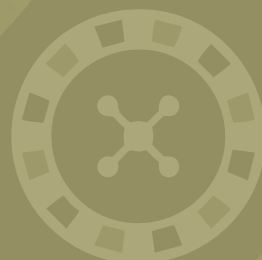


ANNUAL REPORT 2020/2021



**NORTH WEST
GAMBLING BOARD**



NORTH WEST
GAMBLING BOARD

TABLE OF CONTENTS



▶ GENERAL INFORMATION	
1. General Information of the Board	04
2. List of Abbreviations	05
3. Foreword by the Chairperson	06 - 10
4. Overview by the Acting Chief Executive Officer	11 - 14
5. Statement of Responsibility and Confirmation of the Annual Report	15
6. Strategic Overview	16
7. Legislative and other Mandates	17
8. Structure of Committees of the Board	19
9. Organisational Structure	20
▶ PERFORMANCE INFORMATION	
1. Auditor-General's Report: Predetermined Objectives	23
2. Statement of Responsibility for the Performance Information	24
3. Executive Management	26 - 27
4. Situational Analysis	28 - 30
5. Strategic Outcome Oriented Goals	31 - 33
6. Performance Information by Programme	34 - 36
7. Summary of Financial Information	37 - 40
8. Statistics	41 - 57
▶ GOVERNANCE	
1. Introduction	59
2. Portfolio Committee	59
3. Executive Authority	59
4. Composition of the Board	59
5. The Board	60 - 65
6. Risk Management	66 - 68
7. Internal Control Unit	69
8. Audit Committee	69
9. Internal Auditors	70
10. Compliance with the Laws and Regulations	70
11. Health, Safety and Environmental Issues	70
12. Record Management	70
13. Company Secretary	71
14. Socio-Economic Development	71
15. Socio-Economic Development/ Community Social Investment by Licencees	71
16. Audit Committee Report	71 - 74
▶ HUMAN RESOURCES MANAGEMENT	
1. Introduction	76
2. Human Resource Oversight Statistics	76 - 80
▶ FINANCIAL INFORMATION	
1. Statement of Responsibility for the Annual Financial Statement	82 - 84
2. Report of the Auditor-General	85 - 90
3. Statement of Financial Position	91
4. Statement of Financial Performance	92
5. Statement of Changes in Net Assets	93
6. Cash-flow Statements	94
7. Statement of Comparison of Budget and Actual Amounts	95
8. Accounting Policies	95
9. Notes to the Annual Financial Statements	96 - 128

GENERAL INFORMATION OF THE BOARD

Name Of Entity	North West Gambling Board
Business Hours	Mon - Fri, 08h00 - 16h30
NWGB Hotline no.	0860 545 545
E-mail	info@nwgb.co.za
Website	www.nwgb.co.za
Postal Address	Private Bag X34, Mmabatho 2735
Auditors	Auditor-General of SA
Bank	ABSA Bank, Mahikeng
Board Secretary	Mr Jacob Montshioa
Head Office	
Physical Address	131 University Drive Mmabatho 2735
Telephone no.	+27 18 384 3215
Facsimile no.	+27 18 384 2290
Regional Office	
Physical Address	67 Brink Street Rustenburg 0299
Telephone no.	+27 14 594 2178
Facsimile no.	+27 14 594 2541

LIST OF ABBREVIATIONS

ACEO	Acting Chief Executive Officer
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
BOARD	North West Gambling Board
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CSI	Community Social Investment
FY	Financial Year
GGR	Gross Gaming Revenue
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
ISO	Independent Site Operator
LOC	Letter of Certification
LPM	Limited Payout Machine
MEC	Member of the Executive Council
MoU	Memorandum of Understanding
NWGB	North West Gambling Board
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
RFA	Request for Application
RRR	Rebranding, Repositioning and Renewal
SABS	South African Bureau of Standards
SAPS	South African Police Service
SARS	South African Revenue Service
SED	Socio Economic Development
TYPE A LPM SITE	3 to 5 Machines
TYPE B LPM SITE	6 to 30 Machines
TYPE C LPM SITE	40 Machines



Mr Lavelle W Vere
Chairperson of the Board

FOREWORD BY THE ACCOUNTING AUTHORITY

INTRODUCTION

The 2020/2021 Annual report performance is presented taking into consideration the challenges that has faced the Board in terms of executing its constitutional mandate, the licensees in terms of rolling out their licence conditions, the economic effect of the Province, the country and the world at large. The effect of the Covid-19 pandemic and the declaration of the National State of Disaster have negatively impacted the gambling industry heavily.

The mandate of the Board is primarily to regulate the gambling industry in the North West Province, and amongst others has to ensure the transformation of the gambling industry through inclusive growth in that the space is enable for the participation of the Previously Disempowered and Disadvantaged Individuals in the mainstream of the gambling industry. However, not much was than to realize this mandate due to the hard lockdown country-wide.

It remains the commitment of the Board to ensure that it continues with the transformation agenda beyond the Covid-19 pandemic. Opening the gambling industry for the Previously Disadvantage Population of this province will remain a key performance target of the Board.

The closure of licensees has dealt a blow to the provincial economy as well as the provincial revenue. Tough market conditions that continued to prevail during 2020/21 Financial Year due to Covid-19 Regulations made it impossible for the Board to achieve its revenue collection target. The Board was forced to revised its revenue collection downward from a targeted R162.8 million to R60 million due to the devastating impact of the Covid-19 pandemic and the Regulations thereof. However, the Board was able to collect R53.8 million at the end of the Financial Year (90% collection).

It must further be highlighted that the operating budget of the entity was cut downward by R7 million in order to contribute to the provincial budget towards the fight against the Covid-19 pandemic. It was however, augmented by additional R4 million earmarked for the legal costs during the final adjustment budget. The budget cut necessitated the revision of the APP, wherein, some activities had to be reduced to avoid overspending.

The issue of Irregular Expenditure as highlighted by the Auditor-General remains a serious challenge for the Board. We have noticed an increase year after year, and it's an ongoing concern for both the Board and Management of the entity. While the issue of the forensic investigation and the imposed moratorium may have contributed to these challenges, we have managed to conduct the necessary investigations and implemented the recommendation thereof. We have to date made a request to the Provincial Treasury for condonation.

Indeed, the Financial Year under review had a devastating impact to the operation of the Board and the economy of the Province, with further impact to the livelihood of employees of the licensees as most were forced to closed down and shelve jobs.

The year ahead

The 2021/22 Financial Year will be another tough and challenging year for the gambling industry and the Board in particular. It is inevitable that the current world health crisis which resulted in a lockdown in most of the countries including South Africa in the latter part of the year in review, will have a negative impact on the economy which will have an effect on the gambling industry and the ability of the Board to meet its revenue target.

It is anticipated that a number of licensed operations will suffer some hardships which may have a knock-on effect primarily on employment opportunities in the sector. The number of patrons is now regulated, which limit the number of people who are betting on the floor. Without the clear regulation of online-gambling, the revenue impact become so severe. We however set our revenue projection to R108 million with a hope of less disruption in the business operations in the next Financial Year.

STRATEGIC OVERVIEW AND PERFORMANCE HIGHLIGHTS FOR 2020/21

The North West Gambling Board is mandated to regulate gambling in the North West Province. Its primary function is to oversee all gambling activities in the Province. Tangible and astute regulatory programmes have been put in place to see to the success of our regulatory mandate.

As indicated on the introduction, Covid-19 pandemic has been the biggest disrupter of the performance of the Board on the year under review. This was mainly because most of the targets of the Board were to be reduced as operations were halted due to the National Lockdown Regulations.

As Gambling is not regarded as essential services, most employees were forced to operate at home and minimal activities took place in the Board.

However, slight improvement was recorded during the third and fourth quarter of the Financial Year with Gambling Control department achieving their annual targets. Much disruption was noticed in the Investigation and Licencing department as targets for the issuing of new licences were not met.

The Board has further experienced as serious decline in the revenue collection, thus affecting contributions to the provincial fiscus.

Illegal gambling operations remains the biggest challenge facing the Board and the economy of the Province. While efforts are been taken to address the challenges, lack of funding remains the biggest problem to fund most activities to curb illegal gambling.

Governance matters can also be highlighted as strategic overview that affected the performance of the entity. The Board of Directors was dissolved by the Hon. MEC towards the end of the second quarter, so when operations in the gambling industry were coming back to open to the public, the entity operated without the Board for both the third and the fourth quarter of the year under review.

The other governance issue was the issue of the CEO which had a bearing on the overall administration of the Board.

CHALLENGES & STRATEGIC RELATIONSHIPS CURBING ILLEGAL GAMBLING

Illegal gambling operations continues to be an area of concern despite numerous efforts to curb it. There are over sixty (60) known illegal gambling sites spread across the Province and the scourge is continuing to escalate. Policing problems and cumbersome legal processes continue to frustrate efforts aimed at thwarting these operations. As a result, this has seen the Province losing an estimated R47 million in revenue due to illegal gambling.

These operations contribute immensely towards various social ills and serve as haven for other criminal activities such as money laundering as well as drug trafficking.

These operations pose an unfair competition to licensed operations as they compete for the same market without adding any value to the fiscus.

The Board has however maintained a strategic relationship with various stakeholders and in particular the South African Police Service to deal with problem. We are hopeful that this relationship will have desired outcomes and this criminal activity will be nipped in the bud before it causes more damage and harm to the industry.

PLANS FOR THE 2021/22

Proliferation of illegal gambling operations in the Province, remains the most challenging activity within the overall gambling environment. The Board is currently reviewing legislation in order to administratively address the problem. This will be aimed at giving the inspectors of the Board certain enforcement powers thus reducing our reliance on the South African Police Service for administrative compliance matters. Subject to amendment of the gambling legislation.

Furthermore, the Board plans to work with Licensees in an effort to open the economy and increase the revenue of the Province by ensuring that all operators adhere to Covid-19 protocols as gazetted to reduce the spread of the pandemic. Amongst the audit to be conducted by the Board at licensed premises will include adherence to the Covid-19 protocols.

APPRECIATION

The Board would like to acknowledge the ongoing efforts by all the employees of the Board in their endeavours to carry on with their duties and responsibilities under somewhat challenging times.

The Board appreciate that 2020/21 Financial Year was a difficult year across the country and the world at large due to Covid-19 pandemic which affected the operations of the gambling industry and revenue collection of the Province, however the resilience of the employees of the Board kept the Entity going.

The Board appreciate the support of the Honourable MEC for the Department of Economic Development, Environment, Conservation and Tourism and all other stakeholders, in particular, the South African Police Service in their unwavering support in the effort to regulate the industry in the Province.

SIGNIFICANT EVENT AFTER CLOSE OF PERIOD UNDER REVIEW

The Covid-19 pandemic had a huge impact on the daily operations of the NWGB and its normal regulatory work. The licensees were also not in operations for the better part of the 2020/21 Financial Year as a result of the national lockdown regulations, even while they were allowed to operate the capacity was limited. This resulted in taxes and levies becoming uncollectable due to the total closure of the industry during the said period. Very little revenue (Less than 1%) from online betting was collected during the said period.

In addition, the NWGB experienced a budget reduction by of R7 million due to the need to contribute to the Provincial Treasury's relief efforts on Covid-19.

On the 28 July 2020, the MEC for the Department of Economic Development, Environment, Conservation and Tourism, the Honourable Keneetswe Mosenogi terminated the terms of office for all Board members of the North West Gambling Board with immediate effect.

Mr Bafana Mabale was subsequently appointed as the designated Accounting Authority in terms of section 49 (2)(b) of the Public Finance Management Act with immediate effect.

However, after the Court process undertaken by Board members, the Court declared that the Board should be reinstated with immediate effect, however, the matter has been appealed by the Hon MEC.

Mr Jacob Montshioa was then appointed as the designated Accounting Authority in terms of section 49 (2)(b) of the Public Finance Management Act. Mr Montshioa was subsequently suspended from his position as the Legal Manager by the Chief Executive Officer pending investigation on the allegations of interference on supply chain processes.



Mr Lavelle W Vere
Accounting Authority: North West Gambling Board



Mr Bafana Mabale
Acting Chief Executive Officer

Foreword by the ACEO

INTRODUCTION

The 2020/2021 financial year started on a sad note due to the global pandemic that affected the lives of ordinary citizens and the economy of the country was badly affected. The gambling industry was not spared as most operations came to a halt.

The North West Gambling Board like any other Entity was forced to revise its annual targets downwards as most of the employees were forced to work from home as per the National Disaster Lock-down Regulation as well as the budget revision by the Provincial Treasury.

The effect of the Covid-19 pandemic has also affected our revenue collection targets which had an impact on the Provincial fiscus.

Furthermore, some employees of the Board like any other citizens of the province were either affected or infected by this virus.

The Board ended its financial year on a sad note by losing an Executive Manager responsible for Corporate Services.

The Gambling Industry is of vital importance to the economic growth and socio-economic development in the province. Through this industry, jobs have been created and more opportunities for the Previously Disadvantaged Groupings have been prioritised. This is important for the Board to help the government fight the triple challenges of unemployment, poverty and income inequalities. However, the disruption caused by the pandemic have seen other licensees closing shops when operations resumed due to the heavy impact of the pandemic, thus resulting in many job losses.

The North West Gambling Board will be working closely with the Department as well as the Provincial Treasury to mitigate the impact of Covid-19 pandemic in the industry in order to safeguard jobs and grow the provincial economy.

This brief introduction above sets the tone in providing further update on the Board's achievements and challenges in the financial year under review.

Circumventing the challenges confronting the Board remains high on the agenda of Management and through stakeholder engagements programmes that will continue to ensure, Management believes that is on the right track in overcoming these challenges.

KEY ACHIEVEMENT/S FOR THE YEAR UNDER REVIEW

The Board performance, especially on the first and second quarter was seriously affected by the Covid-19 pandemic and not much was achieved for the year under review. We have seen a steady improvement on the third and the fourth quarter as employees were able now to visit operating sites for compliance inspections and auditing.

GENERAL FINANCIAL REVIEW OF THE PUBLIC ENTITY

The operations of the Board have been funded through a grant from the Department of Economic Development, Environment, Conservation and Tourism since inception. Due to the limited resources, a number of critical activities are inadequately funded, e.g. defence against litigation, suppression of illegal gambling operations, etc. The current financial year budget allocation (R80 116 000) of which 21% (R17 191 940) was spent for goods and services. The entity introduced further stringent measures to contain costs and remedial actions to deal with increasing litigations.

CAPACITY, CONSTRAINTS AND CHALLENGES FACING THE BOARD

The issue of governance remained a challenge due to the suspension of the Chief Executive Officer and the dissolution of the Board of Directors which affected the strategic focus of the Board due to many legal challenges experienced in this period.

Covid-19 has affected the capacity of the North West Gambling Board to operate normally as adherence to Covid-19 protocols was a priority thus resulted in many employees operating from home and investigations that were to be carried at Licensed premises were cancelled.

The legal costs remain a challenge for the Board and it will need an urgent attention. The Board need to come with ways and means to mitigate the escalating legal costs by building strong relationships with stakeholders.

One of the constraints faced by the Board is budget cut that affect the operations of the Board especially the fight against illegal gambling operations.

SUPPLY CHAIN MANAGEMENT

As required by Treasury Regulations, 2005, issued in terms of Public Finance Management Act, 1999, the Board established has a fully-fledged Supply Chain Management (SCM) Unit within the Office of the Chief Financial Officer and has an approved SCM Policy which is updated as and when changes that affect SCM take place. The internal Bid Committees of the Board were adequately capacitated to carry out their mandates in order to avoid irregular and unauthorised expenditure.

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WERE ADDRESSED

The Post Audit Action Plan with all the audit findings raised for the period covering the 2019/20 Financial Year was developed, and internal control measures were accordingly developed for implementation during the 2020/21 Financial Year.

The Entity managed to successfully implement 94% of the internal control measures, with forty-eight (48) internal control measures out of a total of fifty-one (51) successfully implemented. The remaining 6% is still in the process of being implemented.

ECONOMIC VIABILITY

The economic viability in general has been subdued for a number of quarters during the year under review due to the Covid-19 pandemic.

The impact of a subdued economy was also felt in the gambling industry. For example, some of the operators could not resume operation when the lockdown restrictions were relaxed due to the impact of the Covid-19 in the economy. Those who resumed operation embarked on restructuring which resulted in some employees losing their jobs.

However, the gambling industry is resilient and is bound to bounce back when operations are fully restored and licenced operators operate in the full capacity. It is projected that in the next Financial Year, the revenue collection will be around R108 million.

The illegal gambling operations are also depriving the Province an estimated amount of R474 million in GGR per annum (translating to approximately R47 million per annum). We will be working with the law enforcement agencies, intensify our efforts to combat the scourge of the illegal gambling in order to ensure that the lost revenue flows to the right channels for the benefit of the Province as whole.

IMPACT OF COVID-19 IN THE GAMBLING INDUSTRY AND THE ECONOMY

The spread of the Covid-19 within the boundaries of the Republic of South Africa and the resultant lockdown had a huge impact on the economy, with many businesses closing their doors and people losing their jobs.

The gambling industry in particular as it was not considered essential service also had to close down for over three months after the President declared a state of national disaster. The effects of the lockdown and the subsequent measures implemented to curb the spread of the virus, have a negative impact on the projected revenue collection within the next 12 months and beyond.

The recovery of the economy in general and the gambling industry specifically may be slow and will have an impact on the roll-out of new sites including the fifth casino licence. Also, the three bingo operations which were expected to start operating within the next financial Year may no longer have the financial ability and/or capacity to open the sites. Furthermore, one of the currently operational casinos may close due to poor financial performance.

As a result, the Board has now revised the expected revenue collection for 2020/21 Financial Year from the target of R162 million to R60 million. This was done despite the Board implementing the new tax/levy tariffs from 01 February 2020, which was supposed to boost the revenue collection.

EVENTS AFTER THE REPORTING DATE

This annual report serves as a main document that gives account of the achievements and challenges of the Board over the period under-review. The annual report after being audited it is presented to the Board for noting and thereafter table at the Provincial legislature for consideration. The copies of the annual report are then distributed to various stakeholders.

ACKNOWLEDGEMENT

On behalf of the management and staff of the North West Gambling Board, I would like to thank the Board of Directors for its continuous support in realizing the entity's objectives including the employees and Management of the Board.

We further need to thank the Honourable MEC, Ms Keneetswe Mosenogi for the strategic support to the operation of the Board, the Portfolio Committee for ensuring accountability is carried out as well as our licensees for ensuring compliance with both licence conditions as well as Covid-19 regulations.



Mr B Mabale
Acting Chief Executive Officer

STATEMENT OF RESPONSIBILITY

Statement of Responsibility and Confirmation of the Accuracy of 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. 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 E) have been prepared in accordance with the GRAP standards applicable to the public entity.

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

The Accounting Authority is responsible for establishing, and implementing 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 Board for the financial year ended 31 March 2021.

Therefore, the Accounting Authority believes that the performance information reflects the actual achievements as per the planned objectives, indicators and targets as per the approved Strategic Plan and the Annual Performance Plan for the year ended 31 March 2021.

On behalf of the entity, the Accounting Authority, hereby approves both the Non-Financial Performance and the Financial Performance of the Board as reported in the Annual Report for the year ended 31 March 2021.



Mr. Lavelle W Vere
Accounting Authority – North West Gambling Board



Strategic Overview



VISION

To be a leading and socially conscious authority in the regulation of gambling and contribute towards economic growth in the North West Province.

MISSION

To provide effective and efficient gambling regulatory services, which contributes to socio-economic development in the North West Province.

VALUES

The North West Gambling Board's approach to service delivery is premised on the following values:

- Integrity
- Service Excellence
- Transparency
- Respect
- Honesty
- Diversity
- Teamwork

STRATEGIC IMPACT OF THE BOARD

Impact Statement

Safe, secure, accessible and sustainable gambling environment

Outcome Statement

- Sound governance systems.
- SMME's participation rate
- Adherence to the gambling legislation.

Justification

Create an enabling environment for responsible licensing of all forms of gambling allowed in terms of the legislation.

LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

Section 104 of the Constitution of the Republic of South Africa confers powers on Provincial legislatures to pass legislation on any matter listed in Schedule 4 Part A of the Constitution. Schedule 4 Part A of the Constitution provides that Casino's, racing, gambling and wagering are functional areas of concurrent national and provincial legislative competence and to that end the North West Provincial Legislature passed the North West Gambling Act, 2001 (Act No.2 of 2001), as amended (hereinafter referred to as the Act) in order to regulate gambling activities in the Province, to establish a Board to control and manage these activities, to set out the powers and functions of the Board, to repeal certain legislation pertaining to gambling and to provide for matters incidental thereto.

LEGISLATIVE MANDATES

This are the list of legislations and policies governing the operations of the North West Gambling Board as well as other activities of the Board:

- Broad Based Black Economic Empowerment Act, 2003
- Public Finance Management Act, Act No.1 of 1999, as amended
- Health and Safety Act 85 of 1993
- Financial Intelligence Centre Act 38 of 2001
- State IT Agency Act and Regulations (as amended)
- Minimum Information Security Standards Act
- National Archives Act
- POPI Act
- Labour Relations Act No. 66 of 1995

POLICY MANDATES

The NDP aims to eliminate poverty and reduce inequality by 2030. According to the NDP executive summary: "South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society."

It can be concluded therefore that:

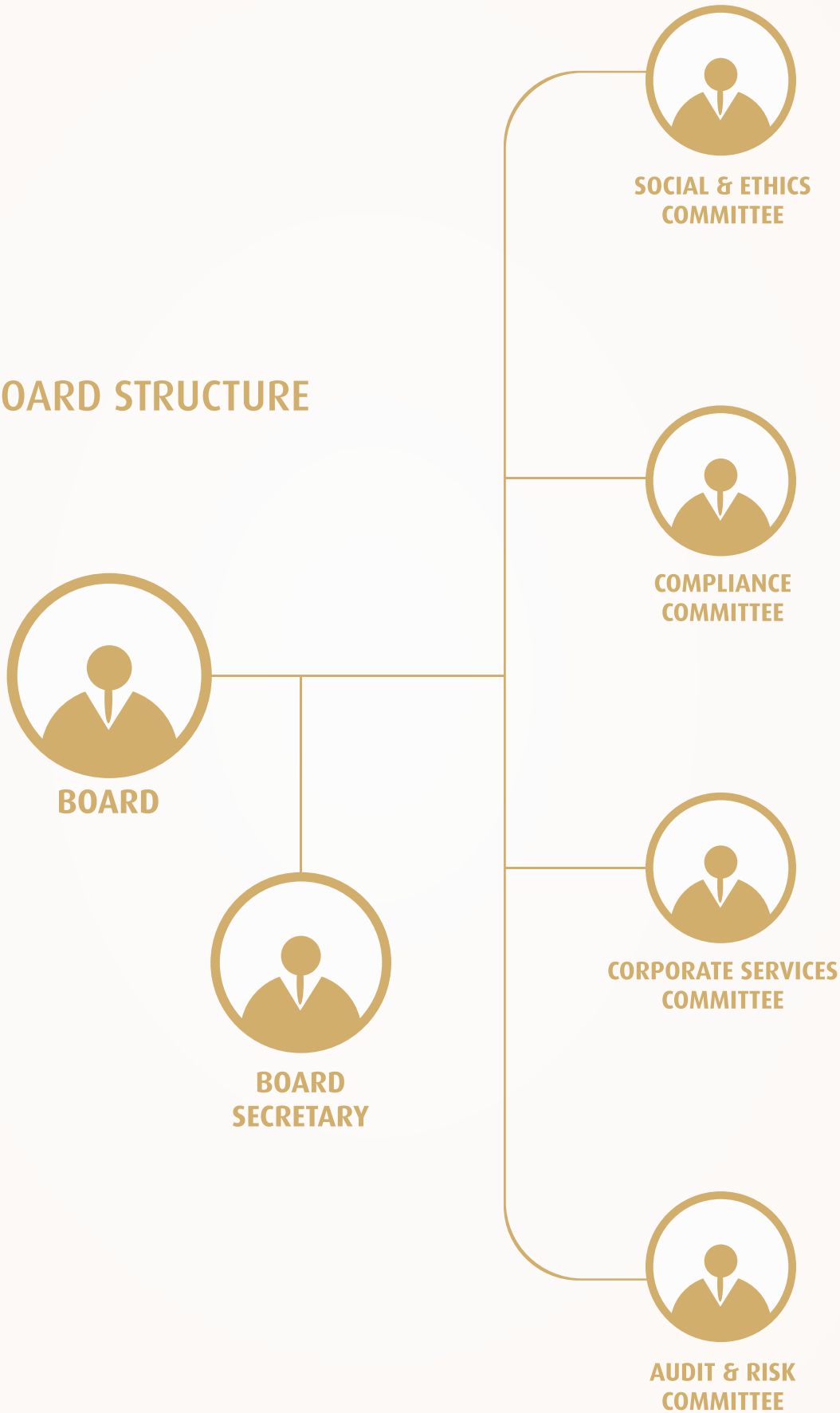
- It is a declared policy of the Board that all establishments where gambling games are conducted or operated, such games are licensed and controlled so as to better the public engagement in gambling, promote safe entertainment, good morals and order in preservation of all relevant provincial government policies and laws;
- To render effective regulatory control which displays a high standard of professionalism and operates in clear recognition of the dictates of fairness, honesty, transparency and integrity in the best interests of the North West public, licensees and the Provincial Government;
- To protect the public against any unfair, unjustified, dishonest and/or unscrupulous practices in the gambling industry, therefore ensuring a sound and sustainable equitable regulatory regime and processes that enhance responsible gambling, public confidence and empowerment of the previously disadvantaged communities, especially where these gambling establishments located in the Province; and
- To only allow those who have been found suitable to operate or conduct gambling activities in the Province.

NORTH WEST GAMBLING BOARD

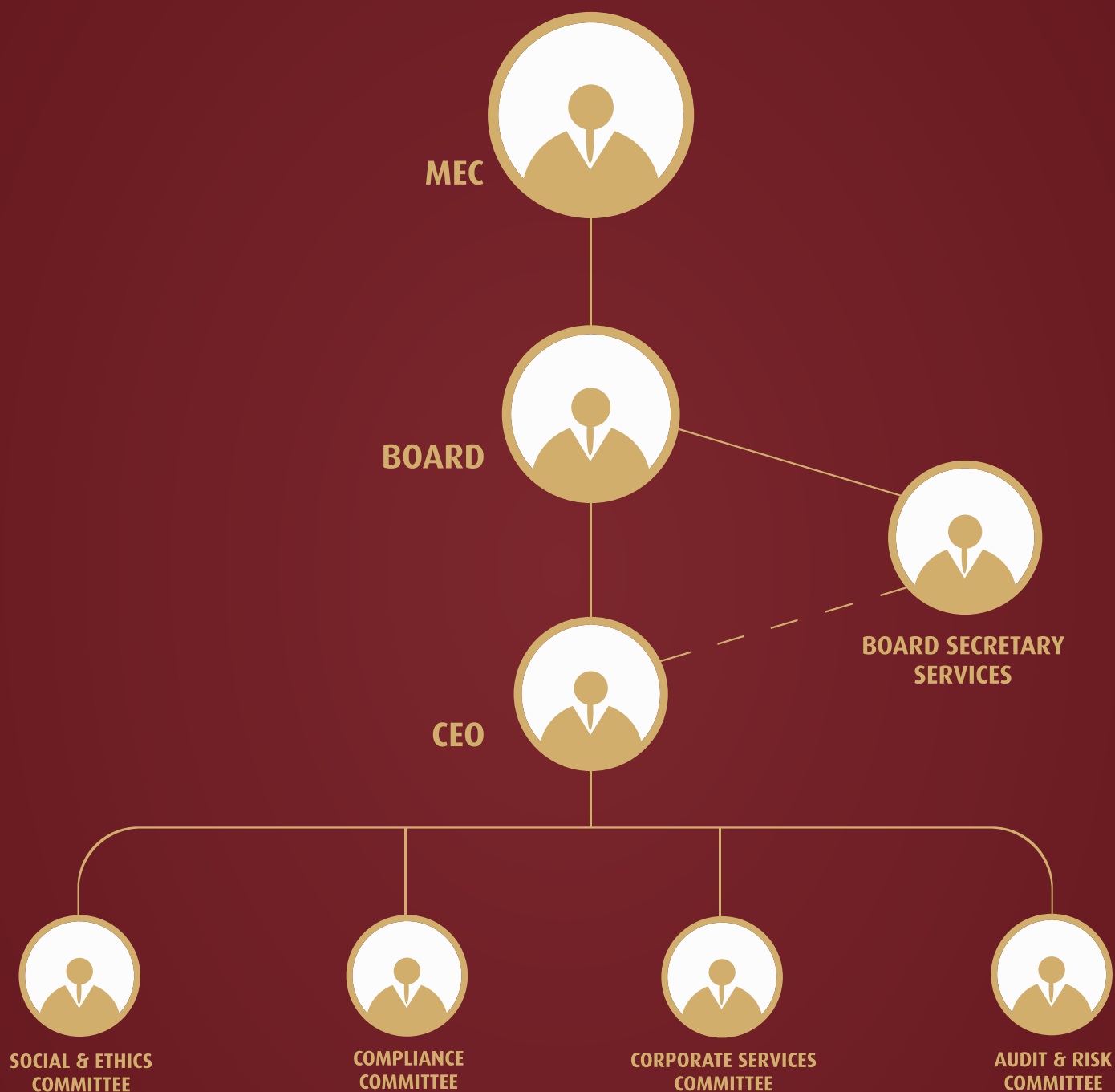


STRUCTURE OF COMMITTEES OF THE BOARD

BOARD STRUCTURE



ORGANIZATIONAL STRUCTURE





Part B

PERFORMANCE INFORMATION

1. Auditor-General's Report: Predetermined Objectives
2. Statement of Responsibility for the Performance Information
3. Executive Management
4. Situational Analysis
5. Strategic Outcome Oriented Goals
6. Performance Information by Programme
7. Summary of Financial Information
8. Statistics



Auditor-General's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report management, with material findings being reported under the report on the audit of the annual performance report heading, in the section on other legal and regulatory requirements of the Auditor's Report.

Refer to page 85 -90 of the Auditors Report, published as Part E: Financial Information

Statement of Responsibility for Performance Information

Statement of Responsibility for Performance Information for the Financial Year ended 31 March 2021

The Chief Executive Officer (CEO) is responsible for the preparation of the public entity's performance information, as well as for the judgements made in this information.

The CEO is responsible for establishing and implementing a system of internal controls, designed provide reasonable assurance as to the integrity and reliability of the performance information.

In my opinion, the performance information fairly reflects the actual achievements against planned objectives, indicators and targets, as per the public entity's Strategic and Annual Performance Plan (APP) for the Financial Year ended 31 March 2021. The NWGB's performance information for the Financial Year ended 31 March 2021 has been examined by the external Auditors and their report is presented on page 85 - 90.

The performance information of the entity set out on page 29 to page 40 was approved by the Accounting Authority.



Mr B Mabale
Acting Chief Executive Officer



Mr Lavelle W Vere
Chairperson of the Board

NORTH WEST GAMBLING BOARD



Situational Analysis

SERVICE DELIVERY ENVIRONMENT

The North West Gambling Board is listed as a schedule 3C Public Entity in terms of the Public Finance Management Act and is established in terms of the North West Gambling Act, 2001 (Act No.2 of 2001), as amended to regulate gambling activities in the North West Province.

The Board's mandate is to, among others, to create an enabling environment for the gambling industry to thrive and contribute to uplifting the socio-economic conditions for the economically depressed and marginalized including creating employment opportunities. The Board is equally tasked with ensuring that the gambling industry is strictly regulated to avert socio-economic factors such as compulsive gambling and under-age gambling, among others.

The Board has for 2020/21 Financial Year pursued the following strategic outcomes:

- Sound Governance Systems;
- SMME's participation rate;
- Adherence to the gambling legislation.

In this light, the Board managed to license additional gambling establishments in the form of bingo and bookmaker operations, and imposed license conditions in which local Previously Disadvantaged Individuals hold 60% equity ownership of which 35% is held by women.

The Board is proud to announce that the face of gambling industry is steadily changing as more local Previously Disadvantaged Individuals are now equity owners in most of the gambling operations in the Province, albeit with few challenges.

The challenges faced by the local Previously Disadvantaged Individuals include, among others, fronting. The Board has established that some of Previously Disadvantaged Individuals are not involved in the decision making of their gambling operations and are not privy and/or informed about their financial performance (gambling operations). In addressing some of these challenges the Board held a Transformation Workshop in Rustenburg where new entrants in the gambling business were educated about the dynamics of the gambling industry, the legal framework governing the industry, the BBBEE Act and any other law applicable to the industry. Some licensed operators were given a platform to share their experience in the operation of the gambling establishments.

The Board is also constantly experiencing some resistance from some licensees who don't want to embrace transformation and often challenge the decisions of the Board when issuing licenses and imposing the license conditions. These have led to escalation of legal fees as the Board has on numerous occasions, found itself being forced to defend this noble agenda (transformation) of inclusive economic participation.

ORGANISATIONAL ENVIRONMENT

The Board has been operating with Acting Chief Executive Officer as the substantive Chief Executive Officer has been on suspension since October 2018. The matter has been concluded and the CEO is back at work. However, the Honorable MEC dissolved the Board in July 2020 and appointed the Accounting Authority in terms of PMFA.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The National Gambling Policy was published in April 2016, and this policy seeks to review the gambling landscape in South Africa with regard to issues pertaining to Bingo, amongst others, by regulating what is commonly known as Electronic Bingo Terminals (EBT's), the overall number of Bingo licenses, including Bingo seats in the country.

The Minister of Trade and Industry has during the period under review promulgated Regulations regarding the maximum number of Casino licenses granted throughout the Republic and this resulted in the North West Province being re-allocated its fifth Casino license, which was lost to Gauteng Province during the re- demarcation of provincial boundaries.

The Board is in the process of putting measures in place to roll-out the fifth Casino license, which, after a protracted legal battle with CASA, has been won by the Province.

STRATEGIC OUTCOME ORIENTED GOALS

The revised framework on Strategic Plan and Annual Performance Plans placed more emphasis on the Impact, Outcomes and Outputs.

Impact of the Board: Safe, secure, accessible and sustainable gambling environment.

Outcomes:

- Sound Governance Systems;
- SMME's participation rate;
- Adherence to the gambling legislation.

STRATEGIC OUTPUT OF THE BOARD

In response to the Medium-Term Strategic Framework 2019 – 2024, the Board will focus mainly on Service Delivery Outcome 4: Decent employment through inclusive economic growth. It has identified the following strategic outputs:

- Effective internal control systems;
- Implementation of risk management strategy;
- Licensed gambling operators in the province;
- Illegal gambling activities detected;
- Compliance inspections reports.

Performance Information by Programme

Programme 1

ADMINISTRATION



Mr B Mabale
Acting Chief Executive Officer

Purpose: Providing strategic leadership to ensure that organization attains its mandate.

STRATEGIC OUTCOMES	ACTUAL ACHIEVEMENTS 2019/2020	PLANNED TARGET 2020/2021	ACTUAL ACHIEVEMENTS 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/2021	COMMENTS ON DEVIATION
Sound Governance Systems	1	1	1	None	None
	-	100%	90%	10%	Supply chain management unit did not manage to conduct compliance awareness workshops before the end of the fourth quarter as part of the mitigating factor due to budgetary constraints after budget cut by Provincial Treasury to fight Covid-19 pandemic.
	-	100%	100%	None	None
	1	0	0	Not applicable	Indicator not planned for the financial year
	4	0	0	Not applicable	Indicator not planned for the financial year
	4	0	0	Not applicable	Indicator not planned for the financial year
	4	0	0	Not applicable	Indicator not planned for the financial year
	4	0	0	Not applicable	Indicator not planned for the financial year

OUTPUT INDICATOR S	ACTUAL ACHIEVEMENTS 2019/2020	PLANNED TARGET 2020/2021	ACTUAL ACHIEVEMENTS 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/2021	COMMENT ON DEVIATIONS
Number of Annual Reports .	1	1	1	None	None
Percentage of post audit action plans implemented	-	100%	90%	10%	Supply chain management unit did not manage to conduct compliance awareness workshops before the end of the fourth quarter as part of the mitigating factor due to budgetary constraints after budget cut by Provincial Treasury to fight Covid-19 pandemic.
Percentage of mitigated risks	-	100%	100%	None	None

Strategy to overcome areas of under-performance

STRATEGIC OUTCOME	PERFORMANCE INDICATOR	STRATEGY TO ADDRESS UNDER-PERFORMANCE
Sound Governance Systems	Percentage of post audit action plans implemented	Since the SCM compliance awareness workshops were not conducted due to budget constraints, the Board plan to ensure that these workshops are conducted before the end of 2021/2022 Financial Year .

Linking Performance to Budget Programme 1: Administration

		2019/2020	2020/2021
		(Over) / Under - Expenditure R'000	Actual Expenditure 2020/21
Budget R'000	Actual Expenditure 2019/20	Budget R'000	(Over) / Under -Expenditure R'000
59 175	59 548	(373)	53 192
Total	59 175	(373)	3 161
			53 192
			3 161

Performance Information by Programme

Programme 2

INVESTIGATION AND LICENSING



Ms M Moss
Investigation & Licensing Manager

Purpose: To ensure that every person involved in gambling in the North West Province is suitable and registered or licensed in terms of the North West Gambling Act and applicable gambling legislation.

STRATEGIC OUTCOME	ACTUAL ACHIEVEMENTS 2019/20	PLANNED TARGET 2020/21	ACTUAL ACHIEVEMENTS 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	COMMENTS ON DEVIATION
SMME's participation rate.	-	6	9	3	More licenses were carried over from previous financial year due to delays in the consultation process with the department due to change of administration from fifth to sixth political administration.
	65%	-	-	-	Indicator not planned for the financial year
	100%	-	-	-	Indicator not planned for the financial year
	101%	-	-	-	Indicator not planned for the financial year
	100%	-	-	-	Indicator not planned for the financial year
	0	-	-	-	Indicator not planned for the financial year

OUTPUT INDICATORS	ACTUAL ACHIEVEMENTS 2019/2020	PLANNED TARGET 2020/2021	ACTUAL ACHIEVEMENTS 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/2021	COMMENT ON DEVIATIONS
Number of new gambling licenses issued	-	6	9	3	More licenses were carried over from previous financial year due to delays in the consultation process with the department due to change of administration from fifth to sixth political administration.
Linking Performance to Budget Programme 2: Investigation and Licensing					
2019/20					
Budget R'000	Actual Expenditure 2019/20	(Over)/Under-Expenditure R'000	Budget R'000	Actual Expenditure 2020/21	(Over)/Under-Expenditure R'000
7323	7152	-171	6 900	6 110	790
Total	7152	-171	6 900	6 110	790

Performance Information by Programme

Programme 3

GAMBLING CONTROL



Mr S Mogapi
Gambling Control Manager

Purpose : To ensure that gambling is conducted in compliance with North West Gambling Legislation and in a fair and honest manner.

STRATEGIC OUTCOME	ACTUAL ACHIEVEMENTS 2019/20	PLANNED TARGET 2020/21	ACTUAL ACHIEVEMENTS 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	COMMENTS ON DEVIATION
Adherence to the gambling legislation.	-	1	0	1	Raids were placed on hold by the South African Police Service due to litigation challenges.
	686	200	200	None	None
	3664	-	-	-	Indicator removed to the Operation Plan
	60	-	-	-	Indicator removed to the Operation Plan
	70	-	-	-	Indicator removed to the Operation Plan
	1	-	-	-	Indicator removed to the Operation Plan

OUTPUT INDICATORS	ACTUAL ACHIEVEMENTS 2019/2020	PLANNED TARGET 2020/21	ACTUAL ACHIEVEMENTS 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	COMMENT ON DEVIATIONS
Number of illegal gambling operations closed	-	1	0	1	Raids were placed on hold by the South African Police Service due to litigation challenges.
Number of compliance inspections conducted	686	200	200	0	None

Strategy to overcome areas of under-performance

STRATEGIC OUTCOME	PERFORMANCE INDICATOR	STRATEGY TO ADDRESS UNDER -PERFORMANCE
Adherence to the gambling legislation.	Number of illegal gambling operations closed	The NWGB legislation in the process of being amended to give the inspectors powers to be able to act on their own on illegal gambling and reduce reliance on the South African Police Service.

Linking Performance to Budget Programme 3: Gambling Control

		2019 /20			2020 /21		
	Budget t R'000	Actual Expenditure 2019/20	(Over) / Under - Expenditure R'000	Budget R'000	Actual Expenditure 2020/21	(Over) / Under -Expenditure R'000	
	7 959	7 914	-45	8 791	6 984	1 807	
Total	7 959	7914	-45	8 791	6 984	1 807	

Performance Information by Programme

Programme 4

AUDIT AND SYSTEM



Mr K Monate
Audit & Systems Manager

Purpose : To provide assurance that all levies and taxes from the licensees are accurate and complete and that the compliance to the legislation is adhered to.

STRATEGIC OUTCOME	ACTUAL ACHIEVEMENTS 2019/2020	PLANNED TARGET 2020/2021	ACTUAL ACHIEVEMENTS 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/2021	COMMENTS ON DEVIATION
Adherence to the gambling legislation.	70	30	33	+3	Additional three licensees (who initially indicated that they could not be audited due to limited access to audit files as a result of hard lock -down) had subsequently managed to avail the information for audit purposes.
	4	-	-	None	Indicator removed to the operation plan
	19	-	-	None	Indicator removed to the operation plan
	19	-	-	None	Indicator removed to the operation plan

OUTPUT INDICATORS	ACTUAL ACHIEVEMENTS 2019/2020	PLANNED TARGET 2020/2021	ACTUAL ACHIEVEMENTS 2020/2021	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/2021	COMMENT ON DEVIATIONS
Number of compliance audits conducted	70	30	33	+3	Additional three licensees (who initially indicated that they could not be audited due to limited access to audit files as a result of hard lock -down) had subsequently managed to avail the information for audit purposes.

Linking Performance to Budget Programme 4: Gambling Audit & System

2020/21					
2019/20					
	Budget R'000	Actual Expenditure 2019/20	(Over) / Under - Expenditure R'000	Budget R'000	Actual Expenditure 2020/21
					(Over) / Under -Expenditure R'000
	8 356	8 346	-10	7 712	7 089
Total	8 356	8 346	-10	7 712	7 089
					623
					623

Summary of Financial Information

Revenue Collected

SOURCES OF REVENUE	2019/20			2020/21		
	REVENUE TARGET R'000	ACTUAL COLLECTION R'000	OVER/UNDER COLLECTION R'000	REVENUE TARGET R'000	ACTUAL COLLECTION R'000	OVER/UNDER COLLECTION R'000
Gaming levies, taxes and licensees	162 876	104 964	(57 912)	60 155	53 854	(6 301)
Total	162 876	104 964	(57 912)	60 155	53 854	(6 301)

The Board has under-collected by 10% in 2020/21 Financial Year. The under collection in the current Financial Year is due to:

- A major decline in the Casino Levies,
- Covid-19 Pandemic
- Delay in the roll out of betting shops

Board Expenditure

SOURCES OF REVENUE	2019/20			2019/20		
	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	OVER/UNDER - EXPENDITURE R'000
Grant Received	82 812	82 960	(148)	80 116	73 375	6 741
Total	82 812	82 960	(148)	80 116	73 375	6 741

The Board received a grant of R80 116 000.00 during 2020/21 Financial Year. The Board spent the allocated budget for the year under-review, however, the cash flow was badly affected by the legal invoices that were outstanding from the previous years . An amount of over R8 million brought forward from 2019/20 Financial Year was paid from 2020/21 budget allocation.



List of Licensees

CASINO OPERATORS

BINGO OPERATORS

LICENSEE	TRADING NAME	TOWN	DISTRICT
Santoscan (Pty) Ltd	Goldrush Bingo	Rustenburg	Bojanala
Santosat (Pty) Ltd	Goldrush Bingo	Potchefstroom	Dr Kenneth Kaunda
Galaxy Bingo North West (Pty) Ltd	N/A	Brits	Bojanala
Galaxy Bingo Moruleng (Pty) Ltd	N/A	Rustenburg	Bojanala
Eliocube (Pty) Ltd	Vegas Bingo	Rustenburg	Bojanala
Eliocube (Pty) Ltd	Vegas Bingo	Vryburg	Dr Ruth Mompoti
Pioneer NW (Pty) Ltd	N/A	Klerksdorp	Dr Kenneth Kaunda
*Latiano 560 (Pty) Ltd	Goldrush Bingo North West	Mahikeng	Ngaka Modiri Molema
*Jonoforce (Pty) Ltd	N/A	Klerksdorp	Dr Kenneth Kaunda
*Not yet operational			

INDEPENDENT SITE OPERATORS

LICENSEE	TRADING NAME	TOWN	DISTRICT
Varloflash (Pty) Ltd	Grand Central Station Entertainment Centre	Mahikeng	Ngaka Modiri Molema
Tshufi Gaming and Resort (Pty) Ltd	Platinum Slots	Rustenburg	Bojanala
I-Slots (Pty) Ltd	Supa Slots	Potchefstroom	Dr Kenneth Kaunda
Magic Slots SA (Pty) Ltd	N/A	Klerksdorp	Dr Kenneth Kaunda
Vegas Slots (Pty) Ltd	N/A	Rustenburg	Bojanala
Vegas Slots (Pty) Ltd	N/A	Vryburg	Dr Ruth Mompoti
*I-Slots (Pty) Ltd	Supa Slots	Klerksdorp	Dr Kenneth Kaunda

*Not yet operational

TOTALIZATOR OPERATORS

LICENSEE	TRADING NAME	TOWN	DISTRICT
Phumelela Gaming and Leisure Li mited	N/A	Brits	Bojanala
		Klerksdorp	Dr Kenneth Kaunda
		Mahikeng	Ngaka Modiri Molema
		Orkney	Dr Kenneth Kaunda
		Potchefstroom	Dr Kenneth Kaunda
		Taxi Rank (Rustenburg)	Bojanala
		Rustenburg	Bojanala
		Zeerust	Ngaka Modiri Molema
		Sun Vill age	Bojanala
		Mahikeng (Totobola Building)	Ngaka Modiri Molema
		Rustenburg	Bojanala
TOTALIZATOR AGENCIES			
Phumelela Gaming and Leisure Limited	N/A	Hartebeespoort	Bojanala
		Noordkom	Dr Kenneth Kaunda
		Ventersdorp	Dr Kenneth Kaunda
Omphe Ts hiamo Investment (Pty) Ltd	Phumelela Gaming and Leisure Limited	Brits (Industrial Area)	Bojanala
		Ikageng Gate	Dr Kenneth Kaunda
		Jouberton	Dr Kenneth Kaunda
		Letlhabile	Bojanala
		Marikana	Bojanala
		Vryburg	Dr Ruth Mompoti
		Klerksdorp	Dr Kenneth Kaunda
		Lichtenburg	Ngaka Modiri Molema
		Brits	Bojanala
		Zeerust	Ngaka Modiri Molema
		Boshoek	Bojanala
		Mogwase	Bojanala
		Wolmaranstad	Dr Kenneth Kaunda
		Mahikeng	Nqaka Modiri Molema

BOOKMAKER OPERATORS

LICENSEE	TRADING NAME	TOWN	DISTRICT
Betting World (Pty) Ltd	N/A	Sun Village	Bojanala
		Brits	Bojanala
		Klerksdorp	Dr Kenneth Kaunda
		Mahikeng	Ngaka Modiri Molema
		Orkney	Dr Kenneth Kaunda
		Potchefstroom	Dr Kenneth Kaunda
		Rustenburg (Nelson Mandela Street)	Bojanala
		Rustenburg (Boom Street)	Bojanala
		Rustenburg Taxi Rank	Bojanala
		Zeerust	Ngaka Modiri Molema

LICENSEE	TRADING NAME	TOWN	DISTRICT
Omphe Tshiamo Investment (Pty) Ltd	Betting World (Pty) Ltd	Brits (Industrial Area)	Bojanala
		Ikageng Gate	Dr Kenneth Kaunda
		Jouberton	Dr Kenneth Kaunda
		Letlhabile	Bojanala
		Marikana	Bojanala
		Vryburg	Dr Ruth Mompoti
		Klerksdorp	Dr Kenneth Kaunda
		Lichtenburg	Ngaka Modiri Molema
		Brits	Bojanala
		Zeerust	Ngaka Modiri Molema
		Boshhoek	Bojanala
		Mogwase	Bojanala
		Wolmaranstad	Dr Kenneth Kaunda
		Mahikeng	Ngaka Modiri Molema
Central Gaming Management (Pty) Ltd	Vendinet (Pty) Ltd	Vryburg	Dr Ruth Mompoti
	Vendivista (Pty) Ltd	Potchefstroom	Dr Kenneth Kaunda
	Loniplex (Pty) Ltd	Mahikeng	Ngaka Modiri Molema
	Lonivista (Pty) Ltd	Delareyville	Ngaka Modiri Molema
Dankopath (Pty) Ltd	G-Bets	Klerksdorp	Dr Kenneth Kaunda
		Bapong	Bojanala
		Moruleng	Bojanala
		Ga-Rankuwa	Bojanala
		Potchefstroom	Dr Kenneth Kaunda
		Tlhabane	Bojanala
		Phokeng	Bojanala
		Wolmaranstad	Dr Kenneth Kaunda
Sepels Sports Bet North West (Pty) Ltd	N/A	Boitekong Mall	Bojanala
		Rustenburg	Bojanala

LICENSEE	TRADING NAME	TOWN	DISTRICT
Scorebet North West (Pty) Ltd	N/A	Klerksdorp	Dr Kenneth Kaunda
		Rustenburg (Biblio Plaza)	Bojanala
		Rustenburg (Taxi Rank)	Bojanala
		Rustenburg	Bojanala
		Brits	Bojanala
		Letlhabile	Bojanala
		Zeerust	Ngaka Modiri Molema
		Klerksdorp	Dr Kenneth Kaunda
		Sun Village	Bojanala

ROUTE OPERATORS

LICENSEES	TRADING NAME	TOWN	DISTRICT
Vukani Gaming North West (Pty) Ltd	N/A	Rustenburg	Bojanala
Goldrush Slots North West (Pty) Ltd	Goldrush Slots North West	Klerksdorp	Dr Kenneth Kaunda

SITE OPERATORS

VUKANI GAMING NORTH WEST (Pty) Ltd

SITE NAME	SITE OWNER	TOWN
@25 Pub & Grill	Matilda Enice Jantjies	Bloemhof
Apollo Entertainment	Ramalima (Pty) Ltd	Potchefstroom
Betting World	Betting World (Pty) Ltd	Rustenburg
Blackie's Restaurant	Mathilda Masego Vraai	Rustenburg
Botsalano Chinese Restaurant	Daniel Concalves Pestana	Mahikeng
Bosveld Pub & Grill	Simone Van Der Merwe	Mooi-nooi
Bravo Sports Bar	Arbari Trading (Pty) Ltd	Rustenburg
Brits Tavern	Pienza Business Investment CC	Brits
Caravela Portuguesa	North Riding Gardens Erf 958 CC	Haartebeespoort
Chatters Bitro Café	Prima Trading (Pty) Ltd	Lichtenburg
Cosmos Restaurant	Grassa Batista	Zeerust
De Sun Pub & Grill	Daniel Concalves Pestana	Mahikeng
Diamond Saloons Restaurant	Nadia-Ann Pretorius	Christiana
Duitwes Kombuis Pub	Monica Rosemare Botha	Hartebeespoort
Diphoko Tavern	Norman Diphoko	Rustenburg
Ebony and Ivory Slots Restaurant and Bar	Slip Knot Investment 48 (Pty) Ltd	Mahikeng
Francisco Restaurant	De Matos Bonanza CC	Rustenburg
Four Forty Pub & Restaurant	Manzac Productions and Events (Pty) Ltd	Rustenburg
Gully's Jungle Bar	Joao Gabriel Nunes	Klerksdorp
Impala Hotel	Impala Drankkelder CC	Potchefstroom
Jack Rabbits	George Prokopos	Rustenburg
Jammers Pub & Grub	James Edgar Arendse	Bloemhof
Jazz Bar	Dean Anton Farndell	Orkney
JT's Tavern	Zahir Hamsi	Potchefstroom
Keg & Bull Restaurant	Riverwalk Trading 182 CC	Rustenburg

Ling's	Song Gao	Mahikeng
Mabaleng Sports Tavern	De Chen	Rustenburg
Mabaleng Sports Café	Mpho Aubrey Mogapi	Rustenburg
Maboneng	Manzac Production and Events (Pty) Ltd	Taung
Malan Street Tavern	Lin Xuahua	Rustenburg
Morokotso	Thutugo Holdings (Pty) Ltd	Lehurutshe
Mthimkhulu Bar Lounge	Mthimkhulu Investment CC	Mogwase
Noordkom Tab	Noordkom Klerksdord Drankwinkel Bk	Klerksdorp
Noordkom Tavern	Noordkom Klerksdord Drankwinkel Bk	Klerksdorp
Old Chaps Pub & Grill	Johannes Frederick Fourie	Vryburg
Pica Pau	Hogs Breath CC	Hartebeespoort
Protea Ebony & Jazz Bar	Slipknot Investments 48 (Pty) Ltd	Mahikeng
Pirates Restaurant	Kerk Street Pub and Braai Restaurant BK	Potchefstroom
Quicksilver Pub & Grill	Manzac Production and Events (Pty) Ltd	Rustenburg
Royal Lounge	Pedro Goncalves Chadinha	Rustenburg
Royal Lush Lounge	Pedro Goncalves Chadinha	Rustenburg
Santa Fe Ladies Bar	Henning William Mortimer	Haartebeespoort
Scorebet	Scorebet North West (Pty) Ltd	Brits
Scorebet	Scorebet North West (Pty) Ltd	Letlhabile
Scorebet	Scorebet North West (Pty) Ltd	Rustenburg
Scorebet	Scorebet North West (Pty) Ltd	Rustenburg
Scorebet	Scorebet North West (Pty) Ltd	Rustenburg
Scorebet	Scorebet North West (Pty) Ltd	Zeerust
Scorebet	Scorebet North West (Pty) Ltd	Sun Village
Sun Restaurant	Octamy (Pty) Ltd	Klerksdorp
Sunset Tavern	Wilbebeest Liquor (Pty) Ltd	Rustenburg
Surrey Eating House	Candro Trade (Pty) Ltd	Mahikeng

Surrey Hotel	Candro Trade (Pty) Ltd	Mahikeng
Tab Brits	Phumelela Gaming & Leisure Ltd	Brits
Tab Klerksdorp	Phumelela Gaming & Leisure Ltd	Klerksdorp
Tab Mahikeng	Phumelela Gaming & Leisure Ltd	Mahikeng
Tab Mahikeng Station Road	Phumelela Gaming & Leisure Ltd	Mahikeng
Tab Orkney	Phumelela Gaming & Leisure Ltd	Orkney
Tab Potchefstroom	Phumelela Gaming & Leisure Ltd	Potchefstroom
Tab Rustenburg	Phumelela Gaming & Leisure Ltd	Rustenburg
Tab Rustenburg Taxi Rank	Phumelela Gaming & Leisure Ltd	Rustenburg
Tab Sun Village	Phumelela Gaming & Leisure Ltd	Sun Village
Tab Zeerust	Phumelela Gaming & Leisure Ltd	Zeerust
The Pitch Next Door	Antoinette Kealeboga Atkinson	Mahikeng
The Rump and Draught Café	Pased Industries (Pty) Ltd	Rustenburg
The Saloon Restaurant	Emmarentia De Klerk	Rustenburg
Transvaal Hotel	Manuel Moreira Da Silva Mota	Rustenburg
Venice	Rabelani Vennon Ramakulukusha	Brits
Yonk Eating House	Hirof Ashebir Malatjie	Rustenburg

GOLDRUSH SLOTS NORTH WEST (Pty) Ltd

SITE NAME	SITE OWNER	TOWN
Blue House Tavern	Kebookile Johanna Mayo	Orkney
Bonanza Plesieroord en Karavaanpark CC	Bonanza Plesieroord en Karavaanpark CC	Brits
Bossie's Beer Garden	Sidney Marlow	Damonsville
Botsalano Café & Restaurant	Phineas Thapelo Setshoane	Rustenburg
Bridge's Tavern	Annah Mmathaba Rakoma	Rustenburg
Bundu's Inn	Catharina Beatrix Huyser	Rustenburg
Central Restaurant	Ndo Jeremiah Doyi	Koster

Club Silk	Johan Stoltz	Rustenburg
Curty's Tavern	Masego Pamela Sellwe	Rustenburg
Dichaba Kopano Tavern	Sebopeng Doreen Mashome	Mahikeng
Downbase Restaurant	Bigboy Petrus Tlhabane	Koster
Duitswes Kombuis	Hazel Strauss	Hartebeespoort
Frank's Sports Bar	Francisco Jose Jardim Ponte	Potchefstroom
Frekkies Sports Bar	Frederick Jacobus Marais	Brits
Gae's Tavern	Temotheo Joseph Gae	Mahikeng
G-Bets	Toriglo (Pty)Ltd	Bapong
G-Bets	Toriglo (Pty)Ltd	Garankuwa
G-Bets	Toriglo (Pty)Ltd	Klerksdorp
G-Bets (Moruleng)	Toriglo (Pty)Ltd	Rustenburg
G-Bets (Phokeng)	G-Bets North West (Pty)Ltd	Rustenburg
G-Bets	Toriglo (Pty)Ltd	Potchefstroom
G-Bets (Tlhabane)	Toriglo (Pty)Ltd	Rustenburg
G-Bets	G-Bets North West (Pty)Ltd	Wolmarastad
Gazelle Cocktail Lounge	Impala Events	Potchefstroom
Graceland Restaurant	Esau Maleshane Loate	Mahikeng
Harmony Restaurant	Ruiqi Zhuang	Mahikeng
Ikabo's Restaurant	Brenda Ncane	Potchefstroom
J.D.S. Tavern	Jackie Skgwela	Brits
JW Tavern	Jan Andries Benjamin De Beer	Ventersdorp
King's Tavern	When's Den BK	Potchefstroom
Kolas Restaurant	Damnal Restaurant CC	Rustenburg
Legae Inn	Emily Moipong Doyi	Koster
Tic Tac	Loniplex (PTY) Ltd	Mahikeng
Tic Tac	Lonivista (PTY) Ltd	Delareyville
Madala's Place	Saltiel Dannyboy Ramafi	Rustenburg
Marula Launch	Pogiso John Montshioagae	Schweizer -Reneke
Nico City Tavern	Matshidiso Samaria Moima	Moretele
Nikita Pub & Grill	Jose Antonio Rodrigues	Brits
PDS Tavern	Phillemon Motseothata Dikgwatlhe	Klerksdorp
Phola Park Tavern	Sebopeng Doreen Mashome	Mahikeng
Porto Tavern	Nelson Florentino Duarte	Potchefstroom

P.S.J.M. Zonke Bonke	Gabolwelwe Kgomotso Elizabeth Mosina	Hammanskraal
Pulane's Tavern	Salamina Josephine Pulane Matshela	Koster
Radiatie Restaurant	Kgomotso Anna Molote	Rustenburg
Refilwe Bar Lounge	Esau Maleshane Loate	Potchefstroom
Reggy's Place	Kholiwe Regina Letlhogile	Taung
Semunye Tavern	Alfred Gabonewe Mokgwasi	Zeerust
Ship -A-Hoy Delux Tavern	Lucky Boinyana Sibanda	Ramatlabama
Sijo Tavern	Frank Sello Chauke	Hammanskraal
Ssango's Tavern	Boventura Isias Massango	Rustenburg
Swartruggens Hotel	Johan Stoltz	Swartruggens
The Star Restaurant	Christian Nnamdi Okwaranwa	Klerksdorp
Tlhapi's Tavern	Ntshimane Isaac Tlhapi	Klipgat
Tom, Dick & Harry Sports Bar	Willem Van Der Merwe	Hartebeespoort
Tic Tac	Vendinet (Pty)Ltd)	Vryburg
Playbet	Vendivista (Pty) Ltd	Potchefstroom
Vuku Inn	Vuyisile Abram Mjezu	Ventersdorp
Zama Zama Tavern	Johannes Hendrik Joubert	Bloemhof

AMUSEMENT MACHINE OPERATORS

LICENSEE	TOWN	DISTRICT
Fantasia Family Entertainment Centre	Klerksdorp	Dr Kenneth Kaunda
Fantasia Family Entertainment Centre	Potchefstroom	Dr Kenneth Kaunda
Fantasia Family Entertainment Centre	Rio Casino	Dr Kenneth Kaunda
Asteroids Entertainment (Pty) Ltd	Sun City Casino	Bojanala
Asteroids Entertainment (Pty) Ltd	The Carousel Casino	Bojanala

NATIONAL LICENCE HOLDER

LICENSEE	TYPE OF SERVICES
Betanogenix (Pty) Ltd	Supplier and Maintenance Provider

CERTIFICATE OF SUITABILITY HOLDERS

REGISTRANTS	TYPE OF SERVICES
CA Nizetich CC trading as, Deltatronics	Surveillance Systems
Technology and Procurement Holdings (Pty) Ltd	Surveillance Systems
Kalula Trade 23 (Pty) Ltd	Surveillance Systems
Lithotech Sales Pretoria (Pty) Ltd	Printing
Top Print CC	Printing
Repro Print (Pty) Ltd	Printing
Protea Playing Card CC	Printing and Supplier
TCS John Huxley (Pty) Ltd	Supplier and Maintenance
Bidvest Protea Coin (Pty) Ltd	Security
Ioannis Eliades Chartered Certified Accountants (Pty) Ltd	Gambling Related
Monsterjam Poker Tour (Pty) Ltd	Poker Tournaments
Octagon Surveillance Solutions (Pty) Ltd	Surveillance Systems
International Hotel School (Pty) Ltd	Training
Vegas Management Solutions (Pty) Ltd	Gambling Related
Mvelasa Trading & Projects CC 101	Gambling Related

EMPLOYEE REGISTRATIONS

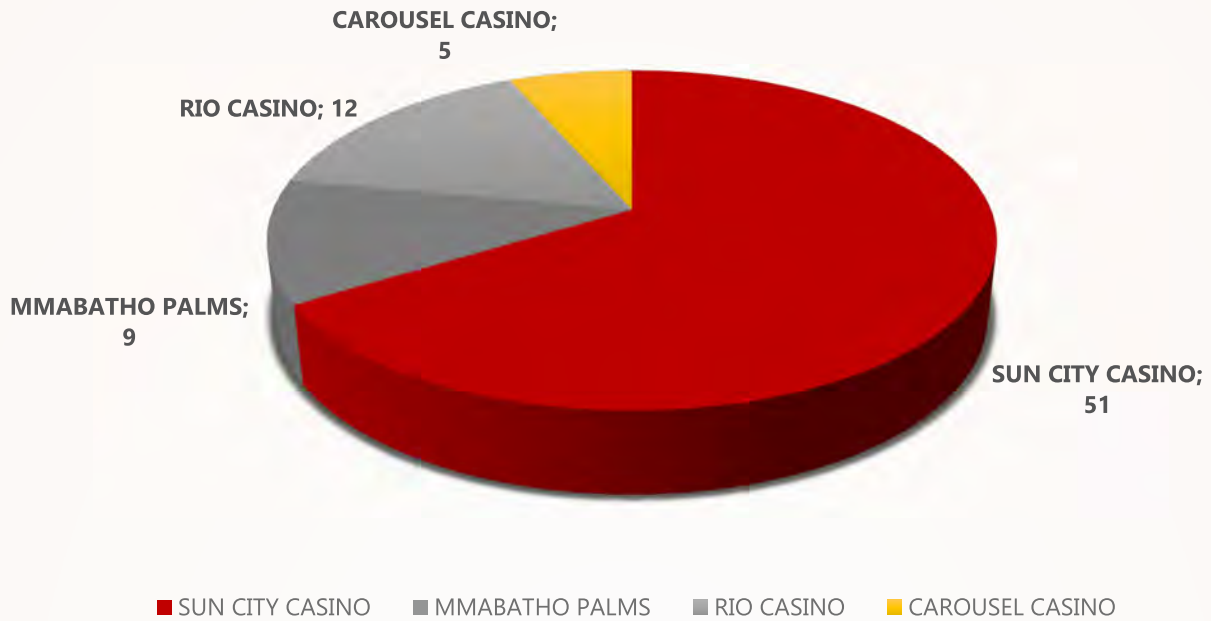
LICENSEE	STAFF HEAD COUNT	PERMANENT REGISTRATION	TEMPORARY REGISTRATION
The Carousel Casino	90	52	38
Sun City Casino	313	273	40
Rio Casino	109	104	5
Mmabatho Palms Casino	89	84	5
Phumelela Gaming	26	25	1
Vukani Gaming	13	11	2
Goldrush Gaming	12	9	3
Site Operators	192	157	35
Goldrush Bingo	57	53	4
Galaxy Bingo North West	33	30	3
Betting World	141	132	9

Central Gaming	143	119	24
G-Bets	199	197	2
Bidvest Protea Coin	51	51	0
Omphe Tshiamo	127	125	2
Galaxy Bingo Moruleng	23	16	7
Varloflash	26	26	0
Scorebet NW	212	190	22
Eliocube	44	40	4
Monsterjam	30	29	1
Tshufi Gaming	23	13	10
I Slots	23	13	10
Magic Slots	3	3	0
Sepels Sports Bet	23	23	0
Vegas Slots	28	28	0
Vegas Management Solutions	16	12	4
Total	2046	1815	231

GAMBLING MACHINES AND TABLE STATISTICS

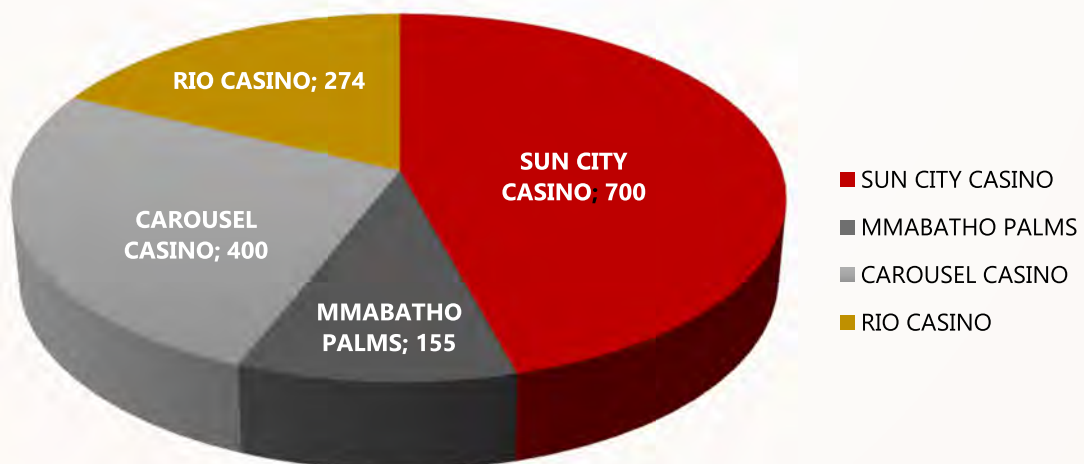
SUN CITY CASINO	51
MMABATHO PALMS	09
RIO CASINO	12
CAROUSEL CASINO	05

REGISTERED TABLES BY UNIT

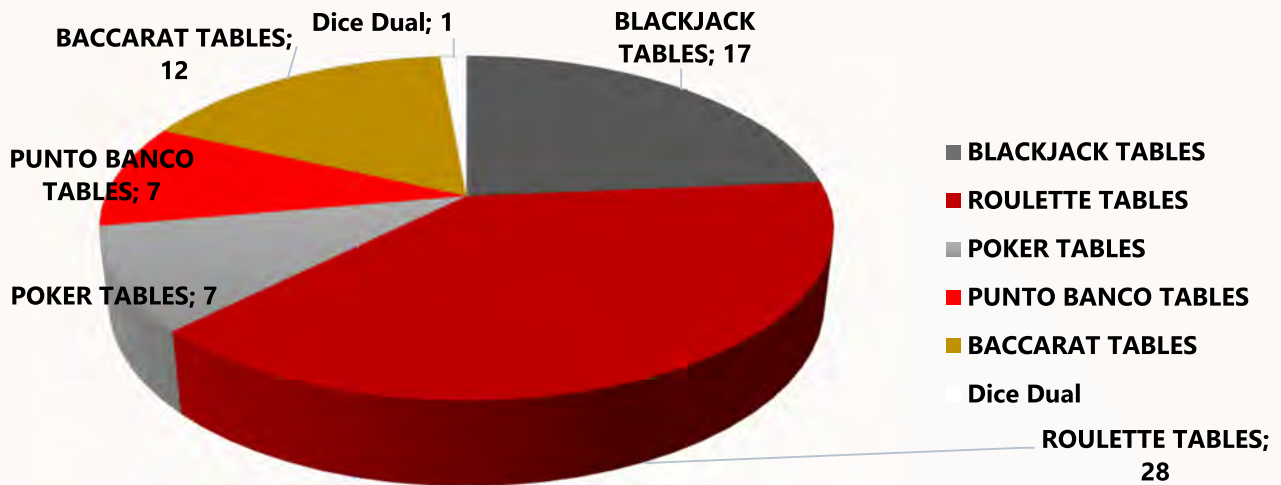


SUN CITY CASINO	700
MMABATHO PALMS	155
CAROUSEL CASINO	400
RIO CASINO	274

REGISTERED GAMBLING MACHINES BY UNIT



REGISTERED GAMBLING TABLES BY MODE



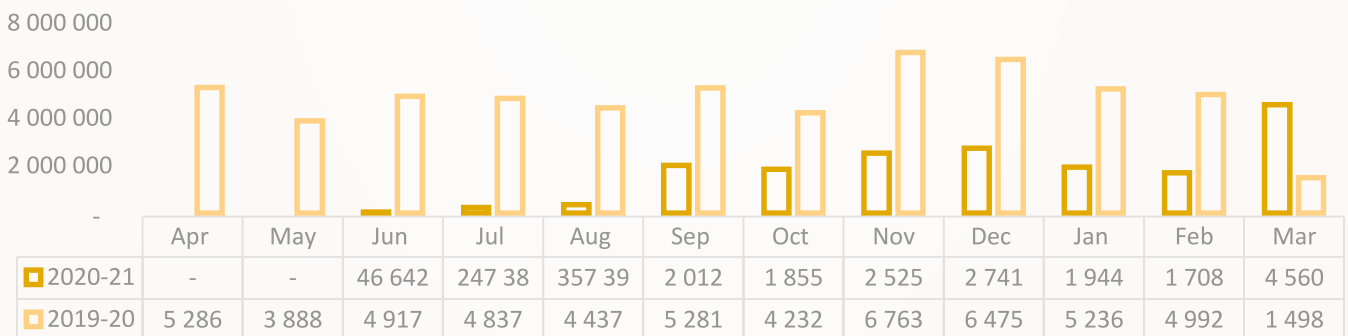
REVENUE PERFORMANCE AND STATISTICAL ANALYSIS FOR LICENSEE

CASINOS

Source	2019-20	2020-21	% Change
Turnover	4 808 710 534	2 536 427 161	-47%
GGR	767 482 394	319 360 859	-58%
Levies	57 848 627	17 999 770	-69%

Monthly levy comparison

LEVIES

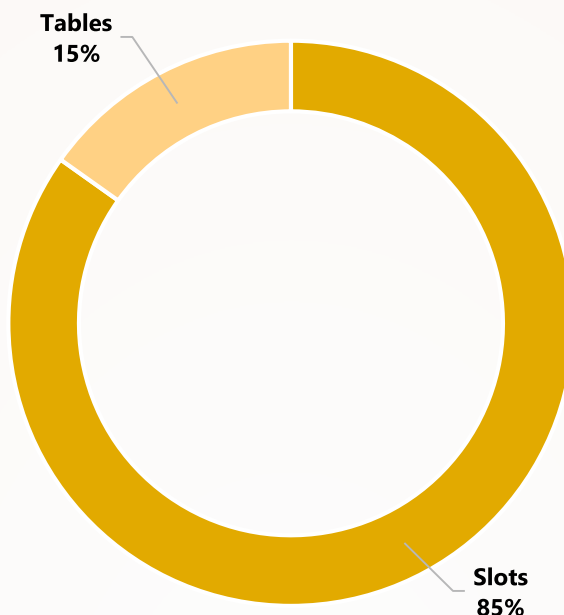


Contribution by Slots and Tables

Source	Turnover	GGR	Levies	Levies' Percentage contribution
Slots	2 200 057 701	271 096 907	15 279 524	85%
Tables	336 369 460	48 263 952	2 720 246	15%
Total	2 536 427 161	319 360 859	17 999 770	100%

Levy contribution by Slots and Tables

Levy contribution by Slots and Tables

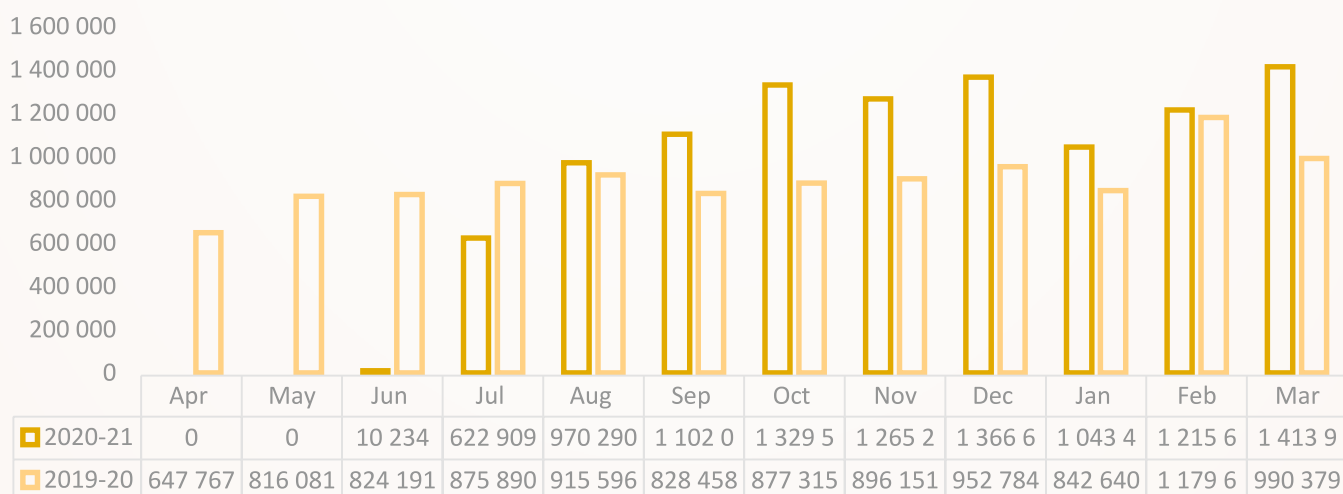


LIMITED PAYOUT MACHINES (LPMs)

Source	2019-20	2020-21	% Change
Turnover	2 358 917 978	1 827 695 405	-23%
GGR	168 403 094	130 682 784	-22%
Levies	10 646 893	10 339 945	-3%

Monthly levy comparison

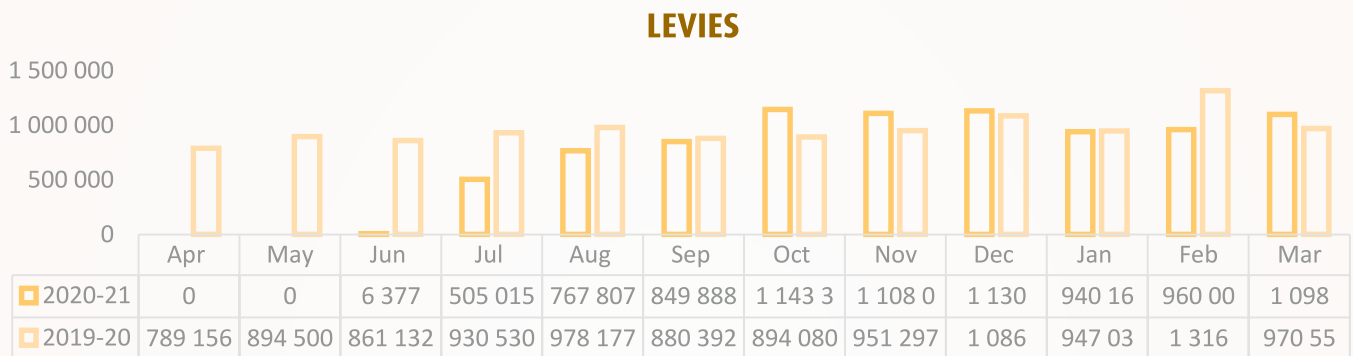
LEVIES



BINGO OPERATIONS

Source	2019 -20	2020 -21	% Change
Turnover	3 429 950 968	2 094 026 958	-40%
GGR	173 248 392	110 702 619	-39%
Levies	11 149 418	8 517 874	-26%

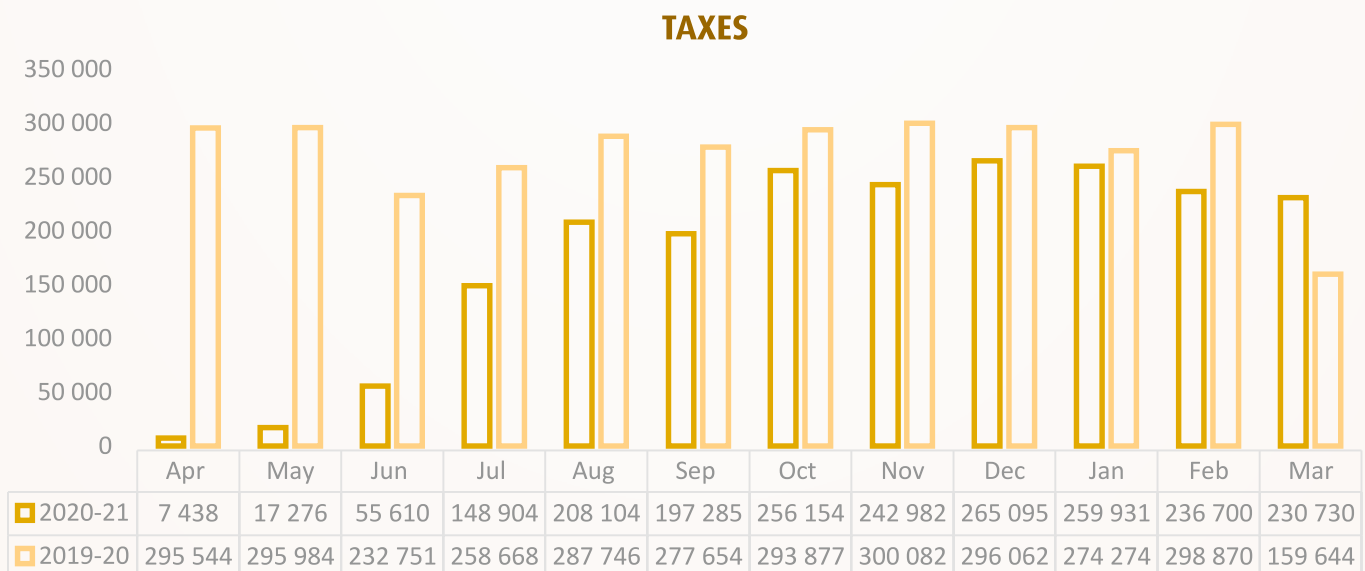
Monthly levy comparison



TOTALIZATOR

Source	2019 -20	2020 -21	% Change
Turnover	178 199 952	108 815 793	-39%
GGR	49 821 638	30 374 432	-39%
Taxes	3 271 155	2 126 208	-35%

Monthly tax comparison

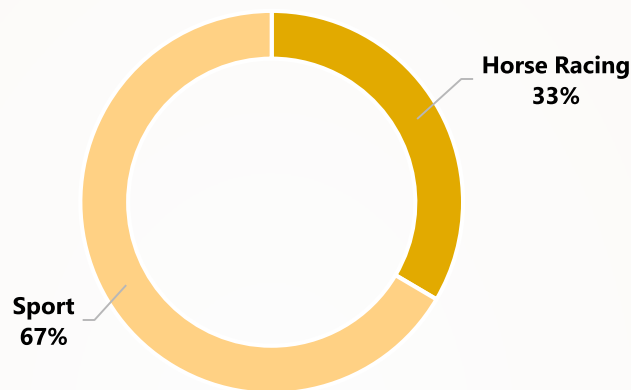


Contribution: Horse racing vs Sport

Source	Turnover	GGR	Taxes	Contribution on Taxes
Horse Racing	42 882 719	10 169 211	711 843	33%
Sport	65 933 074	20 205 221	1 414 365	67%
Total	108 815 793	30 374 432	2 126 208	100%

Percentage contribution (Tax)

Tax Contribution by Horse racing and Sport

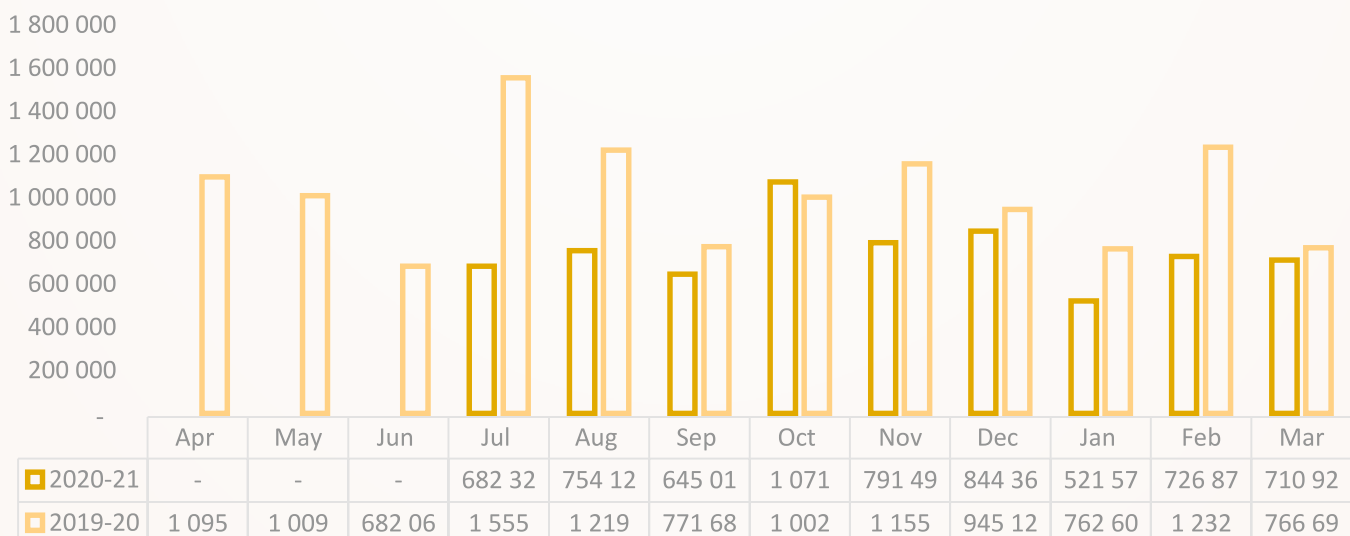


BOOKMAKERS

Source	2019-20	2020-21	% Change
Turnover	1 558 361 102	635 470 043	-60%
GGR	181 093 644	97 045 852	-48%
Taxes	11 784 435	6 735 681	-45%

Monthly tax comparison

TAXES

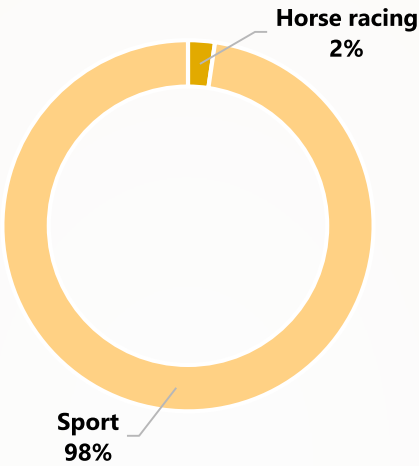


Tax contribution by Horseracing vs Sport

Source	Turnover	GGR	Taxes	Tax Percentage
Horse racing	4 483 034	2 343 977	156 111	2%
Sport	630 987 010	94 701 875	6 579 570	98%
Total	635 470 043	97 045 852	6 735 681	100%

Percentage contribution: Horseracing and Sport

Contribution by horse racing and sport



GOVERNANCE

1. Introduction
2. Portfolio Committee
3. Executive Authority
4. Composition of the Board
5. The Board
6. Risk Management
7. Internal Control Unit
8. Audit Committee
9. Internal Auditors
10. Compliance with the laws and regulations
11. Health, Safety and Environmental issues
12. Record Management
13. Company Secretary
14. Socio Economic Development
15. Socio Economic Development by Licensees Community
16. Audit Committee Report

Part C

1. Introduction

The North West Gambling Board is a statutory body established in terms of the provisions of the section 3 of the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended, to regulate gambling activities in the North West Province. This institution is also classified as a Schedule 3C Public Entity, in terms of the Public Finance Management Act. The Board is led by Directors appointed in the terms of section 5 of the North West Gambling Act serving the role of an Accounting Authority in terms of the Public Finance Management Act.

The North West Gambling Board is an agent of the Department of Economic Development, Environment, Conservation & Tourism accountable to the Provincial Legislature. In this regard, the functions, objectives and responsibilities of the North West Gambling Board are guided by the North West Gambling Act, 2001 (Act No. 2 of 2001) as amended; the National Gambling Act, 2004 (Act No. 7 of 2004), the Public Finance Management Act, 1999 (Act No.1 of 1999) as amended, the Financial Intelligence Centre Act (Act No. 38 of 2001) as amended, and other related Legislation, Regulations and Rules.

2. Portfolio Committee

As part of the oversight role performed by the Provincial Legislature, the North West Gambling Board held series of meetings with the Portfolio Committee on Premier, Finance, Economy and Enterprise Development to present Annual Report for the 2019/20 Financial Year, Quarterly Reports for the 2020/21 FY and the Annual Performance Plan for 2020/21 Financial Year.

This interaction with the Portfolio Committee has gone a long way to improve accountability on the usage of money appropriated to the Board and the overall Non-Financial Performance of the Board.

3. Executive Authority

During the period under review, the North West Gambling Board submitted four quarterly reports to the Executive Authority on 16 July 2020, 09 October 2020, 14 January 2021 and 12 April 2021 respectively.

4. Composition of the Board

Members of the Board, from various fields of expertise, are appointed by the MEC responsible for Finance, Economy and Enterprise Development in the Province. These include:

- i. legal practitioners;
- ii. accountants or auditors registered in terms of the Public Accountants and Auditors Act, 1991 (Act No. 80 of 1991);
- iii. persons with knowledge and experience in the field of welfare or Socio-Economic Development;
- iv. persons with knowledge of, and active involvement in, the tourism industry;
- v. persons with proven business acumen or persons with knowledge of the gambling industry; and
- vi. members designated from the Department of Finance, Economy and Enterprise Development and the Department of Public Safety and Transport.

During the period under review, the Board consisted of seven (7) members excluding the Chief Executive Officer and Board Secretary who are ex officio. The Board had one (1) vacancy to be filled in terms of the provisions of section 5 of the North West Gambling Act, 2001. However, two members of the Board resigned. During the end of July 2020, the Honourable MEC dissolved the Board and later appointed the Accounting Authority.

5. Board

5.1. The Role of the Board

The Board performs the following functions as prescribed in Section II, section 4 of the North West Gambling Act, 2001 as amended, and the National Gambling Act, 2004 (Act No. 7 of 2004):

- (a). to oversee gambling activities in the Province;
- (b). to advise the MEC on any matter referred to it by the MEC relating to the control of gambling in the Province;
- (c). to exercise such powers and perform such functions and duties as may be assigned to the Board in terms of this Act or any other law; and in particular to:
 - (i). invite applications for licenses in terms of this Act;
 - (ii). consider and dispose of applications for licenses in such a manner and at such time and place as it may from time to time determine;
 - (iii). grant, renew, amend, refuse, suspend or revoke licenses under this Act;
 - (iv). impose conditions in respect of any licenses at any time;
 - (v). revoke licenses granted under the Ordinance;
 - (vi). acquire, hold, hire, let and alienate intellectual, movable and immovable property;
 - (vii). open and maintain bank accounts;
 - viii. appoint staff and do all things incidental thereto;
 - ix. conclude and perform contracts;
 - x. participate in or conduct quasi-judicial and administrative proceedings;
 - xi. make and enforce rules for the conduct of its proceedings and hearings;
 - xii. receive, expand and generally administer funds;
 - xiii. collect and administer, in accordance with the provisions of the Act, levies and fees imposed by or under the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended;
 - xiv. make rules and regulations governing the licensing, conduct and operation of any gambling activity or business;
 - xv. conduct or cause to be conducted hearings, investigations and enquiries with regard to any matter falling within the scope of its functions;
 - xvi. apply to court to place any gambling operation under supervisory management;
 - xvii. enter into agreement with or obtain the assistance of any department or organ of State, including the South African Police Service, to conduct or assist it in conducting its investigations;
 - xviii. obtain information from license holders and other persons and agencies;
 - xix. conduct an ongoing study of, and investigation into gambling throughout the Province and elsewhere, to keep abreast of developments in the industry;
 - xx. determine minimum internal control systems for license holders, including accounting and reporting procedures and any other procedures or systems, whether computerized or not;
 - xxi. impose penalties for any breach of any of the rules or regulations made under the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended, which may include fines or the suspension of or the imposition of conditions relating to any license issued in terms of the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended;
 - xxii. determine fees and charges in respect of investigations, enquiries and any other function performed by the Board;
 - xxiii. collect and administer interest and penalties imposed by or under this Act;
 - xxiv. undertake or cause to be undertaken tests on equipment and gambling devices used or to be used in gambling activities and to recover the costs thereof from any person at whose instance, such tests are undertaken;
 - xxv. issue summonses for the appearance of persons or the production of books, documents or things in connection with applications, hearings, investigations or enquiries under the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended, including the rules or regulations made thereunder;

- xxvi. establish field or branch offices;
- xxvii. establish and administer funds for the proper administration of this Act;
- xxviii. consult with any person or employ consultants regarding any matter relevant to the performance of its functions on such terms and conditions as the Board may determine;
- xxix. compile a list of persons who are to be excluded or rejected from specified licensed premises and of those who are prohibited from partaking in specified gambling;
- xxx. make rules governing the licensing, conduct and operation of amusement games, including the licensing thereof, and in consultation with the responsible member of the Executive Council and Treasury to impose license fees therefore;
- xxxi. generally, exercise the powers and perform the functions and duties specified in this Act or assigned to it by any other law.No. 2 of 2001), as amended, including the rules or regulations made thereunder;

5.2. Board Charter

The Board operates with an approved Board Charter that sets out the composition, membership and size of the Board. The Charter further sets out the role and responsibilities of the Board with regard to the performance and accountability of the entity, monitoring and implementing the corporate plan, laws, regulations, policy and codes of business practice.

5.3. Objectives for the period under review: 2020/21

The Board set the following objectives for the period under review, in line with its mandate derived from the North West Gambling Act, 2001 (Act No. 2 of 2001) as amended, the Regulations and the National Gambling Act, 2004 (Act No. 7 of 2004):

- (i) to create an enabling environment for responsible licensing of all forms of gambling allowed in terms of the legislation;
- (ii) to roll out Limited Payout Machines and Bingo Operations;
- (iii) to follow up on the possibility of the Fifth Casino license in the Province;
- (iv) to roll out bookmaker licenses;
- (v) to improve efficiencies in the regulation of all forms of gambling;
- (vi) to develop and maintain effective regulatory mechanisms and provide for all necessary resources;
- (vii) to ensure adequacy of legislation;
- (viii) to finalise amendments to gambling legislation;
- (ix) to review Regulations on fees payable by Licensees;
- (x) to encourage and promote BBBEE within the industry through implementation of approved industry specific BBBEE targets;
- (xi) to ensure that gambling equipment operates in compliance with legislation and SABS technical standards;
- (xii) to conduct legal compliance inspections on licensed gambling operations;
- (xiii) to ensure that gambling activities are conducted in a fair and honest manner; to combat all forms of illegal gambling and conduct special investigations referred by other departments;
- (xiv) to provide assurance that the gambling levies are accurately calculated; to provide assurance that the Licensees maintain a level of continual financial suitability and comply with legislative requirements;
- (xv) to ensure that Licensees' internal control procedures mitigate gambling regulatory risks and are in line with gambling legislation;
- (xvi) to provide legal advice and support to the Board and Management;
- (xvii) to provide the Board with secretariat functions;
- (xviii) to ensure an effective and efficient legal framework;
- (xix) to ensure corporate governance by Management and the Board;
- (xx) to ensure efficient financial management;
- (xxi) to ensure that internal and external audits are conducted;

- (xxii) to ensure compliance with internal controls and other relevant legislation;
- (xxiii) to ensure efficient and effective supply chain management;
- (xxiv) to provide and maintain an effective, up- to-date and secure information technology system for the organization;
- (XXV) to ensure the provision of effective and efficient human resource support services; and
- (xxvi) to ensure the formulation and implementation of HR strategies to enhance education, training, development and retention of staff.

5.4. Corporate Governance

The core values of the North West Gambling Board are to embrace the principles of good corporate governance, as contained in the King IV Report on Corporate Governance and the precepts of the Public Finance Management Act 1999, (Act No. 1 of 1999), supported by Treasury Regulations.

5.5. Role, functions and objectives

The Board is generally responsible for the regulation of gambling activities in the North West Province, including the performance of the following functions:

- (i) to advise the MEC responsible for Department of Economic Development, Environment Conservation and Tourism on any matter referred to it by the MEC relating to the control of gambling in the Province;
- (ii) to invite, receive, consider, grant or refuse applications for licenses in terms of the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended;
- (iii) to collect and administer gambling levies and fees under the North West Gambling Act, 2001 (Act No. 2 of 2001), as amended;
- (iv) to make rules and regulations governing the licensing, conduct and operation of any gambling activity or business.

Composition of the Board Members (1 April 2020 – 31 March 2021)

NAME	DESIGNATION	DATE APPOINTED	STATUS	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIP	OTHER COMMITTEES	NUMBER OF MEETINGS ATTENDED
Mr. L.W Vere	Chairperson	25-05-2018	Active	Master of Laws (LLM) Bachelor of Laws (LLB)	Legal	None	None	5/5
Ms LMI Seepe	Deputy Chairperson	25-05-2018	Active	Bed	Business	None	Chairperson of the Corporate Service Committee. Member of its Committee	3/5
Ms N Maharaj	Member	25-05-2018	Resigned August 2020	B. Proc, LLB, Accounting for Public Entities, Corporate Governance	Legal	- Market Theatre Foundation - Bankseta - Group Audit Committee -City of Johannesburg - Goldfields TVET College - South African Nursing Council - University of Venda - Chair Risk Committee ;Member Risk Committee	Chairperson of the Compliance Committee Member of Risk Committee	3/5
Mr. TK Mathe	Member	25-05-2018	Active	B.Com degree B.Com (Hons) CA (Chartered Accountant) RA (Registered Auditor)	Accountant	None	Chairperson of the Audit Committee Member of the Compliance Committee	4/5

Col. S Reddy	Member	25-05-2018	Withdrawn by SAPS	LLB	Representative of Department of Safety and Liaison	None	Member of Corporate Services Committee Member of Compliance Committee
Mrs. C Molosiwa	Member	25-05-2018	Withdrawn by MEC	B COMPT HONS) (UNIVERSITY OF SOUTH AFRICA) 2003 BCOM (UNIVERSITY OF NORTH WEST) 1996	Accountant Finance	None	Member of the Audit Committee
Mr. W Reetsang	Member	25-05-2018	Active	Master of Management, Diploma Education.	Management and Arts.	None.	Chairperson of the Social and Economic Committee

COMMITTEES OF THE BOARD

NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS ATTENDED	NUMBER OF MEETINGS ATTENDED	NAMES OF MEMBERS
COMPLIANCE COMMITTEE – 1 meeting			
		1/1	Ms. N Maharaj
		1/1	Mr. TK Mathe
		1/1	Mr. W. Reetsang
CORPORATE SERVICES COMMITTEE – 0 meeting			
		0/0	Ms. LMI Seepe
		0/0	Col. S Reddy
		0/0	Mr. Reetsang
RISK MANAGEMENT COMMITTEE – 1 meeting			
		1/1	Ms. N Maharaj
		1/1	Mr T Mathe
		1/1	Ms. Brown
		1/1	Ms. Molosiwa
		1/1	Ms. P Mangoma
AUDIT COMMITTEE – 3 meetings			
		1/3	Mr. TK Mathe
		3/3	Ms. P Mangoma
		3/3	Mr. Z Mothibe
		2/3	Ms. J Brown
SOCIO ECONOMIC DEVELOPMENT COMMITTEE – 0 meeting			
		0/0	Mr. W Reetsang
		0/0	Mrs. C Molosiwa
		0/0	Ms. LMI Seepe

Remuneration of Board Members

NAME	BOARD FEES	TRAVEL AND SUBSISTENCE	CELLPHONE ALLOWANCE	TOTAL
Mr. L.W Vere (Chairperson)	66 582	744	5 889	73 215
Ms LMI Seepe (Deputy Chairperson)	9 530	8 974	6 044	24 548
Mr. TK Mathe	35 740		7 882	43 622
Ms. N Maharaj	31 274		6 277	37 551
Col. S Reddy				
Mr. H Mashao				
Mr. W Reetsang	30 974		5 422	36 396
Mrs. C. Molosiwa				
MV Mokgobinyane				
Z Mothibe	19 064			19 064
J Brown	7 152			7 152
P Mangoma	19 064			19 064

Risk Management

The Board adopted a formal approach to Risk Management. Before the beginning each Financial Year, a risk assessment workshop is conducted, which enables the Entity to identify the risks in line with the Annual Performance Plan and Strategic Plan. All the risks are identified, assessed and accordingly recorded on the Risk Register in terms of priority, which constitutes the basis for the development of the Internal Audit Plan for the period under review, as well as the three-year rolling plan.

The Risk Register incorporates the Risk Mitigation Plans for all the risks identified, of which progress on implementation is reported to the Risk Management Committee of the Board on a quarterly basis.

The Risk Assessment for 2021/22 Financial Year was conducted during December 2020, and the risks are depicted in the table below.

Risk No:	OUTCOMES	KEY RISKS	CAUSE	IMPACT	LIKELIHOOD	RISK MITIGATION
1.	Sound governance systems.	Delays in dealing with matters of the Board.	Absence of the Board of Directors.	Critical.	Likely.	Engagement with the Executive Authority.
2.		Negative image / Reputational damage to the Board.	Ethical deficiencies.	Moderate.	Likely.	Engagements to deal with reputational matters of the Board.
3.		Reduction in grant allocation.	Under - collection of revenue due / possible closure of gambling establishments.	Moderate.	Moderate.	Exploring the possibility of alternative gambling modes.
4.		Going concern uncertainty.	Reduction of grant allocation and under collection of Revenue.	Moderate.	Unlikely.	Enforcement of the cost containment policy.
5.		Irregular Expenditure.	Non - compliance to prescripts.	Major.	Likely.	(i) Consequence Management for non -adherence to SCM policies. (ii) Awareness campaigns and training of Management and Bid Committees on SCM policies/procedures and ethical conduct.
6.		Occupational exposure of employees to Covid-19.	(i) Covid -19 infections. (ii) Lack of adequate PPEs. (iii) Employees travelling to high risk areas for work purposes. (iv) Failure by infected employees to declare their status to the employer.	Moderate.	Moderate.	All Managers must encourage behavioural change and higher alert levels amongst their teams.

		Occupational exposure of employees to Covid-19.	(i) Covid-19 infections. (ii) Lack of adequate PPEs. (iii) Employees travelling to high risk areas for work purposes. (iv) Failure by infected employees to declare their status to the employer.	Moderate.	Moderate.	All Managers must encourage behavioural change and higher alert levels amongst their teams.
		Possible physical security threats.	Physical security breaches adversely affecting the safety of employees / Entity facilities and information.	Major.	Likely.	(i) Full implementation of the recommendations made in the Site Security Risk Assessment. (ii) Site Security Risk Assessment must be done for all sites. (iii) Appointment of a new Security Services Provider.
		Inability to fully meet planned targets of the Board.	Adverse effect on service delivery.	Major.	Moderate.	Continuous monitoring of operational efficiencies.
	Adherence to the gambling legislation.	Ineffective law enforcement on Illegal Gambling activities.	Inadequate legislation.	Critical.	Likely.	Amendment of the North West Gambling Act.
0.	SMME's participation rate.	Lack of economic empowerment for previously disadvantaged individuals (Fronting).	Lack of transformation in the Gambling Industry.	Major.	Unlikely.	Stakeholder engagements, awareness about BBBEE Act and possible referral to the BBBEE Commission on instances of non-compliance.

1. Internal Control Unit

The Audit Committee approved the Internal Audit Plan, which was guided by the risks as they were identified. The internal audit function was outsourced and the service provider reported directly to the Audit Committee in line with Treasury Regulation 27.2. The work of the internal auditors, as performed in line with the approved Internal Audit Plan, was reported to the Audit Committee on a quarterly basis.

Audit Committee

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	STATUS	NO OF MEETINGS ATTENDED
Mr. TK Mathe	B.COM Degree B.COM (Hons) CA.SA	External	N/A	28/08/2018	Active	7/7
Ms. P Mangoma	CA.SA	External	N/A	28/08/2018	Active	6/7
Mr. Z Mothibe	CA.SA , CMA , MBL	External	N/A	28/08/2018	Active	5/7
Ms. J Brown	B.Com Post Graduate in Public Administration	External	N/A	28/08/2018	Active	5/7
Ms. C Molosiwa	B.COM Degree B.COMPT (Hons)	External	N/A	28/08/2018	Active	5/7
Mr. M Mokgobinyane	CA.SA	External	N/A	28/08/2018	InActive	0/7

2. Internal Auditors

The internal audit function of the Board was outsourced to Morar Incorporated at the beginning of the 2018/19 Financial Year and the contract expired in September 2020. The Board appointed Nexia SAB&T from October 2020 to March 2021.

3. Compliance with Laws and Regulations

The Board strives to comply with all the laws of the country by ensuring that the Act, Regulations and Rules of the Board are amended regularly to accommodate the requirements of new laws of the country or amendments of related legislation. In terms of the latest amendments to the Financial Intelligence Centre Act, the North West Gambling Board is assigned the role of a Supervisory Body, which adds numerous functions to regulating gambling activities. The Board signed a Memorandum of Understanding with the Financial Intelligence Centre to discharge these responsibilities and functions in collaboration with the Financial Intelligence Centre, and to assist in combating money laundering activities and the financing of terrorists and related activities in the Province.

The Board concluded a Memorandum of Understanding (MoU) with the Competition Commission aimed at fostering relations in respect of investigation of competition matters.

The Board relies on its internal audit function to constantly evaluate its compliance with all relevant laws and their applicability to its business of regulating gambling in the Province.

In this regard, much attention is placed on compliance with those laws and identifying possible areas of deviation or non-compliance, to provide corrective measures or requisite systems of internal control.

4. Health, Safety and Environmental Issues

A Health and Safety Committee is in place as required in terms of section 18 of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), as amended as well as health and safety representatives as required in terms of section 16. The workplace Health and Safety Policy is in place and has been adopted, as per section 7.

The Facility Department is committed to improving health and safety standards of the Board and creating a safe-wise culture amongst employees as well as cultivating green-office practices by reducing our carbon footprint as an organization. The department recycles waste paper, and working towards e-waste recycling.

Facilities of the Board are managed through the implementation of the Facilities Management Policy; Workplace Health and Safety Policy; Procedures and Guidelines for Space Management and Office Allocation; and the Pool Vehicle Policy.

5. Records Management

Official records of the Board are being managed in accordance with the National Archives and Records Services Act of 43 of 1996, the approved classification systems and the Records Management Policy of the Board.

The preservation of records of the Board remain one of the main priorities for the department. The movement of records is closely monitored, as a means to address the risk of loss and/or leakage of information. More focus is being put into mitigating associated risks and improving the standards of records and archives..

The Department is engaged in the process of collecting current records from offices and transferring them to central registry as preparation for external audit and migration of records to electronic. Terminated records are transferred to Ngaka Modiri Molema Regional Office for the establishment of archives repository

6. Company Secretary

The organization appointed a Legal Manager whose role, inter alia, is to provide the services of a Company Secretary to the Board. The responsibilities of this position entail facilitation of training for Board Members, facilitation of Board and Sub-committee Meetings, as well as capturing and safeguarding/keeping records and minutes of the Board. Furthermore, the Legal Manager ensures the attendance of all members of the Board to the business of the organization, while observing a register of interest and compliance with general guidelines on good Corporate Governance. All other inherent responsibilities and duties of the Company Secretary, including the provision of legal advice and support to the Board, are performed by the Legal Manager who, administratively, reports to the CEO, but remains directly accountable to the Board.

7. Socio Economic Development by the Office:

Despite the financial year of 2020/21 being a tumultuous period due as a consequence of the Covid-19 pandemic, the North West Gambling Board managed to keep to its obligation of reaching out to the poor, marginalised and economically disenfranchised groups in the province. The Board had in the current Financial Year funded eight students enrolled at the Mahikeng Hotel School with tuition and accommodation fees. The students were on a two-year academic programme. Meanwhile Florencia Visagie who in 2016 became the winner in the female category pageant of the now defunct Bray July has recently completed her Degree in Development and Population Studies. The Bray July was a CSI initiative by the Board to create socio-economic opportunities for young people through bursaries and learnership programmes. Another beneficiary of this initiative is Moemedi Sesipi who in 2019 was conferred with a Degree in Agricultural Economics. He passed his Degree with a Cum Laude. The two students were enrolled at the North West University in Mahikeng.

8. Socio Economic Development by Licensees

During the year under review, a total amount of R2.6 million was contributed towards the upliftment of the standard of living for the people of the Province by our licensee as follows:

Gambling Mode	Total
Casinos	1 370 352.33
LPM operations	320 966.00
Bingo operations	473 456.80
Totalizator	-
Bookmaker operations	456 102.00
Total	2 620 877.13

9. Audit Committee Report

During the 2020/2021 FY the Honourable MEC dissolved the Board and later appointed the Accounting Authority. The Audit Committee could not proceed sitting as there was no quorum, the members only had three meetings during the whole Financial Year. Executive Management however ensured effectiveness of internal controls. The Audit Committee members term nevertheless came to an end on 23 November 2020.

Attendance

The names of the members who were in office during the period 01 April 2020 to 31 March 2021 and the details of the audit committee meetings attended by each of the members are:

NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS ATTENDED	NUMBERS OF MEETINGS ATTENDED	NAMES OF MEMBERS
AUDIT COMMITTEE			
3	3	1 of 3	Mr. TK Mathe (Chairperson) Ceased to be Chairperson with effect from 28 July 2020.
		1 of 1	Mrs. C Molosiwa (Member) Ceased to be a Member with effect from 28 July 2020.
		3 of 3	Mr. Z Mothibe (Member) Appointed Acting Chairperson with effect from 29 July 2020.
		2 of 3	Ms. J Brown (Member)
		3 of 3	Ms. P Mangoma (Member)

Effectiveness of Internal Controls and Internal Audit

The internal audit function of the Board was outsourced to Morar Incorporated at the beginning of the 2018/19 Financial Year and the contract came to an end in September 2020. The Board appointed Nexia SAB&T from October 2020 to March 2021.

The Committee:

Reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness and performance of internal audit function:

- Considered the reports of the internal auditors on the Board's systems of internal control including financial controls, business risk management and maintenance of effective internal control systems;
- Received assurances that proper accounting records were maintained and that the systems safeguarded the Board's assets against unauthorised use or disposal;
- Assessed the Board's compliance with the applicable laws and regulations that governs its operations;
- Reviewed validity, accuracy and completeness of performance information reported on quarterly and annual basis, reviewed issues raised by internal audit and adequacy of corrective action taken by management in response thereto;
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory; and
- Concluded that there were no material breakdowns in internal control.

There was an improvement in the entity's system of internal controls and Management implemented internal audit recommendations. This is evidence by the Unqualified Audit Report from AGSA in previous periods, as well as the numbers of positive findings by the internal audit. There are, however, several deficiencies in the system of the internal audit controls and/or deviations. These were reported by the Internal Auditors and the Auditor-General and are being addressed. The Audit Committee takes note of Management's commitment to correct the deficiencies, and both the action plans and the monitoring of progress were consistent during the period under review.

During the period under review, Internal Audit completed the assurance and consulting audits in the following key risk areas:

- Performance Information
- Gambling Control Review
- Quarterly and Annual Financial Statements
- Investigations and Licensing Review
- Expenditure and Supply Chain Management
- Final Performance Information Review

Our review of the findings of the internal audit work, which was based on the risk assessment conducted, revealed specific weakness, which were then raised with the Board.

In-Year Management and Monthly/ Quarterly Report

The entity reported monthly and quarterly to the Treasury, as required by the PFMA. Monitoring was done regularly, and performance information was reviewed periodically during the period under review.

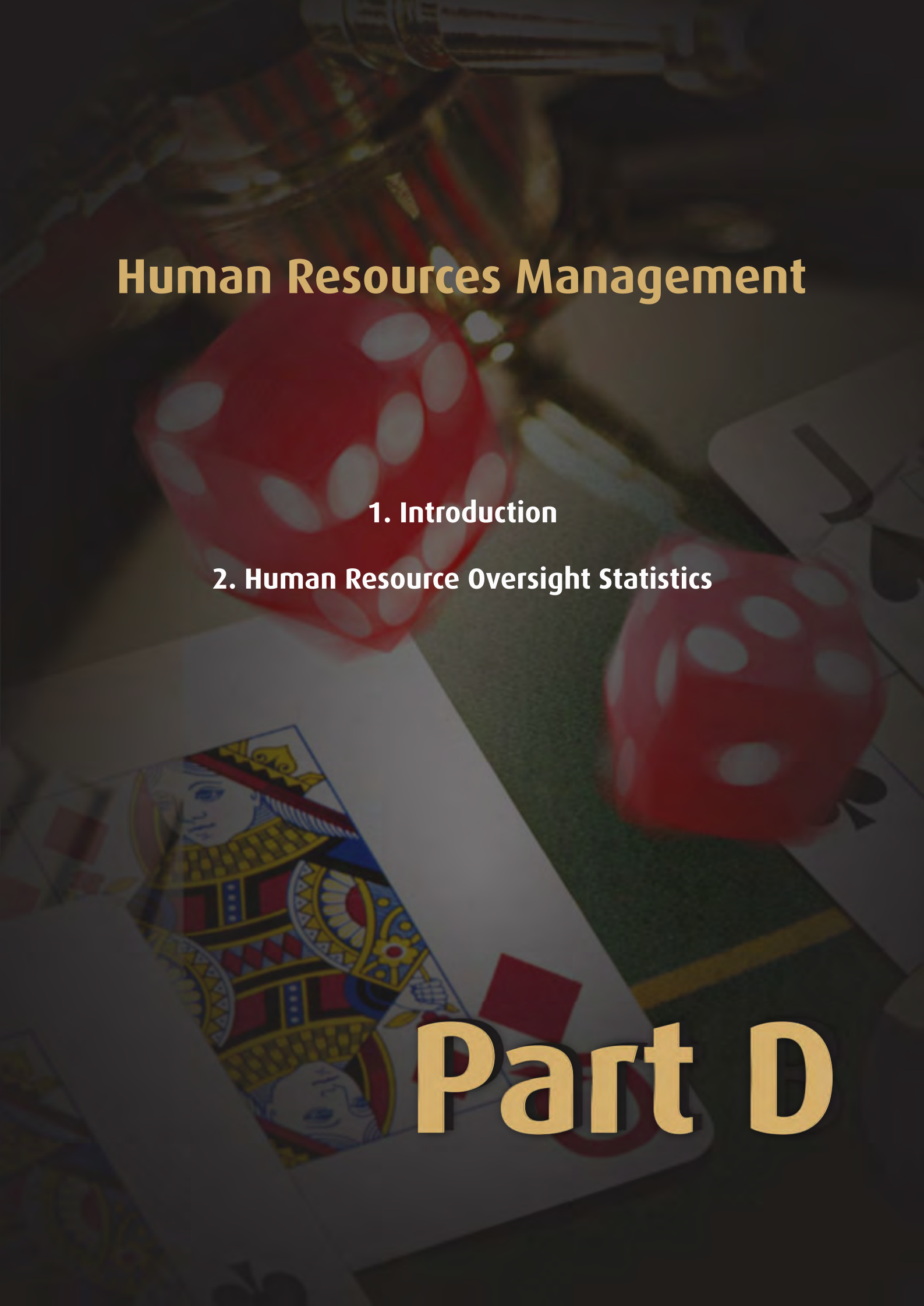
Evaluation of Financial Statements

The Board appointed SNG Grant Thornton to evaluate the Financial Statements and have

- Confirmed, based on management's review, that the interim and Annual Financial statements were prepared on the going concern basis;
- Examined the interim and the Annual Financial Statements and other financial information made public, prior to their approval by the Board;
- Considered accounting treatments, significant or unusual transactions and accounting judgements;
- Considered the appropriateness of accounting policies and any changes made;

- Considered any problems identified as well as any compliance and tax matters that could materially affect the financial statements; and
- Met separately with management, external audit and internal audit and satisfied themselves that no material control weakness exists.

Following the review by the internal auditors of the Annual Financial Statements of the North West Gambling Board for the year ended 31 March 2021, the Board is of the view that, in all material respects, it complies with the relevant provisions of the PFMA and GRAP and fairly presents the financial position at that date and the results of its operations and cash flows for the year.

The background of the slide features a close-up, slightly blurred image of playing cards and two red dice with white pips. The cards are scattered, with the King of Hearts and Queen of Hearts visible in the lower left. The dice are positioned in the center and right. The overall image has a dark, semi-transparent overlay.

Human Resources Management

1. Introduction

2. Human Resource Oversight Statistics

Part D

Introduction

1. Human Resources Oversight Statistics

Introduction

Overview of HR matters as the public entity

The Human Resources Department is responsible for all HR functions including payroll. During the year under review no annual salary increase, performance bonus and pay-progression was implemented by the Board. No vacant positions were filled due to budget cut. Staff below management (level 10 and below) received 13th cheque.

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

The Human Resources Department executed its functions except those that could not be done due to financial Constraints.

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

The Board is remunerating its employees the following package:

- Basic salary,
- Seven and half percent (7.5%) contribution to provident fund,
- R 1100.00 Medical aid Subsidy per month subsidy and Housing allowance of R1 300.00 per month to all staff below management.
- long Service Awards for employees of the Board who have 5, 10, 15, 20 and 25 years in the employ of the Board.
- The Board offers study assistance/bursary, and is applicable to permanent employees who wish to further their studies.

Performance Management framework.

The Board could not implement the rewards and pay progression, as per the Performance Management policy.

Employee Wellness Programmes

The employee wellness programme for all staff is hosted by Care Ways. Due to Covid-19 pandemic, the Board did not host any wellness programme.

Policy development

The Human Resources Policy of the Board was not reviewed for the year under review.

Highlight achievements

Twenty two (22) employees received Long Service awards for the year under review.

Challenges faced by the public entity

The Board could not increase staff salaries in April, fill vacant positions, pay performance bonus and pay-progression due to budget cut.

Future HR Plans/Goals

The Human Resources Department plan to review the Human Resources Policy, fill vacant positions.

Personnel Cost by Programme

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP	NO OF EMPLOYEES	AVARAGE PERSONNEL COST PER EMPLOYEE (R'000)
Chief Executive Officer	9 870 150	8 408 266,92	10	10	840 826,69
Corporate Services	14 757 843	10 893 903,37	14	25	435 756,13
Finance	24 207 817	6 924 681,90	9	13	532 667,84
Legal Services	7 877 020	3 243 479,11	4	4	810 869,78
Audit and Systems	7 712 000	7 584 652,52	9	11	689 513,87
Gambling Control	8 790 665	7 258 435,57	9	11	659 857,78
Investigations and Licensing	6 900 505	6 062 422,26	8	10	606 242,23
Total Permanent	80 116 000	50 375 841,65	63	84	599 712,40
Non-Permanent		121 597,05	0	2	60 798,53
Grand Total	80 116 000	50 497 438,70	63	86	587 179,52

Personnel Cost by Salary Band

LEVEL	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP	NO OF EMPLOYEES	AVARAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	4 655 678,94	6	4	1 163 919,74
Senior Management	9 269 568,72	12	9	1 029 952,08
Professional qualified	8 497 917,20	11	11	772 537,93
Skilled	20 121 829,36	25	36	558 939,70
Semi-skilled	6 137 024,14	8	20	306 851,21
Unskilled	1 693 823,29	2	8	211 727,91
Total	50 375 841,65	63	84	599 712,40
Non-permanent	121 597,05	0	2	60 798,53
Grand Total	50 497 438,70	63	86	587 179,52

Performance Awards

PROGRAMME	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	0.00	0.00	0.00
Senior Management	0.00	0.00	0.00
Professional qualified	0.00	79 108.95	0.00
Skilled	0.00	0.00	0.00
Semi-skilled	0.00	0.00	0.00
Unskilled	0.00	0.00	0.00
Total	0.00	79 108.95	0.00
Non-permanent	0.00	0.00	0.00
Grand Total	0.00	79 108.95	0.00

Training Costs

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE
Chief Executive Officer	0.00	0.00	0.00	0.00	0.00
Corporate Services	0.00	0.00	0.00	0.00	0.00
Finance	0.00	0.00	0.00	0.00	0.00
Legal Services	0.00	0.00	0.00	0.00	0.00
Audit and Systems	0.00	0.00	0.00	0.00	0.00
Gambling Control	0.00	0.00	0.00	0.00	0.00
Investigations and Licensing	0.00	0.00	0.00	0.00	0.00
Total Permanent	0.00	0.00	0.00	0.00	0.00
Non-permanent	0.00	0.00	0.00	0.00	0.00
Grand Total	0.00	0.00	0.00	0.00	0.00

Employment and Vacancies – Per Programme

PROGRAMME	2019/20 NUMBER OF EMPLOYEES	2020/21 APPROVED POSTS	2020/21 NO. OF EMPLOYEES	2019/20 VACANCIES	% OF VACANCIES
Chief Executive Officer	10	10	10	0	
Corporate Services	25	26	24	2	
Finance	13	15	13	2	
Legal Services	4	4	4	0	
Audit and Systems	11	12	11	1	
Gambling Control	11	13	11	2	
Investigations and Licensing	10	10	9	1	
Total Permanent	84	90	82	8	
Non-Permanent	0	0	0	0	
Grand Total	84	90	82	8	

Employment and Vacancies – Per Occupational Levels – Approved and Filled 20 20/21

LEVEL	2019/20 NUMBER OF EMPLOYEES	2020/21 APPROVED POSTS	2020/21 NO. OF EMPLOYEES	2020/21 VACANCIES	% OF VACANCIES
Top Management	3	4	2	2	
Senior Management	8	9	8	1	
Professional qualified	10	12	10	2	
Skilled	36	37	35	2	
Semi-skilled	19	20	19	1	
Unskilled	8	8	8	0	
Total Permanent	84	90	82	8	
Non- permanent	1	0	0	0	
Grand Total	85	90	82	8	

Employment and Vacancies – Per Occupational Levels

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT THE END OF THE PERIOD
Top Management	3	0	1	2
Senior Management	8	0	0	8
Professional qualified	10	0	0	10
Skilled	36	0	1	35
Semi-skilled	19	0	0	19
Unskilled	8	0	0	8
Total Permanent	84	0	2	82
Non- permanent	1	0	0	0
Grand Total	85	0	2	82

Reasons for staff leaving

REASONS FOR LEAVING	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	1	1
Resignation	1	1
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of Contract	0	0
Other	0	0
Total	2	2

Labour Relations: Misconduct and Disciplinary Action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written Warning	0
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	2	1	0	0	0	0	0
Senior Management	6	5	0	0	0	0	0	0
Professional qualified	4	6	0	1	0	2	0	2
Skilled	17	17	2	2	0	3	1	2
Semi-skilled	7	8	0	0	0	1	0	0
Unskilled	2	3	0	0	0	0	0	0
Total Permanent	37	41	3	3	0	6	1	4
Non- permanent	0	0	0	0	0	0	0	0
Grand Total	37	41	3	3	0	6	1	4

The Status of Employment Equity for male is as follows:

- African males are more than the targeted number,
- Coloured males are less than the targeted number,
- Indian males are less than the targeted number, and
- White males are not represented.

The table indicates the status of females

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	2	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	0	1
Professional qualified	6	6	0	1	0	0	0	2
Skilled	14	14	0	2	1	1	0	4
Semi-skilled	11	11	0	1	1	1	0	1
Unskilled	6	5	0	0	0	1	0	0
Total Permanent	39	40	0	4	2	3	0	8
Non-permanent	0	0	0	0	0	0	0	0
Grand Total	39	40	0	4	2	3	0	8

The Status of Employment Equity for female is as follows:

- African females are more than the targeted number,
- Coloured females are not represented,
- Indian females are less than the targeted number, and
- White females are not represented.

The table indicates the Status of people with disabilities

LEVELS	DISABLED STAFF			
	MALE		FEMALES	
	AFRICAN		COLOURED	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	1	1	1	1
Semi-skilled	0	0	0	1
Unskilled	0	0	0	0
Total Permanent	1	1	1	2
Non-permanent	0	0	0	0
Grand Total	1	1	1	2

Financial Information

- 1. Statement of Responsibility for the Annual Financial Statements**
- 2. Report of the Auditor-General**
- 3. Statement of Financial Position**
- 4. Statement of Financial Performance**
- 5. Statement of Changes in Net Assets**
- 6. Cash-Flow Statements**
- 7. Statements of Comparison of Budget and Actual Amounts**
- 8. Accounting Policies**
- 9. Notes to the Annual Financial Statements**

Part E

Statement of Responsibility for the Annual Financial Statements

Report of the Auditor-General to the North West Provincial Legislature on the North West Gambling Board

1.Statement of Financial Position as at 31 March 2021

2.Statement of Financial Performance for the year ended 31 March 2021

3.Statement of Changes in Net Assets for the financial year ended 31 March 2021

4.Cash Flow statement for the year ended 31 March 2021

5.Statement of Comparison of Budget and Actual Amounts

General Information

Country of incorporation and domicile	South Africa
Legislation	North West Gambling Act, Act no 2 of 2001 Public Finance Management Act (Act 1 of 1999) National Gambling Act of 2004 Broad Based Black Economic Empowerment Act of 2003 Financial Intelligence Centre Act Labour Relation Act
Nature of business and principal activities	Regulation of gambling industry
Members	L Vere (Chairperson) L. Seepe (Deputy Chairperson) N. Maharaj T. Mathe W Reetsang SM. Reddy (In Public Service) Ms C Molosiwa (In public Service) J Montshioa (Board Secretariat)
Registered Office	131 University Drive Mmabatho 2735
Postal Address	Private Bag x34 Mmabatho 2735
Bankers	ABSA

Index

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

Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts	8
Accounting Policies	9-17
Notes to the Annual Financial Statements	18-38

The Annual Financial Statements set out on page 4, which have been prepared on the going concern basis, were approved by the Accounting Authority.


L Vere (Chairperson)



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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the North West Gambling Board set out on pages 91 to 109, which comprise, the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the North West Gambling Board as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAF)) 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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

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

7. I draw attention to note 33 to the financial statements, which indicates that as at 31 March 2021 the public entity's total liabilities exceeded its total assets by R1 965 113. As stated in note 33 these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the public entity's ability to continue as a going concern. Emphasis of matters.

8. I draw attention to the matters below. My opinion is not modified in respect of these matters. Irregular and fruitless and wasteful expenditure.

9. As disclosed in note 35 to the financial statements, irregular expenditure of R1 531 348 was incurred in the current year and irregular expenditure of R79 857 100 from prior years had not yet been resolved

10. As disclosed in note 34 to the financial statements, fruitless and wasteful expenditure of R310 368 from prior years had not yet been resolved.

Restatement of corresponding figures

11. As disclosed in note 41 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of numerous errors discovered during the year ended 31 March 2021.

Responsibilities of the accounting authority for the financial statements

12. The board of directors, which constitutes 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.

13. In preparing the financial statements, the accounting authority is responsible for assessing the North West Gambling Board's ability to continue as a going concern, disclosing, as applicable matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or there is no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

14. 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also did not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

Programme	Pages in the annual performance report
Programme 2 — Investigation and Licensing	31 - 33

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 2 — investigation and licencing.

Report on audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

22. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 55(1) (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

24. Effective steps were not taken to prevent irregular expenditure of R 1 531 348.00 as required by section 51 of the PFMA.

Procurement and contract management

25. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007/2008. Similar non-compliance was also reported in the prior year.

26. The COVID 19 Personal Protective Equipment items procured through the quotations did not comply with local content requirements as required by paragraph 4.6 of National Treasury Instruction note No 5 of 2020/21.

Other information

27. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

29. In connection with my audit, my responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

32. The accounting authority was unable to exercise its oversight responsibilities regarding financial reporting and compliance with legislation due to the suspension of the board on 28 July 2020. The public entity did not have sufficient monitoring and reviewing controls in the absence of the audit committee to ensure that the financial statements submitted for audit were accurate and complete.

Other reports

33. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

34. The Commission of Inquiry into State Capture, Corruption and Fraud is undertaking investigations into allegations of State Capture, Corruption and Fraud involving several public entities and other organs of state pursuant to the Commission's Terms of Reference. The North West Gambling Board falls into the scope of the Commission's Terms of Reference as it was requested to provide documents covering the period 1 April 2008 to 31 March 2018. The public entity has submitted the required documentation. The investigation was not yet finalised at the date of this report.

35. During the 2018/19 financial year, the Premier commissioned a forensic investigation into the affairs of the board due to complaints that had been received about the board's alleged departure from good governance principles, low staff morale, in-fighting, board's involvement into administrative matters and matters surrounding the suspension of the CEO. The investigation covered the 2017/18 and 2018/19 financial years. The forensic report was set aside on 19 February 2021 by the high court in Mahikeng.

Auditor General

Rustenburg

05 August 2021



SOUTH AFRICA

Auditing to build public confidence

Annexure — Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for the selected programme and on the public entity's compliance with respect to the selected subject matters.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
- conclude on the appropriateness of the accounting authority's 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 related to events or conditions that may cast significant doubt on the North West Gambling Board's ability 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.
- the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a public entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. 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.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and where applicable related safeguards.

Statement of Financial Position as at 31 March 2021

Figures in Rand

	Note(s)	2021	2020 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	12 699 376	12 659 412
Receivables from exchange transactions	4	1 852 700	1 382 807
Receivables from non -exchange transactions	5	7 839 375	2 031 167
Prepayments	7	26 574	752 368
Inventories	6	185 836	310 852
		<u>22 603 861</u>	<u>17 136 606</u>
Non-Current Assets			
Property, plant and equipment	8	5 520 599	7 017 990
Total Assets		<u>28 124 460</u>	<u>24 154 596</u>
Liabilities			
Current Liabilities			
Payables from exchange transactions	10	2 930 897	6 324 955
Payables from non -exchange transactions	11	15 007 335	10 378 266
Unspent: Socio Economic Development Fund	40	1 105 170	1 359 567
Leave accruals	13	4 108 241	2 828 433
Accruals	14	1 950 508	6 199 239
Investigation fees: deposit	12	1 073 623	654 559
Provisions	27	190 000	717 000
		<u>26 365 774</u>	<u>28 462 019</u>
Non-Current Liabilities			
Operating lease liability	9	1 109 799	1 388 266
Provisions	27	2 614 000	1 955 000
		<u>3 723 799</u>	<u>3 343 266</u>
Total Liabilities		<u>30 089 573</u>	<u>31 805 285</u>
Net Assets		<u>(1 965 113)</u>	<u>(7 650 689)</u>
Accumulated deficit		<u>(1 965 113)</u>	<u>(7 650 689)</u>

Statement of Financial Performance

Figures in Rand

	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions	16	965 930	1 927 002
Investigation fees	17	753 797	502 531
Salary recovery	15	9 741	96 746
Other income		209 010	701 820
Interest received			
Total revenue from exchange transactions		1 938 478	3 228 099
Revenue from non -exchange transactions			
Transfer revenue	18	80 116 000	82 812 000
Government grants & subsidies	19	652 248	767 346
Service in kind			
Total revenue from non -exchange transactions		80 768 248	83 579 346
Total revenue	17	82 706 726	86 807 445
Expenditure	20	(52 007 587)	(51 751 775)
Employee related costs	8	(1 555 046)	(1 704 695)
Depreciation and amortisation	21	-	(5)
Finance costs	24	(6 092 875)	(6 339 887)
Lease rentals on operating lease	22	(111 135)	(28 003)
Debt Impairment	8	(62 568)	-
Loss on disposal of assets and liabilities	23	(17 191 940)	(29 685 138)
Administrative expenses			
Total expenditure		(77 021 151)	(89 509 503)
Surplus (deficit) for the year		5 685 575	(2 702 058)

Statement of Changes in Net Assets

Figures in Rand

	Accumulated deficit	Total net assets
Balance at 01 April 2019 (as previously reported)	(4 141 598)	(4 141 598)
Prior year adjustments - Refer to note 41	(807 035)	(807 035)
Balance at 01 April 2019 as restated*	(4 948 633)	(4 948 633)
Changes in net assets		
Restated deficit for the year - Refer to note 41	(2 702 058)	(2 702 058)
Deficit as previously stated	(1 408 368)	(1 408 368)
Prior year adjustments	(1 293 690)	(1 293 690)
Restated* Balance at 01 April 2020	(7 650 689)	(7 650 689)
Changes in net assets	-	-
Surplus for the year	5 685 575	5 685 575
Balance at 31 March 2021	(1 965 114)	(1 965 114)

Cash Flow Statement

Figures in Rand

	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Taxes and levies collected		48 557 843	110 896 134
Grants		80 116 000	82 812 000
Interest income		209 010	552 251
Other receipts		9 741	515 522
Investigation fees		1 384 994	1 892 872
Renewal fees		-	5 318 383
		130 277 588	201 987 162
Payments			
Employee costs		(49 869 079)	(50 422 709)
Suppliers		(30 256 944)	(38 926 175)
Taxes and levies transfers		(49 736 982)	(109 799 767)
Socio Economic Development Contribution		(254 397)	(1 819 084)
		(130 117 402)	(200 967 735)
Net cash flows from operating activities	26	160 186	1 019 427
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(120 222)	(556 162)
Net cash flows from investing activities		(120 222)	(556 162)
Cash flows from financing activities			
Finance lease payments		-	(400)
Net increase/(decrease) in cash and cash equivalents		39 964	462 865
Cash and cash equivalents at the beginning of the year		12 659 412	12 196 547
Cash and cash equivalents at the end of the year	3	12 699 376	12 659 412

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial						
Performance Revenue						
Revenue from exchange transactions						
Investigation fees	-	-	-	1 384 994	1 384 994	39.1
Other income	-	-	-	9 741	9 741	39.2
Interest received	-	-	-	209 010	209 010	39.3
Total revenue from exchange transactions	-	-	-	1 603 745	1 603 745	
Revenue from non -exchange transactions						
Revenue from non -exchange transactions						
Government grants & subsidies	83 116 000	(3 000 000)	80 116 000	80 116 000	-	39.4
Total revenue	83 116 000	(3 000 000)	80 116 000	81 719 745	1 603 745	
Expenditure						
Personnel	(57 909 000)	7 619 000	(50 290 000)	(49 889 079)	400 921	39.5
Lease rentals on operating lease	(6 000 000)	-	(6 000 000)	(5 814 409)	185 591	39.6
Debt Impairment	-	-	-	(111 135)	(111 135)	
Administrative expenses	(19 207 000)	(4 619 000)	(23 826 000)	(25 121 881)	(1 295 881)	39.6
Total expenditure	(83 116 000)	3 000 000	(80 116 000)	(80 936 504)	(820 504)	
Net operating receipts/(payments)	-	-	-	783 241	783 241	

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with the Public Finance Management Act (Act 1 of 1999).

These Annual Financial Statements have been prepared on an accrual basis of accounting.

A summary of the significant accounting policies, which have been consistently applied, is disclosed below and are consistent with the previous period, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policies. Assets, liabilities, revenue and expenditure has not been offset except when offsetting is required by the standard of GRAP.

These accounting policies are consistent with the previous period.

1.1. Presentation currency

These Annual Financial Statements are presented in South African Rand, which is the functional currency of the Board. All figures have been rounded to the nearest Rand.

1.2. Significant judgements and estimates

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.

Receivables from exchange and non-exchange transactions

Trade and other receivables are stated at the nominal value reduced by appropriate allowances for estimated irrecoverable amounts. The carrying amount of these receivables approximate fair value due to the short period to maturity of these instruments. Trade and other receivables from exchange transactions are disclosed separately from trade and other receivables from non-exchange transactions. Trade and other receivables in exchange for which the entity gives approximately equal value to another entity are recognised as trade and other receivables from exchange transactions. Trade and other receivables received without directly giving approximately equal value in exchange are recognised as trade and other receivables from non-exchange transactions.

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

Allowance for slow moving, damaged and obsolete stock

The Board considers an allowance for slow moving, damaged and obsolete inventory to write inventory down to the lower of cost or net realisable value at each reporting period. The items of inventory or stock kept by the Board only refers to stationery and consumables used in the normal day to day operations.

Useful lives of waste and water network and other assets

The Entity's management determines the estimated useful lives and related depreciation charges for the assets as noted in the accounting policy 1.3 Property, Plant and Equipment. This estimate is based on industry norm. The effect of review of useful life and residual value are accounted for in accordance with GRAP 3. Where changes are made to the estimated residual values, Management also makes these changes prospectively.

1.2 Significant judgements and estimates (continued)

Allowance for doubtful debts

On receivables 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.

Leave accrual

The Entity determines the amount of leave on the basis of the number of days owed to employees as annual leave at any reporting date multiplied by the rate of pay per hour calculated excluding any discretionary payments made during the operating year. Leave accrual is disclosed in the Statement of Financial Position.

Accounts payables

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

1.3 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.

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

The asset's residual value, useful life and depreciation method are reviewed and adjusted if appropriate at each Financial Year end.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment in a value. Depreciation is calculated on straight line basis over the useful life of the assets.

The carrying amount of Property, Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceed and the carrying amount of the assets) is included in the surplus or deficit section on the Statement of Financial Performance.

The useful lives of items of property, plant and equipment are estimated follows:

Item	Depreciation method	Average useful life
Office furniture	Straight-line	12 -22 years

1.2 Significant judgements and estimates (continued) Allowance for doubtful debts

On receivables 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.

Leave accrual

The Entity determines the amount of leave on the basis of the number of days owed to employees as annual leave at any reporting date multiplied by the rate of pay per hour calculated excluding any discretionary payments made during the operating year. Leave accrual is disclosed in the statement of financial position.

Accounts payables

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

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- the cost of the item can be measured reliably.

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

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

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

The asset's residual value, useful life and depreciation method are reviewed and adjusted if appropriate at each Financial Year end.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment in a value. Depreciation is calculated on straight line basis over the useful life of the assets.

The carrying amount of Property, Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceed and the carrying amount of the assets) is included in the surplus or deficit section on the Statement of Financial Performance.

The useful lives of items of property, plant and equipment are estimated follows:

Item	Depreciation method	Average useful life
Office furniture	Straight-line	12 -22 years

1.3 PROPERTY, PLANT AND EQUIPMENT

MOTOR VEHICLES	Straight-line	8 - 12 YEARS
OFFICE EQUIPMENT	Straight-line	7 - 15 YEARS
COMPUTER EQUIPMENT	Straight-line	5 - 14 YEARS
LEASEHOLD IMPROVEMENTS	Straight-line	THE SHORTER OF THE LEASE PERIOD, PLUS RENEWAL OR USEFUL LIFE.
CELLPHONE	Straight-line	2 YEARS
RESIDUAL VALUE-MOTOR VEHICLE		RESIDUAL VALUE R 87387.00

The residual value, useful life and depreciation method of each asset are reviewed at least at the end of each reporting period. If expectation differ from the previous estimates, the change will be treated in accordance with GRAP 3.

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

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

1.4 Financial instruments 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:

Financial asset	Category
Cash and cash equivalent	Financial asset measured at amortised cost
Receivable from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	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:

Financial liability	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Initial recognition	

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

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus, in the case of financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1.4 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

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

Gains and losses

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

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

Impairment and uncollectability of financial assets

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

Financial assets measured at amortised cost:

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

Financial assets measured at cost:

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

1.4. Financial instruments (continued)

Derecognition Financial assets

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

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

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

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

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

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

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

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

Financial liabilities

The Entity removes a financial liability (or a part of a financial liability) from its Statement of Financial Position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

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

1.4. Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

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

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

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

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

1.5. 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.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the lease of assets are consumed. Contingent rentals arising under operating lease are recognised as an expense in the period in which they incurred. The difference between the amount recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.6. Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost or for nominal considerations. The cost shall then be the fair value as at the date of acquisition. Subsequently inventories are measured at lowest of cost and current replacement value. The cost of inventories is assigned using the first in first out formula. The same formula is used for all inventories having a similar nature and use in the entity.

Inventories comprised of stationery and consumables for distribution during the course of rendering service.

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

The amounts of any write down of inventories to net replacement value and all losses of inventories are recognised as an expense in the period that the write down or loss occurred.

1.7 Taxation

The income of the Board is exempt from the tax in terms of Section 10 (1) (e) of Income Tax Act (Act 580 of 1962). In terms of Section 24 (1) of the VAT Act, North West Gambling Board is deregistered as a VAT vendor with effect from 1 April 2005.

1.8 Leave accrual

The employees of the Board are entitled to 21 working days per annum as leave gratuity. The leave days are recognised as accrued to employees. The leave accrual is based on the total number of leave days due to each employee at year-end multiplied by each employee's respective daily rate of cost to company.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is recognised during the period in which the employee renders a related service. The provision for employee entitlement to annual leave represent the amount, which the Board has present obligation to pay as a result of employee's services.

Retirement benefits

1.10 Provisions

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. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provisions are, if it is no longer probable that an outflow of the resources embodying economic benefits or service potential will be required to settle the obligations.

1.11. Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity

1.12. Statutory receivables

The Entity recognises statutory receivables as follows:

- the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

- if the transaction is a non-exchange transaction, using GRAP 23; or
- if the transaction is an exchange transaction, using GRAP 9;

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

- interest, penalties or other charges that may have accrued on the receivable;
- impairment losses; and
- amounts derecognised.

1.13 Revenue from exchange transactions

Revenue is measured at fair value of the consideration received or receivable and represents the amount receivable in normal course of business. Revenue is measured when it is probable that economic benefits associated with the transaction will flow to the Board that can be reliably measured.

An exchange transaction is one in which the Board receives fees charged from service rendered, recoveries of expenses incurred in the production of revenue and sundry income.

Revenue from exchange transactions is recognised when they become due and is measured at fair value.

1.14 Revenue from non-exchange transactions

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

Revenue from non-exchange transactions relates to grant funding from Department of Economic Development, Environment, Conservation and Tourism.

Grant received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant is conditional. The liabilities are transferred to revenue as and when the conditions to the grant are met. Grants without any conditions attached, are recognised as revenue when the asset is recognised.

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

1.15 Licence application fees

This represents a fee payable in terms of section 41 of the North West Gambling Act (Act 2 of 2001) as amended. The revenue is recognised at the time of application.

1.16 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is applicable, and the prior comparatives are restated accordingly.

1.17 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 Irregular expenditure

Irregular expenditure as defined in section 1 of Public Finance Act as expenditure other than unauthorised expenditure, incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including provincial legislation providing for procurement procedures. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 Budget information

Annual Financial Statements are prepared on accrual accounting basis and the budget is prepared on cash basis method. A comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of budget and actual amounts. The explanation on variance between the budget and the actual amounts has been provided.

The approved budget is prepared on a cash basis and presented by Programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/04/01 to 2021/03/31.

1.20 Related parties

A related party are parties that control or significantly influence the Board in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

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.

1.21 Going Concern

The annual financial statements have been prepared on the assumption that the Board will continue to operate as a going concern for at least next twelve (12) months.

1.22 Payables from exchange and non-exchange transactions

Payables from exchange and non-exchange transactions recognised when the Board has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The unspent funds on the Socio-Economic Development Fund is recognised as a liability in the Statement of Financial Position, as it represents the reduction in the ring-fenced balance in the Funds.

1.23 Events after reporting date

Events after reporting date are those events, both favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue.

1.24 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.

2. New and amended Standards, Guidelines and Interpretations

2.1 Standards, Guidelines and Interpretations approved but not yet effective

The following standards, guidelines and interpretations have been approved but not yet effective:

Standard/ Guideline/ Interpretation:	Issue date	Impact
• GRAP 25 - Employees Benefits (amended)	01 April 2021	Relevant
• GRAP 104 - Financial Instrument (amended)	01 April 2019	Relevant Not
• Guideline: Guideline on Accounting for Landfill Sites 2021	01 April 2019	Relevant Not
• Guideline: Guideline on Accounting for Landfill site 2020	01 April 2021	Relevant Not
• Guideline: Guideline on Accounting for Landfill site 2019	01 April 2021	Relevant
• Guideline: Guideline on the Application of Materiality to Financial Statements 2021	01 April 2019	Relevant
• Guideline: Guideline on the Application of Materiality to Financial Statements 2020	01 April 2019	Relevant
• Guideline: Guideline on the Application of Materiality to Financial Statements 2019	01 April 2021	Relevant
• IGRAP 7 - Limit on a Defined Benefit Asset Minimum Fund Requirement and Interaction	01 April 2021	Relevant
• IGRAP 21 - The Effect of Past Decision on Materiality		

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	588	1 290
ABSA Admin account	1 590 441	1 966 962
ABSA Call account	1 132	882
ABSA Revenue account	10 002 045	9 330 711
ABSA Socio Economic Development Fund	1 105 170	1 359 567
	<u>12 699 376</u>	<u>12 659 412</u>

Included in cash and cash equivalent is the funds relating to the cash received on behalf of the Department of Economic Development, Environment, Conservation and Tourism in the form of levies and taxes and Socio Economic Development Fund. The Socio Economic Development Fund is intended to promote meaningful contribution of the gambling industry towards sustainable socio-economic development programmes in the North West Province.

4. Receivables from exchange transactions

Trade debtors	2 802 673	2 221 123
Rent deposit	319 491	319 491
Provision of doubtful debts	(1 270 599)	(1 159 465)
Staff telephone recoveries	1 135	1 658
	<u>1 852 700</u>	<u>1 382 807</u>

Trade and other receivables

Trade and other receivables	1 852 700	1 382 807
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Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months are not considered to be impaired.

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

1 month past due	9 357	39 444
2 months past due	167 510	44 853

4. Receivables from exchange transactions (continued)

Reconciliation of provision for impairment of trade and other receivables

Opening balance	1 159 465	1 131 461
Provision for impairment	111 135	28 004
	1 270 600	1 159 465

5. Receivables from non-exchange transactions

Levies and taxes	7 839 375	2 031 167
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6. Inventories

Stationery and consumables on hand	185 836	310 852
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Inventories recognised as an expense during the year	175 798	227 523
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7. Prepayments

Prepayments	26 574	752 368
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8. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulate d depreciation and accumulate	Carrying value	Cost / Valuation	Accumulate d depreciation and accumulate	Carrying value
Furniture and fixtures	3 038 190	(1 613 553)	1 424 637	3 043 007	(1 411 682)	1 631 325
Motor vehicles	1 124 347	(180 602)	943 745	1 124 347	(145 244)	979 103
Office equipment	4 372 282	(2 712 850)	1 659 432	4 485 989	(2 238 588)	2 247 401
IT equipment	4 272 506	(3 197 961)	1 074 545	4 666 520	(3 070 751)	1 595 769
Leasehold improvements	1 812 055	(1 525 728)	286 327	1 812 055	(1 311 129)	500 926
Cellphones	164 843	(32 930)	131 913	166 684	(103 218)	63 466
Leased assets	282 698	(282 698)	-	-	-	-
Total	15 066 921	(9 546 322)	5 520 599	15 298 602	(8 280 612)	7 017 990

8. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment- 31 March 2021**

	Opening balance	Additions	Disposals	Depreciation	Total
Office furniture	1 631 325	-	-	(206 688)	1 424 637
Motor vehicles	979 103	-	-	(35 358)	943 745
Office equipment	2 247 401	1 700	(22 380)	(567 289)	1 659 432
Computer equipment	1 595 769	-	(40 187)	(481 037)	1 074 545
Leasehold improvements	500 926	-	-	(214 599)	286 327
Cellphones	63 466	118 522	-	(50 075)	131 913
	7 017 990	120 222	(62 567)	(1 555 046)	5 520 599

Reconciliation of property, plant and equipment- 31 March 2020

	Opening balance	Additions	Depreciation	Total
Office Furniture	1 838 015	-	(206 690)	1 631 325
Motor vehicles	1 023 562	-	(44 459)	979 103
Office equipment	2 722 023	91 898	(566 520)	2 247 401
Computer equipment	1 736 511	430 962	(571 704)	1 595 769
Leasehold improvements	721 380	-	(220 454)	500 926
Cellphones	124 637	33 302	(94 473)	63 466
Leased assets	394	-	(394)	-
	8 166 522	556 162	(1 704 694)	7 017 990

Expenditure incurred to repair and maintain property, plant and equipment**Expenditure incurred to repair and maintain property, plant and equipment included in Statement**

Motor vehicle	15 206	5 205
Computer equipment	22 495	10 300
	37 701	15 505

9. Operating lease liability

Non-current liabilities	(1 109 799)	(1 388 266)
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The Board extended its contract with Senatla Investment Capital to rent office building under the operating lease with an escalation rate of 9% per annum for a period of five (5) years effective from 1 August 2017. The lease expires on the 31 July 2022.

The Board extended its contract with New Heights to rent office building under the operating lease with an escalation rate of 6% per annum for a period of two (2) years effective from 31 March 2017. The lease expires on the 28 of February 2018 and it was extended until 31 March 2020. Then the office space in Rustenburg was procured through quotations on six (6) months basis.

The Board extended its contract with La Quita Properties to rent Warehouse and offices under the operating lease with an escalation rate of 10% per annum for a period of five (5) years .

9. Operating lease liability (continued)

The Board entered into a contract with Konica Minolta to rent photocopier machines under the operating lease with no escalation rate for a period of three (3) years effective from 1 June 2017. The lease expires on the 30 June 2020. From July 2020 photocopier machines were appointed on the quotations for six (6) months basis.

10. Payables from exchange transactions

Other payables - Investigation fees	178 432	27 283
Other payables - Suppliers	2 752 465	6 297 672
	<u>2 930 897</u>	<u>6 324 955</u>

11. Payables from non-exchange transactions

License fees received in advance	5 011 603	5 318 383
Levies and taxes payable	9 995 732	5 059 883
	<u>15 007 335</u>	<u>10 378 266</u>

12. Investigation fees: deposit

Investigation fees deposit	<u>1 073 623</u>	<u>654 559</u>
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13. Leave accruals

Reconciliation of leave accruals - 31 March 2021

	Opening Balance	Additions during	Utilised the year	Total
Leave accruals	2 828 433	3 310 783	(2 030 975)	<u>4 108 241</u>

Reconciliation of leave accruals - 31 March 2020

	Opening Balance	Additions during	Utilised the year	Total
Leave accruals	2 659 401	1 613 011	(1 443 979)	2 828 433
14. Accruals				
Accruals				
Accruals - Suppliers			1 055 101	4 624 486
Accrual - 13 cheque			895 407	971 394
Accrual - employee back payment			-	603 358
			<u>1 950 508</u>	<u>6 199 238</u>
15. Other income				
Other recoveries			245	1 865
Application fee- tenders			6 500	-
Travel cost recoveries			<u>2 996</u>	<u>6 159</u>

Insurance recovery	9 7 41	- 88 722 96 746
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16. Investigation fees

Investigation fees	965 930	1 927 002
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Figures in Rand	2021	2020
17. Other revenue		
Investigation fees	965 930	1 927 002
Salary recovery - Secondment	753 797	502 531
Other income	9 741	96 746
Interest received	209 010	701 820
Government grant	80 116 000	82 812 000
Service in kind	652 248	767 346
	82 706 726	86 807 445
The amount included in revenue arising from exchanges of goods or services are as follows:		
Investigation fees	965 930	1 927 002
Salary recovery	753 797	502 531
Other income	9 741	96 746
Interest received	209 010	701 820
	1 938 478	3 228 099
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Transfer revenue	80 116 000	82 812 000
Government		
Service in kind	652 248	767 346
	80 768 248	83 579 346
18. Government grant and subsidies		
Government grant and subsidies		
Grant received	80 116 000	82 812 000
19. Service in kind		
Mr Mashao's salary was paid by North West Department of Finance (NWDF) from 25 March 2020 to 15 August 2020. This is classified as service in-kind and is significant to the North West Gambling Board's operations. The fair value of this service in kind can be reliably measured as the amount of cost to company for Mr Mashao to the NWDF can be determined.		
Mr Mabale's salary was paid by North West Development Corporation (NWDC) from 17 January 2020 to October 2020. This is classified as service in-kind and is significant to the North West Gambling Board's operations. The fair value of this service in kind can be reliably measured as the amount of cost to company for Mr Mabale to the determined.		
Service in kind transactions Harry Bafana Mabale	-	548 158
	652 248	219 188
	652 248	767 346

Figures in Rand	2021	2020
20. Employee related costs		
Basic salary	39 152 293	38 636 189
Medical aid contributions	2 033 203	2 481 053
Compensation Commission	149 526	159 180
Leave pay expense	1 279 808	169 032
Provident fund contribution	6 086 240	7 092 320
Long-service awards	637 399	527 768
13th Cheques	1 756 518	1 810 033
Housing benefits and allowances	912 600	876 200
	52 007 587	51 751 775
Chief Executive Officer (N Oliphant)		
Basic salary	1 600 000	1 600 000
Provident fund	158 294	155 949
Cellphone allowance	-	10 447
Travel and subsistence	55 842	-
	1 814 136	1 766 396
Chief Financial Officer (S Motlhamme resigned 30/06/2019)		
Basic salary	-	321 196
Provident fund	-	58 303
Cellphone allowance	-	3 361
Acting allowance	-	31 030
Travel and subsistence	-	27 273
Termination leave	-	139 945
	-	581 108
Legal Manager (J Montshioa)		
Basic salary	1 285 515	1 287 034
Provident fund	125 060	120 201
Medical aid	49 248	46 479
Cellphone allowance	-	9 512
Acting allowance	-	33 939
Travel and subsistence	22 881	86 241
	1 482 704	1 583 406
Corporate Service Manager (S Motlhabane until February 2021)		
Basic salary	1 155 915	1 294 542
Provident fund	115 615	121 306
Cellphone allowance	-	9 416
Acting allowance	-	606
Travel and subsistence	7 895	44 946
Termination leave	122 776	-
	1 402 201	1 470 816
Audit and Systems Manager (K Monate- Acting Chief Financial Officer from November 2020)		
Basic salary	1 335 926	1 331 986
Provident fund	129 958	116 744

Figures in Rand	2021	2020
20. Employee related costs (continued)		
Medical aid	88 065	82 284
Cellphone allowance	-	8 768
Travel and subsistence	102 092	295 866
Acting Allowance	27 740	-
	1 683 781	1 835 648
Gaming Control Manager (S Mogapi)		
Basic salary	989 855	985 694
Provident fund	96 211	92 406
Medical aid	-	58 272
Cellphone allowance	-	8 573
Travel and subsistence	13 135	98 029
Long Service Award	38 252	-
	1 137 453	1 242 974
Investigation and Licensing Manager (M Moss)		
Basic salary	988 609	985 694
Provident fund	96 211	92 381
Medical aid	99 249	93 057
Cellphone allowance	-	9 347
Travel and subsistence	4 731	75 124
	1 188 800	1 255 603
Acting Chief Executive Officer (B Mabale)		
North West Development Corporation (NWDC) earnings	1 218 320	304 580
Travel and subsistence (NWGB)	452	1 883
Acting Allowance (NWGB)	42 727	16 061
	1 261 499	322 524
Acting Chief Financial Officer (ED Phosiwa from 01 March until October 2020)		
Basic salary	830 059	794 466
Provident fund	80 285	822 272
Acting allowance	31 876	6 813
Travel and subsistence	5 502	18 792
Long service award	-	31 594
	947 722	1 673 937
21. Finance costs		
Finance leases	-	5
22. Debt impairment		
Debt impairment	111 135	28 003

23. Administrative expenses

Advertising	816 549	1 997 239
Auditors remuneration	3 304 472	3 799 550
Bank charges	40 238	68 440
Cleaning	307 357	368 432
Computer expenses	471 892	497 990
Consulting and professional fees	7 488 937	12 702 769
Entertainment	4 541	49 507
Transport hire	-	350
Insurance	470 807	435 080
Motor vehicle expenses	62 738	101 280
COVID-19 procurements	158 299	9 646
Board members fees	229 098	1 134 325
Postage and courier	570	1 707
Printing and stationery	215 128	350 480
Security	646 252	646 252
Staff welfare	-	47 825
Subscriptions and membership fees	258 875	318 137
Telephone and fax	1 069 296	1 639 061
Training	102 026	348 766
Travel - local	663 512	3 872 142
Loose tools	2 704	20 351
Electricity	551 249	661 043
Credit check	31 195	44 889
Repairs and maintenance	282 730	266 136
Venue expenses	13 475	303 741
	17 191 940	29 685 138

24. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Operating lease charges Premises

• Contractual amounts Equipment	5 794 359	5 795 416
• Contractual amounts	298 516	544 471
	6 092 875	6 339 887
Loss on sale of property, plant and equipment	(62 568)	-
Depreciation on property, plant and equipment	1 555 046	1 704 695
Employee costs	52 007 587	51 751 775

25. Auditors' remuneration

External audit fees	2 404 252	2 701 270
Internal audit fees	900 220	1 098 280
	3 304 472	3 799 550

26. Cash generated from operations

Surplus (deficit)	5 685 575	(2 702 058)
Adjustments for:		
Depreciation and	1 555 046	1 704 695
Gain on sale of assets and liabilities	62 568	-
Debt impairment	111 135	28 003
Movements in operating lease assets and accruals	(278 467)	187 841
Movements in leave accruals	1 279 808	169 032
Movement in provision	132 000	(19 000)
Changes in working capital:		
Inventories	125 016	(39 803)
Receivables from exchange transactions	(581 027)	(62 233)
Receivables from non -exchange transactions	(5 808 208)	5 699 625
Prepayments	725 794	(314 828)
Payables from exchange transactions	(7 642 790)	2 636 258
Taxes and transfers payable (non-exchange)	4 629 069	(4 603 258)
Unspent: Socio Economic Development Fund	(254 397)	(1 819 084)
Investigation fees: deposit	419 064	154 237
	160 186	1 019 427

27. Provisions

Long Service Award	2 804 000	2 672 000
Long Service Award reconciliation		
Opening balance	2 672 000	2 691 000
Increase in provision	614 578	527 768
Amount used	(482 578)	(546 768)
Less current portion	(190 000)	(717 000)
	2 614 000	1 955 000
Current portion		
Opening balance	190 000	717 000

The provision for long service awards is raised in terms of Human Resources Policy. The Actuaries (ARCH Actuarial Consulting) use escalation rate of 5% per annum which include real growth of 1% per annum for merit increase. In the calculation, the actuaries assumed that the salary increase are given on 1 April of each year. The current portion relates only to employees who qualify for long service awards in the next twelve (12) months. The non -current portion has been discounted and adjusted for the probability of staff leaving the employment of the entity before they are eligible for award.

28. Related parties

Relationships	
Controlling entity	North West Department of Economic Development Environment, Conservation and Tourism
Entities under common control	North West Parks Board North West Tourism
Key Management	North West Development Corporation Refer to note 20 Employee related cost
Related party transactions Amount	
Owed	
North West Department of Economic Development, Environment, Conservation and Tourism	15 007 335
	10 378 266

Amount owed relates to the levies and taxes collected in terms of the mandate of the Board, this amount is due and payable to the Department as at 31 March 2021.

Grant received	
North West Department of Economic Development, Environment, Conservation and Tourism	80 116 000
	82 812 000

Grant received relates to the grant allocation in terms of the approved 2020/21 strategic plan and Annual Performance Plan for the Board.

Cash surrendered	
North West Department of Economic Development, Environment Conservation and Tourism	49 736 982
	109 799 767

Cash surrendered relates to levies and taxes that were collected and surrendered to the Department as at 31 March 2021.

29. Accounting by principals and agents

Details of the arrangement(s) is/areas follows:

The member of Executive Council (MEC) of the Department of Economic Development, Environment, Conservation and Tourism (DECECT) is accountable to the Provincial Legislature for the exercise of her powers and performance of her function. The MEC's responsibility include oversight of the performance of North West Gambling Board (NWGB). The Board controls the affairs of the North West Gambling Board and is accountable to the MEC for compliance of the NWGB with PFMA, the North West Gambling Act, and the protocol on Corporate Governance in the public sector and related policies and/or legislation.

29. Accounting by principals and agents (continued)**Entity as agent**

Resources held on behalf of the principal(s), but recognised in the entity's own Financial Statements. The levies and taxes are transferred on a monthly basis on/or before the 15th of every month. Liabilities and assets recognised by the Board.

Board

As at 31 March 2021 the amount of levies and taxes that was due to the Department of Economic Development, Environment, Conservation and Tourism (DEDET) was R 15 007 335.00 and payable on/or before 14 April 2021 in terms of North West Gambling Act.

As at 31 March 2021 the amount of the levies and taxes due and payable by the licensees was R 7 839 375.00 in terms of North West Gambling Board Act, the licensees paid the levies and on/or before the 7th of every month.

Liabilities recognised by the Board Reconciliation: Payable from non-exchange

transactions Balance at the beginning of the year	10 378 266	14 981 524
Add: Levies and taxes collected and accrued	49 242 848	99 878 126
Add: License renewal fees	5 011 603	5 318 383
Add: Levies and taxes received in advance	111 600	-
Less: Amount surrendered for the year	(49 736 982)	(109 799 767)
	<u>15 007 335</u>	<u>10 378 266</u>

Assets recognised by the Board Reconciliation: Receivable from non-exchange transactions

Balance at the beginning of the year	2 031 167	7 730 792
Add: Levies and taxes collected and accrued	54 254 343	105 196 509
Less: Actual cash received	(48 446 135)	(110 896 134)
	<u>7 839 375</u>	<u>2 031 167</u>

30. Members' emoluments

Board members 31 March 2021	Board fees	Travel and subsistence	Cellphones	Total
L Vere (Chairperson)	66 582	744	5 889	73 215
L Seepe (Deputy Chairperson)	9 530	8 974	6 044	24 548
T Mathe	26 208	-	7 882	34 090
N Maharaj	26 508	-	6 277	32 785
W Reetsang	30 974	-	5 422	36 396
C Molosiwa (In Public Services)	-	-	-	-
S Reddy (In Public Service)	-	-	-	-
J Montshioa (Board Secretariat)	-	-	-	-
N Oliphant (Chief Executive Officer)	-	-	-	-
	159 802	9 718	31 514	201 034

Board members 31 March 2020	Board fees	Travel and subsistence	Cellphones	Total
L Vere (Chairperson)	199 746	35 256	10 800	245 802
L Seepe (Deputy Chairperson)	102 452	134 459	10 133	247 044
T Mathe	92 924	25 183	10 288	128 395
N Maharaj	85 778	56 633	10 661	153 072
W Reetsang	133 432	32 356	9 700	175 488
S Reddy (In Public Service)	-	60 898	-	60 898
H Mashao (In Public Service)	-	-	-	-
C Molosiwa (In Public Service)	-	-	-	-
J Motshioa (Board Secretariat)	-	-	-	-
	614 332	344 785	51 582	1 010 699

Board Committees 31 March 2021	Committee fees	Total
T Mathe	9 532	9 532
Z Mothibe	19 064	19 064
N Maharaj	4 766	4 766
J Brown	7 152	7 152
P Mangoma	19 064	19 064
	59 578	59 578

Board Committees 31 March 2020	Committee fees	Travel and subsistence	Total
N Maharaj	38 128	23 005	61 133
T Mathe	21 446	6 816	28 262
Z Mothibe	9 532	5 499	15 031
J Brown	21 446	17 097	38 543
P Mangoma	28 596	1 258	29 854
	119 148	53 675	172 823

31. Commitments

Operating lease commitment

Mafikeng Office

Minimum lease payments due

- within one year	5 040 536	4 624 344
- in second to fifth year inclusive	1 727 731	6 768 266
	<u>6 768 267</u>	<u>11 392 610</u>

The Board extended its contract with Senatla Investment Capital to rent office building under the operating lease with an escalation rate of 9% per annum for a period of five (5) years effective from 1 August 2017. The lease expires on the 31 July 2022.

Warehouse

Minimum lease payment due

- Minimum one year	1 022 208	929 280
- In second to fifth year inclusive	351 384	1 373 592
	<u>1 373 592</u>	<u>2 302 872</u>

The Board extended its contract with La Quita Properties to rent Warehouse and offices under the operating lease with an escalation rate of 10% per annum for a period of five (5) years effective from 1 August 2017. The lease expires on the 31 July 2022.

Rustenburg office

The Board extended its contract with New Heights to rent office building under the operating lease with an escalation rate of 6% per annum for a period of two (2) years effective from 31 March 2017. The lease expires on the 28 of February 2018 and it was extended until 31 March 2020. Then the office space in Rustenburg was procured through quotations on six (6) months basis.

Photocopier machines

Minimum lease payment due

- within one year	136 118	544 471
		-136 118
	<u>136 118</u>	<u>680 589</u>

The Board entered into a contract with Konica Minolta to rent photocopier machines under the operating lease with no escalation rate for a period of three (3) years effective from 1 June 2017. The lease expires on the 30 June 2020. From July 2020 photocopier machines were appointed on the quotations for six (6) months basis.

Other Commitment

Minimum payments due

- within one year	1 818 720	1 451 503
- in second to fifth year inclusive	481 448	210 144
	<u>2 300 168</u>	<u>1 661 647</u>

32. Risk management

Liquidity risk

The entity's manages risk through ongoing review of future commitments. Cash flow is prepared and monitored. The Board receives an annual grant and therefore not exposed to liquidity risk.

Credit risk

Credit risk consists mainly of electronic transfers, advance payments and financial instruments. The entity only deposits money with major banks with high quality credit standing.

The Board maximum exposure to credit risk is equal to the cost amount of financial assets at balance sheet date and is summarised as follows:

FINANCIAL INSTRUMENT	2021	2020
RECEIVABLE FROM NON- EXCHANGE TRANSACTIONS	7 839 375	2 031 167
RECEIVABLES FROM EXCHANGE TRANSACTIONS	1 852 700	1 382 807
CASH AND CASH EQUIVALENTS	12 699 376	12 659 412
PAYABLES FROM EXCHANGE TRANSACTIONS	(2 930 897)	(6 324 955)
PAYABLES FROM NON-EXCHANGE TRANSACTIONS	(15 007 335)	(10 378 266)
ACCRUALS	(1 950 508)	(6 199 238)
Financial assets by category	At amortised cost	Total
Receivables from non-exchange transaction	7 839 375	7 839 375
Receivables from exchange transactions	1 852 700	1 852 700
Cash and cash equivalents	12 699 376	12 699 376
	22 391 451	22 391 451
Financial liabilities by category	At Amortised cost	Total
Payables from exchange transactions	2 930 897	2 930 897
Payables from non - exchange transactions	15 007 335	15 007 335
Accruals	1 950 508	1 950 508
	-	-
	19 888 740	19 888 740

33. Going concern

We draw your attention to the fact that as at 31 March 2021, the entity's total liabilities exceeded total assets by R1 965 113.00, which is a huge improvement from the previous financial year (2019/20), wherein, the total liabilities exceeded total assets by R7 650 689.00. The improvement indicates that the entity is in the right path in managing its operational costs against the allocated budget.

It should also be noted that there is approved grant allocation amounting to R 76 016 000 from the Department of Economy and Enterprise Development to support the operations of the entity for the 2021/22 financial year. Since the entity's primary source of funding for its operation is a grant from the department, we are certain that we will receive adequate financial support from the Department for any possible short fall.

Figures in Rand

2021

2020

34. Fruitless and wasteful expenditure

Opening balance as previously reported	310 437	310 958
Opening balance as restated	310 437	310 958
Add: Expenditure identified - current	-	69
Less: Amounts recoverable - current	(69)	(590)
Closing balance	310 368	310 437

Fruitless and wasteful expenditure incurred and reported above resulted from the tender that was advertised and went through all the bid committees of the Board. The Board took a resolution that the tender for the same services must be re-advertised.

35. Irregular expenditure

Opening balance as previously reported	79 857 100	52 609 244
Prior period error	-	5 513 474
Opening balance as restated	79 857 100	58 122 718
Add: Irregular Expenditure - relating to prior year	-	38 305
Prior period error	-	(1 583 334)
Add Irregular expenditure - relating to current year	11 531 348	23 279 411
Closing balance	91 388 448	79 857 100

36. Contingencies liabilities

SUN INTERNATIONAL (SA) LIMITED (SUN CITY)

- The Board is seeking to recover investigation fees amounting to R1,5m from Sun International SA. Estimated cost R300 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R300 000.

GRAMMATICUS (PTY) LTD

- The Applicant is seeking, amongst others, an order setting aside or invalidating the Search Warrants issued by the Magistrate of Brits Magistrates Court, pertaining to Grammaticus' business premises in Brits. Estimated cost is R300 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R300 000.

CENTURY LOOP RITE TRADE

- The applicant made an application to the High Court for the setting aside, correction, review of decision by the Board to impose and revoke its licence. Estimated cost is R450 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court post application for the appeal by the applicant. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R450 000.

CENTRAL GAMING MANAGEMENT (PTY) LTD

- The Applicant is seeking amongst others the removal, correction or setting aside of the decision of the Board to issue Request for Applications in relation to Limited Payout Machines. Estimated cost is R300 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R300 000

SUN INTERNATIONAL (SA) LIMITED

- The Applicant is seeking amongst others reviewing, correcting or setting aside both the decision of the Board and Review Tribunal respectively. This Application was granted by the Court. The Board is appealing the matter and the Board's leave to appeal was granted. (Free Play). Estimated cost is R1 800 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the SCA. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R1 800 000.

SUN INTERNATIONAL (SA) LIMITED

- The Applicant is seeking amongst others, an order setting the decision of the Board to impose a fine of R 1 147 500.00 for contravention Regulation 66 and 96 of the North West Regulations, 2002. Estimated cost is R380 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R380 000.

MARIO STRAUSS

- The Applicant is seeking, amongst others, an order setting aside or invalidating the Search Warrants issued by the Magistrate of Zeerust Magistrates Court. Estimated cost is R180 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court upon approval for condonation of appeal by the applicant. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R300 000.

PEERMONT GLOBAL NW t

- The Applicant is seeking amongst others reviewing, correcting or setting aside both the decision of the Review Tribunal and the Board respectively. Estimated cost is R1 500 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court upon the appeal by the applicant. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R1 500 000.

36.Contingencies (continued)**SUN INTERNATIONAL (SA) LIMITED**

- The applicant is seeking an order to review and set aside the decision of the Board on 10 June 2016 to grant Bingo Applications in Rustenburg (Eliocube). Estimated cost is R400 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R400 000.

VUKANI GAMING NW

- The Applicant is seeking an order interdicting the Respondents (Not the Board) from permitting the use of their premises for purposes of restricted gambling activities. Estimated cost is R350 000.00.
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R350 000.

GOLDRUSH GROUP (PTY) Ltd

- The Applicant is seeking a declaratory order pertaining the Board's imposition of the 60/40 on the licensee's licence conditions as unlawful and invalid. Estimated cost is R800 000.00
- Uncertainty exists around the timing of the outflow as this will be determined by the judgement to be handed down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R800 000.

ETHMIOS NICOLOPOLOUS

- The Applicant is seeking an order setting aside the decision of the Board to disqualify him as a shareholding in various gambling operations. Estimated cost is R800 000.00
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R800 000.

ETHMIOS NICOLOPOLOUS

- The Applicant amongst other is seeking that the Disqualification Application against him be set aside. Estimated cost is R1 900 000.00
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court for part B of the matter. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R1 900 000.

GOLDRUSH GROUP (PTY) Ltd

- The applicant seeks an order requesting the Board to reimburse an amount of R3,6 m paid to the Board on 27 June 2019 in terms of the Court order dated 18 April 2019. Estimated cost is R3 600 000.00
- Uncertainty exists around the timing of the outflow as this will be determined by the date of a set down by the court. Estimated legal costs and disbursements to be paid to conclude this matter amounts to R3 600 000.

Contingent assets**MMEB Masjiene (Pty) Ltd**

- The Applicant is seeking an order to the effect that the failure by the Board to deal with the internal appeal lodged by the Applicant against the its decision to refuse it a Bingo licence be reviewed and declared unlawful. The Board is embarking on methods to trace the Applicant and serve its Cost Application. Estimated cost is R310 336.12.
- Uncertainty exists around the timing of the inflow as this will be determined by the successful tracing of Masjien and serving of the cost award.

METRO GAMING NW

- Matter struck off the Roll, costs awarded to Respondents. Costs yet to be recovered. Applicant objected to cost invoice. The Board is still to lodge a cost application. Estimated cost is R300 000.00
- Uncertainty exists around the timing of the inflow as this will be determined by the successful lodging of the cost application by the Board.

36.Contingencies (continued)

GALAXY BINGO- METRO GAMING AND ENTERTAINMENT (PTY) LTD

- The applicant is seeking an order to review and set aside the decision of the Tribunal and the decision of the Board on 10 June 2016 to refuse the application of Metro for a Bingo licence at Mega City Mall.

The applicant further seeks an order to review and set aside all the decisions. Estimated cost is R1 549 479.45

- The matter was heard on 21-23 October 2019. Judgement herein was delivered in the favor of the Board . Applicants are appealing the judgements.
- Uncertainty exists around the timing of the inflow as this will be determined by the date of a set down by the court since the applicant has appealed the judgement.

MARIO STRAUSS

- The Applicant is seeking, amongst others, an order setting aside or invalidating the Search Warrants issued by the Magistrate of Zeerust Magistrates Court. Estimated cost is R 350 000.00.
- The Board was successful in opposing the application. The Application was dismissed. The leave to Appeal herein was dismissed. The Applicant wants to make a petition and file a condonation for late filing.
- Uncertainty exists around the timing of the inflow as this will be determined by the date of a set down by the court since the applicant has indicated the intention to appeal the judgement.

PEERMONT GLOBAL NW

- The Applicant is seeking amongst others reviewing, correcting or setting aside both the decision of the Review Tribunal and the Board respectively. Estimated cost is R2 197 030.25.
- The matter was heard on 21-23 October 2019. Judgement herein was delivered in favour of the Board. Applicant is appealing the judgement.
- Uncertainty exists around the timing of the inflow as this will be determined by the date of a set down by the court since the applicant has appealed the judgement.

NATHAN OLIPHANT

- The Applicant is applying to set aside the entire proceedings of his disciplinary hearing and also uplifting his suspension by then Board. Application made to Mahikeng High Court in two parts. Part A interdict. Estimated cost is R307 177.38.
- Matter heard on 13 February 2019 in respect of Part A. Matter was struck off the Roll due to lack of urgency. Invoice prepared, file handed to costs consultant to prepare a Bill to be submitted to the Taxing Master.
- Uncertainty exists around the timing of the inflow as this will be determined by the successful submission of the bill to the taxing master.

ETHMIOS NICOLOPOLOUS

- The Applicant amongst other is seeking that the Disqualification Application against him be set aside. Estimated R1 900 000.
- The Board was successful in opposing Part A and is now awaiting Part B.
- Uncertainty exists around the timing of the inflow as this will be determined by the outcome of Part B.

NICODEMUS TELEDIMO

- The Applicant was seeking an order to review the ruling made by the Board on 25 October 2017 dismissing the applicant's appeal. The Board successfully opposed the Application. The Applicant yet to pay costs. The matter was set down for Arbitration on 25 -26 October 2018. Estimated cost is R28 322.28.
- The arrangement was made with the applicant to pay costs in a trust fund of the Attorneys in instalments. However, uncertainty exists around the timing of the inflow since the money will only be paid to the Board once the applicant has paid full amount.

37.Budgetary basis, period and scope

The budget is approved on a cash basis in terms of approved strategic plan and Annual Performance Plan. An amount of R 80 116 000 was the budget allocation to the North West Gambling Board for the year under review..

38 Reconciliation between budget and cash flow statement

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

Operating activities

Actual amount as presented in the budget statement	783 241	(3 576 244)
Basis differences	(623 055)	4 595 671
Net cash flows from operating activities	160 186	1 019 427
Net cash generated from operating, investing and financing activities	39 964	462 865

39. Statement of Comparison of Budget and Actual Amounts

The budget is approved on cash basis and presented by functional classification linked to the performance outcome objectives. The approved budget covers the period from 01 April 2020 to 31 March 2021. The budget is prepared on a cash basis and the financial statement on accrual basis. The amount in the financial statement were recast from accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget.

39.1 Investigation fees

Investigation fees is the amount recovered from licensee or applicant during the investigation of the application, all expenses incurred during the investigation such as the advertisement, travel and accommodation, sitting fees, administrations.

39.2 Other income

Other income is the amount that the Board made out of the tender documents, photocopies.

39.3 Interest received

Interest received is the money received from bank credit interest from all the bank account of the Board.

39.4 Government grant and subsidies

The grant allocated has been received.

39.5 Personnel

The personnel costs were adjusted during the year because there was no increase due to budget cut as a result of Covid-19 and the vacant positions that were not filled during the year.

39.6 Goods and services

There was an over-expenditure on the goods and services due to the legal fees invoices that were accrued from previous period.

40. Unspent: Socio-Economic Development Fund

The unspent Socio-Economic Development Fund is the remaining balance of the ex-gratia payment from Sun International. The Board funds are used for Socio Economic Development projects as per the terms and condition of the ex-gratia.

Socio-Economic Development Fund comprises of:

Unspent fund - Socio-Economic Development
Unspent grants 1

1 105 170 1 359 567

40. Unspent: Socio Economic Development Fund (continued)**Movement during the year**

Balance at the beginning of the year	1 359 567	3 178 651
Bank charges	(2 318)	(2 104)
Credit interest	10 520	6 663
Projects	(262 599)	(1 823 643)
	<u>1 105 170</u>	<u>1 359 567</u>

41. Prior period errors

- Receivables from exchange transactions was under-stated as a result of the telephone recovery that was captured with the incorrect amount and the telephone and fax expense account was overstated as a result of that error. Receivable from exchange transactions under-stated by R 868 and the telephone and fax expenses were over-stated by R 868 as well. Receivable from exchange transactions were over-stated and Overseas trips were under-stated. Because where the was a cash card that was used and the invoice where not submitted for reconciliation. Receivable from exchange transactions were over-stated by R 62 874 and overseas trips were under-stated by R 62 874 (2018/19 Financial Year) the amount it also accounted for in the accumulated surplus/deficit.
- The accruals and the administrative expense were under-stated because of the legal fees invoices which the Board received in the current year (2020/21 Financial Year), however the services were rendered in the previous years (2017/18 and 2019/20 Financial Year). The legal fees were under-stated by R717 958.87 and accruals were also under-stated by R 717 958.87. The amount of R 917 171.82 was also under-stated the administrative expenses and accruals in the previous Financial Years and is accounted for in the accumulated surplus/deficit. The sitting fees and travel claim of the Board member were also under-stated because they were received after the Annual Financial Statements were issued. The Board sitting fees were under-stated by R 2 384, the travel claims by R 3 584 and the accruals by R 5 968.
- The payables from exchange transactions and the administrative expenses were over-stated because of the bank charges that were duplicated in the previous year. Both the bank charges and payables from exchange transactions were over-stated by R 174. Payables from exchange transaction and prepayments were overstated. Both payables from exchange transactions and prepayments were over-stated by R 1 990. Payables from exchange transaction and consultation were over-stated, because of the services that was not rendered completely but the the whole invoice was expensed. Payables from exchange transactions and consultations were over-stated by R 68 900 in the previous Financial Years and it is accounted for in the accumulated surplus/defecit.
- The prepayments were over-stated and the credit check account was under-stated due to the payment that was duplicated in February 2020. The prepayment account was supposed to be credited with March 2020 invoice but the invoice was received late after the Annual Financial Statements were issued. Prepayments were over-stated by R 2 005 and credit checks were under-stated by R 2 005 as well.
- The employee related cost and accruals were under-stated due to the dispute between the employer and the employee (from level 11 upwards). The administrative cost of the provident fund was deducted from the employee's salary from April 2019. During September 2020 the dispute was resolved through the Commission for Conciliation, Mediation and Arbitration (CCMA) that the employer must pay all the money to the employee from where the error was incurred. Both employee cost and the accruals were under-stated by 603 358. This error also affects the leave pay expense and the leave pay provision. The leave pay expenses and the leave pay provision were both under-stated by R43 829. Employee related cost and other income were under-stated, because of the recovery of salary that was credited on the employee cost account. Both the employee related cost and the other income were under-stated by R 502 531.
- The Board did not do the residual assessment of the assets in previous years. This error resulted into the under- statement of the property, plant and equipment by 182 497, where the depreciation and accumulated depreciation of motor vehicle were over-stated by R78 387. The depreciation and accumulated depreciation were over-stated by an amount of R 104 110 in the previous Financial Years and is accounted for in the accumulated surplus/deficit.

The correction of the error(s) results in adjustments as follows:

41. Prior period errors (continued)

Statement of Financial Position	As previously reported	Correction of error	Restated
Accounts receivables from exchange transactions	1 444 813	(62 006)	1 382 807
Prepayments	756 363	(3 995)	752 368
Property, plant and equipment	6 835 493	182 498	7 017 991
Leave accruals	(2 784 604)	(43 829)	(2 828 433)
Payables from exchange transaction	(6 396 019)	71 063	(6 324 956)
Accruals	(3 954 783)	(2 244 456)	(6 199 239)
Accumulated deficit	5 549 965	807 035	6 357 000
	1 451 228	(1 293 690)	157 538
Statement of Financial Performance	As previously reported	Correction of error	Restated
Other income	(2 725 568)	(502 531)	(3 228 099)
Administrative expenses	28 960	724 890	29 685 138
Employee related cost	50 602 057	1 149 718	51 751 775
Depreciation	1 783 082	(78 387)	1 704 695
	78 619 819	1 293 690	79 913 509

42. COVID 19

The Board had granted 50% reduction on levies to the following licensees (Ref to the Table below), as part of financial distress relief measure resulting from Covid-19. The licensees made the request to the Board due to the fact they were forced to close their operations to curb the spread of the pandemic. The reduction was proportional to the period the licensees were not operating.

Covid-19 Relief

Licensee and Period relief granted for	Amounts
Sun City (5 months)	6 944 954
Rio Casino (3 months)	550 750
Mmabatho Palms (3 months)	433 033
Vegas Bingo Rustenburg (3 months)	271 476
Vegas Bingo Vryburg (3 months)	66 884
Varloflash (3 months)	81 116
Vegas Slots Rustenburg (3 months)	31 192
Vegas Slots Vryburg (3 months)	2 368
	8 381 773



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