence fees received in advance	69 132	-	-	-

Notes to the Annual Financial Statements

2025	2024
R	R

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, considering its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. There are no debtors that are past due and therefore no impairment provision has been raised.

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

Market risk

Market risk is the risk that the Board earnings and capital will be adversely affected by movements in the level or volatility of market rates or prices such as interest rates and foreign exchange rates. The overarching objective of market risk management in the company is to protect the company net earnings against adverse market movements through containing the innate interest rate and foreign currency risks within acceptable parameters.

Interest rate risk

Cash and cash equivalent, it is interest bearing assets, which are affected by the changes in market interest rates. The finance liability is an interest-bearing liability, however the Board has entered into a contract with the service provider where interest is not affected by the changes in market interest rates. Other listed financial assets and financial liabilities are not affected by the changes in market interest rates.

35. Fruitless and wasteful expenditure

There were no fruitless and wasteful expenditure in the current year.

36. Irregular expenditure

Details of irregular expenditure

There were no irregular expenditure in the current and prior financial year.

Notes to the Annual Financial Statements

2025	2024
R	R

37. Segment information

General information

Segment surplus or deficit, assets and liabilities

31 March 2025

	Regulations	Responsible Gambling	CSI	Total
Revenue				
Revenue	238 178	4 680	3 500	246 358
Entity's revenue				246 358
Expenditure				
Expenditure	240 189	3 745	1 750	245 684
Total segmental surplus/(deficit)	(2 011)	935	1 750	674

31 March 2024

	Regulations	Responsible Gambling	CSI	Total
Revenue				
Revenue	253 850	4 500	4 500	262 850
Entity's revenue				262 850
Expenditure				
Expenditure	247 888	6 816	10 014	264 718
Total segmental surplus/(deficit)	5 962	(2 316)	(5 514)	(1 868)

The revenue reflected under programme Responsible Gambling and CSI relates to transfers from revenue generated by the programme for Regulations

The disclosure for segment reporting is based on operational expenditure which makes it impractical to disclose assets and liabilities as part of segment reporting.

Notes to the Annual Financial Statements

38. Budget differences

Material differences between budget and actual amounts

- 38.1. Rental income: The Board received rental income from Circuit City for the current financial year under review. Gauteng Gambling Board has a lease agreement with Circuit City.
- 38.2. Revenue from Non-Exchange Transactions: The non-exchange revenue collected did not exceed the budgeted amount. This was due to the regulation being approved during the financial year instead of the beginning of the financial year.
- 38.3. Revenue from Exchange Transactions: The revenue collected did not exceed the budget. This is due to a decrease in the applications and registration fees, and a decrease in recoveries for investigation fees during the year. This was due to the regulation being approved during the financial year instead of the beginning of the financial year.
- 38.4. Interest received: Interest received did not exceed targeted budget amount. This was due to low interest rates during the current financial year.
- 38.5. Government grants and subsidies: Government grants and subsidies exceeded the budget in the current financial year due to a grant received from the Department of Economic Development received in the current period.
- 38.6. Employee related cost: The employee related costs exceeded the budget in the current financial year due to the provision of workmens compensation in the current period.
- 38.7. Board and Audit and Risk Committee fees (Administration): The Board fees did not exceed the budgeted amount. This is because of the number of board meetings during the financial year.
- 38.8. Depreciation and amortisation: The depreciation expenditure did not exceed targeted budget in the current year. This is due to the Board having assets that were disposed off.
- 38.9. General expenses: The general expenses exceeded the target budget for the current financial year. This is mainly due to legal fees provision accounted for after review of legal bills and contingencies.

Notes to the Annual Financial Statements

39. Accounting by principals and agents

The Board is a party to a principal-agent arrangement.

Details of the arrangement are as follows:

In terms of section 4 of the Gauteng Gambling Act, the powers and functions of the Board are to:

- Oversee and control gambling activities in Gauteng, including Licensing of individuals and entities to conduct gambling and related activities, registering of persons engaged in such activities, approving and registering of all gaming devices, collecting prescribed taxes and levies for the Gauteng province and other specified beneficiaries.
- Managing and administrating the Sports Development Fund (SDF)
- Advising the MEC on matters relating to gambling.
- Supervising and enforcing compliance with the requirements of the FICA (2001, as amended) by the gambling industry, including conducting FICA (2001, as amended) inspections, taking disciplinary action in instances of non-compliance, reporting to the Financial Intelligence Centre on enforcement.
- Supervising and enforcing compliance with the requirements of the National Gambling Act (2004, as amended) by the gambling industry, including Investigation and issuing of national entity and employment licences, and ensuring continuous suitability and compliance with the legislative prescripts by the national licensees

Section 61 of the Gauteng Gambling Act states that - Obligation to pay prescribed fees and taxes (b) for the benefit of the Provincial Revenue Fund, any lump sum payment contemplated in section 19(1)(c).

- (2) The holder of a licence shall pay in the prescribed manner for the benefit of -
 - (a) The Provincial Revenue Fund -
 - (i) the prescribed tax on the amounts as prescribed;
 - (ii) the prescribed penalty on late payment of any such tax, which penalty shall not exceed twice the amount of the tax in respect of which the penalty is payable;
 - (3) Every holder of a totalizator licence, bookmaker's licence or race-meeting licence shall pay in the prescribed manner for the benefit of prescribed beneficiaries -
 - (a) the levies as prescribed on the betting amounts as prescribed; and
 - (b) the prescribed penalty on late payment of any such levy, which penalty shall not exceed twice the amount of the levy in respect of which the penalty is payable.
 - (4) Every person who has placed a bet with a bookmaker shall pay the prescribed tax and levies on the prescribed amounts in the prescribed manner.

Entity as agent

Additional information

Though there is no other binding agreement, the Act mandate Gauteng Gambling Board to collect certain prescribed taxes and levies on behalf of the Provincial Revenue Fund which then makes it an agent. There are no specific expenses related to the collection of taxes. Gauteng Gambling Board receives 8% collection commission fee on taxes collected on behalf of the Fiscal for the overall operation of the organisation.

Notes to the Annual Financial Statements

The amounts between the Board and the principal are disclosed under the respective notes in the Annual Financial statements:

Trade and other receivables (Refer to note 4)

Trade and other payables (Refer to note 11)

Revenue (Note 18)

Related parties (Note 32)

40. Finance lease obligation

	2025	2024
	R	R
Minimum lease payments due		
- within one year	454	454
- in second to fifth year inclusive	416	871
	870	1 325
less: future finance charges	(94)	(207)
Present value of minimum lease payments	776	1 118
Present value of minimum lease payments due		
- within one year	383	341
- in second to fifth year inclusive	393	777
	776	1 118
Non-current liabilities	393	777
Current liabilities	383	341
	776	1 118

Finance lease assets relates to nine photocopier machines leased for 36 months.

41. Impairment loss

Impairments

Property, plant and equipment

575

71

Reversal of impairments

Reversal of Impairment loss

(7 639)

-

During 2019/2020 financial year GGB embarked on revaluation of its land and building as per the non-current asset policy. The outcome of the revaluation indicated a decrease in land and buildings during that period. As a result, GGB devalued the building with R15 million, and recognised an impairment loss R7.6 million in the financial year 2019/2020 in terms of GRAP 17.

Gauteng Gambling Board's Non-Current Asset policy states that land and building should be revalued every three to five years. Land and buildings were revalued in the current year and the results indicated an increase in terms of revaluation report. The impairment loss of R7,6 million recognised in 2019/2020 was reversed against the current year revaluation surplus. This is in terms of GRAP 17.44 which states that "The increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit".

Total impairment losses (recognised) reversed

(7 064)

71

Buildings were the only classes of assets affected by reversals of impairment losses.

Notes to the Annual Financial Statements

42. Change in estimate

Property, plant and equipment

The residual value and the useful life of assets were reviewed at year end and there were no changes from the previous estimate.

Management revised the estimated useful life of vehicles from 5(five) years to 7(seven) years in prior year. The effect of this revision has decreased the depreciation charges for the current and future periods

43. Events after the reporting date

The board is not aware of any matter or circumstance arising since the end of the financial period to the date of this report that could have a material effect on the financial statements.

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