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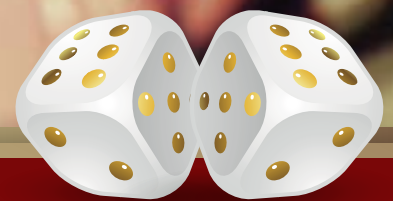
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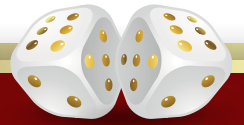
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PART A GENERAL INFORMATION





1. FOREWORD BY THE MEMBER OF THE EXECUTIVE COUNCIL

HONOURABLE THABO MOKONE

It is my pleasure to present the Annual Performance Report of the Limpopo Gambling Board for the 2018/19 financial year to the honourable House of the Limpopo Provincial Legislature. As a Provincial Public Institution, we are aware that this Annual Report will be made a public document to benefit all other stakeholders interested in the work of the Entity.

The Limpopo Gambling Board is a Schedule 3C Public Entity in terms of the Public Finance Management Act of 1999. As a Schedule 3C Provincial Public Entity, the LGB is mandated to license, regulate and monitor gambling activities in the Province. The performance and work of the Entity impacts positively on the lives of ordinary citizens of the Limpopo Province. This means that the gambling industry contributes immensely to the economy of the Province through the contribution towards job creation and also the revenue generated by the Entity on an annual basis.

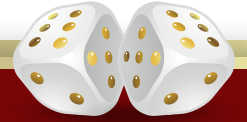
As the Executive Authority, I am further encouraged by the positive audit outcome (unqualified audit outcome) the Entity received from the Auditor-General during this year under review. This clearly indicates that the Entity has developed and continues to implement effective and efficient internal control systems to ensure effective and economical use of public resources to deliver quality services to the people of Limpopo. It is worth noting that during the course of the 2018/19 financial year, the Entity contributed R2,7 million through Corporate Social Investment based on the following key pillars of the Limpopo Development Plan: education, persons living with disability, youth and women.

In conclusion, I express my sincere gratitude to Members of the Board, Chief Executive Officer, Executive Management and the entire staff of the Entity for the sterling work they provided to grow the Provincial economy and ensured full compliance by the gambling industry players with the law and regulations.

Honourable Thabo Mokone

MEC for Economic Development, Environment and Tourism





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 NUMBERS: (015) 230 2300

EMAIL ADDRESS: ceo@lgb.co.za

WEBSITE ADDRESS: www.lgb.org.za

EXTERNAL AUDITORS: Auditor-General of South Africa

PHYSICAL ADDRESS: 32 Dimitri Crescent, Polokwane Extension 1

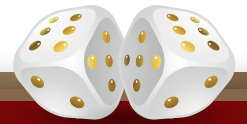
TELEPHONE NUMBER: (015) 283-9300

BANKERS: Standard Bank of South Africa

PHYSICAL ADDRESS: Mall of the North, Polokwane

TELEPHONE NUMBER: : (015) 265-2000





3. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CA (SA)	Chartered Accountant South Africa
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSI	Corporate Social Investment
Entity	Limpopo Gambling Board
IA	Internal Audit
LEDET	Limpopo Department of Economic Development Environment and Tourism
LGB	Limpopo Gambling Board
LPM	Limited Payout Machines
MCS	Monitoring and Control Systems
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
RA	Registered Auditor
RFA	Request for Application
RTP	Return to Player
SARGF	South African Responsible Gambling Foundation
SARS	South African Revenue Service
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
TR	Treasury Regulations
UNIVEN	University of Venda





4. FOREWORD BY THE CHAIRPERSON

MR. M.E TJANE

I am pleased to report that the Limpopo Gambling Board has performed well in meeting the 2018/19 targets as planned.

The Entity is highly indebted to our shareholder, the MEC of Limpopo Economic Development, Environment and Tourism (LEDET) who continued to enable the Limpopo Gambling Board (LGB) to fulfil its mandate. We acknowledge the oversight and support role that the Department of Economic Development, Environment and Tourism plays in the successes achieved by LGB. On this note the Entity recognises that when this Annual Report will be presented, the term of the Portfolio Committee of the fifth administration would have ended and the new members appointed. We wish all the members who are not returning to Legislature or to the Portfolio Committee all the best in their future endeavours. At the same time, the Entity wishes to convey a warm welcome to the Portfolio Committee of the sixth administration and looks forward to the interactions that encourage and support the efforts of LGB.

The Entity received an unqualified audit opinion with matters of emphasis. The Entity's audit outcome remained unchanged compared to the 2017/18 financial year.

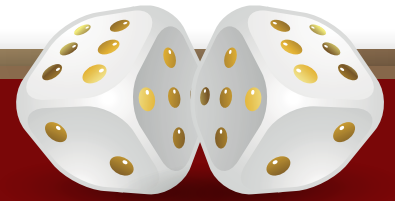
"My sincere appreciation and gratitude also go to fellow Board members for their support and commitment in ensuring that we managed to fulfil our fiduciary responsibility."

The mandate of the Entity is to license, regulate and monitor gambling activities in the Province. Inclusive in the mandate is the collection of revenue from the Licensees in the form of gambling levies, fees and penalties on behalf of LEDET.

The report reflects the key milestones achieved by the Entity against the predetermined objectives of 2018/19 financial year.

The Entity recorded meaningful success in rolling out all the forms of gambling modes planned during the year under review.





"The Board has conducted responsible gambling and crime awareness campaigns throughout the Province with stakeholders in order to educate communities that gambling should be treated as an entertainment and a leisure activity."

The Entity has conducted responsible gambling and crime awareness campaigns throughout the Province with stakeholders in order to educate communities that gambling should be treated as an entertainment and a leisure activity.

We however remain concerned about the increasing number of illegal gambling activities within the Province. In responding to this, the Entity persists in the investigation of illegal gambling in collaboration with the South African Police Services, National Prosecuting Authority, Department of Home Affairs and SARS. Some of the illegal operators were arrested and penalised for the illegal activities. Confiscated illegal gambling machines were destroyed in order to curb the operations of the illegal operators.

Looking ahead, the Entity will be addressing the alignment of the current Regulations and Rules to be in line with the Limpopo Gambling Act No. 3 of 2013. The Regulations are in the process of being amended by LEDET and the Office of the Premier to align with the Act.

My sincere appreciation and gratitude also goes to fellow Board members for their support and commitment in ensuring that we managed to fulfil our fiduciary responsibility.

Lastly, we are grateful to the Management team and all staff members of the Entity for their dedication and commitment in enabling the Entity to achieve its mandate.

Mr. M.E Tjiane
Chairperson





5. OVERVIEW BY THE CHIEF EXECUTIVE OFFICER

MR. M.G. MAKOKO

It is with pleasure that I report on the annual performance of the Limpopo Gambling Board against the set targets for 2018/19 as outlined in the Annual Performance Plan.

The gambling industry plays a crucial role in addressing the issues of economic growth, job creation and infrastructure development.

SERVICE DELIVERY OVERVIEW

The Entity has implemented three key service delivery programmes in line with the approved Annual Performance Plan. The Entity has achieved all the targets.

In the 2017/18 financial year, 15 targets were planned and all 15 were achieved. In the 2018/19 financial year, 15 targets were planned and all 15 were achieved. This represents 100% of the total targets achieved.

The start of the financial year saw the opening of the biggest Bingo Site in Limpopo, operated by Galaxy Bingo Tzaneen (Pty) Ltd in Tzaneen. The Bingo site operates 200 Bingo seats, a restaurant, a liquor bar and a nine room hotel.

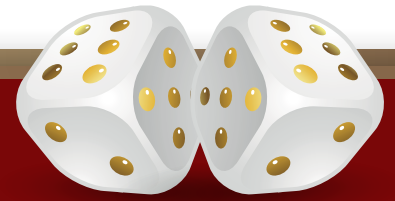
With the introduction of the concept of Limited Payout Machines, which was designed to empower the previously disadvantaged people in the country, two (2) Type B LPM sites and seventeen (17) Type A LPM sites were licensed during the financial year. A total of 1181 LPMs were active at the end of the financial year, out of 1230 LPMs licensed by the Entity. More LPM sites will be licensed to provide leisure and entertainment facilities for people of the Province.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The operations of the Entity are funded through a grant from the Department of Economic Development, Environment and Tourism. The Entity's allocation was increased by 5% from R67 502 000,00 to R71 486 000,00. During the adjustment budget the Entity surrendered R3 400 000,00 to LEDET. This was due to late approval of vacant positions by Limpopo Provincial Treasury.

It should be noted that the Statement of Financial Performance for both 2017/18 and 2018/19 recorded a surplus due to operating income, interest received, other operating revenue (Levies collected) and annual licence fees. Own revenue for the financial year amounts to R119 705 438,00 compared to 2017/18 which amounts to R100 390 522. There is a 19% increase in revenue collection, due to additional Bingo and LPM sites that became operational during the year. Interest received for the year is R 1 157 807,00.





"The Board intends on automating the licensing application system in order to improve efficiency and effectiveness in processing license applications."

The Entity's total expenditure is R 66 451 315 which is 97% of the adjusted grant of R68 086 000,00. Only 87% of the employee cost was spent, due to resignations and delayed appointments.

The Entity contributed R2 705 481,00 towards the Corporate Social Investment projects. The Entity collaborated with the Department of Education, and donated school uniforms, computers to three best performing learners with disability and an embosser machine to Bosele School for the Deaf and Blind. The Entity collaborated with LEDET and an amount of R500 000,00 was spent towards women awards. The Entity, together with DTI, Limpopo Provincial Treasury and LEDET, conducted a seminar on Broad Based Black Economic Empowerment to empower emerging entrepreneurs, especially women, people with disability and youth.

The Entity was able to pay creditors within a period of twenty-two (22) days.

CAPACITY, CONSTRAINTS AND CHALLENGES FACING THE BOARD

The Entity has, during the year under review, managed to fill positions as per the approved structure. The Entity had vacant posts at the end of the financial year due to resignation, passing on of an official and promotions of staff. Filling of some of the advertised posts was not finalised by the end of the financial year.

Issues of illegal operations continue to be an area of concern which negatively affects the operations, particularly in creating an enabling environment for legalised gambling, and further reducing the revenue collection.

NEW OR PROPOSED ACTIVITIES

The Entity will be opening two Bingo sites in Groblersdal and Ba-Phalaborwa in the 2019/20 financial year, which will contribute towards creating more job opportunities for the previously disadvantaged and provide leisure for the neighbouring communities.

The Entity intends automating the licensing application system in order to improve efficiency and effectiveness in processing license applications.

The Entity will be conducting the socio-economic impact study in collaboration with the National Responsible Gambling Foundation.



SUPPLY CHAIN MANAGEMENT

The Entity has the Supply Chain Management Unit in place as required by Regulation 16A of Treasury Regulations, 2005 and approved the LGB Procedure Manual which will be reviewed annually to ensure an effective and efficient management system.

The Entity has appointed the Manager: Internal Control.

The Entity also has in place, the relevant committees as required in terms of Treasury Regulations.

The Entity did not conclude unsolicited bids.

The Auditor-General of South Africa did not identify any findings on the assessment of procurement processes, contract management and any related controls.

There were no interests of officials and their close family members in suppliers of the Board.

"The Board will be opening two Bingo sites in Groblersdal and Ba-Phalaborwa in the 2019/20 financial year which will contribute towards creating more job opportunities for the previously disadvantaged and provide leisure for the neighbouring communities."

AUDIT REPORT IN RESPECT OF MATTERS OF THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED

The Auditor-General of South Africa (AGSA) has performed the necessary audit procedures on financial and performance information to provide an audit opinion for the 2018/19 financial year.

The Entity obtained an unqualified audit opinion, which is included in the Audit Report, with matters of emphasis relating to the Auditor's Report on pages 67 to 68. of the Report.

The matters of emphasis relate to restatement of corresponding figures for 31 March 2018 and were restated as a result of an error in the Financial Statements of the Entity at, and for the year ended, 31 March 2019, which has been prioritised on the Entity's 2018/19 post audit plan of corrective actions to ensure that the same does not recur in the following financial year.

In addition to the above we are pleased to report that the Limpopo Gambling Board has successfully implemented all the necessary internal control measures which were planned in accordance with the 2017/18 financial year Post Audit Action Plan.

The Entity has embarked on a process of continuous monitoring of the effectiveness of these controls in order to ensure that the findings do not recur.



OUTLOOK OR PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

The Entity is containing expenditure on non-essential items as per National and Limpopo Provincial Treasury Instruction Notes and Cost Containment Measures, and allocates a greater share of goods and services budgets towards its core functions.

ECONOMIC VIABILITY

Effects of the global political economy continue to have far-reaching economic ramifications for the world and countries of the global South Africa. Limpopo Province is not immune to these effects.

The three economic pillars which are fundamentally based on mining, agriculture and tourism have consistently been shedding jobs. This has exacerbated the problem, given that the Province is predominately rural where unemployment and poverty continue to be an area of concern.

The current economic situation has the potential to cause harm in industries such as gambling, and will consequently result in the Entity being unable to reach its predetermined targets in revenue collection.

ACKNOWLEDGEMENT

On behalf of the Management and staff of the Limpopo Gambling Board, I would like to thank the Board for their undivided support and co-operation during the year under review. Furthermore, a word of gratitude to the MEC of LEDET, Mr T.A Mokone, and Management of the Department of Economic Development, Environment and Tourism for the role they 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, our Licensees and the public of Limpopo.

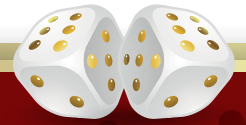
Credit also goes to the Premier of the Province, Hon. C.S. Mathabatha and all Members of the Executive Council for their support and encouragement.

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



Mr. M.G. Makoko
Chief Executive Officer





6. STATEMENT OF RESPONSIBILITY

for Performance Information for the year ended 31 March 2019

To the best of my 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.

- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guideline on the Annual Report, as issued by the National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the Entity.
- 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.

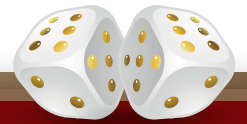
In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Public Entity for the financial year ended 31 March 2019.

Yours faithfully,

Mr. M.G. Makoko
Chief Executive Officer

Mr. M.E. Tjiane
Chairperson of the Board





7. STRATEGIC OVERVIEW

7.1. VISION

The innovative and leading gambling regulator in Africa.

7.2. 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.

7.3. VALUES

The Limpopo Gambling Board has identified the following values as the principles that will govern 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 will be regulated and guided by the following broad legislative mandates:

8.1. CONSTITUTIONAL MANDATES

In terms of schedule 4 of the Constitution of the Republic of South Africa, 1996, (Act No. of 108 of 1996), the casinos, racing, gambling and wagering are matters of concurrent National and Provincial Legislative competence

8.2. LEGISLATIVE MANDATES

LIMPOPO GAMBLING ACT, NO. 3 OF 2013

The Act empowers the MEC to establish and appoint the Board to manage the affairs of the Entity on behalf of the Department of Economic Development, Environment and Tourism.

The objectives of the Entity are to license, regulate and monitor gambling activities in the Province.

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.

NATIONAL GAMBLING ACT, ACT NO.7 OF 2004 AS AMENDED

The Entity must comply with national norms and standards during the licensing process.

The Act empowers the Minister to prescribe the maximum number of casino licenses that may be granted in the Republic and 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 of the abovementioned Act and are now conferred with the following powers

- Powers conferred upon a Police Official in terms of Chapter 2 of the CPA;
- Powers to arrest a person without a warrant – Section 40(1) of the CPA;
- Powers conferred upon a Peace Officer - Section 41(1) of the CPA;
- The execution of warrants of arrest - Section 44 of the CPA;
- Powers to issue written notice - Section 56 of the CPA; and
- Powers to issue written notice - Section 341 of the CPA.



RELEVANT LEGISLATION USED TO REGULATE GAMBLING

- Limpopo Gambling Act, No 3 of 2013;
- National Gambling Act, No. 7 of 2004;
- National Lotteries Act, No. 57 of 1997;
- Prevention of Organised Crime Act, No. 121 of 1998; and
- Prevention and Combating of Fraud and Corruption Act, No. 12 of 2004.

8.3. POLICY MANDATES

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

RESPONSIBLE GAMBLING

The National Responsible Gambling Foundation is a resource that integrates research and monitoring public education and awareness, training, treatment and counselling.

BROAD BASED BLACK ECONOMIC EMPOWERMENT

To economically empower the previously marginalised black masses in the main stream economy.

LIMPOPO GAMBLING REGULATIONS

The current Regulations to the Limpopo Gambling Act provide for the regulation of gambling over matters relating to Casinos, Bingos, LPMs and Wagering.

They are currently in the process of being replaced with new Regulations which will be aligned to the Limpopo Gambling Act No. 03 of 2013.



**WINNERS KNOW
WHEN TO STOP**

A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
0800 006 008
or SMS 076 675 0710

9. MEMBERS OF THE BOARD



Mr. Elijah Tjiane
Chairperson



Ms. Lucy Montjane
Deputy Chairperson



Hosi-Adv Aarone Mahumani
Member



Mr. Serobi Maja
Member



Ms. Keleabetswe Tlouane
LEDET Representative



Ms. Makosha Maditsi
Member



Mr. Magoro Tema
Treasury Representative



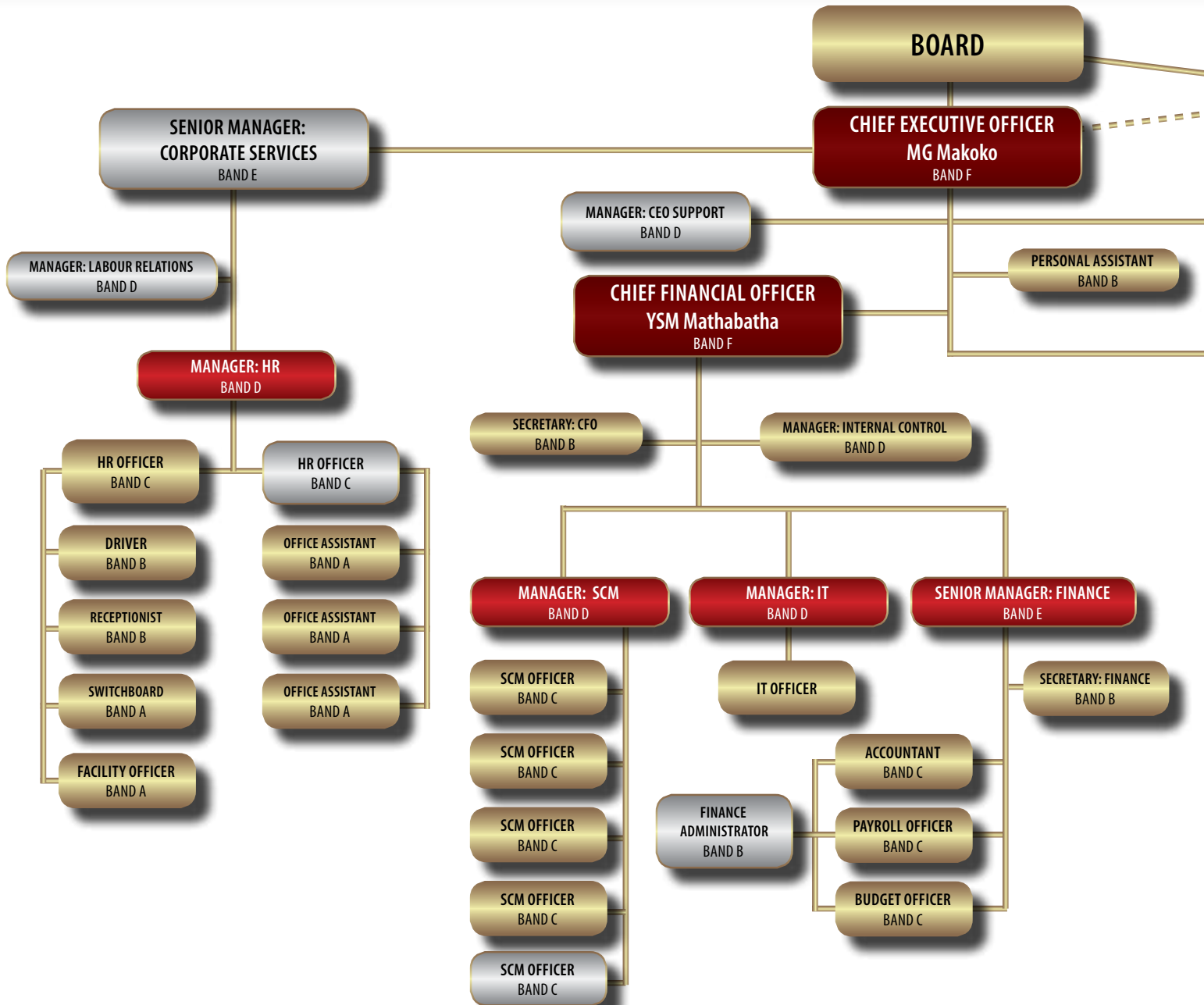
Mr Chipwane Nkadimeng
Member



Mr. Mokgase Gregory Makoko
Chief Executive Officer

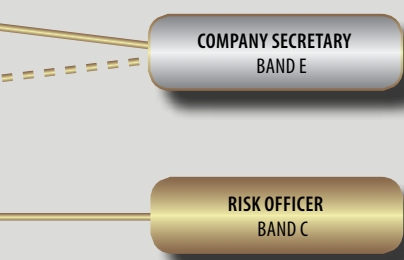


10. ORGANISATIONAL STRUCTURE



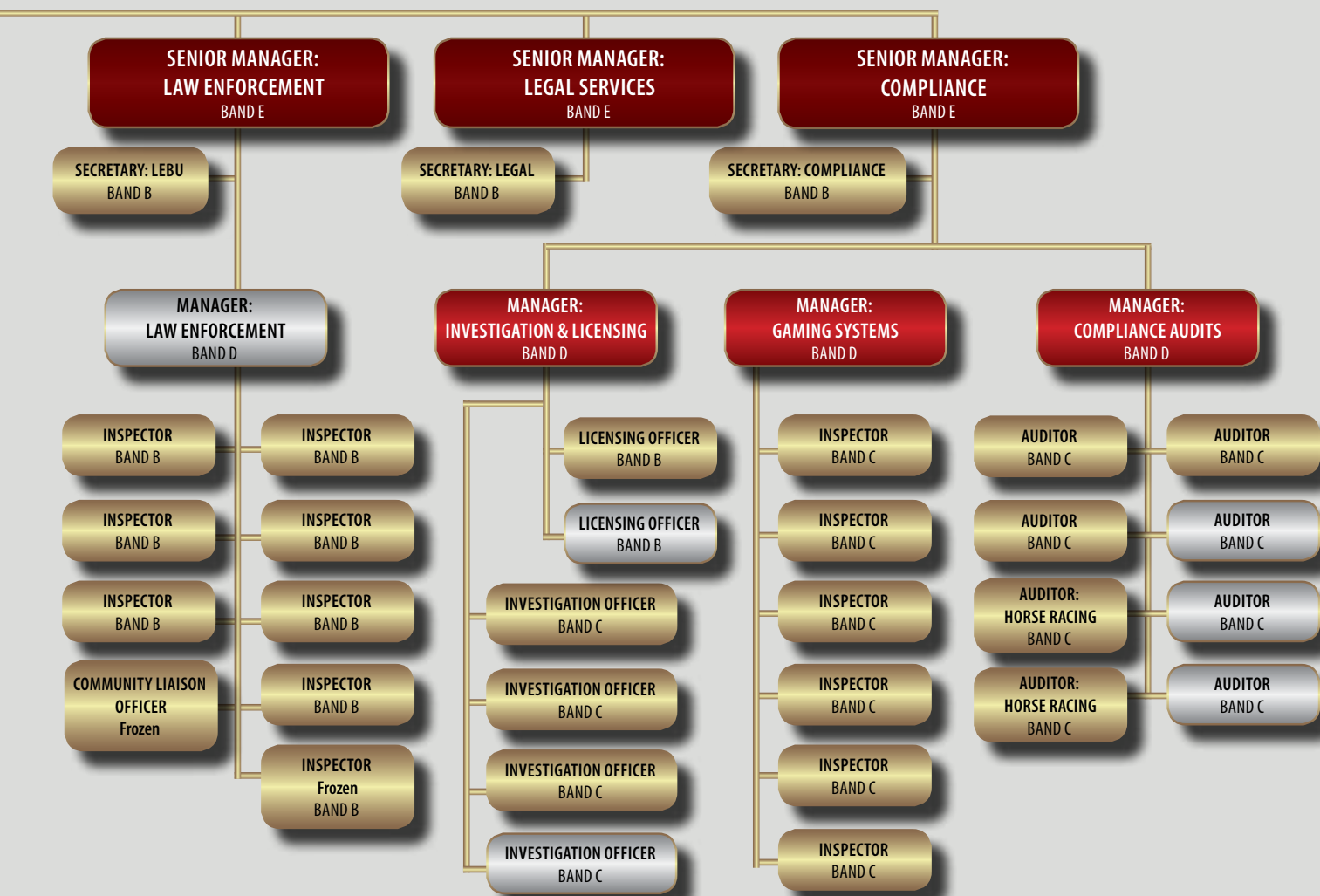
LEGEND
 VACANT





The structure was reviewed and approved by the Board. The Entity has a total number of seventy-three (73) approved permanent posts. Fifty-three (53) are filled and twenty (20) are vacant.

The Entity appointed 9 Interns in the last quarter of 2018/19 and their contracts will run for two (02) years.



11. LGB DEPARTMENTS

CEO AND SENIOR MANAGERS



CHIEF EXECUTIVE OFFICER'S OFFICE



CHIEF FINANCIAL OFFICER'S OFFICE



FINANCE UNIT





SUPPLY CHAIN MANAGEMENT UNIT



INFORMATION TECHNOLOGY UNIT



HUMAN RESOURCES MANAGEMENT UNIT



COMPLIANCE BUSINESS UNIT





GAMBLING CONTROL UNIT



INVESTIGATIONS AND LICENSING UNIT

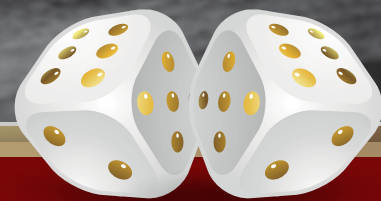


COMPLIANCE AUDIT UNIT



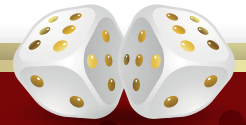
LAW ENFORCEMENT BUSINESS UNIT





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, with material findings being reported under the predetermined objectives heading in the Report on other legal and regulatory requirements section of the Auditor's Report.

Refer to page 68 to 69 of the Report of the Auditors Report, published as Part E: Financial Information.





2. SITUATIONAL ANALYSIS

2.1 SERVICE DELIVERY ENVIRONMENT

2.1.1 LAW ENFORCEMENT BUSINESS UNIT

The mandate of the Law Enforcement Business Unit is to investigate all forms of illegal gambling activities within the Province. The Business Unit's current priority is the investigation and eradication of illegal online gambling activities, as this is mushrooming at a very high rate. The prerogative of the Business Unit is to sustain an active partnership with the South African Police Service (SAPS), the National Prosecuting Authority (NPA) and the Department of Home Affairs, with an effort to eradicate illegal gambling activities.

The Business Unit had recently experienced a huge influx of illegal gambling machines (Chinese roulettes) evenly within the five Municipal Districts of the Province. The majority of these illegal gambling machines are found within Spaza shops.

A partnership had been formulated with SAPS's Crime Intelligence Unit to monitor and identify the supply of these illegal gambling machines within the Province, so that the supplier can be arrested and prosecuted.

During the 2018/19 financial year a total of 143 illegal gambling operators were arrested during investigations and 102 admissions of guilt fines were paid. A total number of 367 cases were conducted in the current financial year, of which 3 were carried over from the previous financial year. As a result, 152 illegal gambling machines were confiscated, of which 103 were disposed of. These machines were confiscated during investigations conducted by both the Law Enforcement Unit of Limpopo Gambling Board and SAPS within Limpopo Province.

2.1.2 COMPLIANCE BUSINESS UNIT

Introduction

The LGB has to date licensed three Casinos, two LPM Route Operators, 215 LPM Site operators, five Bingo Operators, Seven Bingo Sites, nine Bookmaker Operators and 95 Bookmaker sites.

Galaxy Bingo Tzaneen (Pty) Ltd was opened on 06 April 2018, with 200 Bingo Seats, a nine room hotel, a restaurant and a liquor bar. Latiano 557 (Pty) Ltd (Groblersdal) and Boss Gaming Limpopo (Pty) Ltd (Phalaborwa) are expected to become operational during the 2019/20 financial year.

One (1) Bookmaker Site (V-Bets Seshego) and two (2) Totalizator Sites (Elim TAB and Lukau TAB) became operational during the financial year, bringing the number of operational Bookmakers and Totalizators to fifty-six (56) and twenty-six (26) respectively.

Goldrush Groblersdal and Boss Gaming Limpopo (Pty) Ltd are expected to become operational during the 2019/20 financial year.

Gambling Levies and fees paid to the Entity have increased by 8,6 % as a result of the introduction of more operational Bingo, Bookmaker and Totalizator sites.



2.1.2.1 Compliance Statistics

Table 1 – Number of Gambling Machines

CASINO	TOTAL
Sun Meropa	417
Khoroni Casino	150
Thaba Moshate Casino	150
Total	717

Table 2 – Gambling Tables

CASINO	AMERICAN ROULETTE	BLACKJACK	POKER	TOUCH BET ROULETTE	BACCARAT	TOTAL
Sun Meropa	11	04	02	01	00	18
Khoroni Casino	06	02	00	00	01	09
Thaba Moshate Casino	07	03	01	00	00	11
Thaba Moshate Casino	24	9	03	01	01	38

At Khoroni Casino the number of American Roulette tables increased from five to six, whereas the number of Black Jack tables decreased from three to two; and one baccarat table was added during the financial year. At the same time, at Sun Meropa, the number of Poker tables increased from one to two, and one Baccarat table was removed.

Table 3 – Number of LPMs and Type A LPM Sites

MUNICIPAL DISTRICT	TOTAL NUMBER OF LPMs	TOTAL NUMBER OF LPM SITES	VUKANI LPMs	VUKANI SITES	GOLDRUSH LPMs	GOLDRUSH SITES
Capricorn	209	44	155	32	54	12
Waterberg	147	31	98	20	49	11
Mopani	229	48	143	27	86	21
Sekhukhune	205	42	163	33	42	09
Vhembe	176	37	108	22	68	14
Total	966	202	667	134	299	67

Table 4 - Number of LPMs and Type B LPM Sites

MUNICIPAL DISTRICT	TOTAL NUMBER OF LPMs	TOTAL NUMBER OF TYPE B LPM SITES	VUKANI LPMs	VUKANI SITES	GOLDRUSH LPMs	GOLDRUSH SITES
Capricorn	50	3	40	2	10	1
Waterberg	30	1	30	1	0	0
Mopani	90	6	60	3	30	3
Sekhukhune	10	1	0	0	10	1
Vhembe	60	2	60	3	0	0
Total	240	13	190	9	50	5



The increase in the total number of LPMs, from 1108 to 1206, and the number of LPM sites, from 198 to 215, is due to seven (7) new Type A LPM sites and three (3) new Type B LPM sites opened under Vukani Gaming Limpopo (Pty) Ltd, and nine (9) new Type A sites opened under Gold Rush Gaming Limpopo (Pty) Ltd during the financial year.

Table 5 – Bingo

BINGO OPERATOR	GAMING MACHINES
Galaxy Gaming Limpopo (Pty) Ltd t/a Galaxy Bochum	100
Galaxy Gaming Limpopo (Pty) Ltd t/a Galaxy Musina	128
Galaxy Gaming Tzaneen(Pty) Ltd t/a Galaxy Tzaneen	200
Latiano 557 (Pty) Ltd t/a Goldrush Bela Bela	118
Planet Bingo (Pty) Ltd t/a Vegas Bingo Lephalale	164
Total	710

Galaxy Bingo Tzaneen was opened on 06 April 2018 with 200 gaming machines which were tested prior to the Bingo site opening.

Table 6 – Casino Gambling Machines Tested

CASINO	NUMBER OF GAMBLING MACHINES TESTED
Sun Meropa	91
Khoroni Casino	108
Thaba Moshate Casino	125
Total	324

Table 7 – LPM Site Inspections

	CAPRICORN	WATERBERG	MOPANI	SEKHUKHUNE	VHEMBE	TOTAL
Vukani Gaming	23	27	29	26	26	140
Goldrush Gaming	20	25	36	11	17	109
Total	43	52	65	37	43	249

The approval of the movement of gambling machines during the financial year is depicted as follows:

Table 8 – Gambling Machines Distribution

INTO THE PROVINCE	OUT OF THE PROVINCE	WITHIN THE PROVINCE	THROUGH THE PROVINCE	TOTAL
700	218	366	174	1458

Table 9 - Letters of Certification (LOC) Approvals

SOFTWARE	HARDWARE	MCS	TOTAL
713	49	11	773



Table 10 – Licensing of Employees

CASINOS, LPM ROUTES & LPM SITES	SUN MEROPA CASINO	KHORONI CASINO	THABA MOSHATE CASINO	VUKANI GAMING LIMPOPO – LPM ROUTE OPERATOR	VUKANI – LPM SITES	GOLDRUSH GAMING LIMPOPO – LPM ROUTE OPERATOR	GOLDRUSH – LPM SITES	GOLDRUSH BINGO	VEGAS BINGO	GALAXY BINGO	GALAXY TZANEEN	TOTAL PER CATEGORY
New Licences: Employees	27	11	43	2	138	7	53	9	26	26	29	371
Renewals: Employees	4	2	0	7	6	4	2	0	0	1	0	26
Total per Licensee	31	13	43	9	144	11	55	9	26	27	29	397

BOOKMAKERS & TOTALIZATORS	HOLLYWOOD – BOOKMAKER	BETSA – BOOKMAKER	BETTING WORLD – BOOKMAKER	PHUMELELA – TOTALIZATOR	BETTA GAMING – BOOKMAKER	OCTOBER WIND	IDADA TRADING	FORTWOOD	PORTAPA	VBETSA	TOTAL PER CATEGORY
New Licences: Key Employees	114	9	29	11	54	33	0	6	0	34	290
Renewals: Key Employees	16	0	0	2	0	2	0	0	0	0	20
Total per Licensee	130	9	29	13	54	35	0	6	0	34	310

Table 11 – Number of Employees

TOTAL NUMBER OF EMPLOYEES IN THE GAMBLING INDUSTRY OF LIMPOPO	
PDI	3 660
Non-PDI	182
Total Employed	3 842

The total number of employees increased in the year 2018/2019 by 213 employees. This was due to the opening of new Bingo and Bookmaker Sites. The following is a breakdown of PDI and Non-PDI of employees per licensee.

	KHORONI CASINO	SUN MEROPA	THABA MOSHATE CASINO	VUKANI GAMING LIMPOPO – LPM ROUTE OPERATOR	VUKANI – LPM SITES	GOLDRUSH GAMING LIMPOPO – LPM ROUTE OPERATOR	GOLDRUSH – LPM SITES	PHUMELELA GAMING & LEISURE	HOLLYWOOD – BOOKMAKER	BETSA – BOOKMAKER	BETTING WORLD - BOOKMAKER
PDI	294	299	228	19	561	21	454	142	531	28	202
Non – PDI	3	7	0	1	124	3	24	4	0	0	0
Total employees	297	306	228	20	685	24	478	146	531	28	202



	BETTA GAMING – BOOKMAKER	OCTOBER WIND	IDADA TRADING	FORTWOOD	GALAXY BINGO TZANEEN	GALAXY BINGO LIMPOPO	GOLDRUSH BINGO	VEGAS BINGO
PDI	395	119	106	9	81	74	57	40
Non – PDI	0	8	0	0	1	0	0	7
Total employees	395	127	106	9	82	74	57	47

2.1.2.2 Gambling Performance

a. Patronage – Casinos per Annum

ESTIMATED NUMBER OF PATRONS WHO VISITED THE THREE CASINOS	
2018/19	1 766 866
2017/18	1 353 331

Table 12 – Casino Patronage per Quarter

QUARTER ENDED	JUNE	SEPTEMBER	DECEMBER	MARCH	TOTAL
2018/19	407 241	416 746	381 470	561 409	1 766 866
2017/18	256 915	290 228	347 337	458 851	1 353 331
Variance	150 326	126 518	34 133	102 558	413 535
Variance%	36.91%	30.36%	8.95%	18.27%	23.41%

b. Patronage Spend Per Visit - Casinos

Punters' averages spend per quarter and per day during the 2017/18 and 2018/19 financial years were as follows:

Table 13 – Patronage spend per visit

	JUNE	SEPTEMBER	DECEMBER	MARCH
2018/19	3 868.00	3 891.00	4 227.00	2 817.00
2017/18	6 043.00	5 311.00	4 651.00	3 329.00
Variance	2 176.00	1 420.00	424.00	512.00
Variance %	1	0	0	0
Punters	407 241	416 746	381 470	561 409
Turnover	1 575 081 175.00	1 621 609 191.00	1 612 544 366.00	1 581 573 623.00

Table 14 - Average spend per Punter per Day

QUARTER ENDED	JUNE	SEPTEMBER	DECEMBER	MARCH
2018/19	42.51	42.76	46.45	30.96
2017/18	66.41	58.36	50.56	36.99
Variance	-23.90	-15.60	-4.11	-6.03
Variance %	-56.24%	-36.49%	-8.85%	-19.49%
Average spend per Punter per Quarter	3,868	3,891	4,227	2,817
Days per Quarter	91	91	91	91



c. Total Money Wagered - Casinos

The total money wagered at the Licensees during the 2017/18 and 2018/2019 financial year was as follows:

Table 15 – Total Money wagered - Casinos

	JUNE	SEPTEMBER	DECEMBER	MARCH
2018/19	1,575,081,175	1,621,609,191	1,612,544,366	1,581,573,623
2017/18	1,552,590,234	1,541,301,951	1,615,541,214	1,527,638,728
Variance	22,490,941	80,307,240	-2,996,848	53,934,895
Variance %	1%	5%	0.2%	3%

d. Gross Gaming Revenue (GGR)

Casinos

The GGR generated by the Casino Licensees during the 2017/18 and 2018/19 financial years amounted to R 415 976 609.00 and R 428 378 851.00 respectively. The monthly GGR generated by the Licensees was as follows:

Table 16 - Casino GGR

MONTH	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2018/19	7%	7%	9%	10%	10%	6%	8%	11%	9%	8%	10%	5%
2017/18	7%	11%	7%	7%	10%	6%	10%	7%	6%	12%	8%	10%

Limited Payout Machines (LPMs)

The GGR generated by the LPM Licensees during the 2017/18 and 2018/19 financial years amounted to R 230 243 292.00 and R 253 189 104.00 respectively. The monthly GGR generated by the Licensees was as follows:

Table 17 - LPM GGR

MONTH	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2018/19	7%	7%	9%	8%	10%	8%	8%	10%	4%	14%	8%	8%
2017/18	7%	9%	7%	8%	10%	6%	10%	8%	6%	12%	8%	10%

e. Return to Player Percentage(RTP)**

The RTP% for the different modes of gambling reflects the amount paid back to the public in the form of winnings during the financial year; thus, the RTP percentage above the threshold for Casinos, LPMs and Bingo for 2017/18 and 2018/19 indicates that the public won more money than set in the legislation.

The Casino Licensees Return to Player (RTP) percentage, for the 2017/18 and 2018/19 financial year was as follows:



Table 18 – Casino RTP

MONTH	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2018/19	94%	95%	94%	97%	97%	93%	96%	96%	85%	89%	93%	94%
2017/18	94%	94%	94%	94%	94%	93%	94%	94%	94%	94%	94%	94%

Casinos Average RTP %: 2018/19 = 94% (2017/18 = 94%) The prescribed minimum RTP for casinos is 80 %

The LPM Route Operator Return to Player (RTP) percentage, for the 2017/18 and 2018/19 financial years was as follows:

Table 19 – LPM RTP

MONTH	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2018/19	92%	93%	92%	92%	93%	92%	93%	93%	93%	93%	93%	93%
2017/18	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%	91%

LPMs Average RTP %: 2018/19 = 93% (2017/18 = 91%) The prescribed RTP for LPMs is 75 %

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

The Bingo Return to Player (RTP) percentage, for the 2017/18 and 2018/19 financial years was as follows:

Table 20 – Bingo RTP

MONTH	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR
2018/19	95%	95%	95%	94%	94%	94%	94%	95%	94%	95%	95%	95%
2017/18	94%	95%	94%	94%	93%	93%	93%	94%	94%	94%	94%	94%

Bingo Average RTP %: 2018/19 = 94% (2017/18 = 95%) The prescribed RTP for Bingos is 70 %

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



f. Levies Collected Per Month from Licensees

Table 21 - Total levies generated by the licensed Casinos and LPM Route Operators during the 2016/17 and 2017/18

	CASINO LEVIES 2017/18 R'000	CASINO LEVIES 2018/19 R'000	VARIANCE R'000	VARIANCE %	LPMs LEVIES 2017/18 R'000	LPMs LEVIES 2018/19 R'000	VARIANCE R'000	VARIANCE %
April	2,617,605.23	2,627,813.07	10,207.84	0%	1,578,645.16	1,813,214.93	234,569.77	15%
May	3,870,956.23	2,668,201.67	-1,202,754.56	-31%	2,056,989.03	1,804,845.80	-252,143.23	-12%
June	2,448,790.74	3,143,119.92	694,329.18	28%	1,639,426.09	2,262,753.36	623,327.27	38%
July	2,648,573.70	2,890,221.73	241,648.03	9%	1,768,764.79	1,998,479.35	229,714.56	13%
August	3,379,382.62	3,473,903.54	94,520.92	3%	2,223,675.57	2,424,862.57	201,187.00	9%
September	1,994,736.00	2,740,808.68	746,072.68	37%	1,326,871.28	1,961,122.76	634,251.48	48%
October	3,393,458.26	2,707,669.74	-685,788.52	-20%	2,221,171.79	1,998,386.91	-222,784.88	-10%
November	2,611,406.26	3,221,796.88	610,390.62	23%	1,764,439.76	2,478,008.19	713,568.43	40%
December	2,026,497.29	1,469,307.20	-557,190.09	-27%	1,457,042.68	1,048,689.86	-408,352.82	-28%
January	4,183,625.79	5,118,246.69	934,620.90	22%	2,802,142.94	3,538,791.31	736,648.37	26%
February	2,719,784.10	2,721,104.75	1,320.65	0%	1,833,005.24	1,914,735.56	81,730.32	4%
March	3,463,195.58	3,630,008.48	166,812.90	5%	2,352,145.90	2,662,291.72	310,145.82	13%
TOTAL	35,358,011.80	36,412,202.35	1,054,190.55	3%	23,024,320.23	25,906,182.32	2,881,862.09	13%

N.B: The increase in casino levies can partly be attributed to the increase in punters visiting the casinos; whereas, the increase in LPM levies can mainly be attributed to the increase in the number of operational licensed LPM sites and LPMs.

Table 22 - Total levies generated by the licensed Bingo Operators during the 2018/19 and 2017/18

	BINGO LEVIES 2017/18 R	BINGO LEVIES 2018/19 R	VARIANCE	VARIANCE
April	44,448.66	430,508.16	386,059.50	869%
May	46,501.72	813,761.44	767,259.72	1650%
June	46,967.90	907,046.58	860,078.68	1831%
July	55,835.24	812,022.67	756,187.43	1354%
August	115,477.28	1,033,026.34	917,549.06	795%
September	103,671.53	762,900.83	659,229.30	636%
October	266,442.38	876,503.83	610,061.45	229%
November	271,476.46	1,059,976.23	788,499.77	290%
December	231,719.53	547,132.39	315,412.86	136%
January	715,743.26	1,563,126.29	847,383.03	118%
February	470,518.26	916,758.79	446,240.53	95%
March	665,085.01	1,249,625.17	584,540.16	88%
TOTAL	3,033,887.23	10,972,388.72	7,938,501.49	262%

N.B: The increase in Bingo levies can mainly be attributed to the increase in the number of operational licensed Bingo sites.



Table 23 - Total levies generated by the licensed Totalizators and Bookmakers during the 2017/18 and 2018/19

	TOTALISATOR	TOTALISATOR	VARIANCE	VARIANCE	BOOKMAKERS	BOOKMAKERS	VARIANCE	VARIANCE
	2017/18	2018/19	R	%	2017/18	2018/19	R	%
	R	R	R	%	R	R	R	%
April	442,210.50	331,662.05	-110,548.45	-25%	17,841,35	1,372,240.33	-411,894.67	-23%
May	318,700.30	325,750.52	7,050.22	2%	26,233,94	3,153,399.13	530,005.13	20%
June	306,684.50	334,178.03	27,493.53	9%	14,363,41	2,253,605.74	817,264.74	57%
July	419,531.33	309,641.18	-109,890.15	-26%	14,943,15	2,530,605.49	1,036,290.49	69%
August	332,250.45	400,600.61	68,350.16	21%	27,209,11	2,546,612.36	-174,298.64	-6%
September	355,250.85	343,095.53	-12,155.32	-3%	9,451,51	2,599,751.75	1,654,600.75	175%
October	452,787.61	334,179.77	-118,607.84	-26%	24,239,04	2,589,987.00	166,083.00	7%
November	335,392.00	410,700.93	75,308.93	22%	19,985,56	3,588,368.16	1,589,812.16	80%
December	421,039.95	182,823.52	-238,216.43	-57%	11,553,03	1,041,395.70	-113,907.30	-10%
January	359,004.54	599,957.83	240,953.29	67%	31,090,07	4,395,365.74	1,286,358.74	41%
February	344,107.04	307,437.82	-36,669.22	-11%	16,540,67	2,970,121.10	1,316,054.10	80%
March	333,662.40	392,241.97	58,579.57	18%	17,565,11	2,223,064.57	466,553.57	27%
TOTAL	442,0621.47	427,2269.76	-148,351.71	-3%	23,101,600	31,264,517.07	8,162,922.07	35%

N.B: The increase in bookmaker levies can mainly be attributable to the increase in the number of operational licensed Bookmaker sites; whereas, the decrease in Totalizators levies can mainly be attributed to the decrease in the number of operational licensed Totalizators sites and punters visiting Totalizator sites.

g. Unclaimed Dividend

Unclaimed dividend levies for 2017/18 and 2018/19 were R360 530.00 and R361 734.00 respectively.

The levy decreased by R1 203.82 (1%) compared to the previous financial year.

Table 24 – Unclaimed dividend

	UNCLAIMED DIVIDEND	UNCLAIMED DIVIDEND	VARIANCE	VARIANCE
	(LEVY 2017/18)	(LEVY 2018/19)	R	%
	R	R	R	%
April	33,324.00	22,997.04	-10,326.96	-31%
May	32,421.00	27,976.54	-4,444.46	-14%
June	27,360.00	30,885.29	3,525.29	13%
July	23,110.00	23,572.70	462.70	2%
August	31,579.00	31,524.72	-54.28	-0.2%
September	25,321.00	30,056.98	4,735.98	19%
October	28,199.00	32,631.82	4,432.82	14%
November	28,503.00	29,947.00	1,444.00	5%
December	31,521.00	30,672.02	-848.98	-3%
January	40,367.00	38,662.94	-1,704.06	-4%
February	30,638.00	32,997.41	2,359.41	7%
March	28,187.00	29,809.37	1,622.37	5%
TOTAL	360,530.00	361,733.82	1,203.82	0.3%

NB. The levies do not include unclaimed dividend license fees for slot machines, tables, employees and other fees payable on an annual basis.

All levies are paid over to Limpopo Provincial Treasury.

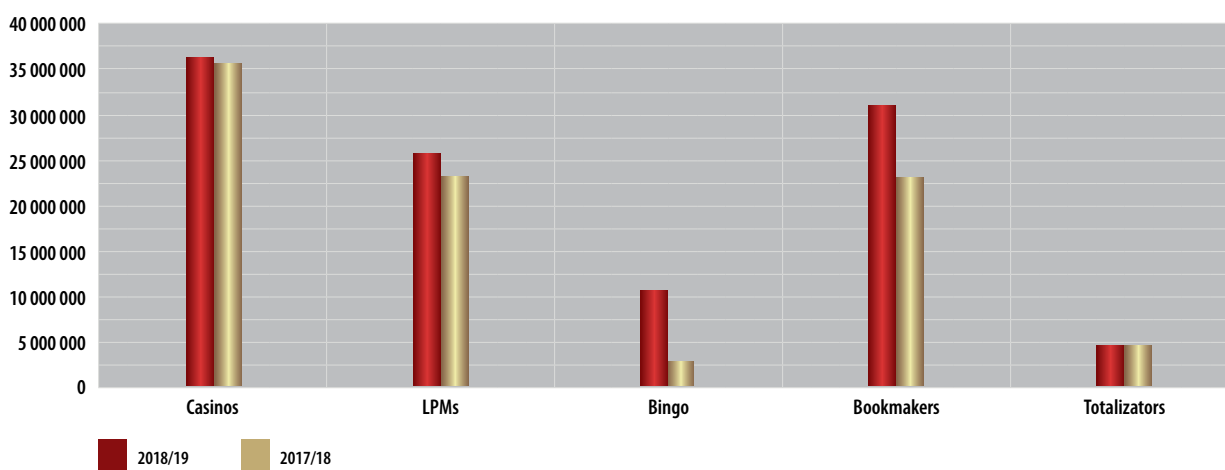


The split of Gross Gambling Revenue and Levies between gambling slot machines, gambling tables and Limited Payout Machines was as follows:

Table 25 – GGR

	GAMBLING MACHINES	GAMBLING TABLES	LPMs	BINGO	TOTAL
GGR 2018/19	362,237,311.00	66,141,540.00	259,061,823.00	129,086,926.00	816,527,600.00
GGR 2017/18	351,411,632.00	64,564,978.00	230,243,202.00	35,692,791.00	681,912,603.00
Variance	10,825,679.00	1,576,562.00	28,818,621.00	93,394,135.00	134,614,997.00
% Variance	3%	2%	13%	262%	20%

The Total levies paid by Licensees for the financial years 2017/18 and 2018/19 are as follows:



YEAR	CASINOS	LPMs	BINGO	BOOKMAKERS	TOTALISATORS
2018/19	36,412,202.00	25,906,182.00	10,972,389.00	31,825,229.73	4,272,269.76
2017/18	35,358,011.80	23,024,320.23	3,033,887.23	23,101,600.00	4,420,621.47
Variance	1,054,190.20	2,881,861.77	7,938,501.77	8,723,629.73	148,351.71
Variance %	3%	13%	262%	38%	-3%

The increase in levies for Casinos (3%), LPMs (13%), Bingo (262%) and Bookmakers (38%) can mainly be attributed to an increase in punters visiting licensed sites and the increase in operational sites at LPMs, Bingos and Bookmakers. The decrease in Totalizator levies (-3%) can mainly be attributed to decrease in punters visiting Totalizator sites.

2.2 ORGANISATIONAL ENVIRONMENT

The Entity's vacancy rate has increased due to the organisational structure being reviewed where additional posts were added. The Entity has five (5) Business Units namely; Governance, Corporate Services, Finance, Compliance and Law Enforcement. The Governance Business Unit comprises the Chief Executive Officer, one (1) Senior Manager for Legal Services, Company Secretary, Senior Manager Corporate Services and the Manager CEO's Office. The Labour Relations Manager reports to the Senior Manager: Corporate Services. The Finance Unit is headed by the CFO with one (1) Senior Manager Finance and three (3) Managers namely; Internal Control, Information Technology and Supply Chain.



The Human Resources Manager is currently reporting to the CFO since the new approved position of Senior Manager Corporate Services is vacant. The Compliance Business Unit is headed by the Senior Manager Compliance with three (3) Managers namely; Investigations, Gaming Control and Audit. The Law Enforcement Business Unit is headed by the Senior Manager Law Enforcement.

2.3 STRATEGIC OUTCOME ORIENTED GOALS

The strategic outcome oriented goal is to regulate and monitor gambling activities in the Province in line with the Limpopo Gambling Act, Act No 3 of 2013.

To achieve this goal, the Entity issued twenty-three (23) corporate licences, two (2) of which are Type B LPM Site licences, seventeen (17) Type A LPM Sites, three (3) Totalizator sites, and one (1) Certificate of Suitability. Further, the Entity conducted forty-eight (48) Compliance inspections and forty-two (42) Audits to ensure that the Licensees comply with the Limpopo Gambling Act, the National Gambling Act, the Financial Intelligence Centre Act, the Broad Based Economic Empowerment Act and other relevant Legislations.

2.4 STRATEGIC OBJECTIVES OF THE ENTITY

OBJECTIVE 1: SOCIAL AWARENESS AND UPLIFTMENT

To promote responsible gambling and to contribute towards the upliftment of the disadvantaged communities within the Province.

OBJECTIVE 2: FINANCIAL SUSTAINABILITY

To maintain an effective and efficient financial management system through compliance with PFMA Legislation, Regulations and Practice Notes.

OBJECTIVE 3: ENFORCEMENT OF LEGISLATION.

To ensure that all gambling activities conducted within the Province are compliant with Legislation.

OBJECTIVE 4: CAPABLE, WELL GOVERNED ORGANISATION

To strengthen and effectively manage their system and procedures to ensure sound practices are adhered to.

OBJECTIVE 5: SKILLED, COMPETENT AND INNOVATIVE WORKFORCE.

To provide adequate, focused training opportunities to ensure competent, skilled and innovative staff.



REVIEWING OF THE APP

According to the National Treasury Framework Guideline of 2008 on the preparation of the APP, the Entity needs to amend the following:

PART B: PROGRAMMES AND SUB-PROGRAMMES

STRATEGIC OBJECTIVE ANNUAL TARGETS 2013-2020

The targets were amended as follows in alignment with the 2018/19 APP:

OLD DATA

STRATEGIC OBJECTIVE	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM- TERM TARGET			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
PROGRAMME 3: COMPLIANCE								
3.1	Ensured a regulated equitable and socially responsible gambling environment	Regulated 100% of gambling industry, issued 42 Licenses, performed 22 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	Regulated 100% of gambling industry, issued 20 Licenses, performed 15 inspections, performed 13 Compliance Audits, 10 Levy Audits and 2 Monitoring reports	Regulated 100% of gambling industry, issued 20 Licenses, performed 44 inspections, performed 24 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	Regulated 100% of gambling industry, issued 20 Licenses, performed 48 inspections, performed 24 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	Regulated and compliant gambling industry.	Regulated and compliant gambling industry.	Regulated and compliant gambling industry.
PROGRAMME 4: LAW ENFORCEMENT								
4.1	Reduced illegal gambling throughout the Province	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities conducted 130 crime awareness campaigns conducted	360 investigations of illegal gambling activities conducted 130 crime awareness campaigns conducted	360 investigations of illegal gambling activities conducted 130 crime awareness campaigns conducted

NEW DATA

STRATEGIC OBJECTIVE	AUDITED /ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM- TERM TARGET			
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
PROGRAMME 3: COMPLIANCE								
3.1	Ensured a regulated equitable and socially responsible gambling environment	Regulated 100% of gambling industry, issued 42 Licenses, performed 22 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	Regulated 100% of gambling industry, issued 20 Licenses, performed 15 inspections, performed 13 Compliance Audits, 10 Levy Audits and 2 Monitoring reports	Regulated 100% of gambling industry, issued 20 Licenses, performed 44 inspections, performed 24 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	Regulated 100% of gambling industry, issued 20 Licenses, performed 48 inspections, performed 24 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	100% of gambling industry regulated, issued 10 Licenses, performed 48 inspections, performed 24 Compliance Audits, 18 Levy Audits and 2 Monitoring reports	100% of gambling industry regulated, issued 10 Licenses, performed 50 inspections, performed 26 Compliance Audits, 20 Levy Audits and 2 Monitoring reports	100% of gambling industry regulated, issued 20 Licenses, performed 50 inspections, performed 26 Compliance Audits, 20 Levy Audits and 2 Monitoring reports
PROGRAMME 4: LAW ENFORCEMENT								
4.1	Reduced illegal gambling throughout the Province	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities	360 investigations of illegal gambling activities conducted 130 crime awareness campaigns conducted	360 investigations of illegal gambling activities conducted 120 crime awareness campaigns conducted	360 investigations of illegal gambling activities conducted 120 crime awareness campaigns conducted



Programme performance indicator and quarterly targets 2014-2021

The following programmes and sub-programmes of the performance were amended as follows:

- a) The year under Appropriated Amount and Virement columns in the Expenditure Estimates tables of all four programmes was amended from 2018/19 to 2017/18.

ANNEXURE E: TECHNICAL INDICATOR DESCRIPTIONS

The following items of the Technical Indicator for the Number of Responsible Gambling Campaigns Conducted have been amended as follows:

OLD DATA

Programme 1: Governance

Sub-programme 1.1: CEO

Indicator Number 1.1.1

Calculation Type	Cumulative
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NEW DATA

Programme 1: Governance

Sub-programme 1.1: CEO

Indicator Number 1.1.1

Calculation Type	Non-cumulative
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3. PERFORMANCE INFORMATION BY PROGRAMME

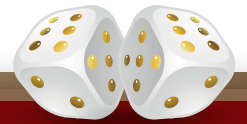
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2017/18	PLANNED TARGET 2018/19	ACTUAL ACHIEVEMENT 2018/19	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2018/19	COMMENTS ON DEVIATIONS
PROGRAMME 1: GOVERNANCE THE PURPOSE OF THIS PROGRAMME IS TO PROVIDE EXECUTIVE AND STRATEGIC DIRECTION TO THE BOARD.					
Number of Internal Audit Coverage Plans Produced	1	1	1	0	None
Number of Risk Reports Produced	4	4	4	0	None
Number of Quarterly Performance Reports submitted to LEDET	4	4	4	0	None
Number of CSI Projects Initiated	7	9	22	13	The number of projects initiated increased due to the pledge made during back to school period and additional projects for people living with disability that were in need of assistance.

PROGRAMME 1: GOVERNANCE	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	0	16	-16	22	12	10
Personnel Budget	4 959	3 721	1 238	6 014	4 966	1 048
Operational Budget	7 631	7 146	485	7 175	5 089	2 086

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2017/18	PLANNED TARGET 2018/19	ACTUAL ACHIEVEMENT 2018/19	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2018/19	COMMENTS ON DEVIATIONS
PROGRAMME 2: FINANCE THE PURPOSE OF THIS PROGRAMME IS TO ENSURE EFFICIENT AND EFFECTIVE UTILISATION OF RESOURCES THROUGH STRATEGIC PRIORITISATION					
Number of In-year monitoring reports submitted to Limpopo Provincial Treasury and LEDET	12	12	12	0	None
Number of IT Reports Produced	12	12	12	0	None
Number of Human Resources Reports Produced	4	4	4	0	None

PROGRAMME 2: FINANCE	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	0	0	0	223	145	78
Personnel Budget	6 221	5 517	704	5 936	4 846	1 090
Operational Budget	3 194	3 286	-92	4 193	4 575	-382





PROGRAMME 2: FINANCE SUB-PROGRAMME: IT	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	1 163	0	1 163	497	462	35
Personnel Budget	1 759	1 583	176	1 522	1 441	81
Operational Budget	700	676	24	973	808	165

PROGRAMME 2: FINANCE SUB-PROGRAMME: HR	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	0	0	0	25	57	-32
Personnel Budget	3 347	3 014	333	3 386	3 034	352
Operational Budget	743	684	59	1 188	913	275

PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2017/18	PLANNED TARGET 2018/19	ACTUAL ACHIEVEMENT 2018/19	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2018/19	COMMENTS ON DEVIATIONS
PROGRAMME 3: COMPLIANCE					
THE PURPOSE OF THIS PROGRAMME IS TO PROMOTE RESPONSIBLE GAMBLING THROUGH VISIBILITY AND AWARENESS AND ALSO TO ENSURE THAT GAMBLING ACTIVITIES ARE COMPLIANT WITH RELEVANT LEGISLATIONS.					
Number of Responsible Gambling Campaigns conducted	4	4	34	30	More responsible gambling campaigns were conducted in collaboration with the South African Responsible Gambling Foundations, as per invitations to conduct responsible gambling campaigns at various events.
Number of Corporate licenses issued	28	10	23	13	There were 9 licences approved in the 4th Quarter of 2017/18, but issued in the 1st Quarter of 2018/19. There was 1 unanticipated Totalizator licence application that was processed and finalised during the financial year and 2 Type B LPM licences which were submitted to the NGB during 2017/18 were approved by the NGB in the 2018/19 financial year. There was 1 unanticipated certificate of suitability which was issued during the financial year.
Number of Compliance Inspection Reports Produced	48	48	48	0	None
Number of Compliance Audit Reports Produced	24	24	24	0	None
Number of Levy Audit Reports Produced	18	18	18	0	None
Number of Monitoring Reports Produced	2	2	2	0	None

PROGRAMME 3: COMPLIANCE	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	0	0	0	571	79	492
Personnel Budget	13 949	12 496	1 453	13 149	11 534	1 615
Operational Budget	3 142	3 139	3	4 023	4023	0

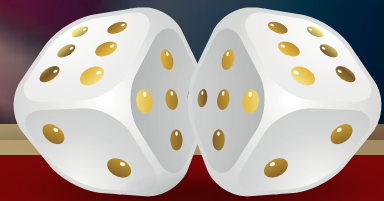
PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENTS 2017/18	PLANNED TARGET 2018/19	ACTUAL ACHIEVEMENT 2018/19	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2018/19	COMMENTS ON DEVIATIONS
PROGRAMME 4: LAW ENFORCEMENT THE PURPOSE OF THIS PROGRAMME IS TO REDUCE ILLEGAL GAMBLING THROUGHOUT THE PROVINCE.					
Number of Crime Awareness Campaigns Conducted	120	130	133	3	Target exceeded by 3 activities due to extra invitations that includes EXCO Imbizos from both the Office of the Premier and the MEC for LEDET.
Number of Investigations on Illegal Gambling activities conducted	365	360	367	7	Target exceeded by 7 investigations due to joint operations with Stakeholders and SAPS.

PROGRAMME 3: COMPLIANCE	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	0	0	0	35	0	35
Personnel Budget	5 261	4 792	469	4 826	4 398	428
Operational Budget	1 388	1 388	0	1 303	950	353

LINKING PERFORMANCE WITH BUDGET

LGB	BUDGET 2018/2019 R'000	ACTUAL 2018/2019 R'000	VARIANCE 2018/2019 R'000	BUDGET 2017/2018 R'000	ACTUAL 2017/2018 R'000	VARIANCE 2017/2018 R'000
Capital Budget	1 331	183	1 148	1 406	787	619
Personnel Budget	38 939	34 234	4 705	37 958	33 098	4 860
Operational Budget	33 122	32 140	982	33 130	30 573	2 557





PART C GOVERNANCE



1. INTRODUCTION

The Entity is mandated by LEDET 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.

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

The Performance Agreement out-lines that the Entity's mandate shall:

Take full responsibility for the preparation, finalisation and drawing up of Business Plans of the Entity.

- Ensure that such Business Plans are aligned with the overall objectives of LEDET.
- 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.
- The Entity undertakes to schedule and hold regular quarterly meetings with the MEC to ensure the MEC is kept informed of developments within the Entity.

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

Where the MEC issues the Entity with directives that have not been approved in the Entity Business Plans, the MEC shall 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 68,086 million.

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

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

2. PORTFOLIO COMMITTEES

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

DATE OF MEETING	TOPIC OF PRESENTATION
03 May 2018	2nd, 3rd & 4th quarter performance reports for 2017/18 and APP for 2018/19
16 August 2018	1st quarter performance reports for 2018/19
11 October 2018	Annual Report for 2017/18
16 November 2018	2nd quarter performance reports for 2018/19



3. EXECUTIVE AUTHORITY

The Entity submitted the reports as per 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	13 April 2018 11 June 2018 10 July 2018 14 July 2018 13 September 2018 11 October 2018 15 November 2018 10 December 2018 11 January 2019 15 February 2019 15 March 2019

The Revenue Unit of LEDET came 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
31	4.8	Procurement Plan	30 April 2019	17 April 2019
2	4A.1	Levies	Monthly	Revenue was transferred monthly, totalling R 109 776 million for the financial year.
3	8.1	Progress Quarterly reporting		
		First quarter	31 July 2018	23 July 2018
		Second quarter	31 October 2018	31 October 2018
		Third quarter	31 January 2018	31 January 2018
		Fourth quarter	30 April 2019	30 April 2019

The Department does quarterly monitoring of the reports submitted to them.

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:



1. *The Board shall:*
 - (a) *exercise such powers and perform such functions-*
 - (i) *assigned to it in terms of this Act;*
 - (ii) *assigned to it in terms of any other Act;*
 - (b) *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.*
2. *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.*
3. *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.*
4. *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-

- (a) *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:

- To promote a culture of responsible gambling in the Province.
- To ensure the eradication of all forms of illegal gambling in the Province.
- 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.
- To ensure the availability of real-time information using technology in support of decision making processes.
- To ensure that the Entity has and maintains an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective.
- To ensure that the Entity establishes, implements, and maintains good principles of corporate governance, accounting practices, and sound systems of internal control.
- To ensure that the Entity plans and utilises limited resources economically, efficiently and effectively.



4.3 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 2016/17
Mr. M.E. Tjiane	Chairperson of the Board	31.10.2017	31.10.2022	<ul style="list-style-type: none"> • MBL (current studies, mini thesis Pending) • B.Pharm 	<ul style="list-style-type: none"> • Business Management. • Leadership. • Healthcare 	<ul style="list-style-type: none"> • LGB Board 	None.	6/6
Ms. B.L. Montjane	Deputy Chairperson of the Board	31.10.2017	31.10.2022	<ul style="list-style-type: none"> • B.Juris. • 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 	Licensing & Compliance Committee.	6/6
Mr. S.M. Maja	Member	31.10.2017	31.10.2022	<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 • UNIVEN • SARGF 	Licensing & Compliance Committee.	5/6
Hosi/Adv. K.A. Mahumani	Member	31.10.2017	31.10.2022	<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 	Licensing & Compliance Committee. Audit & Risk Committee.	6/6
Ms. M.E. Maditsi	Member	31.10.2017	31.10.2022	<ul style="list-style-type: none"> • Current: 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 	HR, Remuneration & Ethics Committee.	6/6
Mr. C.C. Nkadameng	Member	31.10.2017	31.10.2022	<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 	HR, Remuneration & Ethics Committee.	5/6
Ms. K.C. Tlouane	Departmental Representative (LEDET)	31.10.2017	31.10.2022	<ul style="list-style-type: none"> • BA in Education, • M Ed in Environmental Education, • Management Programme 	<ul style="list-style-type: none"> • Environmental Education • Environmental Management • Project Management • Strategic Planning 	<ul style="list-style-type: none"> • LGB Board 	HR, Remuneration & Ethics Committee.	2/6
Mr. M.B. Tema	Departmental Representative (Limpopo Provincial Treasury)	31.10.2017	31.10.2022	<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 	Audit & Risk Committee.	5/6
Ms. M. Mokoka CA(SA)	Member	19.06.2018	31.10.2022 (Resigned 27.02.2019)	<ul style="list-style-type: none"> • Bcom Hon Acc • Post Graduate Diploma in Auditing • CA(SA) 	<ul style="list-style-type: none"> • Accounting & Finance 	<ul style="list-style-type: none"> • LGB Board • Sanlam Limited • Intersite Asset Investment • Phalaborwa Mining • Rolfes Holdings • Public Investment Corporation • CSG Holdings • Energy Partners Holdings • Shindler Lifts (SA) • Digital Landmark 	None.	0/6



4.4 AUDIT AND RISK COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED	TERM ENDING	DATE APPOINTED
Hosi/Adv. K.A. Mahumani	Chairperson	9/9	31.10.2022	08.11.2017
Mr. M.B. Tema Professional Accountant (SA)	Member	6/9	31.10.2022	08.11.2017
Ms. M.M. Mashamaite CA (SA)	Co-Opted Member	6/9	31.10.2022	01.02.2018
Adv. J.L. Thubakgale	Co-Opted Member	5/9	31.10.2022	01.02.2018
Mr. J.N Mpjane CA (SA),RA	Co-Opted Member	7/9	31.10.2022	01.03.2018

4.5 HUMAN RESOURCES, REMUNERATION, ETHICS AND SOCIAL COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED	TERM ENDING	DATE APPOINTED
Ms. M.E. Maditsi	Chairperson	3/3	31.10.2022	08.11.2017
Mr. C.C. Nkadimeng	Member	2/3	31.10.2022	08.11.2017
Ms. K.C. Tlouane	Member	3/3	31.10.2022	08.11.2017

4.6 LICENSING AND COMPLIANCE COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED	TERM ENDING	DATE APPOINTED
Mr. S.M. Maja	Chairperson	5/5	31.10.2022	08.11.2017
Ms. B.L. Montjane	Member	5/5	31.10.2022	08.11.2017
Hosi/Adv. K.A. Mahumani	Member	4/5	31.10.2022	08.11.2017

4.7 REMUNERATION OF BOARD MEMBERS

NO	BOARD MEMBER	BOARD MEMBERS TRAVELLING AND SUBSISTENCE (R'000)	BOARD MEMBERS SITTING ALLOWANCES (R'000)	RETAINER (R'000)	BOARD OVERSEAS TRIPS ALLOWANCES (R'000)	TOTAL (R'000)
1	Tjiane ME	44	109	41	2	196
2	Maditsi ME	40	60	40	14	154
3	Mahumani KA	63	48	40	20	171
4	Nkadimeng CC	17	76	-	10	103
5	Maja SM	68	79	40	28	215
6	Montjane BL	42	91	57	27	217
7	Tema MB	-	-	-	14	14
8	Tlouane KC	-	-	-	-	-
9	Mokoka M	-	-	-	-	-
TOTAL		274	463	218	116	1070

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

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

*Ms. Mokoka resigned as a Board member 27 February 2019, but did not attend any meetings and as such, does not receive any remuneration.



5. RISK MANAGEMENT

5.1 NATURE OF RISK MANAGEMENT

Risk Management defined

Risk management is a continuous, comprehensive and systematic approach effected by an organisation's Management and other personnel aimed at identifying, measuring and controlling an organisation's exposure to accidental loss, theft and liability involving human, financial, physical and natural resources.

The Chief Executive Officer has set the tone at the top by supporting Enterprise Risk Management (ERM) 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, has in place the Risk Management Strategy, Policy and Charter that ensures adherence to the PFMA section 38(1) (a)(i).

The Chief Executive Officer has appointed a Risk and Fraud Management Committee, and its role is to formulate, promote and review the institution's ERM objectives, strategy and policy and monitor the process at strategic, Management and operational levels.

The Risk and Fraud Management Committee meets a minimum of three times during the year to monitor the progress on the implementation of the mitigation strategies.

The Limpopo Gambling Board has continued to cultivate a culture of risk management throughout the Entity by ensuring:

- Compliance with Section 38 of the Public Finance Management Act;
- Compliance with Section 27.2 of the Treasury Regulations;
- To promote and entrench risk management as value creation;
- To improve the LGB's risk maturity from a defensive risk management position to a responsive risk management position; and
- To embed risk management into LGB's business operations to support decision making and thereby increasing the likelihood of achieving the LGB's strategic objectives.

5.2 RISK MANAGEMENT PROCESS

The approach that was adopted in the execution of this process was Entity-wide Enterprise Risk Management (ERM).

Limpopo Gambling Board has a Risk Profile which is updated on a quarterly basis or as and when the need arises. It is revised on an annual basis after conducting a Risk Assessment which is presented for approval by the Board. This is preceded by a process of the Risk Management Officer performing risk assessment with the risk owners and all staff members during the workshop by identifying new, emerging risks and further reassessing the previous year's risk register. The profile was then consolidated and presented to the Chief Executive Officer for approval. The risk profile is inclusive of mitigation measures that were compiled by Management and are monitored on an ongoing basis, with Internal Audit providing quality assurance in respect thereof. The Risk and Fraud Management Committee has met three (3) times during the year, and has submitted quarterly monitoring reports to the Chief Executive Officer who further recommends them for submission to the Audit and Risk Committee. There were nine (9) Audit and Risk Committee Meetings for the 2018/19 financial year, of which four (4) were ordinary quarterly meetings, and five (5) were special sittings.

LGB operates in the gambling environment which is unstable and is influenced by various risk factors, which can have a significant high and negative impact. LGB's Management thus ensures accountability and responsibility in relation to an effective risk management structure and principles that are established and maintained.



5.3 RISK ASSESSMENT PARTICIPANTS AND QUALITY OF RESULTS

The following LGB Business Units participated in the Operational and Strategic Risk Assessment Workshops held in November 2018:

RISK CATEGORY	UNIT DETAILS	
Strategic Risks	Governance (Senior & Middle Managers)	
	<ul style="list-style-type: none"> Legal Services Risk Management 	
Operational Risks:	1	Finance Unit
		<ul style="list-style-type: none"> Human Resources Supply Chain Management Information Technology
	2	Compliance Unit
	3	Law Enforcement Unit

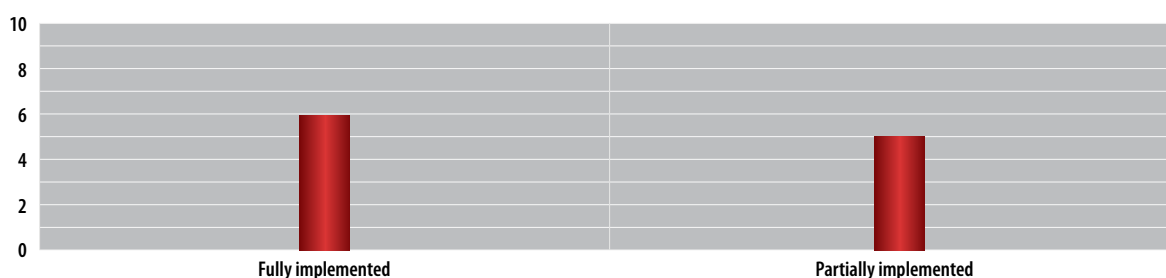
The aforementioned risk assessment resulted in the achievement of the following objectives:

- Identification of strategic and operational risks, based on the relevant objectives of the Entity;
- Consideration and evaluation of the risk impact and the likelihood ratings per risk were identified;
- The identification of risk mitigation strategies to reduce risk exposure;
- Consideration of any additional risks where necessary;
- The update of the risk profile.

5.4 PROGRESS MADE IN ADDRESSING RISKS IDENTIFIED

Eleven (11) of the twenty-three (23) strategic risks were prioritised for the 2018/19 financial year. Of the eleven (11) that were prioritised six (6) have been mitigated to acceptable levels. Internal Audit provided reasonable assurance that the control design is adequate and effective for the achievement of organisational objectives. The Entity will therefore ensure enhanced controls in 2019/20 that will assist in mitigating the remaining five (5) prioritised risks mitigation plans that are partially implemented.

Mitigation Status on Prioritised Risks



Partially Implemented Mitigation as depicted in the graph above is elaborated below:

RISK	CHALLENGES
1. Illegal gambling activities within the Province	Recommend review of the LGB Act. Feedback received requires further consultation with legislative drafters
2. Ineffective and inefficient ICT infrastructure	Research and implementation of the disaster recovery offsite in progress
3. Poor communication channels and protocols within LGB	Update of Intranet continuously- Review of the communication process in progress
4. Inadequate legislation to assist the LGB to carry out its mandate and strategies	Review of the Regulations-In the process of being replaced with new Regulations in alignment with the Limpopo Gambling Act.No3 of 2013
5. Unsafe and unhealthy work environment for employees (BCE Act and OHS Act)	Evacuation Drill. Requested assistance with Evacuation Training from relevant stakeholders.

6. INTERNAL CONTROL UNIT

LGB has an Internal Control Unit in place reporting to the Chief Financial Officer. The Entity has developed a procedure manual that ensures there are proper processes in place.

The main focus of the unit is to ensure the Entity improves the audit opinion, complies 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 2017-18 Final Report do not recur. A report was submitted to Limpopo Provincial Treasury on a quarterly basis to indicate the progress of the developed action plans. The Internal Audit then provided assurance regarding the status quo of the action plan report.

7. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

7.1 OBJECTIVE AND ROLE OF INTERNAL AUDIT

The Internal Audit of the Entity is outsourced to Shumba Inc.

Internal Audit (IA) is an independent, objective assurance and consulting activity designed to add value and improve LGB's operations. The objective of the IA function is to assist LGB to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

The Internal Audit function reviews 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 is 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 stake-holders, formulated a three year rolling plan incorporating 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
Internal Audit Coverage Plan (1 Year Plan)	April 2018	Done
Review of AFS 2017/18	May 2018	Done

b) 2nd Quarter Progress:

PLANNED ACTIVITY	PLANNED EXECUTION DATE	ACTUAL RESULTS
Audit Of Performance Objectives 1st Quarter review	July 2018	Done
Risk Monitoring Quality Assurance 1st Quarter	July 2018	Done
Law Enforcement	July 2018	Done
Finance	August 2018	Done
SCM	September 2018	Done
IT Audit	September 2018	Done

c) 3rd Quarter Progress:

PLANNED ACTIVITY	PLANNED EXECUTION DATE	ACTUAL RESULTS
Risk Monitoring Quality Assurance 2nd Quarter	October 2018	Done
Audit Of Predetermined Objectives 2nd Quarter	November 2018	Done
Compliance Audit	November 2018	Done
Human Resources and OHS	December 2018	Done



d) 4th Quarter Progress:

PLANNED ACTIVITY	PLANNED EXECUTION DATE	ACTUAL RESULTS
*ADHOC assignment		
*Revaluation Of Assets	December 2018	Done
Audit Of Predetermined Objectives 3rd Quarter	January 2019	Done
Risk Monitoring Quality Assurance 3rd Quarter	January 2019	Done
AG Action Plan follow up	January 2019	Done

7.3 KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

The Limpopo Gambling Board has established the Audit and Risk Committee as a Committee of its controlling body ("Board") 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 shall not perform any Management functions or assume any Management responsibilities. It provides a forum for discussing business risk and control issues for developing relevant recommendations for consideration by the Board. The Committee shall mainly make 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, is stipulated in these Terms of Reference, which may be amended by the Board from time to time.

The Committee is constituted in terms of the requirements of sound Corporate Governance practices and operates within that framework.

7.4 AUDIT AND RISK COMMITTEE MEMBERS INFORMATION

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	EXPIRY TERM OF OFFICE	NO. OF MEETINGS ATTENDED 2016/17
Hosi/Adv. K.A. Mahumani	<ul style="list-style-type: none"> Bachelor of Law, Post-graduate Diploma in Labour Law, Master of Laws (LLM) 	External Chairperson	N/A	08.11.2017	31.10.2022	9/9
Mr. M.B. Tema Professional Accountant (SA)	<ul style="list-style-type: none"> MBA (Finance), Hons B.Com (Accounting), B.Com (Accounting), Professional Accountant (SA) 	External Board member	N/A	08.11.2017	31.10.2022	6/9
Ms. M.M. Mashamaite CA (SA)	<ul style="list-style-type: none"> Chartered Accountant (SA) Certified Ethics Officer 	External Co-Opted Member	N/A	01.02.2018	31.10.2022	6/9
Adv. J.L. Thubakgale	<ul style="list-style-type: none"> B.JURIS LLB LLM Postgraduate Diploma: Labour Law MBA 	External Co-Opted Member	N/A	01.02.2018	31.10.2022	5/9
Mr. J. N Mpiane CA (SA) RA	<ul style="list-style-type: none"> Chartered Accountant (CA) Registered Auditor (RA) 	External Co-Opted Member	N/A	01.03.2018	31.10.2022	7/9



8. COMPLIANCE WITH LAWS AND REGULATIONS

The Limpopo Gambling Board has an Internal Audit in place that provides assurance on compliance with the relevant Laws and Regulations. Limpopo Provincial Treasury and LEDET held Quarterly Bi-Laterals with the Entity. Quarterly Reports were submitted to LEDET.

9. FRAUD AND CORRUPTION

The Limpopo Gambling Board has a Risk and Fraud Management Committee in place that has met three (3) times for the year. The Limpopo Gambling Board has a zero tolerance stance on Fraud and Corruption. The annual Risk and Fraud Awareness Workshop was done on the 5th of December 2018. LGB further ensures the planned mitigation of identified fraud risks is implemented throughout the Organisation.

The Limpopo Gambling Board's Fraud and Corruption Prevention Plan comprises two areas, namely education and communication.

9.1 CREATING AWARENESS

a) Employee awareness

Formal awareness presentations were conducted for employees of Limpopo Gambling Board during the Fraud and Corruption Prevention Awareness Workshop. The ongoing creation of awareness amongst all employees is, however, the responsibility of all Unit Senior Managers and Managers.

b) Communication

The objective of communication is further to create awareness amongst employees, the public and other stakeholders of the plan, in order to facilitate a culture where all stakeholders strive to contribute towards making it a success.

c) Progress made (Education and Communication)

During the 2018/19 financial year, Limpopo Gambling Board conducted an Awareness Fraud and Corruption Prevention Workshop to all staff.

d) Internal Audit plan

A robust Internal Audit plan, which focuses on the prevalent high fraud and corruption risks, serves as an effective preventative measure. The Audit Plan was executed as planned.

e) Disclosure of interests

Management of the Limpopo Gambling Board are required to disclose their specific personal assets and business interests on an annual basis.



f) Progress made

Disclosure of interest was made and was facilitated by Human Resources in the form of circulars to remind Management, who then completed the disclosure of interest accordingly.

9.2 WHISTLE BLOWING

There are mechanisms in place to report fraud and corruption and how these operate. The Entity has a Whistle Blowing Policy in place which is aligned to the Protected Disclosure Act, No 26 of 2000, which allows for officials to make factual confidential disclosures about fraud and corruption they might be aware of.

9.2.1 How these cases are reported and what action is taken

- The first step will be for the employee to approach his/her immediate supervisor/ manager unless he/she or senior management is the subject of the complaint, in which case Risk Management Officer within LGB should be informed. Should the complaint be found by the manager to be substantiated, he/she will consult with the Risk and Fraud Management Committee on whether the matter should be investigated internally or referred to the appropriate external body (e.g. the SAPS).
- Concerns are better raised in writing. The background and history of the concern, giving names, dates and places where possible should be set out and the reason why the individual is particularly concerned about the situation. Those who are uncomfortable to put their concern in writing can telephone the Limpopo Provincial Fraud Hotline number. The earlier the concern is reported, the easier it is to take action and initiate recovery procedures where necessary.
- Employees are not expected to prove the truth of an allegation; they will need to demonstrate to the person contacted that there are sufficient grounds for concern.
- Advice and guidance on how matters of concern may be pursued can be obtained from the Manager: Risk Management Officer or the Risk and Fraud Management Committee.
- Should members of the public wish to report allegations of fraud anonymously; they can contact any member of management, the Chief Executive Officer at 8 Hans van Rensburg Street, Polokwane, Private Bag X9520, Polokwane, (0700), or the National Fraud Hotline on the toll free number 0800 701 701.

9.2.2 Where a case is reported, the following process will ensue:

Action taken by LGB will depend on the nature of the concern and the possible actions to the matters raised may, among others be:

- investigated internally by the Risk Management Officer; and/or
- referred to the SAPS or other relevant law enforcement agency.



10. MINIMISING CONFLICT OF INTEREST

- a) Management of the Limpopo Gambling Board are required to disclose their specific personal assets and business interests on appointment.
- b) Every year the Human Resources Unit issues a circular reminding Management and officials to disclose any new business interests.
- c) The Senior Managers complete financial disclosure forms which are submitted to the Executive Authority annually.
- d) Suppliers are 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 assists 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 is conducted honestly.

The Entity considers it desirable to provide 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 apply to all members and employees of the Entity, as well as consultants engaged by the Entity.

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

If a member or employee becomes aware of, anticipates, or suspects, corrupt conduct on the part of an organisation, a member of the public, or another Board Member or employee, he or she must 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 approved Health and Safety Policy provides guidance and compliance towards a safe and healthy workplace. One committee meeting was held during this financial year. Monthly inspections are done to identify any risks and health issues. Matters arising from the inspection reports are attended to immediately.

13. COMPANY SECRETARY

MANDATORY APPOINTMENT OF COMPANY SECRETARY

The Companies Act section 86 (1) states that a public company or state-owned company must appoint a person knowledgeable or experienced in relevant laws as a Company Secretary.

Limpopo Gambling Board has been operating without a Company Secretary; the Entity has advertised the post and is in the process of finalising the appointment.



14. SOCIAL RESPONSIBILITY

The Limpopo Provincial Treasury has allocated a conditional grant in the amount of R2,73 million for CSI projects. The total amount spent was R2 701 000 and R29 000 was not spent at year end.

In 2018/19 the Entity donated towards projects initiated by the Department of Economic Development, Environment and Tourism (LEDET) and this was focused on youth, women and the disabled.

The Entity initiated seminars addressing B-BBEE code in the gambling industry.

In addition, the Entity identified schools with Limpopo Department of Education and donated sanitary towels and school shoes/uniforms for learners from disadvantaged backgrounds.

Projects are indicated in the table below:

PROJECT	DISTRICT	ALLOCATED AMOUNT
Limpopo Enterprise Awareness And Promotion Programme (LEAP)	Mopani, Waterberg and Capricorn	R1 000 000
School shoes/uniform (Back To School / Learner Support Material / Braille Embosser)	<p>Mopani District Shipamele Primary School; St Patrick Primary School</p> <p>Mopani District Vuxeni Secondary School; Nthabiseng Special School</p> <p>Sekhukhune District Bosele School for The Blind; Mphanama Primary School; Makgwale Secondary School</p> <p>Capricorn District Refentse Pre- School; Kgolokgotlha Secondary School; Helen Franz Special School; My Darling Secondary School</p> <p>Waterberg District Melk Rivier Primary School</p>	R200 000
Limpopo People with Disabilities in Business Programme (LIPEDIB)	Waterberg District Vhembe District	R60 000
Limpopo People with Disabilities (Education) <ul style="list-style-type: none"> • Adult Diapers • Sanitary Towels • Braille Embosser • Specialised Laptops 	<p>Waterberg District Harry Openheimer Agricultural School; Raeleng Middle School</p> <p>Capricorn District SJ-Van der Merwe Technical High School*; Helen Frans Special School</p> <p>Sekhukhune District Bosele School for The Deaf And Blind</p> <p>Capricorn District (3) Three Special Laptops (Top 3 matriculants)</p> <p>Mopani District International National Mandela Day</p>	R441 000
Broad Based Black Economic Empowerment Seminar	Waterberg District	R500 000
Women Awards	Waterberg District	R500 000
22 Projects Totalling		R2 701 000



15. AUDIT AND RISK COMMITTEE REPORT

15.1 INTRODUCTION

We are pleased to present our report for the financial year ended 31 March 2019. The Limpopo Gambling Board has an Audit and Risk Committee which operates in terms of the Board's approved Audit and Risk Committee Charter.

The Audit and Risk Committee consists of the members listed hereunder and meets at least four (04) times per annum as per the Audit and Risk Committee Charter. During the year, seven (07) scheduled and two (02) special Audit and Risk Committee Meetings were held.

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED	DATE APPOINTED
Hosi/Adv. K.A. Mahumani	External Chairperson	9/9	08.11.2017
Mr. M.B. Tema	External Board member	6/9	08.11.2017
Ms. M.M. Mashamaite CA (SA)	External Co-Opted Member	6/9	01.02.2018
Adv. J.L. Thubakgale	External Co-Opted Member	5/9	01.02.2018
Mr.J.N Mpjane CA (SA) ,RA	External Co-Opted Member	7/9	01.03.2018

15.2 AUDIT AND RISK COMMITTEE RESPONSIBILITIES

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

15.3 THE EFFECTIVENESS OF INTERNAL CONTROL

We are of the opinion, based on the information given by Management, the Internal Audit and the discussions with the External Auditors (AGSA) on the results of its audit, that 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 on the Annual Financial Statements.

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.

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.

15.5 EVALUATION OF FINANCIAL STATEMENTS

We have reviewed the Financial Statements for the year ended 31 March 2019 and we are satisfied that matters have been adequately resolved.

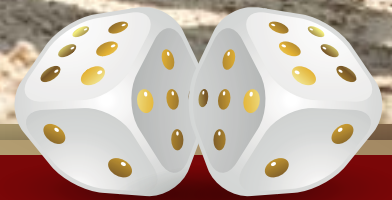
We concur and accept the conclusion of the External Auditors on the Financial Statement and are of the opinion that the Audited Financial Statements must be accepted and read together with the report of the Auditor General.



Hosi/Adv. K.A Mahumani

Chairperson of the Audit Committee





PART D HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

The Human Resources Unit aims to assist and support other Business Units with any matters 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 are in place. The success of the Limpopo Gambling Board in delivering its operational and developmental goals depends primarily on efficiency and effectiveness where employees carry out their duties. Managing performance is therefore a key Human Resources Management Tool and quarterly moderations are done.

The Limpopo Gambling Board ensures that employees are engaged in wellness programmes every year through the Employee Assistance Programme (EAP).

1.1 POLICY DEVELOPMENT

Policy review

The Human Resource Policy was reviewed and approved by the Board in March 2019.

Staff development

Employees are provided with training to ensure that they are furnished and equipped with the necessary skills to enable them to perform their jobs, which will enhance productivity.

Challenges

The filling of posts is taking too long because of the process that is followed where funded posts require approval from Limpopo Provincial Treasury before they could be advertised.

2. HUMAN RESOURCE OVERSIGHT STATISTIC

The Public Entity must provide the following key information on Human Resources.

2.1 PERSONNEL COST BY PROGRAMME

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
CEO	10 709	4 104	38%	4	1 026
Finance	8 521	6 417	74%	10	641
Law Enforcement	6 265	4 817	76%	10	481
Supply Chain	17 826	3 099	17%	6	516
Human Resources	3 778	2 999	79%	8	374
Compliance	15 882	12 654	78%	24	527
Information Technology	2 898	1 556	54%	2	778
TOTAL	65 882	35 648	53%	64	4 749

The total number of 64 employees includes only positions which were filled from April 2018 - March 2019. Positions which are vacant are not included. The interns are also included on the report.



2.2 TRAINING COSTS

DIRECTORATE/BUSINESS UNIT	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST (%)	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE (R'000)
CEO & Board Members	4 104	-	-	0	-
Finance	6 289	36	17	4	9
Law Enforcement	4 753	23	20	8	2
Supply Chain	3 035	-	-	0	-
Human Resources	2 999	8	33	2	4
Compliance	12 334	116	10	6	19
Information Technology	1 556	-	-	0	-
Total	35 072	186 196	80	20	64

2.3 EMPLOYMENT AND VACANCIES

PROGRAMME	2017/18 NO. OF EMPLOYEES	2018/19 APPROVED POSTS	2018/19 NO. OF EMPLOYEES	2018/19 VACANCIES	% OF VACANCIES
CEO	3	9	4	5	56%
Finance	7	9	8	1	11%
Supply Chain	5	6	5	1	17%
Human Resource	8	10	8	2	20%
Compliance	20	25	19	6	24%
Law Enforcement	9	12	9	3	25%
IT	2	2	2	0	0%
Total	54	73	55	18	25%

PROGRAMME	2017/18 NO. OF EMPLOYEES	2018/19 APPROVED POSTS	2018/19 NO. OF EMPLOYEES	2018/19 VACANCIES	% OF VACANCIES
Top Management	1	2	2	0	0%
Senior Management	3	6	4	2	33%
Professional qualified	6	10	8	2	20%
Skilled	23	30	22	8	27%
Semi-skilled	16	20	15	5	25%
Unskilled	5	5	4	1	20%
TOTAL	54	73	55	18	25%



2.4 EMPLOYMENT CHANGES

PROGRAMME	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF PERIOD
Top Management	1	1	0	2
Senior Management	3	1	0	4
Professional qualified	6	1	1	7
Skilled	23	0	0	22
Semi-skilled	16	0	2	14
Unskilled	5	0	1	4
TOTAL	54	3	4	53

2.5 REASON FOR STAFF LEAVING

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	1	33%
Resignation	2	67%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	3	100%

Most staff leave the organisation mainly for growth.

2.6 LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Verbal Warning	0
Written Warning	4
Final Written warning	0
Dismissal	0



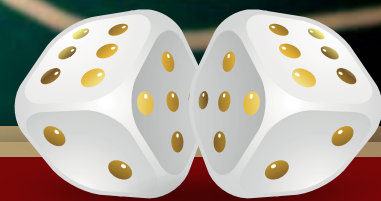
2.7 EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

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	2	3	0	0	0	0	0	0
Professional qualified	4	3	0	0	0	0	0	0
Skilled	10	10	1	1	0	0	1	1
Semi-skilled	6	7	0	0	1	0	1	1
Unskilled	2	2	0	0	0	0	0	0
TOTAL	25	26	1	1	1	0	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	1	0	0	0	1	1	0	0
Professional qualified	3	3	0	0	0	0	0	0
Skilled	8	10	0	0	0	0	2	1
Semi-skilled	4	6	1	1	0	0	1	3
Unskilled	2	2	0	0	0	0	0	1
TOTAL	19	22	1	1	1	1	3	5

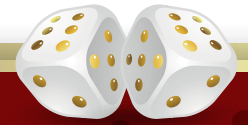
LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	1	1	0	0
Unskilled	0	0	0	0
TOTAL	1	1	0	0





PART E FINANCIAL INFORMATION





MEMBER'S 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 Board 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 were 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 Board and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the Board sets 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 Board and all employees are required to maintain the highest ethical standards in ensuring the Board's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Board 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 loss.

The members have reviewed the Board's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, they are satisfied that the Board has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Board is wholly dependent on the Limpopo Department of Economic Development, Environment and Tourism for continued funding of operations. The Annual Financial Statements are prepared on the basis that the Board is a going concern and that the Limpopo Department of Economic Development, Environment and Tourism has neither the intention nor the need to liquidate or curtail materially the scale of the Entity.

The external auditors are responsible for independently reviewing and reporting on the Board's Annual Financial Statements. The Annual Financial Statements have been examined by the Board's external auditors and their report is presented on page 67 to 70.

The Annual Financial Statements set out on pages 71 to 117, which have been prepared on the going concern basis, were approved by the members on 31 May 2019 and were signed on its behalf by:

Mr. M.G. Makoko
Chief Executive Officer

Mr. M.E. Tjiane
Chairperson





REPORT OF THE BOARD

The members submit their report for the year ended 31 March 2019.

1. REVIEW OF ACTIVITIES MAIN BUSINESS AND OPERATIONS

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

The operating results and state of affairs of the Board are fully set out in the attached Annual Financial Statements and do not in our opinion require any further comment.

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 of operations.

3. SUBSEQUENT EVENTS

The members are not aware of any matter or circumstance arising since the end of the financial year.

4. NON-CURRENT ASSETS

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

5. BOARD MEMBERS

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

NAME	CHANGES
Mr. M.E. Tjiane - Chairperson	
Ms. B.L. Montjane - Deputy Chairperson	
Hosi/Adv. K.A. Mahumani	
Ms. M.E. Maditsi	
Mr. C.C. Nkadameng	
Ms. K.C. Tlouane - LEDET Representative	





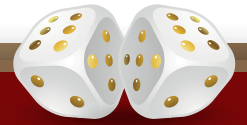
NAME	CHANGES
Mr. M.B. Tema - Treasury Representative	
Mr.S. Maja	
Mr. M.G. Makoko - Chief Executive Officer	Appointed Tuesday, 01 May 2018
Ms. M.Mokoka	Appointed Tuesday, 19 June 2018, resigned Tuesday, 12 March 2019

6. BANKERS

The bankers of the Board are Standard Bank.

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.



REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO PROVINCIAL LEGISLATURE ON 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 71 to 117, which comprise the Statement of Financial Position as at 31 March 2019, the Statement of Financial Performance, Statement of Changes in Net Assets, Cash Flow Statement and the Statement of Comparison of Budget Information with actual amounts for the year then ended, as well as the 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 2019 and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the Financial Statements section of this Auditor's Report.
4. I am independent of the Entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the 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 codes.
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 your attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 38 to the Financial Statements, the corresponding figures for 31 March 2018 were restated as a result of an error in the Financial Statements of the Entity at, and for the year ended, 31 March 2019.

Uncertainty relating to the future outcome of exceptional litigation

8. With reference to note 27 to the Financial Statements, the Entity is the defendant in various lawsuits. The Entity is opposing the cases, and it believes that it will incur cost during the representation. The ultimate outcome of



the matter could not be determined and no provision for any liability that may result was made in the Financial Statements.

OTHER MATTERS

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

Unaudited supplementary schedules

10. Unaudited supplementary schedules set out on pages 41 to 66 does not form part of the Financial Statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

11. The Board of Directors, which constitutes the Accounting Officer is responsible for the preparation and fair presentation of the Financial Statements in accordance with the SA Standards 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.
12. 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 Entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

13. 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.
14. 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 AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the General Notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the Annual Performance Report. I performed procedures to identify findings but not to gather evidence to express assurance.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Entity. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.



17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the Performance Management and Reporting Framework, as defined in the General Notice, for the following selected programmes presented in the Annual Performance Report of the Entity for the year ended 31 March 2019:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 3 – Compliance	39 – 40
Programme 4 – Law Enforcement	40

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:
- Programme 3: Compliance
 - Programme 4: Law Enforcement

OTHER MATTERS

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the Annual Performance Report on pages 38 to 40 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) 15 to 19 of this report.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

22. In accordance with the Public Audit Act (PFMA) and the General Notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the Entity with specific matters in key Legislation. I performed procedures to identify findings, but not to gather evidence to express assurance.
23. The material findings on compliance with specific matter in key Legislations are as follows:

ANNUAL FINANCIAL STATEMENT AND PERFORMANCE

24. The Financial Statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of current liabilities, non-current liabilities, revenue and disclosure items were identified by the Auditors in the submitted Financial Statements and were corrected, resulting in the Financial Statements receiving an unqualified audit opinion.



OTHER INFORMATION

25. The Accounting Authority is responsible for the other information. The other information comprises the information included in the Annual Report which includes the Chairperson's Report, Chief Executive Officer's Report and the Audit and Risk Committee's Report. The other information does not include the Financial Statements, the Auditor's Report and those selected programmes presented in the Annual Performance Report that have been specifically reported in this Auditor's Report.
26. My opinion on the Financial Statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements and the selected programmes presented in the Annual Performance Report.
28. I did not receive the other information prior to the date of this Auditor's Report. When I 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, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matter reported below is limited to the significant internal control deficiency that resulted in a non-compliance with legislation included in this report.
30. Management reviewed the Annual Financial Statement prior to submission for audit, however shortcomings in the internal control environment resulted in a number of misstatements identified on the Annual Financial Statements.

Auditor General

Polokwane

31 July 2019



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence





STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	NOTES	2019 R	2018 RESTATED* R
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	3	2 638 710	161 591
Cash and cash equivalents	4	24 503 840	22 118 100
		27 142 550	22 279 691
NON-CURRENT ASSETS			
Property, plant and equipment	5	4 549 110	5 825 068
Intangible assets	6	803 373	483 031
		5 352 483	6 308 099
Total Assets		32 495 033	28 587 790
LIABILITIES			
CURRENT LIABILITIES			
Operating lease liability	11	1 360 814	215 141
Trade and other payables	7	1 275 461	1 829 666
Employee benefit obligation	8	101 672	99 136
Staff accrual	9	1 374 924	1 273 211
Funds to be surrendered	33	11 639 317	15 691 047
Deferred income	10	7 733 342	2 532 622
Fines and Penalties payable	33	80 000	-
		23 565 530	21 640 823
NON-CURRENT LIABILITIES			
Operating lease liability	11	11 717 089	13 056 111
Employee benefit obligation	8	162 885	217 720
		11 879 974	13 273 831
Total Liabilities		35 445 504	34 914 654
Net Assets		(2 950 471)	(6 326 864)
Accumulated surplus		(2 950 478)	(6 326 863)

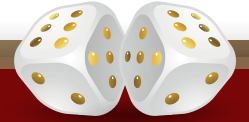


STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2019

	NOTES	2019 R	2018 RESTATED* R
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Operating revenue	12	1 801 518	1 785 912
Interest received	13	1 157 807	1 330 011
Gain on disposal of assets		5 836	-
Total revenue from exchange transactions		2 965 161	3 115 923
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Transfer revenue			
Government grants & subsidies	14	68 086 000	67 502 000
Other operating revenue	15	109 994 971	89 391 866
Annual licence fees	15	7 903 113	7 882 733
Total revenue from non-exchange transactions		185 984 084	164 776 599
Total revenue		188 949 245	167 892 522
EXPENDITURE			
Employee related costs	16	(34 251 433)	(33 098 648)
Board members' expenses	18	(3 337 263)	(1 468 341)
Depreciation and amortisation		(1 421 415)	(1 309 582)
Finance costs	19	(2 341)	-
Debt impairment	21	-	100 000
Loss on disposal of assets		-	(17 930)
Operating expenses	20	(27 438 863)	(28 020 474)
Total expenditure		(66 451 315)	(63 814 975)
Surplus for the year		122 497 930	104 077 547





STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2019

	ACCUMULATED SURPLUS R	TOTAL NET ASSETS R
Balance at 01 April 2017	(4 356 902)	(4 356 902)
Changes in net assets		
Funds surrendered	(90 464 266)	(90 464 266)
Net income recognised directly in net assets	(90 464 266)	(90 464 266)
Restated Surplus for the year	104 077 547	104 077 547
Total recognised income and expenses for the year	13 613 281	13 613 281
Funds to be surrendered	(15 691 047)	(15 691 047)
Total changes	(2 077 766)	(2 077 766)
Opening balance adjusted for 2018 error	(6 434 668)	(6 434 668)
Adjustments		
Correction of errors	177 114	177 114
Prior year adjustments	(69 309)	(69 309)
Restated* Balance at 01 April 2018 as restated*	(6 326 863)	(6 326 863)
Changes in net assets		
Funds surrendered	(107 482 228)	(107 482 228)
Net income recognised directly in net assets	(107 482 228)	(107 482 228)
Surplus for the year	122 497 930	122 497 930
Total recognised income and expenses for the year	15 015 702	15 015 702
Funds to be surrendered	(11 639 317)	(11 639 317)
Total changes	3 376 385	3 376 385
Balance at 31 March 2019	(2 950 478)	(2 950 478)

*The net asset deficit represents the cumulative net position of Board that arises as a result of funds surrendered each year which includes own revenue. The funds are recorded as a liability and thus creating a negative net asset. The restatement has been adjusted as far back as the 2016 financial year.



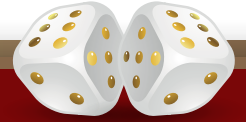


CASH FLOW STATEMENT

for the year ended 31 March 2019

	NOTES	2019 R	2018 RESTATED* R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Grants and subsidies		68 086 000	67 502 000
Other operating income		122 414 814	94 283 390
Interest income		1 157 807	1 330 011
		191 658 621	163 115 401
PAYMENTS			
Employee costs		(34 202 020)	(32 865 925)
Operating expenses		(28 098 028)	(27 551 024)
Finance costs		(2 341)	-
Funds surrendered		(123 173 275)	(106 743 942)
Board expenses		(3 337 263)	(1 468 341)
		(188 812 927)	(168 629 232)
Net cash flows from operating activities	24	2 845 694	(5 513 831)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(183 092)	(786 591)
Proceeds from sale of property, plant and equipment	5	164 233	-
Purchase of other intangible assets	6	(441 100)	-
Net cash flows from investing activities		(459 959)	(786 591)
Net increase/(decrease) in cash and cash equivalents		2 385 735	(6 300 422)
Cash and cash equivalents at the beginning of the year	4	22 118 100	28 418 522
Cash and cash equivalents at the end of the year		24 503 835	22 118 100





STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2019

	APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL AMOUNTS ON COMPARABLE BASIS R	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R	REFERENCE
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
REVENUE FROM EXCHANGE TRANSACTIONS						
Operating income	5 578 000	-	5 578 000	1 801 518	(3 776 482)	37.1
Interest received	345 000	1 020 000	1 365 000	1 157 807	(207 193)	37.2
Total revenue from exchange transactions	5 923 000	1 020 000	6 943 000	2 959 325	(3 983 675)	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Transfer revenue						
Government grants & subsidies	71 486 000	(3 400 000)	68 086 000	68 086 000	-	37.3
Other operating revenue	101 037 000	-	101 037 000	109 994 971	8 957 971	37.4
Annual licence fees	9 000 000	-	9 000 000	7 903 113	(1 096 887)	37.1
Total revenue from non-exchange transactions	181 523 000	(3 400 000)	178 123 000	185 984 084	7 861 084	
Total revenue	187 446 000	(2 380 000)	185 066 000	188 943 409	3 877 409	
EXPENDITURE						
Personnel	(42 705 394)	3 766 394	(38 939 000)		4 687 567	
Board members' expenses	(3 660 853)	(109 500)	(3 770 353)	(34 251 433)	433 090	37.5
Depreciation and amortisation	(1 500 000)	-	(1 500 000)	(3 337 263)	78 585	37.6
Finance costs	-	-	-	(1 421 415)	(2 341)	37.7
Operating expenses	(27 791 709)	(60 294)	(27 852 003)	(2 341)	413 140	37.8
Total expenditure	(75 657 956)	3 596 600	(72 061 356)	(27 438 863)	5 610 041	37.9
Operating surplus	111 788 044	1 216 600	113 004 644	(66 451 315)	9 487 450	
Gain on disposal of assets	-	-	-	122 492 094	5 836	
Surplus before taxation	111 788 044	1 216 600	113 004 644	5 836	9 493 286	37.10
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	111 788 044	1 216 600	113 004 644	122 497 930	9 493 286	



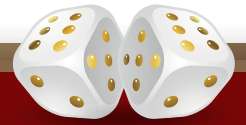


STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

for the year ended 31 March 2019 (continued)

	APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL AMOUNTS ON COMPARABLE BASIS R	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R	REFERENCE
STATEMENT OF FINANCIAL POSITION						
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	1 025 000	306 100	1 331 100	624 191	(706 909)	37.11
Total Assets	1 025 000	306 100	1 331 100	624 191	(706 909)	37.11
LIABILITIES						
CURRENT LIABILITIES						
Funds to be surrendered	-	-	-	11 639 317	11 639 317	
Fines and Penalties payable	-	-	-	80 000	80 000	
	-	-	-	11 719 317	11 719 317	
Total Liabilities	-	-	-	11 719 317	11 719 317	
Net Assets	1 025 000	306 100	1 331 100	(11 095 126)	(12 426 226)	





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 91(1) of the Public Finance Management Act (Act 1 of 1999).

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

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.

These accounting policies are consistent with the previous period.

1.1 PRESENTATION CURRENCY

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the Board.

1.2 GOING CONCERN ASSUMPTION

These Annual Financial Statements have been prepared based on the expectation that the Board will continue to operate as a going concern for at least the next 12 months.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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



Trade receivables

The Board assesses its 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 Board makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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 values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact on our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Board reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. 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 rates inflation 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 9 - Provisions.

Useful lives of property, plant and equipment

The Board'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.

Long service awards

The present value of the post retirement 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 the long service award obligation.



The Board 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 pension obligations. In determining the appropriate discount rate, the Board 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 pension liability.

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

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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.

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

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

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

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

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

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

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
Fittings	Straight line	10 years
Motor vehicles	Straight line	5 - 12 years
Office equipment	Straight line	15 - 25 years
Computer equipment	Straight line	3 - 5 years
Military equipment	Straight line	5 - 20 years
Furniture	Straight line	15 - 25years

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 Board 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 Board 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 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.

The Board separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 5).

1.5 INTANGIBLE ASSETS

An asset is identifiable if it either:

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

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



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 Board 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.

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	5 years

The Board discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 5).

Intangible assets are derecognised:

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

1.6 FINANCIAL INSTRUMENTS

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

The 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.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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



The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Board shall estimate cash flows considering all contractual terms of the financial instrument but does 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, 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 Board uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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

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.

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

Liquidity risk is the risk encountered by an Entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

A residual interest is any contract that manifests an interest in the assets of an Entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;



- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an Entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an Entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the Entity had not acquired, issued or disposed of the financial instrument.

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.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The Board 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 transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The Board 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 transactions	Financial liability measured at amortised cost



Initial recognition

The Board 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 Board recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost.
- Financial instruments at cost.

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

Financial assets measured at amortised cost:

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

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



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 Board derecognises financial assets using trade date accounting.

The Board derecognises a financial asset only when:

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

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 Board 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 recognises 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 recognises 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 Board has retained substantially all the risks and rewards of ownership of the transferred asset, the Board continues to recognise the transferred asset in its entirety and recognises a financial liability for the consideration received. In subsequent periods, the Board 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.

Financial liabilities

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

Dividends or similar distributions 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 Board 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 Board does not offset the transferred asset and the associated liability.

Financial liabilities held at amortised cost

Trade and other payables and finance lease liabilities 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.



Loans and receivables

Loans and receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Where the effect on fair value at initial recognition of any extended payment terms is not material no adjustments are made.

Loans and 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.

Trade and other receivables and cash and cash equivalents that have fixed or determinable payments that are not quoted in active market are classified as loans and receivables.

Cash and Cash Equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date. 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 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.

1.8 INVENTORIES

The Board 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.



1.9 EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by an Entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting Entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting Entity's own creditors (even in liquidation) and cannot be paid to the reporting Entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting Entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- an Entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an Entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the Entity has indicated to other parties that it will accept certain responsibilities and as a result, the Entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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



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

The Entity recognises the expected cost of bonus, incentive and performance related payments when the Board 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.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the Board during a reporting period, the Board recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the Board recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.10 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the Board 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.

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 expenses / losses.

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 27.

1.11 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.

1.12 REVENUE FROM EXCHANGE TRANSACTIONS

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

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

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



Measurement

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

Rendering of services

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

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.13 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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

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

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



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

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

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

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

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

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

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

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

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

Recognition

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

As the Board 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 Board.

When, as a result of a non-exchange transaction, the Board 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 Board 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 Board 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.

Fines

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

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

Where the Entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting Entity but will be accounted for as payable to be paid over to the principal.

Government grants

The Board receives a grant from Government for each financial year. The grant is recognised when there is assurance that:

- the Board will comply with the conditions attached to the grant; and
- the grant will be received.

1.14 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 Board are surrendered as per Instruction Note 2 of 2013.

1.15 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 FRUITLESS AND WASTEFUL EXPENDITURE

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



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

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

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is 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. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 BUDGET INFORMATION

The Board is 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 the Board shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.



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

The approved budget covers the fiscal period from 2018/04/01 to 2019/03/31.

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 has been included in the Statement of comparison of budget and actual amounts.

1.19 RELATED PARTIES

A related party is a person or an Entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an Entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an Entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting Entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an Entity, but is not control over those policies.

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

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

The Board 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 Board 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 Board is exempt from the disclosures in accordance with the above, the Board 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.





1.20 EVENTS AFTER REPORTING DATE

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

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

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

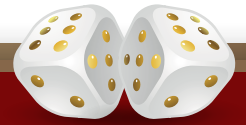
The Board will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 PRIOR PERIOD ERROR

Prior period errors are omissions from and misstatements in, the Board's Financial statements for one or more prior periods arising from failure to use/misuse 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.





NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

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

STANDARD/ INTERPRETATION	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT
GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	The impact of the is not material.
GRAP 26 (as amended 2016): Impairment of cash generating assets	01 April 2018	The impact of the is not material.

2.2 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 2019 or later periods:

STANDARD/ INTERPRETATION	EFFECTIVE DATE: YEARS BEGINNING ON OR AFTER	EXPECTED IMPACT
GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
GRAP 108: Statutory Receivables	01 April 2019	Unlikely there will be a material impact
GRAP 109: Accounting by Principals and Agents	01 April 2019	Expected impact is not going to be material as the only portion of receipts which will be impacted by the standard relates to fines and penalties. The standard will become applicable in the 2019/20 financial year.



3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2019 R	2018 R
Trade debtors	150 596	220 194
Prepaid expenses and deposit	148 725	154 944
Sundry debtors	2 339 389	6 453
Provision for impairment (relating to trade debtors)	-	(220 000)
	2 638 710	161 591

Lievies amounting to R 2 238 165 (R 6 453) for the last week of March 2019 from one of the licensees was only received in the first week of April 2019. The Board raised a receivable for these levies at 31 March 2019.

TRADE AND OTHER RECEIVABLES IMPAIRED

As of 31 March 2019, sundry debtors of R 220 000 were written off as uncollectable as these were previously provided for. The ageing of these is as follows:

3 to 6 months	-	220 000
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The debtors aging was analysed for impairment, however; there were no debtors that were outstanding in excess of 90 days.

RECONCILIATION OF PROVISION FOR IMPAIRMENT OF TRADE AND OTHER RECEIVABLES

Opening balance	220 000	320 000
Provision for impairment	-	(100 000)
Amounts written off as uncollectible	(220 000)	-
	-	220 000

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The Board does not hold any collateral as security.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	5 000	5 000
Bank balances	24 498 840	22 113 100
	24 503 840	22 118 100



5. PROPERTY, PLANT AND EQUIPMENT

	2019			2018		
	COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST / VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Fittings	3 244 475	(1 974 688)	1 269 787	3 244 475	(1 650 241)	1 594 234
Motor vehicles	1 833 239	(878 665)	954 574	2 410 993	(962 088)	1 448 905
Office equipment	526 117	(197 352)	328 765	586 106	(204 325)	381 781
Computer equipment	1 653 883	(1 095 095)	558 788	1 806 248	(798 812)	1 007 436
Furniture	2 190 865	(759 575)	1 431 290	2 028 376	(643 525)	1 384 851
Military equipment	36 316	(30 410)	5 906	36 316	(28 455)	7 861
Total	9 484 895	(4 935 785)	4 549 110	10 112 514	(4 287 446)	5 825 068

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - MARCH 2019

	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	DEPRECIATION R	TOTAL R
Fittings	1 594 234	-	-	(324 447)	1 269 787
Motor vehicles	1 448 905	-	(126 274)	(368 057)	954 574
Office equipment	381 781	-	(15 547)	(37 469)	328 765
Computer equipment	1 007 436	-	(10 395)	(438 253)	558 788
Furniture	1 384 851	183 092	(6 178)	(130 475)	1 431 290
Military equipment	7 861	-	-	(1 955)	5 906
	5 825 068	183 092	(158 394)	(1 300 656)	4 549 110

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - MARCH 2018

	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	PRIOR ERROR R	CHANGE IN ESTIMATE R	DEPRECIATION R	TOTAL R
Fittings	1 918 682	-	-	-	-	(324 448)	1 594 234
Motor vehicles	1 929 538	-	-	(69 309)	-	(411 324)	1 448 905
Office equipment	299 249	160 088	(8 462)	-	1 269	(70 363)	381 781
Computer equipment	653 323	471 446	-	-	135 780	(253 113)	1 007 436
Furniture	1 329 402	155 057	(9 315)	-	37 123	(127 416)	1 384 851
Military equipment	7 084	-	-	-	2 941	(2 164)	7 861
	6 137 278	786 591	(17 777)	(69 309)	177 113	(1 188 828)	5 825 068

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	2019 R	2018 R
Equipment maintenance	57 375	37 582
Motor vehicle expenses - repairs	28 983	11 768
	86 358	49 350



6. INTANGIBLE ASSETS

	2019			2018		
	COST / VALUATION R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST / VALUATION R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Computer software	1 044 888	(241 515)	803 373	603 789	(120 758)	483 031

RECONCILIATION OF INTANGIBLE ASSETS - 2019

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	TOTAL R
Computer software	483 031	441 100	(120 758)	803 373

RECONCILIATION OF INTANGIBLE ASSETS - 2018

	OPENING BALANCE R	AMORTISATION R	TOTAL R
Computer software	603 788	(120 757)	483 031

7. TRADE AND OTHER PAYABLES

	2019 R	2018 R
Trade payables	964 827	1 358 415
Pay As You Earn	21 908	-
Other payables	288 726	471 251
	1 275 461	1 829 666

8. LONG SERVICE AWARD

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(264 557)	(316 856)
Non-current liabilities	(162 885)	(217 720)
Current liabilities	(101 672)	(99 136)
	(264 557)	(316 856)

Movement in the employee long term service award liability

Opening balance	316 856	255 307
Benefits paid	(77 500)	(22 500)
Net expense recognised in the statement of financial performance	25 201	84 049
	264 557	316 856



8. LONG SERVICE AWARD (CONTINUED)

	2019 R	2018 R
Net expense recognised in the statement of financial performance		
Current service cost	30 288	27 810
Interest cost	19 083	22 592
Actuarial (gains) losses	(24 170)	33 647
	25 201	84 049

Calculation of actuarial losses

Actuarial (gains) losses – Obligation	(24 170)	(17 452)
Actuarial (gains) losses – Plan assets	-	(4 828)
	(24 170)	(22 280)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	7.60 %	7.60 %
Expected rate of return on assets	7.60 %	7.60 %
Expected rate of return on reimbursement rights	65	65

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

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 R	ONE PERCENTAGE POINT DECREASE R
Long service obligation	261 911	267 203

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

	MARCH 2019 R	MARCH 2018 R	MARCH 2017 R	MARCH 2017 R
Defined benefit obligation	264 557	316 856	255 307	243 003



9. STAFF ACCRUAL

Reconciliation of provisions - 2019	OPENING BALANCE R	ADDITIONS R	UTILISED DURING THE YEAR R	TOTAL R
Leave days	898 056	3 470 795	(3 373 493)	995 358
13 th cheques and savings	375 155	1 543 020	(1 538 609)	379 566
	1 273 211	5 013 815	(4 912 102)	1 374 924

Reconciliation of provisions - 2018	OPENING BALANCE R	ADDITIONS R	UTILISED DURING THE YEAR R	TOTAL R
Leave days	736 906	3 225 773	(3 064 623)	898 056
13 th cheques and savings	365 131	1 550 664	(1 540 640)	375 155
	1 102 037	4 776 437	(4 605 263)	1 273 211

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.

10. DEFERRED INCOME

Reconciliation for the deferred income	2019 R	2018 R
Opening balance	2 532 622	7 456 233
Recognised as income	(2 532 622)	(7 456 233)
Received in advance	7 733 342	2 532 622
	7 733 342	2 532 622

Deferred income is money received for services which have not yet been delivered. At 31 March 2019, an amount of R 7 733 342 was accounted for as income received in advance.

11. OPERATING LEASE LIABILITY

Non Current Operating lease liability	(11 717 089)	(13 056 111)
Current Operating lease liability	(1 360 814)	(215 141)
	(13 077 903)	(13 271 252)

12. OPERATING REVENUE

Bingo application fees	91 136	70 509
Casino application fees	143 100	-
Certificate of suitability	26 394	8 798
Employee registration fees	737 687	731 220
Horse racing application fees	96 778	158 364
Investigation fees	433 419	424 749
LPM application fees	273 004	280 442
LPM license fees	-	111 830
	1 801 518	1 785 912



13. INVESTMENT REVENUE	2019 R	2018 R
Interest revenue		
Bank	1 157 807	1 330 011
14. GOVERNMENT GRANTS AND SUBSIDIES		
Operating grants		
Department of Economic Development, Environment and Tourism	68 086 000	67 502 000
Unconditional grants		
Included in above are the following grants and subsidies received:		
Unconditional grants received	68 086 000	67 502 000
15. OTHER OPERATING REVENUE		
Annual license fees	7 903 113	7 882 733
Levies	109 388 273	88 941 450
Sundry Income	606 698	450 416
	117 898 084	97 274 599
16. EMPLOYEE RELATED COSTS		
Basic	27 241 958	26 256 513
Medical aid - company contributions	910 762	891 900
UIF	96 124	97 204
Leave pay provision charge	174 048	364 788
Pension fund	2 962 201	2 611 656
Long-service awards	49 371	84 049
13th Cheques	1 543 021	1 586 725
Housing benefits and allowances	861 570	824 675
Danger allowance	39 942	37 788
Cell phone allowance	372 436	343 350
	34 251 433	33 098 648



17. DEFINED CONTRIBUTION PLAN

2019
R

2018
R

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.

Senior staff	688 751	487 892
Other staff	2 273 450	2 123 764
	2 962 201	2 611 656

18. BOARD MEMBERS' EXPENSES

Accommodation	500 487	284 053
Board meetings	107 775	280 033
International conferences and seminars	1 759 781	270 919
Monthly allowance	692 948	462 119
Subsistence and travelling	276 272	171 217
	3 337 263	1 468 341

The Board Members had more international trips in the year under review in comparison to the prior year. In the current year the Board has been active for the entire year as opposed to the previous year, where the Board was appointed 7 months into the financial year.

19. FINANCE COSTS

Interest on late payment	2 341	-
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Interest relates to amount charged and paid over for late payment of employee pension fund contributions.



20. OPERATING EXPENSES

	2019 R	2018 R
Advertising and promotions	114 633	323 992
Assessment rates	466 214	433 317
Audit committee expenses - meetings	174 251	42 113
Audit fees - Auditor General	1 959 041	1 553 173
Audit fees - internal	372 797	307 769
Bad debts written off	-	3 121
Bank charges	80 721	53 968
Building maintenance	98 881	57 992
Bursaries	113 769	173 932
CSI project expenses	2 705 481	2 427 190
Cleaning materials	219 482	271 734
Communication	253 009	495 743
Computer expenses	48 377	127 501
Consultation and research	275 608	934 086
Consumables	4 015	120 780
Courier and postage	3 574	5 727
Crime awareness campaign	130 395	120 650
Equipment maintenance	57 375	37 582
Insurance	179 642	176 871
Investigation fees	47 887	36 042
Law enforcement expenses	16 406	9 140
Legal fees	591 864	860 799
License fees	340 936	236 295
Magazines, books and periodicals	27 645	4 800
Motor vehicle expenses - fuel	136 538	131 871
Motor vehicle expenses - repairs	28 983	11 768
Occupational injuries and diseases act fund	113 788	131 722
Operating lease charges - building	11 481 269	11 357 959
Other expenses	1 428	5 474
Placement fees	2 700	20 146
Printing and stationery	554 636	461 480
Refreshments	30 544	35 209
Reimbursive travelling	1 886 616	1 350 861
Rental - postal box	1 965	1 800
Rental expenses	159 068	150 454
Responsible gambling awareness	940 585	2 159 030
Security expenses	849 031	795 487
Skills development levy	309 863	301 180
Staff meals and accommodation	1 628 653	1 117 402
Staff subsistence and toll fees	157 573	124 215
Staff training - inhouse	157 753	213 659
Staff welfare	27 801	54 029
Subscriptions	80 364	88 155
Telephone and fax	206 471	299 516
Water and electricity	401 231	394 740
	27 438 863	28 020 474



21. DEBT IMPAIRMENT

	2019 R	2018 R
Debt impairment	-	(100 000)

22. CSI PROJECT EXPENSES

CSI expenses	2 705 481	2 427 190
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The CSI project relates to the amount received from Treasury earmarked for performing community social upliftment projects.

23. TAXATION

No provision has been made for 2019 tax as the Limpopo Gambling Board is exempt from tax in terms of the provisions of Section 10(1)(cA)(i) of the Income Tax Act.

24. CASH GENERATED FROM (USED IN) OPERATIONS

Surplus	122 497 930	104 077 547
Adjustments for:		
Depreciation and amortisation	1 421 415	1 309 582
(Loss) gain on sale of assets and liabilities	(5 836)	17 930
Debt impairment	-	(100 000)
Bad debts written off	-	3 121
Movements in operating lease assets and accruals	(193 351)	836 960
Movements in long service awards	(52 299)	61 549
Movements in staff accruals	101 713	171 174
Funds surrendered	(123 173 275)	(106 743 942)
Other non-cash items	-	(3 271)
Changes in working capital:		
Receivables from exchange transactions	(2 477 119)	149 761
Trade and other payables	(474 204)	(370 631)
Deferred income	5 200 720	(4 923 611)
	2 845 694	(5 513 831)



25. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

March 2019

Financial assets	AT AMORTISED COST R	TOTAL R
Trade and other receivables from exchange transactions	150 596	150 596
Cash and cash equivalents	24 503 840	24 503 840
	24 654 436	24 654 436
Financial liabilities		
Trade and other payables from exchange transactions	1 275 461	1 275 461

March 2018

Financial assets		
Trade and other receivables from exchange transactions	6 647	6 647
Cash and cash equivalents	22 118 100	22 118 100
	22 124 747	22 124 747
Financial liabilities		
Trade and other payables from exchange transactions	1 829 666	1 829 666

Financial instruments in Statement of financial performance

March 2019

Interest income	1 157 807	1 157 807
Interest expense	(2 341)	(2 341)
	1 155 466	1 155 466

March 2018

Interest income	1 330 011	1 330 011
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26. COMMITMENTS

AUTHORISED OPERATIONAL EXPENDITURE

Already contracted for but not provided for

- Expenditure

Total operational commitments

Already contracted for but not provided for

	2019 R	2018 R
	2 840 633	3 984 205
	2 840 633	3 984 205



26. COMMITMENTS (CONTINUED)

2019
R

2018
R

The commitments relate to contracts in respect of security, hygiene cleaning company. The commitments are funded from existing funds.

OPERATING LEASES - AS LESSEE (EXPENSE)

Minimum lease payments due

- within one year

12 988 136

11 730 848

- in second to fifth year inclusive

45 204 121

57 687 507

58 192 257

69 418 355

The Board 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 rentals have increased from the year under review by 1% VAT which was announced by the Finance Minister to be effective from 1 April 2018. The tenant has the option to make an offer to purchase at any time during the currency of the lease agreement. The tenant is also precluded from using the building for 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 expires on the 28th of February 2023.

The Board rents digital printers for a period of three years. Rental is payable monthly in advance and its 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.

27. CONTINGENCIES

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

GOLDRUSH GAMING LIMPOPO (PTY) LIMITED AND ANOTHER// THE CHAIRPERSON, LIMPOPO GAMBLING BOARD AND 2 OTHERS

On 21 February 2019, the Board was served with a Notice of Motion wherein the above licensee had taken the Board on review regarding a) its decision to refuse an application for an LPM site licence, b) its decision to place a moratorium on the issue of all gambling licences (until a socio-economic impact study is conducted).

ACAPULCO TRADE AND INVESTT 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 Board is cited as the fourth respondent on account of members of the Board's law enforcement business unit being present during the search and seizure operation. Costs associated with the case are estimated at R250 000.

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. A hearing date is being awaited. The Board's legal representative considers the success of the action against the Board as being unlikely.



27. CONTINGENCIES

REVOCATION OF LICENCE/ PORTAPA (PTY) REVIEW APPLICATION

The Applicant's bookmaker licence was revoked by the Board. 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 Board's legal representative is unable to ascertain if the action against the Board will be successful. Should the action be successful the Board will have to re-issue the operating licence.

GOLDRUSH GAMING LATIANO/ GOLDRUSH BINGO

The above bingo licence Applicant is challenging the award of a bingo licence. The Board's legal representative considers the success of the action against the Board 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.

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

The Board is opposing an application made by the Bookmaker's Association of South Africa, who are seeking a declaratory order on whether the Board and other Provinces are allowed to receive bets placed on dog racing taking place in the United Kingdom. The Board does not expect any cash outflows in relation to the matter..

28. RELATED PARTIES

RELATIONSHIPS

Parent Department Limpopo Department of Economic Development, Environment and Tourism

Board Members

- Mr. M.E. Tjiane - Chairperson
- Ms. B.L. Montjane - Deputy Chairperson
- Hosi/Adv. K.A. Mahumani
- Ms. M.E. Maditsi
- Mr. C.C. Nkadimeng
- Ms. K.C. Tlouane - LEDET Representative
- Mr. M.B. Tema -Treasury Representative
- Mr.S. Maja
- Ms. M Mokoka CA(SA)

Members of key management

- Mr. M.G. Makoko - Chief Executive Officer (Member of the Board)
- Ms. Y.S.M. Mathabatha - Chief Financial Officer
- Adv. L. Ganess - Senior Manager: Legal
- Mr. L.K. Mathavhane - Senior Manager: Compliance
- Dr. M.P. Masogo - Senior Manager: Law Enforcement
- Ms. M.V. Molepo (CA)SA - Senior Manager: Finance



28. RELATED PARTIES (CONTINUED)

2019
R

2018
R

RELATED PARTY TRANSACTIONS

Limpopo Department of Economic Development, Environment and Tourism

Levies and funds transferred to shareholder	123 173 275	106 743 942
Grant transferred by shareholder	68 086 000	67 502 000

REMUNERATION OF BOARD MEMBERS

MARCH 2019	TRAVELLING & SUBSISTENCE R	SITTING ALLOWANCES R	OVERSEAS TRIPS ALLOWANCES R	RETAINER R	TOTAL R
Mr. M.E. Tjiane - Chairperson	43 550	85 563	2 431	54 394	185 938
Ms. B.L. Montjane - Deputy Chairperson	42 157	71 782	26 834	76 175	216 948
Hosi/Adv. K.A. Mahumani	63 048	44 416	20 397	52 807	180 668
Ms. M.E. Maditsi	40 069	47 142	14 245	52 807	154 263
Mr. C.C. Nkadimeng	16 943	23 571	10 598	52 807	103 919
Mr.S. Maja	67 917	65 475	28 052	52 807	214 251
Mr. M.B. Tema	-	-	14 244	-	14 244
	273 684	337 949	116 801	341 797	1 070 231

MARCH 2018	TRAVELLING & SUBSISTENCE R	SITTING ALLOWANCES R	RETAINER R	TOTAL R
Mr. M.E. Tjiane - Chairperson	25 569	77 748	25 779	129 096
Ms. B.L. Montjane - Deputy Chairperson	28 575	57 312	36 101	121 988
Hosi/Adv. K.A. Mahumani	38 890	49 660	25 027	113 577
Ms. M.E. Maditsi	34 942	57 109	25 027	117 078
Mr. C.C. Nkadimeng	18 503	29 796	18 770	67 069
Mr.S. Maja	28 515	34 762	25 027	88 304
	174 994	306 387	155 731	637 112



29. EXECUTIVE MANAGEMENT'S EMOLUMENTS

MARCH 2019	SALARY R	HOUSING ALLOWANCE R	TRAVEL ALLOWANCE R	MEDICAL AID R	CELL PHONE ALLOWANCE R	PENSION R	LONG SERVICE ALLOWANCE R	ACTING ALLOWANCE R	TOTAL R
Mr. M.G. Makoko (CEO)	1 409 821	14 831	154 000	53 250	22 550	154 140	-	-	1 808 592
Y.S.M. Mathabatha (CFO)	1 533 408	16 180	96 000	-	24 600	156 705	7 500	14 275	1 848 668
L. Ganess	1 210 243	16 180	66 758	-	21 000	123 313	-	-	1 437 494
L.K. Mathavhane	1 106 853	16 180	84 000	-	21 000	115 234	-	-	1 343 267
M.P. Masogo	1 081 850	16 180	78 000	31 917	21 000	115 320	-	-	1 344 267
Ms. MV Molepo	212 344	3 467	-	-	4 500	24 039	-	-	244 350
	6 554 519	83 018	478 758	85 167	114 650	688 751	7 500	14 275	8 026 638

MARCH 2018	SALARY R	HOUSING ALLOWANCE R	TRAVEL ALLOWANCE R	MEDICAL AID R	CELL PHONE ALLOWANCE R	PENSION R	LEAVE PAYOUT R	SAVINGS R	TOTAL R
S. Maja (CEO)	2 642 167	-	64 855	42 978	6 150	-	170 455	20 000	2 946 605
Y.S.M. Mathabatha (CFO)	1 654 153	15 307	96 000	-	24 600	149 748	-	-	1 939 808
L. Ganess	1 125 914	15 307	66 758	-	21 000	117 847	-	-	1 346 826
L.K. Mathavhane	1 028 222	15 307	84 000	-	21 000	110 133	-	-	1 258 662
M.P. Masogo	1 004 988	15 307	78 000	29 561	21 000	110 164	-	-	1 259 020
	7 455 444	61 228	389 613	72 539	93 750	487 892	170 455	20 000	8 750 921



30. 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 Board's current funding structure and management of available cash resources.

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

	LESS THAN 1 YEAR R	BETWEEN 1 AND 2 YEARS R
AT 31 MARCH 2019		
Other financial liabilities	12 988 136	29 665 204
Trade and other payables	1 275 461	-
Staff Accrual	1 374 924	-
Long service awards	101 672	162 885
AT 31 MARCH 2018		
Other financial liabilities	11 573 100	57 541 451
Trade and other payables	1 829 666	-
Staff Accrual	1 273 211	-
Long service awards	99 136	217 720

CREDIT RISK

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the Entity. To mitigate credit risks, the Board 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.



30. RISK MANAGEMENT

INTEREST RATE SENSITIVITY ANALYSIS

The Board'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 increase or decrease, 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 market interest rate at the reporting date would have increased / (decreased) the surplus for the year by amounts below:

DETAILS	MARCH 2019 R	MARCH 2018 R
Cash and equivalents (Upward change) 1%	245 038	221 181
Cash and equivalents (Downward change) 1%	(245 038)	(221 181)

MAXIMUM EXPOSURE TO CREDIT RISK

The Board's exposure to credit risk with regards to loans and receivables is limited due to the nature of the Board'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.

31. 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. Although the Entity has incurred a net liability position of R2 950 478 (2018: R6 326 863), this is as a result of the own revenue that the Entity needs to surrender at the end of the year which is now recorded as a liability per note 33 disclosure. The Entity will still be receiving funding for the next financial year as the allocation and the budget has been disclosed in the Estimates of Provincial Revenue and expenditure.

32. EVENTS AFTER THE REPORTING DATE

The Board is unaware of any matter or event arising since the end of the financial year.



33. AMOUNTS TO BE SURRENDERED TO LIMPOPO PROVINCIAL TREASURY

	2019 R	2018 R
Cash and cash equivalents	24 503 840	22 118 100
Less current liabilities	(11 926 213)	(5 949 776)
Less levies transferred to Ledet in April	(2 238 165)	(3 010)
Add fines and penalties	80 000	-
Add trade debtors	2 490 075	6 647
Less committed expenditure *	(1 270 220)	(480 914)
	11 639 317	15 691 047

The committed expenditure represents the amounts budgeted for the financial year and contracted for by year end but was performed after year end. The funds to be surrendered to the shareholder includes penalties which the Board has collected as an agent for the Provincial Revenue Fund. The levies which were not received as at 31 March 2019 were received in April and have already been transferred to the shareholder in the month of April 2019. Therefore, they will not form part of funds to be surrendered when the audit is concluded.

The Board surrenders the funds to treasury through the shareholder.

34. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	-	-
Add: Fruitless current year	9 180	-
Less: Raised as debtor	(2 341)	-
	6 839	-

Interest was charged for the late payment of employee pension fund contributions amounting to R 2 341. This figure has been raised as debtor to be recovered.

The Board employees booked accommodation to which they did not use. The supplier charged the Board no show costs amounting to R 6 839 for the accommodation. The Board has made a submission to Limpopo Provincial Treasury for investigation into the matter.

35. IRREGULAR EXPENDITURE

Opening balance	405 706	405 706
Less: Amounts condoned	(405 706)	-
Less: Amounts recoverable (not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
	-	405 706

DETAILS OF IRREGULAR EXPENDITURE

The irregular expenditure disclosed above arose in prior year due to an appointment of a service provider without obtaining the minimum required written price quotations from prospective suppliers. The expenditure was identified as irregular in the 2017/18 financial year and therefore the disclosure has been restated accordingly. An investigation was conducted and a submission for condonation has been provided to the Accounting Authority. The Accounting Authority has approved the condonement.



36. RECONCILIATION BETWEEN BUDGET AND CASH FLOW STATEMENT**2019
R****2018
R**

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

OPERATING ACTIVITIES

Actual amount as presented in the budget statement	113 084 644	104 313 291
Basis differences	(110 238 950)	(109 827 122)
Net cash flows from operating activities	2 845 694	(5 513 831)

INVESTING ACTIVITIES

Actual amount as presented in the budget statement	(1 331 100)	(1 405 423)
Basis differences	871 141	618 832
Net cash flows from investing activities	(459 959)	(786 591)
Net cash generated from operating, investing and financing activities	2 385 735	(6 300 422)

37. BUDGET DIFFERENCES**MATERIAL DIFFERENCES BETWEEN BUDGET AND ACTUAL AMOUNTS**

The budget covers the full financial year to 31 March 2019. Material differences are explained below.

37.1 Operating income

Bingo sites and Bookmaker sites which were expected to open during the financial year did not open as anticipated; hence no employee licence application fees were received in this regard.

Fewer Certificate of suitability applications were received; hence less application fees were received.

There were Type B applications received during the financial year, hence no application fees received in this regard.

Fewer new Key employee licence applications were received from Casinos, LPM Sites, Totalizators, Bookmaker licensees and third parties with Certificate of Suitability

37.2 Interest received

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

37.3 Government grants & subsidies

The grant amount as allocated has been received.



37. BUDGET DIFFERENCES

37.4 Other operating revenue

Other operating revenue collected for the financial year is more than what was expected due to the following:

Bingo sites and Bookmaker sites which were opened during the 2017/18 and in 2018/19 financial year improved on their financial performance throughout the 2018/19 financial year; hence more levies were collected

There were additional sites that were opened and more punters visited.

37.5 Personnel

The personnel costs have a saving as a result of vacant posts that were filled late in the year and positions that will only be filled in the next financial year.

37.6 Board members' expenses

The Board Members fees are generally in line with budgeted expenditure.

37.7 Depreciation and amortisation

Depreciation and amortisation has increased ahead of budget due to the effect of reassessment of useful lives in the previous year and current year.

37.8 Finance costs

Finance costs were not budgeted for. These costs were incurred as a result of late payment of employee pension deductions.

37.9 Operating expenses

The Board has underspent in relation to operating expenses However there are orders that are accounted for under commitments which delivery will only take place after the 31 March 2019.

37.10 Loss on disposal of assets and liabilities

The Board scrapped assets that were no longer in use in September 2018.

37.11 Property, plant and equipment additions

The planned procurement of property, plant and equipment has not yet been finalised by the end of March 2019. The items that are outstanding have been included under commitments as at 31 March 2019.



38. PRIOR-YEAR ADJUSTMENTS

Property, plant and equipment were depreciated at the rates that are determined on purchase. The useful lives and residual values were not appropriately considered during the annual reviews that were performed. The review that happened in the current year revealed prior year errors that occurred in the previous years. Further, some vehicles were incorrectly depreciated on the incorrect depreciable value.

Prior year accruals were not complete in the financial year as some invoices relating to those years were paid for in the current year. Corrections were done in the current year.

Operating leases were not correctly disclosed on face to indicate the current and non-current portion of the liabilities for the previous year. This was corrected in the current year.

Annual licence fees have for the previous year's been presented as an exchange transaction, however these arise from non-exchange transaction. This has been corrected in the current year.

Funds to be surrendered to Limpopo Provincial Treasury have for the previous year, only been disclosed as a note to the Financial Statements, but have, from the current year, been recorded as a liability in the books of the Entity.

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

STATEMENT OF FINANCIAL POSITION: 2018	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RESTATEMENT R	RESTATED R
Payables understated	1 708 958	120 708		1 829 666
Overstatement of PPE	5 740 367	84 701		5 825 068
Current liability - lease	-	215 141		215 141
Non current liabilities lease	13 271 252	(215 141)		13 056 111
Total	20 720 577	205 409		20 925 986

STATEMENT OF FINANCIAL PERFORMANCE: 2018	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RE-CLASSIFICATION R	RESTATED R
Understatement of operating expense	27 899 766	120 708	-	28 020 474
Revenue from non exchange	156 893 866	-	7 882 733	164 776 599
Revenue from exchange	10 998 656	-	(7 882 733)	3 115 923
Depreciation and amortisation	1 286 479	23 103	-	1 309 582
Surplus for the year	197 078 767	143 811	-	197 222 578

STATEMENT OF NET ASSETS: 2018	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RESTATEMENT R	RESTATED R
Accumulated surplus	9 400 191	(15 727 054)		(6 326 863)
Total	9 400 191	(15 727 054)		(6 326 863)

STATEMENT OF NET ASSETS: 2017	AS PREVIOUSLY REPORTED R	CORRECTION OF ERROR R	RESTATEMENT R	RESTATED R
Accumulated surplus	11 922 774	(16 279 676)		(4 356 902)
Total	11 922 774	(16 279 676)		(4 356 902)





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. Gambling is currently regulated in terms of the Limpopo Gambling Act, 2013 (no. 3 of 2013).

To a greater extent gambling is an accepted leisure activity, and the majority of the population gamble with no adverse consequences. Yet there's 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 strategy. 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 stresses 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 for 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



**WINNERS KNOW
WHEN TO STOP**

A GAMBLING PROBLEM HURTS
Call Our Toll Free Counselling Line
0800 006 008
or SMS 076 675 0710



GAMBLING MYTHS & FACTS

Wise up to responsible gambling!

MYTH

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

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.

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 number.

MYTH

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

MYTH

If you know the rules of a game, you increase your chances of winning.

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.

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

The race goes to the strongest, fastest horse.

MYTH

My uncle is an expert at roulette. He has a system for coming out ahead.

FACT

Studying the form the past performance of a racehorse 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.

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.



RESPONSIBLE GAMBLING

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. Be aware of how often, and for 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
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or SMS 076 675 0710



