



Northern Cape Gambling and Liquor Board

**ANNUAL REPORT
2024/2025 FINANCIAL YEAR**

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PART A: GENERAL INFORMATION

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Northern Cape Gambling and Liquor Board
REGISTRATION NUMBER (if applicable):	Not Applicable
PHYSICAL ADDRESS:	31 MacDougall Street Monument Heights Kimberley 8301
POSTAL ADDRESS:	31 MacDougall Street Monument Heights Kimberley 8301
TELEPHONE NUMBER/S:	(053) 244 0890
EMAIL ADDRESS:	enquiries@ncgb.co.za enquiries@nclb.co.za
EXTERNAL AUDITORS:	Auditor General of South Africa
BANKERS:	First National Bank Standard bank
BOARD SECRETARY	The Northern Cape Gambling and Liquor Board does not fall under the Companies Act, but the Chief Executive Officer fulfils the role of Board Secretariat.

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
MEC	Member of Executive Council
BBBEE	Broad Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
SCM	Supply Chain Management
NCGLB	Northern Cape Gambling and Liquor Board
NCGB	Northern Cape Gambling Board
NCLB	Northern Cape Liquor Board
GGR	Gross Gaming Revenue
SCOPA	Standing Committee on Public Accounts

3. FOREWORD BY THE CHAIRPERSON

Photo of Chairperson of the Board

Name:

Title:

Introduction

It gives me great pleasure to present this foreword on behalf of the Northern Cape Gambling and Liquor Board. Our mandate remains clear: to regulate the gambling and liquor industry in the province in a manner that is transparent, fair, and aligned with the law, while fostering socio-economic development and ensuring responsible practices within these sectors.

Strategic Overview

The Board's strategy is anchored in good governance, regulatory compliance, and stakeholder collaboration. We are committed to delivering a service that upholds integrity and efficiency, while creating an environment that supports economic growth and job creation in line with provincial and national priorities.

To achieve these objectives, our strategy places strong emphasis on forming strategic partnerships with critical stakeholders, including the Department of Home Affairs (for identity verification), SARS (for tax compliance), local municipalities (for business licensing alignment), SAPS (for enforcement and compliance), and all local authorities. These relationships are integral in ensuring that licensing processes are conducted lawfully and in the best interests of the people of the Northern Cape.

Addressing Historical Challenges

We acknowledge that the Board has faced historical challenges that have impacted its stability and efficiency. These include CCMA cases, court orders, and the ongoing Section 197 process related to organizational restructuring. As we embark on the journey to stabilize the entity, our focus is firmly on restoring credibility, strengthening governance, and building a resilient institution that can meet its regulatory obligations effectively.

Focus on Service Delivery and Backlog Reduction

A key priority on this journey is addressing the licensing backlog, which has been a matter of concern for both the Board and stakeholders. In recent months, we have taken decisive steps to fast-track this process. One such step was the public hearings we recently conducted, which allowed for robust engagement with stakeholders and consideration of objections. These hearings demonstrated our commitment to transparency, fairness, and community participation in decision-making.

Commitment to Transformation and Economic Development

As we look ahead, the Board remains dedicated to promoting transformation and inclusivity within the gambling and liquor sectors. We recognize the importance of creating economic opportunities for historically disadvantaged individuals and communities. Through our licensing framework and partnerships, we aim to enable participation that drives job creation, entrepreneurship, and local economic growth. Our approach will always balance regulatory integrity with development objectives to ensure sustainable progress for the Northern Cape.

Together with our partners, we will continue to work tirelessly to ensure that the gambling and liquor sectors in the Northern Cape are well-regulated, sustainable, and aligned with the broader development goals of our province.

S. Thole

Mr. S. Thole

Chairperson

Northern Cape Gambling and Liquor Board

31 August 2025

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Photo of CEO

Name:

Title:

Introduction

For the period under review, the Northern Cape Gambling and Liquor Board (NCGLB) remains committed to fulfilling its legislative mandate as provided by the Northern Cape Gambling Act, 2024.

Our core responsibility is to regulate gambling and liquor activities in the province effectively, ensuring that these sectors operate in a manner that promotes responsible participation, economic development, and compliance with the law.

The 2024/2025 financial year was characterized by efforts to stabilize operations, strengthen governance, enhance compliance monitoring, and foster collaborative relationships with key stakeholders, including law enforcement agencies, municipalities, SARS, and the Department of Home Affairs, as reiterated by the committees.

The Auditor-General's report highlighted the urgent need to appoint a permanent Chief Financial Officer to ensure stability and accountability in the leadership structure. The board acknowledges these recommendations and is working towards finalizing the recruitment process in the coming period.

Strategic Overview and Alignment

The Board's strategic objectives are anchored on:

Promoting responsible gambling and liquor trade practices through education and awareness campaigns.

- Enhancing compliance by strengthening regulatory frameworks and enforcing legislation.
- Maximizing revenue collection for the provincial fiscus through effective licensing and monitoring.
- Institutional renewal and governance stabilisation to address historical challenges and build a high-performance culture.

The strategic plan aligns with the Provincial Growth and Development Strategy, the Medium Term Development Plan 2024 -2029 , in pursuit of three strategic national priorities:

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

Key Achievements

Despite a challenging economic environment and operational constraints, the NCGLB recorded notable achievements during the period under review:

Regulatory Compliance and Enforcement

Conducted liquor inspections across all five districts, ensuring adherence to licensing conditions.

We implemented compliance monitoring programs for licensed gambling establishments and enforced sanctions where necessary.

Increased joint operations with SAPS, SARS, and local municipalities to clamp down on illegal liquor and gambling activities.

Revenue Performance

The overall gambling taxes and levies collected for the year under review showed an improvement compared to the previous year.

The growing illegal gambling.

To improve revenue collection by curbing illegal gambling, the NCGLB will need to prioritize the establishment of a dedicated unit that conducts knowledge-sharing sessions and training with members of the SAPS and specialized units.

This must translate into a substantial increase in raids on illegal gambling sites, with the intention of exceeding our annual targets and continuing to promote responsible gambling, working in partnership.

Stakeholder Engagement

Strengthened relationships with key stakeholders, including Home Affairs (for identity verification), and municipalities (for zoning approvals).

We launched responsible gambling awareness campaigns in partnership with community-based organizations.

Institutional Stabilization

Under my tenure as the acting CEO of the NCGLB, which commenced on June 1, 2025, we have spearheaded comprehensive initiatives aimed at stabilizing and revitalizing the organization. Upon assuming office, we recognized the pressing need to address the challenges within the work environment, characterized by low staff morale and strained relationships between management and employees.

Embracing an open-door policy, we prioritized fostering trust, communication, and collaboration among all stakeholders, including labour representatives, to cultivate a harmonious and conducive work environment.

Developed a revised governance framework to ensure compliance with King IV principles.

While progress was made, the Board faced several challenges: legacy liabilities related to historical litigation and arbitration, as well as Capacity constraints in certain critical units, which affected turnaround times for applications and enforcement operations.

Future strategic plans

Looking forward, the Board will prioritize:

- Full digital transformation of licensing and compliance monitoring systems.
- Expansion of responsible gambling and liquor harm-reduction programs, especially targeting vulnerable communities.
- Institutional capacity-building, focusing on skills development and recruitment of critical talent.
- Strengthening internal controls to ensure financial sustainability and robust governance.
- Enhanced stakeholder collaboration to create a safer, compliant gambling and liquor trading environment.

While significant progress has been made in stabilizing the institution, more effort is required to achieve full operational efficiency. The Board will focus on streamlining reporting structures and improving accountability across all business units.

Acknowledgements

My sincere appreciation is extended to the Honorable MEC, Ms. Venus Blennies-Magage, for the guidance and support provided throughout the year. Special gratitude to the Board Members, led by Mr. Sechaba Thole, HOD Thami Mabija, and the dedicated team for their invaluable support. We extend our gratitude to the entire staff of the entity for their invaluable contributions.

The Portfolio Committee on Finance and Economic Development has contributed to the successful execution of our mandate through its guidance and the robust oversight role, which is appreciated.

We acknowledge our stakeholders, organized labour, and all employees for their contributions and positive engagement in the success of the board.

We commend the ethos that is evident at all levels of the board's business operations, and we anticipate that success will be recorded during the reporting period of this financial year, thanks to the contributions of all stakeholders.

We are prepared and look forward to turning future challenges into opportunities. The NCGLB 's name and flag will continue to fly proudly.

Together, we remain steadfast in ensuring that the entity fulfils its mandate in a manner that upholds integrity, promotes responsible trade, and contributes to the socio-economic development of the province.



Modise Letselebe
Acting Chief Executive Officer
Northern Cape Gambling and Liquor Board

**5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR
THE ANNUAL REPORT**

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

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

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

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

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

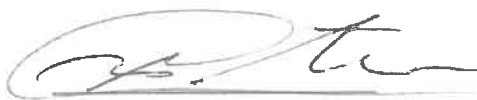
The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

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

Yours faithfully



Acting Chief Executive Officer

Mr MP Letselebe

Date

6. STRATEGIC OVERVIEW

6.1. Vision

To be a leading and well-respected Gambling Regulatory Authority in South Africa.

To promote and maintain an effective and efficient regulatory system for the liquor industry in the Northern Cape Province.

6.2. Mission

To regulate the liquor industry in the province, promote responsible sale, manufacturing and consumption of liquor, reduce the socio-economic problems emanating from alcohol abuse and promotion of diversification of ownership.

To Control and Regulate gambling and all related activities incidental thereto in order to:

Ensure that Gambling activities in the Northern Cape Province are conducted with integrity and, contribute in a Socially Responsible manner to the long-term economic benefits for the people of the Northern Cape.

6.3 Values

To subscribe to the fundamental guidelines of Corporate Governance and Batho Pele principles but not limited to the following:

- Integrity
- Professionalism
- Confidentiality
- Respect
- Teamwork
- Ethical Conduct
- Trust
- Honesty
- Diligence
- Independence, objectivity and impartiality
- Transformation
- Innovation

7. LEGISLATIVE AND OTHER MANDATES

Northern Cape Gambling and Liquor Act, Act 6 of 2024

The Board performs the functions, as prescribed in the Northern Cape Gambling Act, 2008 and the National Gambling Act of 2004 and its Regulations.

Section 3 of the Act empowers the MEC to appoint members of the Board. The functions and powers of the Board are specified in Section 15 and Section 2 of the Act which, in summary, mandates the Board to control and regulate activities related to racing, gambling and wagering in the province.

(ii) National Gambling Act, Act No. 7 of 2004

The Board 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.

(iii) Other Relevant Legislation

Prevention of Organized Crime Act, Act 121 of 1998.

Prevention and Combating of Fraud and Corruption Act, Act 12 of 2004.

Financial Intelligence Centre Act, 38 of 2001.

Broad Based Black Economic Empowerment Act, 53 of 2003.

Public Finance Management Act, 1999 (PFMA), Act of 1999 as amended by Act 29 of 1999;

Treasury Regulations;

Public Audit Act; (Act No. 25 of 2004);

The National Gambling Regulations;

The National Gambling Regulations for Limited Payout Machines;

The Northern Cape Gambling Act and Regulations;

Labour Relations Act, 1995 (Act No. 66 of 1995 updated 2002);

Occupational Health and Safety Act, 1993 (Act No. 85 of 1993);

Employment Equity Act, 1998 (Act No 85 of 1998);

Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);

Skills Development Act, 1998 (Act No .97 of 1998);

Skills Development Levy Act, 1999 (Act no 9 of 1999);

Promotion of Access to Information Act, 2000 (Act No 2 of 2000);

Pension Fund Amendment Act, 2001 (Act 65 of 2001);

Preferential Procurement Policy Framework Act, 2000 (Act No 5 of 2000);

Intellectual Property Laws Amendment Act, 1997 (Act No 38 of 1997);

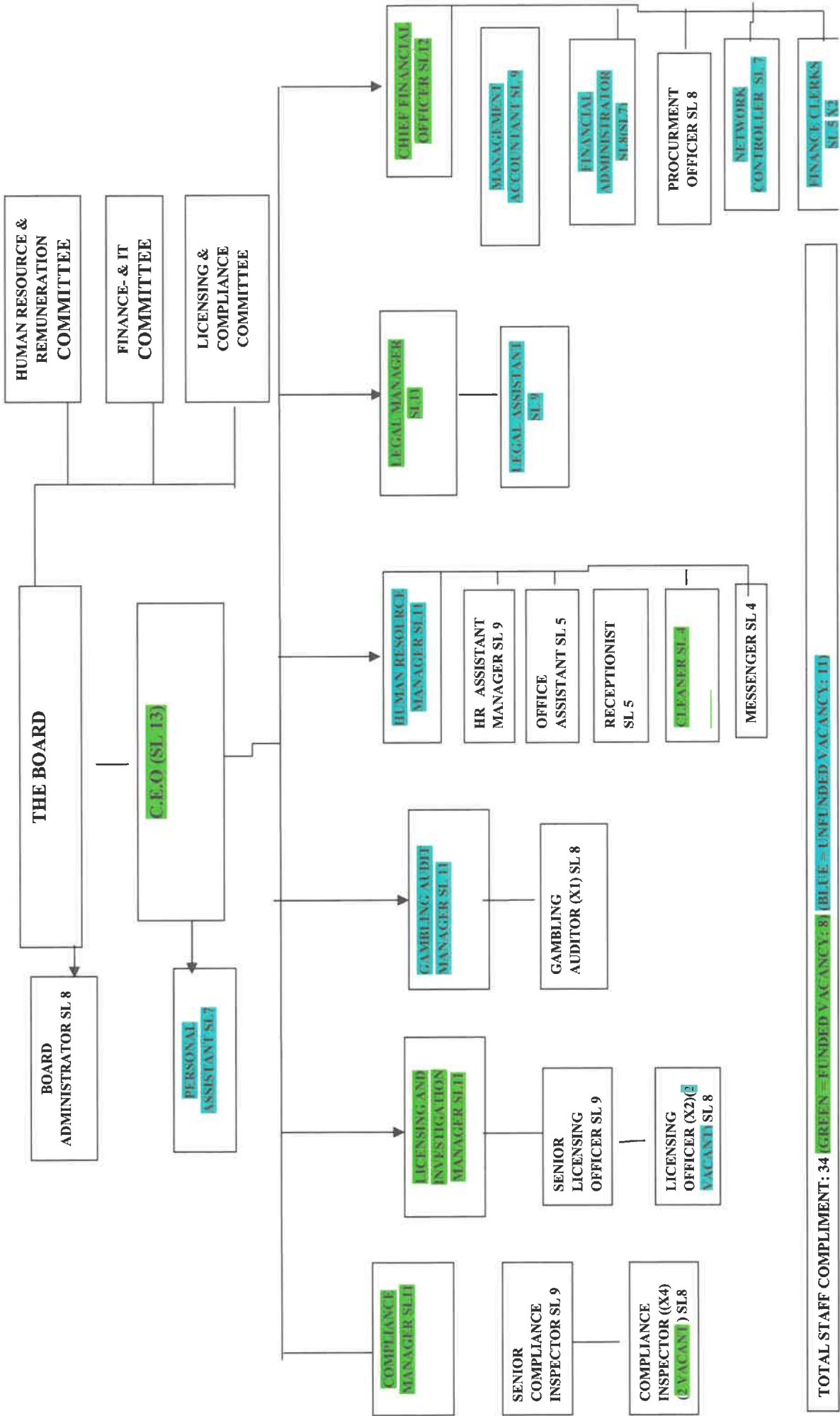
Copyright Act, 1978 (Act No 98 of 1978);

Promotion of Administrative Justice Act, 2000 (Act No 3 of 2000);

8. ORGANISATIONAL STRUCTURE

There is currently no approved structure for the newly established entity. Below are the two separate organograms of the amalgamated entities:

ORGANISATIONAL STRUCTURE OF THE GAMBLING BOARD



ORGANISATIONAL STRUCTURE

NOTE: TOTAL NUMBER OF EMPLOYEES (INCLUDING THE CEO) = 33 (13 VACANT AND UNFUNDED) (4 VACANT AND FUNDED)

The Northern Cape Liquor Board

1x Chief Executive Officer (Level 13) (Vacant)

**1x PA, Secretary /Receptionist (Level 6)
(Vacant)**

Licensing Department

1x Manager (Level 11) (Vacant)

**1x Assistant Manager (Level 10)
(1 Vacant)**

**3x Administrative Officers (Level 7)
(1 Vacant)**

Corporate Services -Finance

**Chief Financial Officer (Level 12)
(Vacant)**

1x Network Controller (Vacant)

1x Financial Administrator (Level 8)

1x Procurement Officer (Level 7)

Awareness and Compliance

1x Manager (Level 11) (Vacant)

**2x Assistant Manager (Level 10)
(2 Vacant)**

**5x Education Awareness Officers
(Level 8) (x3 Vacant)**

8x Inspectors (Level 8)

Services Corporate - HR

1x Manager (Level 11) (Vacant)

**1x Assistant Manager (Level 10)
(Vacant)**

1x Admin Officer (Vacant)

1x Cleaner (Level 5)

**1x Store Assistant/messenger
(Level 5)**

1x Receptionist (Vacant)

PART B: PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor 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 XXXX of the Report of the Auditors, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

The NCGB and NCLB operate in a highly regulated environment, guided by the National Gambling Act, Liquor Act, and other legislation. Their primary objectives are to ensure responsible gambling and liquor licensing, protect consumers, and promote compliance in their respective industries.

2.1.1 Core Service Delivery Functions

- ✓ Licensing and Compliance
- ✓ Issuing, monitoring, and renewing licenses in line with legislative requirements.
- ✓ Conducting inspections, audits, and compliance checks.
- ✓ Implementing enforcement actions when non-compliance is detected.

2.1.2 Consumer Protection

- ✓ Promoting responsible gambling and responsible alcohol consumption.
- ✓ Addressing complaints and disputes from licensees and consumers.

2.1.3 Revenue Collection and Monitoring

- ✓ Overseeing the collection of levies and fees from licensees.
- ✓ Ensuring accurate reporting and accountability.

2.1.4 Stakeholder Engagement and Communication

- ✓ Continuous engagement with government departments, law enforcement, industry stakeholders, and the public.
- ✓ Conducting educational initiatives and awareness campaigns.

2.1.5 Operating Environment Challenges

- ✓ **Vacancies and Capacity Constraints:** Critical positions remain unfilled, impacting efficiency.
- ✓ **Regulatory Changes:** Ongoing amendments require adaptation of policies and procedures.
- ✓ **Merger Integration:** Harmonisation of systems, processes, and culture poses short-term operational challenges.
- ✓ **Resource Constraints:** Limited funding restricts responsiveness to emerging risks and service demands.

2.1.6 Service Delivery Outlook

Both entities remain committed to:

- ✓ Strengthening regulatory compliance.
- ✓ Ensuring efficient and transparent licensing processes.
- ✓ Enhancing consumer protection and awareness initiatives.
- ✓ Successfully implementing merger integration to deliver a unified, more effective service to stakeholders.

2.2. Organisational environment

Human Resource and Vacancy Challenges – Gambling Board

The Northern Cape Gambling Board continues to operate within a challenging organisational environment, marked by high vacancy levels, structural constraints, and the rationalisation of provincial public entities. As at the end of the reporting period, the entity recorded sixteen **(16)** vacant positions, of which five **(5)** are funded and eleven **(11)** are unfunded in the approved organisational structure.

Human Resource and Vacancy Challenges – Gambling Board

The entity continues to face persistent capacity constraints due to critical vacancies. Key among these are:

- **Chief Executive Officer (CEO):** Appointed in September 2019, the CEO acted as the accounting authority in terms of the Public Finance Management Act (PFMA) for financial and administrative purposes during periods without a Board.
- ✓ **Chief Financial Officer (CFO):** Vacant since March 2018. The Procurement Officer was appointed as Acting CFO in April 2018 and continues to perform this role.

- ✓ **Legal Manager:** Vacant since January 2018. To mitigate this gap, the Department of Economic Development and Tourism seconded an official to support the entity with legal services.
- ✓ **Compliance Manager:** This position, funded since 2015/2016, has remained vacant since inception. Acting responsibilities have been carried out by officials since January 2020.
- ✓ **Licensing Manager:** The position has been vacant since the resignation of the incumbent in September 2019, with officials from the Licensing Unit performing acting duties from October 2019 to date.
- ✓ **Human Resource Manager:** This critical position has remained unfunded and vacant since inception, despite repeated concerns raised by oversight structures including the Standing Committee on Public Accounts (SCOPA) and the Portfolio Committee, both of which emphasised the strategic importance of filling this role.

In addition, the Gambling Board experienced one resignation during the reporting period.

Human Resource and Vacancy Challenges – Liquor Board

The approved organisational structure of the Northern Cape Liquor Board for 2023/2024 provided for a staff complement of thirty-three (33) positions. Of these, nineteen **(19)** were filled, while thirteen **(13)** were vacant and unfunded, having never been filled since the approval of the organogram. A further three **(3)** posts were vacant and funded.

During the reporting period, the Liquor Board experienced one resignation and one death, reducing the total staff establishment to thirty-two **(32)**.

Governance and Leadership Context

Northern Cape Gambling Board (NCGLB) Board: The NCGLB operated without a Board for six (6) months following the dissolution of the previous Board by the Honourable MEC in March 2021.

Interim Board: An interim Board was appointed on 1 May 2024 and served until July 2024.

Current Board: The current Board was appointed by the MEC on 11 November 2024 and remains in operation, providing strategic leadership and oversight.

Impact of Rationalisation and Merger

The inability to fill vacant funded positions in both entities has largely been attributed to the ongoing rationalisation process of provincial public entities. An instruction from the Office of the Premier directed that no funded vacancies be filled until the finalisation of this process.

The rationalisation culminated in the approval of the merger of the Northern Cape Gambling Board and the Northern Cape Liquor Board, effective 1 April 2024. This merger

forms part of the provincial government's broader strategy to streamline public entities, improve efficiency, and strengthen governance.

The merger has significant implications for the organisational environment, including:

- ✓ **Human Resources:** Recruitment remains on hold pending the finalisation of the new integrated organisational structure.
- ✓ **Governance:** Transitional governance arrangements are being implemented to align policies, systems, and reporting frameworks.
- ✓ **Operations:** While consolidation of functions is expected to enhance efficiency in the long term, short-term adjustments are required to ensure seamless operational integration.
- ✓ **Stakeholder Engagement:** Ongoing communication with employees, industry stakeholders, and oversight bodies is prioritised to ensure stability during the transition.

2.3. Key policy developments and legislative changes

The Northern Cape Gambling and Liquor Board Act, Act 06 of 2024 came into effect on 01 April 2024.

NORTHERN CAPE GAMBLING BOARD ANNUAL PERFORMANCE

PERFORMANCE INFORMATION BY PROGRAMME/ACTIVITY/ OBJECTIVE

3.2 PROGRAMME 1: INVESTIGATION AND LICENSING

The Purpose of this programme is as follows:

- Determine the suitability of all applicants for licences and certificates of suitability
- Ensure the continued suitability of holder of licences and certificates of suitability (continued)
- Ensure the continued suitability of applicants and holders of certificates of approval (Employees)
- Introduction of the LPM and issuing of additional Bookmaker Licenses
- Receive and investigate Book makers' applications
- Ensure compliance with the set BBEE targets

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

		Programme 1: Investigations and Licensing						
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
Efficient and timeous investigation of applications.	To investigate applications	1.1 Percentage of received new valid gambling license applications investigated	100%	100%	100%	100% (54 of 54)	None	None
		1.2 Percentage of received employee certificate applications investigated.	100%	100%	100%	100% (208 of 208)	None	None
		1.3 Percentage of received license renewal applications investigated	100%	100%	100%	100% (26 of 26)	None	None

3.1 PROGRAMME 2.: COMPLIANCE

The purpose of this programme is as follows:

- Ensure that gambling is conducted in compliance with the Northern Cape Gambling legislation and in a fair and honest manner.
- Eradicate illegal gambling with the assistance of the law enforcement agencies.
- Promotion of responsible gambling.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 2: Compliance								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
To ensure that all licensees comply with legislation.	Compliance inspections conducted	2.1 Number of casinos inspected.	12	12	12	12	None	None
		2.2 Percentage of Site Operators inspected	100%	100% (All sites inspected)	100%	100%	None	None
Eradication of illegal gambling.	Illegal gambling investigations.	2.3 Percentage of illegal gambling investigations conducted.	100%	100% (5 of 5 illegal gambling file investigation conducted)	100%	100%	None	None
Residents who gamble responsibly.	Education and awareness about the dangers of compulsive and obsessive gambling	2.4 Number of Responsible Gambling Awareness Campaigns.	6	6 (awareness campaigns conducted)	6	6	None	None

3.2 PROGRAMME 3: GAMBLING AUDIT (LEVIES)

The purpose of this programme is as follows:

- Provide assurance that Gambling revenue and levies are accurately calculated, paid timeously and legislation is complied with.
- Continually review licensees internal control procedures for compliance with gambling legislative requirements and their implementation.
- Continually review compliance with licenses conditions

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 3: Gambling Audit (Levies)								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
Complete and accurate payment of levies	Verification of levies	3.1 Percentage of monthly levies verifications of operating licensees.	100%	100%	100%	100%	None	None
		3.2 Number of casino audits.	12	12	12	12	None	None
	Audit of gambling licensees	3.3 Percentage of audits on other licensees.	100%	100%	100%	100%	None	None

3.3 PROGRAMME 4: LEGAL

The purpose of this programme is as follows:

- Ensure that the NCGB operates within the ambits of the Act and any other applicable legislation.
- Management Litigation.
- Ensure fair and equitable administrative processes of the Board.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 4: Legal								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
To ensure that the NCGB operates within its legislative mandate.	To provide legal services to the Board.	4.1 Number of legal updates prepared and submitted.	4	4	4	4	None	None

3.4 PROGRAMME 5: HUMAN RESOURCE

The purpose of this programme is as follows:

- Revision of organisational policies, procedures and structure
- Staff recruitment and staff development
- Human Resources support.
- Payroll administration
- Implementation of effective HR procedures
- Establishment of a functional registry

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 5: Human Resource								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
To ensure that the Board provides its staff with the necessary resources and support to effectively function as a unit	To provide effective and efficient Human Resource support services to the Board	5.1 Review all policies of the Board.	20	20	20	20	None	None
		5.2 Number of performance agreements concluded.	16	16	16	16	None	None
		5.3 Number of regulatory reports submitted.	28	28	28	28	None	None

3.5 PROGRAMME 6: FINANCE

No changes have been made to the information presented for this programme in the Strategic Plan or budget programme structure.

The purpose of this programme is as follows:

- Financial management and financial reporting of all operations and activities of the NCGB
- Ensure economical and efficient acquisition and implementation of technologies in the NCGB.
- Ensure continued relevance and effective implementation of ICS.
- Ensure and effective risk management process is implemented

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 6: Finance								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
To ensure financial, budgetary, and any other reports in terms of the PFMA are valid, complete and accurate.	Number of unqualified audit opinions with no matters of emphasis for the Strategic planning period	6.1 AFS Submitted by 31 May annually.	1	1	1	1	None	None
		6.2 Number of updated audit action plans submitted within legislated timeframes.	3	3	3	3	None	None
		6.3 Budget submitted by 30 September annually.	1	1	1	1	None	None

3.6 PROGRAMME 7: BOARD

The purpose of this programme is as follows:

- To assist the Member of Executive Council and to give effect to the legislative mandate placed on the Northern Cape Gambling Board.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 7: Board								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for Deviations
To provide strategic leadership and oversight in terms of the Northern Cape Gambling Board Act and the PFMA to ensure an enabling environment for the office to perform its duties in an efficient and effective manner to the benefit of all stakeholders.	To adjudicate on all license and certificate applications in accordance with the prescribed legislative mandate in order to ensure that compliant applicants are duly licensed in terms of the Northern Cape Gambling Act.	7.1 Percentage of License Applications Adjudicated.	-	-	100%	0%	Permanent Board appointed in November 2024. Board had a two (2) day induction in January 2025. No board meetings took place where license applications were considered	None
		Number of recommendations submitted for Board approval.	-	-	16	0%	Permanent Board appointed in November 2024. Board had a two (2) day induction in January 2025. No committee meetings took place for the year under review.	None

NORTHERN CAPE LIQUOR BOARD ANNUAL PERFORMANCE

1. **PROGRAMME 1: OFFICE OF THE CEO**

Purpose: is to provide ethical leadership and governance at the NCLB. The Office of the CEO is responsible for administration of all affairs of the Board.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 1: Office of the CEO								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for Deviations
A Legislatively Complainant NCLB	An unqualified audit outcome	1.1 Number of planning documents submitted within legislative timeframes	2	2	2	2	0	None
		1.2 Number of non-financial reporting documents submitted within legislative timeframes	5	5	5	5	0	None

PROGRAMME 2: CORPORATE SERVICE

SUB-PROGRAMME: 2.1 FINANCIAL MANAGEMENT

Purpose: Financial Sustainability through effective financial and supply chain management processes, internal controls and compliance with legislation.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output Indicator	Sub-Programme 2.1: Financial Management					Reasons for Deviations
			Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	
To ensure financial budgetary reports in terms of PFMA	Numbers of unqualified audit opinions with no matters of emphasis for the Strategic planning period	2.1.1 AFS Submitted by 31 May annually	1	1	1	1	0	None
		2.1.2 Number of updated audit action plans submitted within legislated timeframes	1	1	3	3	0	None
		2.1.3 Budget submitted by 30 September annually	1	1	1	1	0	None

SUB-PROGRAMME 2.2: HUMAN RESOURCE

The purpose of HR is to administer payroll services and management resources.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

2.2 Sub-Programme: Human Resource								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for Deviations
To ensure that the Board provide its staff with the necessary resources and support to effectively operate	To provide effective and efficient Human Resource support services to the Board	2.2.1 Number of policies of the Board reviewed to keep abreast of latest legislative developments	17	17	20	-	No policies of the Board has been reviewed during the year	None
		2.2.2 Number of completed PMDS documentation signed	18	100% (18/18)	18	18	0	None
		2.2.3 Number of regulatory reports submitted	28	28	28	28	0	None

3.2 PROGRAMME 3: LICENSING

Purpose: The purpose of the licensing programme is to handle all matters pertaining to liquor license administration in the province.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 3: Licensing								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for Deviations
A regulated Liquor Industry in the Province	License applications received investigated	3.1 Percentage of new valid license applications investigated	-	89% (72/81)	100%	100% (89/89)	None	None
		3.2 Percentage of received Occasional license applications investigated.	-	100% (159/159)	100%	100% (520/520)	None	None

3.3 PROGRAMME 4: COMPLIANCE AND AWARENESS

Purpose: The Compliance function is responsible for monitoring and enforcing compliance of licensed liquor outlets in accordance with the Northern **Cape Liquor Act, Act No. 2 of 2008**. The Education and Awareness function is to educate the public on the dangers of alcohol abuse with the intention of educating the socio-economic ills associated with alcohol abuse.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

Programme 4: Compliance and Awareness								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Actual Targets 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement for 2024/2025	Reasons for Deviations
A compliant liquor industry in the province	Reduce the number of non-compliance activities in the Liquor Industry.	4.1 Percentage of Liquor outlets inspection conducted	3068	1403 Inspections conducted in all five districts	100%	99% (Total number of compliance inspections conducted (1948/1960))	None	None
A compliant liquor industry in the province	Reduce the number of non-compliance activities in the Liquor Industry.	4.2 Percentage of complaints resolved within 30 days	-	100% (9 of 9 complaints received was resolved within 30 days)	100%	0%	No complaints received for the year under review.	None
Increased education and awareness campaigns	Reduction in the negative effects of alcohol abuse and responsible trading.	4.3 Number of education awareness programmes conducted	44	28	20	19	None	None

3. REVENUE COLLECTION

The NCGLB own revenue consists of the following, as disclosed in the Statement of Financial Performance, Part F of this report:

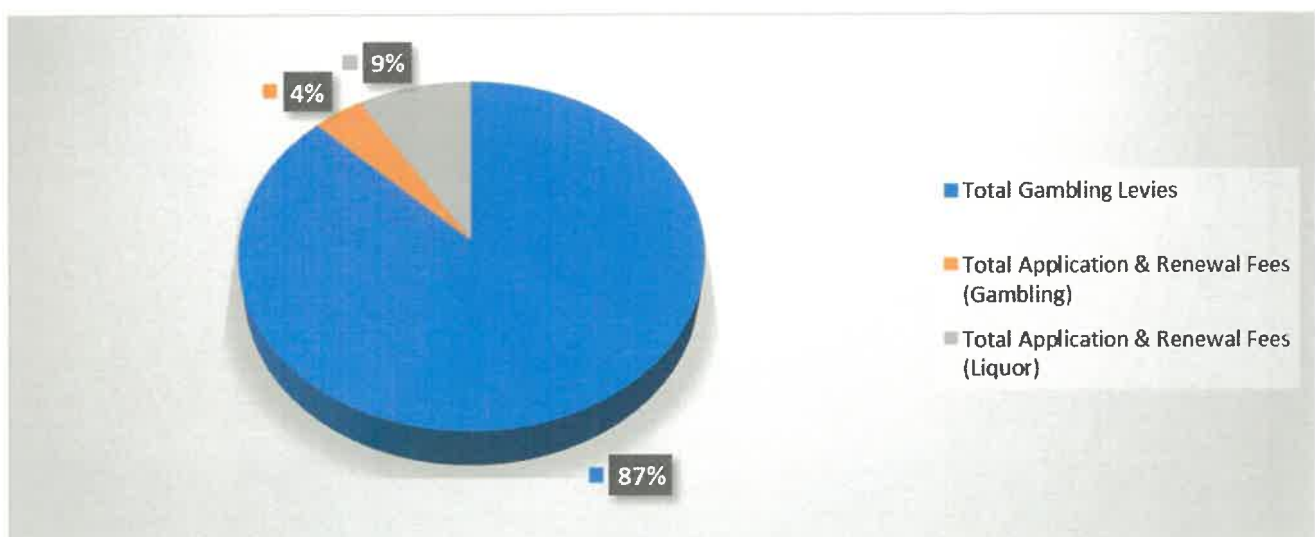
- 3.7.1 the transfer payments received from oversight department
- 3.7.2 Interest received on positive bank balance used to cover normal operational budget
- 3.7.3 Probity revenue, i.e. recovery of investigation costs actually incurred from licensees & applicants' probity deposits as per Section 27 of NC Gambling and Liquor Act, which cannot be predicted in advance as it is based on applications received

The following is not NCGLB own revenue:

- i. All regulated application-, renewal- and issue fees that is received by the Northern Cape Gambling and Liquor Board is paid directly over to oversight department.
- ii. Monthly levies on GGR are paid directly from licensees to oversight department.

2024/2025			
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000
Total Gambling Levies	-	38 138	-
Total Application & Renewal Fees (Gambling)	-	1 668	-
Total Application & Renewal Fees (Liquor)	-	3 764	-
Total		43 570	

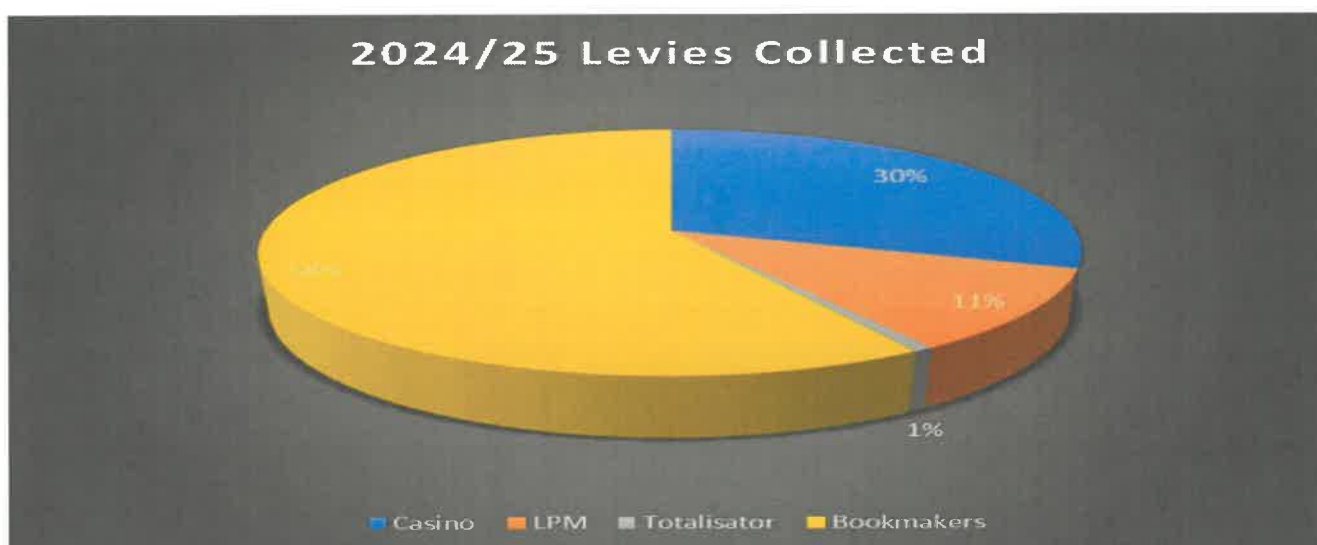
The graph below represents the total revenue collected per revenue category for the 12-month period ending 31 March 2025.



The table below represents Gambling Levies (8% of GGR) as collected for the 2024/25-year end

2024/2025			
Sources of revenue	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000
Casino	-	11 455	-
LPM	-	4 102	-
Totalisator	-	280	-
Bookmakers		22 301	
Total		38 138	

The graph below represents the Gambling Levies (8% of GGR) collected 2024/25-year end



4. CAPITAL INVESTMENT

The current budget allocation does not make provision for the replacement of fixed assets once they are fully depreciated, as no capital expenditure has been allocated.

- No infrastructure projects were undertaken during the period under review.
- There are no plans to close down or downgrade any of the existing facilities.
- Details of changes in asset holdings during the reporting period are disclosed in Note 5 of the Annual Financial Statements.
- A combined GRAP compliant asset register was developed and is fully implemented to ensure its accuracy and completeness, bi-annual asset verification counts were conducted.
- All assets of the Board are insured.
- No major maintenance projects were undertaken during the period under review.
- The NCGLB entered into a five-year lease agreement with Carospan (Pty) Ltd t/a Nashua NC & FS for the supply, delivery, installation, commissioning, and

maintenance of a telephone system, telephone lines, and Wi-Fi, effective from 1 December 2024.

- The entity participates in the RT3-2022 contract for the supply, delivery, installation, commissioning, and maintenance of office automation solutions. During the period under review, fully depreciated assets that were no longer in usable condition were disposed of.
- The entity also participates in the RT-15 contract for the supply and delivery of mobile communication services.

PART C: GOVERNANCE

1. INTRODUCTION

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

Legislature, the Executive Authority and the Accounting Authority of the public entity are responsible for corporate governance.

2. PORTFOLIO COMMITTEES (if applicable)

Legislature exercises its role through evaluating the performance of the public entity by interrogating their annual report and other relevant documents which have to be tabled.

The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor.

The Portfolio committee exercised oversight over the service delivery performance of the public entity and, as such, reviews the non-financial performance information contained in the annual reports of the public entity .

The NCGLB appeared before the SCOPA and Portfolio Committee on Finance, Economic Development and Tourism on:

- 27 August 2024 to present the Annual Performance Plans and the Budget for the 2024/25 financial year.
- 15 November 2024 to present the Annual Reports of the Northern Cape Gambling Board and The Northern Cape Liquor Board for the 2023/24 financial year.

Key Issues that were raised by the Committee are the following:

- The legislation in respect of the NC gambling and Liquor Bill was gazetted in April 2024 for enactment and although the Department submitted the Annual Performance Plan/Budget 2024/25 in March 2024, the indicators and budgets of the two Entities were not amended in the Annual Performance Plan of the Department.
- There is a lack of monitoring of illegal gambling and liquor establishments by Gambling and Liquor inspectors in relation to areas not zoned for such purposes with communities predominantly not aware of the criteria used for such establishments to be operational.
- The impact of the awareness programmes of the Northern cape Gambling and Liquor Board in respect of liquor, drugs and gambling as well as the alignment of the Programmes with statistics in this respect is not clear.

3. EXECUTIVE AUTHORITY

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The PFMA govern/gives authority to the Executive Authority of oversight powers.

The Executive Authority also has the power to appoint and dismiss the Board of a public entity. The Executive Authority must also ensure appropriate mix of executive and non-executive members is appointed and that members have to necessary skills, knowledge and qualifications to guide the public entity.

All reports have been submitted to the Executive Authority as per legislative deadlines.

4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

- The Board serves as the Accounting Authority of the Northern Cape Gambling and Liquor Board.
- It constitutes the foundation for the application of corporate governance principles within the public entity.
- The Board is responsible and accountable for the entity's overall performance and strategic direction.

Role of the Board

The functions of the Board are prescribed in the Northern Cape Gambling and Liquor Act, No. 6 of 2024. In terms of the Act, the Board is mandated to:

1. Regulatory Oversight
 - Oversee gambling and liquor activities within the province.
 - Advise the MEC on any matters relating to the control of gambling and liquor as referred to it by the MEC.
 - Exercise such powers, functions, and duties as assigned under the Act or any other law, including inviting applications for licenses.
2. Licensing Functions
 - Consider and dispose of applications for licenses as determined by the Board.
 - Grant, renew, amend, refuse, suspend, or revoke licenses under the Act.
 - Impose conditions on licenses where necessary.
3. Human Resources
 - Appoint staff and senior managers as required to enable the Board to perform its functions.
4. Regulatory Framework Development
 - Make regulations governing the licensing, conduct, and operation of gambling and liquor activities or businesses, in concurrence with the MEC.

5. Investigations and Enforcement

- Conduct or cause to be conducted hearings, investigations, and inquiries on matters falling within its scope of authority.
- Enter into agreements with, or obtain assistance from, departments or organs of State, including the South African Police Service, in support of investigations.

6. Governance and Compliance

- Determine minimum internal control systems for license holders, including accounting, reporting, and related procedures or systems.
- Determine fees and charges in respect of investigations, inquiries, and other functions performed by the Board.

Board Charter

No commentary can be made on the above.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)	No. of Meetings attended
Mr Sechaba Thole	Chairperson	12 March 2025	n/a	- BCom Accounting - Honour Bachelor of Accounting Science	Auditing & Accounting (SAICA)	- Sishen Ore Community Development Trust - Avedia Energy - Richtersveld Investment Trust - Kapa Bokone Mixed Manufacturing Incubator – Chairperson	None	0
Mr Boitumelo Mogohu	Board Member	11 Nov 2024	n/a	- MSC International Relations - Honours International Relations, - BA Bachelor of Commerce	- Community Development Stakeholder - Strategy Policy Governance - Compliance - Human Resource Governance	- Sioc-cdt Trustee, Kapa Bokone Mix Manufacturing Incubator Hun NPC. NCAI Enterprises NPC	- Human Resources & Remuneration committee – Chairperson - Licensing & compliance committee – member - NWU convocation, NWU Alumni Committee Chairperson, NWU Alumni Association Deputy Chairperson, Sioc-Cdt Trust Project Review Committee, REMCO Sioc-cdt,	1

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Mr Kgaliso Manake	Board Member	11 Nov 2024	n/a	- Post Graduate Diploma: Development Finance - Bachelor of Technology: Project Management - National Diploma: Import and Export Management	Project Management & Finance	Kimberley Jewellery (Chairperson) Northern Cape Agricultural Incubator (Chairperson) Namakwa Digital Hub (Board Member) Northern Cape Indoor Social League (Chairman) Skipas Football Club (Chairman) Ba-Ga Motlhwane Community Trust (Trustee)	Licensing & compliance committee – member Social & Ethics committee – member	1
Ms Nomsa Ndelaphi	Board Member	11 Nov 2024	n/a	- Bachelor of Arts (Criminology & Politics) - Bachelor of Laws	Law	None	Licensing & compliance committee – Chairperson Social & Ethics committee – member	1
Ms Zelmarié October	Board Member	11 Nov 2024	n/a	- Bachelor of Laws - Diploma in Education⁹⁹	Law	None	Social & Ethics committee – member Human Resources & Remuneration committee – member Finance, ICT & Risk committee – member	1

Mr Bareng Raadt	Board Member	11 Nov 2024	n/a	National Diploma – Tourism	Tourism	None	Finance, ICT & Risk committee - Chairperson Human Resources & Remuneration committee -member Social & Ethics committee – member	1
Mr Xolani Magida	Board Member	11 Nov 2024	n/a	– BA Governance & Political Transformation – Post Graduate Diploma – Business Leadership	Governance	Robert Sobukwe Hospital – Board member	Licensing & Compliance committee – member Human Resources & Remuneration committee -member Finance, ICT & Risk committee - member	1
Ms Clarissa Carsten	Board Member	11 Nov 2024	n/a	Diploma Conference & Events Management Diploma Public Relations	Public Relations	None	Social & Ethics committee – Chairperson Human Resources & Remuneration committee -member Finance, ICT & Risk committee – member	1
Mr Lucky Thekiso	Board Member	11 Nov 2024	Resigned 2025	BLC, LLB, LLM (Labour Law) (LLD Candate)	Law		None	1

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit committee / Ministerial task team)	No. of Meetings attended
Ms N Madikizela	Chairperson	01 May – 31 July 2024	n/a	LLB	Law	None	None	1
Mr N Gqadushe	Deputy Chairperson	01 May – 31 July 2024	n/a				None	1
Mr P Mogotsi	Board Member	01 May – 31 July 2024	n/a	Bachelor of Public Administration		None	None	1
Mr T Setloboko	Board Member	01 May – 31 July 2024	n/a	Post graduate Diploma: Business Management		The institute of Risk Management member	None	1
Ms N Tshaya	Board Member	01 May – 31 July 2024	n/a	Grade 12		None	None	1
Mr P Ngcoboti	Board Member	01 May – 31 July 2024	n/a	BCom Accounting	Accounting & Auditing	None	None	1
Mr T Meyers	Board Member	01 May – 31 July 2024	n/a	Grade 12		-	None	1
Ms B Wildebees	Board Member	01 May – 31 July 2024	n/a	National Diploma: Marketing Management		PPC Bafati Trust Sandton - member	None	1
Mr T Oliphant	Board Member	01 May – 31 July 2024	n/a	-		-		

Committees

No Committee Meetings were held for the year under review.

Remuneration of board members

- The remuneration of Board Members is determined by Section 13 of the Northern Cape Gambling and Liquor Board Act, Act No.6 of 2024

Section 13 (1) states: "A member of the Board must be paid such a reasonable remuneration and allowances out of the funds of the Board as the responsible Member, in consultation with the Member of the Executive Council responsible for finance in the province, may from time to time determine."

Section 13 (2) states: A Member of the Board, who is in full – time employ of any organ of state, may not receive remuneration in terms of subsection (1)"

Section 13 (3) states: "remuneration determined in terms of subsection (1) must be published in the Provincial Gazette by the responsible member before it becomes effective"

Name	Board Sitting Fees
Ms N Madikizela	6 600
Mr N Gquaduche	5 200
Mr T Meyers	4 000
Mr P Mogotsi	4 000
Mr Ngcoboti	4 000
Mr T Oliphant	4 000
Ms B Wildebees	4 000
Ms N Tshaya	4 000
Mr B Mogohu	7 000
Mr B Raadt	7 000
Mr X Magida	7 000
Ms C Carsten	7 000
Ms NF Ndelaphi	7 000
Ms Z October	7 000
Total	77 800

5. RISK MANAGEMENT

The entity is in the process of reviewing its Risk Management Policy and Strategy to ensure alignment with best practices and its operating environment. The Risk Register has been updated to reflect current and emerging risks.

During the 2024/2025 financial year, the entity did not have a Risk Management Committee in place due to the absence of an external independent chairperson. However, the Audit Committee continued to provide oversight and advised the entity on risk management matters on a quarterly basis.

In line with the outcomes of risk assessments, the entity has implemented internal controls and continues to review and strengthen these measures to mitigate identified risks effectively.

6. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit Function

• Key activities and objectives of the internal audit

Purpose and mandate

The Internal Audit Function (IAF) has been performed by the "Provincial Internal Audit Service". The function was setup under section 38(1)(a)(ii) and 76(4)(e) of the PFMA as a shared function for the Northern Cape Provincial Administration, and in terms of paragraph 3.2.3. of the Treasury Regulations. The function fulfils an independent assurance function and is housed within Provincial Treasury.

In light of Treasury Regulation 3.2.6, which stipulates that internal audit must be conducted in accordance with the Standards™ set by the Institute of Internal Auditors, the IAF is guided by the International Professional Practices Framework® (IPPF®) published by the Institute of Internal Auditors (The IIA); to act independently and objectively in providing assurance and advisory services in respect of the entity's overall governance, risk management, and internal control processes. The Internal Audit's functional reporting to the audit committee (AC) as prescribed by the PFMA is intended to protect its independence and objectivity.

The AC is established as prescribed by the PFMA and its core functions and responsibilities are spelled out in the Treasury Regulations and the AC Charter, approved by the Executive Authority. The AC plays a pivotal role in assessing, and based on such assessment, advising the Accounting Officer and Executive Authority regarding:

- the effectiveness of the entity's overall governance, risk management and internal control system;
- the effectiveness of the internal audit function;

- the adequacy, reliability and accuracy of financial and performance information produced by the entity
- accounting and auditing concerns identified through internal and statutory audits; and
- the entity's compliance with legal and regulatory provisions.

The AC thus assists the entity in enhancing its integrity and operational effectiveness through good governance and adherence to the legislative, accounting, and auditing frameworks.

Vision statement

To be a trusted, collaborative, and value-adding assurance partner that strengthens governance, risk management, and control across all Northern Cape Provincial Departments and Entities.

Strategy Statement

Through a shared internal audit service model, we will deliver coordinated, risk-based, and high-quality audit services that support each department's strategic objectives while promoting efficiency, accountability, and continuous improvement across the province.

Charter, methodology and internal audit plans

The IAF is guided by an internal audit charter endorsed by the Accounting Officer and approved by the AC; and performs its functions as provided in the PFMA and the internal audit charter. The IAF reviewed and updated its methodology to ensure alignment with the Global Internal Audit Standards 2024. The IAF compiles a rolling three-year risk-based audit plan and prepares an annual plan after taking into consideration the risks facing the entity, its strategic objectives, mandate, audit issues, and input from management. The AC reviewed and approved these plans.

Independence and authority

The independence of IAF is considered by the Chief Audit Executive and the AC on an ongoing basis. It has been determined and confirmed that the IAF has remained independent and objective of all operational functions and that the functional reporting to the AC and administrative reporting to the Treasury Head of Department have enabled appropriate organisational positioning. The IAF has access to all stakeholders as well as free and unrestricted access to all areas within the entity.

Internal audit modality

The IAF operates under a shared services model, whereby internal audit services are provided centrally to eleven departments, three listed public entities and one

trading entity within the province. The shared IAF is divided into 4 clusters, Northern Cape Gambling and Liquor Board being serviced by the IAF – Cluster 4. This contributed positively to independence.

Staffing

The IAF operated under the service provider who had skills and experience which were appropriate to deliver audit services.

Stakeholder relationships

The IAF maintains combined assurance agreements with the Office of the Premier (performance information), the Northern Cape Provincial Treasury (Infrastructure unit, FIMS unit, Accounting Services) and the Auditor General (regulatory and ISA units).

Clean audit drive

The IAF aligned its processes to meet the vision of the operation clean audit drive. The IAF reviewed the completeness and adequacy of the AGSA audit action plan and furthermore conducted follow up audits in November and March to monitor the implementation thereof.

Quality assurance and improvement program

The compulsory 5-yearly external quality assurance review was concluded in December 2022. The outcome was again the highest rating, namely general conformance to the Standards for the Professional Practice of Internal Auditing. For the last 11 consecutive years, the Auditor-General did not raise any negative findings during their annual review of Internal Audit. The IAF's annual self-assessment indicate general conformance to the Standards.

• Summary of audit work done

Planned and completed audits

Assignment	Status	Type
Annual Financial Statements	Completed	Assurance
Annual Performance Report Review	Completed	Assurance
Audit action plan for Internal Audit and AGSA	Completed	Assurance
Amalgamation	Completed	Assurance
Interim Financial Statements	Completed	Assurance
Governance	Completed	Assurance
Performance Information	Completed	Assurance

- All audits (100%) were completed.
- Internal audit findings were communicated timely and management implemented measures to mitigate the risks. Significant matters identified during the year were reported to the AC

Ad hoc projects

Several follow-up projects were undertaken in response to management comments and emerging risks, including support on digitisation initiatives and contract management; however, no ad hoc audits were conducted during the current financial year.

Internal audit recommendations

Recommendations were issued to management to address control weaknesses. The AC tracked implementation progress, recommending earlier timelines for implementation where necessary.

Value add

The IAF's work contributed to improved compliance, identification of inefficiencies, and informed decision-making, particularly in areas such as governance, amalgamation and financial statements.

Limitations

There were no constraints that prevent the IAF from meeting its set annual targets.

• **Key activities and objectives of the audit committee**

Purpose and mandate

The AC is an independent advisory body that provides oversight on governance, risk management, internal controls, and the integrity of financial and performance reporting

Independence

The AC operates independently in accordance with its approved charter and relevant legislation, including PFMA and Treasury Regulations.

Protecting the independence of the IAF

The AC ensures the IAF remains independent and adequately resourced, with unrestricted access to all entity's records and personnel.

Performance against statutory duties

The AC fulfilled its obligations under Treasury Regulations 3.1.8–3.1.16, reviewing key reports, financial statements, audit findings, and risk registers.

Composition of the AC

The AC comprised four members during most of the year, three external and one internal.

Meeting attendance

The AC held four meetings, two ordinary and two special, with satisfactory attendance recorded.

Combined assurance

The AC oversaw combined assurance efforts, ensuring coordination among internal audit, risk management, external audit, and other oversight functions.

Resolution of AC recommendations

Management has made notable progress in addressing the AC's recommendations, although the AC emphasized the need for earlier implementation of corrective actions.

AC performance evaluation

An annual self-assessment was conducted, with results indicating effective performance and areas for continuous development identified.

The table below discloses relevant information on the AC members:

Name	Qualifications	Professional Affiliation	Appointment: Term of Office	No. of Meetings attended	Has the AC member declared private and business interest in every meeting?	Is the AC member an employee of an organ of state?	No. of other AC's that the member served on during the reporting period (whether it is in the public sector or not)	No. of other governance structures the member served on during the reporting period. E.g., Boards, Risk Committee, IT Committee etc. whether in this or other institutions.
Ms. J Gunther	- Certified Internal Auditor - CRMA - Associate General Accountant - Masters in Cost Accounting - BCompt - Various accounting and auditing certificates	The Institute of Internal Auditors & South African Institute of Chartered Accountants	01 December 2023 to 30 November 2026	4 out of 4	Yes	No	5	2
Mr. Mongezi Mngqibisa	- B. Com (Business Economics & Economics) - B. Com Honours - MBL	The Institute of directors (South Africa)	01 December 2023 to 30 November 2026	4 out of 4	Yes	No	4	0
Dr Casper Olivier	- Diploma Public Administration - B Iuris - MPA - PhD (Public Management)	None	01 December 2023 to 30 November 2026	4 out of 4	Yes	No	5	1
Ms. Pamela Nogwili	- Master of Management (Monitoring and Evaluation) - Post Graduate Diploma in HIV/AIDS Management - B.Sc. (Physiotherapy)	None	01 December 2023 to 30 November 2026	4 out of 4	Yes	Yes	4	0

Remuneration of AC members

External AC members were not employed by organs of state and were remunerated in accordance with the National Treasury guidelines, with payments limited to meeting attendance rates. The internal members were not remunerated, but their contributions can be recognised in performance evaluations. All meetings during the reporting period were held virtually, resulting in financial savings. No additional reimbursements were incurred. The total cost of AC remuneration was provided for under Programme 6 of the Provincial Treasury budget.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The entity is committed to full compliance with the legislative and regulatory framework governing public entities.

- Public Finance Management Act (PFMA), Act No. 1 of 1999 (as amended) and Treasury Regulations
- Labour Relations Act, Basic Conditions of Employment Act, Employment Equity Act, Skills Development Act
- Occupational Health and Safety Act
- Broad-Based Black Economic Empowerment Act
- Protection of Personal Information Act (POPIA) and Promotion of Access to Information Act (PAIA)
- Northern Cape Gambling and Liquor Act, Act No 6 of 2024
- Any other applicable laws, codes, and guidelines

7.1 Compliance Monitoring and Governance

The Entity has implemented policies, systems, and controls to ensure ongoing compliance with the above legislation. Oversight is provided by:

- The Board and its subcommittees (particularly the Audit and Risk Committee)
- Internal Audit and Risk Management functions
- Regular compliance reporting to the Department, Provincial Treasury, and other oversight authorities

The Board confirms that, for the reporting period, no material breaches of laws and regulations occurred, other than those disclosed below.

7.2 Financial and Procurement Compliance

- The Entity complied with the PFMA and Treasury Regulations regarding financial management, reporting, and disclosure.
- All statutory payments (PAYE, UIF, SDL, VAT, etc.) were made on time.
- The Entity adhered to Supply Chain Management (SCM) prescripts and the Preferential Procurement Policy Framework Act (PPPFA).
- Instances of irregular, fruitless, and wasteful expenditure are disclosed in the Annual Financial Statements.

7.3 Labour and Employment Compliance

- The Entity complied with labour and employment legislation.
- Employment Equity Reports were submitted to the Department of Employment and Labour as required.

7.4 Assurance

- The Auditor-General's report for the year under review is included in this Annual Report.
- Internal Audit and Risk Management functions continue to review compliance on a quarterly basis.
- The Audit Committee provided oversight to strengthen compliance systems and address identified weaknesses.

All staff members are responsible for familiarising themselves with legislation relevant to their day-to-day functions and for ensuring that their activities on behalf of the NCGLB are conducted in full compliance with applicable laws and regulations.

8. FRAUD AND CORRUPTION

The Entity applies a zero-tolerance approach to fraud and corruption. A Fraud Prevention Plan and related policies are in place, aligned with the PFMA and Treasury Regulations, and overseen by the Risk Committee.

The Internal Audit function and Auditor-General provide ongoing assurance, and the Entity continues to promote an ethical culture that safeguards public resources.

9. MINIMISING CONFLICT OF INTEREST

The Entity enforces strict measures to prevent conflicts of interest in supply chain management. All officials and bidders are required to declare interests before participating in procurement processes. Where a conflict is identified, it is recorded, the affected party is recused or disqualified, and appropriate action is taken in line with SCM prescripts. These measures ensure transparency, fairness, and accountability in procurement.

10. CODE OF CONDUCT

The Entity has adopted a Code of Conduct and Ethics Policy that promotes integrity, professionalism, accountability, and fairness. All officials are required to sign the Code of Ethics on an annual basis, reinforcing their commitment to ethical behaviour and good governance. This ensures a culture of integrity, accountability, and public trust.

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Entity recognises the importance of health, safety, and environmental management but does not currently have formal policies or structures in place. To address this, the Entity plans to send designated officials on health and safety training courses in the upcoming financial year to build capacity and strengthen compliance, thereby promoting a safer and more sustainable working environment.

12. COMPANY /BOARD SECRETARY (IF APPLICABLE)

In terms of the NC Gambling and Liquor Act, Act No 6 of 2024 the Chief Executive Officer (CEO) serves as the Board Secretary for the Entity. The Board Secretary plays a key role in ensuring that the Entity complies with all statutory, regulatory, and corporate governance requirements.

The responsibilities of the Board Secretary include:

- Providing guidance to the Board on good governance practices and statutory duties.
- Ensuring that Board meetings are properly convened, documented, and that resolutions are recorded and implemented.
- Maintaining the registers and records required by the applicable legislation.
- Ensuring that all statutory returns and reports are lodged timeously with the relevant authorities.
- Verifying that submissions are complete, accurate, and compliant with legislative requirements.

The Board Secretary, through the CEO, ensures that the Entity upholds transparency, accountability, and compliance with the NC Gambling and Liquor Act and all other relevant legislation.

13. SOCIAL RESPONSIBILITY

During the year under review, the Entity focused on promoting responsible behaviour and public health through targeted awareness campaigns. These initiatives highlighted the dangers of gambling and alcohol abuse, particularly among youth, and addressed issues of underage drinking in schools.

In partnership with health clinics, the Entity also engaged with pregnant women to raise awareness about the risks of Fetal Alcohol Syndrome. Through these efforts, the Entity continues to demonstrate its commitment to community well-being and social responsibility.

14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

Part 1: Audit Committee Reflections – 2025

The Audit Committee (AC) remains committed to upholding the principles of good governance, transparency, and accountability. Our purpose is to provide independent oversight over financial reporting, internal controls, risk management, compliance, and governance practices within the entity. The AC operates in accordance with its legislated mandate, guided by the values of integrity, objectivity, and professionalism.

In the 2024/25 financial year, the AC focused strategically on strengthening internal controls, improving audit outcomes, ensuring compliance with legislative requirements, and promoting the effective functioning of internal audit. Particular attention was given to addressing recurring audit findings, monitoring the implementation of corrective action plans, and overseeing the entity's performance and financial reporting integrity.

The AC maintained its independence throughout the year. All members declared their interests, and no conflicts of interest were recorded. The AC engaged constructively with key stakeholders, including the Acting Chief Executive Officer, the Department of Economic Development and Tourism: Head of Department, internal and external auditors, the acting Chief Financial Officer, and other senior officials.

The positioning of the Internal Audit Unit (IAF) was strengthened through regular oversight and strategic direction. The Chief Audit Executive continued to play a critical role not only in the execution of the internal audit plan, but also in advising the entity on governance, risk, and control matters. The AC confirms that it provided counsel on areas beyond assurance, including financial sustainability, risk mitigation, and process optimisation.

The AC confirms that it has fulfilled its responsibilities in terms of the Public Finance Management Act (PFMA) and Treasury Regulations 3.1.8 to 3.1.16. We have adopted and complied with the AC Charter and functioned independently and without hindrance throughout the reporting period.

The AC has internalised the requirements of the Global Internal Audit Standards™ in its practices and has aligned the IAF's approach accordingly. We confirm that our affairs were conducted in line with these standards and our Charter, with no deviations to report.

Key challenges during the year included capacity constraints within the IAF, delays in resolving audit findings, and external logistical issues affecting entity's operations (merger). The AC worked closely with management to develop responsive action plans and continuously monitored their implementation.

In conclusion, the AC remains dedicated to strengthening governance structures and processes. We appreciate the support received from management, the internal and external auditors, and the Provincial Treasury, which has enabled us to effectively discharge our mandate.

Part 2: AC Composition and Meeting Attendance

The AC consisted of four members: three external and one internal. The AC remained properly constituted throughout the year, with a balanced representation of independent members possessing a diverse and appropriate mix of qualifications, skills, and experience. The AC convened four times during the year with two ordinary meetings and two special meetings.

The attendance of AC members at the meetings is detailed below:

Name	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Ms. J Gunther	- Certified Internal Auditor - CRMA - Associate General Accountant - Masters in Cost Accounting - BCompt - Various accounting and auditing certificates	No	2	2
Mr. Mongezi Mngqibisa	- B. Com (Business Economics & Economics) - B. Com Honours - MBL	No	2	2
Dr Casper Olivier	- Diploma Public Administration - B Iuris - MPA - PhD (Public Management)	No	2	2
Ms. Pamela Nogwili	- Master of Management (Monitoring and Evaluation) - Post Graduate Diploma in HIV/AIDS Management - B.Sc. (Physiotherapy)	Yes	2	2

Part 3: Audit Committee Focus Areas

During the financial year under review, the AC considered and provided oversight over the following areas:

1. Effectiveness of the internal control systems

The AC reviewed reports from both internal audit and external audit, which highlighted weaknesses in internal controls in certain operational areas, including governance, amalgamation and financial statements. Management action plans were monitored to ensure corrective action. The AC concludes that internal controls are generally adequate but require strengthening in key risk areas.

2. Effectiveness of the IAF

The AC assessed the IAF's performance and found it to be effective and operating in accordance with its approved charter. The internal audit plan was risk-based and aligned with the entity's strategic objectives. Notably, the IAF achieved 100% completion of its approved audit plan for the year under review.

3. Activities of the IAF

The IAF conducted audits covering financial statements controls, performance information, governance and amalgamation. Follow-up audits were also conducted to assess the implementation of prior recommendations. Internal Audit's quarterly reports and annual internal control assessment provided valuable insights for risk mitigation.

4. Effectiveness of risk management

The risk management chairperson position remained vacant during the year under review which compromised the effectiveness of the risk management committee, quarterly meetings were not convened as required, and the implementation of risk mitigation action plans was not subject to ongoing monitoring. The AC encourages the entity to continue strengthening its risk mitigation measures and embed risk management into daily operations.

5. Adequacy, reliability, and accuracy of financial and performance information

The AC reviewed financial and non-financial performance reports submitted during the year. Some issues of accuracy and completeness were identified and referred back to management for correction. Improvements were noted over the quarters, and the AC concludes that information quality is improving but further oversight is required.

6. Accounting and auditing concerns identified by internal and external audit

Both internal and external audit reports highlighted weaknesses in governance and financial statement controls. These were escalated to management and monitored through the AC's meeting resolutions and tracking tool.

7. Compliance with legal and regulatory provisions

The AC noted that while the entity generally complies with legislation, some lapses were identified, particularly in the governance and amalgamation processes. Management has committed to ongoing training and control improvements in this area.

8. Quality of in-year management and monthly/quarterly reports

The AC reviewed in-year financial and performance reports and found that submission timelines were generally met.

9. Combined assurance

The AC noted that while combined assurance efforts have commenced, they are still in the early stages. The AC recommended formalisation of the combined assurance framework, including clear roles for the IAF and other role players.

10. Evaluation of the annual financial statements

The annual financial statements fairly present the entity's position, but audit findings indicate a need to improve internal controls and compliance.

11. External audit

The Auditor-General issued an unqualified opinion, with findings on litigations and merger, requiring management action.

12. Auditor-General's report

An unqualified opinion with findings was issued, and management has committed to corrective measures to address the identified issues.

SIGNATURE



Ms. Judy Gunther
Chairperson of the Audit Committee
Northern Cape Gambling and Liquor Board
Date: 20 August 2025

15. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to the entity.
Developing and implementing a preferential procurement policy?	No	The entity has a Supply Chain Management policy guided by the relevant legislations, but not a preferential procurement policy specifically.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to the entity.
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to the entity.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to the entity.

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Provide commentary on the following:

Overview of HR matters at the public entity

The Northern Cape Gambling and Liquor Board (NCGLB) recognise that human capital is a key driver of organisational performance, governance, and service delivery. The Boards remain committed to maintaining a skilled, competent, and motivated workforce, despite persistent challenges related to vacancies and structural rationalisation.

1.1 Staff Complement and Vacancies

The newly amalgamated entity does not have an approved organizational structure in place. This will be concluded following the process of Section 197 in terms of the Labour Relations Act.

Below is a summary of the vacant and funded positions based on the two separate organizational structures of the formally Northern Cape Gambling and Northern Cape Liquor Boards:

Northern Cape Gambling Board:

The approved structure for 2023/2024 comprised of thirty-four (34) posts. The entity recorded sixteen (16) vacant positions, of which eight (8) are funded and eight (8) are unfunded. Critical positions include the Chief Financial Officer, Legal Manager, Compliance Manager, Licensing Manager, and Human Resource Manager. During the period under review one official retired.

Northern Cape Liquor Board:

The approved structure for 2023/2024 comprised of thirty-three (33) posts, the entity recorded eighteen (18) vacant positions, four (4) funded vacancies, and fourteen (14) unfunded vacancies. During the period under review the entity reported, one resignation and one death.

1.2 Recruitment and Appointment Challenges

Recruitment into funded positions remains on hold pending the rationalisation and merger process directed by the Office of the Premier. Acting arrangements are in place for key vacant positions to maintain operational continuity, with staff from respective units performing acting duties where applicable.

1.3 Training and Development

Continuous professional development initiatives are prioritised to enhance staff skills, competency, and compliance with legislative requirements. Staff participate in workshops, training programmes, and knowledge-sharing initiatives aligned with the entity's strategic objectives.

1.4 Employee Relations and Engagement

The Board maintain open channels of communication to ensure employee engagement, address grievances, and foster a positive organisational culture. Policies and procedures are in place to promote fairness, equity, and compliance with labour legislation.

1.5 HR Challenges and Mitigation

- ✓ **Vacancies:** Key positions remaining vacant for extended periods impact efficiency and service delivery. Acting arrangements mitigate operational risks but are not long-term solutions.
- ✓ **Funding Constraints:** Some critical positions remain unfunded, limiting the Boards' capacity to strengthen internal capabilities. Unfunded positions will be addressed once the organizational structure has been approved.
- ✓ **Merger Integration:** Harmonisation of staff structures, policies, and organisational culture between the NCGB and NCLB is ongoing to ensure a smooth transition and unified workforce.

• HR Outlook

The Board remain committed to:

- ✓ Filling critical positions post-merger and rationalisation.
- ✓ Strengthening employee development, engagement, and retention strategies.
- ✓ Ensuring alignment of HR policies and practices with strategic objectives and governance requirements.

• Set HR priorities for the year under review and the impact of these priorities

During the year under review, the Northern Cape Gambling and Liquor Board (NCGLB) identified key human resource priorities aimed at strengthening organisational capacity, ensuring compliance with legislation, and supporting service delivery.

✓ **Filling Critical Vacancies**

Focus on appointing qualified personnel into key positions such as Chief Executive Officer, Chief Financial Officer, Legal Manager, Compliance Manager, Licensing Manager, and Human Resource Manager.

✓ **Training and Capacity Development**

Provide continuous professional development and training programmes for staff to enhance skills, competencies, and adherence to regulatory standards.

✓ **Employee Engagement and Retention**

Strengthen engagement mechanisms, feedback channels, and recognition programmes to retain skilled personnel.

✓ **HR Policy Review and Alignment**

Review and update HR policies and practices to align with the merger, rationalisation directives, and legislative changes.

✓ **Merger Integration and Organisational Design**

Integrate staff structures, align job descriptions, and establish a unified organisational culture following the merger effective 1 April 2024.

• **Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce**

The Northern Cape Gambling and Liquor Board (NCGLB) recognise that a well-planned and capable workforce is critical to achieving organisational objectives, delivering quality services, and ensuring compliance with legislative mandates. The entity maintains a workforce planning framework that aligns human resources with strategic priorities, while addressing capacity gaps and succession needs.

• **Workforce Planning Framework**

The framework is designed to:

- ✓ **Assess Current Workforce Capacity:** Identify staff numbers, skills, competencies, and gaps relative to operational and strategic requirements.
- ✓ **Forecast Future Workforce Needs:** Anticipate future demands based on organisational growth, regulatory changes, and merger integration.
- ✓ **Align HR Practices with Strategic Objectives:** Ensure recruitment, retention, and development initiatives support the entities' goals.

• **Key Strategies to Attract and Recruit a Skilled Workforce**

✓ **Proactive Recruitment Planning:**

Conduct regular reviews of critical and strategic positions.
Advertise positions widely through national and provincial channels to attract qualified candidates.

✓ **Competitive and Transparent Recruitment Processes:**

Implement merit-based selection processes in line with public service regulations and the Employment Equity Act.
Ensure transparency, fairness, and equal opportunity in appointments.

- **Retention and Talent Management Initiatives:**

- ✓ Offer career development, mentoring, and training programmes to retain high-performing employees.
- ✓ Foster a positive organisational culture that supports engagement, recognition, and performance.

- **Expected Outcomes of Workforce Planning and Recruitment Strategies**

- ✓ A skilled, competent, and stable workforce capable of executing the entities' mandates effectively.
- ✓ Reduced operational risk associated with prolonged vacancies.
- ✓ Improved employee morale, engagement, and retention.
- ✓ Enhanced organisational resilience during periods of change, including mergers and rationalisation.

- **Employee wellness programmes**

The Northern Cape Gambling and Liquor Board (NCGLB) recognises that employee well-being is critical for performance, engagement, and organisational stability, particularly following the merger and rationalisation process.

Current Status

- ✓ The entity has not yet implemented a formal wellness programme.
- ✓ Post-merger integration and prolonged vacancies have contributed to low employee morale and increased workplace stress.

Planned Initiatives

The Board is in the process of designing and implementing a comprehensive Employee Wellness Programme, with the following objectives:

- ✓ **Enhance Employee Morale and Engagement:**

Provide support to employees affected by post-merger changes.
Encourage a positive organisational culture that fosters collaboration and resilience.

- ✓ **Promote Physical, Mental, and Emotional Well-being:**

Future programmes may include health screenings, counselling services, and stress management workshops.
Activities aimed at work-life balance, team building, and personal development.

✓ **Support Performance and Productivity:**

Ensure employees are supported during the transition to a unified organisational structure.
Reduce absenteeism and foster motivation through targeted wellness initiatives.

✓ **Expected Impact**

Improved employee morale and engagement.
Greater organisational resilience and retention of skilled staff.
Strengthened workplace culture that prioritises care, support, and employee development.

• **Policy development**

The Northern Cape Gambling and Liquor Board (NCGLB) are committed to ensuring that all HR and operational policies are aligned with legislation, best practices, and organisational objectives, particularly in the context of post-merger integration.

✓ **Policy Development Approach**

All policies are to be developed, reviewed, and implemented in accordance with Section 197 of the Labour Relations Act, which governs consultation with organised labour and employees during structural changes.

Policies will cover areas such as recruitment, employee performance management, remuneration, disciplinary procedures, leave, and workplace conduct.

The Section 197 process ensures fair consultation and engagement with employees and recognised unions before policy adoption, particularly in matters affecting staff conditions, rights, and benefits.

✓ **Post-Merger Policy Alignment**

Following the merger of the NCGB and NCLB (effective 1 April 2024), policies are being harmonised to create a unified framework across the merged entity.

The consultation process with organised labour and employees ensures that:

- Staff concerns are addressed transparently.
- Policies reflect equitable treatment across the merged workforce.
- Compliance with labour legislation and governance standards is maintained.

- **Expected Outcomes**

- ✓ Clear, consistent, and legally compliant policies that support operational efficiency.
- ✓ Strengthened employee trust and engagement through inclusive consultation.
- ✓ Smooth transition of staff and alignment of HR practices within the merged entity.

- **Highlight achievements**

Despite the challenges associated with high vacancy rates, organisational rationalisation, and the recent merger of the Northern Cape Gambling and Liquor Board (NCGLB), the entity has achieved key milestones in human resource management during the year under review.

- ✓ **Leadership and Governance**

Appointment of the current Board on 11 November 2024, ensuring strategic oversight and governance continuity.

- ✓ **Human Resource Continuity**

Acting arrangements were successfully implemented for critical positions, including Licensing Manager, Compliance Manager, and Chief Financial Officer, ensuring continuity of operations despite vacancies.

Harmonisation of HR processes and structures is underway in preparation for post-merger integration, mitigating disruption to service delivery.

- ✓ **Staff Engagement and Communication**

Regular engagement with employees and organised labour unions as part of the Section 197 consultation process.

Open communication channels maintained to address staff concerns, particularly in the context of the merger and organisational restructuring.

- ✓ **Policy Development and Alignment**

Initiated the review and harmonisation of HR policies to ensure a consistent framework across the merged entity.

All policies are aligned with legislation, labour requirements, and governance standards.

✓ **Planning for Employee Wellness**

Recognition of the need for a formal Employee Wellness Programme to address low staff morale post-merger.

Plans are underway to implement a comprehensive programme focusing on physical, mental, and emotional well-being.

• **Challenges faced by the public entity**

The Northern Cape Gambling Board and Liquor Board (NCGLB) continues to operate within a challenging environment that impacts service delivery, governance, and workforce management.

Key challenges include:

✓ **Understaffing and Vacancies**

The entity has persistently high vacancy rates, including critical and strategic positions such as the Chief Executive Officer, Chief Financial Officer, Legal Manager, Compliance Manager, Licensing Manager, and Human Resource Manager.

Prolonged vacancies have necessitated acting arrangements, which ensure continuity but limit operational effectiveness and strategic decision-making.

✓ **Representation and Equity**

There is a need to improve the representation of women and other equity target groups in senior positions and key roles, in line with national equity and transformation objectives.

Accommodation for persons with disabilities is required to comply with the Employment Equity Act and to promote an inclusive workforce.

✓ **Capacity Constraints and Organisational Resilience**

Limited human resources restrict the entity's ability to respond effectively to operational demands, regulatory changes, and increased industry oversight responsibilities.

Post-merger integration has introduced additional challenges, including harmonisation of structures, policies, and organisational culture.

✓ 4. Operational and Service Delivery Pressures

Vacancies in key management positions affect timely decision-making, compliance monitoring, and enforcement activities.

The entity must maintain service continuity and regulatory oversight while simultaneously addressing organisational rationalisation and staff realignment.

✓ Strategic HR and Governance Challenges

The absence of key HR and leadership positions limits the entity's capacity to:

- Implement workforce planning initiatives effectively
- Roll out training and development programmes
- Address staff morale, wellness, and engagement need
- Ensure equitable representation and inclusion across all levels of the organisation

• Future HR plans /goals

- ✓ **Filling Critical Vacancies:** Recruit and appoint staff in all critical roles to strengthen leadership and operational capacity.
- ✓ **Enhancing Equity and Diversity:** Improve representation of women, equity groups, and accommodate persons with disabilities.
- ✓ **Workforce Planning and Development:** Strengthen succession planning and provide targeted training.
- ✓ **Employee Wellness and Engagement:** Implement a formal wellness programme and boost engagement initiatives.
- ✓ **Policy Development and HR Governance:** Complete harmonisation and update policies to ensure compliance, clarity, and consistency.
- ✓ **Recruitment and Talent Attraction:** Implement strategies to attract skilled and competent personnel.
- ✓ **Monitoring and Evaluation:** Track progress and adjust strategies to improve workforce management.

Expected Outcomes:

- ✓ Fully staffed, skilled, and diverse workforce.
- ✓ Improved morale, engagement, and retention.
- ✓ Strengthened governance, compliance, and service delivery.

1. HUMAN RESOURCE OVERSIGHT STATISTICS

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	0	0	0	0
Professional qualified	8	0	0	8
Skilled	21	0	3	17
Unskilled	6	0	0	6
Total	36	0	3	32

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	1	33%
Resignation	1	33%
Dismissal	-	0%
Retirement	1	33%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%

- ✓ Since the merger was finalised on 01 April 2024, the organisation has been undergoing Section 197 transitional processes, which include aligning structures, policies, and human resource frameworks.
- ✓ As part of this process, all vacancies (arising from death, resignation, or retirement) are being recorded and flagged for consideration in the new approved structure.
- ✓ Recruitment efforts will commence once the organisational design is completed and approved to ensure compliance with the S197 processes and to avoid duplication or misalignment of roles.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	4
Final Written warning	2
Dismissal	0

Equity Target and Employment Equity Status

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1						
Senior Management	0	2	0	1	0	1	0	1
Professional qualified	2	1	0	5	0	0	0	1
Skilled	11	6	2	1	0	1	0	0
Unskilled	0	0	0	0	0	1	0	1
TOTAL	14	10	2	7	0	3	0	3

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	1	0	1	0	1	0	1
Senior Management	0	2	0	2	0	0	0	1
Professional qualified	4	0	4	0	0	1	0	0
Skilled	6	1	2	1	0	0	0	1
Unskilled	0	0	0	1	0	0	0	0
TOTAL	10	4	6	5	0	2	0	3

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	1
Professional qualified	0	1	0	1
Skilled	0	1	0	1
Unskilled	0	0	0	0
TOTAL	0	2	0	3

PART E: PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/25	20XX/20YY
	R'000	R'000
Opening balance		
Additions through merger	630	
Opening balance as restated		
Add: Irregular expenditure confirmed	234	
Less: Irregular expenditure condoned	-107	
Less: Irregular expenditure not condoned and removed		
Less: Irregular expenditure recoverable ¹		
Less: Irregular expenditure not recoverable and written off	-8	
Closing balance	749	

Reconciling notes

Description	2024/25	20XX/20YY2
	R'000	R'000
Irregular expenditure that was under assessment		
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year	234	
Total	234	

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

Description ³	2024/25	20XX/20YY
	R'000	R'000
Irregular expenditure under assessment		
Irregular expenditure under determination		
Irregular expenditure under investigation	234	
Total	234	

¹ Transfer to receivables

² Record amounts in the year in which it was incurred

³ Group similar items

c) Details of irregular expenditure condoned

Description	2024/25	20XX/20YY
	R'000	R'000
Irregular expenditure condoned	-107	
Total	-107	

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

Description	2024/25	20XX/20YY
	R'000	R'000
Irregular expenditure NOT condoned and removed	-8	
Total	-8	

e) Details of irregular expenditure recoverable

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure recoverable		
Total		

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

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Irregular expenditure written off		
Total		

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
N/A
Total

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)⁴

Description	20YY/20ZZ ⁵	20XX/20YY
	R'000	R'000
Not Applicable		
Total		

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

Disciplinary steps taken
Not Applicable

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/25	20XX/20YY
	R'000	R'000
Opening balance		
Additions through merger	31	
Opening balance as restated		
Add: Fruitless and wasteful expenditure confirmed	13	
Less: Fruitless and wasteful expenditure recoverable ⁶		
Less: Fruitless and wasteful expenditure not recoverable and written off		
Closing balance	44	

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

⁵ Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

⁶ Transfer to receivables

Reconciling notes

Description	2024/25	20XX/20YY7
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment		
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year		
Fruitless and wasteful expenditure for the current year	13	
Total	13	

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

Description ⁸	2024/25	20XX/20YY
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation	13	
Total	13	

c) Details of fruitless and wasteful expenditure recoverable

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Fruitless and wasteful expenditure recoverable		
Total		

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

Description	20YY/20ZZ	20XX/20YY
	R'000	R'000
Fruitless and wasteful expenditure written off		
Total		

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

Disciplinary steps taken
Not Applicable

⁷ Record amounts in the year in which it was incurred

⁸ Group similar items

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii))⁹

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/25	20XX/20YY
	R'000	R'000
Theft		
Other material losses		
Less: Recoverable		
Less: Not recoverable and written off		
Total		

b) Details of other material losses

Nature of other material losses	20YY/20ZZ	20XX/20YY
	R'000	R'000
(Group major categories, but list material items)		
Total		

c) Other material losses recoverable

Nature of losses	20YY/20ZZ	20XX/20YY
	R'000	R'000
(Group major categories, but list material items)		
Total		

d) Other material losses not recoverable and written off

Nature of losses	20YY/20ZZ	20XX/20YY
	R'000	R'000
(Group major categories, but list material items)		
Total		

⁹ Information related to material losses must also be disclosed in the annual financial statements.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

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

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Total				

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Total						

PART F: FINANCIAL INFORMATION

Report of the auditor-general to the Northern Cape Provincial Legislature on the Northern Cape Gambling and Liquor Board

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Northern Cape Gambling and Liquor Board set out on pages xx to xx, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northern Cape Gambling and Liquor Board 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 (Standards of 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 entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Uncertainty relating to the future outcome various litigations

7. With reference to note 25 to the financial statements, the entity is the defendant in a several lawsuits. The ultimate outcomes of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Merger of the Northern Cape Gambling Board and the Northern Cape Liquor Board

8. Note 32 to the financial statements outlines the merger between the Northern Cape Gambling Board and the Northern Cape Liquor Board, which became effective on 01 April 2024. The merger was affected in terms of the Northern Cape Gambling and Liquor Act, 2024 (Act No. 6 of 2024), resulting in the establishment of the Northern Cape Gambling and Liquor Board. As this represents the first year of operation of the newly established entity, no comparative information has been presented.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
10. 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.

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

11. 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.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page XX, forms part of my auditor's report.

Report on the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance output indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
14. I selected the following material performance indicators related to the Gambling Board, Investigation and Licensing and the Liquor Board, Licensing presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure

the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Percentage of received new valid gambling license applications investigated
- Percentage of received employee certificate applications investigated
- Percentage of received license renewal applications investigated
- Percentage of new valid license applications investigated
- Percentage of valid occasional license applications investigated

15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

18. I did not identify any material findings on the reported performance information for the percentage of received new valid gambling license applications investigated, the percentage of received license renewal applications investigated, and the percentage of new valid license applications investigated.

19. The material findings on the reported performance information for the selected material indicators are as follows:

Percentage of valid occasional license applications investigated

20. An achievement of 100% was reported against a target of 100%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not available. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Percentage of received employee certificate applications investigated

21. An achievement of 100% was reported against a target of 100%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not available. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

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

Material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the Liquor Board Licencing and the Gambling Board Investigation and Licensing. Management did not correct these misstatements, and I reported material findings in this regard.

Report on compliance with legislation

25. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.
26. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
27. 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 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.

28. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance reports and annual reports

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

30. Some of the goods and services were procured without obtaining at least three written price quotations in accordance with Treasury Regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22.

Other information in the annual report

31. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
32. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
33. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

36. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the selected material indicators included in the annual performance report and the material findings on compliance with legislation included in this report.
37. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.
38. Oversight responsibility was not exercised regarding performance reporting and compliance as well as related internal controls.

Auditor General

Kimberley

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the 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 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 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 an entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 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); 16A6.3(c); 16A6.3(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
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
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 8 yv., 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
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



Northern Cape Gambling and Liquor Board
Annual Financial Statements
for the year ended 31 March 2025

These annual financial statements have been audited in compliance with the applicable requirements of the Public Finance Management Act No 1 of 1999

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Regulation of the Gambling and Liquor Industry in the Northern Cape
Board Members	Mr S Thole (Chairperson) Mr K Manake (Board Member) Mr BM Raadt (Board Member) Mr B Mogohu (Board Member) Ms N Ndelapi (Board Member) Ms C Carsten (Board Member) Mr X Magida (Board Member) Ms Z October (Board Member)
Registered office	31 McDougall Street Monument Heights Kimberley 8301
Bankers	First National Bank Standard Bank
Auditors	Auditor General of South Africa
Acting Chief Executive Officer	VG Mothibi
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Public Finance Management Act No 1 of 1999
Executive Authority	Northern Cape Department of Economic Development and Tourism MEC VL Blennies -Magage
Acting Chief Financial Officer	Ms MH Steenkamp
Reporting framework	General recognised Accounting Practice (GRAP) as issued by the Accounting Standards Board
Legislative Framework	Northern Cape Gambling and Liquor Board Act No 6 of 2024 Public Finance Management Act No 1 of 1999 Skills Development Act No. 97 of 1998 Employment Equity Act No 55 of 1998 Unemployment Insurance Act No 30 of 1995 as amended Basic Conditions of Employment Act No. 75 of 1997 as amended
Jurisdiction	Northern Cape Province

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Index

The reports and statements set out below comprise the annual financial statements presented to the Provincial Legislature:

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Abbreviations used:

GRAP	Generally Recognised Accounting Practice
MEC	Member of Executive Council
NCDEDAT	Northern Cape Department of Economic Development and Tourism
NCEDA	Northern Cape Economic Development Agency
NCGB	Northern Cape Gambling Board
NCLB	Northern Cape Liquor Board
NCGLB	Northern Cape Gambling and Liquor Board
NCPT	Northern Cape Provincial Treasury
PFMA	Public Finance Management Act, 1999 (Act no.1 of 1999)

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Authority's Responsibilities and Approval

The accounting authority 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 accounting authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting authority acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the accounting authority to meet these responsibilities, the accounting authority 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The accounting authority have reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 4 to 47, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2025 and were signed on its behalf by:

S. Thole

Mr S Thole (Chairperson)

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Authority's Report

The members submit their report for the year ended 31 March 2025.

1. Review of activities

Main business and operations

The entity was established in terms of the Northern Cape Gambling and Liquor Act, Act 6 of 2024 and is responsible for gambling and liquor regulation within the Northern Cape Province.

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 Northern Cape Department of Economic Development and Tourism for continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that the Northern Cape Department of Economic Development and Tourism has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

3. Subsequent events

Boxer Superstores (Pty) Ltd & Another vs Northern Cape Gambling and Liquor Board

Subsequent to year end the applicant made an urgent court application against the NC Gambling and Liquor Board, dated 22 April 2025, in order to obtain an interdict directing the latter to renew licenses of two (2) Boxer Liquor Stores (Kuruman and Kimberley) and three Pick n Pay Liquor Stores (Kimberley). The entity has instructed the Office of the State Attorney to oppose the matter.

This is a subsequent event that is a non-adjusting event. As the matter is still pending to cost to be incurred by the entity cannot be estimated reliably.

4. Board members and key management interest in contracts

The accounting authority and key management of the entity did not have any interest in contracts entered into during the year under review.

5. Accounting policies

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

6. Accounting Authority

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

Name	Nationality	Appointment date
Mr S Thole (Chairperson)	South African	27 March 2025
Mr K Manake (Board Member)	South African	01 November 2024
Mr BM Raadt (Board Member)	South African	01 November 2024
Mr B Mogohu (Board Member)	South African	01 November 2024
Ms N Ndelapi (Board Member)	South African	01 November 2024
Ms C Carsten (Board Member)	South African	01 November 2024
Mr X Magida (Board Member)	South African	01 November 2024
Ms Z October (Board Member)	South African	01 November 2024
Ms N Madikizela (Chairperson Interim Board)	South African	(01 May 2024 - 31 July 2024)
Mr N Gqaduche Deputy Chairperson Interim Board)	South African	(01 May 2024 - 31 July 2024)
Mr T Meyers (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)
Mr P Mogotsi (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)
Mr P Ngcoboti (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)
Mr T Oliphant (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Authority's Report

6. Accounting Authority (continued)

Mr T Setloboko (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)
Ms N Tshaya (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)
Ms B Wildebees (Interim Board Member)	South African	(01 May 2024 - 31 July 2024)

7. Auditors

Auditor General of South Africa will continue in office for the next financial period.

8. Non-compliance with applicable legislation

Certain instances of non - compliance with applicable laws and regulations have been identified in terms of the following:

Public Finance Management Act No.1 of 1999: Section 51(1)(b)(ii) - irregular expenditure and fruitless and wasteful expenditure was incurred.

9. Merger of the Northern Cape Gambling Board and the Northern Cape Liquor Board

On 01 April 2024, the Northern Gambling Board (NCGB) and the Northern Cape Liquor Board (NCLB) were merged to form a new entity, the Northern Cape Gambling and Liquor Board (NCGLB), in accordance with the promulgation of the Northern Cape Gambling and Liquor Act, No.6 of 2024.

In terms of the Act, the newly established NCGLB assumed all assets, liabilities, rights, and obligations of the former entities as at the effective date of the merger. The NCGLB has also continued to fulfil the strategic and operational functions previously performed by both NCGB and NCLB.

Further details regarding the merger are disclosed in Note 32 to the Annual Financial Statements.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025
Assets		
Current Assets		
Receivables from exchange transactions	3	254 821
Cash and cash equivalents	4	15 289 394
		15 544 215
Non-Current Assets		
Property, plant and equipment	5	1 494 510
Intangible assets	6	53 367
Other financial assets	7	96 951
		1 644 828
Total Assets		17 189 043
Liabilities		
Current Liabilities		
Other financial liabilities	8	3 479 820
Finance lease obligation	9	181 408
Payables from exchange transactions	10	2 284 914
Short-Term Employee Benefits	11	1 189 346
		7 135 488
Non-Current Liabilities		
Finance lease obligation	9	410 563
Operating lease liability	12	2 512 242
		2 922 805
Total Liabilities		10 058 293
Net Assets		7 130 750
Accumulated surplus		7 130 750
Total Net Assets		7 130 750

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand	Note(s)	2025
Revenue		
Revenue from exchange transactions		
Rendering of services	15	50 648
Probity Revenue	15	169 821
Interest received	13	723 437
Total revenue from exchange transactions		943 906
Revenue from non-exchange transactions		
Services in-kind		
Services received	15	170 002
Transfer revenue		
Government grants & subsidies	14	25 374 593
Total revenue from non-exchange transactions		25 544 595
Total revenue	15	26 488 501
Expenditure		
Employee related costs	16	(23 459 414)
Remuneration of board members	17	(77 800)
Depreciation and amortisation	18	(370 458)
Finance costs	19	(32 139)
Lease rentals on operating lease	21	(3 296 583)
Loss on disposal of assets and liabilities		(28 363)
General Expenses	22	(6 983 735)
Total expenditure		(34 248 492)
Deficit for the year		(7 759 991)

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2024	-	-
Changes in net assets		
Transfer in from NCGB and NCLB (Note 32)	14 890 741	14 890 741
Net income (losses) recognised directly in net assets	14 890 741	14 890 741
Surplus/(deficit) for the year	(7 759 991)	(7 759 991)
Total recognised income and expenses for the year	7 130 750	7 130 750
Total changes	7 130 750	7 130 750
Balance at 31 March 2025	7 130 750	7 130 750
Note(s)		

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Cash Flow Statement

Figures in Rand	Note(s)	2025
Cash flows from operating activities		
Cash Receipts		
Rendering of services		50 560
Probity Revenue		602 888
Application and renewal fees		2 792 529
Government grants and subsidies		25 374 593
Interest received		723 437
		<u>29 544 007</u>
Cash Payments		
Employee costs and board remuneration		(23 236 504)
Suppliers		(9 715 336)
Finance costs		(32 129)
		<u>(32 983 969)</u>
Net cash flows from operating activities	23	<u>(3 439 962)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	5	<u>18 878</u>
Cash flows from financing activities		
Increase/(decrease) in finance lease	9	<u>(78 583)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(3 499 667)</u>
Cash and cash equivalents transferred from NCGB and NCLB (Note 32)		18 789 061
Cash and cash equivalents at the end of the year	4	<u>15 289 394</u>

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1. Significant accounting policies

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 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.

1.2 Presentation currency

These annual financial statements are presented in South African Rand, rounded off to the nearest 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 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.5 Mergers

Definitions

A merger is the establishment of a new combined entity in which none of the former entities obtains control over any other and no acquirer can be identified. As no acquirer can be identified, a merger does not result in an entity having or obtaining control over any of the entities that are involved in the transaction or event, as the combining entities are not controlled entities of each other, either before or after the merger.

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Accounting Policies

1.5 Mergers (continued)

Determining the merger date

Effective 01 April 2024, the Northern Cape Gambling Board (NCGB) and the Northern Cape Liquor Board (NCLB) were merged to form a new statutory entity, the Northern Cape Gambling and Liquor Board (NCGLB).

The merger was effected in terms of the Northern Cape Gambling and Liquor Act, 2024 (Act No.6 of 2024), which provides for the establishment of the NCGLB, its governance by a duly appointed Board, and its regulatory mandate over the gambling and liquor industries within the Northern Cape Province. The Act further outlines transitional arrangements related to the merger and provides for matters incidental thereto.

In accordance with the provisions of the Act, the NCGLB assumed, with effect from 01 April 2024, all assets, liabilities, rights, and obligations of the former entities, and continues to perform the strategic and regulatory functions previously carried out by the NCGB and NCLB. As this transaction was classified as a merger, no acquirer could be identified, and the value of assets acquired and liabilities assumed was transferred to the NCGLB on the effective date.

Assets transferred and liabilities assumed

The recognition of assets and liabilities by the entity as combined entity are subject to the following conditions:

The assets and liabilities that qualify for recognition in a merger are part of what had been agreed in terms of law, rather than the result of separate transactions.

Other criteria for the entity (as the combined entity)

The assets and liabilities that qualify for recognition as set out in the binding arrangement meets the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements and the recognition criteria in the applicable Standards of GRAP at the merger date.

Accounting by the entity as the combined entity

Initial recognition and measurement

The merger was accounted for by applying the principles of the modified pooling of interest method, as required by GRAP 107. Accordingly:

- Assets and liabilities transferred from the merging entities were recognised by the new entity at their carrying amounts on the effective date of the merger (1 April 2024).
- The net difference between the carrying amounts of assets and liabilities received was recognised in net assets/equity as a merger adjustment.
- The results of operations, cash flows, and financial position of the new entity are presented from the effective date of the merger (1 April 2024) onward.
- No comparative information is presented in these financial statements, in accordance with paragraph .42 of GRAP107, which states that comparative information need not to be presented in the first reporting period after the merger.

The financial year end of the new entity is 31 March, with the first full financial year running from 1 April 2024 to 31 March 2025.

Northern Cape Gambling and Liquor Board

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Accounting Policies

1.5 Mergers (continued)

Measurement period

If the initial accounting for a merger is incomplete by the end of the reporting period in which the merger occurs, the entity reports in its annual financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the entity retrospectively adjusts the provisional amounts recognised at the merger date to reflect new information obtained about facts and circumstances that existed as of the merger date and, if known, would have affected the measurement of the amounts recognised as of that date. The measurement period ends as soon as the entity receives the information it was seeking about facts and circumstances that existed as of the merger date or learns that more information is not obtainable. However, the measurement period does not exceed two years from the merger date.

The entity considers all relevant factors in determining whether information obtained after the merger date should result in an adjustment to the provisional amounts recognised or whether that information results from events that occurred after the merger date. Relevant factors include the date when additional information is obtained and whether the entity can identify a reason for a change to provisional amounts.

The entity recognises an increase (decrease) in the provisional amount recognised for an asset (liability) by means of decreasing (increasing) the excess of the purchase consideration paid over the carrying amount of the assets acquired and liabilities assumed previously recognised in accumulated surplus or deficit.

During the measurement period, the entity recognises adjustments to the provisional amounts as if the accounting for the merger had been completed at the merger date. Thus, the entity revises comparative information for prior periods presented in annual financial statements as needed, including making any change in depreciation, amortisation or other income effects recognised in completing the initial accounting.

After the measurement period ends, the entity revises the accounting for a merger only to correct an error in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

1.6 Significant judgements and sources of estimation uncertainty

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

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

Trade receivables

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

Impairment testing

The recoverable 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 assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Effective interest rate

The entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

A decrease in the calculated allowance for doubtful debt based on the calculation as described, is recognised in the surplus and deficit.

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Accounting Policies

1.7 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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.

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

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

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

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5 - 15 Years
Office equipment	Straight-line	5 - 10 Years
IT equipment	Straight-line	2 - 6 Years
Other property, plant and equipment	Straight-line	3 - 8 Years
Leased Assets	Straight-line	2 - 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.

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

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

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

Northern Cape Gambling and Liquor Board

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Accounting Policies

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

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

The entity separately discloses expenditure to repair and maintain intangible assets in the notes to the financial statements.

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 - 6 Years

Intangible assets are derecognised:

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

Northern Cape Gambling and Liquor Board

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Accounting Policies

1.9 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.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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

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 guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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.

Northern Cape Gambling and Liquor Board

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Accounting Policies

1.9 Financial instruments (continued)

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.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- 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.

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Accounting Policies

1.9 Financial instruments (continued)

Classification

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

Class	Category
Cash and Cash Equivalents	Financial asset measured at amortised cost
Other financial assets	Financial asset measured at amortised cost
Trade and Other receivables	Financial asset measured at amortised cost

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

Class	Category
Finance lease liability	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost
Operating leases	Financial liability measured at amortised cost

1.10 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.

Finance leases - lessee

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

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

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

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

Operating leases - lessee

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

Northern Cape Gambling and Liquor Board

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1.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

1.12 Impairment of cash-generating assets

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

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

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

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

Useful life is either:

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

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets.

1.13 Impairment of non-cash-generating assets

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

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Accounting Policies

1.13 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

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

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

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

1.14 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.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

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.

Northern Cape Gambling and Liquor Board

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Accounting Policies

1.14 Employee benefits (continued)

Short-term employee benefits

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

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

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

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

1.15 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

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

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

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

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

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1.15 Provisions and contingencies (continued)

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

A constructive obligation to restructure arises only when an entity:

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

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.16 Capital 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.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.17 Revenue from exchange transactions

Measurement

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

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

Probity Revenue

In terms of the Northern Cape Gambling and Liquor Board Act, 2024 (Act No. 06 of 2024), all reasonable cost incurred in investigating and probing an application for a gambling license, are borne by the applicant. This cost is charged against the probity investigation received in advance from the applicant, based on reasonable estimates of costs to be incurred.

Destinction is made as follows:

- Advertisement of applicants
- Site inspections and certifications
- Delivering of public copies of applicants for inspections at police stations
- Special board meetings called by the licensee
- Machine testing post - licensing but pre-opening
- Public hearings
- Application investigation administrative cost incurred which are directly related to the application received

Revenue is recognised on invoice for the cost incurred relating to probity and investigations.

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 .

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

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

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.18 Revenue from non-exchange transactions

Recognition

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

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

Measurement

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

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

Services in-kind

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

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

1.19 Borrowing costs

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

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

1.20 Fruitless and wasteful expenditure

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

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

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

1.21 Irregular expenditure

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 yearend and/or before finalisation of the financial statement must also be recorded and 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.

When irregular expenditure was incurred and identified during current 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.

1.22 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 those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

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

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

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Accounting Policies

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

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

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

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.

Guideline: Guideline on the Application of Materiality to Financial Statements

The adoption of the guideline did not have any impact on the financial statements.

There were no changes in accounting policies and disclosures adopted in the current year.

2.2 Standards and interpretations not yet effective

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 (as revised): Mergers	Not yet determined	Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control	Not yet determined	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	Not yet determined	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	Not yet determined	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	Not yet determined	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	Not yet determined	Unlikely there will be a material impact

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

3. Receivables from exchange transactions

Trade debtors	1 770
Employee related receivables	250 248
Payables with debit balances	2 804
	254 822

Receivable Ageing

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

0- 30 days	253 052
Past 120 days	1 770
	254 822

4. Cash and cash equivalents

Cash and cash equivalents consist of:

First National Bank - NCGB	5 450 789
Standard Bank - NCLB	9 830 605
Standard Bank - NCGLB	4 000
Standard Bank - Gambling Applications	2 000
Standard Bank - Liquor Applications	2 000
	15 289 394

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

5. Property, plant and equipment

	2025	
	Cost	Accumulated depreciation and impairment
Furniture and fixtures	1 294 115	(698 970)
Office equipment	106 614	(75 920)
IT equipment	986 158	(697 606)
Leased Assets	701 043	(120 924)
Total	3 087 930	(1 593 420)
		1 494 510

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Additions through merger	Disposals	Depreciation	Total
Furniture and fixtures	-	-	702 470	-	(107 325)	595 145
Office equipment	-	-	46 168	(5)	(15 469)	30 694
IT equipment	-	-	450 723	(29 300)	(132 871)	288 552
Other property, plant and equipment	-	-	22 221	(17 936)	(4 285)	-
Leased Assets	-	605 593	60 982	-	(86 456)	580 119
	-	605 593	1 282 564	(47 241)	(346 406)	1 494 510

Assets subject to finance lease (Net carrying amount)

Other leased Assets (Telephones, Cell Phones & Printers)

580 119

Expenditure incurred to repair and maintain property, plant and equipment

There were no expenditure incurred to repair and maintain property, plant and equipment.

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

6. Intangible assets

	2025	
	Cost	Accumulated amortisation and accumulated impairment
Computer software	143 415	(90 048)
		53 367

Reconciliation of intangible assets - 2025

	Opening balance	Additions through merger	Amortisation	Total
Computer software	-	77 419	(24 052)	53 367

Other information

A register containing the information required by the Public Finance Management Act is available for inspection at the registered office of the entity.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

7. Other financial assets

At amortised cost

Other financial assets	96 951
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This relates to deposit paid on the building that the entity is currently situated at 31 MacDougall Street, Monument Heights, Kimberley.

Non-current assets

At amortised cost	96 951
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8. Other financial liabilities

At amortised cost

Gambling Application and Renewal fees due to NCDEDAT	1 986 058
Liquor Application and Renewal fees due to NCDEDAT	1 493 762
	3 479 820

Total other financial liabilities	3 479 820
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Current liabilities

At amortised cost	3 479 820
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9. Finance lease obligation

Minimum lease payments due

- within one year	148 359
- in second to fifth year inclusive	556 148
	704 507
less: future finance charges	(112 536)

Present value of minimum lease payments	591 971
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Non-current liabilities	410 563
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Current liabilities	181 408
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591 971

It is the entities policy to lease certain equipment under finance lease, finance leases are linked to prime lending rates and have monthly fixed repayments over the lease periods of 24 to 60 months.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 5.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

10. Payables from exchange transactions

Trade payables	105 365
Employer Cost due to Third Parties	128 998
Probity deposits	2 050 541
	2 284 914

Payable, ageing

0- 30 days	2 248 006
60-90 days	7 332
Past 120 days	29 576
	2 284 914

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

11. Short-Term Employee Benefits

Reconciliation of short-term employee benefits - 2025

	Opening Balance	Additions through merger	Additions	Bonus Paid Out	Leave Days Paid Out	Total
Bonus Liability	-	356 400	354 599	(356 400)	-	354 599
Leave Liability	-	523 914	337 760	-	(26 927)	834 747
	-	880 314	692 359	(356 400)	(26 927)	1 189 346

12. Operating lease asset (liability)

Non-current liabilities

(2 512 242)

The lease agreement was entered into on 01 November 2020 for a period of 119 months. Lease payments are to be made in advance. Lease payments escalates annually by 6.5%

Future Minimum Lease Payments

Not Later than one (1) year

Later than one (1) year but not later than five (5) years

3 236 180
17 347 930
20 584 110

Northern Cape Gambling and Liquor Board

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Notes to the Annual Financial Statements

2025

13. Investment revenue

Interest revenue

Bank

723 437

14. Government grants & subsidies

Operating grants

Government grant: NCDEDAT

25 374 593

15. Revenue

Rendering of services

50 648

Probity Revenue

169 821

Interest received

723 437

Services in-kind

170 002

Government grants & subsidies

25 374 593

26 488 501

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

Rendering of services

50 648

Probity Revenue

169 821

Interest received

723 437

943 906

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

Services in-kind

Internal audit services

170 002

Transfer revenue

Government grants & subsidies

25 374 593

25 544 595

Northern Cape Gambling and Liquor Board

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Notes to the Annual Financial Statements

2025

16. Employee related costs

Basic	14 394 742
Acting Allowances	2 353 741
Annual Bonus (13th Cheque)	1 310 443
Backpayment	1 129 177
Contributions (1%UIF, SDL, Pension, Risk and Death)	1 962 553
Other Allowances (Housing, Medical, Cellphone & Non Pensionable allowance)	1 621 232
Leave Payout	9 156
Overtime Payment	43 471
Unpaid Leave	(56 954)
Provision for Leave and Bonus	336 797
Wages	355 056
	23 459 414

Remuneration of Acting Chief Executive Officer

Mr VG Mothibi

Basic Salary	1 354 791
Annual Bonus	108 911
Total Allowances (Housing, Cellphone, Medical)	47 135
Total Company Contributions	137 986
Backpay	20 475
	1 669 298

Remuneration of Acting Chief Financial Officer

Ms MH Steenkamp

Basic Salary	441 508
Annual Bonus	83 658
Acting Allowance	559 144
Total Allowances (Housing, Cellphone, Medical)	52 535
Total Company Contributions	61 252
Backpay	2 990
Backpayment - Acting Allowance (NCLB)	913 953
	2 115 040

Mr GD Mothlabane - Acting Licensing Manager

Basic Salary	108 957
Acting Allowance	100 313
Total Allowances (Housing, Cellphone, Medical)	10 774
Total Company Contributions	11 251
Backpay	2 909
	234 204

Ms T Sitsili - Acting Licensing Manager

Basic Salary	399 310
Annual Bonus	57 596
Acting Allowance	237 825
Total Allowances (Housing, Cellphone, Medical)	41 161
Total Company Contributions	47 003
	782 895

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

16. Employee related costs (continued)

Mr G Mothlabane has been appointed as the Acting Licensing Manager for the period 01 April 2024 till 30 June 2024 and received an acting allowance.

Ms T Sitsili has been appointed as the new Acting Licensing Manager for the period 01 July 2024 till 31 March 2025 and received an acting allowance as per the DPSA policy.

Mr SP Mohapi - Acting Compliance Manager

Basic Salary	108 957
Acting Allowance	100 313
Total Allowances (Housing, Cellphone, Medical)	10 774
Total Company Contributions	11 251
Backpay	2 909
	234 204

Mr SW Shebe - Acting Compliance Manager

Basic Salary	399 310
Annual Bonus	57 596
Acting Allowance	237 825
Total Allowances (Housing, Cellphone, Medical)	31 061
Total Company Contributions	47 003
	772 795

Mr S Mohapi has been appointed as the Acting Compliance Manager for the period, 1 April 2024 till 30 June 2024, and received an acting allowance.

Mr SW Shebe has been appointed as the new Acting Compliance Manager for the period, 01 July 2024 till 31 March 2025, and received an acting allowance as per the DPSA policy.

Corporate and human resources (corporate services)

Ms SJ Sehloho

Basic Salary	399 310
Annual Bonus	57 596
Acting Allowance	237 825
Total Allowances (Housing, Cellphone, Medical)	41 161
Total Company Contributions	47 003
	782 895

Ms SJ Sehloho has been appointed as the Acting HR Manager from 01 July 2024 till 31 March 2025 and received an acting allowance as per the DPSA policy.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

17. Remuneration of board members

Ms N Madikizela	6 600
Mr N Gquaduche	5 200
Mr T Meyers	4 000
Mr P Mogotsi	4 000
Mr P Ngcoboti	4 000
Mr T Oliphant	4 000
Ms B Wildebees	4 000
Ms N Tshaya	4 000
Mr B Mogohu	7 000
Mr B Raadt	7 000
Mr X Magida	7 000
Ms C Carsten	7 000
Ms NF Ndelaphi	7 000
Ms Z October	7 000
	77 800

18. Depreciation and amortisation

Property, plant and equipment	346 406
Intangible assets	24 052
	370 458

19. Finance costs

Finance leases	32 139
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20. Auditors' remuneration

External Audit Fees	1 532 612
Internal Audit Fees	170 002
	1 702 614

21. Lease rentals on operating lease

Premises	
Contractual amounts	3 296 583

Northern Cape Gambling and Liquor Board

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Notes to the Annual Financial Statements

2025

22. General expenses

Accessories	3 233
Advertising	300 069
Auditors remuneration (Note 20)	1 702 614
Bank charges	61 022
Board Social Responsibility	311 537
Cleaning	29 790
Computer expenses	151 683
Consulting and professional fees	112 265
Consumables	55 632
Electricity	317 450
Employment Bereavement Expenditure	15 850
Entertainment	96 035
Insurance	65 691
Investigation cost	26 900
Legal Fees	217 621
Building Operating Cost	275 003
Promotional Materials	340 100
Pest control	6 270
Postage and courier	900
Printing and Stationery	213 430
Repairs and maintenance	1 215
Staff welfare	7 631
Subscriptions and membership fees	37 545
Telephone and fax	162 640
Travel	2 470 751
Venues	858
	6 983 735

23. Cash (used in) generated from operations

Deficit	(7 759 991)
Adjustments for:	
Depreciation and amortisation	370 458
Gain on sale of assets and liabilities	28 363
Operating lease	317 258
Services in kind - Included in revenue from non-exchange transactions	(170 002)
Services in kind - Included in general expenditure: Internal audit fees	170 002
Changes in working capital:	
Receivables from exchange transactions	233 106
Payables from exchange transactions	269 283
Short term Employee Benefits	309 032
Movement in other financial liabilities	2 792 529
	(3 439 962)

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

24. Financial instruments disclosure

Categories of financial instruments

2025

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	254 821	254 821
Cash and cash equivalents	15 289 394	15 289 394
Other financial assets	96 951	96 951
	15 641 166	15 641 166

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	2 284 915	2 284 915
Other financial liabilities	3 479 820	3 479 820
Finance leases	181 408	181 408
Operating lease liability	2 512 242	2 512 242
	8 458 385	8 458 385

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

25. Contingencies

Nehawu on behalf of CH Hendricks vs CCMA, H. Oliphant & Northern Cape Gambling and Liquor Board

Mr Hendricks, an employee of the Board has lodged a review application with the Labour Court challenging an arbitration award issued by the CCMA in favour of the Northern Cape Gambling and Liquor Board (NCGLB). The matter arose from a dispute between Mr Hendricks, who was represented by NEHAWU, and the NCGB. In the award, the CCMA found that Mr Hendricks had failed to prove that the NCGLB committed an unfair labour practice by not appointing him to the position for which he had been interviewed.

A notice of motion reviewing the CCMA ruling was served on the NCGLB on the 17th October 2022. The entity instructed the Office of the State Attorney to oppose the Labour Court Application on behalf of NCGLB.

Matter is still pending and cost to be incurred by the entity cannot be estimated reliably.

Vukani Gaming Northern Cape (Pty) Ltd and 32 Others vs Northern Cape Gambling and Liquor Board & Four Others

This matter concerns a 2020 application before the High Court in which the Applicants seek an interpretation of Regulation 7(c). In addition to requesting an interpretation, the Applicants challenge the constitutionality of the Board's application of Regulation 7(c). Although the matter was temporarily abandoned by the Applicants, it was revived in 2022. The Applicants now seek an order compelling the MEC to amend Regulation 7(c) in accordance with an undertaking previously given.

The entity has instructed its attorneys to engage with the Applicants with a view to placing the matter on hold, pending the finalisation of the promulgation of the amended Regulation 7(c) by the MEC. The MEC has since amended the regulation; however, the Applicants have not yet withdrawn their application. The matter is therefore still pending and the cost to be incurred cannot be estimated reliably.

Deeps Betting Vukani t/a Scorebet vs Northern Cape Gambling and Liquor Board and Two Others

On 8 April 2022, Deeps Betting (Pty) Ltd t/a Scorebet served court papers on the Northern Cape Gambling and Liquor Board (NCGLB) challenging the Board's decision to grant a bookmaker licence to Vengies Gaming (Pty) Ltd. The application was brought in two parts: Part A and Part B. Part A comprised an urgent application seeking an interim interdict prohibiting the NCGLB from implementing its decision to grant the licence to Vengies, pending the outcome of the review proceedings in Part B. In Part B, Scorebet seeks to review and set aside the Board's decision to award the bookmaker licence to Vengies.

The interdict was granted against Vengies to seize operations of its business pending judgement in the part B review application. If the review application is successful the decision to grant Vengies a gambling license will be set aside.

The NCGLB instructed its attorneys not to oppose the review application and instead to file a notice to abide, accompanied by an explanatory affidavit. Following the granting of the interim interdict in Part A of the application, the Applicant abandoned the Part B review proceedings. As a result, the matter has become moot. Matter is still pending and cost to be incurred by the entity cannot be estimated reliably.

Vengies Gaming (Pty) Ltd vs Deeps Betting Grounds (Pty Ltd, The Chairperson of the Board, and the Northern Cape Gambling and Liquor Board

On 6 June 2022, Vengies Gaming (Pty) Ltd served court papers on the Northern Cape Gambling and Liquor Board (NCGLB), challenging the Board's 2013 decision to grant a bookmaker licence to Deeps Betting Grounds (Pty) Ltd t/a Scorebet. The challenge was brought on the basis that the decision was allegedly in contravention of Regulation 7(c) of the Regulations promulgated under the Northern Cape Gambling Act. The application was brought in two parts: Part A and Part B. In Part A, Vengies sought urgent interim relief in the form of a court order compelling the NCGLB to suspend Deeps Betting's bookmaker licence pending the outcome of the Part B review application. In Part B, Vengies seeks to review and set aside the Board's decision to grant such license in 2013.

On 1st August 2023 Applicant's Attorneys filed a Notice of Removal of the matter from the court roll and subsequently took no further action.

Following the dismissal of its urgent application in Part A under High Court case number 1214/22, Vengies Gaming (Pty) Ltd, the Applicant in the matter, failed to appeal the court's decision. Furthermore, Vengies also failed to institute a fresh

Northern Cape Gambling and Liquor Board

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Notes to the Annual Financial Statements

2025

25. Contingencies (continued)

review application challenging the Board's 2013 decision to grant a gambling licence to Deeps Betting Grounds (Pty) Ltd t/a Scorebet, as it had initially intended in the event that Part A succeeded and the matter proceeded to Part B.

Vengies Gaming (Pty) Ltd is now opportunistically bringing a new application to challenge the Board's 2024 decision to renew the bookmaker licence held by Deeps Betting Grounds (Pty) Ltd t/a Scorebet. This is the same licence originally granted to Deeps Betting by the Board in 2013—a decision which Vengies previously attempted to interdict and set aside in High Court case number 1214/22. However, Vengies failed to pursue that matter to finality, having neither appealed the outcome of the Part A urgent application nor instituted a substantive review in Part B. Despite this, Vengies now seeks to challenge the renewal of the same licence, effectively revisiting issues it previously failed to prosecute.

Matter is still pending and cost to be incurred by the entity cannot be estimated reliably.

Desert Palace vs MEC Economic Development and Tourism and the Northern Cape Gambling and Liquor Board

The Applicant submitted a interdict against the MEC from amending Regulation 7C and &A that was gazetted in the provincial gazette. On the 04th April 2023 the High Court granted an interim order against the MEC interdicting them from amending Regulation 7C. This matter is still pending and the cost to be incurred by the entity cannot be estimated reliably.

Teemane (Pty) Ltd t/a Flamingo vs Northern Cape Gambling and Liquor Board

A review application against a decision taken by the MEC for amending Regulation 7C & A. The Northern Cape Gambling and Liquor Board referred the matter to their Attorneys to file a Notice of Intention to oppose. Matter is still pending and cost to be incurred by the entity cannot be estimated reliably.

DG Murray Trust vs Northern Cape Provincial Legislature & 20 Others

The Applicant is challenging the constitutionality of sections 93(2)(c) and 93(4) to 93(6) of the Northern Cape Gambling and Liquor Act, 2024. The challenge is twofold. Firstly, the Applicant alleges that the Act was promulgated without adequate public participation, in violation of the constitutional principles of participatory democracy.

Secondly, the Applicant contends that the provisions relating to the extension of time periods under sections 93(2)(c) and 93(4) to 93(6) are unconstitutional. It is alleged that these extensions infringe upon several fundamental rights enshrined in the Constitution, including the right to human dignity, the right to freedom and security of the person, the right to a safe environment, the right to health care, food, water and social security, and children's rights.

Surrender of surplus, Section 53(3) PFMA

The entity annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

Section 53 (3) of the PFMA, requires a public entity, not to budget for a deficit and not to accumulate surpluses unless prior written approval of the Provincial Treasury has been obtained.

The entity had a surplus for the year, for which the entity will request the surplus to be retained. The outcome of the application is uncertain.

Surplus funds to be surrendered

Cash and cash equivalents	15 289 394
Add: Receivables	254 821
Less: Current liabilities	(7 135 488)
	8 408 727

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

2025

26. Related parties

Relationships

Accounting Authority
Entities/Departments under common control

Refer to Accounting Authority's report note 6
Northern Cape Economic Development, Trade and
Investment Promotion Agency
Northern Cape Provincial Treasury
Northern Cape Department of Economic
Development and Tourism
Mr VG Mothibi
Ms MH Steenkamp
Mr GD Mothlabane
Mr SP Mohapi
Mr SW Shebe
Ms T Sitsili
Ms SJ Sehloho

Department with significant influence

Members of key management

Related party balances

Amounts included in Short Term Employee Benefits regarding related parties

Employee Benefits: Leave and Bonus

(335 222)

Related party transactions

Remuneration paid to Key Management

Mr VG Mothibi	1 669 298
Ms MH Steenkamp	2 115 040
Mr SP Mohapi	234 204
Mr GD Mothlabane	234 204
Ms T Sitsili	782 895
Mr SW Shebe	772 795
Ms SJ Sehloho	782 895

2025

	Ms T Sitsili	Mr SW Shebe	Ms S Sehloho	Total
Basic Salary	399 310	399 310	399 310	1 197 930
Annual Bonus	57 596	57 596	57 596	172 788
Acting Allowance	237 825	237 825	237 825	713 475
Total Allowances (Housing, Cellphone, Medical and Non Pensionable)	41 161	31 061	41 161	113 383
Total Company Contributions	47 003	47 003	47 003	141 009
	782 895	772 795	782 895	2 338 585

2025

	VG Mothibi	MH Steenkamp	S Mohapi	GD Mothlabane	Total
Basic Salary	1 354 791	441 508	108 957	108 957	2 014 213
Annual Bonus	108 911	83 658	-	-	192 569
Acting Allowance	-	559 144	100 313	100 313	759 770
Total Allowances (Housing, Cellphone, Medical and Non Pensionable)	47 135	52 535	10 774	10 774	121 218
Total Company Contributions	137 986	61 252	11 251	11 251	221 740
Backpay	20 475	2 990	2 909	2 909	29 283
Backpay (NCLB)	-	913 953	-	-	913 953
	1 669 298	2 115 040	234 204	234 204	4 252 746

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

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2025

26. Related parties (continued)

Sitting fees and other work paid to related parties

Ms N Madikizela	6 600
Mr N Gquaduche	5 200
Mr T Meyers	4 000
Mr P Mogotsi	4 000
Mr P Ngcoboti	4 000
Mr T Oliphant	4 000
Ms B Wildebees	4 000
Ms N Tshaya	4 000
Mr B Mogohu	7 000
Mr B Raadt	7 000
Mr X Magida	7 000
Ms C Carsten	7 000
Ms NF Ndelaphi	7 000
Ms Z October	7 000

Other financial liabilities (payable) to related parties

Northern Cape Department of Economic Development and Tourism	(3 479 820)
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Government grants and subsidies paid (received) from related parties

Northern Cape Department of Economic Development and Tourism	(25 374 593)
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Services (received) in kind from related parties

Northern Cape Provincial Treasury	(170 002)
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27. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

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

Credit risk

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

Trade receivables do not comprise a widespread customer base and is limited to other services activities, provided by the entity.

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

Financial instrument

Receivables from exchange transactions	254 821
Cash and Cash equivalents	15 289 394
Other financial asset	96 951

Northern Cape Gambling and Liquor Board

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2025

27. Risk management (continued)

Market risk

Interest rate risk

As the entity has significant interest-bearing assets, in the form of cash and cash equivalents, of which interest is earned on positive funds kept of financial institutions. The entity's income and operating cash flows are however substantially independent of changes in market interest rates.

Finance lease obligations are interest bearing liabilities, the instalments are, however, fixed over the lease period and changing interest rates does not negatively affect the operational efficiency of the entity.

Receivable and payable balances are not subject to interest and falls under normal payment and repayment terms.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in two to five years
Trade and other receivables	- %	254 821	-
Cash and Cash Equivalents	- %	15 289 394	-
Payables from exchange transactions	- %	(2 284 914)	-
Finance lease obligations	- %	(181 408)	(410 563)

28. 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 Northern Cape Department of Economic Development and Tourism for continued funding of operations. The Northern cape Department of Economic Development and Tourism has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

29. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current 13 651

30. Irregular expenditure

Add: Irregular Expenditure - current 232 683

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

31. Segment information

General information

Identification of segments

The entity has considered the implication of GRAP 18: Segment Reporting in its 2024/2025 Financial year.

(a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

(b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

(c) for which separate financial information is available.

NCGLB consists of its main activities and various functional programmes which are all controlled by and wholly dependent on the entity. Management has assessed the activities of its programmes and deemed them not to meet the definition above. The review is for the entity as a whole and not individual programmes like licensing. Decisions are made for the entity as a whole and not for certain programmes. The outcomes/activities of these programmes are furthermore not "regularly reviewed by management to make decisions about resources to be allocated to that programmes and in assessing its performance."

In addition to the foregoing, for programmes such as licensing, it should be noted that the fees charged by the entity are on the account of DEDaT and they are paid direct to DEDaT. In the circumstances that they are paid to NCGLB, the amounts are transferred to DEDaT in full.

The Northern Cape Gambling and Liquor Board only have one office that we operate from even though we are servicing the entire Northern Cape Province.

The Office is situated at:

31 MacDougall Street
Monument Heights
Kimberley

Northern Cape Gambling and Liquor Board

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Notes to the Annual Financial Statements

32. Mergers

Value of assets acquired and liabilities assumed

Merger of the Northern Cape Gambling Board and the Northern Cape Liquor Board

On 01 April 2024, the Northern Cape Gambling Board (NCGB) and the Northern Cape Liquor Board (NCLB) were merged to form a new entity, the Northern Cape Gambling and Liquor Board (NCGLB), in accordance with the promulgation of the Northern Cape Gambling and Liquor Act, No. 6 of 2024.

In terms of the Act, the newly established NCGLB assumed all assets, liabilities, rights and obligations of the former entities as at the effective date of the merger. The NCGLB has also continued to fulfil the strategic and operational functions previously performed by both NCGB and NCLB.

As the 2024/25 financial year represents the first year of operations for the Northern Cape Gambling and Liquor Board (NCGLB), no comparative information is presented in the financial statements

Value of assets acquired and liabilities assumed

Assets acquired

	NCGB 01 April 2024	NCLB 01 April 2024	NCGLB take on Balances 01 April 2024
Receivables from exchange transactions	468 527	19 399	487 926
Cash and Cash Equivalents	9 087 139	9 701 922	18 789 061
Property, Plant and Equipment	311 688	970 875	1 282 563
Intangible Assets	26 991	50 428	77 419
Other financial assets	96 951	-	96 951
	9 991 296	10 742 624	20 733 920

Liabilities assumed

	NCGB 01 April 2024	NCLB 01 April 2024	NCGLB take on Balances 01 April 2024
Other financial liabilities*	687 291	-	687 291
Finance lease obligation (current)	-	31 983	31 983
Payables from exchange transactions	1 774 183	241 448	2 015 631
Short Term Employee Benefits	489 621	390 693	880 314
Finance lease obligation (non-current)	-	32 978	32 978
Operating Lease Liability*	1 097 491	1 097 493	2 194 984
	4 048 586	1 794 595	5 843 181

Adjustments to the basis of accounting in net assets

	NCGB 01 April 2024	NCLB 01 April 2024	NCGLB Take on Balances 01 April 2024
Accumulated surplus*	5 942 710	8 948 031	14 890 741

Transfer of Irregular Expenditure and Fruitless and Wasteful Expenditure

	NCGB 01 April 2024	NCLB 01 April 2024	NCGLB Take on Balances 01 April 2024
Irregular Expenditure	288 066	341 743	629 809
Fruitless and Wasteful Expenditure	31 014	-	31 014
	319 080	341 743	660 823

Contingent liabilities and contingent assets assumed or acquired

Contingencies transferred from Northern Cape Gambling Board (NCGB) and Northern Cape Liquor Board (NCLB) are included in Note 25 to the financial statements.

Northern Cape Gambling and Liquor Board

Annual Financial Statements for the year ended 31 March 2025

Notes to the Annual Financial Statements

32. Mergers (continued)

Reconciliation of Accumulated Suplus*

Northern Cape Gambling Board (NCGB)

During the 2023/24 financial year of the NCGB, a provision was raised for the surplus of the entity to be surrendered to the Provincial Treasury. The past practice of the entity do not support the surrendering of surplus funds to Treasury and therefore the provision previously recognised, should have been recorded as a contingent liability in the records of NCGB. Subsequent to recognition by the NCGB, approval was obtained from Treasury to retain the surplus of 2023/24.

The provision raised have not been recorded as part of the merger, which resulted in a reduction in other financial liabilities and an increase in the accumulated surplus received from NCGB, as part of the merger.

Northern Cape Liquor Board (NCLB)

In the 2023/24 financial year of the NCLB, the provision for the operating lease liability was incorrectly calculated. This error resulted in the non-current operating lease liability being overstated by R56,891.

As the misstatement originated in the financial records of one of the combining entities prior to the merger, this resulted in a reduction in operating lease liabilities and an increase in the accumulated surplus received from NCLB, as part of the merger.

	NCGB 1 April 2024	NCLB 01 April 2024	Adjustment to merger	NCGB 01 April 2024 Recognised
Other Financial Liabilities	3 060 433	-	(2 373 142)	687 291
Operating Lease Liability	-	1 154 385	(56 892)	1 097 493
Accumulated surplus (NCGB)	3 569 568	-	2 373 142	5 942 710
Accumulated surplus (NCLB)	-	8 891 139	56 892	8 948 031
	6 630 001	10 045 524	-	16 675 525

33. Events after the reporting date

Boxer Superstores (Pty) Ltd & Another vs Northern Cape Gambling and Liquor Board

Subsequent to year end the applicant made an urgent court application against the NC Gambling and Liquor Board, dated 22 April 2025, in order to obtain an interdict directing the latter to renew licenses of two (2) Boxer Liquor Stores (Kuruman and Kimberley) and three Pick n Pay Liquor Stores (Kimberley). The entity has instructed the Office of the State Attorney to oppose the matter.

This is a subsequent event that is non-adjusting event. As the matter is still pending to cost to be incurred by the entity cannot be estimated reliably.