PART F:

ANNUAL FINANCIAL INFORMATION

GAUTENG LIQUOR BOARD

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General Information

Country of incorporation and domicile	South Africa
Registered office	56 Eloff Street Cnr Main Street Umnotho House Johannesburg 2000
Business address	124 Main Street Cnr. Main and Kruis (Opposite Carlton Centre) Marshalltown Johannesburg 2000
Postal address	Private Bag X091 Marshalltown, Johannesburg 2107
Bankers	FNB – First National Bank STD – Standard Bank
Auditors	Auditor-General of South Africa Registered Auditors
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Mr. Mpho Nawa Accounting Officer

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON THE GAUTENG LIQUOR BOARD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the GLB set out on pages 219 to 242, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the GLB as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the trading 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 trading entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the AGSA for the audit of the financial statements

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 217, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

10. Section 40(3)(a) of the Public Finance Management Act 1 of 1999 requires the trading entity to prepare an annual performance report that fairly presents its state of affairs and performance against predetermined objectives. The performance information of the trading entity was reported in the annual performance report of the Gauteng Department of Economic Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department and any audit findings are included in the management and auditor's report of the Department.

REPORT ON COMPLIANCE WITH LEGISLATION

11. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.
12. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the AGSA. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
13. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
14. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION IN THE ANNUAL REPORT

15. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements and the auditor's report.
16. My opinion on the financial statements and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
17. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
18. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate this matter to those charged with governance and request that the other information to 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

19. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
20. I did not identify any significant deficiencies in internal controls.

OTHER REPORTS

21. I draw attention to the following engagements conducted by the executive council. This report did not form part of my opinion on the financial statements or compliance with legislation.
22. A commission of enquiry was established by the Member of Executive Council to investigate any corruption and unlawful conduct within the GLB. This investigation is still ongoing as at the date of this report.

Auditor- General

Johannesburg

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

THE AGSA'S RESPONSIBILITY FOR THE AUDIT

The selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the trading entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trading entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the trading entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's
- report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a trading entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Annexure to the Auditor's Report (continued)

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 40(1)(a); 40(1)(b); 40(1)(c)(i); 44; 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(a)(ii); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.6.1; 19.8.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9, 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; _7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 40(1)(a); 40(1)(b); 40(1)(c)(i); 44; 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(a)(ii); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A 6.3(c); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.6.1; 19.8.4

Statement of financial position as at 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Assets			
Current Assets			
Receivables from exchange transactions	2	386	294
Receivables from non-exchange transactions	3	451	384
Cash and cash equivalents	4	34 311	67 291
		35 148	**67 969**
Non-Current Assets			
Property, plant and equipment	5	81	108
Total Assets		**35 229**	**68 077**
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	25 412	23 391
Provisions	7	2 404	2 224
		27 816	**25 615**
Total Liabilities		**27 816**	**25 615**
Net Assets		**7 413**	**42 462**
Accumulated surplus		7 413	42 462
Total Net Assets		**7 413**	**42 462**

Statement of Financial Performance as at 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Revenue			
Revenue from non-exchange transactions			
Transfer revenue Government grants & subsidies	8	77 187	79 115
Expenditure Employee related costs	9	(56 393)	(53 697)
Depreciation and amortisation	10	(24)	(67)
Loss on disposal of assets		(3)	–
Impairment Loss – Penalty		(1 888)	(2 323)
Bad Debts		(124)	(393)
Goods and Services	11	(17 874)	(16 828)
Total expenditure		**(76 306)**	**(73 308)**
Surplus for the year		**881**	**5 807**

Statement of Changes in Net Assets as at 31 March 2025

	Accumulated surplus/ deficit R '000	Total net assets R '000
Balance as previously reported as at 1 April 2023	**36 861**	**36 861**
Adjustments	(206)	(206)
Correction of errors – note* 20		
Restated balance reported as at 1 April 2023	**36 655**	**36 655**
Changes in net assets Surplus for the year	5 807	5 807
Total Changes	5 807	5 807
Balance as previously reported as at 1 April 2024	**42 761**	**42 761**
Adjustments		
Correction of errors – note*20	(299)	(299)
Restated Balance as at 1 April 2024	**42 462**	**42 462**
Changes in net assets Surplus for the year	881	881
Surplus Surrendered to PRF 2023/24	(35 930)	(35 930)
Total changes	(35 049)	(35 049)
Balance as at 31 March 2025	**7 413**	**7 413**

Cash Flow Statement for the year ended 31 March 2025

	Note(s)	2025 R '000	2024 Restated* R '000
Cash flows from operating activities			
Receipts			
Surrender Account		3 283	(76 618)
Government Grant and Subsidies		77 187	79 115
Fines and Penalties		(67)	160
		80 403	2 657
Payments			
Compensation of Employees		(56 457)	(51 921)
Goods and Services		(20 996)	(19 961)
Surplus Surrendered to Provincial Revenue Fund		(35 930)	–
		(113 383)	(71 882)
Net cash flows from operating activities	12	**(32 980)**	**(69 225)**
Net increase/(decrease) in cash and cash equivalents		**(32 980)**	**(69 225)**
Cash and cash equivalents at the beginning of the year		67 291	136 516
Cash and cash equivalents at the end of the year	4	**34 311**	**67 291**

Included in cash and cash equivalent, there is an amount of R3 998 000,00 collected on behalf of Provincial Revenue Fund (PRF). The entity collects liquor license fees and other fees on behalf of the PRF. As a result, the fees collected are not used to fund the operations of the entity.

Accounting Policies for the year ended 31 March 2025

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the Standards of 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 the historical cost convention as the basis of measurement, unless specified otherwise.

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.

As GLB has the responsibility of issuing the liquor license and monitoring and enforcing compliance with the GLB Amendment Act, the significant accounting policies relate to payable recognition (fees collected on behalf of the PRF, employee related costs, properties expenses related to the running of offices in major centres in Gauteng.

Presentation on Budget Information

The presentation of budget information is required to be prepared in accordance with GRAP 24 and guidelines issued by the National Treasury. The entity does not meet the requirements to disclose the budget information due to its budget not being published, and since its budget is incorporated in the Gauteng Department of Economic Development Vote.

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

These accounting policies are consistent with the previous period.

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

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

1.4 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:

Provisions for employee related costs

Performance Bonus

The provision for performance bonus is calculated at 0.5% of all total compensation for all staff members for 2020/21 financial year.

The provision for performance bonus is calculated at 0.0% of all total compensation for all staff members from 2022/23 financial year.

The bonus liability is paid to qualifying employees based on the performance award policy.

Accounting Policies (continued)

1.4 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Provision for capped leave

Provision for capped leave is the leave accrued until 30 June 2000 and was audited, calculated and capped (i.e. not forfeited). The capped leave increases annually with adjustments to the gross basic salary. Additionally, when an entitled employee receives a promotion or a new appointment, the capped leave is also affected. The cash value payable in respect of personnel with the capped and audited leave credits is determined using the formula included in the DPSA guide:

Determination on leave of absence in the public service, 2008.

Any unused capped leave shall be utilised where an employee has insufficient annual leave days or paid out in the event of death or retirement.

Provision for long service awards

The Provision for long service awards calculation is based on the DPSA calculation.

Useful Life of Assets

The useful life of assets is the expected pattern of consumption of economic benefits or service potential embodied in a depreciable asset. Any change in the useful life of assets in terms of GRAP 3 affects the depreciation expense for the current period and for each future period during the asset's remaining useful life.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets (including infrastructure 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 are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing 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.

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses. Depreciation is charged to allocate the cost of assets less their fair values over their estimated useful life, using the straight-line method. Management expects to abandon the assets at the end of their useful life, and therefore, the residual is estimated to be negligible. Useful lives and residual values are assessed when there is an indication that there is a change in useful life.

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

Property, plant and equipment is subsequently carried at cost less accumulated depreciation and any impairment losses. The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The useful life of items of property, plant and equipment has been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5-10 years
Computer equipment	Straight-line	3-5 years

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.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount, and it is charged against the surplus or deficit.

Accounting Policies (continued)

1.5 PROPERTY, PLANT AND EQUIPMENT (continued)

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure meets the definition and recognition criteria of an asset. Repairs and maintenance not deemed to enhance the economic benefits or service potential of items of property, plant and equipment are expensed as incurred.

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.

In terms of GRAP 17, the useful life of an asset shall be assessed at each reporting date. If the expectation of a useful life differs from previous expectations, the change shall be accounted for as a change in accounting policy in terms of GRAP 3.

1.6 FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial instruments are recognised when the GLB becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. After initial recognition, these instruments are measured at amortised costs.

Offsetting

Financial assets and financial liabilities are not offset in the Statement of Financial Position.

Financial assets

Financial assets are comprised mainly of receivables from overdue licences and penalty debt arising from licences/permits issued. Financial assets are initially recognised at fair value and subsequently measured at amortised costs less provisions for impairment. Provision for impairment is established when there is objective evidence that the entity will not be able to collect the amount due.

Financial liabilities

Financial liabilities are comprised mainly of income received in advance for licences, trade payables excluding employee benefits. Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost.

Statutory receivables

Statutory receivables are receivables that arise from legislation, supporting regulations or similar means and require settlement by another entity in cash or other financial assets. Carrying amount is the amount at which an asset is recognised in the statement of financial position.

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

Nominal interest rate is the interest rate and or basis specified in legislation, supporting regulations or similar means. The transaction amount (for the purpose of this standard) for a statutory receivable means the amount specified in or calculated, levied, or charged in accordance with legislation, supporting regulations or similar means.

An entity shall assess at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired. If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, an entity shall measure the impairment loss and recognise impairment loss in surplus or deficit.

Accounting Policies (continued)

1.7 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service. The cost of short-term employee benefits is expensed in the statement of financial performance in the year in which it occurs. Short-term employee benefits that give rise to a present constructive obligation are recognised and disclosed in the notes of the financial statements. This is limited to leave pay accrual and service bonus.

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 12 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 12 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.

Termination benefits, such as severance packages, are recognised as an expense in the statement of financial performance.

The entity recognises the expected cost of bonus, incentive and performance-related payments when the entity has a present legal or constructive obligation to make such payments because 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

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

The entity contributes to the Government Employee Pension Fund (GEPF) on behalf of employees. The funds and related benefits are managed by GEPF on behalf of Government.

1.8 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

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

1.9 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Government Grant

Accounting policy on revenue from non-exchanges describes the conditions under which revenue will be recognised by the management of the entity.

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

The GLB received a government grant in the form of a transfer from the GDED to cover operational costs. The transfer is recognised when it is probable that future economic benefits will flow to the GLB and when the amount can be measured reliably.

Accounting Policies (continued)

1.9 REVENUE FROM NON-EXCHANGE TRANSACTIONS (continued)

Services in-kind

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

GLB makes use of the following services at no cost:

: Employee costs for Chief Director;

: Cellphone costs;

: Corporate services, financial services and human resource services; and

: Rental costs for regional offices.

The costs are covered by the GDED.

1.10 COMPARATIVE INFORMATION

When the presentation or classification of items in the financial statements is amended, prior period comparative amounts are restated, unless a statement of GRAP does not require the restatement of comparative information. The nature and reasons for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practicable, and the prior year comparatives are restated accordingly.

1.11 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 12-month period in which 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.

Any cumulative balances of fruitless & wasteful expenditure from prior years are disclosed under part E of the annual report.

1.12 IRREGULAR EXPENDITURE

Irregular expenditure, as defined in section 1 of 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 procurement procedures in that provincial government.

National Treasury practice notes no. 4 of 2008/2009, which was issued repealed and replaced by the irregular expenditure framework that came into effect on 1 December 2018 in terms of section 76(1) to 76(4) of the PFMA, which requires the following:

Irregular Expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statement 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 statement.

Irregular expenditure that was incurred and identified during the current financial year and for which concession 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 statement

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

Accounting Policies (continued)

1.12 IRREGULAR EXPENDITURE (continued)

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 the 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 statement. 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 program/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

In terms of the new framework, irregular expenditure is disclosed in the year it occurred. Any cumulative balances from the prior financial year are disclosed on part E of the annual Report.

1.13 EVENTS AFTER THE REPORTING DATE

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

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

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

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

1.14 LEASES

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Operating lease payments are recognised as an expense over the lease term according to the agreed payment basis.

The total of future minimum lease payments under non-cancelable operating leases is disclosed for each of the following periods.

- Not later than 1 year;
- Later than 1 year and not later than 5 years; and
- Later than 5 years.

1.15 RELATED PARTIES

The entity has adopted the disclosure requirements as per GRAP 20: Related Party Disclosures.

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 to obtain benefits from its activities.

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.

A significant influence is the power to participate in the financial and operating policy decisions of an entity, but it does not control those policies.

Accounting Policies (continued)

1.15 RELATED PARTIES (continued)

Management is that person 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 a person's family are those who may be expected to influence or be influenced by that person in their dealings with the entity.

An entity shall disclose the remuneration of management per person and in aggregate, for each class of management remuneration.

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

Where the entity is exempt from the disclosures in accordance with the above, the disclosure 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 statement.

1.16 GRAP STANDARDS, AMENDMENTS TO GRAP STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

Accounting standards change from time to time to account for transactions and events in the best possible manner. There are no significant amendments to GRAP standards affecting the Gauteng Liquor Board in the 2023/24 financial Year.

GRAP 104: Financial instruments (revised) the approved but not yet effective, the standard will be effective on 1 April 2025.

GRAP 1: Presentation of Financial Statements (amended) is approved but not yet effective; the standard will be effective to be determined by the Minister of Finance.

Notes to the annual financial statements for the year ended 31 March 2025

2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2025 R '000	2024 R '000
Recoveries of staff expense	318	114
Under-paid liquor licence fees	591	579
Provision for doubtful debts	(523)	(399)
	386	**294**
Trade and other receivables past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
Current (0-30 days)	83	107
31 days-120 days	–	42
120 days and above	303	145

3. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Penalties	6 237	4 286
Provisions for impairment of receivables	(5 786)	(3 902)
	451	**384**
Receivables from non-exchange transactions past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
Current (0-30 days)	451	384
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	3 902	1 578
Provision for impairment	1 884	2 324
	5 786	**3 902**

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
FNB – Bank Account	81	302
STD – Main Bank Account	34 230	66 989
	34 311	**67 291**

Included in cash and cash equivalents, there is an amount of R3 998 000,00 collected on behalf of the PRF.

The entity collects liquor license fees and other fees on behalf of the PRF. As a result, the fees collected are not used to fund the operations of the entity.

Notes to the annual financial statements (continued)

5. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 123	(1 066)	57	1 211	(1 138)	73
Computer equipment	499	(475)	24	890	(855)	35
Total	**1 622**	**(1 541)**	**81**	**2 101**	**(1 993)**	**108**

Reconciliation of property, plant and equipment – March 2025

	Opening balance	Disposals	Depreciation	Total
Furniture and fixtures	73	(1)	(15)	57
Computer equipment	35	(2)	(9)	24
	108	**(3)**	**(24)**	**81**

Reconciliation of property, plant and equipment – March 2024

		Opening balance	Depreciation	Total
Furniture and fixtures		107	(34)	73
Computer equipment		68	(33)	35
		175	**(67)**	**108**

Notes to the annual financial statements (continued)

6. PAYABLES FROM EXCHANGE TRANSACTIONS

	2025 R '000	2024 R '000
Trade payables	2 463	3 247
Sal: ACB Recalls	47	113
SAL: Tax Debt	5	5
SAL: Income Tax: CL	–	4
SAL: Medical Aid	4	4
Trading Entity: Payable to PRF	9 857	9 206
Staff Leave Accrual	4 282	4 921
Service Bonus Accrual	1 395	1 255
Payable: Adv: P/Dept	7 360	4 636
	25 412	**23 391**
Reconciliation of Payable to PRF – March 2025		
Opening Balances	**9 206**	**87 041**
Total Amount received as per database	**73 099**	**71 615**
• Licence Fees	70 258	68 384
• Penalty Fees	2 841	3 231
Add: IRA previous years & recoveries	**422**	**328**
Add: Total Other Income	**2 341**	**3 597**
• Parking Fees	31	33
• Interest Fees	2 266	3 548
• Commission Fees	17	16
Revenue from previous year expenditure	27	–
Add: Underpayments	**2 038**	**2 279**
Less: Overpayments	**(3 208)**	**(1 231)**
Less: Amounts paid to PRF	(74 041)	(154 423)
Trading Entity: Payable to PRF	**9 857**	**9 206**
Less: Underpayments	(5 859)	(3 821)
Balance Payable to PRF	**3 998**	**5 385**
Reconciliation of Unallocated and Invalid Receipts		
– Invalid References	1 497	952
– Unallocated Receipts	585	841
	2 082	**1 793**

Total amount received for licence fees amounting to R70 258 000, includes an unallocated amount of R2 082 000 which consists of R1 497 000, due to invalid reference numbers and unallocated receipts of R585 000.

The number of underpayments results from liquor traders paying less liquor licence and penalty fees.

The overpayments are a result of liquor fees paid in advance and liquor traders paying more fees than the prescribed fees.

The entity receives full appropriation from the PRF, to cover all operational costs of the entity. In terms of the Appropriation Bill and the PFMA section 21, the entity is required to pay over all monies and fees collected by the entity to PRF. Any amounts not paid over to PRF at the end of the reporting period are accounted for as a payable to PRF.

The entity is in the process of changing paragraph 16 of the GLB Act to align with the PFMA section 21.

Notes to the annual financial statements (continued)

7. PROVISIONS

Reconciliation of provisions – March 2025

		Opening Balance	Additions	Total
Provision for Pay Progression/Incentives		557	155	712
Provision for Capped Leave		502	25	527
Provision for Litigation		1 165	–	1 165
		2 224	**180**	**2 404**

Reconciliation of provisions – March 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision for Pay Progression/Incentives	43	514	–	557
Provision for Capped Leave	504	–	(2)	502
Provision for Litigation	1 165	–	–	1 165
	1 712	**514**	**(2)**	**2 224**

The entity disclosed an amount of R1 165 465,97 as a provision on litigation for a civil claim. The plaintiff is claiming the amount based on the service level agreement for document management solution tender. The entity disclosed a provision based on the invoices received from the service provider; however, uncertainty about the amount or timing of any resulting outflow, as the matter is currently with the state attorney.

8. GOVERNMENT GRANTS & SUBSIDIES

	2025 R '000	2024 R '000
Operating grants		
Government grant (Operating)	77 187	79 115

9. EMPLOYEE RELATED COSTS

	2025 R '000	2024 R '000
Basic Salary	43 266	39 496
Medical Aid – Company Contributions	3 220	2 955
Leave pay provision charge	(614)	1 161
Employee benefits Expensed – other	33	11
Overtime payments	12	2
Housing benefits and allowances	1 187	1 230
Leave Gratuity	74	227
Bargain council – Company Contribution	10	10
S&W:CMPNS/CIRCM (RES)	27	–
13th Cheque – Service Bonus	2 926	2 717
Non-Pensionable Allowances	1 653	1 598
Pension – Company Contribution	4 599	4 290
	56 393	**53 697**

Notes to the annual financial statements (continued)

10. DEPRECIATION AND AMORTISATION

	2025 R '000	2024 R '000
Property, plant and equipment	24	67

11. GOODS AND SERVICES

Audit Fees	592	950
Bank Charges	17	31
Cleaning	660	623
System maintenance expense	2 470	2 470
Legal Expenses	1 160	1 437
Consumables	22	192
Departmental Consumptions	245	194
External Comp Serv: Infor Services	94	95
Levies Paid (Water, Sewerage, Waste and Mun Rates)	373	410
Professional Fees	1 551	442
Printing and Stationery	2	–
Rental of Buildings	6 952	6 482
Security Costs	660	623
Travel Costs	1	9
Electricity	1 436	1 387
Venues and Facilities	20	–
Storage Costs	29	–
Contracted Maintenance	1 590	1 483
	17 874	**16 828**

12. CASH USED IN OPERATIONS

	2025 R '000	2024 R '000
Surplus	881	5 807
Adjustments for:		
Depreciation and amortisation	24	67
Gain/Loss on disposal of assets	3	–
Impairment loss: Penalty	1 888	2 323
Movements in provisions	180	512
Bad debts: Penalty debt	115	393
Bad debts: recoveries of staff expenses	10	–
Changes in working capital:		
Receivables from exchange transactions	(216)	270
Other receivables from non-exchange transactions	(1 955)	(2 556)
Payables from exchange transactions	2 020	(76 041)
Surrenders to PRF	(35 930)	–
	(32 980)	**(69 225)**

Notes to the annual financial statements (continued)

13. FINANCIAL INSTRUMENTS DISCLOSURE

CATEGORIES OF FINANCIAL INSTRUMENTS

March 2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	386	386
Other receivables from non-exchange transactions	451	451
Cash and cash equivalents	34 311	34 311
	35 148	**35 148**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	19 679	19 679

March 2024

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	294	294
Other receivables from non-exchange transactions	384	384
Cash and cash equivalents	67 291	67 291
	67 969	**67 969**

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	17 089	17 089

14. COMMITMENTS

LEASE COMMITMENTS

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:.

	2025 R '000	2024 R '000
Operating leases – as lessee (expense)		
Minimum lease payments due – within one year	4 798	6 723
– Later than 1 year but not more than 5 years	599	4 555
	5 397	**11 278**

The entity discloses commitments in line with the GRAP standard and only disclosed the operating lease commitments in terms of GRAP 13 and did not have any capital commitments as at 31 March 2025.

Notes to the annual financial statements (continued)

15. RELATED PARTIES

RELATIONSHIPS

Controlled entities of the GDED. The GLB is trading as an entity of the GDED, and its business operations are regulated as per the Gauteng Liquor Act No. 2 of 2003. The entity is under the control of MEC and the Accounting Officer of the GDED. GLB receives a subsidy from the GDED to run its operational costs, including office lease rentals. GLB is related to all Gauteng Provincial Government Departments and their trading entities by being under the same control by the Gauteng Premier and the Gauteng Legislature.

RELATED PARTY BALANCES

	2025 R '000	2024 R '000
Balances – Owing (to) by related parties		
Gauteng Department of Economic Development – billed and confirmed balances	(160)	(6)
Gauteng Department of Economic Development – unbilled and unconfirmed balances	(298)	(289)
PRF – Trade payable surrender	(9 857)	(9 206)
Dinokeng Trading Entity	(467)	–

The GLB is a sub-programme within business regulation and governance (programme 4) and it is established as a trading entity of the GDED. The purpose of the GLB is to ensure effective governance and regulation of the liquor license industry and the collection of liquor license fees in accordance with the Gauteng Liquor Act No. 2 of 2003 and section 23 of the Tariff Act structures. Effective from the 2022/23 financial year onwards, the GLB's budget will be appropriated in the budget book (EPRE).

RELATED PARTY TRANSACTIONS

SERVICE IN-KIND

In the 2024/25 financial year GLB received the following services at no cost from the GDED:

- Finance
- Corporate services
- Human Resources

In the 2024/25 financial year, the GLB received the following service at no cost from the Department of E-Government through the Department of Economic Development:

- Telephone Expenses

Notes to the annual financial statements (continued)

15. RELATED PARTIES (CONTINUED)

REMUNERATION OF MANAGEMENT

Management class: Executive management

March 2025

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Bodibe – Lushaba CK	835	69	487	1 391
Shabangu OM	860	72	502	1 434
Matlhaku P	852	71	294	1 217
	2 547	**212**	**1 283**	**4 042**

March 2024

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other long-term benefits	Total
Bodibe – Lushaba CK	796	66	464	–	1 326
Shabangu OM	819	68	478	11	1 376
Matlhaku P	813	68	281	–	1 162
	2 428	**202**	**1 223**	**11**	**3 864**

* The entity received in-kind services from the Department of Economic Development for the Chief Director: GLB position. Mr F Manamela was seconded to GLB at no costs to replace Mr. R Martin who was seconded to GDED. The amount paid by DED to Mr Manamela at no cost to GLB is R1 691 684,40, and the amount paid by GLB at no cost to DED is R1 738 855,52

16. MEMBERS' EMOLUMENTS

The Gauteng Liquor Board is a juristic person established in terms of Section 2 of the Gauteng Liquor Act. Act No. 2 of 2003 (the Act). The Board does not perform the powers and functions of an executive board, but performs the functions of an application Board. In this regard, the Board considers applications for liquor licenses and either grants or refuses such applications. The Board meets two days per week. Local Committees meet one day per week. Because of its status as a juristic person, the Board is sued directly and may institute legal actions instituted by and against the Board.

In terms of Section 3 of the Act, the Board has the following powers and functions:

The Board shall receive applications referred to in section 21 from the local committees and, after considering such applications.

The Board may, after the consideration by it or any other matter contemplated in this ACT.

Suspend for (an indefinite time or for such period as it may determine or withdraw from such date as it may determine) a licence which is subject to a report, complaint or objection concerned, or any right privilege which is attached thereto.

Declare the licence concerned to be subject to such conditions or further conditions as it may in its direction impose.

Rescind the suspension of the licence concerned of any right of privilege which is attached thereto, with immediate effect or from such date as it may determine, subject to such conditions as it may in its discretion impose or, take any such other steps as it may think fit.

The Board consist of 34 members appointed in terms of Section 4 of the Act. In addition, the Act also make provision for the established local committees of the Board in each of the areas of the municipalities in the Province, known as Metropolitan Councils or District Councils, which may be determined.

Notes to the annual financial statements (continued)

16. MEMBERS' EMOLUMENTS CONTINUED

Section 5 of the Act stipulates that a member shall be appointed for a term not exceeding five years and shall be eligible for reappointment at the lapse of the initial term. No person shall be reappointed as a member if the Board for more than two terms. A member of the Board shall be paid such remuneration and allowance out of the funds of the Board as the Member of the Executive Council may determine.

Section 16 of the Act stipulates that the funds of the Board shall consist of –

Money was approached by the Provincial Legislature; and

Money accruing to the Board from any other source approved by the Member of the Executive Council, including fees paid in terms of the Act.

NON-EXECUTIVE

March 2025

	Members' fees	Total
Lottering SR	94	94
Madileng KM	85	85
Magerman TN	1 132	1 132
Magwaza SA	132	132
Maja KG	529	529
Mamabolo IM	87	87
Maseko RN	554	554
Mashiloane TL	33	33
Matsabu ML	96	96
Modise EM	529	529
Moeti RD	139	139
Mogwebi WW	92	92
Molebeledi L	54	54
More RE	104	104
Mthembu TP	144	144
Mudau SP	125	125
Mvelase MC	558	558
Nkosi DL	45	45
Nkuna BL	773	773
Pinana MC	77	77
Ramapuputla MV	143	143
Serutha RF	648	648
Sithole E	104	104
Sithole ST	79	79
Tampe ME	515	515
Teffo BM	90	90
Thobejane PM	105	105
Tlagadi MP	96	96
V.D Westhuizen FJ	89	89
Vakalisa SM	70	70
Van Der Schyf WN	72	72
Van Eck Melony	439	439
	7 832	**7 832**

Notes to the annual financial statements (continued)

16. MEMBERS' EMOLUMENTS CONTINUED

March 2024

	Members' fees	Total
Lottering SR	109	109
Maboye MM	244	244
Madileng KM	66	66
Magerman TN	977	977
Magwaza SA	116	116
Maja KG	230	230
Mamabolo IM	64	64
Mamatela MMJ	13	13
Maseko RN	198	198
Mashiloane TL	24	24
Matsabu ML	85	85
Modise EM	183	183
Moeti RD	132	132
Mogwebi WW	92	92
Molebeledi L	113	113
Morabe TZ	281	281
More RE	109	109
Mthembu TP	145	145
Mudau SP	101	101
Mvelase MC	191	191
Nkosi DL	86	86
Nkuna BL	570	570
Pinana MC	81	81
Raborife MMM	226	226
Ramapuputla MV	178	178
Lephukula SP	136	136
Serutha RF	482	482
Sithole E	67	67
Sithole ST	78	78
Tampe ME	187	187
Teffo BM	86	86
Thobejane PM	141	141
Tlagadi MP	86	86
V.D Westhuizen FJ	44	44
Vakalisa SM	76	76
Van Der Schyf WN	81	81
Van Eck Melony	155	155
	6 233	**6 233**

Notes to the annual financial statements (continued)

17. AUDITORS' REMUNERATION

	2025 R '000	2024 R '000
Fees	592	950

18. CHANGE IN ACCOUNTING ESTIMATE

PROPERTY, PLANT AND EQUIPMENT

During the 2024/25 financial year, the entity reassessed the useful life of its assets in terms of GRAP 17. The change was accounted for as a change in accounting estimates in terms of GRAP 3 and resulted in a decrease in the depreciation amount for the current financial year and future periods.

EFFECT OF THE CHANGE IN ACCOUNTING ESTIMATES

	Computer Equipment	Furniture Equipment	Total
Depreciation amount after reassessment	8	12	20
Less: Depreciation amount before reassessment	(9)	(15)	(24)
Decrease in Depreciation	**(1)**	**(3)**	**(4)**

19. RISK MANAGEMENT

Financial risk management Liquidity risk The entity's risk to liquidity is because of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. The entity`s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses.

At 31 March 2025	Less than 1 year	Between 1and 2 years	Between 2and 5 years	Over 5 years
Trade and other payables	17 356	5 622	2 434	–

At 31 March 2024	Less than 1 year	Between 1and 2 years	Between 2and 5 years	Over 5 years
Trade and other payables	18 233	4 966	192	–

CREDIT RISK

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

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

Financial instrument	March 2025	March 2024
Penalties and other receivables	837	678

The entity did not individually rate its customers due to its diverse customer base.

Notes to the annual financial statements (continued)

20. PRIOR PERIOD ERRORS

The prior year figures have been restated due to the following errors and adjustments discovered in the current financial Year:

The 2023/24 trade and other payables were understated by an amount of R52 051.30 due to an understatement of Employee-related Costs (Leave Gratuity). Furthermore, the 2023/24 Trade and other Payables were understated by R41 724.69 due to the understatement of goods and services (utilities) by the said amount.

The net effect of prior period errors increased trade and other payables by an amount of R93 775.99.

2023/24 Trade and other receivables were overstated by an amount of R18 000, as a result of a movement in an Income tax control account. The Adjustment resulted in a decrease in Trade and other receivables and an increase in Trade and other Payables.

The 2022/23 Accumulated Surplus was overstated by an amount of R133 190.28 due to an understatement of Employee Related Costs (Injury on duty). The adjustment resulted in an increase of trade and other payables by R133 190.28.

The 2022/23 Accumulated Surplus was overstated by R20 686.58 due to an understatement of Employee Related Costs (Leave Gratuity) resulting from an employee's resignation on 31 March 2022. The Gratuity was to be accounted for in that period. However, expenditure was only identified and incurred in the current financial year.

The adjustment resulted in an increase of trade and other payables by R20 686.58.

The 2022/23 Financial year Accumulated Surplus was overstated by an amount of R51 830.76 due to an understatement of Goods and Services (Legal Services).

The adjustment resulted in an increase of trade and other payables by an amount of R51 830.76.

The corrections and adjustment of the error(s) results in the following adjustments:

STATEMENT OF FINANCIAL POSITION

SFP – March 2024	As previously reported	Correction of error	Restated
Payables from exchange transactions	(23 110)	(281)	(23 391)
Trade and other receivable – Exchange Transactions	312	(18)	294
	(22 798)	**(299)**	**(23 097)**

STATEMENT OF FINANCIAL PERFORMANCE

March 2024	As previously reported	Correction of error	Restated
Goods and Services	16 787	41	16 828
Employee related costs	53 645	52	53 697
	70 432	**93**	**70 525**

STATEMENT OF CHANGES IN NET ASSETS

SCNA- March 2024	As previously reported	Correction of error	Restated
Accumulated Surplus	(42 761)	299	(42 462)

SCNA- March 2023	As previously reported	Correction of error	Restated
Accumulated Surplus	(36 861)	206	(36 655)

Notes to the annual financial statements (continued)

20. PRIOR PERIOD ERRORS CONTINUED

The prior year figures have been restated due to the following errors and adjustments discovered in the current financial Year:

The 2023/24 Financial Instruments disclosure was overstated by an amount of R6 302 000,00 which related to erroneously including employee benefits related liabilities in Financial Instruments disclosure note.

Financial Instruments March 2024	As previously reported	Correction of Error	Restated
Financial Liabilities	23 391	(6 302)	17 089

21. GOING CONCERN

As at 31 March 2025, the entity had an accumulated surplus of R7 413 and the entity's total assets exceeded its liabilities by R7 413.

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.

22. FRUITLESS AND WASTEFUL EXPENDITURE

	2025 R '000	2024 R '000
Add: Fruitless and wasteful expenditure identified – current	–	2

In terms of the new framework, the entity is required to disclose only fruitless and wasteful expenditure incurred and confirmed in that particular financial year.

The full details and cumulative closing balances from prior years of fruitless and wasteful expenditure are now required to be disclosed in the annual report, part E, for PFMA compliance reports

DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE

	2025 R '000	2024 R '000
Sheriff costs and interest charged on overdue accounts	–	2

23. IRREGULAR EXPENDITURE

IRREGULAR EXPENDITURE

The entity is required to disclose only irregular expenditure incurred and confirmed in that particular year.

The full details and cumulative closing balances from prior years of irregular expenditure are now required to be disclosed in the annual report, part E, for PFMA compliance reports.

24. SEGMENT REPORTING

There are no reportable segments for GLB. GLB's specific operational objectives and major activities are the administration of Liquor Licenses. All activities in relation to this are under one division named Liquor Administration. All Assets, Liabilities, Revenue and Expenses reported on the Annual Financial Statement are for Liquor Administration.