



ANNUAL REPORT

2022/23

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PART A

GENERAL INFORMATION



1. Foreword by the Member of Executive Council



Since the beginning of the 2022/23 Financial Year, the operating environment of the gambling industry, not only in the province but the country at large, demonstrated significant improvements. This was after the total removal of all the restrictions following the COVID-19 pandemic. The gambling industry bounced back quickly to full activity demonstrated by increased contribution to the country's gross domestic product, revenue generation capacity of the Limpopo Gambling Board, and the entrance of new gambling licensees performing quite beyond expectations.

Given this impressive performance by the industry, we shower the gambling industry in the Limpopo province with accolades for making such significant contribution to the provincial economic development and job creation. The Limpopo Gambling Board is one of the shining stars in the province in terms of running a clean administration, generating more revenue for the province, developing the economy, protecting existing jobs while also creating new ones as it continues to implement developmental programmes aimed at uplifting the standards of living for the poor, as well as empowering local communities - youth and women in particular. More and more people are getting employed in the industry even at the time when the global economy is shedding jobs. Through their generosity in terms of Corporate Social Responsibility, I have witnessed the gambling industry donate school shoes to needy learners in rural areas and hand over a community computer centre in Senwabarwana in March 2023. Indeed, through the industry intervention and collaboration with the Limpopo Gambling Board, today is better than yesterday and tomorrow will definitely be even better than today.

Though, faced with the challenge of illegal gambling and illicit money laundering, the sector continues to stake its claim in the economic development of our province. However, through the partnership with the South African Police Service, the Limpopo Gambling Board continued to make significant strides in combating these illegal gambling activities. I am pleased with the partnership formed between the Limpopo Gambling Board and the Financial Intelligence Centre to fight potential illicit money laundering and terrorism financing activities identified as strategic deficiencies within the gambling industry by the Financial Action Task Force.

All thanks go to the operators of all the Casinos, Totalisators, Bingos, Bookmakers and LPM Operators in the province who stood with us even during difficult times, knowing full well that the industry in Limpopo is worth taking care of because of the stewardship provided by the Board and Management.

I am quite certain that going forward, the Limpopo Gambling Board, working in partnership with all relevant industry stakeholders, shall surpass its target and create much needed jobs for our people, as well as sustain its contribution to the GDP. With the Limpopo Gambling Board, we have a good story to tell, the story of hope and optimism that we shall overcome all the challenges facing the sector. Let the Board continue to strengthen its relationship with industry stakeholders including the South African Police Service and the informer network to rid the industry of cybercrime and illegal gambling. Most important is the goal to continue working with the South African Responsible Gambling Foundation to promote responsible gambling.

I take pride in showering the Limpopo Gambling Board with congratulatory accolades for having obtained yet another clean audit outcome for the 2022/23 Financial Year and for the fourth year in a row. This talks to the quality of leadership at both the Board and Management levels as led by Chairman Elijah Tjiane and CEO Gregory Makoko. I firmly believe that together they will continue this journey going forward and sustain the clean audit outcome.

Let us continue to work together in the spirit of collegiality, which is key in the success of any organisation. Let us take LGB to the skies above the sky because that is where this Entity belongs.



Honourable G.R. Monama

MEC for Economic Development, Environment and Tourism

07 August 2023

2. General Information

Registered Name:	Limpopo Gambling Board
Physical Address:	8 Hans van Rensburg Street, Polokwane, 0699
Postal Address:	Private Bag x 9520, Polokwane, 0700
Telephone Number:	(015) 230 2300
Email Address:	ceo@lgb.co.za
Website Address:	www.lgb.org.za
External Auditors:	Auditor General South Africa
Physical Address:	32 Dimitri Crescent, Polokwane, Extension 1
Telephone Number:	(015) 283-9300
Bankers:	Standard Bank of South Africa
Physical Address:	Mall of the North, Polokwane
Telephone Number:	(015) 265-2000

3. List of Abbreviations, Acronyms and Initialisms

4IR	Fourth Industrial Revolution
ACT	Limpopo Gambling Act No. 3 of 2013
ADV	Advocate
AFS	Annual Financial Statements
AGSA	Auditor General South Africa
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
B.COM	Bachelor of Commerce
B.PHARM	Bachelor of Pharmacy
CA (SA)	Chartered Accountant South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COVID-19	Corona Virus Disease of 2019
CSD	Central Supplier Database
CSI	Corporate Social Investment
CTA	Certificate in the Theory of Accounting
DTIC	Department of Trade, Industry and Competition
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act
FLASH	Firearm, Liquor and Second-Hand Goods
GDP	Gross Domestic Product
GGR	Gross Gaming Revenue
GNT	Great North Transport
HR	Human Resources Management
IA	Internal Audit
IAGR	International Association of Gaming Regulators
ICT	Information Communications Technology
LDP	Limpopo Development Plan
LEDET	Limpopo Department of Economic Development Environment and Tourism
LGB	Limpopo Gambling Board
LLB	Bachelor of Laws
LLM	Master of Laws
LPM	Limited Pay-out Machines
MBA	Master of Business Administration
MBL	Master of Business Leadership
MCS	Monitoring and Control Systems
MEC	Member of Executive Council
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework

NDP	National Development Plan
NGB	National Gambling Board
NPA	National Prosecuting Authority
PDI	Previously Disadvantaged Individuals
PESTLE (Analysis Tool)	Political, Economic, Social, Technological, Legal and Environmental
PFILMS (Analysis Tool)	Personnel, Finance, Infrastructure, Leadership, Management and Systems
PFMA	Public Finance Management Act, No. 1 of 1999
PhD	Doctor of Philosophy
POPIA	Protection of Personal Information Act
PPPFA	Preferential Procurement Policy Framework Act
RA	Registered Auditor
RFA	Request for Application
RSA	Republic of South Africa
RTP	Return to Player
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SARGF	South African Responsible Gambling Foundation
SARS	South African Revenue Service
SCM	Supply Chain Management
SLA	Service-Level Agreement
SMME	Small, Medium and Micro Enterprises
TR	Treasury Regulations
TUT	Tshwane University of Technology
UJ	University of Johannesburg
UNISA	University of South Africa
UNIVEN	University of Venda

4. Foreword by the Chairperson



Introduction

It is with great pleasure to present the Limpopo Gambling Board Annual Report for the 2022/23 Financial Year, to the Executive Authority.

It is even more pleasing that the Entity has achieved all the set targets as per the Annual Performance Plan. These significant outcomes are through the collective efforts of our executive management and the entire staff, the leadership of the Board and continuous support from the shareholder.

The Entity has also once more outdone itself in maintaining good governance for the year 2022/23 by attaining an unqualified audit opinion without any significant findings (clean audit). I would like to emphasize that this outcome could not be realised

without the dedication of the staff, and support and guidance from the leadership of the board, the executive authority, and the entire shareholder family, including Provincial Treasury and Office of the Premier. This means that the Entity has retained a clean audit for the 4th consecutive year. It is also pleasing to note that we have made significant progress in the areas that were identified as lacking by the AGSA in the previous financial years. Notably is the area around the Information management system including business continuity. This has been an area of concern for a considerable amount of time. We are happy that this will finally be put to rest in the 2023/24 Financial Year.

It will also be remiss not to acknowledge the areas which the AGSA raised concerns about, around our financial statements. We believe that this is an area that we will pay closer attention to especially aided by the envisaged appointment of the Senior Manager: Finance.

We also collected more levies in 2022/23 than any other year including the pre-COVID 19 period. A total of R196 million was collected in this financial year compared to R130 million in the previous 2021/22 Financial Year. The bookmakers were the biggest contributors to the growth in levies at 96% while casino also grew by 20%. We are more comforted by the growth in casinos as they generally employ more staff. While we are pleased with the increase in the levies collected, we are also cautious that this should not be because of an overstimulation in the gambling market exacerbated by tough economic conditions. To this end we will be concluding the study with the South African Responsible Gambling Foundation (SARGF) as well as the National Gambling Board (NGB) to determine the extent of gambling in our province. We are awaiting the outcomes of both studies as they will determine if we can increase the number of Limited Pay-out Machines as well as other gambling sites.

Looking ahead

Buoyed by the massive successes of the previous years, one can ask if there is anything more to be done? Can we do better? The answer is a resounding YES!

While we have indeed done well in all respects, we still face massive challenges of illegal gambling, irresponsible gambling and huge unemployment in our province. We therefore cannot afford to be complacent. We will therefore be focusing on the following areas in the next financial years:

1. Strengthening partnerships

We will be working closely with stakeholders such as National Gambling Board, South African Police Service, South African Responsible Gambling Foundation (SARGF), licensees, National Prosecuting Authority(NPA), and government departments in conducting investigations on illegal gambling activities which have a negative impact to our economy.

2. Expanding licensed sites.

We will continue to license more sites such as LPMs in phases as well as Bookmakers and Totalizators. This intervention will enhance our role in creating employment opportunities for our people, eradicate poverty and most importantly creating a viable entertainment industry in the province.

3. Strengthening governance and performance

We will also increase our governance oversight role by tracking performance against the corrective actions identified by the AGSA. In addition, we will ensure that we keep a tight eye on illegal gambling through continuous inspections in collaborations with law enforcement agencies.

4. Using technology to strengthen monitoring of licensees as well as processing of applications.

5. Making LGB a healthy working environment for all.

Improve relations amongst workers, the executive and board by building trust and creating a conducive environment for all.

In conclusion, I want to express words of appreciation to the Executive Authority Hon MEC Rodgers Monama who has been nothing but supportive to the LGB.

The Portfolio Committee on Economic Development, Environment and Tourism; Standing Committee on Public Accounts (SCOPA); other government departments, gambling industry and gambling stakeholders (SARGF and NGB) have also played a big role in assisting and collaborating with us on gambling matters.

Lastly, I want to express my appreciation and gratitude to the Executive Management, under Mr Mokgase Gregory Makoko and the entire staff members of the Entity for the commitment in ensuring that the Board fulfils its mandate of regulating, monitoring and licensing the gambling industry.



Mr. Mataboge Elijah Tjiane

Chairperson: Limpopo Gambling Board

07 August 2023

5. Chief Executive Officer's Overview



Introduction

It is with pleasure that I report on the annual performance of the Limpopo Gambling Board against the set targets for 2022/23 as outlined in the Annual Performance Plan.

The Entity effectively managed to perform its regulatory role in the province. The economic situation improved during the year, which resulted in the recovery of the gambling industry. In line with the objectives of regulating gambling, the gambling industry played a crucial role in contributing towards economic growth, job creation and socio-economic development.

Service Delivery Overview

The Entity achieved 100% (14 out of the 14) of the targets set in the Annual Performance Plan of 2022/23.

The levies the Entity collected amounted to R 196 million during the financial year. The levies collected in 2022/23 were higher than the levies collected in the pre COVID-19 period, wherein the highest levies collected in 2020/21 amounted to R 78 million and R 130 million for 2021/22. This was a good sign that the gambling industry was recovering, and the recovery is expected to improve further as evidenced by collection of levies for 2022/23.

Bookmakers contributed to the biggest increase in levies collected, as the levies collected from Bookmakers increased by 96%, followed by Casinos at 20%; whilst LPMs levies increased by 7% and Bingo levies increased by 4%.

The Totalizator levies declined by 5% following an increase of 20% in 2021/22 compared to a large decline of 54% in 2020/21.

The Entity was authorised to licence 3 000 LPMs in terms of the National Gambling Act No.7 of 2004; however, only 1 500 LPMs may be licensed in the first phase. Sixteen LPM Site licence applications were processed during the financial year, thirteen of which were successfully operationalised. The Board requested the NGB to conduct a socio-economic impact study of LPMs in Limpopo Province as per Regulation 13 of the National Gambling Act, to enable the Minister of Trade, Industry and Competition to decide whether more LPMs should be licensed under phase 2 as from the 2023/24 Financial Year.

During the financial year, VbetSA opened two new Bookmaker sites and Betting World opened one relocated Bookmaker Site licence in the province. This brought the total number of operational Bookmaker sites in Limpopo to 58. The opening of these additional Bookmaker sites and LPM Sites in the respective areas contributed to economic development by the creation of employment, the offering of entertainment to the local population, the contribution to the local municipalities through municipal rates and taxes, and to the Provincial and National Government.

The licensing of LPM sites and the opening of Bookmaker sites contributed to the creation of employment; however, the number of employees in the gambling industry in Limpopo Province decreased by 18.40%, from 3858 employees to 3148, due to site closures, downsizing and employee turnover.

The Limpopo Gambling Board was delisted as a Supervisory Body following the amendment of the FICA; however, the Financial Intelligence Centre committed to enter into a new Memorandum of Understanding with the LGB for the purpose of collaborating on FICA Inspections, FICA awareness campaigns, registration of licensees and monitoring issues of beneficial ownership.

On 24 February 2023, the Financial Action Task Force, after the mutual evaluation conducted in 2019, placed South Africa on the grey list because the country did not have sufficient mechanisms in place to monitor and combat money laundering and terrorism financing activities. This was despite the country having implemented some measures by the end of December 2022 by promulgating the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act and the Protection of Constitutional Democracy Against Terrorism and Related Activities Amendment Act.

The focus areas for the Entity to assist the FIC to get the country off the FATF grey list related to:

- a) the improvement of risk-based supervision of licensees and applying effective, proportionate, and effective sanctions for non-compliance with FICA; and
- b) the assurance that market entry requirements addressed Beneficial Ownership concerns raised by the FATF and the application of sanctions for breaches of violations to Beneficiary Ownership obligations by legal persons.

As the Entity continued to regulate and monitor Licensees, it was apparent that most Licensees were committed to maintaining a good compliance culture in line with the relevant legislation, licence conditions and internal control procedures. The Entity takes this opportunity to appreciate the efforts of the Licensees and looks forward to achieving a fully compliant licensed gambling industry in the province.

The additional mandate of the Entity is to investigate and combat illegal gambling activities through its Law Enforcement Business Unit. The Entity conducted this through collaboration with the SAPS, NPA and other Government Departments. In addition to the investigation of illegal gambling activities, the Entity conducted crime awareness campaigns with the entire community of Limpopo in line with the principles of community policing as a required policing model in South Africa.

The Entity investigated 274 illegal gambling cases during the year, as compared to a total of 59 cases that were investigated during the previous 2021/22 Financial Year. A total of 143 illegal gambling operators were arrested during the investigations that were conducted as compared with 25 arrests that were effected the previous year. There was a 568% improvement in the number of arrests that were effected which signified an improvement in the interventions in dealing with illegal gambling. Admission of guilt fines to the amount of R99 100 were paid within various police stations around Limpopo Province. Investigations also resulted in the confiscation of 477 illegal gambling machines in the form of Chinese Roulettes from various spaza shops and taverns throughout the province and the confiscated exhibits were forfeited to LGB. The Entity destroyed 382 illegal gambling machines as compared to 57 illegal machines that were destroyed during the previous year. The remaining 94

machines will be destroyed during the 2023/24 Financial Year. One hundred and twenty-seven (127) computers which were used in the illegal online gambling activities were confiscated during the year. The Law Enforcement Business Unit worked with the South African Police Service in conducting raids on illegal gambling operations.

General Financial Review of the Public Entity

The operations of the Entity were funded through a grant from the Department of Economic Development, Environment and Tourism. The Entity's allocation in the year under review increased from R75 million to R82 million, which indicated an increase of R7 million. The increase in the budget was attributed to the additional funding that was allocated to the Entity during the budget adjustment after an approval was granted for the additional allocation.

The Entity had recovered from the effects of the pandemic with regards to revenue collection. For the year under review, the collection of revenue surpassed the pre-covid figures. The collection for the current financial year (R196 million) was higher than that of the previous financial year (R130 million). Interest received for the year was R1 million. The Entity had to increase its anticipated collection in relation to revenue to cater for the upward collection trend for the current financial year. The Entity's total expenditure amounted to R76 million which accounted for 93% of the adjusted grant of R82 million. The Entity spent 98% of its employee cost during the financial year. The improvement in the spending came after a downward adjustment to the budgeted figure for employee cost during the budget adjustments as there were delays in finalising recruitment processes for some of the positions that the Entity had anticipated to complete before the financial year end. Additionally, there were delays with some of the procurement activities within the Supply Chain Management Unit.

Spending Trends of the Public Entity

The Entity was able to spend 93% of its 2022/23 budget. The spending in the current year was slightly lower than originally estimated. The Entity had budget challenges in the beginning of the financial year and therefore applied for R9 million additional funding. The Entity was however granted R7 million additional funding during the budget adjustment process in November 2022.

Following the Constitutional Court judgement in Minister of Finance v Afribusines NCP which set aside the Preferential Procurement Regulations published under the Preferential Procurement Policy Framework Act, all government institutions in the country had to draft their own procurement policy containing prequalification criteria which should be applied during the procurement processes. The Limpopo Gambling Board was affected by this and had to draft its own Preferential Procurement Policy which was approved by the Board in the 4th quarter of the year under review.

The Entity, however, has a positive outlook on the financial year ahead and is positive that spending patterns will improve.

Capacity Constraints and Challenges facing the Public Entity

The Entity had a challenge of human resource capacity during the year but managed to fill some of the posts at the middle management and operational level. Some of the vacant posts will be filled during the 2023/24 Financial Year as the recruitment process was finalised at the end of the financial year due to delays in vetting the potential candidates.

The Entity was still processing its applications for licenses manually due to budget constraints to procure a system that could assist the Entity to process applications online. The Department of Economic Development, Environment and Tourism (shareholder) and the Provincial Treasury were engaged to address this challenge.

The Entity had to address the challenge of illegal online gambling activities by ensuring that sufficient capacity and expertise in the cyber-crime investigation area was developed amongst the law enforcement officials.

Discontinued Key Activities/Activities to be Discontinued

Not applicable to the Entity.

New or Proposed Key Activities

In an effort to make informed decisions based on scientific facts, the Entity commissioned a Socio-Economic impact study which was a collaboration with the South African Responsible Gambling Foundation. The study was at the completion stage, and it was anticipated to be finalised in the second quarter of 2023/24.

In line with its strategic objectives, the Entity concluded a Memorandum of Understanding with the South African Bookmakers Association to collaborate on various matters of mutual interest. The Entity would like to express appreciation to the South African Responsible Gambling Foundation and the National Lotteries Commission for their collaboration on matters of responsible gambling as well as addressing illegal gambling.

The Entity intends to broaden the crime awareness campaigns by means of multi-media advertisements such as Radio, Newspaper, Bus branding, street poles and billboards. The purpose is to create awareness about illegal gambling activities and reach out to a large number of people in a short space of time. The proposal to have joint operations with Seshego Policing Cluster, Limpopo Liquor Board and Polokwane Community Safety, Bylaws Enforcement and Security with the purpose of addressing illegal gambling was underway.

Requests for Roll-Over of Funds

Not applicable to the Entity.

Supply Chain Management

The Entity had the Supply Chain Management Unit as required by Regulation 16A of Treasury Regulations (2005) and had an approved LGB Procedure Manual which would be reviewed annually to ensure an effective and efficient management system. The Entity further had an approved SCM policy and the Preferential Procurement Policy which was utilised when goods and services above the R2 000.00 threshold were procured.

There were no conflicts of interest declared by the officials and their close family members in SCM procurement matters of the Entity.

The Auditor General South Africa assessed procurement processes, contract management and any related controls within the SCM.

All invoices of the service providers were paid within the prescribed period of thirty (30) days.

All Concluded Unsolicited Bid Proposals for the Year Under Review

The Entity did not conclude any unsolicited proposals/bids.

SCM Processes and Systems

The Entity had an approved Procedure Manual, as well as an SCM and Preferential Procurement Policy in place which assisted in enhancing the Supply Chain Management processes with the procurement of goods and services.

The Entity had in place the relevant standing Bid Committees as required by National Treasury in terms of Treasury Regulations and all members of the committees were officially appointed by the accounting authority.

Challenges Experienced and How they are Resolved

The Entity was not able to complete the B-BBEE verification by the end of the financial year, but it is currently in the process to conclude the verification during 2023/24 when the BBEE status should be reviewed.

The Limpopo Provincial Treasury issued an instruction note No. 02 of 2022/2023 repealing the Limpopo Transversal Supply Chain Management Policy which the Entity had adopted in terms of Treasury Instruction No. 06 of 2022. The Entity further developed and approved its own Preferential Procurement Policy.

Audit Report Matters in the Previous Year and How They Would Be Addressed

The Auditor General South Africa (AGSA) has performed the necessary audit procedures on the financial and performance information to provide an audit opinion for the financial year.

The Entity obtained an unqualified audit outcome without any material findings (clean audit opinion), which is included in the Auditor's Report on pages 118 to 122 of the Report.

Outlook/Plans for the Future to Address Financial Challenges

The Entity will be applying for revenue retention with the Provincial Treasury to be able to supplement the current year budget. The allocation that was granted to the Entity will not be sufficient to cater for all the costs that are anticipated to be incurred for the 2023/24 Financial Year. To date, the Entity had an expected surplus of R 20 million that will be surrendered to the Provincial Treasury and the Provincial Revenue Fund. A portion of the R 20 million will be requested to be retained to be used for the service delivery aspect side of things within the Entity.

Events after the Reporting Date

None.

Economic Viability

The effects of the global political economy, electricity loadshedding, the post effects of the COVID-19 pandemic and the fact that the country was well underway to economic recovery to get back to pre-COVID-19 economic performance (or even better), presented a mixed bag of conditions for businesses to operate in. As a result, some industries and sectors were performing better whilst others were not.

In the Limpopo gambling industry, the trend also showed that Bookmakers, Casino, LPMs and Bingo sectors were recovering (although at different rates), whilst the Totalisator Operator's financial performance had declined during the financial year. Overall, the outlook of the gambling industry was promising, provided that the economic conditions and the electricity loadshedding situation improved.

Illegal gambling had a negative impact on licensed gambling operators, the economy in general and the community at large. Illegal gambling operators do not pay gambling levies and taxes and as a result they are crippling the economy of the province. They steal revenue that would otherwise have contributed to building the nation, creating jobs, and positively supporting the National Responsible Gambling Foundation.

Acknowledgements/Appreciation

I would like to thank the Board for their dedicated support and cooperation during the 2022/23 Financial Year. Furthermore, a word of gratitude to the MEC of LEDET, Honorable G.R. Monama for the role he played in ensuring that the Entity was able to carry out its mandate despite the financial constraints.

A word of gratitude also goes to the Members of the Portfolio Committee on Economic, Development, Environment and Tourism, the Standing Committee on Public Accounts, Provincial Treasury, the National Gambling Board, the South African Responsible Gambling Foundation, the National Lotteries Commission, law enforcement agencies, our Licensees and the public of Limpopo for the contribution made in ensuring that the Entity maintained good governance and enforced gambling prescripts.

Credit also goes to the Premier of the Province, Hon. C.S. Mathabatha and all Members of the Executive Council for their support and encouragement.

It is obvious that the excellent work displayed in this report could not have been possible without the dedication and discipline of our committed LGB Management and staff who went the extra mile in the execution of their duties.



Mr. Mokgase Gregory Makoko

Chief Executive Officer

07 August 2023

6. Statement of Responsibility for Performance Information for the Year Ended 31 March 2023

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor General South Africa.

- a) The Annual Report is complete, accurate and free from any omissions.
- b) The Annual Report has been prepared in accordance with the guideline on the Annual Report, as issued by the National Treasury.
- c) The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the Entity.
- d) The Entity is responsible for the preparation of the Annual Financial Statements and for the judgments made in this information.

The Entity is responsible for establishing and implementing a system of internal control and this 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 2023.

Yours faithfully



Mr. M.G. Makoko
Chief Executive Officer
07 August 2023



Mr. M.E. Tjiane
Chairperson of the Board
07 August 2023

7. Strategic Overview

a) Vision

To be the leading, exemplary and innovative regulator in the world.

b) Mission

To regulate the gambling industry in a responsible and ethical manner for the benefit of the people of the province by ensuring compliance with legislation, promoting responsible gambling, and facilitating sustainable local economic development.

c) Values

The Limpopo Gambling Board had identified the following values as the principles that governed behaviour of all employees within the organisation.

Values	Description
Integrity	To operate in accordance with the highest moral and ethical standards.
Responsibility	To accept responsibility towards our most important resources - our employees, and to maximise the development and utilisation thereof.
Consultation	To strive towards a healthy relationship through interactive communication and consultation with our stakeholders.
Transparency	To fulfil our obligations to our stakeholders with honesty, integrity and transparency.
Diversity	To accept and respect the uniqueness and difference of all people and to provide a safe, positive and nurturing environment for the exploration of these differences.
Teamwork	To value the complementary talents and perspectives of the Entity and personnel in achieving our objectives.

8. Legislative and Other Mandates

In terms of the PFMA, the Limpopo Gambling Board is listed as a Schedule 3C Public Entity. The mandate of the Entity is to regulate, control and monitor gambling activities in the province in accordance with the Limpopo Gambling Act, Act No 3 of 2013. The pursuit of the vision and the mission above was regulated and guided by the following broad legislative mandates:

a) Constitutional Mandates

In terms of Part A of Schedule 4 of the Constitution of the Republic of South Africa, Act No. 108 of 1996, Casino, racing, gambling and wagering are matters of concurrent National and Provincial Legislative competence.

b) Legislative Mandates

PUBLIC FINANCE MANAGEMENT ACT, NO. 1 OF 1999

The Public Finance Management Act was utilised to regulate the management of finances.

In terms of the Public Finance Management Act, No.1 of 1999, the Limpopo Gambling Board is classified as a Schedule 3C public Entity.

LIMPOPO GAMBLING ACT, NO. 3 OF 2013

The Limpopo Gambling Board was established in terms of the Limpopo Gambling Act, No. 4 of 1996 and was retained in terms of the Limpopo Gambling Act No 3 of 2013.

The Limpopo Gambling Act, No. 3 of 2013 came into operation on 1 September 2014 and it consequently repealed the Limpopo Gambling Act, No. 4 of 1996. The Act empowers the MEC to establish and appoint the Board to manage the affairs of the Entity. The objectives of the Entity are to licence, regulate and monitor gambling activities in the province.

NATIONAL GAMBLING ACT, ACT NO.7 OF 2004

The Entity must comply with national norms and standards during the licensing process. The National Gambling Act empowers the Minister to prescribe the maximum number of Casino Licences that may be granted in the Republic and in each province.

THE CRIMINAL PROCEDURE ACT, NO 51 OF 1977

The Law Enforcement Inspectors of the Entity were declared as Peace Officers in terms of Section 334 and were conferred with the powers in terms of chapter 2 of the abovementioned Act.

OTHER RELEVANT LEGISLATION USED TO REGULATE GAMBLING

- i. National Lotteries Act, No. 57 of 1997 (relevant in terms of intergovernmental cooperation and illegal gambling criminal charges).
- ii. Prevention of Organised Crime Act, No. 121 of 1998 (relevant in terms of illegal gambling activities and for the forfeiture of assets used in the commission of offences);
- iii. Prevention and Combating of Fraud and Corruption Act, No. 12 of 2004 (relevant in terms of preventing corrupt activities and fraud within the gambling industry);
- iv. Financial Intelligence Centre Act, No. 38 of 2001 (relevant in terms of the LGB being appointed as a supervisory body to monitor the implementation of the FICA by its licensed entities); and
- v. Broad-Based Black Economic Empowerment Act, No. 53 of 2003 (Section 10 of the Act requires the Entity to consider BBBEE requirements in executing its functions).

c) Policy Mandates

The following policy mandates are key to the Entity in its endeavour to achieve its legislative mandates:

RESPONSIBLE GAMBLING STRATEGY

The South African Responsible Gambling Foundation in partnership with the Limpopo Gambling Board addresses problem gambling by conducting various activities; being research and monitoring, public education and awareness, training, treatment and counselling.

LIMPOPO GAMBLING REGULATIONS, SEPTEMBER 1997

The Limpopo Gambling Regulations were promulgated in terms of the Limpopo Gambling Act No. 4 of 1996 to provide for the regulation of the various forms of gambling in the province. New Regulations in terms of the Limpopo Gambling Act No. 3 of 2013 are in the process of being promulgated by LEDET.



Queen of my Heart

For the overwhelming majority of Women gambling is just harmless entertainment. But for the very few who gamble excessively, it can become a problem. It's a problem that can affect South African Women, from all walks of life.

If you, or someone you care about needs help, call the NRHP toll free problem gambling counselling line on **0800 006 008** or email **counsellor@responsiblegambling.co.za** and a trained counsellor will help you. Expert confidential help is available free of charge.

**Winners know when to stop.
Toll free Counselling Line | 0800 006 008**



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9. Members of the Board



Mr M.E. Tjiane
Chairperson



Hosi-Adv. K.A. Mahumani
Deputy Chairperson



Mr. Serobi Maja
Member



Ms. M.E. Maditsi
Member



Mr. C.C. Nkadimeng
Member



Mr. J.N. Mpjane CA(SA)
Member



Mr. M.B. Tema
Treasury Representative

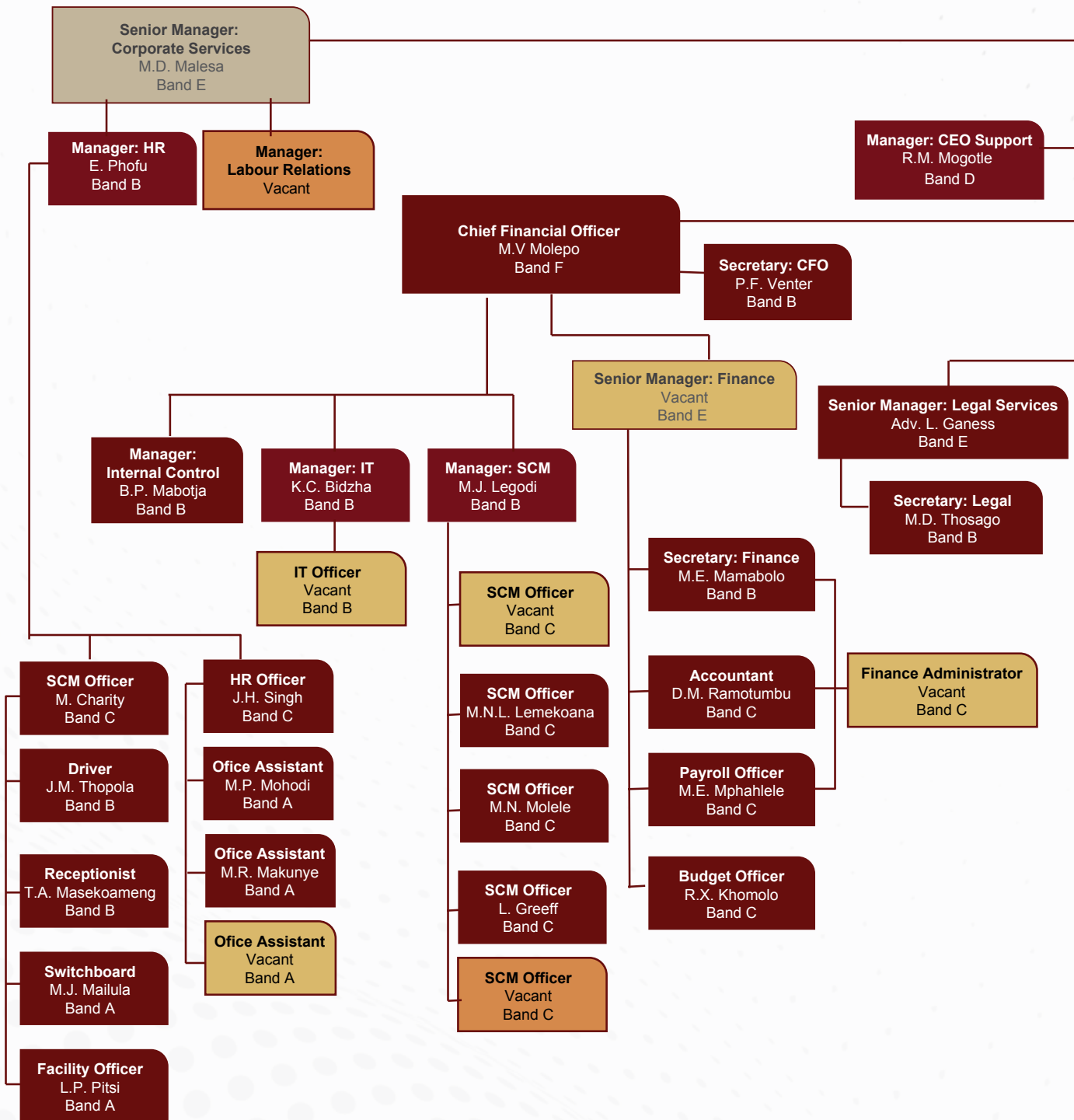


Mr. R. Mudogwa
LEDET Representative



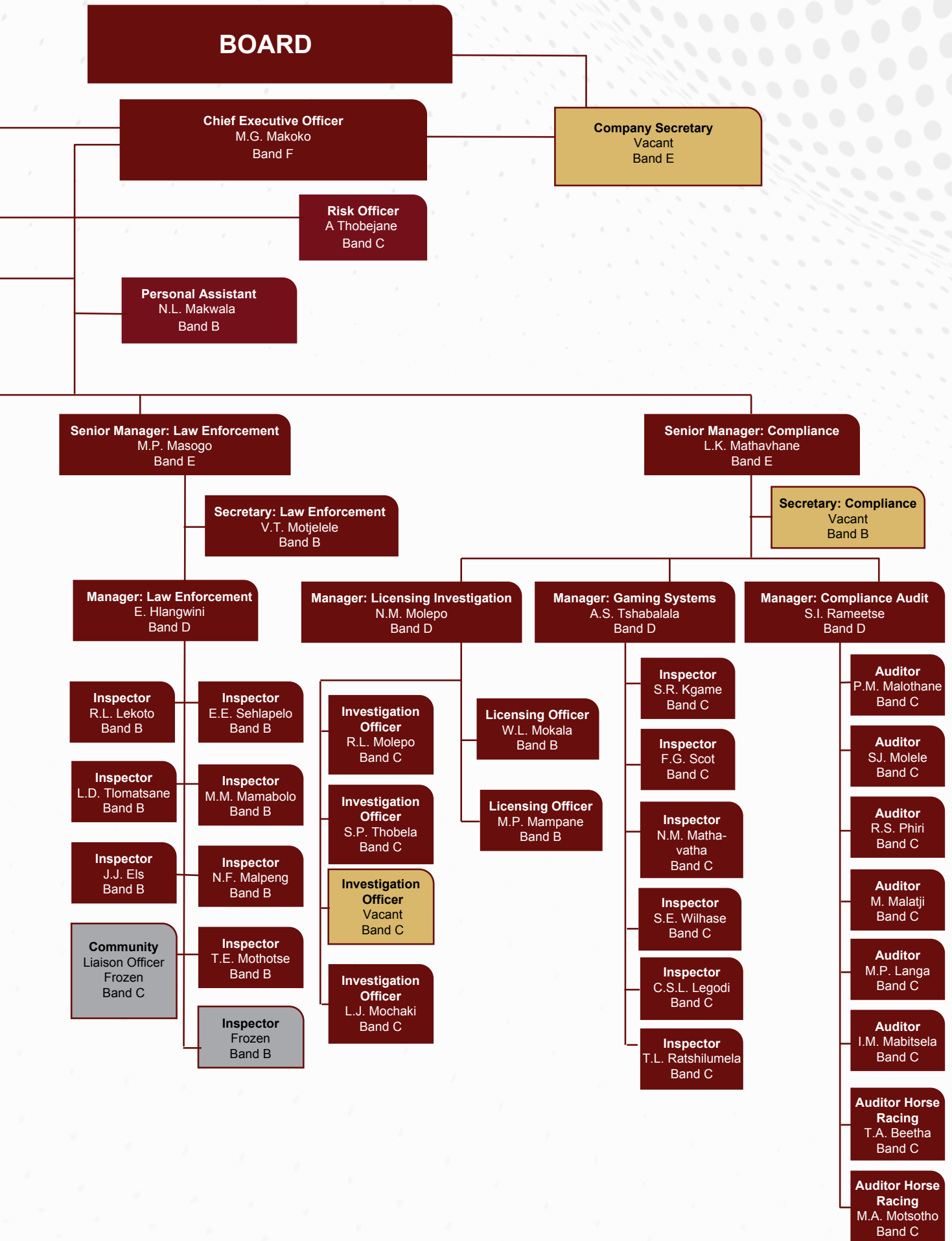
Mr. M.G. Makoko
Chief Executive Officer

10. Organisational Structure



KEY

	Filled
	Vacant
	Frozen
	Awaiting Treasury Approval



The Entity had a total number of seventy-three (73) approved permanent posts at the beginning of the 2022/2023 Financial Year.

From the seventy-three (73) approved positions, it included the 10 vacant positions that were approved on the recruitment plan for the year. Two positions of the Community Liaison Officer and an Inspector within the Law Enforcement Business Unit were on hold. A total number of six (06) positions were filled from the approved recruitment plan. The recruitment for the other four (04) positions could not be concluded by the end of the financial year and the process will be concluded in the new financial year. The following are the four positions that could not be concluded by the end of the financial year:

1. Finance Administrator
2. General Office assistant
3. Company secretary
4. Supply Chain Officer

The Entity had to submit an additional recruitment plan of four (4) positions for approval due to the vacancies that emanated from internal recruitment /promotion. The Entity commenced the process of filling all these positions which were as follows:

1. Senior Manager Finance
2. Information Technology Technician
3. Investigation Officer
4. Compliance Secretary



Don't kiss your bonus goodbye



For the overwhelming majority of South Africans gambling is harmless entertainment. But for the very few who gamble more than they can afford over the Festive Season, It can become a problem.

If you, or someone you care about needs help, call the NRGP toll free problem gambling counselling line on **0800 006 008** or email **counsellor@responsiblegambling.co.za** and trained multilingual counsellors will help you. Expert confidential help is available free of charge.

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**WINNERS KNOW
WHEN TO STOP**
A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
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or 085 076 575 8719



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11. LGB Business Units



CEO AND SENIOR MANAGEMENT



CHIEF EXECUTIVE OFFICER'S OFFICE



SUPPLY CHAIN MANAGEMENT



HUMAN RESOURCES MANAGEMENT UNIT



LEGAL SERVICES



CHIEF FINANCIAL OFFICER'S OFFICE



FINANCE BUSINESS UNIT



INFORMATION TECHNOLOGY UNIT



LAW ENFORCEMENT BUSINESS UNIT



COMPLIANCE AUDIT UNIT



GAMBLING CONTROL UNIT



INVESTIGATIONS & LICENSING UNIT



COMPLIANCE BUSINESS UNIT





PART B

PERFORMANCE INFORMATION



1. Auditor's Report: Predetermined Objectives

The AGSA currently performs 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, and no material findings on the usefulness and reliability of the reported performance information for the Compliance programme were raised.

Refer to page 118 of the Auditors Report, published as Part E: Financial Information.

2. Overview of Performance

2.1. Service Delivery Environment

The Compliance and Law Enforcement Business Units provided the core services of the Entity in line with the gambling legislation and the policy mandates.

The information outlined below highlights the gambling trends and how both the above Business Units and the gambling industry were affected.

The National State of Disaster was lifted on 05 April 2022 due to the impact of COVID-19 having subsided towards the end of the 2021/22 Financial Year, and the programme for inoculating the population progressed since March 2021. Many economic activities slowly returned to normalcy throughout the financial year due to the lifting of the National State of Disaster.

The lifting of the National State of Disaster by the State president created a conducive opportunity for business within the gambling industry to recover to normalcy as conditions which were imposed as a result of mitigating the spread of COVID-19 had a negative impact on their operations. The current economic environment post COVID-19 also enabled the Entity to exceed revenue collection as most of the gambling amenities operated and additional sites were opened.

2.1.1. Compliance

Statistics South Africa records that the financial year started on the back of the South African gross domestic product (GDP) having expanded by 1,9% in the first quarter of 2022, representing a second consecutive quarter of upward growth. The size of the economy was now at pre-pandemic levels, with real GDP slightly higher than what it was before the COVID-19 pandemic.

The slow economic recovery after the lifting of the National State of Disaster and the National Lockdown, closure of some businesses and punter apathy did not affect the levies collected by the Entity, since the levies collected rose by 51% compared to the overall increase in the levies collected of by the Entity from Licensees in the 2021/22 Financial Year. The recovery of levies collected from Licensees was led by Bookmakers and Casinos which increased by 96% and 20% respectively, whereas at the lower end of recovery, the increase in LPM levies collected rose by 7% followed by Bingos by 4% respectively. The levies collected for Totalisators declined by 5%. The levies collected in 2022/23 are higher than the pre-COVID-19 levels of revenue collected.

The status of licensed establishments in the Limpopo Province included three Casinos, two LPM Route Operators, 240 LPM Site operators, five Bingo Operators, seven Bingo Sites, nine Bookmaker Operators and 95 Bookmaker sites, and one Totalisator with 25 Totalisator Sites. Nine entities which provided gambling related goods and services to the licensed gambling and betting establishments were issued with Certificates of Suitability.

In September 2022, the Board received 4 Type A LPM Site licence applications from Vukani Gaming Limpopo (Pty) Ltd and 3 Type A LPM Site licence applications from Goldrush Gaming Limpopo (Pty) Ltd. Thirteen (13) Type A LPM site licence applications received were finalised by 31 March 2023.

The finalised LPM Site licence applications were considered by the Compliance and Enforcement Committee during the financial year. LPM Site Licence Licences were granted to the following Applicants:

	Applicant	Location	No. of LPMs
1	Lekarati Liquor Licence	Sekgosese, Capricorn District	5
2	Real Pub	Shongoane Phalala, Waterberg District	5
3	House of Galilee	Lephalale, Waterberg District	5
4	Marks Tavern	Sekgakgapeng, Waterberg District	5
5	The Guys Liquor Restaurant	Bochum, Capricorn District	5
6	Capital M Bar Lounge	Mohodi, Capricorn District	5
7	Ben's Bar Lounge	Moutse, Sekhukhune District	5
8	Tshobi Liquor Restaurant	Mapela, Waterberg District	5
9	Top Notch	Mankweng, Capricorn District	5
10	Limpopo Liquor Restaurant	Tzaneen, Mopani District	5
11	Mutshotso Bar Lounge	Dzanani, Vhembe District	5
12	Nylstroom BuiteKlub	Modimolle, Waterberg District	5
13	Nasol (Pty) Ltd t/a Top Notch	Mankweng, Capricorn District	5

Three Bookmaker sites - VBetSA (Pty) Ltd Thaba Junction, VBetSA (Pty) Ltd Mamaila and Betting World (Pty) Ltd Thohoyandou were opened during the financial year. By the end of the financial year, 58 out of the 95 licensed Bookmaker sites were operational whilst 22 out of the 25 Totalisator sites were operational. Four Bettagaming Limpopo (Pty) Ltd Bookmaker sites in Elim, Thohoyandou, Louis Trichardt and Lephalale were temporarily closed. The Bookmaker Operator cited that the operation of the sites was not commercially viable and relocation of the licensed sites to other areas in the province would be sought.

In March 2023, the Financial Intelligence Centre (FIC) notified the Limpopo Gambling Board that the Entity had been relieved of FICA Supervisory responsibilities following the amendment of the FICA; however, the FIC committed to enter into a new Memorandum of Understanding with the LGB for the purpose of collaborating on FICA Inspections, FICA awareness campaigns, registration of licensees and monitoring issues of beneficial ownership.

At the same time, the Financial Action Task Force (FATF) had, after the mutual evaluation conducted in 2019, placed South Africa on the grey list because the country did not have sufficient mechanisms in place to monitor and combat money laundering and terrorist financing activities. This was despite

the country having implemented some measures by the end of December 2022 by promulgating the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act and the Protection of Constitutional Democracy Against Terrorism and Related Activities Amendment Act. The FATF is a global inter-governmental body that promotes policies and sets international standards relating to the combating of money laundering, terrorism financing, and the financing of the proliferation of weapons of mass destruction.

After the grey listing, the agreed Action Plan with the FATF was reduced to eight focus areas which related largely to the effectiveness of the authorities in implementing the various elements of the anti-money laundering and combating of the financing of terrorism system. The focus areas for the Entity in order to assist the FIC to get the country off the FATF grey list related to:

- a) The improvement of risk-based supervision of licensees and applying effective, proportionate, and effective sanctions for non-compliance with FICA; and
- b) The assurance that market entry requirements addressed Beneficial Ownership concerns raised by the FATF and the application of sanctions for breaches of violations to Beneficiary Ownership obligations by legal persons.

a) *Gambling and Betting Statistics*

Table 1 – Number of Gambling Machines: Casinos for the 2022/23 Financial Year were as follows:

Casino	Licensed	Active 31			Active	
		Total 2020/21	Total 2021/22	March 2022*	Total 2022/23	31 March 2023
Sun Meropa	550	400	400	301	332	332
Khoroni Casino	150	150	150	150	150	150
Thaba Moshate Casino	300	160	160	132	160	160
Total	1000	710	710	583	642	642

There was a 10% and 21% respective increase in the number of gambling machines offered by Sun Meropa (31) and Thaba Moshate Casino (28) in 2022/23 as compared to 2021/22. The increase was attributed to the end of the National State of Disaster and the lifting of restrictive COVID-19 Regulations on 05 April 2022. The number of gambling machines at Khoroni Casino remained constant during the same reporting period.

Table 2 – Gambling Tables: Casinos for the 2022/23 Financial Year were as follows:

Casino	American			Touch Bet		Operational 31 March 2023	
	Roulette	Blackjack	Poker	Roulette	Baccarat	2023	Total
Sun Meropa	10	02	01	0	01	14	14
Khoroni	06	02	0	0	0	08	08
Thaba Moshate	08	02	0	0	0	10	10
Total	24	06	01	0	01	32	32

Sun Meropa Casino permanently removed one Blackjack gambling table from the gambling floor, thereby reducing the number of Blackjack tables to two. Khoroni Casino permanently removed one Blackjack gambling table from the gambling floor, thereby reducing the number of Blackjack tables to two.

Table 3 – Type A LPM Sites: The number of LPMs and LPM Sites for the 2022/23 Financial Year were as follows:

Municipal District	Total LPMs	Total LPM Sites	Vukani LPMs	Vukani Sites	Goldrush LPMs	Goldrush Sites
Capricorn	226	46	151	31	75	15
Waterberg	190	38	115	23	75	15
Mopani	275	55	130	26	145	29
Sekhukhune	198	40	135	27	63	13
Vhembe	153	31	123	25	30	06
Total	1042	210	654	132	388	78

The total number of Limited Pay-out Machines at Type A LPM sites declined by five and the total number of Type A sites also declined from 211 to 210. Twelve LPM sites were temporarily closed as at 31 March 2023. Four LPM sites were closed permanently during the year because of poor performance, disputes between the Landlord and the site owner, non-payment of gross gambling revenue by site owners and relocation of sites. There were, however, also gains in the number of LPM's as other sites were opened.

Table 4 – Type A LPM Sites: The number of LPMs and LPM Sites for the 2021/22 Financial Year were as follows:

Municipal District	Total LPMs	Total LPM Sites	Vukani LPMs	Vukani Sites	Goldrush LPMs	Goldrush Sites
Capricorn	212	46	142	31	70	15
Waterberg	205	36	125	20	80	16
Mopani	242	50	130	26	112	24
Sekhukhune	219	44	166	33	53	11
Vhembe	169	35	116	24	53	11
Total	1047	211	679	134	368	77

Table 5 - Type B LPM Sites: The number of LPMs and LPM Sites for the 2022/23 Financial Year were as follows:

Total LPMs	Total LPM Sites	Vukani LPMs	Vukani Sites	Goldrush LPMs	Goldrush Sites	Total LPMs
Capricorn	55	03	40	02	15	01
Waterberg	30	01	30	01	0	0
Mopani	120	06	80	03	40	03
Sekhukhune	15	01	0	0	15	01
Vhembe	60	03	60	03	0	0
Total	280	14	210	09	70	05

There has been an increase of twenty (20) Limited Pay-out Machines within Type B sites as compared to the previous year (2021/22).

Table 6 - Type B LPM Sites: The number of LPMs and LPM Sites for the 2021/22 Financial Year were as follows:

Total LPMs	Total LPM Sites	Vukani LPMs	Vukani Sites	Goldrush LPMs	Goldrush Sites	Total LPMs
Capricorn	50	3	40	2	10	1
Waterberg	30	1	30	1	0	0
Mopani	110	6	80	3	30	3
Sekhukhune	10	1	0	0	10	1
Vhembe	60	3	60	3	0	0
Total	260	14	210	9	50	5

Table 7 – The number of Bingo seats for the 2021/22 and 2022/23 Financial Years were as follows:

Bingo Operator	Maximum Licensed Bingo seats	Total Bingo seats 2021/22	Active Bingo seats 31 March 2022	Total Bingo seats 2022/23	Active Bingo seats 31 March 2023
Galaxy Gaming Limpopo (Pty) Ltd t/a Galaxy Bochum	400	112	84	112	112
Galaxy Gaming Limpopo (Pty) Ltd t/a Galaxy Musina	400	209	165	209	209
Galaxy Gaming Tzaneen (Pty) Ltd t/a Galaxy Tzaneen	400	200	170	200	200
Latiano 557 (Pty) Ltd t/a Goldrush Bela-Bela	400	118	118	118	118
Latiano 557 Pty Ltd t/a Goldrush Groblersdal	400	100	100	100	100
Latiano 557 Pty Ltd t/a Goldrush Phalaborwa	400	100	100	100	100
Planet Bingo Pty Ltd t/a Vegas Bingo Lephalale	400	164	164	164	164
Total	2800	1003	901	1003	1003

In addition, Goldrush Bingo Groblersdal and Goldrush Bingo Bela-Bela had an additional 42 and 80 traditional bingo seats respectively; however, all the traditional bingo seats were non-operational during the financial year.

Table 8 – The number of Casino Gambling Machines Tested for the 2019/20 to 2022/23 Financial Years were as follows:

Casino	2019/20	2020/21	2021/22	2022/23
Sun Meropa	67	12	65	51
Khoroni	94	28	25	96
Thaba Moshate	97	18	70	67
Total	258	58	160	214

Table 9 – The number of LPM Site Inspections for the 2022/23 Financial Year were as follows:

Fin Year	Route						Total
	Operator	Capricorn	Waterberg	Mopani	Sekhukhune	Vhembe	
2022/23	Vukani	24	30	18	23	37	132
	Goldrush	19	20	29	11	18	97
	TOTAL	43	50	47	34	55	229
2021/22	Vukani	01	15	08	13	10	47
	Goldrush	02	08	09	04	06	29
	TOTAL	03	23	17	17	16	76

Table 10 – Gambling Machines Distribution for the 2022/23 Financial Year were as follows:

Year	Into the Province	Out of the Province	Within the Province	Through the Province	Total
2020/21	136	83	203	55	477
2021/22	345	172	555	106	1178
2022/23	194	176	449	09	828

Table 11 – Letters of Certification (LOC) Approvals for the 2022/23 Financial Year were as follows:

Year	Software	Hardware	Monitoring and Control Systems	Total
2020/21	544	101	39	684
2021/22	184	40	42	266
2022/23	238	63	17	318

Table 12 – The Number of Employees for the 2021/22 and 2022/23 Financial Years were as follows:

Type	2021/22	2022/23
Total number of employees in the Limpopo gambling industry		
Previously Disadvantaged Individuals (PDI)	3572	2855
Non-PDI	286	293
Total Employed	3858	3148

The total number of employees decreased by 710 employees (18.60%) during the financial year. The Largest increase in employees occurred at Thaba Moshate Casino with an increase of 33 employees (22%), whereas the largest decrease of employees was at Bettabets losing 133 employees (31%). The overall decrease was due to closure of several sites, downsizing and employee turnover. Licensees also cited the cost of licensing employees as a contributing factor.

Table 13 – The number of Employees per Licensee for the 2022/23 Financial Year were as follows: The following is a breakdown of PDI and Non-PDI of employees per Licensee:

	Khoroni Casino	Sun Meropa	Thaba Moshate Casino	Vukani Gaming Limpopo	Vukani – LPM Sites	Goldrush Gaming Limpopo	Goldrush – LPM Sites	4Racing (Pty) Ltd	Hollywood	BetSA	Betting World
PDI	170	165	186	17	484	16	307	53	344	27	203
Non – PDI	2	5	0	1	53	0	10	0	209	0	0
Total 2022/23	172	170	186	18	537	16	317	53	553	27	203
Total 2021/22	159	164	153	17	709	21	759	50	587	28	193
Variance	13	6	33	1	-172	-5	-442	3	-34	-1	10
Variance %	8%	4%	22%	6%	-24%	-24%	-58%	6%	-6%	-4%	5%

	Betta Gaming	October Wind	Idada Trading	Fortwood	Galaxy Bingo Tzaneen	Galaxy Bingo Limpopo	Goldrush Bingo	VbetSA	Vegas Bingo
PDI	291	111	64	10	80	77	53	26	127
Non – PDI	0	8	0	1	3	0	0	0	0
Total	291	119	64	11	83	77	53	26	127
Total 2021/22	424	108	86	11	83	76	75	117	38
Variance	-133	11	-22	0	0	1	-22	91	89
Variance %	-31%	10%	-26%	0%	0%	1%	-29%	78%	26%

b) Gambling Performance

Table 14 - Total Money Wagered

The total money wagered at the Casinos during the 2022/23 and 2021/22 Financial Year were as follows:

Quarter Ended	June 2022 (R)	September 2022	(R)	December 2022 (R)	March 2023 (R)	Total (R)
2022/23	1 484 797 277	1 538 264 073	1 328 925 880	1 702 040 585	1 702 040 585	6 054 027 815
2021/22	1 193 453 027	840 161 630	1 257 906 924	1 396 890 515	1 396 890 515	4 688 412 097
Variance	291 344 250	698 102 443	71 018 956	305 150 070	305 150 070	1 365 615 718
variance%	24%	83%	6%	22%	22%	29%

The total money wagered at casinos improved greatly during 2022/23 and the trend could be attributed to the high number of punters who visited the casinos despite the dampened economic conditions in the country.

Gross Gaming Revenue (GGR)

Table 15 - Monthly Casino GGR

The GGR generated by Casinos during the 2022/23 and 2021/22 Financial Years amounted to R 367 million and R 306 million respectively. The monthly GGR generated by the Licensees were as follows:

Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2022/23	8%	7%	9%	8%	8%	10%	8%	7%	8%	10%	8%	9%
2021/22	12%	6%	6%	2%	7%	10%	8%	8%	8%	11%	9%	13%

Table 16 - Monthly LPM GGR

The GGR generated by LPM Licensees during the 2022/23 and 2021/22 Financial Years amounted to R317 million and R295 million respectively. The monthly GGR generated by the Licensees were as follows:

Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2022/23	8%	8%	10%	8%	8%	10%	8%	8%	8%	9%	7%	9%
2021/22	10%	8%	8%	4%	7%	10%	8%	8%	9%	10%	8%	10%

Return to Player Percentage (RTP**)

The RTP% for the different modes of gambling reflected the amount paid back to the public in the form of winnings during the financial year. The RTP percentage above the threshold for Casinos, LPMs and Bingo for 2022/23 and 2021/22 indicated that the public won more money than the minimum threshold set in the legislation.

Table 17 – Monthly Casino RTP

The Casino Licensees Return to Player (RTP) percentage for the 2022/23 and 2021/22 Financial Year were as follows:

Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2022/23	96%	96%	96%	96%	95%	96%	95%	95%	94%	96%	95%	96%
2021/22	96%	96%	96%	0%	96%	96%	96%	95%	96%	96%	96%	95%

Casinos Average RTP %: 2022/23 = 95% (2021/22 = 96%)

The prescribed RTP for Casinos was 80%.

Table 18 – Monthly LPM RTP

The LPM Route Operator Return to Player (RTP) percentage, for the 2022/23 and 2021/22- Financial Years were as follows:

Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2022/23	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%
2021/22	92%	92%	92%	0%	92%	92%	92%	92%	92%	92%	92%	92%

LPMs Average RTP %: 2022/23 = 92% (2021/22 = 92%)

The prescribed RTP for LPMs was 75 %

**** RTP = 100 % less (Gross Gaming Revenue ÷ Money Wagered)**

Table 19 – Monthly Bingo RTP

The Bingo Return to Player (RTP) percentage for the 2022/23 and 2021/22 Financial Years were as follows:

Month	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2022/23	95%	95%	95%	94%	94%	93%	92%	94%	94%	95%	94%	94%
2021/22	94%	94%	94%	95%	94%	94%	94%	93%	94%	94%	94%	94%

Bingo Average RTP %: 2022/23 = 94% (2021/22 = 94%)

The prescribed RTP for Bingos was 70 %

**** RTP = 100 % less (Gross Gaming Revenue ÷ money wagered)**

Levies Collected Per Month from Licensees

Section 41(2) of the Act requires Licensees to pay Levies as prescribed in the Regulations. The Regulations prescribed various levy rates for different Licensees. The Levies were payable to the Board on a weekly basis and all Levies were paid over to the Limpopo Provincial Treasury. The following is a breakdown of Levies per licence type:

Table 20 - Casino and LPM Levies

Casino and LPM Levies are payable at 8.5% and 10% of GGR as prescribed by Regulations 75 and 172 respectively. Total Levies generated by the licensed Casinos and LPM Route Operators during the 2022/23 and 2021/22 Financial Years were as follows:

	Casino Levies 2022/23 (R)	Casino Levies 2021/22 (R)	Variance (R)	Variance (%)	LPM Levies 2022/23 (R)	LPM Levies 2021/22 (R)	Variance (R)	Variance (%)
April 2022	2 359 864	3 240 634	-880 770	-27%	2 408 949	2 887 095	-478 146	-17%
May 2022	2 302 902	1 661 395	641 507	39%	2 476 539	2 359 449	117 090	5%
June 2022	2 829 530	1 680 042	1 149 488	68%	3 085 712	2 259 742	825 970	37%
July 2022	2 385 128	490 727	1 894 401	386%	2 518 534	1 268 386	1 250 148	99%
August 2022	2 423 917	1 817 371	606 546	33%	2 570 254	2 206 980	363 274	16%
September 2022	3 113 527	2 491 646	621 881	25%	3 037 581	2 911 970	125 611	4%
October 2022	2 430 616	2 091 251	339 365	16%	2 383 730	2 379 971	3 759	0%
November 2022	2 285 876	2 098 448	187 428	9%	2 429 696	2 280 955	148 741	7%
December 2022	2 402 574	2 073 913	328 661	16%	2 538 416	2 525 601	12 815	1%
January 2023	3 239 373	2 753 116	486 257	18%	2 940 495	2 944 824	-4 329	0%
February 2023	2 503 577	2 331 675	171 902	7%	2 347 296	2 417 808	-70 512	-3%
March 2023	2 941 050	3 305 340	-364 290	-11%	2 927 811	3 064 625	-136 814	-4%
TOTAL	31 217 934	26 035 560	5 182 376	20%	31 665 015	29 507 406	2 157 607	7%

The increase in Casino and LPM Levies could partly be attributed to the increase in the number of punters that visited the Licensed sites as well as the prevailing economic outlook during the financial year.

Table 21 - Bingo Levies

Bingo Levies were payable at 8.5% of GGR as prescribed by Regulation 133 of the Act. Total Levies generated by the licensed Bingo Operators during the 2022/23 and 2021/22 Financial Years were as follows:

	Bingo Levies 2022/23 (R)	Bingo Levies 2021/22 (R)	Variance (R)	Variance (%)
April 2022	914 392	1 181 910	-267 518	-23%
May 2022	935 803	822 366	113 437	14%
June 2022	1 129 026	816 451	312 575	38%
July 2022	940 981	195 081	745 900	382%
August 2022	966 816	723 447	243 370	34%
September 2022	1 099 522	1 023 923	75 599	7%
October 2022	897 169	899 773	-2 604	0%
November 2022	1052 775	912 052	140 723	15%
December 2022	936 385	1 052 692	-116 307	-11%
January 2023	898 251	1 157 515	-259 264	-22%
February 2023	825 381	1 001 330	-175 949	-18%
March 2023	878 121	1 219 111	-340 990	-28%
TOTAL	11 474 622	11 005 650	468 971	4%

The increase in Bingo Levies could partly be attributed to the increase in the number of punters that visited the Bingo Sites as well as the prevailing economic conditions during the financial year.

Table 22 - Totalisator and Bookmaker Levies

Totalisator Levies were payable at 7% of Gross Betting Revenue as prescribed by Betting Regulation 16; whereas Bookmaker Levies on Sport and Horseracing were payable at 6.5% and 6% respectively in terms of Betting Regulation 19. The total Levies generated by the licensed Totalisators and Bookmakers during the 2022/23 and 2021/22 Financial Year were as follows:

	Totalisator		Variance		Bookmakers		Variance	
	2022/23 (R)	2021/22 (R)	(R)	(%)	2022/23 (R)	2021/22 (R)	Variance (R)	(%)
April 2022	164 484	200 709	-36 225	-18%	6 814 467	3 859 311	2 955 156	77%
May 2022	224 469	159 089	65 380	41%	7 837 871	3 291 788	4 546 083	138%
June 2022	131 186	210 907	-79 721	-38%	8 859 749	3 375 083	5 484 665	163%
July 2022	140 368	63 604	76 764	121%	8 663 899	4 263 328	4 400 572	103%
August 2022	145 941	194 408	-48 467	-25%	9 127 270	3 914 781	5 212 489	133%
September 2022	153 335	168 695	-15 360	-9%	11 388 155	5 756 415	5 631 739	98%
October 2022	183 261	167 112	16 150	10%	10 587 586	4 265 179	6 322 407	148%
November 2022	138 677	194 410	-55 732	-29%	9 847 034	5 372 729	4 474 305	83%
December 2022	136 074	161 161	-25 087	-16%	11 879 015	5 248 381	6 630 634	126%
January 2023	197 879	184 960	12 919	7%	10 176 647	6 293 161	3 883 486	62%
February 2023	146 427	150 927	-4 500	-3%	10 821 496	6 168 733	4 652 763	75%
March 2023	142 923	155 048	-12 125	-8%	13 769 945	9 386 153	4 383 793	47%
TOTAL	1 905 025	2 011 028	-106 003	-5%	119 773 132	61 195 041	58 578 092	95.72%

The decrease in Totalisator levies could partly be attributed to the decrease in the number of punters that visited the Totalisator sites; whereas the increase in Bookmakers levies could partly be attributable to increase in the number of punters that visited Bookmaker sites as well as the prevailing economic conditions during the financial year.

Unclaimed Dividend

Betting Regulation 18 prescribed that Totalisators pay a levy of 12% on unclaimed dividends. The Unclaimed Dividend Levies for 2022/23 and 2021/22 were R190,975.84 and R171,443.92 respectively. The levies increased by R19,531.92 (11%) compared to the previous financial year. This could partly be attributed to punters not claiming dividends timeously from the Totalisator during 2022/23. There was an increase in claims made on unclaimed dividends by more punters. The unclaimed dividends are held by the Totalisator.

Table 23 – Unclaimed Dividend

	Unclaimed Dividend (Levy 2022/23) (R)	Unclaimed Dividend (Levy 2021/22) (R)	Variance (R) R	Variance (%)
April 2022	15 755	15 755	0	0%
May 2022	40 451	15 361	25 090	163%
June 2022	13 577	13 154	423	3%
July 2022	12 963	2 985	9 977	334%
August 2022	10 161	28 843	-18 682	-65%
September 2022	15 545	7 080	8 465	120%
October 2022	11 237	12 128	-890	-7%
November 2022	11 902	13 860	-1 959	-14%
December 2022	15 467	16 643	-1 176	-7%
January 2023	13 598	15 354	-1 756	-11%
February 2023	15 961	16 224	-262	-2%
March 2023	14 360	14 058	302	2%
TOTAL	190 976	171 444	19 532	11%

Table 24 - Gross Gambling Revenue

The split of Gross Gambling Revenue and Levies among gambling slot machines, Gambling Tables, Bingo and Limited Pay-out Machines since 2015/16 were as follows:

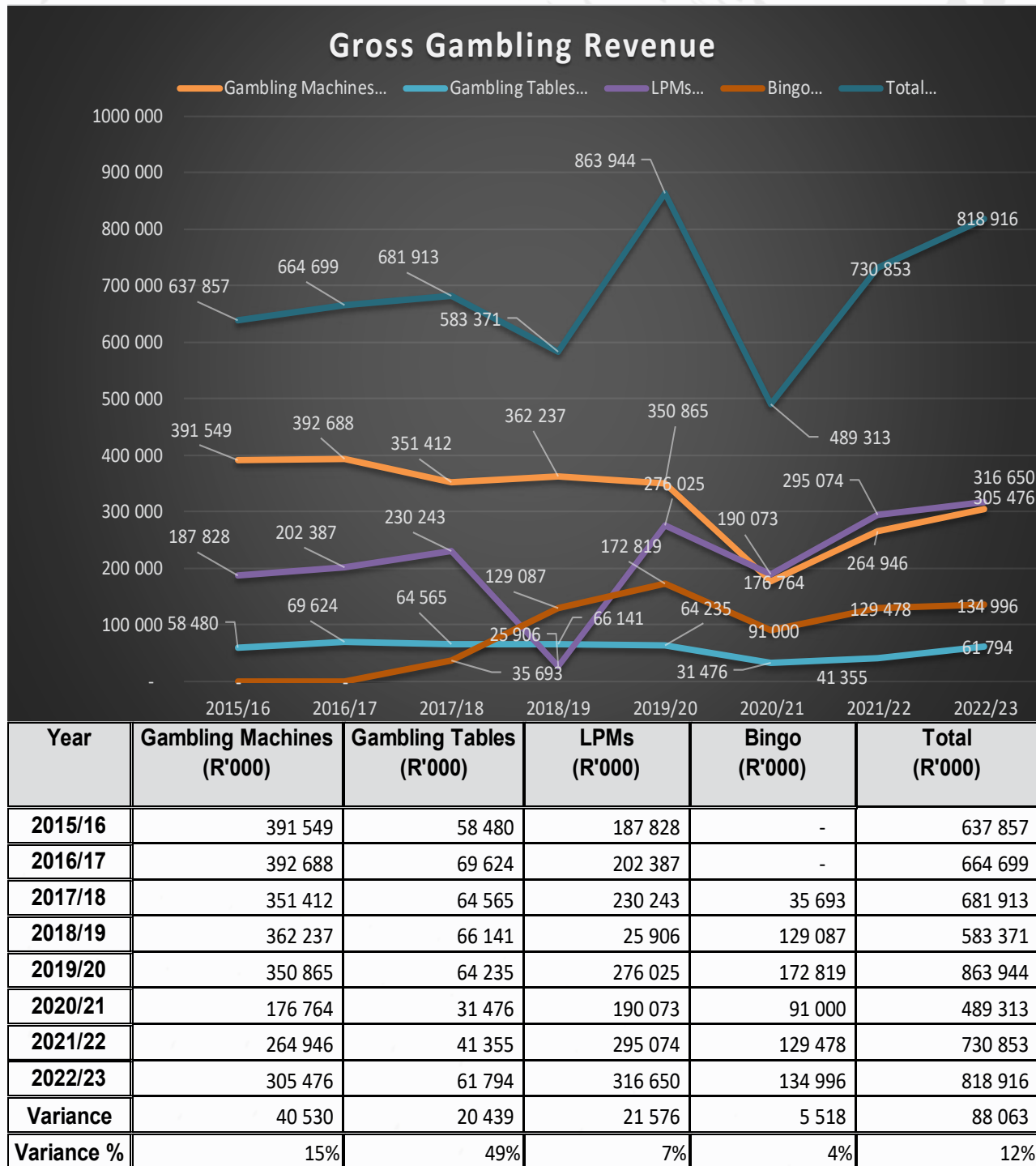
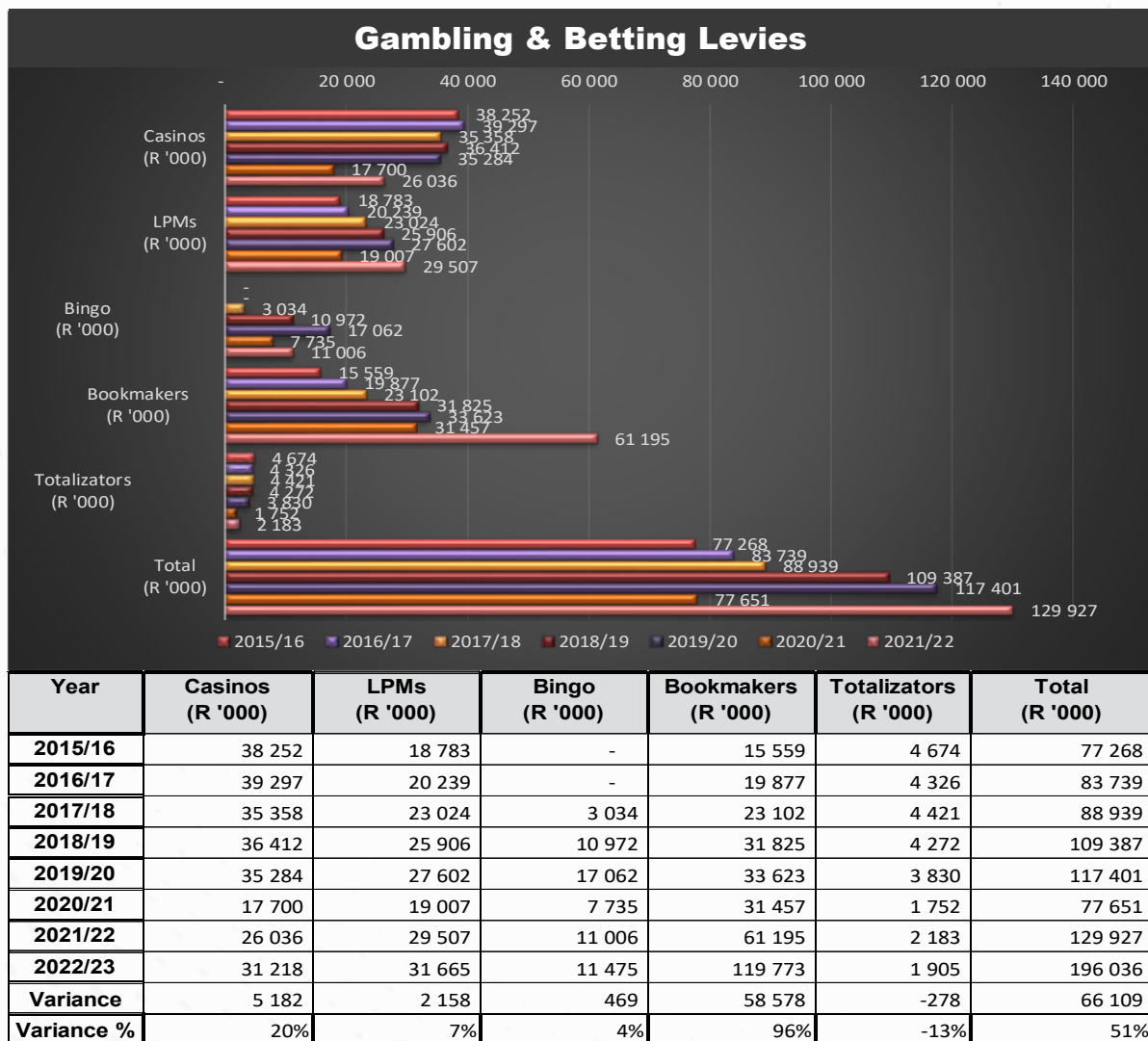


Table 25 - Gambling Levies

The Total Levies paid by Licensees from the 2015/16 to 2022/23 Financial Years were as follows:



The GGR for Gambling Machines and Gambling Tables has been declining over the past six years, however it recovered in 2021/22 in comparison to 2020/21. The overall Casino Levies have over the past five years fluctuated which culminated in an increase in levies collected from casinos in 2022/23 by 20% in comparison to 2021/22. The increase was in line with the increase in the GGR for Gambling Machines and Gambling Tables and the nominal increase of 23% in the total money wagered at casinos.

Levies from LPM and Bingo Operators have increased by 7% and 4% respectively due to changes in economic conditions.

Levies from Bookmakers increased by 96% and decreased from Totalizators by 13% due to economic conditions.

2.1.2. Law Enforcement

The mandate of the Entity was to investigate and eradicate all forms of illegal gambling activities within the province. The modes of illegal gambling activities in the province included online (interactive) gambling, illegal gambling machines, Fahfee (Mochaina), cards and dice. The Entities and individuals that are offering these types of gambling activities are operating without valid licenses. The Entity continued its active partnership with the South African Police Service (SAPS), the National Prosecuting Authority (NPA) and other government departments, to ensure effective enforcement of gambling legislation in the province.

There was a 364% increase in investigations of illegal gambling which was due to the increased reports by members of the public that resulted from public crime awareness campaigns. The Entity continued to work with great effort to ensure that illegal gambling operators were brought to justice. As a result, there was a remarkable 472% increase in arrests made. There was a notable increase of 443 confiscated illegal gambling machines as compared to the 2021/22 Financial Year, which confirmed that the growth of illegal gambling industry continued to escalate.

The Entity appointed a Manager in Law Enforcement Business Unit to take over some of the responsibilities of the unit and contribute to the fight against illegal gambling activities in the province. The position also closed the gap between the Inspectors and the Senior Manager of the Business Unit. The Entity appointed inspectors in terms of section 81 of Limpopo Gambling Act, 2013 (Act No. 3 of 2013) with limited powers to address illegal gambling activities in the province. The limited powers granted to Law Enforcement Business Unit Inspectors through section 334 of the Criminal Procedure Act (Act 51 of 1977) remained an impeding factor in terms of arrests that lead to convictions. In most cases, the defence Attorneys challenged the authority of arrests effected by Law Enforcement Business Unit Inspectors and challenged the court to render such arrests invalid. This resulted in the Entity being highly reliant on the South African Police Service (SAPS) in managing unlicensed gambling operations in the province. The Entity proposed amendments to the Limpopo Gambling Act to address some of the current challenges faced by the Unit, in addition, the Business Unit still experienced a challenge on the collection of digital and electronic evidential material for court purposes. To address this challenge, the Business Unit intends employing a relevantly skilled person to assist in the investigate of complex cybercrime activities associated with illegal online gambling.

The tables below outline the summary of achievements per quarter for the 2021/22 and 2022/23 Financial Years.

A total number of 59 and 274 Investigations were conducted during the 2021/22 and 2022/23 Financial Years respectively.

Table 1 – Investigations

Year	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
2021/22	8	5	10	36	59
2022/23	64	86	69	55	274

The unit worked with the South African Police Service to ensure that illegal gambling operators were arrested and prosecuted. During the 2021/22 and 2022/23 Financial Years, 25 and 143 illegal gambling operators were arrested respectively as indicated in the table below:

Table 2 – Arrests

Year	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
2021/22	8	2	3	12	25
2022/23	46	59	15	23	143

The Entity conducted raids on illegal gambling operations which resulted in the confiscation of 35 and 477 illegal gambling machines (Chinese Roulette) during the 2021/22 and 2022/23 Financial Years respectively:

Table 3 – Illegal gambling machines confiscated

Year	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
2021/22	2	16	3	14	35
2022/23	114	110	123	130	477

Admission of guilt fines for the 2021/22 and 2022/23 Financial Years were paid as indicated in the table below:

Table 4 – Admission of guilt

Year	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
2021/22	R11 500,00	R2 000,00	R6 000,00	R10 000,00	R29 500,00
2022/23	R25 000,00	R48 500,00	R11 700,00	R 3 900,00	R99 100,00

The Entity destroyed a total of 382 illegal gambling machines (156 in July 2022 and 226 in November 2022). These machines were confiscated from various spaza shops and taverns throughout the province. The Law Enforcement Business Unit was able to confiscate 127 computers throughout the province in 2022/23. These computers would be destroyed once the criminal case has been finalised in court.

In addition to investigations, the Law Enforcement Business Unit also conducted awareness campaigns to educate and empower members of the public about illegal gambling and the consequences of participating in such activities.

Table 5 – Awareness campaigns

Year	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
2021/22	06	1	5	1	13
2022/23	13	07	16	12	55

2.2. Organisational Environment

The Entity had five Business Units, namely: Governance, Corporate Services, Finance, Compliance and Law Enforcement.

The Governance Business Unit comprised the Chief Executive Officer, one Senior Manager Legal Service, Company Secretary (vacant), Manager – CEO's office and the Risk Officer.

The Corporate Services Business Unit is headed by the Senior Manager and two managers, namely: Labour Relations Manager (vacant) and Human Resources Manager who both report to the Senior Manager Corporate Services.

The Finance Business Unit is headed by the CFO, with one Senior Manager Finance (vacant) and three managers, namely: Internal Control, Information Technology and Supply Chain Management.

The Compliance Business Unit is headed by the Senior Manager, with three managers, namely: Investigations and Licensing, Gambling Control and Compliance Audit.

The Law Enforcement Business Unit is headed by the Senior Manager, with the Manager Law Enforcement reporting to the Senior Manager Law Enforcement.

Challenges

The organisational structure was last reviewed and approved during 2017/2018. The Entity had however, commenced with the process to review its current organisational structure, however the process could not be finalised by the end of the financial year.

The Entity could not finalise the review of the organisational structure by the end of the financial year.

- Human resource capacity – the Entity had a vacancy rate of 16% as at the end of the 2022/2023 Financial Year.
- Employment equity – the Entity had an employment equity plan and the status in respect of equity is indicated below:

a) **Employment equity status**

- Overall (61): 48% female (29) and 52% male (32).
- Senior Management level: 33% female (2) and 67% male (4)
- People with disability (1) 1.6%.

The Entity endeavours to improve on the equity status for females and people living with disabilities at all levels within the Entity by targeting such persons during the future recruitment process.

Successes

- At senior and top management level, the positions of the Senior Manager Corporate Services and the Chief Financial Officer were filled.
- At middle management, the position of the Manager Information Technology and the Manager: Law Enforcement were also filled.
- The other middle management level position of the Supply Chain Manager was filled in April 2022, but the recruitment process started in the fourth quarter of the 2021/2022 Financial Year
- Twelve internal bursaries were allocated to the employees.
- The Entity partnered with CATHSSETA, and two bursaries were allocated to the employees.
- One wellness day was conducted for all employees.
- Youth empowerment – The Entity had nine employees falling with the category of youth which constituted 15% of the workforce.

Significant Developments that may have impacted delivery on the Strategic Plan and Annual Performance Plan

- The Entity achieved 100% of the targets set.

Measures taken to mitigate the impact on events impacting service delivery

- There were no events which had an impact on service delivery of the Entity.

2.3. Key Policy Developments and Legislative Changes

There were no legislative or policy changes for the period under review.

2.4. Progress towards achievement of institutional Impacts and Outcomes

2.4.1. Impacts and Outcomes as per the Strategic Plan and the progress made towards the achievement of the five-year targets in relation to the outcome indicators is outlined below:

Programme 1: Governance

Outcome 1: A sustainable, efficient and effective organisation

The Entity achieved 100% in relation to both outcome indicators of the declaration of the financial interests by the Board Members and the financial disclosures by the members of Senior Management. The Governance unit dealt with matters of Risk Management and thus far the Entity was able to mitigate some of the probable risks. Incident management was in place and the reported incidents were attended to. The Entity managed to promote good governance and had sustained an unqualified audit opinion for three years in succession (2019/20; 2020/21 and 2021/22).

Programme 2: Finance

Outcome 1: A sustainable, efficient and effective organisation

The Finance Business Unit was divided into three sub-programmes made up of Chief Financial Officer, Human Resource Management and Supply Chain Management. The targets set for the entire Programme 2 were in-house targets and did not have any effects on the external factors. All the performance indicators were achieved for the 2022/23 Financial Year. The Entity received an unqualified audit outcome (clean) for the 2021/22 Financial Year.

Programme 3: Compliance

Outcomes 2: Transformed gambling industry that creates sustainable jobs in Limpopo

Outcome 3: Responsible gambling and compliance with legislations improved in Limpopo

Outcome 4: Improved local and international relations with other gambling regulators and related institutions

The Entity achieved all the set targets for the six key output indicators for Programme 3 for 2022/23. In this regard, the Entity was able to substantially achieve the outcome of a regulated, sustainable, and socially responsible gambling environment which was fully compliant with relevant legislations. This was achieved despite Planet Bingo (ty) Ltd (a Bingo operator) and Betta Gaming (Pty) Ltd (a Bookmaker) being penalised R75 000 and R70 000 respectively for significant non-compliances.

The full achievement of the outcomes of Programme 3 had an impact in the communities around the province through the creation of jobs when 13 LPM sites were licensed, and three bookmaker sites became operational during the financial year. During the financial year, Licensees spent R5.842m on Corporate Social Responsibility (CSR) projects to improve living conditions of local communities where they operated. The CSR amount was 35% more than the R4. 339m spent by licensees during the 2021/22 Financial Year. The highest contributors were Bingo Operators at 54%, followed by Casinos at 19%. Bookmaker Operators contributed 18% whereas LPM Operators contributed 9%. The Totalisator had not yet spent on CSI by the end of the financial year. CSR projects that were not implemented will be implemented in 2023 in line with the respective licensee's plans.

Programme 4: Law Enforcement

Outcome 5: All modes of illegal gambling activities combatted

The Entity managed to achieve 100% of its annual targets in both investigations of illegal gambling activities and crime awareness campaigns for the 2022/23 Financial Year. In general, there was a decline in the operations of Fahfee/Mochaina as compared to previous years. Due to an increase in the number of public awareness campaigns held, investigations and information sharing with other stakeholders, there was an increase in reporting of illegal gambling operations from members of the community. The action resulted in more arrests and confiscation of numerous illegal and unlicensed gambling machines by both the LGB Law Enforcement Business Unit and the South African Police Service. The operators of the illegal gambling machines were fined amounts ranging from R500,00 to R2000,00 and confiscated illegal gambling machines were forfeited to Limpopo Gambling Board.

2.4.2. Significant Achievements with regard to the contribution toward the 2019-24 Medium-Term Strategic Framework and Provincial Development Plan

MTSF Priority 1 – Capable, Ethical and Developmental State – The Limpopo Gambling Board (LGB), in its commitment to regulate, monitor and license the gambling industry in the province, strove to render those services with a high level of professionalism. As part of the lever that sought to contribute positively to the priority of driving a state that is transformative and capable of development, the Entity fostered that obligation with the human resource that was skilled and capable of discharging their bestowed responsibilities. Furthermore, the Entity believed in the continued capacity building of its human resource.

Whilst it had a capacity to contribute to the socio-economic upliftment of the general populace of the Limpopo Province, the gambling industry was also polarised by the illegal gambling activities.

The Entity's contribution in respect of this MTSF priority is indicated below:

Governance – the Entity managed to maintain an unqualified audit opinion with no material findings (clean) during the 2021/22 Financial Year.

Business process and practice – the Entity developed standard operating procedures for all the Units to improve the internal control standards, as well as to enhance efficiency in the operations of the Entity. These procedures were reviewed on an annual basis.

Management of conflict of interest and financial disclosures – 100% of the board and committee members made declarations of financial interest in each meeting to manage conflict of interest. One hundred (100) percent (%) of Bid Evaluation and Bid Adjudication members signed declarations in all the bids that were evaluated or adjudicated during the 2022/23 Financial Year.

One hundred (100) percent (%) of all members of the Senior Management submitted financial disclosure forms as a mechanism to promote accountability and governance.

MTSF Priority 2 - Economic Transformation and Job Creation - Through achieving the set outcomes of a regulated, sustainable, and socially responsible gambling environment, which is fully compliant with relevant legislations, the Entity contributed to this priority by issuing 13 LPM site licences which created 29 new jobs and sustained 13 more jobs of existing employees in the primary businesses. The new jobs were in addition to the already existing 3858 jobs created in the gambling industry by licensing three Casinos, two LPM Route Operators, 240 LPM Site operators, five Bingo Operators, seven Bingo Sites, nine Bookmaker Operators and 95 Bookmaker sites (of which 58 are operational), and one Totalisator Operator with 25 Totalisator Sites. The 38 licensed Bookmaker sites which are yet to open are expected to create at least 250 jobs in the province over the MTSF period.

The licensed entities have generated GGR of R730. 853m in 2022/23, which was 12% higher than the previous financial year. However, over the past five years, Licensees have consistently generated an increasing GGR, with the exception of 2020/21, which totalled to R4.885m. The gambling industry thus made a significant contribution to the Gross Domestic Product of Limpopo Province and the country, effectively contributing towards the targeted national economic growth of 2 to 3% by 2024.

The history of ownership of gambling establishments in South Africa was skewed towards the privileged part of society. The Entity had, through the licensing process, issued licence conditions to ensure that there was inclusive growth in the gambling industry, which ensured that the highly skewed distribution of productive assets of the gambling industry was more equitable. In this regard, the Entity required Licensees to comply with the BBBEE levels that were set in the licence conditions of respective Licensees in terms of the BBBEE Act No. 53 of 2003. Licensees have substantially complied with the set licence conditions in this regard.

The BBBEE arrangements of Licensees included worker, community, and Historically Disadvantaged Individuals ownership. Licensees were also required to implement the prescripts of the Employment Equity Act No.55 of 1998 to eliminate gender and race wage disparity in the gambling industry.

Section 33 of the Act mandated the Entity to consider issues of competition whilst adjudicating on applications for gambling licences to determine whether the approval of a licence was likely to substantially affect competition in the gambling industry generally, or in respect of the proposed activity within the province. The Entity rigorously implemented this section to prevent the exacerbation of high levels of economic concentration in one sector of the population.

The licensing of LPM sites and Bookmakers facilitated the increase in the number of competitive small, medium and micro sized businesses, and contributed to township economies and rural development. This was through employment creation, procurement of goods and services, CSI contributions and contributions to the government coffers through taxes, fees and levies.

As part of the licence conditions, Licensees were required to procure 40% of goods and services from local entities from the province, and this supported the localisation and 'buy local' campaigns.

MTSF Priority 6 – Social Cohesion and Safe Communities – The Law Enforcement Business Unit conducted crime awareness campaigns to educate and empower members of the public on the impact and consequences of illegal gambling activities and urged them to report such activities. The Entity collaborated with various stakeholders, including community organisations, business, public & private sector, traditional leaders, and other relevant structures aimed at reducing illegal gambling activities. The Entity continued to participate in the Provincial Priority Committee on Gambling. Engagement with other institutions such as the Provincial Head General Detective Services, Priority Crimes Specialised Investigations, Department of Home Affairs, Department of Community Safety, National Prosecution Authority, Financial Intelligence Centre were undertaken during the year to widen networks with other agencies involved in law enforcement.

The Entity worked closely with ordinary members of the public who actively supported the fight against illegal gambling. Further to this, Informants were employed to work with the Entity to report any form of illegal gambling operations in the province. The Entity prioritised the safety and security of the informants and that of the ordinary citizens, by ensuring that their identities were not disclosed to anyone.

MTSF Priority 7 – A Better Africa and World –

a) *International Association of Gaming Regulators*

Gambling is a global recreational activity that is regulated in many jurisdictions around the world. The regulation of gambling aligned to socio-economic priorities of each jurisdiction, hence, the requirements for licensing and operating a gambling establishment differed from one jurisdiction to another. Gambling Regulators from around the world established the International Association of Gaming Regulators (IAGR) with the mission to advance the effectiveness and efficiency of gambling regulation which provided:

- a forum in which gambling regulators from around the world could meet, exchange views and information, and discuss policy issues among themselves and with representatives of the international gambling industry;
- a means of fostering cooperation between gambling regulators in the performance of their official duties; and
- a central point of contact for inquiries from governments, gambling regulatory agencies and personnel, and representatives of the international gaming industry.

The Entity is a jurisdictional member of IAGR and has 3 Board members and 2 Officials registered with the association. IAGR hosts annual conferences which the Board Members and Officials of the Entity attended regularly. The conferences were of much benefit as they were a source of the latest developments in the gambling industry, which provided a platform for the discussion of various gambling policy issues, as well as an opportunity for attendees to network with other Gambling Regulators and Operators.

The Entity previously engaged some IAGR members, i.e., the Bulgarian State Commission on Gambling, the Norwegian Gambling Authority, the Casino and Gaming Commission of Jamaica and the Victorian Gambling Casino Control Commission for the purpose of learning from each other. In line with the strategic plan, the Entity will seek to formalise collaborations with other member Gambling Regulators of IAGR.

b) *Training and Development*

The gambling industry is dynamic, technology-based, and in some instances highly complex. As a result, the Entity strove to learn from various platforms to keep up to date with the latest developments and trends. In this regard, the Entity participated in various international conferences, such as, the Asian Racing Conference hosted by the Asian Racing Federation, the Global Gaming Expo hosted by the American Gaming Association, the ICE London and ICE Africa hosted by Clarion Gaming.

The Entity was unable to physically attend the IAGR Conference held in Melbourne, Australia due to budgetary constraints but attended virtually, whilst at the same time the Gambling Regulators Africa Forum could not host a conference during 2022/23. The Asian Racing Federation set the date for Asian Racing Conference from 14 to 19 February 2023 which was held in Melbourne. The LGB sent a delegation of three Board Members, the Chief Executive Officer and the Senior Manager Compliance to attend the conference, which explored various issues relating to horse racing and betting.

c) *Gambling Regulators Africa Forum*

Gambling Regulators Africa Forum (GRAF) was established in 2003 by the various gambling jurisdictions from Africa. The Limpopo Gambling Board is a jurisdictional member. There were no conferences held by GRAF during the financial year.

GRAF aimed to protect communities and citizens through the adherence of gambling regulatory laws applicable to each jurisdictional member. It aligned matters that affected the gambling industry and ensured that Africa did not become the dumping ground for old and degenerating gaming technologies. Concurrently, GRAF implemented initiatives that were aimed at curbing problem gambling and ensured counselling and education for the affected.

The GRAF hosts annual Conferences for the purposes of sharing knowledge on various aspects relating to the gambling industry and regulation, and thus is a learning platform for member states, most of whom are still new to regulating gambling. The Entity contributes to the GRAF conferences through the presentation on various topics and the participation in various committees of GRAF.

d) *Regulation of Movement of Gambling Devices*

Illegal gambling is a major conundrum in South Africa and many other African jurisdictions. Concurrently, some licensed entities in South Africa trade with other gambling entities in the rest of Africa where Limpopo Province was the gateway to such jurisdictions when gambling devices are delivered by road. As part of dealing with illegal gambling and to keep record of the movement of gambling devices into, through and out of the Province and South Africa as a whole, the Entity required local and international Manufacturers and Suppliers of gambling devices, as well as licensed gambling operators to obtain approval from the Entity for the movement of gambling devices. The approval of the movement of gambling devices ensured that the authorised gambling devices were traded by licensed entities and ended up in the hands of licensed entities throughout Africa.

e) *Collaborations and Stakeholder Engagement Sessions*

Increased regional integration and trade was the output pursued by the Entity under MTSF Priority 7, by seeking to achieve two performance indicators; being the number of formal collaborations established and the number of stakeholder engagement sessions held. To this end, the Entity has an ongoing five-year collaborative relationship with the South African Responsible Gambling Foundation through a Memorandum of Understanding (MOU). The MOU enjoined the two entities to collaborate on matters relating to responsible gambling and research. In the 2020/21 Financial Year, the SARGF commenced with a Socio-Economic Impact Study commissioned by the Entity.

In September 2020, the Entity also concluded a collaborative Memorandum of Understanding with the National Lotteries Commission which enabled the two regulatory public entities to collaborate on various issues of mutual interest.

The agreements with the SARGF and the NLC were implemented through various activities such as responsible gambling webinars held during the year as well as through participation in the stakeholders' forum meetings held during the year. The SARGF continued with the study on the socio-economic impact of gambling in Limpopo Province, as commissioned by the Board.

The Entity and the Limpopo Tourism Agency entered into a 3-year Memorandum of Agreement in March 2022. The purpose of the agreement was to collaborate on matters of responsible gambling, marketing and communication, corporate social responsibility and tourism. The agreement was implemented as from April 2022.

A MOU was concluded in September 2022 with the Department of Social Development to collaborate on issues of public responsible gambling awareness and other social matters of mutual interest.

Further, a MOU was concluded with the South African Bookmakers Association in March 2023. The aim of the MOU was to collaborate on matters of responsible gambling awareness, promoting regulatory compliance among licensees, and training and development.

The Entity has a wide variety of stakeholders, and the Entity recognised the importance of maintaining good relations with the stakeholders which enabled the Entity to achieve its strategic outcomes. In this regard, two stakeholder engagement sessions were held during the financial year with the Licensees to engage on a wide variety of issues of mutual interest.

3. Amendments to the Strategic Plan

There were no amendments effected on the Strategic Plan during the 2022/23 Financial Year.

4. Reviewing of the APP

There were no amendments effected on the 2022/23 Annual Performance Plan during the 2022/23 Financial Year.

5. Institutional Programme Performance Information

5.1 Programme 1: Governance

The purpose of this programme is to provide executive and strategic direction to the Board.

This programme does not have any sub-programmes.

The institutional outcomes that programme 1 contributes towards:

Outcome 1: A sustainable, efficient, and effective organisation

Outcomes, outputs, output indicators, targets and actual achievements

The Entity was highly committed to deliver all the outputs as set out in the Annual Performance Plan to not only contribute to the overall objectives of the Entity, but to also contribute positively to the Provincial government priorities stipulated in the Limpopo Development Plan. In an endeavour to effectively realise those outputs, the Entity employed capable human capital, which led to a 100% achievement of those outputs. The Entity has terms of reference in all Business Units and Committees of the Board which guided the efficiency of the daily operations and enabled coordinated internal control systems.

In an effort to deliver and run clean governance, accountability, and a compliant Entity, there were mechanisms in place which were adhered to by all the members of Senior Management and the Board. There was 100% achievement regarding the outputs.

The Entity maintained the audit outcome of an unqualified audit opinion (clean) for the 2021/22 Financial Year which is evidence that as an Entity, there was commitment to contributing towards good governance in the province.

Performance Information according to the APP

1.1. PROGRAMME 1: GOVERNANCE

Purpose: The purpose of this programme is to provide executive and strategic direction to the Board.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	deviations	Interventions
A sustainable, efficient and effective organisation.	Accountability and consequence management enforced.	Percentage of compliance to declaration of interest at each Board Committee meeting.	100%	100%	100%	0	N/A	N/A
		Percentage of compliance to disclosure of financial interests by the Executive Management.	100%	100%	100%	0	N/A	N/A

Strategy to overcome areas of under-performance

Not Applicable.

Performance in relation to Standardised Outputs and Output Indicators for Economic Development Sector with Concurrent Functions

Not Applicable.

Programme expenditure

	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Programme 1: Governance						
Capital budget	0	0	0	0	0	0
Personnel Budget	6 274	5 844	430	6 171	6 031	140
Operational Budget	1 316	1 264	52	3 880	4 306	-426
Total	7 590	7 108	482	10 051	10 337	-286

5.2 Programme 2: Finance

The purpose of this programme is to provide financial and administrative support to all four (04) programmes.

This programme is divided into 3 sub-programmes as follows:

Chief Financial Officer: The purpose of this sub-programme is to ensure efficient and effective utilisation of resources through strategic prioritisation.

Human Resources Management: The purpose of this sub-programme is to ensure a well governed and capable organisation.

Supply Chain Management: The purpose of this sub-programme is to ensure compliance with procurement prescripts.

The institutional outcomes that programme 2 contributes towards:

Outcome 1: A sustainable, efficient, and effective organisation

Outcomes, outputs, output indicators, targets and actual achievements

The Entity strove to achieve clean administration through Programme 2 with regards to financial management led by the Chief Financial Officer. In the same breath, the programme strove for employment and the retention of a competent workforce. The targets set within the programme aimed to achieve the objective of the programme driven through Business Units being Finance, Supply Chain Management and Human Resource Management. Within the Finance division, the Entity strove for a continued clean administration and effective and efficient allocation of resources, which was aligned to the strategy of the Entity.

The Supply Chain Management looked at mainly ensuring compliance with the various Supply Chain Management prescripts as it supported the core Business Units in implementation of the Entity's strategy through the procurement of goods and services. Throughout the financial year, the Human Resource Management Unit ensured that the employees of the Entity were still able to carry out the mandate of the Entity amidst the pandemic. Through the support of the OHS committee, the Human Resource Management Unit ensured adequate compliance with the set-out regulations of the Department of Labour to ensure that the employees of the Entity remained productive and efficient in their individual work responsibilities.

The programme dealt mainly with support of the Core Business Units and the targets set under the programme were internal in nature. The Entity was, therefore, not affected by any other external factors in the year under review. The Finance Business Unit set out to continue to maintain the unqualified audit opinion for the year under review, and the Unit was able to achieve the set target by receiving an unqualified audit opinion with no findings for the 2021/22 Financial Year audit. The Supply Chain Management Unit set out to achieve the core mandates of the province when it came to supporting SMMEs in the Province by ensuring that these were paid timeously within 30 days as set out by the prescripts. The Supply Chain Business Unit achieved 100% of its target regarding the payment of invoices of service providers within thirty (30) days.

The Human Resource Management Unit set out to achieve continued development and assessment of employees through performance management. Additionally, the Unit set out to ensure that all newly appointed employees were vetted and their continued skills development for the existing human capital was implemented. The Unit achieved the administration of the performance management of the Entity, with regards to ensuring that all employees of the Entity have performed and completed both their individual performance agreements and performance appraisals.

Sub-Programme 2.1: Chief Financial Officer

Purpose: The purpose of this sub-programme is to ensure efficient and effective utilisation of resources through strategic prioritisation.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
A sustainable, efficient and effective organisation.	Accountability and consequence management enforced.	Unqualified Audit outcome maintained.	Unqualified Audit outcome maintained.	Unqualified Audit outcome maintained.	Unqualified Audit outcome maintained.	0	N/A	N/A

Sub-Programme 2.2: Human Resources Management

Purpose: The purpose of this sub-programme is to ensure a well governed and capable organisation.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
A sustainable, efficient and effective organisation.	Accountability and consequence. Management enforced.	Percentage of Performance agreements signed	100%	100%	100%	0%	N/A	N/A
	Percentage of annual performance assessment conducted.	100%	100%	100%	0%	N/A	N/A	

Sub-Programme 2.3: Supply Chain Management

Purpose: The purpose of this sub-programme is to ensure compliance with procurement prescripts.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
A sustainable, efficient and effective organisation.	Invoices paid within 30 days.	Percentage of invoices paid within 30 days of receipt.	100%	100%	100%	0%	N/A	N/A

Strategy to overcome areas of under-performance

Not Applicable.

Performance in relation to Standardised Outputs and Output Indicators for Economic Development Sector with Concurrent Functions

Not Applicable.

Programme and Sub-programme expenditure

Programme 2: Finance	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Capital budget	0	0	0	0	0	0
Personnel Budget	5 963	5 725	238	5 750	5 725	-25
Operational Budget	3 201	2 348	853	3 656	3 592	64
Total	9 164	8 073	1 091	9 406	9 317	39

Programme 2: Sub-Programme HR	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Capital budget	0	0	0	0	0	0
Personnel Budget	4 154	3 143	1 011	4 245	4 262	-17
Operational Budget	1 241	819	422	1 564	1 294	270
Total	5 395	3 962	1 433	5 809	5 556	253

Programme 2: Sub-Programme Supply Chain Management	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Capital budget	0	0	0	9	15	-6
Personnel Budget	2 844	2 307	537	3 271	2 585	686
Operational Budget	18 697	18 787	(90)	19 760	14 350	5 410
Total	21 541	21 094	447	23 040	16 950	6 090

Programme 2 Sub-Programme: IT	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Capital budget	1 500	10	1 490	1 500	1 581	-81
Personnel Budget	2 080	1 314	766	1 299	800	499
Operational Budget	4 550	1 771	2 779	2 537	2 522	15
Total	8 130	3 095	5 035	5 336	4 903	433

5.3 Programme 3: Compliance

The purpose of this programme is to:

- Promote responsible gambling through visibility and awareness,
- To ensure that gambling activities are compliant with relevant legislations.

This programme is divided into 5 sub-programmes as follows:

Responsible Gambling Campaigns and Research: To promote responsible gambling and build a base of empirical evidence for decision making.

Investigation and Licensing: To issue corporate and individual Licences to candidates who met regulatory requirements.

Gambling Control: To ensure that Licensees are compliant with technical regulatory requirements and protect the public from unscrupulous practices and the negative effects of gambling.

Compliance Audit: To ensure that Licensees are compliant with general and financial regulatory requirements.

Stakeholder Management: To build good relations with Stakeholders.

The institutional outcomes that programme 3 contributes towards:

Outcomes 2: Transformed gambling industry that creates sustainable jobs in Limpopo

Outcome 3: Responsible gambling and compliance with legislations improved in Limpopo

Outcome 4: Improved local and international relations with other gambling regulators and related Institutions

Outcomes, outputs, output indicators, targets and actual achievements

Significant achievements of targets – the Entity dealt with various stakeholders, and it sought to formalise some of these relationships with stakeholders to enhance its ability to achieve its strategic outcomes. In this regard, the Entity finalised a Memorandum of Understanding (MOU) with the South African Responsible Gambling Foundation, National Lotteries Commission, the Limpopo Department of Social Development, the South African Bookmakers Association and the Limpopo Tourism Agency which will enabled the institutions to collaborate on various matters of mutual interest in regulation of gambling and lottery such as responsible gambling and illegal gambling awareness, the promotion of regulatory compliance, training and development, collaboration on Corporate Social Responsibility, Combating Money Laundering and Terrorism funding. The execution of the MOUs in turn enabled the Licensees to operate at maximum capacity which created employment, generated more revenue to the Entity and to various other government Entities, as well as made more contributions to Community Social Responsibility projects in the respective communities where they operated.

The Entity regarded women, youth, and persons with disabilities as part of Previously Disadvantaged individuals (PDIs), and as part of its redress programme for PDIs. The Entity required that Licensees comply with the BBBEE Act by prescribing respective BBBEE levels in the licence conditions. Licensees were also expected to comply with the Employment Equity Act as encapsulated in the licence conditions. The majority of Licensees met the licence conditions on BBBEE levels and Employment Equity Act. The Entity instituted remedial actions against the Licensees that are failed to comply with these licence conditions.

Performance Information according to the APP

PROGRAMME 3: COMPLIANCE

Purpose: The purpose of this programme is to:

- Promote responsible gambling through visibility and awareness,
- To ensure that gambling activities are compliant with relevant legislations.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
Responsible gambling and compliance with legislations improved in Limpopo.	A regulated, sustainable and socially responsible gambling environment, fully compliant with relevant legislations.	Number of responsible gambling campaigns conducted.	15	22	34	+12	More responsible gambling awareness campaigns were conducted than planned due to invitations that were received from various institutions.	A higher annual target for responsible gambling awareness campaigns will be planned for 2023/24 to cater for more invitations.

Sub-Programme 3.2: Licensing and Investigation

Purpose: To issue corporate and individual Licences to candidates who meet regulatory requirements.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
Transformed gambling industry that creates sustainable jobs in Limpopo.	Economic Transformation and enabled job creation. Transformation and enabled job creation.	Percentage of corporate licence applications processed within the standard timeframe of 6 months.	15	22	34	+12	More responsible gambling awareness campaigns were conducted than planned due to invitations that were received from various institutions.	A higher annual target for responsible gambling awareness campaigns will be planned for 2023/24 to cater for more invitations.

Sub-Programme 3.3: Gambling Control

Purpose: To ensure that Licensees are compliant with technical regulatory requirements and protect the public from unscrupulous practices and the negative effects of gambling.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
Transformed gambling industry that creates sustainable jobs in Limpopo.	A regulated, sustainable and socially responsible gambling environment, fully compliant with relevant legislations.	Number of compliance inspections conducted.	21	56	56	0	N/A	N/A

Sub-Programme 3.4: Compliance Audit

Purpose: To ensure that Licensees are compliant with general and financial regulatory requirements.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
Transformed gambling industry that creates sustainable jobs in Limpopo.	A regulated, sustainable and socially responsible gambling environment, fully compliant with relevant legislations.	Number of compliance inspections conducted.	28	28	28	0	N/A	N/A

Sub-Programme 3.5: Stakeholder Management

Purpose: To build good relations with Stakeholders.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
Improved local and international relations with other gambling regulators and related institutions.	Increased regional integration and trade.	Number of Stakeholder engagement sessions held.	3	2	3	+01	The additional stakeholder session was arranged for a networking session between Licensees and the MEC who was recently appointed in October 2022.	N/A

Strategy to overcome areas of under-performance

Not Applicable.

Performance in relation to Standardised Outputs and Output Indicators for Economic Development Sector with Concurrent Functions

Not Applicable.

Programme expenditure

	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Capital budget	0	0	0	0	0	0
Personnel Budget	16 064	15 293	771	17 453	17 051	402
Operational Budget	1 029	665	364	3 351	3 475	-124
Total	17 093	15 958	1 135	20 804	20 526	278

5.4 Programme 4: Law Enforcement

The purpose of this programme is to combat illegal gambling throughout the province by conducting investigations of illegal gambling activities and crime awareness campaigns.

This programme does not have any sub-programmes.

The institutional outcomes that programme 4 contributes towards:

Outcome 5: All modes of illegal gambling activities combatted.

Outcomes, outputs, output indicators, targets and actual achievements

The Law Enforcement Business Unit achieved its 100% target of the 2022/23 Financial Year. Positive performance of the organisation had a huge impact on the collection of Provincial revenue notwithstanding illegal gambling activities which had a negative impact on provincial revenue collection.

The mushrooming of illegal gambling activities also had a huge impact on the well-being of society as illegal gambling operators do not implement the Responsible Gambling Programme. Due to the non-implementation of the Responsible Gambling Programme by illegal gambling operators, the youth, women, and people living with disabilities were affected as they could not access any assistance in the form of counselling which resulted in gambling addictions.

Performance Information according to the APP

PROGRAMME 4: LAW ENFORCEMENT								
Purpose: : The purpose of this programme is to reduce illegal gambling throughout the province by:								
a) Conducting investigation of crime.								
b) Conducting crime awareness campaigns.								
Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
		Number of investigations conducted on illegal gambling activities.	0	150	274	+124	The Unit conducted 274 investigations in response to enormous influx of illegal gambling machines and the widespread increase of illegal online gambling activities in the province.	N/A

PROGRAMME 4: LAW ENFORCEMENT

Purpose: : The purpose of this programme is to reduce illegal gambling throughout the province by:

- Conducting investigation of crime.
- Conducting crime awareness campaigns.

Outcome	Output	Output indicator	Actual achievements 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	Reasons for deviations	Interventions
All modes of illegal gambling activities combatted.	Crime awareness campaigns conducted.	Number of crime awareness campaigns conducted.	27	30	48	+18	The target was exceeded due to participation in Responsible Gambling campaigns and the Limpopo Marula festival crime awareness campaign.	N/A

Strategy to overcome areas of under-performance

Not Applicable.

Performance in relation to Standardised Outputs and Output Indicators for Economic Development Sector with Concurrent Functions

Not Applicable.

Programme expenditure

	2021/2022			2022/23		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Capital budget	0	0	0	0	0	0
Personnel Budget	6 122	5 549	573	6 568	6 278	290
Operational Budget	619	179	440	1 636	1 612	24
Total	6 741	5 728	1 013	8 204	7 890	314

5.5 Reporting on the Institutional Response to the COVID-19 Pandemic

The Entity complied to COVID 19 regulations has up to April 2022 when the State of Disaster was uplifted. The following internal interventions were implemented before the State of Disaster was uplifted:

- a) The Entity appointed a Compliance Officer.
- b) All OHS Committee members were trained as screening officers to assist when needed.
- c) Cleaning was done daily according to Regulations. Each employee was responsible for sanitizing their own workstation every two hours.
- d) PPEs were procured for all staff.
- e) Temperature screening was done by the security officials on every entry to the premises. Full screening was done on the first entry of the week by screening officers.
- f) No visitors were allowed on the premises. All officials and service providers entering the premises were required to wear a mask and the security officials sanitized the staff's hands on entrance. A register was kept with all required information on persons entering the premises.
- g) The Entity had a staff strength of fifty-nine (59) permanent employees and one (1) intern.
- h) The Implementation plan was in place.
- i) Officials with co-morbidities and who were above 60 years continued to work on a rotational basis and they were reportedly in good health.

The Entity slowly returned to normal operations after the State of Disaster was lifted in April 2022.

External Intervention:

- j) Licensees were encouraged to comply with the Disaster Management Regulations for COVID-19 at the different Alert Levels declared during the financial year. Limited monitoring of compliance with the Regulations was conducted and the Licensees were generally compliant.

5.6 Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Not Applicable to Limpopo Gambling Board								

5.7 Linking performance with budgets

The Entity spent 93% of the allocated budget for the 2022/23 Financial Year. The budget was increased in November 2022 when the budget adjustment was tabled at the Legislature. For the 2022/23 Financial Year, the Entity was able to perform its aspects of service delivery in line with its core mandate. Covered under section 5 of the report is the spending per Unit for the current year against that of the previous financial year.

6 REVENUE COLLECTION

Sources of revenue	2021/2022		Sources of revenue	2022/2023		Sources of revenue
	Estimate R'000	Actual Amount Collected R'000		Estimate R'000	Actual Amount Collected R'000	
Levies	112 724	129 779	Levies	164 770	196 036	Levies
Own Revenue	14 895	11 495	Own Revenue	13 247	11 841	Own Revenue
TOTAL	127 619	141 274	Total	178 017	207 877	Total

In the current year, the revenue performed well and compared well to collection before the pandemic. Levies continued to come in well above budget as a result of the upliftment of the State of Disaster during the year under review, which allowed the punters to enjoy the gaming entertainment. Own revenue did not perform as expected and has been adjusted for future budgets to reflect a fairer collection. Total revenue amounting to R 208 million was collected for the year under review against a budget of R 178 million.

7 CAPITAL INVESTMENT

Infrastru ture projects	2021/2022			2022/2023		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expendi- ture R'000	Budget R'000	Actual Expenditure R'000	(Over)/ Under Expenditure R'000
Not Applicable to the Limpopo Gambling Board						



PART C

GOVERNANCE



1. Introduction

The Entity is mandated by the Limpopo Gambling Act No. 3 of 2013 to regulate and monitor gambling activities in the province and in particular, to ensure the eradication of unlawful gambling activities, promoting responsible gambling and to collect gambling revenue from licensed gambling establishments.

The Entity annually enters into a Performance Agreement with the MEC of LEDET.

The Performance Agreement for the year under review outlined that the Entity's mandate, stated as follows:

- a) Take full responsibility for the preparation, finalisation and drawing up of Business Plans of the Entity;
- b) Ensure that such Business Plans are aligned with the overall objectives of LEDET;
- c) Ensure that such Business Plans have been submitted to the MEC for approval prior to the implementation of these plans in line with the PFMA requirements; and
- d) The Entity undertakes to schedule and hold quarterly meetings with the MEC to ensure the MEC is kept informed of developments within the Entity.

The Parties agreed to conduct their relationship on the principles of transparency, mutual respect, bona fides, integrity and trust.

It was further agreed that where the MEC would issue the Entity with directives that have not been approved in the Entity Business Plans, the MEC would provide the Entity with sufficient information and additional resources to carry out such directives within thirty (30) days of receipt of such directives.

The Entity received a grant from LEDET to the amount of R 82, 652 million.

The Entity submitted written reports on the projects and the status of funds to LEDET, quarterly on the stipulated dates.

The Department agreed with the Entity that Levies collected must be transferred monthly to the Department of Provincial Treasury.

2. Portfolio Committees

The Entity presented to the Portfolio Committee on Economic Development, Environment and Tourism and SCOPA on the following dates:

Date of Meeting	Topic of Presentation
14 June 2022	4th Quarter Report 2021/22
	APP and Budget 2022/23
19 July 2022	2nd Quarter Report 2021/22
	3rd Quarter Report 2021/22
	4th Quarter Report 2021/22
30 August 2022	Annual Report 2021/22
12 October 2022	1st Quarter Report 2022/23
02 December 2022	2nd Quarter Report 2022/23
31 March 2023	3rd Quarter Report 2022/23

3. Executive Authority

The Entity submitted the reports as per the table below to the Executive Authority on a monthly and quarterly basis:

Schedule and Section/ Reg	Report	No. of Reports per Annum	No. of reports Submitted	Date	Date Submitted
2,3/s54(1)	Public Entity (IYM Report)	12	12	15th of each month	May 2022 15 June 2022 12 July 2022 12 August 2022 15 September 2022 14 October 2022 15 November 2022 13 December 2022 13 January 2023 15 February 2023 15 March 2023 14 April 2023

The Revenue Unit of LEDET visited the Entity monthly to reconcile the Levies transferred to the Department against the audited information done by the Compliance Business Unit. Management presented their reviewed reports to the MEC.

No.	Section: SLA	Report or Document	Submission Date	Date Submitted
1	4.8	Procurement Plan	31 March 2023	31 March 2023
2	4A.1	Levies	Monthly	Revenue was transferred monthly, totalling R196 million for the financial year.
3	8.1	Progress Quarterly reporting		
		First quarter	31 July 2022	29 July 2022
		Second quarter	31 October 2022	31 October 2022
		Third quarter	31 January 2023	31 January 2023
		Fourth quarter	30 April 2023	28 April 2023

The Department did quarterly monitoring of the reports submitted to them and provided feedback to the Entity.

4. The Entity

4.1 Introduction

The Limpopo Gambling Board was established in terms of Section 2 of the Limpopo Gambling Act, Act No. 4 of 1996, as amended and retained in terms of section 3 of the Limpopo Gambling Act, Act No. 3 of 2013 (hereinafter referred to as "The Act").

Section 3 of the Act governs the powers and functions of the Entity, and it states as follows:

- a) The Board shall:
 - i. exercise such powers and perform such functions-
 - assigned to it in terms of this Act;
 - assigned to it in terms of any other Act;
 - ii. advise the responsible Member or furnish a report or recommendations to the responsible Member on any matter referred to the Board by the responsible Member for consideration or arising from the application of this Act relating to the control over gambling and racing in the province.
- b) The Board may, with the approval of the responsible Member and if an Act of any other Province provide therefore, exercise such powers and perform such functions and duties in terms of such Act in respect of persons and matters in the said Province as the Board may in terms of this Act exercise and perform in this Province.
- c) The Board may, notwithstanding anything to the contrary in another Act contained; pay a reward to any person who has furnished information relating to an alleged contravention of a provision of this Act.

- d) Notwithstanding anything to the contrary contained in this Act, the responsible Member may, in the absence of a Board, exercise and perform the powers and functions of the Board, excluding the granting and revocation of licences.

In addition to this section, the Board must take cognisance of section 49(2) of the Public Finance Management Act, Act 29 of 1999 (PFMA), which states that:

“If the Public Entity-

- i. has a board or other controlling body, that board or controlling body is the accounting authority for that Entity.”

4.2 The role of the Board is as follows:

- a) To promote a culture of responsible gambling in the province.
- b) To ensure the eradication of all forms of illegal gambling in the province.
- c) To ensure the creation of an organisation capable of recruiting, retaining, continuously developing its workforce, and aiming at enhancing its effectiveness and employee well-being.
- d) To ensure the availability of real-time information using technology in support of decision making processes.
- e) To ensure that the Entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- f) To ensure that the Entity establishes, implements, and maintains good principles of corporate governance, accounting practices, and sound systems of internal control.
- g) To ensure that the Entity plans and utilises limited resources economically, efficiently and effectively.

4.3 Board Charter

The Charter was reviewed by the Board during the financial year. In line with the Charter, the Board held quarterly meetings and all members were consistent in terms of attendance.

4.4 Composition of the Board

Name	Designation	Date Appointed	Date of expiry of Term	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended 2022/23
Mr. M.E. Tjiane	Chairperson of the Board	01.11.2017 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> • MBL (UNISA) • Executive Leadership Programme (INSEAD Business School) • B. Pharm 	<ul style="list-style-type: none"> • Business Management. • Leadership. • Healthcare 	<ul style="list-style-type: none"> • LGB Board • Evocare (Pty)Ltd – 2014/258770/07 • Bakoni Medical Suppliers (Pty)Ltd – 2012/149095/07 • Bakoni Network Group – 2013/009665/07 • Thutamahlale Academy – 2012/095869/07 • Bakoni Surgicals – 2018/260664/07 • Bakoni Forensics – 2018/569652/07 • Channels Medical Group • -2021/342842/07 • Channels Neuro • -2021/342897/07 • Channels Medical Solutions -2015/447430/07 • Alphacare -2021/342993/07 	<ul style="list-style-type: none"> • Corporate Social Investment (CSI) Committee 	8/8
Ms. B.L. Montjane	Deputy Chairperson of the Board	01.11.2017	31.10.2022	<ul style="list-style-type: none"> • B. Juris. • LLB • Certificate in Legal Training, • Certificate in Debt Counselling, • Certificate in Mediation Law • Certificate in Corporate Governance 	<ul style="list-style-type: none"> • Law • Debt counselling • Legal Costs & Mediation 	<ul style="list-style-type: none"> • LGB Board • Lucetta Legal Consultancy • Montjane BL Attorneys 	<ul style="list-style-type: none"> • Compliance & Enforcement Committee. • Remuneration Committee 	5/8
Mr. Serobi Maja	Member	01.11.2017 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> • Bachelor of Arts 	<ul style="list-style-type: none"> • Administration • Governance • Gambling Regulation 	<ul style="list-style-type: none"> • LGB Board 	<ul style="list-style-type: none"> • Compliance & Enforcement Committee.8/8 	8/8

Name	Designation	Date Appointed	Date of expiry of Term	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended 2022/23
Hosi Adv. K.A. Mahumani	Member	01.11.2017 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> Bachelor of Law, Post-graduate Diploma in Labour Law, Master of Laws (LLM) 	<ul style="list-style-type: none"> Law 	<ul style="list-style-type: none"> LGB Board 	<ul style="list-style-type: none"> Compliance & Enforcement Committee. HR, Ethics and Social Committee 	7/8
Ms. M.E. Maditsi	Member	01.11.2017 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> Bachelor of Public Administration Diploma in Advanced filmmaking & broadcasting. Certificate in food preparation and cooking. Certificate in food preparation and cooking principles/ practical 	<ul style="list-style-type: none"> Administration 	<ul style="list-style-type: none"> LGB Board Koshline Multi Trading Megapolo Construction and Projects 	<ul style="list-style-type: none"> HR, Ethics and Social Committee. Corporate Social Investment (CSI) Committee 	8/8
Mr. C.C. Nkadameng	Member	01.11.2017 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> Bachelor of Arts, Honours in Public Governance 	<ul style="list-style-type: none"> Governance Administration Tourism 	<ul style="list-style-type: none"> LGB Board Bluedisa Trading 412 Linespires Trading 38 Morwa Sekobe Trading GNT 	<ul style="list-style-type: none"> HR, Ethics and Social Committee. Remuneration Committee 	8/8
Mr. M.B. Tema Professional Accountant (SA), (M.Inst.D)	Departmental Representative (Provincial Treasury)	01.11.2017 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> MBA (Finance), Hons B. Com (Accounting), B. Com (Accounting) 	<ul style="list-style-type: none"> Accounting & Finance 	<ul style="list-style-type: none"> LGB Board 	<ul style="list-style-type: none"> Audit & Risk Committee. 	7/8

Name	Designation	Date Appointed	Date of expiry of Term	Qualifications	Area of Expertise	Board Directorships	Other Committees	No. of Meetings Attended 2022/23
Mr. J.N. Mpjane CA (SA), RA Member	Member	01.12.2019 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> • Bcompt Degree • Bcompt Hons (CTA) • Chartered Accountant South Africa • Registered Auditor 	<ul style="list-style-type: none"> • Accounting and Finance • Corporate Governance 	<ul style="list-style-type: none"> • Limpopo Gambling Board • Limpopo Tourism Agency Audit Committee • Limpopo Audit Committee Cluster 4 	<ul style="list-style-type: none"> • Audit & Risk Committee 	8/8
Mr. M.R. Mudogwa	Departmental Representative (LEDET)	04.08.2021 01.11.2022	31.10.2022 31.10.2027	<ul style="list-style-type: none"> • Current Studies: Doctor of Public Affairs-TUT • Master of Public Administration-University of Limpopo • Bcom Hons (Business Management) • Bcom (Cost and Management Accounting)-Univen 	<ul style="list-style-type: none"> • Administration • Governance • Business Management • Accounting 	<ul style="list-style-type: none"> • LGB • Limpopo Liquor Board 	<ul style="list-style-type: none"> • Compliance and Enforcement Committee 	8/8

4.5 Audit and Risk Committee

Name	Qualifications	Internal or external	If internal, position in the Public Entity	Date appointed	Date of Expiry of Term	No. of Meetings attended
Mr. J.N. Mpjane CA (SA) RA	<ul style="list-style-type: none"> • B.Compt Hons (CTA) • B.Compt • Chartered Accountant (CA) • Registered Auditor (RA) 	External Chairperson of Committee Board Member	N/A	01.12.2019 01.11.2022	31.10.2022 31.10.2027	11/11
Mr. M.B. Tema Professional Accountant (SA), (M.Inst.D)	<ul style="list-style-type: none"> • MBA (Finance), • Hons B.Com (Accounting), • B.Com (Accounting), • Professional Accountant (SA) 	External Board member	N/A	01.02.2018 01.11.2022	31.10.2022 31.10.2027	10/11
Ms. M.M. Mashamaite CA (SA)	<ul style="list-style-type: none"> • B.Compt Hons (CTA) • B.Com Hons (Accounting) • Post-Graduate Diploma in Accounting Sciences • B.Com (Accounting) • Chartered Accountant (SA) • Certified Ethics Officer 	External Board member	N/A	01.02.2018 01.11.2022	31.10.2022 31.10.2027	10/11
Adv. J.L. Thubakgale	<ul style="list-style-type: none"> • B.JURIS • LLB • LLM • Postgraduate Diploma: Labour Law • MBA 	External Board member	N/A	01.03.2018 01.11.2022	31.10.2022 31.10.2027	10/11
Ms L. Mabunda CCMIIA CIA QIAL	<ul style="list-style-type: none"> • MBA • M.Phil (Internal Audit) • B.Tech (Internal Auditing) • National Diploma – Internal Auditing • Certified Ethics Officer 		N/A	01.04.2022 01.11.2022	31.10.2022 31.10.2027	8/11

4.6 Human Resources, Ethics and Social Committee / Human Resource and Remuneration Committee *

Name of Members	Designation	No. of Meetings Attended	Date Appointed	Date of Expiry of Term
Mr. C.C. Nkadimeng	Chairperson	5/5	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Ms. M.E. Maditsi	Member	5/5	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Hosi Adv. A. Mahumani	Member	4/5	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Mr. J.N. Mpjane CA (SA), RA	Member	2/5	01.12.2021	31.10.2022
			01.11.2022	31.10.2027

*Committee restructured and merged with the Remuneration Committee as from November 2022, to become the Human Resource and Remuneration Committee.

4.7 Compliance and Enforcement Committee

Name of Members	Designation	No. of Meetings Attended	Date Appointed	Date of Expiry of Term
Mr. Serobi Maja	Chairperson	4/4	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Ms. B.L. Montjane	Member	2/4	01.11.2017	31.10.2022
Hosi Adv. K.A. Mahumani	Member	3/4	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Mr. M.R Mudogwa	Member	4/4	04.08.2021	31.10.2022
			01.11.2022	31.10.2027
Mr. M.B. Tema	Member	1/4	01.11.2017	31.10.2022
			08.12.2022	31.10.2027

4.8 Remuneration Committee *

Name of Members	Designation	No. of Meetings		Date of Expiry of Term
		Attended	Date Appointed	
Ms. B.L. Montjane	Chairperson	1/1	01.11.2017	31.10.2022
Mr. Nkadimeng	Member	1/1	01.11.2017*	31.10.2022
Mr. J.N. Mpjane	Member	1/1	01.12.2021	31.10.2022
			01.11.2022	31.10.2027

*Committee de-established and merged with the Human Resource Ethics and Social Committee as from November 2022, to become the Human Resource and remuneration Committee.

4.9 Corporate Social Investment (CSI) Committee

Name of Members	Designation	No. of Meetings		Date of Expiry of Term
		Attended	Date Appointed	
Ms. M.E. Maditsi	Chairperson	4/4	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Mr. Serobi Maja	Member	4/4	01.11.2017	31.10.2022
			01.11.2022	31.10.2027
Mr. M.E. Tjiane	Member	4/4	01.11.2017	31.10.2022
			01.11.2022	31.10.2027

4.10 Remuneration of Board Members

No	Board member	Board Members travelling and subsistence (R'000)	Board Members sitting allowances (R'000)	Board Data allowances (R'000)	Retainer (R'000)	Total (R'000)
1	Mr. Tjiane ME	65	236	6	90	397
2*	Ms. Montjane BL	15	69	2	59	145
3	Adv. Mahumani KA	45	87	4	60	196
4	Ms. Maditsi ME	47	100	4	54	205
5	Mr. Nkadimeng CC	11	70	4	54	139
6	Mr. Maja SM	56	109	4	54	223
7	Mr. Mpjane JN	17	81	4	54	156
8**	Mr. Tema MB	0	0	0	0	0
9 ***	Mr. Mudogwa MR	0	0	0	0	0

* Ms Montjane served as a Board member until October 2022.

** Mr. Tema is a representative from Provincial Treasury and as such, does not receive a sitting allowance.

*** Mr. Mudogwa is a representative from LEDET and as such, does not receive a sitting allowance.

5. Risk Management

5.1 Nature of Risk Management

The Audit and Risk Committee provides an oversight role on the effectiveness and efficiency of the Entity's Risk Management System in alignment with the implementation of the Five-Year Strategic Plan. The Entity is committed to an enterprise-wide risk Management process that is in accordance with the provisions of the PFMA, Act 1 of 1999 and aligned to best international practices (ISO 31 000:2009, COSO Framework, King IV Report on Corporate Governance in South Africa, 2016, Public Sector Risk Management Framework and Provincial Risk Management Framework). The Entity recognises Risk Management as an integral part of responsible management and the process is fully outlined in the Risk Management Policy.

The Chief Executive Officer has set the tone at the top by supporting Enterprise Risk Management and allocating human and financial resources towards the implementation thereof.

The Risk Management function of the Limpopo Gambling Board, which is within the Office of the CEO, had in place the Risk Management Strategy, Policy and Charter that ensured adherence to the provisions of the PFMA, Act 1 of 1999, and other prescripts of good governance. The Chief Executive Officer had appointed a Risk and Fraud Management Committee and their role was to formulate, promote and review the institution's ERM objectives, strategy and policy, and to monitor the process at strategic, management and operational levels.

The Risk and Fraud Management Committee met quarterly to evaluate the effectiveness of mitigating strategies to address the material risks of the institution and to monitor the progress on the implementation of these strategies.

The Limpopo Gambling Board continued to cultivate a culture of Risk Management throughout the Entity which:

- Ensured compliance with section 51 of the Public Finance Management Act, and Treasury Regulation 27.2;
- Promoted and entrenched Risk Management as value creation;
- Improved the LGB's risk maturity from a defensive Risk Management position to a responsive Risk Management position; and
- Embedded Risk Management into LGB's business operations to support decision making and thereby increased the likelihood of achieving the LGB's strategic objectives.

5.2 Risk Management Process

An Entity-wide Enterprise Risk Management (ERM) framework was adopted by Limpopo Gambling Board and applied across the entire LGB from a strategic level down to operational and business process levels.

The Limpopo Gambling Board maintained a Risk Profile which was updated on a quarterly basis or as and when it was needed. This was preceded by a process of the Risk Management Office which performed risk assessments with the risk owners and all staff members during workshops by

identifying new and emerging risks and further reassessing the previous year's risk register. The profile was then consolidated and presented to the Risk and Fraud Management Committee for inputs and endorsement to the Audit and Risk Committee which in turn recommended it to the Board for approval. The risk profile was inclusive of mitigation measures that were compiled by Management and were monitored on an ongoing basis, with internal audit who provided quality assurance in respect thereof.

Provincial Treasury, through its Transversal Risk Management forum, supported Risk Management activities within Provincial Departments and Public Entities by rolling out programs that were geared towards addressing challenges and leveraging opportunities to enhance the overall management of risks. An assessment was conducted on a quarterly basis, regarding the ERM performance outcome of the Entity with specific focus on the results of the Key Performance Indicators, Risk Management Committee meetings and Evaluation of Implementation Plans. A report was issued on a quarterly basis to communicate progress made in the implementation of Enterprise Risk Management. The aim of the report was to afford the relevant stakeholders the courtesy of being timeously informed of Risk Management performance and be afforded an opportunity to give guidance in order to enhance the effective functioning of ERM.

The Risk and Fraud Management Committee met five (5) times during the year - 4 ordinary quarterly meetings and 1 special meeting. The Committee submitted quarterly monitoring reports to the Chief Executive Officer who further recommended them for submission to the Audit and Risk Committee.

There were eleven (11) Audit and Risk Committee Meetings for the 2022/23 Financial Year, four (4) of which were ordinary quarterly meetings and seven (7) were special meetings.

5.3 Progress made in addressing Risks Identified

Four (4) of the fifteen (15) strategic risks were prioritised for the 2022/23 Financial Year. All four (4) prioritised risks could not be fully mitigated to acceptable levels during the 2022/23 Financial Year, and therefore the Entity will continue to ensure enhanced controls in the 2023/24 FY that would assist in mitigating the risks. Internal Audit provided reasonable assurance that the control design was adequate and effective for the achievement of organisational objectives up to the end of the 3rd quarter of the 2022/23 FY.

6. Internal Control Unit

LGB has an Internal Control Unit in place reporting to the Chief Financial Officer. The Internal Control Unit coordinated assurance and governance activities which assisted the Entity to maintain a system of internal controls that were effective and efficient. The Entity developed a procedure manual, reviewed annually or as and when necessary, ensuring there were adequate processes in place. These procedures were designed to prevent unwanted, irregular, fruitless and wasteful expenditures and to ensure there were no deficiencies in internal controls.

The focus of the Unit was to ensure that the Entity improved the audit opinion and complied with the relevant laws and Regulations, such as the Limpopo Gambling Act No. 3 of 2013, Public Finance Management Act No. 1 of 1999 and the Treasury Regulations.

The Entity developed action plans to ensure that the findings on the Auditor-General’s 2021-22 Final Report did not recur. Progress reports on implementation of developed action plans were submitted on a quarterly basis to the Limpopo Provincial Treasury.

7. Internal Audit and Audit and Risk Committee

7.1 Objective and Role of Internal Audit

The Internal Audit of the Entity was outsourced to SAB & T Nexia. The Internal Audit (IA) function is an independent, objective assurer and consulting activity designed to add value and improve LGB’s operations. The objective of the IA function was to assist LGB to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of Risk Management, controls and governance processes.

The Internal Audit function reviewed the following:

- The reliability and integrity of financial and operational information;
- Compliance with laws, regulations, policies and contracts;
- Safeguarding of assets;
- The economical and efficient use of resources;
- Establishment of operational goals and objectives; and
- Appropriateness of processes for the achievement of objectives.

The primary role of the IA function was to assist the Entity, Audit and Risk Committee, and Executive Management in the effective discharge of their duties and responsibilities.

The IA, through engagement with the internal stakeholders, formulated a three-year rolling plan which incorporated an annual plan which was approved by the Audit and Risk Committee. The IA Head reports at each Audit and Risk Committee meeting.

7.2 Progress Report for the Year

a) 1st Quarter Progress:

Planned Activity	Planned Execution Date	Actual Results
Risk Monitoring Quality Assurance 1st Quarter 2022/23	July 2022	Done
Audit of Predetermined Objectives 1st Quarter	July 2022	Done
Supply Chain Management Audit	August 2022	Done
Finance Audit	September 2022	Done

b) 2nd Quarter Progress:

Planned Activity	Planned Execution Date	Actual Results
Coverage Plan 2022/23	April 2022	Done
Risk Monitoring Quality Assurance 4th Quarter 2021/22	April 2022	Done
AOPO 4th Quarter 2021/22	April 2022	Done
Review of AFS 2021/22	May 2022	Done

c) 3rd Quarter Progress:

Planned Activity	Planned Execution Date	Actual Results
Risk Monitoring Quality Assurance 2nd Quarter	October 2022	Done
Audit Of Predetermined Objectives 2nd Quarter	October 2022	Done
Law Enforcement Audit	October 2022	Done
Human Resource Management Audit	November 2022	Done
Information Technology Audit	November 2022	Done
Review of APP 2023/24	November 2022	Done

d) 4th Quarter Progress:

No Audits were planned for this quarter as the Internal Audit contract ended in December 2022.

7.3 Key activities and objectives of the Audit and Risk Committee

The Limpopo Gambling Board established the Audit and Risk Committee as a Committee of its controlling body (“Board”). It was established in order to assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The Committee did not perform any Management functions or assume any Management responsibilities. It provided a forum for discussing business risk and control issues for developing relevant recommendations for consideration by the Board. The Committee made recommendations to the Board for its approval or final decision.

The membership, resources, responsibilities and authorities (composition, functions and operation) of the Committee to perform its role effectively, was stipulated in the Committee’s Terms of Reference, which may be amended by the Board from time to time. The Committee was constituted in terms of the requirements of sound corporate governance practices and operated within that framework.

Name	Qualifications	Internal or external	If internal, position in the Public Entity	Date appointed	Date of Expiry of Term	No. of Meetings attended
Mr. J.N. Mpjane CA (SA) RA	<ul style="list-style-type: none"> • B.Compt Hons (CTA) • B.Compt Chartered Accountant (CA) • Registered Auditor (RA) 	Chairperson of Committee Board Member	N/A	01.12.2019 01.11.2022	31.10.2022 31.10.2027	11/11
Mr. M.B. Tema Professional Accountant (SA), (M.Inst.D)	<ul style="list-style-type: none"> • MBA (Finance), • Hons B.Com (Accounting), • B.Com (Accounting), • Professional Accountant (SA) 	Board member	N/A	01.02.2018 01.11.2022	31.10.2022 31.10.2027	9/11
Ms. M.M. Mashamaite CA (SA)	<ul style="list-style-type: none"> • B.Compt Hons (CTA) • B.Com Hons (Accounting) • Post-Graduate Diploma in Accounting Sciences • B.Com (Accounting) • Chartered Accountant (SA) • Certified Ethics Officer 	External Member	N/A	01.02.2018 01.11.2022	31.10.2022 31.10.2027	10/11
Adv. J.L. Thubakgale	<ul style="list-style-type: none"> • B.JURIS • LLB • LLM • Postgraduate Diploma: Labour Law • MBA 	External Member	N/A	01.03.2018 01.11.2022	31.10.2022 31.10.2027	10/11
Ms L. Mabunda CCMIIA CIA QIAL	<ul style="list-style-type: none"> • MBA • M.Phil (Internal Audit) • B.Tech (Internal Auditing) • National Diploma – Internal Auditing • Certified Ethics Officer 	External Member	N/A	01.04.2022 01.11.2022	31.10.2022 31.10.2027	8/11

8. Compliance with Laws and Regulations

The Limpopo Gambling Board recognises the essential role that compliance with applicable legal and regulatory requirements plays in the governance and sustainability of its business. The Compliance function lies in both the Chief Executive Officer's office and the Chief Financial Officer's office. Both offices provided support relating to regulatory reporting obligations to the Entity. The function further provided regulatory updates to employees and Management relating to applicable legislation and changes to legislation. The compliance universe was continually reviewed in collaboration with the Business Units and it ensured that the Entity continued to identify for compliance controls, monitored them and reported on them.

9. Fraud and Corruption

The Entity has in place an approved Fraud and Corruption Prevention Policy for the purposes of combating the risks of fraud and corruption. All fraud related matters were monitored by the Risk and Fraud Management Committee. The Entity has a zero-tolerance stance on Fraud and Corruption and further ensured that planned mitigations of identified fraud risks were implemented throughout the organisation.

Whistle Blowing

The Entity has a Whistle Blowing Policy in place which is aligned to the Protected Disclosure Act, No 26 of 2000, which allowed officials to make factual confidential disclosures about fraud and corruption they might be aware of. Staff members were continuously encouraged to report any suspected allegations of fraud and corruption through the National Fraud Hotline (0800 701 701).

There were no cases of fraud and corruption reported during the financial year.

10. Minimising Conflict of Interest

- a) The Human Resources Unit issued a circular (done annually) to remind officials to disclose their business interests.
- b) The Senior Managers completed financial disclosure forms which were submitted to the Executive Authority.
- c) Suppliers were required to complete an SBD4 for declaration of interest purposes, prior to engagement of business activities with LGB and the centralised supplier database (CSD), introduced by National Treasury, and also assisted in minimising the risk of disloyal suppliers.

11. Code of Conduct

The growth and success of the gambling industry in the Limpopo Province is dependent on public confidence and trust that it is conducted honestly.

The Entity provided further guidance to its members and employees to assist them in gaining a clear picture of the behaviour expected in the execution of their various functions. These standards applied to all members and employees of the Entity, as well as consultants engaged by the Entity.

All newly appointed employees were made aware of the Entity's code of conduct during induction.

If a member or employee became aware of, anticipated, or suspected corrupt conduct on the part of an organisation, a member of the public, or another Board Member or employee, he or she was required to report this matter to the Chairperson or the CEO without delay.

12. Health, Safety and Environmental Issues

The Entity has an Occupational Health and Safety Committee. The Committee had an approved Charter in place. The approved Health and Safety Policy provides guidance and compliance towards a safe and healthy workplace. The Committee held quarterly meetings to ensure that the safety and well-being of employees was attended to. Monthly inspections were done to identify any risks and health issues. Matters which arose from the inspection reports were attended to immediately.

Due to the COVID-19 pandemic, the Entity placed emphasis on all Health and Safety protocols which had to be followed at all times, including observance of guidelines for social distancing, sanitation and hygiene, and use of appropriate personal protective equipment, like cloth face masks, as determined by the National Department of Health. This was done until April 2022, when the State of Disaster was lifted. The Entity continued to monitor Health and Safety matters as it was done before the state of disaster was announced.

The Entity has the Occupational Health and Safety Policy and also has a risk assessment for COVID-19 in place.

13. Company Secretary

Appointment of Company Secretary

Although Limpopo Gambling Board was not obliged to appoint a company secretary as one would with an Entity that applies the Companies Act, the Entity nevertheless adopted best practices applied in the business sector and implemented them to uphold good Corporate Governance.

The Limpopo Gambling Board has been operating without a Company Secretary; the Entity re-advertised the post, and the post will be filled during the 2023/24 Financial Year. The recruitment process in this regard could not be concluded during the financial and the process will be concluded in the 2023/2024 Financial Year.

14. Social Responsibility

The Entity did not have a budget for Corporate Social Responsibility projects for the 2022/23 Financial Year, however partnerships were formed with the Entity, the Licensees and also LEDET to implement various projects. The Entity funded 150 chairs to Charles Mathonsi High School as part of the contribution for Nelson Mandela Day. In partnership with licensees and LEDET, various donations were made at various schools and other community projects across the province.

15. Audit and Risk Committee Report

15.1 Introduction

The Entity is pleased to present our report for the financial year ended 31 March 2023. The Limpopo Gambling Board has an Audit and Risk Committee which operated in terms of the Board's approved Audit and Risk Committee Charter.

The Audit and Risk Committee consisted of the members listed hereunder and was required to meet at least four (04) times per annum as per the Audit and Risk Committee Charter. During the year, four (04) scheduled and seven (07) Special Audit and Risk Committee Meetings were held.

The Committee is chaired by Mr. Mpjane who is also a Board Member.

Name of Members	Designation	No. of Meetings	
		Attended	Date Appointed
Mr. J.N. Mpjane CA (SA) RA	Chairperson of Committee Board Member	11/11	01.12.2019 01.11.2022
Mr. M.B. Tema Professional Accountant (SA), (M.Inst.D)	Board member	9/11	01.02.2018 01.11.2022
Ms. M.M. Mashamaite CA (SA)	External Member	10/11	01.02.2018 01.11.2022
Adv. J.L. Thubakgale	External Member	10/11	01.02.2018 01.11.2022
Ms L. Mabunda	External Member	08/11	01.04.2022 01.11.2022

15.2 Audit and Risk Committee Responsibilities

The Entity reports that there was compliance with responsibilities arising from Section 51(1) (a) (i)-(iv) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Entity also reports that appropriate formal Terms of Reference were adopted, as incorporated in the Audit and Risk Committee Charter. The Audit and Risk Committee regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

15.3 The Effectiveness of Internal Control

Based on the information given by Management, the Entity is of the opinion that where the Internal Audit and the discussions with the External Auditors (AGSA) on the results of its audit are concerned, the internal controls are operating to ensure that the financial records may be relied upon for preparing the Annual Financial Statements, and accountability for assets and liabilities is maintained.

From the various reports from Internal Auditors, the audit report on the Annual Financial Statements, as well as the Management Letter of the Auditor-General, it was noted that no significant misstatements were reported.

There were internal control deficiencies that resulted in findings during the audit process.

Our review of the findings of Internal Audit work, which was based on the risk assessment conducted, revealed certain weaknesses which were then raised with the Board.

Amidst the internal control weaknesses identified and reported by External Auditors, Management monitored and adhered to the plan.

The review process on non-compliance with regulations and misstatements on Annual Financial Statements will have to be intensified from the Audit and Risk Committee down to Internal Audit and Management

15.4 In-Year Management and Monthly/Quarterly Report

LGB has submitted monthly and quarterly reports to the Department of Economic Development, Environment and Tourism and to the Provincial Treasury.

15.5 Evaluation of Financial Statements

We have reviewed the Financial Statements for the year ended 31 March 2023 and the Entity is satisfied that matters have been adequately resolved.

The Entity concurs and accepts the conclusion of the External Auditors on the Financial Statements and are of the opinion that the Audited Financial Statements must be accepted and read together with the report of the Auditor-General.

15.6 Auditor's Report

The Audit Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the auditor.



Mr. Joseph Nakedi Mpjane CA (SA) RA

Chairperson of the Audit and Risk Committee

Limpopo Gambling Board

07 August 2023

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (Include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The Entity has in line with section 10 of the BBEE Act, required Licensees to comply with the BBEE levels set in the licence conditions of respective Licensees. Licensees have substantially complied with the set licence conditions. Remedial actions were instituted on Licensees that did not comply with the set BBEE licence conditions.
Developing and implementing a preferential procurement policy?	Yes	<p>The Entity implemented the Preferential Procurement Policy Framework Act as developed by the National Treasury and the Preferential Procurement Regulations 2022. The Entity developed and approved its own Preferential Procurement Policy to evaluate bids/quotations above R 2000.00 threshold.</p> <p>The preference point system in terms of the Preferential Procurement Regulation, 2022 and Preferential Procurement Policy of the Entity was used to evaluate the bids/quotations. The preference point system included 80/20 in which 80 was the points scored for price while 20 was the points for specific goals. The Entity did not conclude any bid in excess of R 50 million threshold.</p>
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	No	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	No	Not applicable



PART D

HUMAN RESOURCE MANAGEMENT



1. Introduction

The Human Resources Unit aims to assist and support other Business Units with any matter pertaining to the daily running of the business affecting its employees.

A workforce planning framework and key strategies to attract and recruit a skilled and capable workforce were in place. The success of the Limpopo Gambling Board in delivering its operational and developmental goals depended primarily on efficiency and effectiveness when employees carried out their duties. Managing performance is therefore a key Human Resources Management tool and as such quarterly moderations were done.

1.1 Policy Development

Policy review

The Human Resource Policy is in the process of being reviewed. The process started during the financial year but could not be completed. It is planned that it be concluded in the new financial year.

Staff development

Training and development was provided to employees in order to maintain and enhance the knowledge and skills needed to deliver a professional service to our organisation and stakeholders. The Entity could not submit the workplace skills plan to CATHSSETA due to budgetary constraints.

Challenges

New appointments could not be finalised timeously due to delays by the external criminal records verifications agencies.

2. Human Resource Oversight Statistic

2.1 Personnel Related Expenditure

2.1.1 Personnel Cost by Programme

Programme	Total Expenditure per Programme (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure %	No. of Employees	Average Personnel Cost per Employee (R'000)
CEO	7 796	6 031	77%	6	1005
Finance	9 902	5 749	58%	7	821
Law Enforcement	8 204	6 278	77%	10	628
Supply Chain	24 885	2 585	10%	4	646
Human Resources	5 910	4 262	72%	10	426
Compliance	19 819	17 067	86%	23	742
Information Technology	6 136	800	13%	1	800
TOTAL	82 652	42 772	52%	61	5 068

The total number of 61 employees only included positions which were filled from April 2022 - March 2023. Positions which were vacant were not included. The interns were not included in the report.

2.1.2 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	3 801	9.0%	2	1 900
Senior Management	6 751	15.8%	4	1 688
Professional qualified	8 161	19.0%	9	907
Skilled	16 100	37.6%	26	619
Semi-skilled	6 962	16.3%	16	435
Unskilled	997	2.3%	4	249
TOTAL	42 772	100%	61	701

2.1.3 Performance Rewards

Programme/activity/ objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	95 594	3 801	0.22%
Senior Management	114 035	6 751	0.27%
Professional qualified	178 842	8 161	0.42%
Skilled	683 474	16 100	1.60%
Semi-skilled	199 157	6 962	0.47%
Unskilled	23 386	997	0.05%
TOTAL	1 294 488	42 772	3.03%

2.1.4 Training Costs

Directorate / Business Unit	Personnel Expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a % of Personnel Cost (%) (R'000)	No. of Employees Trained	Average Training Cost per Employee
CEO	6 031	65	1.08%	4	16.25
Finance	5 749	65	1.13%	5	13
Law Enforcement	6 278	13	0.21%	3	4.33
Supply Chain	2 585	32	1.24%	2	16
Human Resources	4 262	67	1.57%	4	16.75
Compliance	17 067	81	0.47%	5	16.2
Information Technology	800	23	2.90%	1	23
TOTAL	42 772	346	0.81%	24	14.42

2.2 Other Personnel Related Information

2.2.1 Employment and Vacancies

Programme	2021/22 No of employees	2022/23 Approved Posts	2022/23 No. of Employees	2022/23 No. of Vacancies	% of Vacancies
CEO	6	7	6	1	14%
Finance	7	9	7	2	22%
Law Enforcement	9	12	10	2	17%
Supply Chain	4	6	4	2	33.33%
Human Resources	8	12	10	2	17%
Compliance	24	25	23	2	8%
Information Technology	1	2	1	1	50%
TOTAL	59	73	61	12	16%

Programme	2021/22 No of employees	2022/23 Approved Posts	2022/23 No. of Employees	2022/23 No. of Vacancies	% of Vacancies
Top Management	1	2	2	0	0%
Senior Management	4	6	4	2	33%
Professional qualified	6	10	9	1	10%
Skilled	27	30	26	4	13.3%
Semi-skilled	17	20	16	4	20%
Unskilled	4	5	4	1	20%
TOTAL	59	73	61	12	16%

2.2.2 Employment Changes

Programme	Employment at Beginning of Period	Appointments	Terminations	Employment at End of Period
Top Management	1	0	0	1
Senior Management	4	1	0	5
Professional qualified	6	0	0	6
Skilled	27	0	0	27
Semi-skilled	17	1	0	18
Unskilled	4	0	0	4
TOTAL	59	2	0	61

2.2.3 Reason for Staff Leaving

Reason	Number	% of Total No. of Staff Leaving
Death	0	0%
Resignation	0	0%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	0	0%

2.2.4 Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	1
Dismissal	0

2.2.5 Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	3	3	0	0	0	0	0	0
Professional qualified	5	3	0	0	0	0	0	0
Skilled	11	10	1	1	1	1	1	1
Semi-skilled	6	7	0	0	0	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	28	26	1	1	1	1	2	2

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	0	0	0	0	1	1	0	0
Professional qualified	4	3	0	0	0	0	0	0
Skilled	10	10	1	0	0	0	1	1
Semi-skilled	8	6	0	1	0	0	1	3
Unskilled	2	2	0	0	0	0	0	1
TOTAL	25	22	1	1	1	1	2	5

Levels	People living with disabilities			
	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	0	0	0	0
Semi-skilled	1	1	0	0
Unskilled	0	0	0	0
TOTAL	1	1	0	0



PART E

PFMA COMPLIANCE

REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	0	0
Add: Irregular expenditure confirmed	0	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	0	0

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure that was under assessment in 2022/23	0	0
Irregular expenditure that relates to 2021/22 and identified in 2022/23	0	0
Irregular expenditure for the current year	0	0
Total	0	0

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

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	0	0
Total	0	0

c) Details of current and previous year irregular expenditure condoned

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure condoned	0	0
Total	0	0

d) *Details of current and previous year irregular expenditure removed - (not condoned)*

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) *Details of current and previous year irregular expenditure recovered*

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure recovered	0	0
Total	0	0

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

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure written off	0	0
Total	0	0

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	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

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

Description	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

h) *Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure*

Description	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/2023 R'000	2021/2022 R'000
Opening balance	14	7
Add: Fruitless and wasteful expenditure confirmed	0	7
Less: Fruitless and wasteful expenditure written off	0	0
Less: Fruitless and wasteful expenditure recoverable	(7)	0
Closing balance	7	14

The employee paid the total amount of R6 839 due to the Entity during the financial year under review.

Reconciling notes

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	7	0
Fruitless and wasteful expenditure that relates to 2020/21 and identified in 2021/22	7	7
Fruitless and wasteful expenditure for the current year	0	0
Total	14	7

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

Description	2022/2023 R'000	2021/2022 R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	7	0
Fruitless and wasteful expenditure that relates to 2020/21 and identified in 2021/22	7	7
Fruitless and wasteful expenditure for the current year	0	0
Total	14	7

The matter emanates from prior years and was only identified in March 2022, The Entity Appointed an investigator in April 2022. Investigation report issued to the Entity during October 2022. The Investigation was discussed during the Financial Misconduct Committee and referred back for further detailed investigation

c) Details of current and previous year irregular expenditure recovered

Description	2022/2023 R'000	2021/2022 R'000
Irregular expenditure condoned	0	0
Total	0	0

The official refunded the Entity on the fruitless expenditure incurred

d) Details of current and previous year irregular expenditure not recovered and written off

Description	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

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

a) Details of current and previous year material losses through criminal conduct

Description	2022/2023 R'000	2021/2022 R'000
Theft	0	0
Other material losses	0	0
Less: Recovered	0	0
Less: Not recovered and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

c) Other material losses recovered

Nature of losses	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

d) Other material losses written off

Nature of losses	2022/2023 R'000	2021/2022 R'000
	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	605	32 495
Invoices paid within 30 days or agreed period	605	32 495
Invoices paid after 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	0	0

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
	SAGE South Africa	Sole Supplier	N/A	61
SAGE Evolution Procurement System Yearly License Renewal	SAGE South Africa	Sole Supplier	N/A	150
SAGE Annual Subscription Fee	SAGE South Africa	Sole Supplier	N/A	111
Participation in the Limpopo Marula Festival	Be-Sure Events Solutions	Sole Supplier	N/A	575
Migration from VIP Premier Payroll to 300 people payroll	Alpion Solutions	Sole Supplier	N/A	125
SAGE 300 People-Payroll Processing (March, April, May, June, July, August, September, October, and December)	Alpion Solutions	Sole Supplier	N/A	145
Annual Membership Renewal	Independent Regulatory Board of Auditors (IRBA)	Sole Supplier	N/A	10
Annual CaseWare Renewal	Adapt IT	Sole Supplier	N/A	93
Television and Radio Adverts-illegal gambling	SABC	Deviation	N/A	398
Procurement of stall at Polokwane Show	Polokwane Show and Exhibition (Pty) Ltd	Sole Supplier	N/A	4

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
Asset transfer-DBIT	Liquidstate Software T/A Acctech Limpopo	Sole Supplier	N/A	4
Consulting-Pastel Evolution assist with asset	Liquidstate Software T/A Acctech Limpopo	Sole Supplier	N/A	7
Annual Membership Renewal	The Institute of Internal Auditors SA	Sole Supplier	N/A	39
CIPS Membership renewal for three SCM officials	CIPS South Africa	Sole Supplier	N/A	5
2022 IRMSA Annual Conference	The Institute of Risk Management SA (IRMSA)	Sole Supplier	N/A	37
2022 Convention	The Institute of People Management SA (IPM)	Sole Supplier	N/A	14
Annual Subscription	Worklaw	Sole Supplier	N/A	12
Replacement of surveillance camera and repair of camera system with backup	Gatetronics	Sole Supplier	N/A	9
Supply and installation of telephone handset	Northern Telecom	Sole Supplier	N/A	2
Assisting IT with creating new platform on the server using hyper environment	Liquidstate Software T/A Acctech Limpopo	Sole Supplier	N/A	10
Short-term insurance cover for additional assets procured	Marsh Arica	Sole Supplier	N/A	27
Annual Membership Renewal-IRMSA	The Institute of Risk Management of SA (IRMSA)	Sole Supplier	N/A	5
Xbyte Acctech Verify and Ons Software annual renewal	Liquidstate Software T/A Acctech Limpopo	Sole Supplier	N/A	13
SAGE Intacct	Brilliant Link	Sole Supplier	N/A	397
Excess Payment-DRN161L	Liversage Panelbeaters	Sole Supplier	N/A	3
Total				22 545

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
Generator Maintenance	Jenzorite T/A EMR	Expansion	LGB09/2017	80	N/A	99
Provision of Physical Security Services	Gija Security Services	Expansion	LGB01/2019/20	3 360	3 693	3 794
Total						3 893



Don't kiss your bonus goodbye



For the overwhelming majority of South Africans gambling is harmless entertainment. But for the very few who gamble more than they can afford over the Festive Season, It can become a problem.

If you, or someone you care about needs help, call the NRGP toll free problem gambling counselling line on **0800 006 008** or email **counsellor@responsiblegambling.co.za** and trained multilingual counsellors will help you. Expert confidential help is available free of charge.

**Winners know when to stop.
Toll free counselling Line | 0800 006 008**



**WINNERS KNOW
WHEN TO STOP**
A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
0800 006 008
or 0855 016 575 8719



@limpopogambling



PART F

FINANCIAL INFORMATION



Report of the auditor-general to provincial legislature on behalf of Limpopo Gambling Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Limpopo Gambling Board set out on pages ... to which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget information with actual information 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 Limpopo Gambling Board as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of Public Finance Management Act 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 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 of this matter.

Significant uncertainty

7. With reference to note 26 to the financial statements, the entity is a defendant in various lawsuits. The entity is opposing these claims as it believes it has reasonable grounds to defend each claim. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

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

Unaudited supplementary paragraphs

9. The supplementary information does not form part of the financial statements and is presented as an additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting authority for the financial statements

10. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standard of 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.
11. In preparing the financial statements, the accounting authority is responsible for assessing the 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 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

12. 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.
13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report

14. 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.

15. I selected the following material performance indicators related to Programme 3: Compliance presented in the annual performance report for the year ended 31 March 2023. I selected those indicators that measure the performance on its primary mandated functions and that are of significant national, community or public interest.
- Number of responsible gambling campaigns conducted
 - Percentage of corporate license applications processed within a standard timeframe of six months
 - Number of compliance inspections conducted
 - Number of compliance audits conducted
 - Number of stakeholder engagement sessions held
 - Number of formal collaborations established
16. 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 entity's planning and delivery on its mandate and objectives.
17. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
 - the targets 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 what was 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 are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
18. I performed the procedures for the purpose of reporting material findings only.
19. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under-achievements. This information should be considered in the context of the material findings on the reported performance information.

Report on compliance with legislation

21. 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 compliance with legislation.
22. 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.
23. 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 , 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.
24. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

25. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report and the audit committee's 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 presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on 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.
27. 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 presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

Auditor General

Polokwane

29 July 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

1. 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 's compliance with selected requirements in key legislation.

Financial statements

2. 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 '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 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 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 to 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.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Regulating, controlling and monitoring gambling activities in the
Limpopo Province.	
Business address	8 Hans van Rensburg Street
Polokwane 0699	
Postal address	Private Bag X9520
Polokwane 0700	
Controlling entity	Limpopo Department of Economic Development, Environment and
Tourism	
Auditors	Auditor-General South Africa

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

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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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LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Board Members' Responsibilities and Approval

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute assurance against material misstatement or deficit.

The members have reviewed the entity's cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

LIMPOPO GAMBLING BOARD

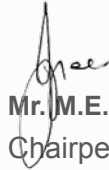
Financial Statements for the year ended 31 March 2023

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 105.

The annual financial statements set out on page 105, which have been prepared on the going concern basis, were approved by the members on 31 May 2023 and were signed on its behalf by:



Mr. M.G Makoko
Chief Executive Officer



Mr. M.E. Tjiane
Chairperson

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Board Members' Report

The members submit their report for the year ended 31 March 2023.

1. Main business and operations

The entity operates principally in South Africa. The mandate of the entity is to regulate, control and monitor gambling activities in the Province in line with the Limpopo Gambling Board Act No.3 of 2013.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The entity is wholly dependent on the Limpopo Department of Economic Development, Environment and Tourism for continued funding operations.

3. Subsequent events

The members are only aware of one matter that transpired after the end of the financial year which is disclosed in note 31.

4. Non-current assets

No major changes in the nature of the non-current assets of the entity occurred during the year, as well as the policies relating to their use.

5. Members

The members of the entity's term ended on the 31st of October 2022 and board members were reappointed with the exception of Ms. Motjane who was the former deputy chair. The members of the entity during the year and to the date of this report are as follows:

Name	Nationality	Changes
Mr. M.E. Tjiane - Chairperson	South African	Appointed Tuesday, 01 November 2022
Hosi/Adv. K.A. Mahumani - Deputy Chairperson	South African	Appointed Tuesday, 01 November 2022
Ms. M.E. Maditsi	South African	Appointed Tuesday, 01 November 2022
Mr. C.C. Nkadimeng	South African	Appointed Tuesday, 01 November 2022
Mr. J. N.Mpjane CA(SA) RA	South African	Appointed Tuesday, 01 November 2022
Mr. M.B. Tema - Treasury Representative	South African	Appointed Tuesday, 01 November 2022

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Name	Nationality	Changes
Mr.S. Maja	South African	Appointed Tuesday, 01 November 2022
Mr. M. R. Mudogwa LEDET Representative	South African	Appointed Tuesday, 01 November 2022
Mr.M.G. Makoko - Chief Executive Officer	South African	

6. Bankers

The bankers of the entity are Standard Bank of South Africa.

7. Accounting policies

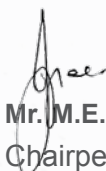
The Annual Financial Statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP), including any interpretations of such statements issued by the Accounting Standards Board, as the prescribed framework by National Treasury.

Board Members' Report

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the members on 31 May 2023 and were signed on its behalf by:



Mr. M.G Makoko
Chief Executive Officer



Mr. M.E. Tjiane
Chairperson

LIMPOPO GAMBLING BOARD*Financial Statements for the year ended 31 March 2023***Statement of Financial Position as at 31 March 2023**

	Note(s)	2023	2022
			Restated*
Assets			
Current Assets			
Receivables from exchange transactions	9	620 476	199 223
Receivables from non-exchange transactions	10	222 139	69 812
Cash and cash equivalents	11	25 055 451	33 189 580
		25 898 066	33 458 615
Non-Current Assets			
Property, plant and equipment	3	2 843 044	2 314 808
Intangible assets	4	485 392	469 822
Receivables from non-exchange transactions	10	5 040	5 040
		3 333 476	2 789 670
Total Assets		29 231 542	36 248 285
Liabilities			
Current Liabilities			
Operating lease liabilities	12	—	5 014 420
Payables from exchange transactions	6	1 290 995	1 461 371
Payables from non-exchange	7	32 119	1 502 744
Employee benefit obligation	8	62 612	31 844
Staff accrual	13	3 342 865	4 046 068
Funds to surrender	32	17 527 679	18 950 080
Deferred income	14	6 764 073	5 602 972
Fines and penalties	5	101 000	155 000
		29 121 343	36 764 499
Non-Current Liabilities			
Employee benefit obligation	8	207 784	269 288
Total Liabilities		29 329 127	37 033 787
Net Assets		(97 585)	(785 502)
Accumulated surplus		(97 585)	(785 500)
Total Net Assets		(97 585)	(785 500)

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023	2022
			Restated*
Revenue			
Revenue from exchange transactions			
Operating revenue	17	1 774 562	1 668 579
Interest received		1 042 796	553 919
Total revenue from exchange transactions		2 817 358	2 222 498
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	18	82 652 000	75 651 490
Other operating revenue - levies	19	196 035 728	129 780 659
Service in kind rental		1 278 282	-
Sundry Income		1 281 120	131 097
Annual licence fees	16	8 722 864	8 999 782
Total revenue from non-exchange transactions		289 969 994	214 563 028
Total revenue	15	292 787 352	216 785 526
Expenditure			
Employee related costs	20	(44 286 440)	(41 568 544)
Board members' expenses		(2 701 448)	(1 025 261)
Depreciation and amortisation		(1 175 865)	(1 360 143)
Loss on disposal of assets		(7 909)	-
Service in kind rental		(1 278 282)	-
Operating expenses	21	(29 086 087)	(21 768 125)
Total expenditure		(78 536 031)	(65 722 073)
Surplus for the year		214 251 321	151 063 453

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Statement of Changes in Net Assets

	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2021 as previously reported	(3 944 505)	(3 944 505)
Changes in net assets		
Restated Surplus for the year	151 063 453	151 063 453
Levies surrendered	(129 926 238)	(129 926 238)
Funds to be surrendered	(17 979 948)	(17 979 948)
Prior period error	1 738	1 738
Total changes	3 159 005	3 159 005
Restated* Balance at 01 April 2022	(785 500)	(785 500)
Changes in net assets		
Surplus for the year	214 251 321	214 251 321
Levies surrender	(196 035 727)	(196 035 727)
Funds to surrender	(17 577 829)	(17 577 829)
Prior period error	50 150	50 150
Total changes	687 915	687 915
Balance at 31 March 2023	(97 585)	(97 585)

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Cash Flow Statement

		2023	2022
	Note(s)		Restated*
Cash flows from operating activities			
Receipts			
Other operating income		207 120 673	137 878 613
Grants		82 652 000	75 651 490
Interest income		1 042 796	553 919
Other receipts		1 281 120	-
		<u>292 096 589</u>	<u>214 084 022</u>
Payments			
Employee costs		(45 020 379)	(39 218 374)
Suppliers		(35 745 355)	(23 905 349)
Funds surrendered		(215 035 959)	(143 743 118)
Board expenses		(2 701 448)	(1 025 261)
		<u>(298 503 141)</u>	<u>(207 892 102)</u>
Net cash flows from operating activities	22	<u>(6 406 552)</u>	<u>6 191 920</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 615 584)	(9 700)
Purchase of other intangible assets	4	(111 993)	-
Net cash flows from investing activities		<u>(1 727 577)</u>	<u>(9 700)</u>
Cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents			
		(8 134 129)	6 182 220
Cash and cash equivalents at the beginning of the year		33 189 580	27 007 359
Cash and cash equivalents at the end of the year	11	<u>25 055 451</u>	<u>33 189 579</u>

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

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
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Operating Income	2 327 000	(730 000)	1 597 000	1 774 562	177 562	38.1
Interest received	673 000	475 000	1 148 000	1 042 796	(105 204)	38.2
Total revenue from exchange transactions	3 000 000	(255 000)	2 745 000	2 817 358	72 358	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	75 652 000	7 000 000	82 652 000	82 652 000	-	
Other operating revenue	121 742 000	43 028 000	164 770 000	196 035 728	31 265 728	38.3
Sundry income	-	-	-	1 281 120	1 281 120	
Annual Licence fees	13 084 000	(2 582 000)	10 502 000	8 722 864	(1 779 136)	38.4
Total revenue from non-exchange transactions	210 478 000	47 446 000	257 924 000	288 691 712	30 767 712	
Total revenue	213 478 000	47 191 000	260 669 000	291 509 070	30 840 070	
Expenditure						
Personnel	(49 001 359)	3 000 000	(46 001 359)	(44 286 440)	1 714 919	38.5
Board member expenses	(560 000)	(1 700 894)	(2 260 894)	(2 701 448)	(440 554)	38.6
Depreciation and amortisation	(1 300 000)	-	(1 300 000)	(1 175 865)	124 135	38.7
Operating Expenses	(26 835 000)	(7 290 008)	(34 125 008)	(29 086 087)	5 038 921	38.8
Total expenditure	(77 696 359)	(5 990 902)	(83 687 261)	(77 249 840)	6 437 421	

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Operating surplus	135 781 641	41 200 098	176 981 739	214 259 230	37 277 491	
Loss on disposal of assets and - liabilities		-	-	(7 909)	(7 909)	
Surplus before taxation	135 781 641	41 200 098	176 981 739	214 251 321	37 269 582	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	135 781 641	41 200 098	176 981 739	214 251 321	37 269 582	
Reconciliation Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	500 000	1 009 098	1 509 098	1 615 584	106 486	38.9
Intangible assets	-	-	-	111 994	111 994	38.10
	500 000	1 009 098	1 509 098	1 727 578	218 480	
Total Assets	500 000	1 009 098	1 509 098	1 727 578	218 480	
Net Assets	500 000	1 009 098	1 509 098	1 727 578	218 480	

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 89(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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes. Significant judgements include:

Trade receivables

Trade and other receivables are stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments. Trade and other receivables from exchange transactions are disclosed separately from trade and other receivables from non-exchange transactions.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Trade and other receivables in exchange for which the entity gives approximately equal value to another entity are recognised as trade and other receivables from exchange transactions. Trade and receivables received without directly giving approximately equal value in exchange are recognised as trade and other receivables from non-exchange transaction. The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The entity assesses its trade and receivables from exchange transactions and trade and other receivables from non-exchange transactions for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit in the statement of financial performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cashflows from a financial asset.

Impairment testing

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

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. 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 goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including supply and demand, together with economic factors such as inflation rates and interest.

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 13 - Provisions. The provision herewith refer to the staff accruals.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Long service awards

The present value of the employee benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of employee benefit obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

Trade payables

The entity has both exchange and non-exchange transactions. The basis of recognition is either date of service or delivery in the case of goods and services. Payables from exchange and non-exchange transactions are carried at fair value and disclosed in the statement of financial position. The fair value of payables from exchange and non-exchange transactions approximates their carrying value. The carrying amount of these payables approximate fair value due to the short period to maturity of these instruments. Trade and other payables from exchange transactions are disclosed separately from trade and other payables from non-exchange transactions in the statement of financial position.

1.4 Property, plant and equipment

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.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Accounting Policies

1.4 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Furniture	Straight-line	15-25 years
Fittings	Straight-line	10 years
Motor vehicles	Straight-line	5-12 years
Office equipment	Straight-line	15-25 years
Computer equipment	Straight-line	3-9 years
Military equipment	Straight-line	5-25 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit .

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 the surplus or deficit 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.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.4 Property, plant and equipment (continued)

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3). The entity's management determines the estimated residual values, depreciation methods as well as useful lives and related depreciation charges for the property, plant and equipment. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

1.5 Intangible assets

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.

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. The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

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

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.

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	Straight-line	8 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

Accounting Policies

1.6 Financial instruments

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 uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.6 Financial instruments (continued)

Classification

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

Class	Category
Receivables from exchange	Financial asset measured at amortised cost
Cash and cash equivalent	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
Payables from exchange	Financial liability measured at amortised cost

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories: Financial instruments at amortised cost.

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

Gains and losses

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 uncollectibility of financial assets

The entity 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.

Accounting Policies

1.6 Financial instruments (continued)

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost is expected, 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 discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. 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 directly. If 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.

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.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- * the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- * the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- * the entity, 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 entity:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

Accounting Policies

1.6 Financial instruments (continued)

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis 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.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities

The entity 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 are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

Financial liabilities held at amortised cost

Trade and other payables are included in financial liabilities held at amortised cost. Items classified within trade and other payables are not usually re-measured, as obligations are usually known with a high degree of certainty due to their short term maturity, therefore the carrying amount would approximate the fair value. Where the effect on fair value at initial recognition of any extended payment terms is not material no adjustments are made.

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Accounting Policies

1.6 Financial instruments (continued)

Receivables

Where the effect on fair value at initial recognition of any extended payment terms is not material, no adjustments are made.

Receivables are subsequently measured at amortised cost using the effective interest rate methods less any impairment loss. Interest income is recognised in the Statement of Financial Performance by applying the effective interest rate.

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other highly liquid investments with original maturities of three months or less. For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash on hand net of bank overdrafts, all of which are available for use by the Board unless otherwise stated. The cash flow statement is prepared on the basis of the direct method.

1.7 Statutory receivables Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or

Accounting Policies

1.7 Statutory receivables Identification (continued)

Recognition (continued)

- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable 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 entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

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Accounting Policies

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.

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 The entity does not operate an inventory system for consumables that are bought in bulk as the stock levels are always immaterial at reporting dates. These transactions are charged to the statement of financial performance on monthly basis to various divisional accounts. The consumables at hand on the reporting date are counted to determine if they are material for disclosure in the financial statements.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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.

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

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 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.

Accounting Policies

1.11 Employee benefits Employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognise 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 recognise 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 recognise 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.

1.12 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.

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.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

Accounting Policies

1.12 Provisions and contingencies (continued)

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.14 Revenue from exchange transactions

An exchange transaction is one in which the entity 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.

Measurement

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

Accounting Policies

1.14 Revenue from exchange transactions (continued)

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

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 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.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest

Revenue arising from interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method.

Accounting Policies

1.15 Revenue from non-exchange transactions

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.

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.

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.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Government grant

The entity receives a grant from government through the shareholder each financial year. The grant is recognised as a receivable at the beginning of each financial year and recognised into revenue as monthly transfers are made by the shareholder to the entity. The receivable is only recognised when: It is probable that the future economic benefits or service potential associated with the asset will flow to the entity and that the fairvalue of the asset can be measured reliably.

Services in-kind

Except for financial guarantee contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

Grap 23, section 6.4 states that an entity shall recognise service in kind that are significant to its operations and/or service delivery objectives. For example, when an entity receives service in kind that are integral to its operations such as office accomodation paid on its behalf. It should recognise those services in kind if they meet the definition of an asset and satisfy the criteria for recognition as an asset and shall recognise the related service.

1.16 Accumulated Surplus

In terms of Section 53(3) of Public Finance Management Act a public entity which must submit a budget in terms of subsection (1) may not budget for a deficit and may not accumulate surpluses unless the prior written approval has been obtained from the National Treasury. Pursuant to this provision, surpluses at each reporting date are surrendered unless retention has been authorised. Funds generated by the entity are surrendered as per Instruction Note 2 of 2013.

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).

Accounting Policies

1.17 Accounting by principals and agents Identification (continued)

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

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.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

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.

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 a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

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Financial Statements for the year ended 31 March 2023

Accounting Policies

1.17 Accounting by principals and agents Identification (continued)

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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 position.

1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is 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 Instruction No.4 of 2022/23 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires

the following: That the entity discloses confirmed irregular expenditure incurred during that particular year. All other details of the Irregular Expenditure are included in the annual report rather than the financial statements.

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Accounting Policies

1.20 Irregular expenditure (continued)

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 required with the exception of updating the note to the financial statements.

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.

1.21 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2022/04/01 to 2023/03/31.

The budget for the economic entity includes all the entities' approved budgets under its control.

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.

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Accounting Policies

1.22 Related parties

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.23 Events after 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.

1.24 Prior period error

Prior period error are omissions from and misstatements in, the entity's financial statements for one or more prior periods arising from failure to use/ misuse of reliable information that:

- * was available when the financial statements for the period was issued, and
- * could have been reasonably expected to be taken into account in those financial statements.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

2. New standards and interpretations

2.1 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 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2009	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2009	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2009	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Unlikely there will be a material impact

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3. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Fittings	-	-	-	3 244 475	(2 948 031)	296 444
Motor vehicles	1 558 200	(1 324 321)	233 879	1 833 239	(1 466 675)	366 564
Office equipment	590 053	(305 602)	284 451	523 747	(276 650)	247 097
Computer equipment	1 958 670	(567 003)	1 391 667	2 062 656	(1 711 776)	350 880
Furniture	2 035 478	(1 105 129)	930 349	2 206 502	(1 155 795)	1 050 707
Military equipment	36 316	(33 618)	2 698	36 316	(33 200)	3 116
Total	6 178 717	(3 335 673)	2 843 044	9 906 935	(7 592 127)	2 314 808

Reconciliation of property, plant and equipment - March 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Fittings	296 444	-	-	(296 444)	-
Motor vehicles	366 564	-	-	(132 685)	233 879
Office equipment	247 097	70 694	(965)	(32 375)	284 451
Computer equipment	350 880	1 527 820	-	(487 033)	1 391 667
Furniture	1 050 707	17 070	(6 945)	(130 483)	930 349
Military equipment	3 116	-	-	(418)	2 698
Total	2 314 808	1 615 584	(7 910)	(1 079 438)	2 843 044

LIMPOPO GAMBLING BOARD

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3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - March 2022

	Opening balance	Additions	Depreciation	Total
Fittings	620 892	-	(324 448)	296 444
Motor vehicles	499 248	-	(132 684)	366 564
Office equipment	277 517	-	(30 420)	247 097
Computer equipment	995 463	-	(644 583)	350 880
Furniture	1 172 101	9 760	(131 154)	1 050 707
Military equipment	3 534	-	(418)	3 116
	3 568 755	9 760	(1 263 707)	2 314 808

Expenditure incurred to repair and maintain property, plant and equipment

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

Equipment maintenance	325 026
Motor vehicle repairs	40 715
	365 741

4. Intangible assets

	2023		2022	
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Cost / Valuation	Accumulated amortisation and accumulated impairment
Computer software	1 100 848	(615 456)	988 854	(519 032)
		485 392		469 822
		Carrying value		Carrying value

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4. Intangible assets (continued)

Reconciliation of intangible assets - March 2023

	Opening balance	Software under development	Amortisation	Total
Computer software	469 822	111 994	(96 424)	485 392

Reconciliation of intangible assets - March 2022

	Opening balance	Prior period error	Amortisation	Total
Computer software	564 521	1 737	(96 436)	469 822

Intangible assets in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of Intangible assets

	2023	2022
Computer software, other	111 994	–

In the current financial year the entity has started a migration exercise as a result of an upgrade of the current software. By year end the process of migration and upgrade had not been completed but the entity had already incurred costs for the software.

Prior period error

The R1737 prior period error resulted from an incorrect useful life applied in the amortisation of the Teammate software when it was first brought into use. The error has been adjusted for retrospectively.

5. Fines payable

	2023	2022
Opening balance	155 000	80 000
Amount raised	101 000	75 000
Amount transferred	(155 000)	–
	101 000	155 000

Fines payable are treated under GRAP 109 (Accounting by Principals and Agents). The entity collects fines that arise as a result of non-compliance by operators with the Limpopo Gambling Regulations. These are directly paid to the Provincial Revenue Fund through the shareholder on completion of the audit. The penalties that were raised in the 2021/22 financial year were paid over to the shareholder in August 2022. The penalties that are raised in the current year will be transferred over to the Provincial Revenue Fund through the shareholder in the 2023/24 financial year.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

6. Payables from exchange transactions

	2023	2022
Trade payables	928 243	915 223
Sundry Creditors	6 302	1 371
Other payables	356 450	544 777
	1 290 995	1 461 371

7. Payables from non-exchange

	2023	2022
UIF, SDL and other employee related payables	8 808	70 133
PAYE	12 899	1 432 611
Levies to be paid to Ledet	10 412	-
	32 119	1 502 744

The amount for PAYE in the previous financial year was settled after the 31st of March 2022.

8. Employee benefit Obligation

The amounts recognised in the statement of financial position for long service awards are as follows:

Carrying value

	2023	2022
Present value of the defined benefit obligation-wholly unfunded	270 396	301 132
Non-current liabilities	(207 784)	(269 288)
Current liabilities	(62 612)	(31 844)
	(270 396)	(301 132)

Movement in the employee long term service award liability

Opening balance	301 132	277 668
Change in estimate	(46 874)	-
Benefits paid	(25 000)	(32 500)
Net expense recognised in the statement of financial performance	41 138	55 964
	270 396	301 132
Current service cost	25 199	31 280
Interest cost	23 439	24 028
Actuarial (gains) losses	(7 500)	656
	41 138	55 964
Actuarial gains/ losses		
Actuarial (gains) losses – Obligation	(7 500)	656

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

8. Employee benefit Obligation (continued)

Changes in the fair value of plan assets are as follows:

There has been a change in estimate regarding long service award. As at 31 March 2022, the closing balance was estimated at R301 132, with the actual balance as 1 April report in the actuarial report at R254 258. The change in estimate has been accounted for prospectively in the financial year under review.

Key assumptions used

For the purpose of performing the calculation on the employee benefit, the average nominal yield curve, as compiled by the Johannesburg Stock Exchange of South Africa and obtained from IRESS data services, at the duration of the liabilities of 6 years. This converts into an effective yield of 9.35%. In terms of the accounting standards historical yields are less important and we consequently consider it appropriate to use the discount rate 9.35% per annum. We have assumed that staff will retire at age 60. We have assumed no future increases in the long service awards. Assumptions used at the reporting date:

	2023	2022
Discount rates used	9,00 %	8,20 %
Average age	45	48

We recalculated the liability to show the effect of:

the discount rate assumption on the defined benefit obligation by adding and subtracting 1% to the discount rate; the long service award increase rate assumption on the defined benefit obligation by adding and subtracting 1% to the long service award increase rate; and the age rating assumption by adding and subtracting 1 year from the age rating.

Other assumptions

Assumed long service cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed long service cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on defined benefit obligation	237 100	267 692

Amounts for the current and previous four years are as follows:

	2023	2022	2021	2020
Defined benefit obligation	270 396	301 132	277 668	284 547

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

9. Receivables from exchange transactions

	2023	2022
Trade debtors	90 600	39 132
Prepaid expenses and deposit	529 876	160 091
	620 476	199 223

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

	2023	2022
1 month past due	–	39 131
10. Receivables from non-exchange transactions		
Sundry debtors	222 139	69 812
Consumer debtors - Rates	5 040	5 040
	227 179	74 852
Non-current assets	5 040	5 040
Current assets	222 139	69 812
	227 179	74 852

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5 000	5 000
Bank balances	25 050 451	33 184 580
	25 055 451	33 189 580

12. Operating lease liability

At amortised cost

Current Operating lease liability	–	5 014 420
Current liabilities		
Current portion of operating lease	–	5 014 420

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

13. Staff accrual

Reconciliation of provisions - March 2023

	Opening Balance	Additions	Utilised during the year	Total
Leave days	1 429 677	4 408 982	(4 260 028)	1 578 631
13th cheques and savings	441 391	1 923 318	(1 890 044)	474 665
Performance bonus	2 175 000	255 423	(1 140 854)	1 289 569
	4 046 068	6 587 723	(7 290 926)	3 342 865

Reconciliation of staff accrual - March 2022

Leave days	1 274 767	4 028 570	(3 873 660)	1 429 677
13th cheques and savings	444 595	1 742 091	(1 745 295)	441 391
Performance bonus	–	2 175 000	–	2 175 000
	1 719 362	7 945 661	(5 618 955)	4 046 068

13th Cheque relates to savings which the staff accrue on a monthly basis and is paid in December each year. Leave days accrue monthly and expensed as utilised against the provision.

14. Deferred income

Reconciliation for the deferred income

	2023	2022
Opening balance	5 602 972	8 515 282
Deferred income recognised in the current year	(5 602 972)	(8 515 282)
Deferred income raised during the year	6 764 073	5 602 972
	6 764 073	5 602 972

15. Revenue

Operating revenue	1 774 562	1 668 579
Interest received	1 042 796	553 919
Government grants & subsidies	82 652 000	75 651 490
Other operating revenue	196 035 728	129 780 659
Service in kind rental	1 278 282	-
Sundry Income	1 281 120	131 097
Annual licence fees	8 722 864	8 999 782
	292 787 352	216 785 526

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

15. Revenue (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

	2023	2022
Operating revenue	1 774 562	1 668 579
Interest received	1 042 796	553 919
	2 817 358	2 222 498

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

Taxation revenue

Transfer revenue

Government grants & subsidies	82 652 000	75 651 490
Other operating revenue	196 035 728	129 780 659
Service in kind rental	1 278 282	-
Sundry Income	1 281 120	131 097
Annual licence fees	8 722 864	8 999 782
	289 969 994	214 563 028

16. Revenue from non-exchange – Annual Licence Fees

Annual Licence Fees	8 722 864	8 999 782
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The annual licence fees are paid by operators on an annual basis. These are due in the 1st of April each financial year.

17. Revenue from Exchange Transactions - Operating revenue

Horse racing application fees	123 172	52 788
LPM application fees	177 285	304 432
LPM license fees	86 125	46 375
Certificate of suitability	-	8 798
Manufacture application	120 000	-
Bingo application fees	1 840	30 720
Employee registration fees	900 345	864 010
Investigation fees	365 795	361 456
	1 774 562	1 668 579

18. Revenue from non exchange transactions – Government grants & subsidies

Operating grants

Department of Economic Development, Environment and Tourism	82 652 000	75 651 490
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19. Revenue from Non-Exchange Transactions - Levies

Levies	196 035 728	129 780 659
Disaggregation of levies		
Casino levies	31 217 934	25 956 966
LPM levies	31 665 014	29 507 406

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

	2023	2022
Horseracing levies	121 678 157	63 310 636
Bingo levies	11 474 621	11 005 650
	196 035 726	129 780 658

20. Employee related costs

Basic	34 238 091	32 180 356
Medical aid - company contributions	881 724	910 097
UIF	127 013	140 450
Leave pay provision charge	151 791	396 062
Pension fund	3 607 204	3 226 834
Long-service awards	41 138	55 964
13th Cheques	1 890 044	1 742 091
Housing benefits and allowances	1 124 487	966 111
Danger allowance	50 627	44 493
Cell phone allowance	1 038 415	913 818
Gratuity	1 135 906	992 268
	44 286 440	41 568 544

Included in the figure for basic salaries is an amount of R 1 289 569 (2022: R2 175 000) which relates to the performance bonuses that have been raised by the end of the 2022 financial year. However, out of the R 2 175 000 raised last year, only a pay out of R 1 140 854 was made.

Defined contribution plan (Pension)

Senior staff	764 939	695 300
Other staff	2 842 264	2 531 534
	3 607 203	3 226 834

The employer contributes a percentage of an employee's salary to the Old Mutual Pension Fund which is subject to the Pension Fund Act, where it is vested on the employee's behalf. On retirement the employee will receive contributions plus returns on investment. The employer has no obligation other than to make the monthly payments and no further risk. The risk of market movements lies with the employee

21. General expenses

Audit fees internal	633 348	283 826
Advertising and promotions	182 802	361 887
Assessment rates	480 387	489 837
Auditors fees - Auditor General	2 271 907	2 192 369
Bank charges	78 293	45 447
Cleaning materials	294 966	277 853

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

	2023	2022
Bursaries	310 834	351 507
Computer expenses	14 407	37 367
Legal fees	534 306	50 150
Consumables	4 907	2 416
Skills development levy	401 060	333 125
CSI expenses	19 403	-
Consultation and research	912 367	94 933
Audit committee meetings	128 268	80 395
Rental expenses	165 864	68 550
Insurance	298 224	264 803
Equipment maintenance	28 360	-
Investigation fees	50 091	49 214
Motor vehicle expenses - repairs	40 715	21 359
Operating lease building	10 524 497	11 481 268
Subsistence and toll fees	212 830	33 288
Motor vehicle expenses - fuel	122 154	58 178
Placement fees	56 385	7 059
Postage and courier	753	-
Printing and stationery	370 035	244 240
Staff meals and accommodation	2 434 423	370 710
Rental post box	-	2 470
Security expenses	1 229 626	1 151 902
Staff welfare	121 834	95 651
Subscriptions	143 721	176 792
Telephone and fax	209 218	201 814
Occupational injuries and diseases act fund	105 618	232 658
Staff training	478 606	47 852
Reimbursive travelling	2 175 710	565 776
Water and electricity	523 921	308 250
Equipment maintenance	325 026	69 015
Responsible gambling	1 058 144	1 684
Communication	149 254	149 254
Crime awareness campaign	14 126	-
Conferences and workshops	351 442	-
Law enforcement expenses	10 894	200
Licence fees	1 432 271	1 498 633
Building maintenance	185 090	66 393
	29 086 087	21 768 125

22. Cash (used in) generated from operations

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

24. Financial instruments disclosure

Categories of financial instruments

March 2023

Financial assets

	2023	2022
	At amortised cost	Total
Trade and other receivables from exchange transactions Note 9	90 600	90 600
Cash and cash equivalents Note 11	25 055 451	25 055 451
	25 146 051	25 146 051

Financial liabilities

Trade and other payables from exchange transactions Note 6	653 148	653 148
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March 2022

Financial assets

Trade and other receivables from exchange transactions Note 9	39 132	39 132
Cash and cash equivalents Note 11	33 189 580	33 189 580
	33 228 712	33 228 712

Financial liabilities

Trade and other payables from exchange transactions Note 6	1 461 371	1 461 371
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Financial instruments in Statement of financial performance

March 2023

Interest income(calculated using effective interest method) for financial instruments at amortised cost	1 042 796	1 042 796
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March 2022

Interest income(calculated using effective interest method) for financial instruments at amortised cost	553 919	553 919
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LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

25. Commitments

	2023	2022
Authorised operational expenditure		
Already contracted for but not provided for		
• Committed funds	2 461 450	4 429 858
Total operational commitments		
Already contracted for but not provided for	2 461 450	4 429 858
The commitments relate to contracts in respect of printers, security, hygiene cleaning company. The commitments are funded from existing funds.		
Investment properties		
The entity has entered into a maintenance contract for the investment properties. Commitments regarding the maintenance are as follows.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	319 464	15 538 916
- in second to fifth year inclusive	212 976	-
	532 440	15 538 916

The entity rents offices in Polokwane at 8 Hans van Rensburg Street. Rental is payable monthly in advance and it escalates at the rate of 10% per annum. The tenant has the option to make an offer to purchase at any time in the current lease agreement. The tenant is also precluded from using the building for other purposes other than that agreed upon in the

lease agreement. The landlord can terminate the contract upon expiry of the termination date. There is no contingent rent in the Statement of Financial Performance. The lease expired on the 28th of February 2023.

The entity rents digital printers for a period of three years. Rental is payable monthly in advance and is fixed over the entire contract period. The tenant has the option to renew the rental agreements at reduced rental. Contingent rent is payable based on the number of copies made by the tenant. The contract expires on 30 November 2024.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

26. Contingencies

Litigation is in the process against the entity relating to the following cases:

INNOCENT SIBOTSHWA (T/A LEBOWAKGOMO INTERNET CAFÉ// LIMPOPO GAMBLING BOARD

On 21 August 2020, the entity received a notice of motion application to join the Chairman/Limpopo Gambling Board as the third respondent to the above case. The Applicant was successful and the court granted an order for the entity to be joined as the third respondent. The State Attorney filed an answering affidavit for the third Respondent on 9 June 2021. There has been no movement on the matter since then.

It was previously stated by the State Attorney that no financial liability will arise from the case save for the legal costs associated therewith. The Board's legal representative estimated the legal costs associated with the case to be R140 000.

ACAPULCO TRADE AND INVEST+ 123 (PTY) LIMITED

An application was brought seeking a mandament van spolie to declare a search warrant applied for and executed by members of the South African Police Service as invalid. The entity is cited as the fourth respondent on account of members of the entity's law enforcement business unit being present during the search and seizure operation. The Applicant has not applied for a hearing date and there has been no movement of the matter since then. The entity is duly represented by the State Attorney.

The entity's legal representative stated the following on the issue of contingent liabilities: " Our assessment of the matter is that should the Entity be unsuccessful, the anticipated financial liability of the Entity will be R200 000 (Two hundred thousand rands). If successful, the Entity will be entitled to legal costs which is estimated at R150 000 (One hundred and fifty thousand rands)."

LABOUR CASE: MR. S. MAAHLO

The above employee was dismissed after an internal disciplinary enquiry was held on misconduct charges. The employee then referred the matter to the CCMA seeking re-instatement on the basis of an unfair dismissal. The Commissioner found that the dismissal was fair and dismissed the applicant's/employee's case. The employee thereafter took the matter on appeal in the Labour Court. On the date of the hearing, the matter could not proceed as the judge recused himself from the proceedings.

The matter was heard in the Labour Court of South Africa, Johannesburg on 26 July 2022. The matter was considered by the judge and the judge accordingly ordered that the matter be removed from the roll. The judge further ruled that "there is no order as to costs". On 18 October 2022, Mr. Maahlo brought a Condonation and Reinstatement application in respect of his case. An answering affidavit was accordingly drafted and filed. There has since been no movement in the matter.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

26. Contingencies (continued)

The entity's legal representative considered the success of the action against the entity as being as unlikely and it was not anticipated that the entity would pay anything more than legal fees. The legal fees associated with the case were estimated at R400 000-00.

ADV. M.J. MANTSHO

The above candidate was an unsuccessful in his application for the position of company secretary. On 08 June 2021, the entity received a notice of motion wherein the Applicant claimed R20million "for damage to his name, trauma and shock, damage to his integrity and dignity, damage to his confidence and ability to apply for other posts, ability to honour interviews invitations or apply for posts at all." The entity is represented by the State Attorney who duly opposed the claim by filing a Notice to Defend. A plea has been filed in the matter and according to the State Attorney, there are "reasonable prospects of success."

it is submitted that should Adv. Mantsho be successful with the civil claim, based on recent case law, the award against the entity would most probably not exceed R500 000. According to the entity's legal representative, the entity may also be liable for the legal costs associated with the case, which was estimated by the State Attorney to be R380 000.

REVOCAION OF LICENCE/ PORTAPA (PTY) REVIEW APPLICATION

The Applicant's bookmaker licence was revoked by the entity. The Applicant then took the matter on review whereafter the court referred the matter for trial. An interim order was awarded to the licensee to continue with operations pending the outcome of the trial. After a pre-trial conference, the matter will be set down for trial.

The entity's legal representative stated the following on the issue of contingent liabilities: "The Plaintiff/Applicant's claim does not sound in money but its review. Should the Board win the case [the Plaintiff/Applicant] will be liable for costs of our Advocate which is estimated at R200 000-00. Should the Board lose the case, estimated costs for our Advocate is R500 000-00 (R300 00-00 legal costs to be paid to Supabets + R200 000-00 to our Advocate).".

GOLDRUSH GAMING LATIANO/ GOLDRUSH BINGO

The Applicant is challenging the award of a bingo licence. The entity's legal representative considers the success of the action against the entity as being unlikely. The Applicant initially placed the matter on the roll but subsequently filed a notice of removal of the matter from the opposed motion roll of 4 December 2017. The main review has not been set down and there has been no movement in the matter since the above date.

LIMPOPO GAMBLING BOARD

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26. Contingencies (continued)

The entity's legal representative stated the following on the issue of contingent liabilities: "Should the board win the case only our Counsel will have to be paid plus/minus R200 000-00. Should the Board lose the case, the Board will have to pay the taxed costs for Goldrush which we estimate to be R300 000-00 plus costs of our Counsel which we estimate to R200 000-00."

SOUTH AFRICAN BOOKMAKERS ASSOCIATION AND 5 OTHERS/NATIONAL GAMBLING BOARD AND 9 OTHERS

The entity is opposing an application made by the Bookmaker's Association of South Africa, who are seeking a declaratory order on whether the entity and other Provinces are allowed to receive bets placed on dog racing taking place in the United Kingdom. The entity does not expect any cash outflows in relation to the matter. The Applicant has not applied for a trial date and there has been no movement in the matter for period under review.

The entity's legal representative stated the following on the issue of contingent liabilities: "The claim by the Applicants is for a declaratory order and not a monetary claim. Should the Board win the case [the Applicant] will be liable for costs of our Advocate which is estimated at R200 000-00.

it will be liable for legal costs of both Bookmakers and our Counsel which we estimate at R500 000-00"

TCBS TRADING 4 (PTY) LTD 43 LIMPOPO GAMBLING BOARD

The Applicant sought an application in the High Court to set aside a search warrant and to subsequently seek a mandament van spolie for the return of items seized by the second respondent in respect of an illegal gambling matter. The entity was cited as the 4th Respondent and was duly represented by the State Attorney. On account of the inability of the State Attorney to consult with the second respondent, the State Attorney was not prepared for the court date on 29 October 2019 and as a result, a default judgement was obtained by the Applicant. The State Attorney subsequently brought an application for the rescission of the default judgement. The applicant had filed the answering affidavit and a hearing date is being awaited from the Registrar.

The entity's legal representative stated the following on the issue of contingent liabilities: "Our assessment of the matter is that should the Board be unsuccessful, the anticipated financial liability of the Board will be R200 000 (Two hundred thousand rands)...If successful, the Board will be entitled to legal costs which is estimated at R150 000 (One hundred and fifty thousand rands)."

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

27. Related parties

Relationships

Shareholder	Limpopo Department of Economic Development, Environment and Tourism
Provincial department offering service in kind	Department of Public Works Roads and Infrastructure
Board members	Mr. M. E. Tjiane - Chairperson
	Hosi/Adv. K.A Mahumani - Deputy Chairperson Ms. M.E Maditsi
	Mr. C.C Nkadimeng Mr .S. Maja
	Mr. M.B Tema
	Mr. J.N. Mpjane CA(SA) RA
	Mr. M.R. Mudogwa
Members of key management	Mr.M.G. Makoko - Chief Executive Officer (Member of the Board)
	Ms.M.V. Molepo CA (SA) RA - Chief Financial Officer
	Adv.L Ganess - Senior Manager Legal
	Mr.L.K Mathavhane -Senior Manager Compliance
	Dr.M.P Masogo - Senior Manager Law Enforcement
	Dr. M.D Malesa - Senior Manager Corporate Services

Related party balances

	2023	2022
Related party balances - LEDET		
Funds to surrender	17 527 680	18 950 080
Microsoft License	-	13 179
Fines and penalties	101 000	155 000

The levies are collected by the entity on behalf of the shareholder. Fines and penalties are collected by the entity on behalf of the provincial treasury and these are paid upon completion of each financial audit. Funds to surrender consists of unspent funds for the financial year and own revenue monies which are payable upon completion of each financial audit.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

27. Related parties (continued)

Related party transactions

Related party transactions - LEDET

	2023	2022
Fund and levies surrendered	215 035 959	143 743 118
Grant transferred	82 652 000	75 651 490
Microsoft license	1 120 044	1 018 811
Related party transactions - Public Works		
Service in kind rental revenue	1 278 282	-
Service in kind rental expense	1 278 282	-

The shareholder (LEDET) has paid licence fees for the entity which the entity and the entity has refunded the shareholder in this regard. The entity is funded by means of a grant allocation through the shareholder. Levies that are collected on behalf of the shareholder are transferred to the shareholder on a monthly basis. The funds to surrender relates to the balance of surplus funds of the previous financial year that was transferred through to the shareholder in the current financial year.

The entity houses a building owned by Public Works and has recorded a revenue and expense of service in kind in terms of the GRAP standards.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

27. Related parties (continued)

Remuneration of Board members

Management class: Board members

Name	Travel and subsistence	Sitting allowance	Data costs	Retainer	Total
March 2023					
Mr. M.E. Tjiane - Chairperson	64 993	235 638	5 628	89 641	395 900
Ms. B.L. Montjane - Former Deputy Chairperson	14 653	68 862	2 443	58 845	144 803
Hosi/Adv. K.A. Mahumani - Deputy Chairperson	44 902	86 600	4 188	60 408	196 098
Ms. M.E. Maditsi	47 341	99 826	4 188	54 391	205 746
Mr. C.C. Nkadimeng	10 996	70 148	4 188	54 391	139 723
Mr.S.M Maja	55 840	109 114	4 188	54 391	223 533
Mr.J.N Mpjane	16 721	81 098	3 839	54 391	156 049
	255 446	751 286	28 662	426 458	1 461 852
March 2022					
Mr.M.E Tjiane- Chairperson	17 965	129 510	5 628	87 030	240 133
Ms.B.L Montjane- Deputy Chairperson	5 292	79 438	4 188	76 175	165 093
Hosi/Adv. K.A. Mahumani	1 893	60 237	4 188	52 807	119 125
Ms. M.E. Maditsi	6 594	65 475	4 188	52 807	129 064
Mr. C.C. Nkadimeng	558	49 761	4 188	52 807	107 314
Mr.S.M Maja	18 808	65 475	4 188	52 807	141 278
Mr.J.N. Mpjane	6 050	60 237	4 188	52 807	123 282
	57 160	510 133	30 756	427 240	1 025 289

In the 2023 financial year, the board members' term ended on the 31st of October 2022. All board members' were reappointed, with the exception of the former deputy chair Ms. Montjane. A new deputy chair was appointed.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

27. Related parties (continued)

Management class: Executive management

Name	Salary	Housing allowance	Travel allowance	Medical aid	Cellphone allowance	Acting allowance and performance rewards	Backpay	Pension	Gratuity	Total
March 2023										
Mr. M.G. Makoko (CEO)	1 722 085	18 845	168 000	92 975	31 670	65 703	55 566	195 000	21 816	2 371 660
M.V.Molepo (CFO)	1 078 519	18 845	139 000	-	30 050	130 561	33 173	121 437	21 324	1 572 909
L. Ganess	1 362 785	18 845	66 758	-	26 742	39 717	40 310	141 451	20 340	1 716 948
L.K. Mathavhane	1 249 102	18 845	84 000	-	26 742	37 121	37 675	132 203	20 340	1 606 028
M.P. Masogo	1 217 723	18 845	78 000	40 551	26 742	37 196	37 771	132 507	20 340	1 609 675
M.D. Malesa	423 998	9 553	50 000	38 927	13 556	-	5 255	42 341	10 170	593 800
	7 054 212	103 778	585 758	172 453	155 502	310 298	209 750	764 939	114 330	9 471 020
March 2022										
Figures in Rand										
Mr.M.G Makoko (CEO)	1 661 046	17 867	168 000	89 911	30 025	-	58 613	191 567	21 816	2 238 845
Adv. L. Ganess	1 317 063	17 867	66 758	-	25 354	-	42 949	139 012	20 340	1 629 343
Mr. L.K Mathavhane	1 206 461	17 867	84 000	-	25 354	-	40 286	129 924	20 340	1 524 232
Dr. M.P Masogo	1 176 349	17 867	78 000	38 700	25 354	7 500	40 356	130 176	20 340	1 534 642
Ms. M.V Molepo (ACFO)	990 506	17 867	40 000	-	25 354	250 353	32 869	104 621	20 340	1 481 910
	6 351 425	89 335	436 758	128 611	131 441	257 853	215 073	695 300	103 176	8 408 972

Included in the 2023 manager remuneration under the acting allowance and performance rewards column, is an acting allowance for the Ms Molepo amounting to R 94 691 and a performance reward of R 35 870. The Ms Molepo is the only member of management that received acting allowance for the 2023 financial year.

Included in the 2022 manager remuneration is under the acting allowance and long service award column, is a payment of long service that was made to Dr Masogo and an acting allowance that was paid to Ms Molepo.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

28. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments. There was an amount of R 50 150 that relates to legal fees of prior financial year which has now been incorporated to reflect the true value of payables from exchange as at 31 March 2022. The effects of the prior period errors are incorporated in note 33, in the funds to surrender note.

Statement of financial position

	Note	As previously reported	Correction of error	Restated
March 2022				
Payables from exchange		1 411 221	50 150	1 461 371
Funds to surrender		19 000 230	(50 150)	18 950 080
		20 411 451	-	20 411 451

Statement of financial performance

March 2022

Operating expenses		21 717 975	50 150	21 768 125
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29. Risk management Liquidity risk

Liquidity risk is the risk that the organisation would not have sufficient funds available or may encounter difficulties in raising funds to meet its future commitments. This risk is regarded as low considering the entity's current funding structure and management of available cash resources.

The table below provides detail of the entity's remaining contractual maturity for its financial liabilities:

	Less than 1 year	Between 1 and 2 years		
At 31 March 2023				
Staff accrual	3 342 865	-	-	-
Trade and other payables	1 323 114	-	-	-
Long service awards	62 612	207 784	-	-
Operating lease	319 464	212 976	-	-
At 31 March 2022				
Operating lease	15 538 916	-	-	-
Staff accrual	3 068 900	-	-	-
Trade and other payables	675 520	-	-	-
Long service awards	31 844	269 288	-	-

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

29. Risk management (continued)

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the entity. To mitigate credit risks, the entity has adopted a policy of only dealing with creditworthy parties. Credit risk with respect to trade and other receivables is limited due to our policy of not granting credit to third parties and also due to the fact the Limpopo Gambling Board is not a trading entity or profit orientated. Management manages the credit risk relating to staff loans by deducting payments due by employees monthly from their salaries. Our main source of income is through grants received from the Department of Economic Development, Environment and Tourism.

Financial assets that potentially subject the entity to credit risk, consist principally of cash and cash equivalents and short term deposits. The entity's cash and cash equivalents and short term deposits are placed with high credit quality financial institution.

Market risk

This is the risk that the fair value or future cash flows from a financial instrument will fluctuate as a result of the changes in market prices. Values in financial instruments may change, thus resulting in both potential gains and losses. The entity's activities do not expose it to significant market risks. The entity's activities expose it primarily to the risk of fluctuations in interest rate.

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Market risk exposures are measured using sensitivity analysis. A sensitivity analysis shows how surplus would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date.

Interest rate sensitivity analysis

The entity's major source of revenue is government grants and to a lesser extent, interest income depending on cash equivalents held. A major expense is on salaries which are fixed for a financial year. The basis points increases or decreases, as detailed in the table below, were determined by Management and represent Management's assessment of the reasonably possible change in interest rates. The sensitivity analysis below has been determined based on financial instruments exposure to interest rates at reporting date. As the entity does not have any instruments that affect net assets directly, the disclosure only indicates the effect of the change in interest rates on surplus.

A change in the market interest at the reporting date would have increased / (decreased) the surplus for the year by the amounts below.

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Financial Statements for the year ended 31 March 2023

29. Risk management (continued)

Financial Instrument	March 2023	March 2022
Cash and cash equivalents change 1%)	(Upward 250 555	331 896
Cash and cash equivalents (Downward change 1%)	250 555	331 896

Maximum exposure to credit risk

The entity's exposure to credit risk with regards to loans and receivables is limited due to the nature of the entity's operations, as explained above. Credit risk is fairly low in respect of staff loans as they are related to the entity.

There has been no significant change during the financial year, or since the end of the financial year to the entity's exposure to credit risk, the approach of measurement or the objectives, policies and processes for managing this risk.

30. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Although the entity is sitting at a negative net asset, this is a result of the own revenue that the entity needs to surrender at the end of the year which is now sitting as a liability. The entity will still be receiving funding for the next financial year as the allocation and the budget has been disclosed Estimates of Provincial Revenue and Expenditure.

31. Events after the reporting date

The entity does not have any events after reporting date warrant any adjustments to the financial statements.

32. Amounts to be surrendered to Provincial Treasury

	2023	2022
Cash and cash equivalent	25 055 451	33 189 580
Less: Current liabilities	(11 593 664)	(17 814 423)
Add: Trade debtors	842 615	269 034
Less: Committed expenditure	(1 740 993)	(1 721 893)
Less: Effects of prior year changes	(50 150)	970 132
Add: Lease smoothing	5 014 421	4 057 649
Closing balance	17 527 680	18 950 079

The committed expenditure represents the amounts budgeted for the financial year and contracted for by year end with performance only taking place in the next financial year. The funds to be surrendered to the shareholder includes penalties which the entity has collected as an agent for the Provincial Revenue Fund.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

32. Amounts to be surrendered to Provincial Treasury (continued)

Included in the funds to surrender note are amounts that relate to prior period errors. These have been taken into account in the note 29 that deals with prior period errors. This means that in the previous years the entity had over- surrendered as the figures pertaining to the errors had not been taken into account then. Prior period errors are disclosed in the prior period error note.

The entity surrenders the funds to Provincial Treasury through the LEDET.

33. Fruitless and wasteful expenditure

The entity has not incurred any fruitless expenditure for the year under review. However there is an amount from the 2022 financial year of R7 643. Fruitless expenditure is presented inclusive of VAT.

34. Irregular expenditure

The entity does not have any irregular expenditure for the 2022 and 2023 financial years.

35. Reconciliation between budget and statement of financial performance - Own Revenue

Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements:

Per statement of financial position - Own Revenue

	2023	2022
Operating revenue	1 774 562	1 668 579
Interest received	1 042 796	553 919
Other operating revenue	196 035 728	129 780 659
Sundry income	200 100	131 097
Annual licence fees	8 722 864	8 999 782
Per statement of comparison of budget and actual	207 776 050	141 134 036

36. Reconciliation between budget and statement of financial performance – Personnel expenditure

	2023	2022
Per statement of financial performance	44 286 440	41 568 544
Less: Leave pay provisions	1 714 919	(396 062)
Per Statement of comparison of budget and actual amounts	46 001 359	41 172 482

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

37. Reconciliation between budget and cash flow statement

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

	2023	2022
Operating activities		
Actual amount as presented in the budget statement	214 251 324	151 063 453
Basis differences	(220 657 876)	(144 922 043)
Net cash flows from operating activities	(6 406 552)	6 141 410
Investing activities		
Actual amount as presented in the budget statement	(1 727 577)	(9 700)
Net cash generated from operating, investing and financing activities	(8 134 129)	6 131 710

38. Budget explanations

Material differences between budget and actual amounts

The budget covers the full financial year to 31 March 2023 . Material differences are explained below.

38.1 Operating income

Although the budget for operating income had to be adjusted downwards, operating income performed fairly well in comparison to the adjusted budget. This was mainly due to the operations returning to somewhat a full capacity.

38.2 Interest received

The interest earned by the entity comes from a call account that the entity maintains. Levies that are collected are kept in the call account before they are transferred to LEDET.

38.3 Other operating revenue

There was over performance in the collection of levies for the year under review, even in excess of the upward budget adjustment. This was mainly due to increased activity in the gaming industry..

38.4 Annual licence fees

Collection of annual licence fees had under performed for the year under review, even after a revision downwards of the expected income mainly due to the effect of the lockdown and many operators still trying to recover.

LIMPOPO GAMBLING BOARD

Financial Statements for the year ended 31 March 2023

38.5 Personnel

Included under employee costs is leave provision figure amounting to R 1 578 630. This figure is included as the accounting policy of the entity is to prepare and report on its budget statement on an accrual basis. Spending was not as expected as even after the reduction during the budget adjustment.

38.6 Board member expenses

Board expenses has slightly over performed when compared to the budgeted amount. There were more board meetings than anticipated.

38.7 Depreciation and amortisation

Depreciation and amortisation has reduced when compared to budget.

38.8 Operating Expenses

Operating expenses for the current year have increased in comparison to the prior year as a result of the increase in the allocation of the grant and resumption of full on duties following the dissolution of the national disaster.

38.9 Property plant and equipment

The allocation for the current year was not used in totality as a result of delays in procurement processes.

38.10 Intangible

No allocation for the current year.

39. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.



PART G

RESPONSIBLE GAMBLING



RESPONSIBLE GAMBLING

1. What is problem gambling?

Gambling has been part of the South African culture for a long time and until the promulgation of the Limpopo gambling Act 1996 (no. 4 of 1996) as amended; only a few forms of gambling were regulated in the Limpopo Province.

To a greater extent, gambling is an accepted leisure activity and the majority of the population gamble with no adverse consequences. Yet there is a minority of people who end up gambling excessively and often feel rejected, misunderstood and isolated because there is little knowledge in our community about the potential dangers of gambling.

Anybody who gambles has the potential to develop problems. People often begin to lose control when difficult personal issues arise, and gambling becomes a coping mechanism. Problem gambling is characterised by a strong pull or compulsion towards gambling which becomes more and more difficult to resist. People describe this as the urge to gamble and say that despite all the logical arguments they have against gambling, this urge will not go away until it is satisfied by gambling.

People often become frustrated with themselves and carry feelings of guilt, shame and embarrassment. Excessive gambling can lead to significant problems which may harm relationships, finances, work, physical health and mental health. This experience is called problem or compulsive gambling.

2. Warning Signs of Problem gambling:

The following are some of the signs that gambling has become a problem:

- a) Gambling more money than is affordable.
- b) Being preoccupied with gambling.
- c) Making repeated, unsuccessful attempts to cut down or stop gambling and being irritable or restless during these attempts.
- d) Gambling to escape problems or to relieve negative feelings.
- e) Chasing losses (gambling more money to try to win back losses).
- f) Lying to others to conceal the extent of gambling.
- g) Obtaining money illegally to gamble.
- h) Risking relationships or work or educational opportunities due to gambling.
- i) Borrowing from friends, family or financial institutions to finance gambling or gambling related debts.
- j) Gambling alone.
- k) Gambling a significant proportion of income on pay-day.
- l) Feeling stressed during and/or after a gambling session.
- m) Gambling being the only source of fun.

3. Excessive Gambling can affect:

a) Personal life

When you are a problem gambler you may end up feeling depressed, lonely and isolated from family and friends. A problem gambler may gamble to escape pressures or conflict.

b) Family life

Relationships can suffer as a result of excessive gambling. Family members may also lie to keep the extent of gambling a secret.

c) Financial situation

A compulsive gambler would:

- Borrow money to maintain his/her lifestyle and gambling habits.
- Gamble until all the money is gone.
- Gamble to chase losses, even when in debt.
- Experience financial difficulties possibly leading to legal problems.

d) Work life

Preoccupation with gambling can result in the loss of concentration at work, lost time from work due to gambling and working long hours to obtain money to gamble.

e) Health

Stress-related illness, such as headaches, back pain, inability to sleep, mood swings and hypertension can develop as a result of problem gambling. Loss of control over gambling can trigger feelings of guilt and desperation which can lead to thoughts of suicide.

f) Values

When you are a problem gambler you can compromise your values by lying about the amount of time and money spent on gambling.

g) Social life

A compulsive gambler would prefer to gamble alone and as a result have little or no time for socialising. Social life may also be affected when a compulsive gambler avoids friends who have lent money.

4. Strategies to Control Gambling:

The following are some suggestions for reducing the harm associated with gambling:

- a) Remember that gambling is entertainment. It's not a way to get rich quickly or pay off your debts;
- b) Practice delay in responding to the urge to gamble by doing something else or finding long-term alternative enjoyable activities;
- c) Work out how much you can afford to spend on gambling and budget for it. Be careful to stick to your gambling budget. One way to do this is to only carry the amount of money you have budgeted for gambling on the day;
- d) Don't try to recoup your losses. They may only increase;
- e) Beware of how often and how long you play;
- f) When you are winning, take occasional breaks. Think about the smart time to stop;
- g) Only use your own money;
- h) Gamble in company, not alone;
- i) Develop a support network of family or friends to talk to when you want to resist the urge to gamble; or
- j) Apply for self-exclusion at one of the gambling institutions.

Sometimes, even after trying some of these strategies, dealing with gambling problems on your own can be difficult. This is when the extra support of someone who specialises in gambling counselling can be very helpful.

If you need help with a gambling problem, for yourself, a friend or someone you care for, call the National Gambling Programme's toll-free helpline on 0800 006 008 or send a SMS to 076 675 0710

GAMBLING MYTHS & FACTS

Wise up to responsible gambling!!!



www.lgb.org.za

MYTH

The longer a slot machine is played without a big win, the more likely it is to pay out next time.

FACT

Each spin of a slot machine produces a random number. While it seems jackpots pay out at regular intervals, it is impossible for random numbers to be influenced by a previous sequence of random numbers.

MYTH

If you keep track of previous results, you can figure out future outcomes.

FACT

Every gambling play is an independent random event, with no memory. So, previous outcomes (as in lottery draws, cards and slots) cannot influence future ones.

MYTH

The race goes to the strongest, fastest horse.

FACT

Studying the form—the past performance of a race-horse or its jockey—should make it easy to choose a winner, however, the handicap system lowers the odds on a superior horse and increases the element of chance in every race.

MYTH

Luck favours the superstitious.

FACT

Although many gamblers believe that lucky rituals, actions or objects can help tip the odds in their favour, all outcomes are random and pure chance. "Lady Luck" does not exist in gambling and cannot influence results.

MYTH

If you know the rules of a game, you increase your chances of winning.

FACT

Knowing the rules of the game can only help you make decisions while playing. It cannot increase your chances of winning. The cards you are dealt will decide whether you win or lose—and you have no control over them.

MYTH

My uncle is an expert at roulette. He has a system for coming out ahead.

FACT

The probability of winning always favours the house. Every play on the roulette wheel is an independent chance event, so systems cannot determine results or give an advantage to one player over another.

Winners know when to stop

FOR PROBLEM
GAMBLING
COUNSELLING PHONE
0800 006 008



NATIONAL
**Responsible
Gambling**
PROGRAMME

e-mail: counsellor@responsiblegambling.co.za

IF YOU STICK TO THESE RULES, YOU CAN AVOID PROBLEMS WITH YOUR GAMBLING:

1. Decide beforehand how much money you are willing to spend. Stick to your limit.
2. Don't try and recoup your losses. They may only increase.
3. Beware of how often and how long you play.
4. When you are winning, take occasional breaks. Think about the smart time to stop.
5. Remember that gambling is entertainment. It is not a way to get rich quickly, or to pay off your debts.
6. Don't forget that gambling is all about chance. There are no systems or formulas to guarantee success.



**WINNERS KNOW
WHEN TO STOP**

A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
0800 006 008
or SMS 076 675 0710



Make the right call

If you, or someone you care about needs help, call the NRGP toll free problem gambling counselling line on **0800 006 008** or email **counsellor@responsiblegambling.co.za** and a trained counsellor will help you.

Expert confidential help is available free of charge.

**Winners know when to stop.
Toll free Counselling Line | 0800 006 008**



**WINNERS KNOW
WHEN TO STOP**
A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
0800 006 008
or SMS 016 675 2719



@limpopogambling



It's a free call

For a minority of players, excessive gambling can become a real problem. If you care about needs help, call the NRGP toll free problem gambling counselling line on **0800 006 008** or email **counsellor@responsiblegambling.co.za** and a trained multilingual counsellors will help you. Expert confidential help is available free of charge.

**Winners know when to stop.
Toll free counselling Line | 0800 006 008**



**WINNERS KNOW
WHEN TO STOP**
A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
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