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REPORT OF THE AUDITOR-GENERAL TO GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO. 3: GAUTENG LIQUOR BOARD

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Liquor Board set out on pages **189** to **212**, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Liquor Board as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

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

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

Responsibilities of the accounting officer for the financial statements

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page **184**, forms part of my auditor's report.

Report on the audit of the annual performance report

10. Section 40(3)(a) of the PFMA requires the trading entity to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of the Gauteng Department of Economic Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the department and any audit findings are included in the management and auditor's reports of the department.

Report on compliance with legislation

11. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting

officer is responsible for the trading entity's compliance with legislation.

12. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

13. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the trading entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

14. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

15. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.

16. My opinion on the financial statements and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

17. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

18. 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

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

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

Auditor-General

Johannesburg
31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c'); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 4.1.1; 4.1.3 Regulation 5.2.1; 5.2.3(d); 5.3.1 Regulation 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 11.4.1; 11.4.2; 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c') Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b);16A6,2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6,3(d) 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2(1) and (2); 16A 8.3; 16A8,3(d); 16A 8.4; 16A9; 16A9,1; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f);16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(iii); Regulation 17.1.1. Regulation 18.2 Regulation 19.6.1 Regulation 19.8.4
Public service regulations	PSR 13 (c);18;18(1) and 18(2)
PRECCA	Section 29; 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)

Legislation	Sections or regulations
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4
Public Finance Management Act No.1 of 1999 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c'); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii); Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 44; 44 (1) and (2) ; 45(b); Section 50(3); 50(3)(a)

Legislation	Sections or regulations
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 4.1.1; 4.1.3 Regulation 5.2.1; 5.2.3(d); 5.3.1 Regulation 7.2.1 Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Regulation 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2 Regulation 11.4.1; 11.4.2; 11.5.1 Regulation 12.5.1 Regulation 15.10.1.2(c') Regulation 16A3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b);16A6,2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A6,3(d) 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.2(1) and (2); 16A 8.3; 16A8,3(d); 16A 8.4; 16A9; 16A9,1; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f);16A9.2; 16A 9.2(a)(ii); 16A9.2(a)(iii); Regulation 17.1.1. Regulation 18.2 Regulation 19.6.1 Regulation 19.8.4
Public service regulations	PSR 13 (c);18;18(1) and 18(2)
PRECCA	Section 29; 34(1)
PPPFA	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
PPR 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1 and 12.2
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4

Legislation	Sections or regulations
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
Competition Act	Section 4(1)(b)(ii)
NT instruction note 4 of 2015/16	Paragraph 3.4

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		2024	2023 Restated*
	Note(s)	R '000	R '000
Assets			
Current Assets			
Receivables from exchange transactions	2	312	564
Receivables from non-exchange transactions	3	384	544
Cash and cash equivalents	4	67 291	136 516
		67 987	**137 624**
Non-Current Assets			
Property, plant and equipment	5	108	175
Total Assets		**68 095**	**137 799**
Liabilities			
Current Liabilities			
Payables from exchange transactions	6	23 110	99 225
Provisions	7	2 224	1 712
		25 334	**100 937**
Total Liabilities		**25 334**	**100 937**
Net Assets		**42 761**	**36 862**
Accumulated surplus		42 761	36 862
Total Net Assets		**42 761**	**36 862**

*See note 20

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023 Restated*
	Note(s)	R '000	R '000
Revenue			
Revenue from non-exchange transactions			
Transfer revenue Government grants & subsidies	8	**79 115**	**79 327**
Expenditure Employee related costs	9	(53 645)	(49 886)
Depreciation and amortisation	10	(67)	(72)
Impairment Loss - Penalty		(2 323)	(1 312)
Bad Debts		(393)	(1)
Goods and Services	11	(16 787)	(14 513)
Total expenditure		**(73 215)**	**(65 784)**
Surplus for the year		**5 900**	**13 542**

*See note 20

STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2024

	Accumulated surplus / deficit	Total net assets
	R '000	R '000
Balance as at 01 April 2022	**23 272**	23 272
Adjustments		
Correction of errors -prior 1 April 2022 - SCNA* 20	47	47
Restated balance as at 01 April 2022	**23 319**	**23 319**
Changes in net assets		
Surplus for the year	13 543	13 543
Total Changes	13 543	13 543
Balance as previously reported as at 01 April 2023	**37 437**	**37 437**
Adjustments		
Correction of errors 2022/23 - SFP Note* 20	(575)	(575)
Restated balance as at 01 April 2023	**36 861**	**36 861**
Changes in net assets		
Surplus for the year	5 900	5 900
Total changes	5 900	5 900
Balance as at 31 March 2024	**42 761**	**42 761**

*See note 20

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023 Restated*
	Note(s)	R '000	R '000
Cash flows from operating activities			
Receipts			
Surrender Account		(76 618)	58 536
Government Grant and Subsidies		79 115	79 327
Fines and Penalties		160	(107)
		2 657	**137 756**
Payments			
Compensation of Employees		(51 921)	(52 155)
Goods and Services		(19 961)	(17 454)
		(71 882)	(69 609)
Net cash flows from operating activities	*12*	**(69 225)**	**68 147**
Net increase/(decrease) in cash and cash equivalents		**(69 225)**	**68 147**
Cash and cash equivalents at the beginning of the year		136 516	68 369
Cash and cash equivalents at the end of the year	*4*	**67 291**	**136 516**

Included in cash and cash equivalent, there is an amount of R5 385 000,00 collected on behalf of Provincial Revenue Fund (PRF).

The entity collect liquor license fees and other fees on behalf of the Provincial Revenue Fund (PRF). As a result the fees collected are not used to fund the operations of the entity.

*See note 20

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

1. Presentation of Annual Financial Statements

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

1.1 Basis of preparations

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

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

As Gauteng Liquor Board (GLB) has the responsibility of issuing the liquor license and monitoring and enforcing compliance to the Gauteng Liquor Board Amendment Act, the significant accounting policies relates to payable recognition (fees collected on behalf of the Provincial Revenue Fund - PRF), employee related costs, properties expenses related to the running of offices in major centers in Gauteng.

Presentation of Budget Information

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

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

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 Going concern assumption

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

1.4 Significant judgements and sources of estimation uncertainty

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

Provisions for employee related costs

Performance Bonus

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

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

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

Provision for capped leave

Provision for capped leave is the leave accrued until 30 June 2000 and was audited, calculated and capped(i.e. not forfeited). The capped leave increases annually as the gross basis salary adjusted, also when an entitled employee get promotion and

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

new appointees with the capped leave also affect the increase. The cash value payable in respect of personnel with the capped and audited leave credits is determined using formula included in the DPSA guide:

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

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

Provision for long service awards

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

Useful Life of Assets

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

1.5 Property, plant and equipment

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

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

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

Property, plant and equipment 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.

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

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

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

1.6 Financial instruments

Initial recognition and measurement

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

Offsetting

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

Financial assets

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

Financial liabilities

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

Statutory receivables

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

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

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

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

1.7 Employee benefits

Short-term employee benefits

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Short-term employee benefits include items such as:

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

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

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

Post-employment benefits

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

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

1.8 Provisions and contingencies

Provisions are recognised when:

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

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

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

1.9 Revenue from non-exchange transactions

Government Grant

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

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

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

Services in-kind

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

Gauteng Liquor Board makes use of the following services at no cost:

:Employee Costs for Chief Director
:Cellphone costs:
:Corporate services, financial services and human resource services and
:Rental costs for regional offices.

The costs are covered by Gauteng Department of Economic Development.

1.10 Comparative Information

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

1.11 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the 12 months period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

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

1.12 Irregular expenditure

Irregular expenditure as defined in section 1 of PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

(a) this Act; or
(b) the State Tender Board Act, 1968 (act No . 86 of 1968), or any regulations made in terms of the act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

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

Irregular Expenditure that was incurred and identified during the current financial year and which was condoned before year end and /or before finalisation of the financial statement must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statement.

Irregular expenditure that was incurred and identified during the current financial year and which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statement

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If the liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law.
Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible the accounting officer or accounting authority may write-off the amount as debt impairment and disclose such in the relevant note to the financial statement. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant program/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

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

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

1.13 Events after reporting date

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

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

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

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

1.14 Leases

Operating leases

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

The total of future minimum Lease payments under non-cancelable operating leases are disclosed for each of the following periods;

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

1.15 Related Parties

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2024

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

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

1.16 GRAP standards, amendments to GRAP standards and interpretation issued but not yet effective

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
		R'000	R'000

2. Receivables from exchange transactions

Recoveries of staff expense	132	242
Under-Paid Liquor Licence Fees	579	393
Provision for doubtful debts	(399)	(71)
	312	**564**
Trade and other receivables past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
Current (0 - 30 days)	107	114
31 days and above	42	181
120 days and above	163	269

3. Receivables from non-exchange transactions

Penalties	4 286	2 122
Provisions for impairment of Receivables	(3 902)	(1 578)
	384	**544**
Receivables from non-exchange transactions past due but not impaired		
The ageing of amounts past due but not impaired is as follows:		
1 month past due	384	544
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	1 578	266
Provision for impairment	2 324	1 312
	3 902	**1 578**

4. Cash and cash equivalents

Cash and cash equivalents consist of:		
FNB -Bank Account	302	302
STD - Main Bank Account	66 989	136 214
	67 291	**136 516**

Included in cash and cash equivalent, there is an amount of R5 385 000,00 collected on behalf of Provincial Revenue Fund (PRF).

The entity collect liquor license fees and other fees on behalf of the Provincial Revenue Fund (PRF). As a result the fees collected are not used to fund the operations of the entity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Property, plant and equipment

	2024			2023		
	Cost Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 211	(1 138)	73	1 211	(1 104)	107
Computer equipment	890	(855)	35	890	(822)	68
Total	2 101	(1 993)	108	2 101	(1 926)	175
Reconciliation of property, plant and equipment - March 2024						
				Opening balance	Depreciation	Total
Furniture and fixtures				107	(34)	73
Computer equipment				68	(33)	35
				175	**(67)**	**108**
Reconciliation of property, plant and equipment - March 2023						
				Opening balance	Depreciation	Total
Furniture and fixtures				145	(38)	107
Computer equipment				102	(34)	68
				247	**(72)**	**175**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6. Payables from exchange transactions

	2024	2023
	R'000	R'000
Trade payables	2 970	3 442
Sal: ACB Recalls	113	159
SAL: Tax Debt	5	5
SAL: Medical Aid	4	4
SAL: GEHS Refund Control Acc: CL	-	5
Trading Entity: Payable to Provincial Revenue Fund	9 206	87 041
Staff Leave Accrual	4 921	3 757
Service Bonus Accrual	1 255	1 141
Payable:Adv:P/Dept	4 636	3 671
	23 110	**99 225**
Reconciliation of Payable to Provincial Revenue Fund (PRF) - March 2024		
Opening Balances	**87 041**	-
Total Amount received as per database	**71 615**	**68 452**
• Licence Fees	68 384	67 008
• Penalty Fees	3 231	1 444
Add: IRA Previous Year & recoveries	**328**	**29 339**
Add: Total Other Income	**3 597**	**2 732**
• Parking Fees	33	36
• Interest Fees	3 548	2 681
• Commission Fees	16	15
Add: Underpayments	**2 279**	**1 542**
Less: Overpayments	**(1 231)**	**(932)**
Less: Amounts paid to PRF	**(154 423)**	**(14 092)**
Trading entity: Payable to provincial revenue fund	**9 206**	**87 041**
Less Underpayments	(3 821)	(1 542)
Balance Payable to PRF	**5 385**	**85 499**

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

7. Provisions

Reconciliation of provisions - March 2024				
	Opening Balance	Additions	Utilised during theyear	Total
Provision for Pay Progression/Incentives	43	514	-	557
Provision for Capped Leave	504	-	(2)	502
Provision for Litigation	1 165	-	-	1 165
	1 712	**514**	**(2)**	**2 224**

Reconciliation of provisions - March 2023				
		Opening Balance	Utilised during theyear	Total
Provision for Pay Progression/Incentives		288	(245)	43
Provision for Capped Leave		599	(95)	504
Provision for Litigation		1 165	-	1 165
		2 052	**(340)**	**1 712**

The entity disclosed an amount of R 1 165 465,97 as a provision on litigation for a civil claim. The plaintiff is claiming the amount based on the service level agreement for document management solution tender. The entity disclosed a provision based on the invoices received from the service provider, however, uncertainty about the amount or timing of any resulting outflow expected as the matter is currently with the state attorney.

8. Government grants & subsidies

Operating grants

Government grant (Operating)	79 115	79 327

9. Employee related costs

Basic Salary	39 496	37 508
Medical Aid - Company Contributions	2 955	2 706
Leave pay provision charge	1 161	(1 181)
Employee benefits Expensed - other	11	11
Overtime payments	2	-
Housing benefits and allowances	1 230	1 110
Leave Gratuity	175	313
Bargain council - Company Contribution	10	9
S&W:CMPNS/CIRCM (RES)	-	79
13th Cheque- Service Bonus	2 717	2 781
Non - Pensionable Allowances	1 598	2 630
Pension - Company Contribution	4 290	3 920
	53 645	**49 886**

10. Depreciation and amortisation

Property, plant and equipment	67	72

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11. Goods and Services

	2024	2023
	R'000	R'000
Audit fees	950	851
Bank charges	31	2
Cleaning	623	588
System maintenance expense	2 470	-
Legal Expenses	1 437	699
Consumables	192	563
Departmental Consumptions	194	394
External Comp Serv: Infor Services	95	173
Levies Paid (Water, Sewerage, Waste and Mun Rates)	405	548
Professional Fees	442	-
Rental of Buildings	6 482	6 110
Security Costs	623	588
Travel Costs	9	42
Electricity	1 351	1 257
Travel Agency Fees	-	2
A&S Professional Staff Services	-	125
Venues and Facilities	-	987
Contracted Maintenance	1 483	1 584
	16 787	**14 513**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. Cash (used in) generated from operations

	2024	2023
	R'000	R'000
Surplus	5 900	13 542
Adjustments for:		
Depreciation and amortisation	67	72
Impairment loss: Penalty	2 323	1 312
Movements in provisions	512	(340)
Bad debts: Penalty debt	393	-
Bad debts: recoveries of staff expenses	-	1
Other non-cash items	-	47
Changes in working capital:		
Receivables from exchange transactions	252	(88)
Other receivables from non-exchange transactions	(2 556)	(1 418)
Payables from exchange transactions	(76 116)	84 488
Income received in advance	-	(29 469)
	(69 225)	**68 147**

13. Financial instruments disclosure

Categories of financial instruments		
March 2024		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	312	312
Receivables from non-exchange transactions	384	384
Cash and cash equivalents	67 291	67 291
	67 987	**67 987**
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	23 110	23 110
March 2023		
Financial assets		
	At amortised cost	Total
Trade and other receivables from exchange transactions	564	564
Receivables from non-exchange transactions	544	544
Cash and cash equivalents	136 516	136 516
	137 624	**137 624**
Financial liabilities		
	At amortised cost	Total
Trade and other payables from exchange transactions	99 225	99 225

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Commitments

Lease commitments

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

	2024	2023
	R'000	R'000
Operating leases - as lessee (expense) **Minimum lease payments due**		
- within one year	6 723	6 482
- Later than 1 year but not more than 5 Years	4 555	11 278
	11 278	17 760

The entity discloses commitments in line with Grap standard and only disclosed the operating lease commitments in terms of GRAP 13 and did not have any capital commitments as at 31 March 2024.

15. Related parties

Relationships

Controlled entities of Gauteng Department of Economic Development

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

Related party balances

Balances - Owing (to) by related parties		
Gauteng department of Economic Development - Billed and Confirmed Balances	(6)	(687)
Gauteng department of Economic Development - Unbilled and Unconfirmed Balances	(289)	(277)
Provincial Revenue Fund - Trade payable surrender	(9 206)	(87 041)

The Gauteng Liquor Board is a sub program within business regulation and governance (program 4) and it is established as a trading entity of the Gauteng Department of Economic Development. The purpose of the Gauteng Liquor Board is to ensure effective governance and regulation of the liquor license industry and the collection of liquor license fees in accordance with the Gauteng Liquor Act no 2 of 2003 and section 23 of the Tariff Act structures. Effective from 2022/23 financial onwards, the Gauteng Liquor Board`s budget will be appropriated in the budget book (EPRE).

Related party transactions

Service in kind

In the 2023/24 financial year Gauteng Liquor Board received the following services at no cost from the Gauteng Department of Economic Development:

: Finance
: Corporate services
: Human Resources

In the 2023/24 financial year Gauteng Liquor Board received the following service at no cost from the Department of E-Government through Department of Economic Development:

: Telephone Expenses

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

15. Related parties (continued)

Remuneration of management					
Management class: Executive management					
March 2024					
Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Other long-term benefits	Total
Bodibe- Lushaba CK	796	66	464	-	1 326
Shabangu OM	819	68	478	11	1 376
Matlhaku P	813	68	281	-	1 162
	2 428	202	1 223	11	3 864
March 2023					
Name		Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Total
Bodibe- Lushaba CK		758	63	463	1 284
Shabangu OM		781	65	477	1 323
Matlhaku P		336	17	123	476
		1 875	145	1 063	3 083

* The entity received in kind services from the Department of Economic Development for Chief Director: GLB position. Mr F Manamela was seconded to GLB at no costs to replace Mr. R Martin who was seconded to GDED. The amount paid by DED to Mr Manamela at no cost to GLB is R1 612 145,70 and the amount paid by GLB at no cost to DED is R1 644 546,40

16. Members' s emoluments

The Gauteng Liquor Board is a juristic person established in terms of Section 2 of the Gauteng Liquor Act. Act No 2 of 2003 (the Act) The Board does not perform the powers and functions of an executive board but performs the functions of an application board. In this regard the Board considers applications for liquor licenses and either grant or refuse such applications. The Board and Local committee members are remunerated based on the number of meetings held. Because of its status as a juristic person, the Board is sued directly and may institute legal actions instituted by and against the Board.

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

(1) The Board shall receive applications referred to in section 21 from the local committees and after considering such applications.
(2) The Board may, after the consideration by it or any other matter contemplated in this ACT

(a) Suspend for (an indefinite time or for such period as it may determine or withdraw from such date as it may determine, a license which is subject of a report, compliant or objection concerned, or any right privilege which is attached thereto.
(b) Declare the license concerned to be subject to such conditions or further conditions as it may in its direction impose.
(c) Rescind the suspension of the license concerned of any right of privilege which is attached thereto, with immediate effect or from such date as it may determine, subject to such conditions as it may in its discretion impose or,
(d) take any such other steps as it may think fit.

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

Section 5 of the Act stipulates that a member shall be appointed for term not exceeding five (5) years and shall be eligible for reappointment at the lapse of the initial term. No person shall be reappointed as a member if the Board for more than two (2) terms. A member of the board shall be paid such remuneration and allowance out of the funds of the Board as the Member of Executive Council may determine.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

(a) Money approached by the Provincial Legislature; and
(b) Money accruing to the Board from any other source approved by the Member of the Executive Council including fees paid in terms of the Act.

16. Members' s emoluments (continued)

	2024	2023
	R'000	R'000
Non-executive		
March 2024	Members' fees	Total
Lottering SR	109	109
Maboye MM	244	244
Madileng KM	66	66
Magerman TN	977	977
Magwaza SA	116	116
Maja KG	230	230
Mamabolo IM	64	64
Mamatela MMJ	13	13
Maseko RN	198	198
Mashiloane TL	24	24
Matsabu ML	85	85
Modise EM	183	183
Moeti RD	132	132
Mogwebi WW	92	92
Molebeledi L	113	113
Morabe TZ	281	281
More RE	109	109
Mthembu TP	145	145
Mudau SP	101	101
Mvelase MC	191	191
Nkosi DL	86	86
Nkuna BL	570	570
Pinana MC	81	81
Raborife MMM	226	226
Ramaputla MV	178	178
Lephekula SP	136	136
Serutha RF	482	482
Sithole E	67	67
Sithole ST	78	78
Tampe ME	187	187
Teffo BM	86	86
Thobejane PM	141	141
Tlagadi MP	86	86
V.D Westhuizen FJ	44	44
Vakalisa SM	76	76
Van Der Schyf Willem Nicolas	81	81
Van Eck Melony	155	155
	6 233	**6 233**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

16. Members' s emoluments (continued)

	2024	2023
	R'000	R'000
March 2023	Members' fees	Total
Letlonkane J	517	517
Lottering SR	102	102
Mabaso STI	595	595
Maboye MM	343	343
Madileng KM	49	49
Magerman TN	993	993
Magwaza SA	160	160
Mamabolo LM	76	76
Mamatela MMJ	148	148
Mashiloane TL	66	66
Matsabu ML	97	97
Moeti RD	139	139
Mogwebi WW	92	92
Molebeledi L	56	56
Morabe TZ	431	431
More RE	111	111
Mthembu TP	150	150
Mudau SP	114	114
Nkosi DL	95	95
Nkuna BL	417	417
Pinana MC	78	78
Raborife M	393	393
Ramapuputla MV	157	157
Samuel PL	161	161
Serutha RF	375	375
Sithole E	85	85
Sithole ST	70	70
Tlagadi MP	96	96
Teffo BM	73	73
Thebejane PM	143	143
Van Der Westhuizen FJ	65	65
Vakalisa SM	94	94
Van Der Schyf	74	74
	6 615	6 615

17. Auditors' remuneration

Fees	950	851

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

1.8 Change in Accounting Estimate

Property, plant and equipment

During the 2023/24 financial year, the entity reassessed the useful life of its assets in terms of GRAP 17. The change was accounted for as a change in accounting estimates in terms of GRAP 3 and resulted in a decrease in the depreciation amount for the current financial Year and future periods.

Effect of the change in accounting estimates					
	Computer Equipment		Furniture Equipment		Total
Depreciation amount after reassessment	33		34		67
Less: Depreciation amount before reassessment	(34)		(38)		(72)
Decrease in Depreciation	(1)		(4)		(5)

19. Risk management

Financial risk management

Liquidity risk

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

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables from exchange transactions	18 139	4 966	5	-
At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payable from exchange transactions	96 487	2 738	-	-
Credit risk				

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

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

Financial instrument	March 2024	March 2023
Penalties and other receivables	696	1 108
The entity did not individually rate its customers due to its diverse customer base.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	R'000	R'000

20. Prior period errors

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

The 2022/23 trade and other payables were understated by an amount of R 762 123,94 due to an understatement of goods and services. Furthermore ,the 2022/23 Trade and other Payables were overstated by R 140 062,08 due to overstatement of goods and services by R 137 020,08 and overstatement of Board members emoluments by R 3 042 .The net effect of the prior period errors and adjustments increased trade and other payables by an amount of R 622 061,86 ; increased goods and services by an amount of R625 103,86 and decreased board members emoluments by an amount of R 3 042 .

The Prior years Accumulated surplus was understated by an amount of R 47 301,26 due to salary recall for employee who resigned in the 2019/20 financial year . The adjustment resulted in a decrease of trade and other payables by R 47 301,26

The net effect of these prior period errors and adjustment increased trade and other payables by an amount of R 574 760,60

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

Statement of Financial Position -SFP- March 2023		As previously reported		Correction of error		Restated
Payables from exchange transactions		98 650		575		99 225
		98 650		**575**		**99 225**
Statement of Financial Performance						
March 2023		As previously reported		Correction of error		Restated
Goods and Services		13 888		625		14 513
Employee related costs		49 889		(3)		49 886
		63 777		**622**		**64 399**
Statement of Changes in Net Assets -SCNA- March 2023		As previously reported		Correction of error		Restated
Accumulated Surplus		23 272		47		23 319
Disclosure notes to the Financial Statements - March 2023						

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

The 2022/23 fruitless and wasteful expenditure disclosed figure was understated by an amount of R5 189.50 due to interest and sheriff costs that were identified in the current 2023/24 financial Year incurred in the 2022/23 financial year.

Fruitless and Wasteful Expenditure	As previously reported	Correction of error	Restated
Sheriff costs and Interests charged	15	5	20

21. Fruitless and wasteful expenditure

Add: Fruitless and wasteful expenditure identified - current	2	20

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

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

Details of Fruitless and Wasteful expenditure		
Sheriff costs and Interests charged on overdue accounts	2	20

22. Irregular expenditure

Irregular Expenditure	-	-

In terms of the revised framework the entity is required to only disclose irregular expenditure incurred and confirmed in that particular year .

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

23. Segment Reporting

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


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