Western Cape Gambling and Racing Board

Annual Report 2024/25

WESTERN CAPE GAMBLING AND RACING BOARD

ANNUAL REPORT

2024/25

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PART A:

General Information

GENERAL INFORMATION

1. BOARD GENERAL INFORMATION

NAME:	Western Cape Gambling and Racing Board
PHYSICAL ADDRESS:	24 Fairway Close Fairway Terraces Parow Cape Town 7500 Republic of South Africa
POSTAL ADDRESS:	P O Box 8175 Roggebaai 8012
TELEPHONE NUMBER/S:	+27 21 480 7400
EMAIL ADDRESS:	ceo@wcgrb.co.za
WEBSITE ADDRESS:	www.wcgrb.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Nedbank
BOARD SECRETARY:	Heinrich Brink

2. LIST OF ABBREVIATIONS/ACRONYMS

The following list contains all the abbreviations/acronyms that is utilised throughout the annual report, irrespective of which section of the annual report it pertains to:

Abbreviation / Acronym	Description
ADFIN / Adfin	Administration and Finance
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ATRs	Annual Training Reports
B-BBEE	Broad-based Black Economic Empowerment
Board	Western Cape Gambling and Racing Board
board	Collective of Non-Executive Board Members
Capex	Capital Expenditure
CA(SA)	Chartered Accountant (South Africa)
CATHSSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COE	Cost of Employment
COLA	Cost-of-living adjustments
CPI	Consumer Price Index
CSI	Corporate Social Investment
Constitution	The National Constitution of the Republic of South Africa, 1996
COVID-19	Coronavirus Disease 2019
DoL	Department of Labour
DRP	Disaster Recovery Plan
DTIC	Department of Trade, Industry and Competition
DoI	Department of Infrastructure
DPSA	Department of Public Service and Administration
EE	Employment Equity
EEA	Employment Equity Act
ERM	Enterprise Risk Management
EWP	Employee Well-being Programme
EXCO	Executive Committee
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act, 2001
FIT	Finance and Information Technology Committee

GENERAL INFORMATION

Abbreviation / Acronym	Description
GDP	Gross Domestic Product
GGR	Gross Gambling Revenue
GLC	Gambling Liaison Committee
GRAP	Generally Recognised Accounting Practice
HCC	Human Capital Committee
HOD	Head of Department
HR	Human Resources
HRM	Human Resource Management
ICT	Information and Communication Technology
IIA	Institute of Internal Auditors
ILSF	Individual Linked Savings Facility
IRBA	Independent Regulatory Board for Auditors
IoDSA	Institute of Directors in South Africa
IT	Information Technology
IYM	In-Year Monitoring
LSA	Long Service Award
LPM	Limited Pay-Out Machines
LRA	Labour Relations Act
MEC	Member of the Provincial Executive Council
Minister	Western Cape Minister of Finance
MP	Member of Parliament
MTEF	Medium Term Expenditure Framework
MTBPS	Medium Term Budget Policy Statement
NGB	National Gambling Board
NPC	Not for Profit Company
NTR	National Treasury Regulations
OD	Organisational Development
OEM	Original Equipment Manufacturer
OHASA	Occupational Health and Safety Act, 1993
Opex	Operational Expenditure
PAC	Public Accounts Committee
PAIA	Promotion of Access to Information Act, 2000
PAJA	Promotion of Administrative Justice Act, 2000
PDO	Predetermined Objective
PFMA	Public Finance Management Act, 1999
PLA	Provincial Licensing Authority

Abbreviation / Acronym	Description
PI	Performance Indicator
POPI	Protection of Personal Information Act, 2013
PRMA	Post-Retirement Medical Aid
PTR	Provincial Treasury Regulations
RGC	Responsible Gambling Committee
SAPS	South African Police Services
SARGF	South African Responsible Gambling Foundation
SCA	Supreme Court of Appeal
SC	Senior Counsel
SCM	Supply Chain Management
SCOF	Western Cape Provincial Parliament's Standing Committee on Finance
SOP	Standard Operating Procedure
SR	Strategic Risk
Act	Western Cape Gambling and Racing Act, 1996
TID	Technical Indicator Description
TOR	Terms of Reference
TR	Treasury Regulations
Type A LPM Site	LPM Sites with up to 5 LPMs
Type B LPM Site	LPM Sites with 6 to 20 LPMs
Type C LPM Site	LPM Sites with 21 to 40 LPMs
Type D LPM Site	Independent LPM Site Operator
UPS	Uninterrupted Power Supply
WC	Western Cape
WCDoI	Western Cape Department of Infrastructure
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WCPT	Western Cape Provincial Treasury
Western Cape	The Province of the Western Cape
WFH	Work From Home
WSP	Work Skills Plan

3. FOREWORD BY THE CHAIRPERSON

Mr Claude Bassuday
Chairperson of the Board

It gives me pleasure to present the Western Cape Gambling and Racing Board's Annual report for the 2024/25 financial year.

The WCGRB remains a PFMA Schedule 3C provincial public entity incorporated with the promulgation of the Western Cape Gambling and Racing Act, Act 4 of 1996.

The WCGRB's legislated mandate remains as having to regulate the gambling industry in the Western Cape. This is achieved through the acceptance and probity of applications to enter the gambling industry in the Western Cape with the aim of ensuring that only fit and proper persons receive a licence to operate within the Western Cape Gambling Industry. The WCGRB also performs regulatory compliance audits to ensure that licensed operators comply with the prescripts applicable to the industry. Illegal gambling operators are identified and closed down with the assistance of SAPS.

In addition, the WCGRB collects and verifies gambling tax from the industry. During the past year, there has been a rapid growth in taxes having reached R1.5 billion in the 2023/24 financial year. As expected, the early rapid growth was not sustained, and the increase in tax revenue has been less dramatic, with the WCGRB having collected and verified R1.75 billion for the 2024/25 financial year.

The WCGRB continues to monitor the industry's CSI contributions and is pleased to report that the industry contributed R15 937 127 million towards CSI programmes for the reporting period.

The legislated number of Board Members is seven non-executive members. As a collective, the seven members are the WCGRB's Accounting Authority. The quorum for a Board meeting is five members. During the year under review, the WCGRB had seven appointed members and accordingly was fully constituted. As at the signing of this report, Ms Fani's term ended and the WCGRB only has six of its seven allotted Board Members. Board member terms are depicted in Part C from Page 50.

The WCGRB's personnel structure has remained constant for at least the last 16 years while the gambling industry has evolved and grown exponentially. This expansion is currently taxing the WCGRB's resources to optimally achieve its functions and meet the expectations of licence holders.

The WCGRB appointed a service provider to assess the WCGRB's structure and the resources needed to effectively service its mandate. This exercise has been completed and approved by the WCGRB Board, but the WCGRB would need the financial resources to fund the implementation of the recommendations.

The WCGRB does not have the authority to increase its revenue stream without the approval of the relevant Minister as all financially affected decisions are subject to ministerial budget approval.

The WCGRB's revenue streams are dictated by legislation which the WCGRB has no authority to amend and consequently becomes dependent on the Western Cape Government to amend legislation.

In a recent WCPT public entity review, it was found that the WCGRB's remuneration for senior staff were amongst the lowest across the Western Cape provincial public entities. In addition, compared to the other South African Gambling Regulatory Boards, the remuneration structure is lower than most of them. This places the WCGRB at a disadvantage and risks losing its key employees to other entities of which three such employees have been lost to other regulators.

The WCGRB has taken possession of its newly acquired office accommodation at 24 Fairway Close and has acquired the services of a suitably qualified project manager to manage the process for the refurbishment and fit-out of the WCGRB building.

Notwithstanding the challenges, the WCGRB has delivered on its mandate.

The WCGRB has achieved a clean audit outcome and achieved 16 of its 19 planned performance indicators.

Medium Term Goals

The process for rolling out type B LPMs is well underway and the rollout should commence by the third quarter of the 2025/26 fiscal year. In addition, the WCGRB will be reviewing the frameworks for type C and type D LPMs as well as Bingo. Not only would this have an impact on the WCGRB's revenue stream as well as taxes for the WCG Fiscus, but also gives heed to the request by the industry for these legislated offerings to be made available.

In all of this, the WCGRB will pay extreme attention to the protection of society from the over-stimulation of gambling, a fair and viable gambling industry in the Western Cape Province, economic empowerment of the historically disadvantaged and the promotion of economic growth, development and employment.

The enhancement of responsible gambling measures in the Western Cape gambling industry is receiving focused attention by the WCGRB with research having been conducted to inform the WCGRB of the prevalence of gambling and problem gambling in the Western Cape to inform policies and plans on other modes of gambling and to inform the WCGRB on the formulation of policies and measures to combat problem gambling and enhance responsible gambling within the province.

During the course of the 2024/25 fiscal year, the WCGRB developed its Strategic Plan for the period 2025 - 2030.

Acknowledgments

I hereby acknowledge and thank the Provincial Minister Adv. Deidre Baartman for her invaluable support and understanding of the WCGRB, the WCPT, the SCOF, and the PAC for their support and guidance, fellow Board members, the WCGRB Audit and Risk Committee for their oversight and direction in the achievement of the mandate of the Board and the AGSA, Internal Audit and WCGRB executive and employees for the efficient execution of their duties notwithstanding the complexities and impediments brought about by inadequate resources. Their efforts are recognised and gratefully appreciated.

Mr Claude Bassuday
Chairperson
Western Cape Gambling and Racing Board
31 July 2025

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr Primo Abrahams
Chief Executive Officer

I hereby present the Western Cape Gambling and Racing Board's (WCGRB) financial performance for the 2024/25 financial year.

The WCGRB may only collect revenue as legislated in the Western Cape Gambling and Racing Act, Act 4 of 1996. Under the current provisions of the Act, the WCGRB is unable to achieve financial self-sufficiency. Consequently, the Board remains reliant on public funds, primarily through Western Cape Government grants, to finance its operations. This reliance is expected to continue in the foreseeable future.

For the year under review, the WCGRB received a Western Cape Government grant of R24.5 million, an increase from R21 million in 2023/24. During the same period, taxes and levies collected on behalf of the Western Cape Government amounted to R1.75 billion (R1.50 billion in 2023/24), representing a government grant equivalent to 1.40% of the taxes and levies collected.

The WCGRB's approved expenditure budget for 2024/25 was R86.3 million. Additionally, R6.225 million was approved for the retention of surplus funds. The remaining difference of R55.5 million between the government funding received and the approved budget was funded from the WCGRB's own revenue sources.

Actual expenditure for the year amounted to R77.5 million, while actual revenue - including the government grant amounted to R98.2 million. This resulted in a comparative surplus of R20.77 million and an accounting surplus of R12.47 million.

Aware of its financial constraints, the WCGRB achieved expenditure savings of R8.85 million compared to the approved budget. As part of these savings, R6.225 million allocated for office refurbishment could not be expended because the project was still in the planning phase at year-end.

In response to the rapidly evolving gambling industry, the WCGRB conducted an organisational design study to enhance operational efficiencies and better serve its stakeholders. The results were approved by the Board, with funding for new positions currently under review by the Western Cape Provincial Treasury (WCPT) and the Minister.

As highlighted by the Chairperson, the WCGRB collected taxes and levies amounting to R1.75 billion for the 2024/25 fiscal year, representing a 16.2% increase from the previous year.

The WCGRB has taken possession of its newly acquired office accommodation and is progressing with development works for full occupation. Final handover, including the snag list period, is anticipated by June 2026.

The WCGRB continues to operate as a going concern and has budgeted for government grants to cover budget shortfalls. However, additional financial resources will be required to support increased human capital needs. This matter is receiving attention and will be addressed in the Board's new strategy deliberations.

During the year, the entity incurred irregular expenditure of R703 537 related to the procurement of plumbing and electrical maintenance services. This occurred because the Request for Quotation documentation did not specify the minimum CIDB grading requirements, as required by Regulation 25 of the Construction Industry Development Regulations. The omission was due to misclassifying the work as general maintenance rather than construction. Although the process was not fully compliant, the appointed service providers were CIDB-registered at the time. The irregular expenditure will be addressed in accordance with the PFMA compliance framework.

The WCGRB has given effect to the AGSA's recommendations and continues to strive towards full compliance with all the prescripts and instructions.

Acknowledgements

The WCGRB gratefully acknowledges the contribution and support Minister, Adv. Deidre Baartman, the sound advice of the Standing Committee on Finance and the Public Accounts Committee as well as the assistance from the WCPT, the AGSA, and its Internal Auditors.

It is with gratitude that the WCGRB acknowledges the tremendous efforts and dedication of its Board Members, the Audit and Risk Committee, and the WCGRB employees for their contribution to the success of the 2024/25 financial year.

Mr Primo Abrahams
Chief Executive Officer
Western Cape Gambling and Racing Board
31 July 2025

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

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General. The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury. The Annual Financial Statements (Part F) have been prepared in accordance with the GRAP standards applicable to the Board.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information. The Accounting Authority is responsible for establishing, and implementing a system of internal control that 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 2025.

Mr Primo Abrahams
Chief Executive Officer
Western Cape Gambling and Racing Board
31 July 2025

Mr Claude Bassuday
Chairperson of the Board
Western Cape Gambling and Racing Board
31 July 2025

6. STRATEGIC OVERVIEW

6.1 Vision

To be recognised as the leading gambling regulatory authority for innovative, sustainable business practices and maximisation of economic opportunities in a socially responsible manner.

6.2 Mission

To control and regulate gambling within the Province of the Western Cape to:

- Provide a stable, just, consistent, and effective regulatory environment;
- Inspire public confidence and trust in an environment free from corruption and unlawful gambling and betting activities; and
- Contribute to the economy of the Western Cape in an innovative and socially responsible manner.

6.3 Values

In the execution of their collective functions, the Board and its Office place the highest value on:

- *Integrity*
  The quality of possessing and steadfastly adhering to a moral or ethical code and high professional standards.

- *Transparency and Accountability*
  The principle that the Board will conduct its business in an accessible, clear and visible manner with its activities open to examination and answerable to stakeholders and the public at large.

- *Competency*
  Having a competent and responsive regulatory authority.

- *Innovation*
  Creating business efficiencies through practical innovative solutions and ideas.

7. LEGISLATIVE AND OTHER MANDATES

7.1 Constitutional mandate

The Board's constitutional mandate is derived from Schedule 4 of the Constitution. It prescribes that the regulation of casinos, racing, gambling and wagering (excluding lotteries and sports pools) is a concurrent legislative competence of the provincial and national legislatures. The Board must observe the fundamental rights of all persons as enshrined in Chapter 2 of the Constitution in exercising its powers and the performance of its mandate. Chapter 6 of the Constitution regulates, inter alia, the legislative competence of the different provincial legislatures. It further deals with the resolution of conflicts in areas of concurrent legislative competences between national and provincial legislation. Chapter 6 is applicable on the Board's functioning with regard to the Board's input in respect of proposed amendments to the Western Cape Gambling and Racing Act, Act 4 of 1996.

7.2 Legislative mandate

The following national and provincial legislative enactments are applicable to the Board's operations:

Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended

This Act outlines the basic conditions of employment for workplaces in South Africa and has a direct bearing on employees of the Western Cape Gambling and Racing Board.

Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003) and Codes as amended

This Act constitutes the legislative framework for the promotion of black economic empowerment and empowers the Minister of Trade and Industry to issue codes of good practice and to provide for matters connected therewith. The Board enforces the legislative and policy objectives on Broad-based Black Economic Empowerment through the imposition of licence conditions on licence holders and complies with the prescripts that are binding on the Board as a public entity.

Compensation for Occupational injuries and Diseases Act, 1993 (Act 130 of 1993) as amended

This Act established a legal framework for compensation for disablement caused by occupational injuries or disease sustained or contracted by employees in the course of their employment or for death resulting from such injuries or diseases; and to provide for matters connected therewith.

Disaster Management Act, 2002 (Act 57 of 2002) as amended and Regulations

This Act establishes a legal framework for an integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery. It provides for the establishment of national, provincial and municipal disaster management centres with a policy focus on the rehabilitation and functioning of these centres. It further provides for the alignment of the functions of the National Disaster Management Advisory Forum to accommodate the South African National Platform for Disaster Risk Reduction.

Employment Equity Act, 1998 (Act 55 of 1998) as amended

This Act constitutes the legal framework for the elimination of unfair discrimination in the workplace and prescribes the processes and procedures that the Board must implement to achieve a diverse and competent workforce that is broadly representative of the demographics of the Western Cape.

Financial Intelligence Centre Act, 2001 (Act 38 of 2001), as amended ("FIC Act")

The FIC Act established the Financial Intelligence Centre and Money Laundering Advisory Council to combat money laundering and financing of terrorist and related activities. In terms of the amendment to the legislation, the Board, together with other Provincial Gambling Boards, is no longer a supervisory body, notwithstanding the fact that the licence holders of the Board are accountable institutions.

Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

This Act establishes a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes and to provide for matters connected therewith.

Labour Relations Act, 1995 (Act 66 of 1995) as amended ("LRA")

The LRA regulates and guides the Board, as an employer, to give effect to the rights, duties, and structures created in terms of that Act and in so doing ensure labour harmony and the democratisation of the work place.

National Gambling Act, 2004 (Act 7 of 2004) and Regulations

This Act sets out the competencies of the national and provincial gambling Boards with respect to the regulation and control of gambling and racing in South Africa. This Act, together with the Western Cape Gambling and Racing Act, 1996 and the respective Regulations passed thereunder, constitutes the statutory mandate of the Board as Regulator. This Act further provides for uniform norms and standards with respect to gambling and racing throughout the Republic.

Occupational Health and Safety Act, 1993 (Act 85 of 1993) as amended

This Act provides for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery, the protection of persons against health and safety hazards arising out of or in connection with the workplace, and to provide for matters connected therewith.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) and Regulations

This Act constitutes the framework within which the Board must give effect to the Constitutional imperative of implementing a preferential procurement policy and system that is fair, equitable, transparent and cost-effective.

Promotion of Access to Information Act, 2000 (Act 2 of 2000) ("PAIA")

PAIA prescribes the statutory process according to which applications or requests for access to information are considered and processed and gives effect to the constitutional right of access to information. It is applicable to both private entities or organisations and public bodies.

Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) ("PAJA")

PAJA was enacted pursuant to section 33 of the Constitution of the Republic of South Africa, to give effect to the right to administrative action that is lawful, reasonable and procedurally fair and the right to request written reasons for administrative action taken. As a public body, the Board is bound to give effect to the principles of procedurally fair administrative action as prescribed by this Act.

Protection of Personal Information Act, 2013 (Act 4 of 2013) ("POPI") as amended

POPI's objectives are, inter alia, to promote the protection of personal information processed by public and private bodies; to introduce certain conditions to establish minimum requirements for the processing of personal information and to provide for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act. Certain provisions of POPI took effect on 11 April 2014. Sections 2 to 38; 55 to 109; 111; and 114(1), (2) and (3) commenced on 01 July 2020, and sections 110, and 114(4) commenced on 30 June 2021. The effect of this is that all organisations had to be compliant with POPIA by 1 July 2021.

Public Finance Management, 1999 (Act 1 of 1999) ("PFMA") as amended

The Board is a Schedule 3C Provincial Public Entity and bound by the financial and budget management prescripts of this Act. The PFMA's primary objective is to ensure that all revenue, expenditure, assets and liabilities of government institutions and departments are managed efficiently and effectively. The PFMA provides for the responsibilities of persons entrusted with financial management in government and to provide for matters connected therewith.

Skills Development Act, 1998 (Act 97 of 1998)

This Act provides an institutional framework to devise and implement national, sector, and workplace strategies to develop and improve the skills of the South African work force; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualification Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

Skills Development Levy Act, 1999 (Act 9 of 1999)

This Act provides for the imposition of a skills development levy and for matters connected therewith.

The Constitution of the Republic of South Africa (Act 108 of 1996)

This is the Supreme law of the country and outlines, inter alia, South Africa's system of government, the role and responsibilities of the different spheres of government, the basic human rights of all citizens, and creates a number of Constitutional institutions.

Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended and Regulations

This is the primary legislation governing the Board's regulatory functions and powers. It sets out, inter alia, the establishment and operations of the Board, the type of licenses that the Board is empowered to consider as well as the Board's sources of funding. It further provides for the imposition of statutory taxes and fees payable by licence holders, as well as administrative penalties for non-compliance.

7.3 Policy mandate

Western Cape Gambling and Racing Policy Determinations, 1999

The Policy Determinations passed by the Executive Council provide policy considerations for the issuing of the different categories of licences, the application criteria to be considered, and compulsory bid prescripts for casino operator licences. On 2 July 2021, the High Court declared clause 1.1(b) of the 1999 Policy Determinations, which introduced the regional exclusivity for the five casinos in the Province as invalid, and of no force and effect. The Court further declared that Clauses 1.1(c) and (d), which specifies the 10-year exclusivity period applicable to casino operator licences, expired by effluxion of time and is no longer operative. The Court further confirmed that the Board is authorised to consider applications for relocation of a casino in accordance with the Act.

8. ORGANISATIONAL STRUCTURE

As at 31 March 2025

Notes

PART B:

Performance Information

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management. The findings on pre-determined objectives are reported under the "Report on annual performance report" section of the Auditor's report.

Refer to page 88 of this Report for the Auditor's Report, published as Part F: Financial Information.

2. OVERVIEW OF PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

2.1.1 OVERSIGHT OF THE BOARD

The Western Cape Gambling and Racing Board (WCGRB) is a statutory body established in terms of the Western Cape Gambling and Racing Act. The Board operates under two levels of oversight. At the national level, the National Gambling Board (NGB) conducts oversight evaluations. At the provincial level, the WCGRB reports to the Provincial Treasury and the Western Cape Provincial Minister of Finance. Parliamentary oversight is exercised through the Standing Committee on Finance and the Public Accounts Committee.

The WCGRB is classified as a Schedule 3C provincial public entity under the Public Finance Management Act. It holds a unique position in that it reports to the Western Cape Provincial Treasury, which serves as its parent or responsible department. In contrast, gambling regulators in the other eight provinces report to their respective Departments of Economic Development, whose core mandate is to promote economic development and create opportunities for the greater public benefit.

2.1.2 STAKEHOLDERS

As a provincial public entity, the Board engages with a wide range of stakeholders. These include the Western Cape Provincial Government, the Western Cape Minister of Finance, the Western Cape Provincial Treasury, the WCGRB workforce, licensed gambling and betting entities, the Western Cape population, suppliers, the environment and the media.

Minister Deidré Baartman was appointed as the Provincial Minister of Finance on 13 June 2024.

The WCGRB's stakeholder policy outlines the mechanisms and processes that support constructive engagement with its stakeholders.

The National Gambling Board (NGB) conducts oversight evaluations of the Provincial Licensing Authorities (PLAs) in relation to regulatory matters as outlined in Section 33, read with Section 34, of the National Gambling Act. Additionally, in terms of information sharing, the Board is required to submit information pertaining to the matters outlined in Section 35 of the Act to the NGB.

Licence holders are afforded the opportunity to attend Committee meetings and, in certain instances, ad-hoc Board meetings to make representations regarding the relevant gambling sectors. The public is also welcome to attend WCGRB open Board meetings and raise questions or concerns.

Other key stakeholders include the National Gambling Board, other Provincial Gambling Boards, National Treasury, the Department of Trade, Industry and Competition, local government authorities (municipalities), and law enforcement agencies.

The Board also works closely with the South African Responsible Gambling Foundation (SARGF) on training initiatives, problem gambling treatment interventions, research projects, and the provision of statistical data relating to self-exclusion programmes.

2.1.3 ECONOMIC SITUATION

South Africa's economy has been muted over the past decade, with GDP increasing by an average of only 0.7% over the ten-year period. Several structural constraints on the supply side of the economy, such as infrastructure bottlenecks, a weak business environment, and low productivity have impeded economic growth. Electricity supply shortages have particularly constrained South Africa's growth for several years. Rolling scheduled power cuts (load shedding) started in 2007 and intensified in 2022-2023. While sporadic and short-lived power cuts have occurred in 2025, the reliability and availability of power supply have improved substantially since late March 2024. The improvements in electricity supply have been attributed to a better management of the national power utility Eskom and high-level political support from the President and the Minister of Electricity. The opening of the electricity market to private power generation has further encouraged investment in the sector.

Weak structural growth and the COVID-19 pandemic have exacerbated socio-economic challenges. South Africa's GDP has recovered to its pre-pandemic levels, but the strength of the recovery has been hindered by multiple pre-existing constraints. The recovery in employment continued in 2024 (355,000 jobs were added, leading to a higher level of employment than before the pandemic) but the pace of job creation has not kept up with the growing labour force, resulting in a rising number of unemployed people. The unemployment rate stood at an elevated 31.9% in Q4-2024, with women and youth persistently more impacted. Inequality remains among the highest in the world, and poverty was estimated at about 63% in 2023, based on the upper-middle-income country poverty line. In this context, the COVID-19 Social Relief of Distress Grant, introduced in May 2020, was extended for another year until March 2026, with a budget allocation of R259.3 billion. These growing social demands for government support could put the sustainability of public finances at risk if they continue.

Structural challenges and weak growth have undermined progress in reducing poverty, heightened by the COVID-19 pandemic. The achievement of progress in household welfare is severely constrained by rising unemployment, which reached 31.9% in the fourth quarter of 2024, above the already high pre-pandemic rates. The unemployment rate is highest among youths aged between 15 and 24, at 59.6%.

Other structural challenges have also increased, including transport and logistics, which have deteriorated due to weak management of the state-owned enterprise Transnet, theft, and sabotage, constraining South Africa's export capacity.

South Africa remains a dual economy with one of the highest and most persistent inequality rates in the world, with a consumption expenditure Gini coefficient of 0.67 in 2018. High inequality is perpetuated by a legacy of exclusion and the nature of economic growth, which is not pro-poor and does not generate sufficient jobs. Inequality in wealth is even higher, and intergenerational mobility is low, meaning inequalities are passed down from generation to generation with little change over time.[1]

Despite the poor economic conditions in South Africa, the gambling industry has experienced significant growth in gross gambling revenues during FY2024.

In terms of the National Gambling Board's Statistics for FY2023/24:

- The gambling industry grew by 25.7% between FY2022/23 and FY2023/24, however this growth was unbalanced between the modes of gambling. Growth is now entirely driven by betting on sport and other contingencies.
- Apart from its high growth figures, the betting segment also expanded its market share to make up 60.5% of gross gambling revenue (GGR). Casinos shrank to 29.3%, while LPMs formed 7.0% and bingo 3.2% of GGR. The make-up of the gambling industry shifted in FY2020/21 when casinos lost their dominance and has continued to see the betting segment gain momentum.
- Gross gambling revenue (GGR) generated in the gambling industry during FY2023/24 amounted to R59.3 billion. This represents a 25.9% increase from the previous year's GGR of R47.1 billion.
- The Western Cape has overtaken Gauteng as the largest gambling market, with the Western Cape sitting at 31.7% market share at the end of FY2023/24. Gauteng (22.1%) and Mpumalanga (21.9%) hold roughly equal market shares.
- GGR growth was high for the Western Cape and Mpumalanga at 53.6% and 49.3% respectively.

[1] World Bank. (2025, April 11). South Africa: Overview. World Bank Group.

- Analysis of GGR by gambling mode revealed betting to have generated 60.5% of industry GGR at R35.9 billion. Casinos generated GGR at R17.4 billion (29.3%). The LPM industry is the third largest sector (7.0%), generating R4.1 billion during FY2023/24. The bingo industry generated 3.2% of revenues at R1.9 billion.
- GGR growth between the modes of gambling showed unbalanced growth between the modes of gambling with betting driving growth. Betting increased by 51.2% relative to the previous year. The casino industry saw miniscule growth (0.1%), while LPM GGR declined by 1.9%. The bingo industry experienced low growth of 2.4%.
- Taxes/levies amounted to R4.8 billion during FY2023/24, which is 19.2% higher than the value in the previous year. Betting generated the largest proportion of taxes/levies at 49.9%, followed by casinos (36.5%), LPMs (10.2%) and bingo (3.4%).
- The Western Cape (30.7%) accounts for the largest share of taxes/levies generated across provinces, with Gauteng (23.8%) and Mpumalanga (17.8%) also generating sizable shares.

The gambling industry in the Western Cape has generated gross gambling revenue to the amount of R18.8 billion for FY2024. This represents 31.7% of the total gross gambling revenue generated in South Africa for FY2024.

For the 31 March 2025 financial year, the Board collected gambling taxes and levies to the amount of R1.7 billion, representing an increase of 16% since the prior year. Refer to the table below for the year-to-year comparison.

Taxes and levies collected	31 March 2025	31 March 2024
Provincial Taxes	1 743 796 551	1 500 271 079
Annual Licence Fees	4 306 377	4 001 958
Interest, fines and penalties	100 123	198 725
Total collected	**1 748 203 051**	**1 504 471 762**

Taxes collected in respect of Horse Racing and Betting represents 70% of provincial taxes, the majority of which is contributed by betting on sports.

2.1.4 BROAD-BASED BLACK ECONOMIC EMPOWERMENT

The Board's mandate is to regulate the gambling industry in the Western Cape by licensing suitable, fit, and proper persons and entities to operate within the province. It also ensures compliance with both national and provincial gambling legislation. Through the licensing process, the Board unlocks economic opportunities while advancing economic transformation and broad-based empowerment - key priorities at both national and provincial levels.

As the regulator and licensing authority, the Board is legally mandated to enforce the principles of B-BBEE in the industry it oversees. In terms of Section 10 of the Broad-Based Black Economic Empowerment Act 53 of 2023, as amended ("B-BBEE Act"), the Board is empowered to set qualifying criteria for the issuance of licences and related approvals. It monitors licensees' B-BBEE initiatives, achievements, and compliance levels.

The Board's sectoral committees act as review and advisory bodies, monitoring the compliance of different industry sectors with licence conditions. The WCGRB has also set specific B-BBEE target levels for licensed operators across sectors. Licence holders' B-BBEE performance is reviewed annually, and conditions are imposed where necessary, reasonable and justifiable. This ensures maximum empowerment, transformation and upliftment of the groups intended to benefit from government transformation objectives.

Licence holders not exempt from the B-BBEE Codes are required to undergo annual evaluations by accredited B-BBEE rating agencies and submit their verification certificates to the Board. Where licence holders fail to meet B-BBEE targets or conditions, they must provide explanations for non-compliance and outline corrective measures to meet the required levels or targets.

In addition to B-BBEE transformation objectives, many licence holders have made binding Corporate Social Investment commitments across various regions and causes, aligned with the conditions of their licences. These commitments are audited annually as part of the Board's licence renewal process.

The Route Operator, Casino and Bookmaker sectors all maintain CSI projects with measurable plans and objectives and perform well in terms of B-BBEE certification issued by accredited verification agencies.

At the national level, the National Gambling Board of South Africa monitors and publishes data on transformation and growth within the gambling industry. Data indicates that, both nationally and in the Western Cape, financial interest and shareholding in the gambling industry are concentrated among a few major role players with interests across all gambling sectors. This results in centralised control and uniform policy implementation, particularly in the Casino and Route Operator sectors, while broader economic participation is more evident in Limited Pay-out Machine (LPM) sites and the bookmaking sector.

As new gambling modes are approved, the Board is committed to creating an enabling environment that promotes the empowerment of new market entrants and expands the scope for broad-based empowerment.

The Supreme Court of Appeal has outlined a four-stage process that the Board must follow when reviewing B-BBEE commitments of licence holders annually. In alignment with the Court's guidance, the Board finalised a new B-BBEE policy during the 2023/24 financial year, following industry engagement. The policy outlines the WCGRB's B-BBEE objectives for the gambling and racing industry in the Western Cape and defines the quarterly and annual processes to be followed. This ensures that the implementation of B-BBEE is legally compliant, and both procedurally and substantively fair.

2.1.5 EXPANSION OF GAMBLING INDUSTRY

The WCGRB Board is authorised to approve only legislated modes of gambling for offering by licensed gambling operators. To date, the Board has approved casino licences, a totalisator licence, Type A LPM licences and bookmaker licences. Other forms of gambling that have not yet been rolled out by the Board include bingo licences, as well as Type B, C, and D LPM licences and junket licences.

Expansion of the gambling industry in the Western Cape could potentially include the introduction of the remaining LPM licence types, bingo, junkets and an increase in bookmaker offerings.

The Board is currently considering the relocation application of a casino licence. This process is in its final stages, with a Board resolution expected during the 2025/26 financial year. While not introducing a new mode of gambling, the relocation is expected to enhance and expand the existing casino's offering to the public.

To date, the Board has licensed 3 000 of its 9 000 allotted LPMs for rollout in the province. A further 1 500 LPMs may be rolled out, after which the National Gambling Board is required to conduct research into gambling prevalence and market appetite in the province to inform the possible rollout of the remaining 4 500 LPMs.

The Board has rolled out Type A LPM site licences, which permit site operators to offer up to five (5) LPMs for play by patrons at licensed establishments.

Type B site licences allow for the operation of up to 20 LPMs; Type C licences, up to 40 LPMs; and Type D licences permit an independent site operator to offer up to 40 LPMs. These categories of LPM site licences require additional regulatory approvals and are subject to distinct investment and operational requirements.

The Board is currently implementing the necessary regulatory measures to facilitate the rollout of Type B LPM sites. Applications for Type B licences have been received and will be considered once the regulatory framework has been finalised and approved.

The Board will also endeavour to prepare and approve the regulatory frameworks for bingo during the 2025/26 financial year.

Beyond the economic benefits to licence holders and the gambling taxes accruing to the Province, the expansion of gambling opportunities also creates employment and enables the entry of new participants into the gambling industry. Additionally, the broader community benefits from corporate social investment, infrastructure development, staff training, learnerships and work experience opportunities.

2.1.6 INDUSTRY DEVELOPMENTS

Sports betting

Since 2020, individuals and businesses have increasingly migrated towards online commerce and digitisation across various sectors. This shift has fuelled growth in e-commerce and, correspondingly, an exponential rise in remote betting transactions via online, mobile and telephone platforms. Patrons are now able to place bets from any location, eliminating the need to visit physical gambling venues or betting premises.

This shift has led to an increase in tax collections related to sports betting conducted via remote channels. The Board has noted a significant expansion in both betting contingencies and product offerings, providing a broader variety of betting options now made available by licensed bookmakers.

The rise in sports betting has led to a marked decline in patronage at LPM sites and casinos. Consequently, these sectors have experienced reduced revenues and are struggling to return to pre-pandemic financial levels, indicating stagnation within those industries.

Horse racing

Horse racing, as a betting contingency, has declined in popularity. The Board has observed a substantial decrease in betting tax revenue from this activity in recent years, including both tote (open bets) and fixed-odds betting.

The Totalisator Operator is currently exploring new initiatives that may reinvigorate interest in horse racing and reposition racecourses as attractive leisure destinations. However, legislative amendments will be necessary to give effect to these proposals, and research is ongoing to support this process.

Interactive/online gambling

Both international and local developments in e-commerce have strengthened calls for the legalisation and regulation of interactive (online) gambling. South Africa, however, continues to uphold a statutory prohibition on interactive gambling. As a result, there are no legal online alternatives available to the public, who may therefore resort to illegal gambling with unlicensed and unscrupulous operators.

These unlicensed operators do not contribute to tax revenue, are not subject to responsible gambling obligations and do not generate meaningful employment. Meanwhile, licensed operators must compete with these illegal entities, which remain difficult to permanently shut down. The State has a duty to detect and act against illegal gambling operators, and the WCGRB has made notable progress in this regard.

Licensed operators undergo a thorough vetting and licensing process to ensure that the legal gambling industry remains free of corruption and unlawful activities. In support of regulatory reform, the Board has submitted policy recommendations at the national level advocating for a regulated interactive gambling regime.
On 8 November 2024, a notice was published in the Government Gazette stating that Mr. Roger William Tobias Chance, Member of Parliament, intends to introduce the Remote Gambling Bill, 2024 in the National Assembly. The Bill seeks to establish a legal framework for the regulation, licensing, and control of all remote gambling activities and to enable the creation of an efficient and effective regulatory regime for remote gambling in South Africa.

Draft Amendments Bills/Policy Determinations

The Provincial Government is undertaking a comprehensive review of the gambling industry in the Western Cape and is in the process of preparing a Green Paper to support a policy review and amendments to the Western Cape Gambling and Racing Act, 1996 (as amended).

It is anticipated that existing Policy Determinations will be repealed by the new Amendment Act. This Act will, among other changes, enable the relocation of casinos within the Western Cape and accommodate technological advancements in the gambling sector.

The Draft Western Cape Twentieth Gambling and Racing Amendment Bill, 2025 was published for public comment on 6 June 2025. The Bill proposes the introduction of an Economic Opportunity Tax, payable by a casino operator whose application for casino relocation is approved.

Following a High Court judgment that declared certain provisions of the Policy Determinations invalid or expired, the previous requirement that one casino be located in each of the five provincial regions is no longer applicable. As a result, casino operators are now eligible to apply to the Board for relocation.

The Board has received an application for the relocation of one of the outer-lying casinos to the Metropole. The Board is considering the application, including all comments, objections, and supporting documents—such as various economic reports submitted by the Applicant and a third-party, as well as the economic report of an Independent Economist appointed by the Board. A final decision on the relocation application is expected to be made during the 2025/26 financial year.

Research Initiatives

In terms of Section 12(19) of the Act, the Board is empowered to conduct studies and investigations into gambling activities throughout the Province.

Accordingly, the WCGRB commissioned research into the prevalence of gambling and the incidence of problem gambling related to activities licensed by the Board. The study addressed the following key areas:

1. The socio-economic impact of gambling in the Western Cape;
2. The level of market saturation, gambling prevalence and the impact of licensed gambling opportunities;
3. Evaluation of harm minimisation tools and play management systems employed by licence holders; and
4. The effectiveness of responsible gambling tools in minimising harm.

As a regulator, the Board must ensure that the expansion of gambling opportunities is undertaken responsibly, avoiding overstimulation of latent demand. The research outcomes will inform the Board's future decision-making regarding the approval of additional licences and its strategy on curbing illegal gambling and promoting responsible gambling.

The final research report was approved by the Board on 29 July 2025.

Responsible gambling

Problem gambling is an unintended but known risk of legalised gambling. The Board remains committed to promoting responsible gambling and continues to implement various initiatives under the guidance of its Responsible Gambling Committee.

During the past financial year, there has been heightened public awareness regarding both the benefits of responsible gambling and the dangers associated with problem gambling. Resources are available for individuals seeking assistance, and licence holders are encouraged to identify early indicators of at-risk gambling behaviours.

The self-exclusion process is one tool that restricts individuals from accessing licensed gambling establishments. However, the Board's overarching goal is to educate both the general and gambling public to such an extent that self-exclusion becomes unnecessary.

Based on the increase in self-exclusion requests, it is reasonable to conclude that the Board's awareness initiatives are having a positive impact. In the 2024/25 financial year, the Board processed 452 self-exclusion applications — a 500% increase compared to the previous year.

Amendments to the Western Cape Gambling and Racing General Rules relating to responsible gambling are expected to come into effect during the 2025/26 financial year. These changes are anticipated to significantly enhance the Board's efforts to promote responsible gambling measures within the industry.

2.1.7 BOARD AWARENESS PROGRAMMES

The Preamble to the Western Cape Gambling and Racing Act recognises that opportunities for gambling and racing pose particular risks to the inhabitants of the Province, thereby justifying the imposition of appropriate restrictions and controls. This recognition justifies the imposition of appropriate restrictions and controls. Accordingly, it is essential that the Board educates the public about the dangers of gambling and ensures that licence holders implement responsible gambling measures.

The Board continues to raise awareness about its purpose and mandate, legal forms of gambling, problem gambling, available support services for those experiencing gambling-related harm, as well as the risks associated with illegal gambling and the importance of reporting such activities.

During the year under review, the Board conducted four (4) awareness programmes, including those held in collaboration with the Thusong Programme. Additionally, the Board partnered with the SARGF for a week-long outreach in the Southern Cape. During this initiative, eleven (11) schools were visited, and the "Taking Risks Wisely" programme was presented to learners.

The Board hosted a Responsible Gambling Awareness Campaign for Grade 10 learners on Thursday, 27 March 2025. One of the Board's key functions is to educate the public about responsible gambling and the social ills associated with it. This includes raising awareness among youth about the dangers of underage gambling.

For this initiative, the Board partnered with the South African Responsible Gambling Foundation (SARGF) and the Hollywood Foundation.

In terms of section 71(2) of the Western Cape Gambling and Racing Act ("the Act"), no person under the age of eighteen years may:

(a.) Enter any area where gambling takes place;
(b.) Participate in any gambling activity, or handle or operate a gambling machine; or
(c.) Enforce any gambling debt, notwithstanding the provisions of section 79.

Section 72(3) of the Act further states: ***"No license holder or employee of a license holder shall permit any person under the age of eighteen years to enter or remain in any area where gambling takes place, or to take part in any gambling activity, or to handle or operate a gambling device. No parent or guardian of a person under the age of eighteen years shall permit such person to enter or remain in any area where gambling takes place, or to take part in any gambling activity, or to handle or operate a gambling device."***

The Responsible Gambling Awareness Event was attended by thirteen (13) schools from across the Western Cape. The programme focused on educating learners about the dangers of underage gambling, introducing them to career opportunities in the gambling industry, and featured South African cricketer Vernon Philander, who delivered an inspiring address encouraging learners to avoid gambling and pursue their goals.

The event was well received and was held in the presence of learners' teachers and school representatives.

Of significant concern to the Board was the number of learners who indicated that they are actively engaging in gambling activities, including sports betting. This suggests that some underage individuals may be accessing gambling platforms using adult credentials, which is highly disconcerting.

The WCGRB remains committed to fulfilling its mandate by promoting responsible gambling and protecting vulnerable individuals - particularly the youth. These efforts are taken seriously, with ongoing initiatives to raise awareness about the risks of underage gambling. The WCGRB looks forward to hosting similar events in the future to further educate and empower communities.

2.1.8 ELIMINATION OF ILLEGAL GAMBLING

During the year under review, 104 allegations of illegal gambling were reported to the Board.

Details of these allegations are as follows:
- All 104 allegations were fully investigated within 30 days;
- 80 of these allegations were confirmed as illegal gambling establishments; and
- In 24 cases, no illegal gambling could be established.

The Board extends its gratitude to the SAPS, provincial law enforcement agencies and community policing forums for their assistance during the year under review. Without their support, the Board would not have been able to successfully combat illegal gambling in communities.

2.1.9 CORPORATE SOCIAL INVESTMENT

The WCGRB remains financially dependent on public funding to fulfill its legislated mandate, as it is not self-sufficient. Any savings from its approved budget are surrendered to the Western Cape Provincial Fund unless specific approval is granted for retention to fund designated projects. Due to this reliance on public funds, the WCGRB is generally unable to make significant contributions to corporate social investment (CSI) initiatives.

However, the WCGRB partnered with one of its licence holders as part of their "Back to School" campaign, contributing R45 947.18 towards school shoes and stationery for a pre-primary school and a child welfare institution. The donation was warmly received, with parents and educators expressing gratitude for the much-needed resources.

The WCGRB also oversees the CSI contributions of licence holders, most of whom make meaningful contributions within their respective communities. The casino and LPM sectors have formalised CSI programmes, while bookmakers currently make voluntary contributions. Formalised industry CSI contributions amounted to R15 937 127 during the year under review, whereas voluntary contributions remain unquantified.

2.1.10 TECHNOLOGY AND INFORMATION

Technological innovations, particularly in the ICT sector, continue to be the primary drivers of technological, social, economic and cultural change. ICT advancements have accelerated rapid shifts, challenging organisations to rethink traditional business practices.

Global organisations face unique challenges that require a re-evaluation of existing strategies and the adoption of alternative mechanisms to ensure business continuity. Dependence on energy-efficient computing, skilled workforce talent, artificial intelligence, data and information security, digital technology, transformation and connectivity has impacted organisations' strengths, weaknesses, opportunities and threats. As internet traffic, connected devices, the Internet of Things, and AI adoption grow, so too does the threat of cyber-attacks. This escalation increases the demand for IT security products, ICT governance, software, services and expertise.

The Office of the Board was not immune to these challenges and undertook a thorough assessment of its capabilities to maintain effective operations. The WCGRB strengthened its ICT workforce, enhanced network capacity for a distributed workforce, upgraded its electricity supply and improved information and physical security measures. Employees were equipped with necessary tools to facilitate work-from-home (WFH) arrangements. Secure remote access was enabled through virtual private networks (VPNs), allowing access to the WCGRB network, production systems, collaboration tools and digital platforms. Key governance documents - including the WCGRB Security Policies and Oath of Secrecy, the Code of Conduct, and Sections 17 and 19A of the WCGRA - were communicated to all employees to safeguard information and data.

Beyond enabling remote work, WCGRB's video conferencing, collaboration and communication capabilities supported distributed work environments, facilitating Board, Committee, and departmental meetings, information sharing, remote support and staff training. Stakeholder communication continued through telephone, email and video conferencing platforms.

The Finance and IT Committee, alongside the Audit and Risk Committee, holds oversight responsibility for the effectiveness and efficiency of the Board's ICT resources. Quarterly internal ICT and audit reports are presented to these committees to ensure robust controls over internal ICT governance and security. Risks and controls related to ICT functions are incorporated into the Board's Risk Register and managed accordingly. ICT operations are managed via the WCGRB Service Desk Management system, with routine maintenance performed through a distributed methodology.

A key focus area for the Board remains advancing business process automation. The digitised automation system, Genesis, continued to enable the gambling industry to submit licence applications online. Additionally, an automated Request Fulfilment System was implemented for the Regulatory Compliance Department to streamline the processing of approval requests. This development will further facilitate industry submissions to the Office of the Board.

Technological advancements continue to foster new and innovative gambling methods, with online betting emerging as a rapidly growing market. Over the past four years, online betting has increased exponentially compared to other forms of gambling such as casinos, LPMs, and the Totalisator. Regulators must remain sufficiently trained and staffed to respond to the ongoing technological changes within the gambling industry.

2.1.11 CONFERENCE ATTENDANCES

Conferences dedicated to the gambling industry provide valuable insights into regulatory innovations, new market products, emerging trends, responsible gambling techniques and solutions to industry challenges. They also offer opportunities to engage with regulators, operators, manufacturers and researchers from jurisdictions worldwide. The exchange of ideas and the relationships formed are invaluable. The WCGRB has consulted many of these contacts in the past and will undoubtedly continue to do so in the future.

To manage expenditure, the WCGRB typically attends four conferences annually. Each event is directly relevant to the gambling industry and addresses current, pressing issues affecting the sector.

Given the rapid pace of technological change, it is crucial for the WCGRB to stay informed about developments and the challenges they may bring.

Following each conference, the WCGRB prepares a report summarizing the key content, lessons learned, and the value gained, which informs its practices and activities.

2.1.12 CORPORATE GOVERNANCE DISCLOSURES REQUIRED BY KING IV CODE

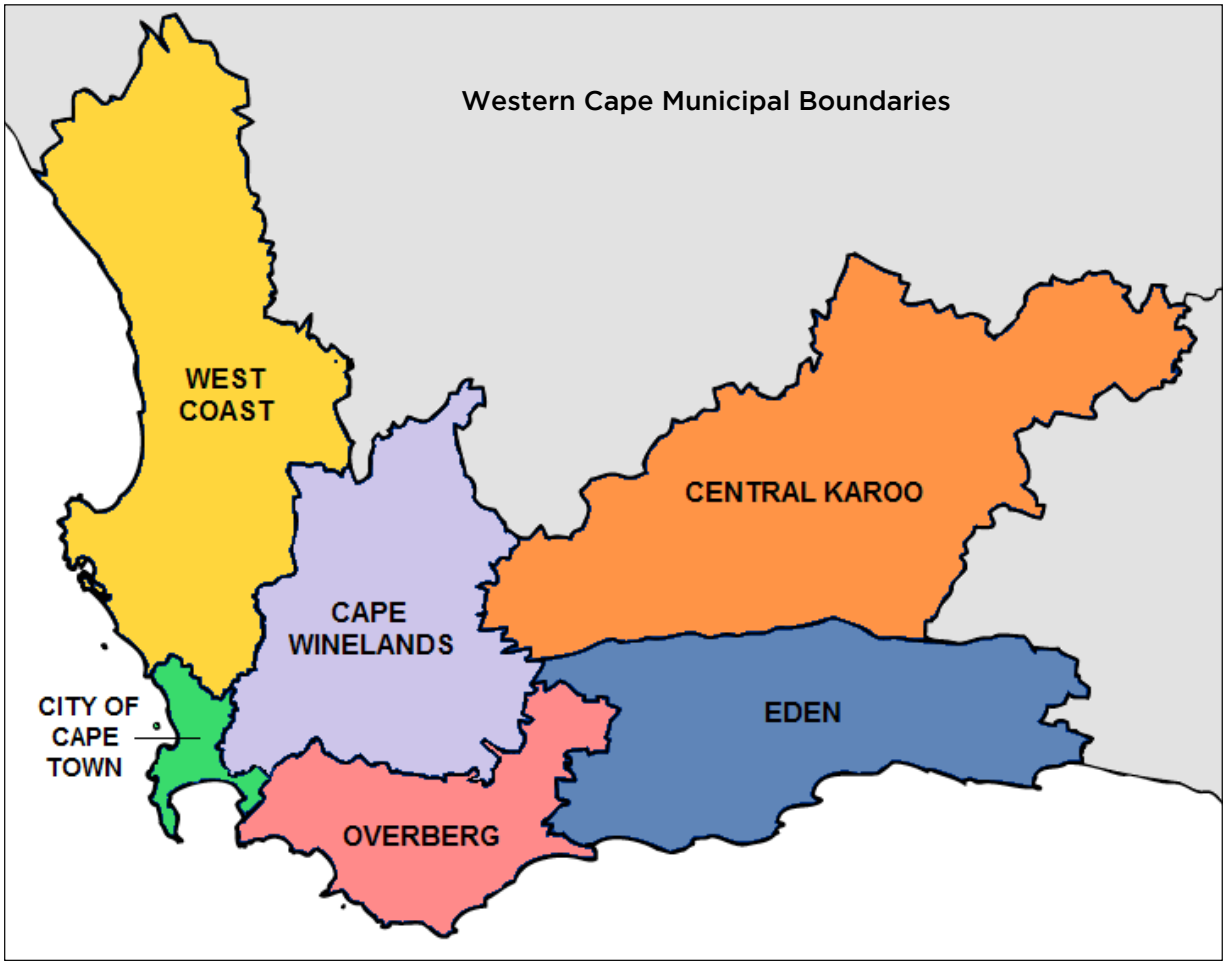
In terms of the King IV Code, the Board is required to make certain disclosures pertaining to corporate governance. The Board's King IV Report is accessible on the Board's website at www.wcgrb.co.za.

2.1.13 SERVICE DELIVERY ENVIRONMENT

As at 31 March 2025, the legal gambling and racing industry in the Western Cape, which spans the full geographical area of the Western Cape, comprised of:

Licence Activity	31 March 2025	31 March 2024
Licensed casinos	5	5
Licensed limited pay-out machine operators	2	2
Licensed bookmakers	69	64
Licensed totalisator	1	1
Licensed premises	682 (469 LPMs 170 Bookmakers 43 Totalisators)	702 (486 LPMs 171 Bookmakers 45 Totalisators)
Licensed gambling devices	6 834	6 834
Employee licences*	7 959	6 480

*The Board only responds to the applications duly received from the industry



Geographical Spread of Licensed Gambling Operations

Premises	1 City of Cape Town	2 Eden	3 Cape Winelands	4 Overberg	5 West Coast	6 Central Karoo
Casinos - 5	1	1	1	1	1	0
LPM Sites - 469	292	46	37	39	42	13
Bookmakers - 170	151	3	9	2	5	0
Totalisator - 43	37	1	4	0	1	0

2.2 ORGANISATIONAL ENVIRONMENT AND STRUCTURE

As at 31 March 2025, the Minister of Finance had appointed seven (7) members to the Board. The Board operates within an approved organisational structure comprising 115 positions. Of these, 74 positions were funded, with 65 filled and 9 remaining vacant. Recruitment for these critical vacancies is actively underway.

The increase in the total number of approved posts follows a recently concluded organisational structure review, undertaken to ensure that the Board's human resource capacity aligns with its operational requirements and strategic direction. This review was informed by the continued year-on-year growth of the gambling and racing industry, as well as the Board's decision to expand the range of regulated gambling offerings within the Western Cape.

The current workforce has proven increasingly inadequate to meet both existing operational demands and the anticipated rise in licence applications and compliance oversight due to industry expansion. In response, the Board resolved to conduct a comprehensive review of its structure to better equip the organisation to meet its evolving responsibilities.

As a result of this process, an additional 41 posts were approved. However, due to budget constraints, these positions remain unfunded. This presents a significant challenge to the full implementation of the revised structure and restricts the Board's ability to build the required internal capacity.

A formal request for additional funding has been submitted to Provincial Treasury (PT) to support the operationalisation of the revised structure. The Board continues to engage with key stakeholders in an effort to secure the necessary resources.

The ongoing lack of funding and the largely unchanged organisational structure since the Board's establishment continue to impede its ability to attract and retain skilled personnel. These challenges not only affect operational efficiency but also contribute to low staff morale.

2.2.1 ACCOMMODATION

Following a cost-benefit analysis evaluating whether to continue leasing a building or to acquire one to accommodate its operations, the WCGRB concluded that owning a building would be more beneficial, both financially and logistically. The then Department of Transport and Public Works—now the Department of Infrastructure (DoI)—assisted the WCGRB with the acquisition and managed certain renovations to allow for temporary occupation and use of the premises.

The DoI informed the WCGRB that it had contracted service providers who could be utilised for the renovations and that it would take on the project management role. Several meetings were held between the WCGRB and the DoI to discuss the required renovations, and the WCGRB was most grateful for the expertise brought by the DoI.

Relying on the DoI's commitment to manage the refurbishment and renovation process, progress was suspended for approximately 18 months. However, the DoI later advised that it would no longer be providing support for the renovations. As a result, the WCGRB was compelled to take on the project management responsibilities itself, despite lacking the necessary expertise, and incurred unforeseen costs.

Through its SCM process, the WCGRB subsequently appointed a professional project manager to assist. To date, the planning, design and scheduling phases of the project have been completed. The SCM process to appoint the contractor - along with subsequent construction activities - will now commence.

The project manager has estimated the completion of the project, including snag list items, to be no later than 30 June 2026 under a worst-case scenario.

The WCGRB continues to operate under a hybrid work-from-home and in-office model and will maintain this arrangement until the new building is fully operational.

Initially, the WCGRB received approval to retain R31.5 million for purposes of acquiring office accommodation. The building was purchased for R22 million, supplemented by discounted rental income of R1 million (originally R1.485 million), plus VAT of R3.3 million - totalling R26.3 million. This left a balance of R6 million available for renovation costs. An additional R9.6 million from the

2022/23 financial year surplus was also approved for retention. The WCGRB is awaiting approval to access the original R6 million. If granted, a total of R15.6 million would be available for the completion of the project.

However, the building no longer meets updated health, safety and fire regulations. The cost of ensuring full compliance is likely to exceed the currently available funds, particularly when VAT is included.

2.2.2 OCCUPATIONAL HEALTH AND SAFETY MEASURES

In accordance with the Occupational Health and Safety Act (OHASA), the employer is obligated to provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of employees.

To ensure compliance with OHASA requirements, the Board has established an Occupational Health and Safety Committee (OHASA Committee), comprising representatives from all departments within the organisation. The committee has been equipped with the necessary resources to carry out its mandate effectively, including monitoring workplace conditions and implementing preventative measures to mitigate risks.

2.2.3 TRAINING AND DEVELOPMENT

The re-skilling and up-skilling of staff remain top priorities for the Board, as these are critical to the effective utilisation and development of its human capital. Investing in the growth and competencies of employees supports organisational performance and long-term sustainability.

Over the past year, the Board invested R338 686 in employee training and development, representing approximately 0.62% of the total cost of employment. Training initiatives were implemented across all organisational levels and designed to enhance professional competencies, broaden knowledge, and strengthen skills in alignment with the Board's strategic objectives.

Given the evolving nature of the gambling industry, it is also essential for Board members to remain informed and capable of fulfilling their governance responsibilities. To this end, all Board members are registered with the Institute of Directors in South Africa (IoDSA). The IoDSA provides practical support and development services aimed at strengthening governance capabilities and promoting sound governance practices.

Additionally, attendance at relevant conferences and industry events is actively encouraged and supported, ensuring that both management and Board members remain up to date with industry trends, regulatory developments and emerging best practices.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

The gambling industry is a technology-driven sector that demands rapid innovation and quick turnaround times for regulatory approvals. The Board continuously reviews its processes and is working towards greater automation within its regulatory environment.

The Western Cape Provincial Treasury (WCPT) has commissioned research into the economic and policy frameworks applicable to the gambling industry in the Western Cape. An external service provider is conducting this research, and the findings and recommendations will inform the development of a Green and White Paper on Gambling Regulation. These outcomes may ultimately result in a revised policy landscape for gambling regulation in the province.

2.3.1 LITIGATION

The gambling industry proves to be very litigious resulting in the Board's decisions and actions often being challenged based on the vested economic interest of licence holders and other role-players. Some matters are purely of public interest or in certain instances, the judgement pronounced by our Courts provide legal certainty on matters where the Board and a licence holder have differing legal views. In such instances, the parties usually agree that the appropriate avenue is to obtain a declaratory order. As a regulator, the Board considers broader public interest issues and not purely the commercial interest. The Board therefore does not participate in all litigious matters where it is cited as an interested party but bases its determinations on whether to participate in the litigation on the nature of the relief sought and the legal implications on the Board's mandate and the industry it regulates.

A casino operator applied for a Declaratory Order confirming, amongst others, that Free Play credits do not constitute a "drop" for the purpose of the computation of adjusted gross revenue and does not form part of the taxable revenue per Section 64 of the Act, read with Schedule III, citing the Board and the Provincial Minister for Finance, Western Cape as Respondents. Furthermore, that the Court directs, should it make a determination that the Applicants indeed paid taxes that are not due in terms of the legal argument before Court, any overpayment of taxes to be refunded or set-off against the future tax liability of the Applicants. Judgement was delivered on 29 April 2020 in favour of the Applicant, where the Court held that Free Play does not constitute part of the "drop" for purposes of the computation of adjusted gross revenue, and do not form part of taxable revenue in terms of Section 64 of the Act read with Schedule III. The Board was ordered to set off the overpaid taxes against the Applicant's future tax liabilities accruing in terms of Section 64 of the Act. The Board and the Minister was granted leave to appeal to the SCA, and judgement was granted in favour of the Board. The Applicants filed a Notice of Application for Leave to Appeal to the Constitutional Court. Both the Board and the Minister of Finance and Economic Opportunities filed a Notice of Opposition and Founding Affidavits to the Constitutional Court. The matter was heard at the Constitutional Court on 4 February 2025 and judgement has been reserved.

The Lotteries Operator and Commission challenged the legality and constitutionality of a Bookmaker who offers bets on any lottery in terms of the gambling license issued by the relevant Provincial Licensing Authority / Gambling Board, and whether this is in contravention of Section 57(2)(g) of the Lotteries Act. On Appeal to the High Court the Full Court held that:

(i) The scheme, plan, arrangement or system of the Bookmaker whereby it offers bets, whether or not of a fixed-odd nature, on the outcome of lotteries is declared unlawful;
(ii) The Bookmaker is interdicted from offering bets, whether or not of a fixed-odd nature, on the outcome of any lottery; and
(iii) The Bookmaker, the relevant Board and another Bookmaker are directed to pay the costs of the Lottery Operator.

The SCA issued an order directing that all interested parties be informed of the matter and to indicate if they will be joining the proceedings. The WCGRB informed all licenced Bookmakers of the SCA proceedings. The Board has filed a Notice of its Intention to Participate in the proceedings, as well as its Application to intervene into the proceedings. A further directive and /or set down date is awaited.

2.3.2 CURRENT LEGISLATIVE CONSIDERATIONS

The National Gambling Amendment Bill (B27B-2018) was published in 2018. The Bill seeks to amend the National Gambling Act (2006) to change the configuration of the National Gambling Board into a functioning entity reporting to the DTIC, with a Chief Executive Officer at the helm of the entity. The Bill also seeks, amongst others, to introduce certain statutory fees for centralised monitoring of provincially licensed gambling operators and to deal with governance matters pertaining to the National Gambling Policy Council. The Bill was considered by both houses of Parliament and was rejected by the National Council of Provinces on 14 December 2021 and has been referred to the Mediation Committee in terms of Joint Rule 186(1) (a). The Bill lapsed in terms of National Assembly Rule 333(2), on 21 May 2024. The Bill was revived on 25 July 2024 in the National Assembly. The Bill was referred to the Mediation Committee, on 15 May 2025, for consideration. The Provincial Licensing Authorities and National Gambling Board was requested to provide comments of four specific aspects of the Bill, which were presented to the Mediation Committee on 28 May 2025. The Committee deliberated on the Bill and formally considered and adopted it on Friday, 13 June 2025. A new version of the Bill B27D-2018, is still to be published.

The Western Cape Nineteenth Gambling and Racing Amendment Act (2021) ("Nineteenth Amendment Act") was published in the Provincial Gazette on 23 June 2021. The Nineteenth Amendment Act prescribed new Casino Operator fees and Route Operator fees, and would have significantly bolstered the Board's objective of becoming self-sufficient in terms of its budgetary requirements. The Nineteenth Amendment Act was, however, never brought into operation. The Draft Western Cape Nineteenth Gambling and Racing Amendment Act Repeal Bill, 2022 ("the Repeal Bill") set out the legislative drafting process relevant to the Nineteenth Amendment Act, confirms that the objective of same was to promote and facilitate the financial self-sufficiency of the Board, for certain fees to be payable to the Board, the charging of casino operator fees, amendments to provisions relating to limited gambling machine operator fees and matters incidental thereto. The Repeal Bill indicated that, due to the far-reaching consequences of the COVID-19 pandemic on the gambling industry, Provincial Treasury is in the process of undertaking a comprehensive review of the gambling and

racing environment in the Western Cape, with a Policy Review Process underway. Furthermore, that promoting and facilitating the financial self-sufficiency of the Board remains an important objective of the Western Cape Government. The Western Cape Nineteenth Gambling and Racing Amendment Act, Repeal Act, 2022 ("the Repeal Act") was assented to on 10 January 2024 and repeals the "Nineteenth Amendment Act".

The Draft Western Cape Twentieth Gambling and Racing Amendment Bill, 2025 was published, for comment, on 6 June 2025 which provides for the payment of an Economic Opportunity Tax by the holder of a Casino Operator licence whose application, for the relocation of its Casino, is granted. The Bill sets out how this tax will be calculated and the time period for which same will be payable by a Casino Operator.

The Remote Gambling Bill (B11-2024) was introduced in the National Assembly on 16 April 2024. A major change to the Bill is that it authorises the Provinces, and not the National Gambling Board, to regulate the issuing of licenses, and collecting the prescribed fees within its Province. The purpose of the Bill is to provide a legal basis for the regulation and control of all remote gambling activities and to ensure an efficient and effective remote gambling regulatory regime in the Republic of South Africa. The Bill also provides for uniform norms and standards in respect of remote gambling to be applicable throughout the Republic, to prevent and protect minors, and vulnerable persons from being exposed to the negative effects of gambling, and to protect players, the public and licensed remote gambling operators. A Notice was published in the Gazette on 8 November 2024 indicating the Mr Roger William Tobias Chance, MP intends to introduce the Remote Gambling Bill, 2024, in the National Assembly of Parliament. This version of the Bill is same as the version that was published on 16 April 2024.

The Western Cape Gambling and Racing Regulations, 1996: Draft Amendment, 2022 was published for comment on 10 June 2022. It prescribes the Regulations applicable to amendment of licence, the maximum number of casino operator licences in the City of Cape Town and the radius between casinos, information for applications relating to relocation of a casino, and payment of a monthly economic opportunity tax.

The Western Cape Gambling and Racing Regulations (Fees and Costs, 2016) and Draft Second Amendment (2022) was published for comment on 10 June 2022 and provides for any hearing, investigation or enquiry relating to the relocation of a business or activity contemplated in Section 41B (1) of the Act.

The Western Cape Gambling and Racing Regulations (Fees and Cost 2016): Amendment, 2025 were updated and published in the Gazette on 31 March 2025 to effect inflationary increases to the statutory application, licence and investigation fees. These fees are adjusted annually for inflation and the adjusted fees took effect on 1 April 2025.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Impact Statement: An optimally regulated gambling industry.

Outcomes:

- The Board's structures, resources and processes utilised for effective, efficient and optimal performance of its mandate. This programme achieved eight (8) out of ten (10) planned outputs for the year under review, with one output being partially achieved.
- The Licensing Department ensures that all individuals and entities operating within the gambling industry meet the required suitability standards. A key priority remains the thorough assessment of applicants - both natural and juristic persons - to uphold integrity in licence issuance. To further streamline operations, the department is continuing with the implementation of an electronic portal for all gambling modes for submitting and processing licence applications, enhancing efficiency while maintaining rigorous compliance checks. In addition to evaluating suitability, the programme remains committed to processing all new and renewal licence applications in accordance with annual performance targets, thereby contributing to the broader five-year strategic objectives. This balanced approach safeguards regulatory compliance while supporting industry stakeholders through an improved licensing framework. This programme achieved two (2) out of three (3) planned outputs for the year under review, with one output being partially achieved.

- Gambling and betting activities in the Western Cape are compliant with legislative provisions and regulatory requirements. The programme is responsible for enforcing gambling and related compliance in respect to legislative provisions and regulatory requirements on all licence holders who expose gambling and betting activities for public pay as well as the timely investigation of allegations of illegal gambling activities in the Province. This programme achieved all two (2) of its planned outputs for the year under review.
- Innovative, functional, reliable and secure ICT solutions and systems provided. The programme is responsible for applying the essential ICT operational efficiencies, management, agility, good governance and reliable and secure systems for the Office of the Board. These aspects enabled the Programme to achieve all planned output targets for the year and thereby was aligned with the five-year objectives as well.

4. PROGRAMME PERFORMANCE INFORMATION

Programme 1: Board and Administration

Programme Purpose

To assist the Minister and give effect to the legislative mandate accorded to the Western Cape Gambling and Racing Board.

Outcomes

The Board's structures, resources and processes utilised for effective, efficient and optimal performance of its mandate.

Programme Structure

The programme consists of seven Board Members, the Chief Executive Officer, the Legal Manager, Senior Legal Advisor: Legal Services, the Chief Financial Officer, the Senior Financial Officer, the Senior Administration Officer, Human Resource Manager, HR Administrator, the Board Secretary and ten approved support staff.

The programme is structured as follows:
- Board
- Executive
- Legal Services
- Human Resources
- Administration and Finance

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During the 2024/2025 financial year, the following in-year changes were effected in respect of the performance indicator of the Programme:
Indicator 1.9, the Indicator Reporting cycle in the Performance table on page 41 is Annual, while the TID on page 62 suggests it is quarterly. Changes due to administrative error.
Indicator 1.9, the calculation type in the TID was corrected to Non-cumulative.

Programme 1: Board and Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achieve-ment 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
The Board's structures, resources and processes utilised for effective, efficient and optimal performance of its mandate.	Board meetings where resolutions are adopted and given effect to within specified time period	1.1 Number of quorate meetings of Board members for 2024/25 year	18	14	16	23	+7	• 26 April Ad-hoc Board meeting (Consider HOD: Licensing appointment) • 16 May Ad-hoc Board meeting (HOD Licensing salary request) • 24 May Ad-hoc Board meeting (Score allocation following Manager: Legal Services Interviews) • 8 July ad-hoc meeting (Following Legal Manager Candidate competency feedback) • 2 Sept ad-hoc meeting (Patron Dispute Hearing) • 29 Nov ad-hoc Board meeting following CEO Interview • 23 Jan ad-hoc Board meeting - FTI Consultants presentation to Board on Economic Assessment Report re Tsogo Sun Caledon casino Relocation Application

Programme 1: Board and Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achieve-ment 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
The Board's structures, resources and processes utilised for effective, efficient and optimal performance of its mandate.	Board meetings where resolutions are adopted and given effect to within specified time period	1.2 Board resolutions actioned by next Board meeting	94%	94%	95%	92% (86 out of 93)	-3%	Due to third party reliance and resource constraints. WCGRB is reliant on third parties for legal opinions and services over which the WCGRB has no control over.
	Licence holders' CSI Commitments complied with	1.3 Number of operators' CSI programmes verified by Board committees	6	6	6	6	-	None
	Public awareness of the Board's role and functions.	1.4 Number of awareness programmes facilitated by the Board	New output indicator	4	4	4	-	None
	Legal opinions drafted to guide Board and Office on legal implications of decisions taken	1.5 Percentage of legal opinions prepared and submitted within 30 days of receipt of request for an opinion	New output indicator	100%	90%	100% (22 out of 22)	+10%	All the requests for legal opinions within the control of the Legal Services Department were actioned and finalised within 30 days and hence 100% achieved.
	Compliance to Human Resources regulatory reporting requirements	1.6 Number of Regulatory reports timeously submitted to Department of Labour	1	1	1	1	-	None

Programme 1: Board and Administration								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achieve-ment 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
The Board's structures, resources and processes utilised for effective, efficient and optimal performance of its mandate.	A skilled, motivated and committed workforce	1.7 Number of reports on the implementation of the HR Plan	4	4	4	4	-	None
	A skilled, motivated and committed workforce	1.8 Number of workplace skills plan timeously submitted to Cathsseta	New output indicator	New output indicator	1	0	-1	The deadline for submitting Workplace Skills Plans (WSPs) and Annual Training Reports (ATRs) in South Africa is April 30th each year. The performance indicator will be moved to Q1 in the new APP.
	Implementation of the approved Organisational Structure Review Outcome	1.9 Approved implementation plan for the roll-out and monitoring of the structure after implementation	New output indicator	New output indicator	1	1	-	None
	Effective and efficient financial administration	1.10 Number of financial reports to stakeholders	33	33	33	33	-	None

Analysis of performance

The Programme is tasked with ensuring that the directives and resolutions of the Board is actioned. The Programme has achieved eight (8) of its ten (10) set targets. The Office of the Board has implemented the resolutions of the Board who in turn took such resolutions to give effect to its legislated mandate. The Board as a whole has successfully executed its mandate.

Strategy to overcome areas of underperformance

Indicator 1.2 Board resolutions actioned by next Board meeting: Resource constraints addressed by reprioritising. Third party reliance to be excluded.

Indicator 1.8 Number of workplace skills plan timeously submitted to Cathsseta: The target will be moved to Q1 of FY2026 to align with the legislated submission dates

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R
Board and Administration	39 923 426	33 400 391	6 523 035	65 119 728	57 516 153	7 603 575

The underspending primarily relates to capital assets. As part of the FY2024/25 Budget, the Minister for Finance and Economic Opportunities approved the roll-over of funds amounting to R6 225 000. These funds were intended for the refurbishment of the Board's office accommodation. However, due to limited internal capacity, the Board appointed a project manager to oversee the refurbishment project. The planning phase was still in progress at year-end; consequently, the Board was unable to utilise the roll-over funds during the reporting period.

Programme 2: Licensing

Programme Purpose

The Licensing Department is responsible for the co-ordination of an efficient licence application process. It receives duly completed licence applications and conducts probity investigations linked to applications received. Based on the resultant findings, reports containing recommendations for approval or denial are submitted to the CEO and/or Board for consideration.

In respect of the targets reflected below, the Department strives to have newly appointed gambling employees, duly licensed in a timely manner and are thus able to commence their respective duties accordingly.

In order to ensure the continued suitability of existing licence holders, renewal applications for all licence types received, are processed prior to the expiry of the licence. No licence is valid for a period longer than 12 months, and all licences are required to be renewed annually on application.

Outcomes

Persons conducting business in the gambling industry are suitable.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

No in-year changes were effected during the 2024/2025 financial year.

Programme 2: Licensing								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achieve-ment 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Persons conducting business in the gambling industry are suitable.	New applications processed	2.1 Percentage of new applications, in respect of employee licences (key and gambling) linked to licensed operators received, processed within 30 days of receipt	92%	92%	91%	96% (4 054 out of 4 228)	+5%	Applications submitted with fewer errors and fewer outstanding documents resulting in staff members being able to process applications on time.
	Renewal applications received processed	2.2 Percentage of renewal applications received processed on or before the date of expiry of the licence	99%	99%	99%	98% (5 445 out of 5 568)	-1%	Late submission of renewals by licensees and renewal applicants has resulted in the Office being unable to process the applications on or before the licence expiry date.
	Licence applications approved	2.3 Percentage of licence applications to the Board approved at first submission	New output indicator	New output indicator	95%	100% (527 out of 527)	+5%	Timely submission of new applications for all departmental and organisational processes was initiated and completed on time to ensure that well written Board submissions are presented to the Board.

Analysis of performance

The Department remains steadfast in its commitment to processing the increasing volume of licence applications both promptly and efficiently. Applications for new and renewal licences are handled timeously, ensuring that Operators are duly authorised to participate in regulated gambling activities. While the renewal of licences is an ongoing function throughout the year, the Department continues to receive a steady influx of applications from new businesses and individuals seeking to enter the gambling industry. Each applicant undergoes a thorough vetting process to ensure compliance, thereby contributing positively to the revenue of the Fiscus.

In line with our performance objectives, the Department successfully achieved and exceeded two of its set targets—one by 3% and the other by 5%. The third target was narrowly missed by a margin of just 1%, underscoring our consistent drive toward operational excellence and continuous improvement.

Strategy to overcome areas of underperformance

The Department will undertake an exercise to enhance the departmental workflows by streamlining workflows, reduce manual processing times, and implement proactive alerts, engagement with operators regarding deadlines.

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R
Licensing	16 820 300	16 475 504	344 796	15 500 480	14 777 453	723 026

The underspending in Licensing relates to cost-of-employment savings. The Head of Department: Licensing was appointed on 1 July 2024. As the position was vacant for the first three (3) months of the financial year, this resulted in underspending on cost of employment.

Programme 3: Regulatory Compliance

Programme Purpose

The Programme is responsible for enforcing gambling and related compliance in respect to legislative provisions and regulatory requirements. All licence holders who expose gambling and betting activities for public pay are obliged to adhere to such requirements at all times and the activities of the programme is geared towards detecting any such non-compliance or potential non-compliance as well. The Programme conducts investigations into allegations of illegal gambling activities in the Province within a specified time frame to ensure that where such activities are taking place, the required action can be taken in a timely manner.

Outcomes

Gambling and betting activities in the Western Cape are compliant with legislative provisions and regulatory requirements.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

No in-year changes were effected during the 2024/2025 financial year.

Programme 3: Regulatory Compliance								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achieve-ment 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Gambling and betting activities in the Western Cape are compliant with legislative provisions and regulatory requirements. (Revised).	Licensed establishments carrying out gambling and betting activities that are in accordance with legislation	3.1 Number of compliance assessments conducted	1 421	1 485	960	967	+7	Additional joint inspections were conducted with other law enforcement agencies, which cannot be accurately planned for in terms of numbers.
	Known illegal gambling operation are shut down	3.2 Percentage of investigations initiated within 30 days of allegations of illegal gambling received by the Board	100%	100%	100%	100% (104 out of 104)	-	None

Analysis of performance

The Programme carried out assessments of licence holders to ensure that activities are conducted in a manner that complies with the relevant legislation as well as with the specific requirements of the Board. Where there are any instances of non-compliance the relevant process is followed which provides the licence holder to both remedy the situation as well as implementing measures to prevent or reduce the risk of such issue reoccurring. During the year, the Programme also continues to carry out joint operations with other law enforcement agencies when requested.

In ensuring that all planned assessments were carried out, the Programme satisfies the Board's requirement that gambling and related activities are carried out in a manner that is compliant, legal and within the confines of the regulatory framework.

All allegations of illegal gambling had investigations initiated within the 30-day period.

With the significant increase in the betting sector activities, the need for an automated system has been identified and the Programme had commenced with the first phase of such automation which is likely to be rolled out in the first quarter of the new financial year.

Strategy to overcome areas of underperformance

There are no areas of underperformance

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R
Regulatory Compliance	19 564 212	18 825 092	739 120	18 243 164	17 933 866	309 298

The underspending is attributed to staff vacancies. As at 31 March 2025, there were three (3) vacant positions within the Department. The approved budget provides for a full staff complement.

Programme 4: Information and Communication Technology

Programme Purpose

This programme purpose is to provide and maintain ICT products, solutions and services for the Office of the Board. The Programme established a cohesive, enterprise-wide ICT capability to support the Board's strategic objectives. The ICT environment continuously adapts in support of 4IR and future developments through digitalisation, automation, access to information and the Board's business requirements, including industry changes. The Department has a crucial role to provide strategic and innovative solutions, guidance and support to the Office of the Board.

Outcomes

Innovative, functional, reliable and secure ICT solutions and systems provided.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

No in-year changes were effected during the 2024/2025 financial year.

Programme 4: Information and Communication Technology								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/2023**	**Audited Actual Performance 2023/2024**	**Planned Annual Target 2024/2025**	**Actual Achieve-ment 2024/2025**	**Deviation from planned target to Actual Achievement 2024/2025**	**Reasons for deviations**
Innovative, functional, reliable and secure ICT solutions and systems provided.	Continuous ICT systems management for the organisation	4.1 Percentage of ICT maintenance events performed to maintain and improve current information technology infrastructure	98%	98%	98%	99%	+1%	Positive deviation due to dedicated ICT maintenance performed on WCGRB Information technology infrastructure.
	Continuous knowledge and skills enhancement	4.2 Number of ICT talent capacity competency activities accomplished	94	89	80	90	+10	Positive deviation due to continuous enhancement of knowledge and talent of staff members.
	Continuous availability of ICT systems	4.3 Average percentage ICT information systems availability/ uptime	99.9%	99.9%	98%	99.9%	+1.9%	Positive deviation due to persistent management of WCGRB Information systems.
	Regulatory Compliance Request fulfilment Business Process Automation	4.4 Development of an implemented online request fulfilment system	New output indicator	New output indicator	1	1	-	None

Analysis of performance

The dependability on the ICT was not without its biggest challenge, namely electricity supply. Albeit electricity supply threatening operational stability, the ICT Department achieved its outcomes for the year. This was possible by ensuring:

- continuous electricity supply to datacentre infrastructure via efficient uninterruptable power supply,
- dedicated and professional management from the ICT human resources,
- the supply of efficient battery-operated equipment to the Office of the Board,
- good ICT governance,
- the application of robust information security products and systems,
- secured ICT infrastructure and network connectivity against any failures, unauthorised access and/or cyber-attacks, and
- continuous availability of critical ICT systems at the Office of the Board.

The support and infrastructure provided by the ICT Department contributed to the achievement of the Board's objectives and mandate. The WCGRB remote work model continued efficiently as a functional hybrid and distributed work environment. This was accomplished through dedicated ICT operations, security, and infrastructure and network stability.

The ICT Department continued its knowledge and education practices (formal, informal, self-study) to enhance its professional capabilities. This was achieved through the participation and attendance of online or in-person development, training, and consultation and forum events. This ensured essential knowledge gained through on-the-job skills transfer and acquiring of critical experience including the realisation of the ICT value for the Office of the Board.

Strategy to overcome areas of underperformance

There are no areas of underperformance.

Linking performance with budgets

Programme	2024/2025			2023/2024		
	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R	Budget R	Actual Expenditure R	(Over)/ Under Expenditure R
Information and Communication Technology	10 002 928	8 762 847	1 240 081	9 469 427	8 274 622	1 194 805

The underspending is due to savings in software licence fees, professional fees (consulting), and internet costs. Actual expenses were lower than anticipated, and the Board was able to secure competitive pricing for IT-related procurement due to longer-term IT contracts.

5. REVENUE COLLECTION

Sources of revenue	2024/25			2023/24		
	Estimate R	Actual Amount Collected R	(Over)/ Under Collection R	Estimate R	Actual Amount Collected R	(Over)/ Under Collection R
Application fees	2 227 715	5 542 864	(3 315 149)	3 086 960	4 261 105	(1 174 145)
Investigation fees	37 977 002	39 433 994	(1 456 992)	36 406 705	37 469 766	(1 063 061)
Interest income	3 000 000	4 997 848	(1 997 848)	4 995 000	5 127 003	(132 003)
Board Inspector charge-out fees	7 665 467	11 068 884	(3 403 417)	7 393 546	9 445 151	(2 051 605)
Limited Pay-out Machine Operator fees	3 982 743	4 018 704	(35 961)	3 747 793	3 596 156	151 637
Transfers	24 586 000	24 586 000	-	21 178 000	21 178 000	-
Services-in-kind	-	-	-	-	4 076 153	(4 076 153)
Rental income	647 145	838 213	(191 068)	-	449 206	(449 206)
Other income	-	817 348	(817 348)	-	1 319 749	(1 319 749)
Retention of surplus funds	6 224 795	6 224 795	-	31 524 795	31 524 795	-
Total	**86 310 866**	**97 528 650**	**(11 217 784)**	**108 332 799**	**118 447 084**	**(10 114 285)**

- The Board is only permitted to collect revenue and fees from licence holders as prescribed by law. Unless there is an increase in gambling licence applications, the Board has no alternative means of increasing its revenue. Accordingly, when preparing the budget, the Board relies on historical trends to estimate the revenue it anticipates receiving for the financial year.
- The Board does not budget for other income. "Other income" includes, among other things, legal fees recovered and various miscellaneous receipts.

6. CAPITAL INVESTMENT

Infrastructure projects	2024/2025			2023/2024		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office Accommodation	-	-	-	31 525	25 495	6 030
Total	**-**	**-**	**-**	**31 525**	**25 495**	**6 030**

In the prior year, capital investment related to the acquisition of the Board's office accommodation. In the year under review, no capital investment was incurred.

Notes

PART C:
Governance

1. INTRODUCTION

The Board's governance framework is guided by the Western Cape Gambling and Racing Act as well as the Public Finance Management Act (PFMA), and it is practised in conjunction with the Protocol on Corporate Governance found in the King IV Reports on Corporate Governance.

2. PORTFOLIO COMMITTEES

With the WCGRB being a Provincial PFMA 3C public entity with the parent department being the WCPT. The Standing Committee on Finance is responsible for maintaining oversight of the Western Cape Gambling and Racing Board's activities.

For the year ended 31 March 2025, the WCGRB met with SCOF on its Annual report 2023/24. Resolutions emanating from this engagement are depicted on page 61 of this report.

The Standing Committee on Public Accounts is responsible for maintaining oversight of the Western Cape Gambling and Racing Board.

For the year under review, the Board met with the Committee on the following matters:

- 4 October 2024.: Briefing on the Board's 2023/24 Annual Report;

Resolutions emanating from those meetings are depicted on page 61 of this annual report.

3. EXECUTIVE AUTHORITY

The Minister of Finance is the designated Executive Authority for the Western Cape Gambling and Racing Board. The Executive Council appoints the members of the Board while the Board reports to the Minister. All reports that the Board is mandated to produce are submitted to the Minister. In addition, the Board is bound by the Policy Determinations of the Executive Authority.

4. THE ACCOUNTING AUTHORITY – THE BOARD

Introduction

The Board, that comprises seven non-executive members appointed by the Executive Authority, is the designated Accounting Authority. The Board constituted several sub-committees from its members to oversee specific operational activities of its Office. In addition, the Board appoints three external members to serve on its Audit and Risk Committee.

The role of the Board

The Western Cape and Racing Board was established with the main object of controlling and regulating gambling and racing and all other accompanying activities in the Western Cape.

Its functions and powers are outlined in Section 12 of the Western Cape Gambling and Racing Act. In summary, the role of the Board is to:

- Ensure on-going compliance in the licensed industry and impose administrative penalties or such measures as the Board deems appropriate for contraventions of the law;
- Invite applications for licences in terms of the Act;
- Receive, investigate and consider applications for national and provincial licences;
- Issue national and provincial licences to qualifying or suitable persons, subject to such conditions as the Board deems appropriate;
- Probe the suitability of persons acquiring an interest in a licensee or the business to which a licence relates;
- Conduct hearings and investigations into the conduct of licences or pertaining to any matter that the Board must administer in terms of the Act;
- Detect illegal gambling activities and assist relevant government agencies in the prosecution thereof;
- Administer, calculate and collect taxes and levies due to the provincial Fiscus and all statutory fees as prescribed by the Act;

- Conduct on-going research into gambling and racing throughout the Province and elsewhere to keep abreast of and detect deficiencies in the Act and regulatory practices of the Board;
- Attend regulatory forums and conferences to keep abreast of the latest developments of the industry; and
- Generally, exercise all powers and perform the functions specified in the Act and any conferred by any other law.

Board Charter

The Board's powers and functions are prescribed in the Act. The Board has adopted a Charter for each of the sub-committees outlining their mandates. The Board reviews its corporate governance annually.

Board Member information as at 31 March 2025

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	No. of Board meetings held	No. of Board meetings attended	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended	Total no. of meetings attended
Mr CA Bassuday	Board Member	1 April 2016	31 March 2019	B.Proc. LLB LLM PG Diploma in Criminal Justice & Forensic Auditing	Law	Board member: Western Cape Gambling and Racing Board Board member: Western Cape Liquor Authority Legal Adviser: University of Cape Town Alternate member: Western Cape Consumer Affairs Tribunal	23	22	Casino Committee	4	3	36 of 38
	Board member term extended for 1 year	1 April 2019	31 March 2020						Finance & IT Committee	6	6	
	Board member reappointed for 3 years	1 April 2020	31 March 2023						LPM Committee [*Attendance as alternate member]	[4]	1 of 1	
	Appointment as Chairperson until Board member contract expires	16 December 2021	31 March 2023						Responsible Gambling Committee	4	4	
	Board Chairperson & member term extended for 1 year	1 April 2023	31 March 2024									
	Board Chairperson & member term extended for 4 years	1 April 2024	31 March 2028									

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	No. of Board meetings held	No. of Board meetings attended	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended	Total no. of meetings attended
Mr M Burton	Board member	1 April 2023	31 March 2027	B. Compt. Hons CA(SA)	Auditing and Accounting Governance Strategic Management Finance Performance Management	Cape Nature Board Cullinan Holdings Ltd Burvyn Importers and Traders CC National Financial Ombudsman NPC	23	22	Casino Committee (*Attendance as alternate member)	[4]	3 of 3	42 of 45
									Finance & IT Committee	6	6	
									Horseracing and Betting Committee	5	4	
									LPM Committee	4	3	
									Responsible Gambling Committee	4	4	

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	No. of Board meetings held	No. of Board meetings attended	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended	Total no. of meetings attended
Mr AS Chetty	Board Member	1 May 2024	30 April 2028	MBA in Business Administration (Management) MDP Management Diploma (Management) International General Certificate in Occupational Health and Safety, UK HACCP Risk Level 1 and 2 Training, Italy Certificate Managing Health and Safety in Schools	Team Leadership & Collaboration Operations Management Training & Mentoring Risk Assessment Permit and Work Audits Budgeting Maintenance Management Data Analysis Access control Safety Management Strategic Planning Business Development ISO18001 Auditor Facilities Management	Board member: Western Cape Gambling & Racing Board Director: TANA Corporation (Pty) Ltd	23	23	Casino Committee	[4]	3 of 3	35 of 35
									Horseracing and Betting Committee	5	5	
									Human Capital Committee	[5]	4 of 4	

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	No. of Board meetings held	No. of Board meetings attended	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended	Total no. of meetings attended
Ms C Fani	Board Member Board member term extended for 1 year Appointment as Vice Chairperson until Board member contract expires Board Vice Chairperson & member term extended	17 May 2017 17 May 2020 14 Dec 2020 27 May 2021	16 May 2020 16 May 2021 16 May 2021 26 May 2025	Bachelor's Public Administration B. Admin Honours Public Management	Policy Analysis and Policy Development	Board member/Vice Chairperson: Western Cape Gambling & Racing Board Board member: Western Cape Liquor Authority Council member: Ditsong Museums of South Africa Tribunal member: Western Cape Rental Housing Tribunal	23	22	Casino Committee	4	3	33 of 37
									Horseracing and Betting Committee	5	4	
									Human Capital Committee	5	4	

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	No. of Board meetings held	No. of Board meetings attended	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended	Total no. of meetings attended
Ms A Mvandaba	Board member	1 April 2023	31 March 2027	Master in Business Administration (ongoing) B Accounting Honours	IDFRS, Companies Act, King Code Financial modelling Financial statements Processes and governance Investments	Board member: Western Cape Gambling and Racing Board Non-Executive Director: Founders Foundation Non-Executive Director : African Phoenix Investments Board member: Wealthvest Investment Management	23	14	Licensing Committee	5	5	30 of 39
									Human Capital Committee	5	5	
									Board's representative (non-voting) to the Audit and Risk Committee.]	6	6	
Mr RG Nicholls	Board Member Board member reappointed for 4 years	14 Dec 2019 5 Dec 2022	13 Dec 2022 4 Dec 2026	B.Comm. Rhodes University CA (SA) CIA Computer Audit Qualification – NACCA Registered Accountant and Auditor Fellow member of the IOD	Finance Governance Compliance	Board member: Western Cape Gambling and Racing Board The South African Council for the Architectural Profession Member: TakeShape Properties CC Member: Southern Ambition CC	23	21	Finance & IT Committee	6	5	40 of 43
									Licensing Committee	5	5	
									LPM Committee	4	4	
									Responsible Gambling Committee	4	4	
									Board's representative (non-voting) to the Audit and Risk Committee.] [*Attendance as alternate member]	[6]	1 of 1	

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	No. of Board meetings held	No. of Board meetings attended	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended	Total no. of meetings attended
Ms L Venter	Board Member Board member extended for 5 months Board member reappointed for 4 years	6 Nov 2020 6 Nov 2023 1 April 2024	5 Nov 2023 31 March 2024 31 March 2028	B. Comm (Law) LL.B.	Law	Board member: Western Cape Gambling and Racing Board Chairperson of the Western Cape Consumer Affairs Tribunal (since April 2024)	23	23	Horse racing and Betting Committee (*Attendance as alternate member)	[5]	2 of 2	39 of 39
									Human Capital Committee	[5]	1 of 1	
									Licensing Committee	5	5	
									LPM Committee	4	4	
									Responsible Gambling Committee	4	4	

[Bracketed numbers]* Denote total meetings held, but not required to attend, due to a member's term commencing or ending during the financial year.

External Audit and Risk Committee Members

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended
Mr L Nene	Audit and Risk Committee: Independent non-executive member and Chairperson Appointment as Chairperson Re-Appointment as Independent non-executive member for 3 years Appointed as Chairperson until ARC member contract expires	17 February 2021 5 June 2023 13 March 2024 5 March 2025	16 February 2024 16 February 2024 12 March 2027 12 March 2027	Bachelor of Commerce – BCom (Accounting) Post Graduate Diploma in Management (Specialising in Corporate Governance) Master of International Business CCSA (Certification in Control Self-Assessment) –2006 GIA (SA) (General Internal Auditor-SA) FIIASA (Fellow of the Institute of Internal Auditors SA) – 2013 Certification in Risk Management Assurance (CRMA) –2014 CCP (SA) - Certified Compliance Professional of the Compliance Institute of South Africa CPrac (SA) Compliance Practitioner Risk Management Strategies in the Public Sector Management Development Programme	Corporate governance Audit (Internal and external) Risk management Business continuity management Compliance Ethics Business process improvement IT	Non-Executive Director for PetroSA Ghana SOC Ltd Non-Executive Director for PetroSA Equatorial Guinea SOC Ltd City of Cape Town Audit Committee ETDP Seta Audit Committee Coega Development Corporation (PTY) LTD, Audit Committee CCMA (Commission for Conciliation, Mediation & Arbitration) Audit Committee Stellenbosch Municipality Ihub Nelson Mandela	Audit and Risk Committee	6	5

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended
Mr P Mukheli	Audit and Risk Committee: Independent non-executive member	5 June 2023	4 June 2026	B Comm (Accounting) Hons B Comm (Auditing) Chartered Accountant (South Africa) Member Chartered Institute of Management Accountants (CIMA)	Preparation of Annual Financial Statements (IFRS) Implementation of accounting solutions/ systems within the Finance section Budgeting and cash flow management Managing and implementing Projection accounting solutions within the construction sector Internal Audit Services and Consulting Forensic/special Investigations Enterprise Risk management advisory and consulting Corporate Governance Due diligence review for municipal-owned entities Integrated internal Auditing models Public sector auditing Public Finance Management Act (PFMA) Preferential Procurement Framework Exposure to financial service environment (Banking)	Executive Director and Board member of Cancer Association of South Africa (CANSA) Peloza Consulting	Audit and Risk Committee	6	5

Name	Designation *(in terms of the Public Entity Board structure)*	Date appointed	Date resigned/ Term expired	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g., Audit committee)	No. of Committee meetings held	No. of Committee meetings attended
Mr Y Rini	Audit and Risk Committee: Independent non-executive member	13 March 2025	29 February 2028	Master of Commerce Post Graduate diploma in Accounting (CTA) Registered CA (SA)	Financial management and reporting Audit Committee (AC) governance Assurance (Internal and External)	Ingquza Hill Local Municipality Nelson Mandela Bay Metropolitan Municipality Langerberg Local Municipality Clique Brokerage	Audit and Risk Committee	[6]	1 of 1
Mr A Seymour	Audit and Risk Committee: Independent non-executive member Re-appointed for 1 year as ARC Committee Chairperson	1 March 2022 30 April 2024	28 Feb 2025 28 February 2025	B.Comm (Accounting) Hons B Compt Chartered Accountant (South Africa) Banking Board Leadership development Programme	Management: Strategic Planning and Management Financial reporting and Treasury Business Solutions Governance Client Retention	Director: Boland 90 Interclub Hiking Competition NPC Director: InnesFree Capital (Pty) Ltd Director: Caban Capital Partners P\L	Audit and Risk Committee	[6]	5 of 5

Board and Committees membership as at 31 March 2025

Committee	No. of meetings held	No. of members	Name of members
Board	23	7	**Mr CA Bassuday** (Chairperson) **Mr M Burton** (Member) **Mr AS Chetty** (Member) **Ms C Fani** (Vice Chairperson) **Ms A Mvandaba** (Member) **Mr RG Nicholls** (Member) **Ms L Venter** (Member)
Audit and Risk Committee	6	3	**Mr L Nene** (Chairperson) [Re-appointed as Committee member on 13 March 2024.] **Mr P Mukheli** (External non-executive member) **Mr A Seymour** (External non-executive member) [Term expired 28 February 2025.] **Mr Y Rini** (External non-executive member) [Appointed as Committee member from 13 March 2025.] **Ms A Mvandaba** (Board member) [Board's representative (non-voting) to the Audit and Risk Committee]
Casino Committee	4	3	**Mr C Bassuday** (Chairperson) **Ms C Fani** (Member) **Mr AS Chetty** (Member) [Appointed as Committee member from 10 May 2024.]
Finance & IT Committee	6	3	**Mr M Burton** (Chairperson) **Mr RG Nicholls** (Member) **Mr C Bassuday** (Member)
Horseracing & Betting Committee	5	3	**Mr M Burton** (Chairperson) **Ms C Fani** (Member) **Mr AS Chetty** (Member) [Appointed as Committee member from 10 May 2024.]
Human Capital Committee	5	3	**Ms C Fani** (Chairperson) **Ms A Mvandaba** (Member) **Mr AS Chetty** (Member) [Appointed as Committee member from 10 May 2024.] **Ms L Venter** (Member) [Replaced by Mr Chetty 10 May 2024.]
Licensing Committee	5	3	**Mr RG Nicholls** (Chairperson) **Ms A Mvandaba** (Member) **Ms L Venter** (Member)
LPM Committee	4	3	**Ms L Venter** (Chairperson) **Mr M Burton** (Member) **Mr RG Nicholls** (Member) [Appointed as Committee member from 10 May 2024.] **Ms A Mvandaba** (Member) [Replaced by Mr Nicholls 10 May 2024.]
Responsible Gambling Committee (RGC)	4	4	**Ms L Venter** (Chairperson) **Mr C Bassuday** (Member) **Mr M Burton** (Member) **Mr RG Nicholls** (Member)

BOARD REMUNERATION ARRANGEMENTS

Board meetings:

An ordinary or special meeting where the Board deliberate and decide on matters falling within its statutory powers and functions.

The remuneration for Board meetings is a fixed amount of **R5 234.32**, irrespective of the length of the meeting and is all inclusive of preparation and travel time. Board members are reimbursed for business kilometres travelled.

The remuneration payable for Board meeting attendances by the Chairperson, Vice Chairperson and Acting Chairperson is set out below:

CHAIRPERSON:

Board meetings: **R6 736.32** per meeting.
Board committees and other events: **R842.04** per hour up to a maximum of 8 hours.

VICE CHAIRPERSON:

Board meetings: **R5 234.32** per meeting.
Board committees and other events: **R654.29** per hour up to a maximum of 8 hours.

ACTING AS CHAIRPERSON:

Board meetings: **R5 864.80** per meeting.
Board committees and other events: **R733.10** per hour up to a maximum of 8 hours.

Board committees and other events:

- The remuneration for other meetings and events, such as Committee meetings and public hearings is based on an hourly rate. In addition to the time attended, it extends also to time travelled, preparation time and reimbursement for kilometres travelled.
- The hourly amount is **R654.29** per hour.
- This remuneration is payable up to the equivalent of a maximum of 8 hours, plus kilometres travelled.
- Members are required to indicate to the Secretary their preparation time for a particular meeting at the start of each meeting.
- The kilometres travelled, in instances where the routes varied from the usual route to the office of the Board, are also indicated to the Board Secretary individually.

BOARD MEMBER REMUNERATION

Name	Remuneration – Board meetings	Remuneration – Committee meetings and Other*	Remuneration – Conference attendances	Subsistence allowance	Other re-imbursements	Total member remuneration
	R	R	R	R	R	R
Mr CA Bassuday	145 175.04	163 458.61	85 757.76	17 575.47	7 073.88	419 040.76
Mr M Burton	113 040.40	148 486.63	19 997.44	-	11 134.09	292 658.56
Mr AS Chetty	113 040.40	90 038.05	-	-	22 658.27	225 736.72
Ms C Fani	114 273.04	102 127.07	56 546.72	16 780.29	11 237.21	300 964.33
Ms A Mvandaba	71 635.76	55 726.69	62 979.84	17 575.47	3 387.97	211 305.73
Mr RG Nicholls	107 806.08	129 417.26	41 169.68	11 754.11	8 880.65	299 027.78
Ms L Venter	118 039.76	117 239.70	24 996.80	-	15 058.85	275 335.11
Total	**783 010.48**	**806 494.01**	**291 448.24**	**63 685.34**	**79 430.92**	**2 024 068.99**

**Include ad-hoc meetings outside Board and Committee meetings, for example – meetings with Provincial Treasury and the the Provincial Minister of Finance, as well as time spent on other Board matters.*

PUBLIC ACCOUNTS COMMITTEE (PAC),RESOLUTIONS RESULTING FROM THE 2023/24 ANNUAL REPORT		
Date of resolution	**Details**	**Implementation progress**
4 October 2024	The Committee takes note the strategic risks regarding temporary employees who are employed to assist the Entity; including the structure workload to alleviate excessive periods of temporary employment 7.4.1 That the Entity briefs the Committee on the measures that it has implemented to mitigate and prevent a future recurrence of this matter.	To be scheduled by the PAC
	The Committee takes note the Entity could not determine the qualification criteria for the sale of state-owned enterprises, could not develop a criteria for entering into partnerships with the private sector and could not determine criteria for awarding incentives, grants and investment schemes in support of Broad-based Black Economic Empowerment 7.4.2 That the Entity briefs the Committee on the measures that it has implemented to deal with these identified challenges.	To be scheduled by the PAC
	The Committee notes that the land and buildings using the revaluation model were revalued in the current year resulting in the recognition of a material impairment loss of R4 297 946. Furthermore, the Committee noted that the Board recognised a total impairment loss of R4 297 944 in respect of the land and building. The impairment loss incurred was brought about by the revaluation of the building. The Board bought the building at a premium; in addition to this, the Board paid non-refundable Value-Added-Taxes to the amount of R3 300 000. As the Board is not a VAT vendor, the non-refundable taxes are not recoverable by the Board and thus resulted in the increased impairment loss on the building. 7.4.3 That the Entity briefs the Committee on this matter, including the total cost of acquiring the property and an explanation of the revalued model that was used by the Board.	To be scheduled by the PAC

STANDING COMMITTEE ON FINANCE,RESOLUTIONS RESULTING FROM THE 2023/24 ANNUAL REPORT		
Date of resolution	**Details**	**Implementation progress**
4 October 2024	A detailed report from the Western Cape Gambling and Racing Board on the managing of Corporate Social Investment Initiatives in respect of the different gambling licensees.	Report has been submitted
	A detailed report on the work of the Western Cape Gambling and Racing Board was doing with respect to responsible gambling.	Report has been submitted

5. RISK MANAGEMENT

The Board is committed to establishing an institution that ensures that risk management is an integral part of all its activities and a core capability. Enterprise Risk Management (ERM) aims to ensure the continued growth and success of the Board. The ERM function assists all levels of the administration in achieving the Board's strategic outcomes by bringing a systematic approach to evaluating and improving the effectiveness of risk management and control.

The ERM is designed to identify potential events and trends (defined as risks) that may significantly affect the Board's ability to achieve its strategic outcomes or maintain its operations either positively or negatively. Through the ERM process, identified risks are assessed against the Board's level of risk tolerance, to provide reasonable assurance regarding the achievement of the Board's objectives.

The Board's objectives in managing risk include:

- Integrating risk management into the culture and strategic decision-making of the WCGRB;
- Anticipating and responding to changing social, environmental and legislative conditions;
- Managing risk in accordance with best practice, and demonstrating due diligence in decision-making;
- Regarding legal compliance as a minimum standard;
- Balancing the cost of managing risk with the anticipated benefits; and
- Raising awareness of the need for risk management.

The Board and Executive Committee have responsibility for overseeing risk management within the Board, with the Executive Committee providing management support, advise on and implementation of policies approved by the Board. The Board annually reviews its strategic risks, Annual Performance Plan and targets, together with the Executive Committee, as part of the Board's annual strategic session. These risks are then reviewed on a quarterly basis for successful implication of mitigating controls and to ensure that all risks identified are managed within acceptable tolerance levels.

The Board's appointed risk management officer is vested in the Senior Administrative Officer in the Office of the Chief Financial Officer and is responsible for the administration of the risk register and quarterly risk reports. The Risk Management Committee consists of the full Executive Committee. The Risk Management Committee meets quarterly to table the Board's key strategic risks and any emerging risks identified as well as the status of mitigating action plans. Key strategic risks, mitigating actions, as well as emerging risks identified are reported to the ARC and FIT Committee quarterly. All FIT Committee and Audit and Risk Committee meetings are attended by the Chief Executive Officer, the Chief Financial Officer and the risk officer who formally report to the committee at each meeting.

The Board's sub-committee and FIT Committee reviews the risks and risk register with specific emphasis placed on emerging risks. The Audit and Risk Committee serves as the Risk Committee with oversight of among other, the risks of the Board. The Risk Committee is assisted by the outsourced Internal Audit Functionary and reports to the Board.

During the financial period under review the Office of the Board conducted the following:
- Quarterly review of the Risk Register by EXCO
- Quarterly reporting to the ARC, FIT Committee and the Board.

Outlined below are the key strategic risks facing the Board, along with the relevant mitigating controls, which have been implemented:

Strategic Risks	Mitigating Controls
SR1: Inability of the Entity to perform its mandate.	1. Funding in terms of the PFMA 2. Adequate budget process (resource planning) 3. PT legal services issued opinion confirming timelines for timely appointment of Board Members. 4. Status of Board member appointments are discussed at Gambling Liaison Committee (GLC) 5. Board employs rescheduling of meetings and in emergencies, round robin processes to ensure that the Board remains effective. 6. Full complement of Board Members until end of FY 2024/2025 7. Quarterly meetings held with the Minister 8. Appointment of temporary staff/interns to assist with resource constraints 9. Meetings with MEC, GLC and other stakeholder engagements.

Strategic Risks	Mitigating Controls
SR2: Ineffective and inefficient Entity.	1. Reviewing the Act when necessary and make submissions to PT and Minister recommending amendments to the Act as and when warranted. 2. Engagement with licence holders to clarify legislation interpretation 3. Legal advice/opinions when necessary 4. Status of Board member appointments are discussed at Gambling Liaison Committee (GLC) 5. Funding in terms of the PFMA 6. Adequate budget process (resource planning) 7. Multi- tier review process 8. Implementation of the workplace skills plan (WSP) 9. Interrogation and review of information by various Sub-Committees of the Board 10. Stakeholder engagements where necessary 11. WSP, training, conferences, national forums 12. Quarterly engagement between Ministry and WCGRB 13. Appointment of temporary staff/interns to assist with resource constraints 14. Meetings with MEC, GLC and other stakeholder engagements
SR3: Ineffective and inefficient utilisation of the entity's resources.	1. WSP, training, conferences, national forums 2. Proper planning and Budgetary processes 3. Regular staff engagements 4. Structure workload in order to alleviate excessive periods 5. Appointment of temporary staff/interns to assist with resource constraints
SR4: Loss of stakeholder trust.	1. Continuous relevant interaction with Stakeholders 2. Public engagements 3. Appointment of temporary staff/interns to assist with resource constraints 4. Reviewing the Act when necessary and make submissions to PT and Minister recommending amendments to the Act as and when warranted. 5. Meetings with MEC, GLC and other stakeholder engagements
SR5: Disruption to critical business operations.	1. Business continuity management plan in place to sustain the operation of critical business services following a disaster or adverse event. 2. Business continuity plan reviewed annually for all WCGRB business operations in response to disruptions. 3. Service level agreements in place 4. Bidder are required to have adequate professional indemnity as well as liability insurance in place
SR6: Non-compliance with legislative prescripts.	1. Regular review (including consultation with stakeholders) and approval of policies and procedures 2. Legal department subscribes to legal publications. 3. National and Provincial Treasury communicates practice notes and circulars. 4. Development of new policies in consultation with stakeholders. 5. Induction to new staff and board members 6. Communication and workshop of new policies and policy changes. 7. Internal policies published on the intranet and external policies published on the internet (website). 8. Participation in industry and regulatory fora 9. Training and workshops on policies and legislation
SR8: Unsuitable persons are recommended for licensing.	1. Declaration of interest process 2. Implementation of training needs for staff identified by the Work Skills Plan. 3. Use of internal and external verification sources 4. Execution of Standard operating procedures 5. Multiple-tier review process 6. Appointment of temporary staff/interns to assist with resource constraints

Strategic Risks	Mitigating Controls
SR9: Inability to detect non-compliance with legislative provisions and regulatory requirements.	1. Attendance at industry specific conferences, workshops and training forums, both nationally and internationally 2. Declaration of interest process 3. Adherence to the Departmental SOP and HR policies 4. Debriefing meetings with Chiefs post audits, if required. 5. Multiple-tier review process 6. Regular engagement with industry stakeholders 7. Appointment of temporary staff/interns to assist with resource constraints
SR10: Inability to detect and close down illegal gambling operations.	1. Regular engagement with enforcement agencies 2. Attendance at Enforcement Forum meetings 3. Training provided to Enforcement officials where required 4. Network of Confidential Informers 5. Annual Enforcement Workshop 6. Follow-up on allegations of illegal gambling 7. Public awareness programmes 8. Execution of Standard Operating Procedure for the investigation of illegal gambling activities
SR11: ICT systems and solutions are not functional, reliable, innovative and secure.	1. Proper planning, budget (includes Financial and Human Resources), capacity (number of staff) and skilled resources 2. Implemented security controls 3. Implemented policies and procedures 4. Ongoing monitoring, administration and managing of the ICT environment, 5. Implemented ICT DRP, Generator and UPS capabilities 6. Continuous attendance training, seminars, meetings for talent development, 7. Reporting to oversight Committees on ICT developments 8. Implementation of Cyber security review recommendations 9. Implementation of the POPI policy and procedures 10. Established relationships with Original Equipment Manufacturer (OEM) for any equipment requirements / failures / logistics

6. INTERNAL CONTROL UNIT

The Board does not have an in-house Internal Audit Unit but outsources this function to firms with appropriate experience and holders of professional membership with the Institute of Internal Auditors or The Independent Regulatory Board for Auditors. The Board appointed MNB Chartered Accountants as its Internal Auditors until 31 July 2025. This contract term has been extended until 30 September 2025.

7. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The Board's risk management oversight has been delegated to the Audit and Risk Committee with the purpose of assisting the Board in discharging its duties per the PFMA.

In this regard, the Audit and Risk Committee oversees that:
- Policies are in place to identify, mitigate and control risks;
- A system of review of both risks and internal control systems are in place;
- A system of identifying emerging risks and evaluating existing controls;
- An effective system of internal control exists; and
- All uninsured risks are appropriately reviewed and managed.

The outsourced Internal Audit Functionary reports administratively to the CEO and functionally to the Audit and Risk Committee.

International Standards for the Professional Practice of Internal Auditing (IIA) 1312 requires an external assessment to be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Board's internal audit function has been assessed in accordance with Standard 1312 during the 31 March 2022 financial year. The recommendations resulting from this assessment are in the process of being implemented.

The Audit and Risk Committee members' meeting attendance is presented below:

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
1. Mr L Nene [Audit and Risk Committee Chairperson] [Appointed as member from 17 February 2021 until 16 February 2024, reappointment on 13 March 2024 until 12 March 2027.] [Appointed as Chairperson from 5 March 2025 until 12 March 2027.]	5 of 6
2. Mr P Mukheli [Appointed from 5 June 2023 until 4 June 2026.]	5 of 6
3. Mr Y Rini [Appointed from 13 March 2025 until 29 February 2028.]	1 of 1
4. Mr A Seymour [Appointed from 1 March 2022 until 28 February 2025.]	5 of 5

Name	Qualifications	Internal or external	If internal, position in the Board	Date appointed	Date resigned	No. of meetings attended
Mr L Nene	Bachelor of Commerce – BCom (Accounting) Post Graduate Diploma in Management (Specialising in Corporate Governance) Master of International Business	External	Not applicable	Reappointment date: 13 March 2024	Not applicable	5 of 6
P Mukheli	Hons B Comm (Auditing)	External	Not applicable	5 June 2023	Not applicable	5 of 6
Y Rini	Master of Commerce Registered CA (SA)	External	Not applicable	13 March 2025	Not applicable	1 of 1
A Seymour	B. Compt. Hons CA(SA)	External	Not applicable	1 March 2022	Not applicable	5 of 5

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Board implements policies and processes to ensure compliance with all relevant compliance laws and regulations. The Board has identified the laws and regulations that it is obliged to comply with and has implemented a framework to ensure compliance by all its staff with all these laws and regulations.

The Board's Legal Services Department subscribes to various online Law Services Institutions, which provides notifications of new or amended legislation and provides a platform for identifying judgments in various court cases. The Legal Department identifies changes via these subscriptions and notifies employees of the change and any analysis thereof. For the 2024/2025 financial year, the Board was not sanctioned for any contraventions of any Laws or Regulations.

9. FRAUD AND CORRUPTION

The Board has implemented a Fraud and Anti-corruption policy, which was reviewed for the year under review. The procedures include a national hotline and an anonymous reporting box. The Board's Fraud and Anti-Corruption Committee is set to review any reported incidences of fraud and the Office of the Board reports on any reported incidences to the FIT Committee and the Audit and Risk Committee.

10. MINIMISING CONFLICT OF INTEREST

The WCGRB Board members, at the beginning of each fiscal year, completes and provide a listing of all interests that might conflict with their duties as Board Members. Board members are required to declare any interest they may have with any matter on the agenda before each board or committee meeting.

For any conflict of interest, Board Members must notify the Chairperson and either recuse themselves or participate in the discussion if the Board considers that no material conflict exists. The WCGRB employees are also required to declare any conflict of interest at Board and Committee meetings and on any discussion, interview and resolutions taken by the Office.

The Board continues with its efforts to ensure independence as well as to be viewed as independent. All transactions are done at arm's length while the industry is fully aware of the Board's practice of not accepting gifts and therefore is no longer offering it to the Board. The Auditor-General also tests for any conflict of interest with the annual audit.

11. CODE OF CONDUCT

The Code of Conduct is central to the Board achieving its mission to inspire public confidence and trust and to provide a stable, just, consistent, and effective regulatory environment. The Code requires the delivery of high standards by guiding Board employees and Board members toward best practice and continued improvement in standards. Compliance with the Code of Conduct is strictly enforced and monitored, and any breaches thereof are dealt with in terms of the Board's disciplinary code and procedure.

The Code of Conduct is readily available to all employees and Board members online via the Board's intranet to which every individual has access. At the commencement of employment of a new employee and the appointment of Board members, the Code forms part of the induction pack, which all individuals are required to sign receipt thereof.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Board has an established Occupational Health and Safety Committee (OHASA Committee) established in terms of the Occupational Health and Safety Act 85 of 1993. The OHASA committee, which has representatives of all departments on the Board, meets at set quarterly intervals through the year to assess the Health and Safety environment at the Board and to address any matters that may arise.

13. COMPANY SECRETARY

The Board does not have a Company Secretary. However, Mr Brink is appointed as Board Secretary.

14. SOCIAL RESPONSIBILITY

While the Board itself did not have any social responsibility programmes for the year, the Board does impose certain conditions on licence holders to ensure that they allocate resources to assist poor communities.

The Board has partnered with various governmental social institutions and is represented at the various community outreach programmes to educate the communities on the Board and the social ills of gambling.

15. AUDIT AND RISK COMMITTEE REPORT

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

Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of the members listed hereunder and meets at least 4 times per annum as per its approved terms of reference.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
1. Mr L Nene [Audit and Risk Committee Chairperson] [Appointed from 17 February 2021 until 16 February 2024. Appointed as Chairperson from 5 June 2023 until 16 February 2024. Re-appointment on 13 March 2024 until 12 March 2027, reappointment of Chairperson on 05 March 2025 until 12 March 2027.]	5 of 6
2. Mr P Mukheli [Appointed from 5 June 2023 until 4 June 2026.]	5 of 6
3. Mr Y Rini [Appointed from 13 March 2025 until 29 February 2028.]	1 of 1
4. Mr A Seymour [Appointed from 1 March 2022 until 28 February 2025.]	5 of 5

Mr Linda Nene
Chairperson of the
Audit and Risk Committee

During the 2024/25 financial year, six meetings were held and member's attendance is tabulated above.

Audit and Risk Committee Responsibility

The Audit and Risk Committee has complied with its responsibilities as outlined in Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1.10. It has adopted appropriate formal terms of reference, as detailed in its Audit and Risk Committee Charter, executed its mandate in compliance with this charter, and discharged its responsibilities accordingly.

The Committee conducted its annual self-assessment in relation to its compliance with the required functions in terms of the King IV Report on Corporate Governance, its Charter and terms of reference, the relevant National Treasury Regulations, and the Public Finance Management Act. The Committee has complied with all requirements.

Meetings

The external and internal auditors attend Committee meetings, have unrestricted access to the Committee and its Chairperson, and are provided with opportunities to engage with the Committee without management present, thereby ensuring their independence.

The Committee reviewed reports submitted by both the external and internal auditors. The outcomes of these reviews were reported to the Board regularly by the Audit and Risk Committee's Ex Officio representative and annually by the Chairperson.

The Effectiveness of Internal Control

Our review of the findings of Internal Audit, based on risk assessments conducted, revealed certain weaknesses. These were referred to management and corrective steps have either been implemented or are in the process of being implemented to mitigate identified risks.

The system of internal controls is designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The system applied by the WCGRB for financial and risk management is assessed to be effective, efficient and transparent.

In line with the Public Finance Management Act and the King IV Report on Corporate Governance, Internal Audit provides assurance to both the Audit and Risk Committee and management that internal controls are appropriate and effective. This assurance is achieved through risk management processes and the identification of corrective actions and recommended improvements.

No material deficiencies in the system of internal control were identified in the reports of the internal auditors, the audit report on the annual financial statements, or the management report of the Auditor-General of South Africa.

The Audit and Risk Committee is satisfied that the outsourced internal audit function is operating effectively and has adequately covered the mitigations and controls related to the risks pertinent to the WCGRB.

Internal Audit Work Completed

During the year under review, the following internal audit reviews were completed to assess the implementation and effectiveness of internal controls across various areas:

- Performance Information on Predetermined Objectives (PDOs)
- Follow-up on previous internal and external audit findings
- Business Continuity Management
- Cybersecurity Risk Review
- Supply Chain Management Review
- Revenue Review
- IT Department Review (ICT Follow-Up and Application Controls)
- Regulatory Compliance Department Review
- Review of the governance processes of the WCGRB
- Office of the Chief Executive Officer and the Board
- Licensing Department Review
- Finance and Administration Department Review
- Enterprise Risk Management Review
- Human Resource Division Review

In-Year Management and Quarterly Report

The WCGRB submitted quarterly reports to the Executive Authority. The Audit and Risk Committee is satisfied with the content and quality of the reports prepared and submitted during the year under review.

Finance Function

The preparation of financial reports, including the annual financial statements, was completed under the supervision of Ms. Z. Siwa, CA(SA). The Committee has reviewed and is satisfied that the expertise and experience of Ms. Siwa, the Chief Financial Officer, are appropriate.

The Committee expressed its concerns to the Board regarding the current capacity and resource constraints within the finance function, relative to the needs of the WCGRB. It understands that the matter has been escalated by the Board to the Executive Authority.

Combined Assurance

The Board has implemented combined assurance across the organisation. Assurance is obtained from multiple providers in a coordinated manner to avoid duplication of effort and ensure appropriate risk coverage.

The Internal Audit Plan is compiled using a risk-based methodology in consultation with management. Furthermore, internal and external auditors operate collaboratively. For the 2024/2025 financial year, the Committee considered the risks presented by management, evaluated and approved the plans of both the internal and external auditors, and reviewed the outcomes of their audit work.

The Committee is satisfied that the work of the independent assurance providers, in conjunction with management's internal controls, provides adequate assurance.

Evaluation of Financial Statements

The Audit and Risk Committee has:

- Reviewed and discussed the audited Annual Financial Statements prepared by the WCGRB with the Auditor-General of South Africa, management, and the Board;
- Reviewed the Auditor-General's management report and management's response;
- Reviewed the WCGRB's compliance with legal and regulatory requirements; and
- Reviewed audit adjustments arising from the audit process.

Internal auditors

The Committee considered the independence and effectiveness of the internal audit function. It reviewed and approved the Internal Audit Charter and the Internal Audit Plan for 2024/25. Based on declarations from the internal auditors, the Committee is satisfied that the assurances provided align with the Code of Ethics of the Institute of Internal Auditors.

Internal Audit reports are submitted at each Committee meeting and provide insight into the internal control environment. The Committee is satisfied with the effectiveness of the Internal Audit function.

External auditors

The Audit and Risk Committee is satisfied with the independence and objectivity of the external auditors. Its assessment included consideration of other services performed and compliance with independence and conflict-of-interest criteria as prescribed by the Independent Regulatory Board for Auditors (IRBA).

The Committee recommended that the Board approve the audit strategy for the 2024/25 audit. It also evaluated the performance and conduct of the external auditors for the reporting period and is satisfied with the quality of the external audit function.

The Committee reviewed the Board's implementation plan to address audit issues raised in the previous year and is satisfied that those matters have either been adequately resolved or are in the process of being resolved.

The Audit and Risk Committee concurs with and accepts the Auditor-General's conclusions on the Annual Financial Statements and recommends that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Mr Linda Nene FIIA (SA), CPrac (SA), CCSA, CRMA
Chairperson of the Audit and Risk Committee
Western Cape Gambling and Racing Board
Date: 31 July 2025

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regard to the following:		
Criteria	**Response Yes/No**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	The Board imposes licence conditions on the different sectors of the industry, indicating a minimum B-BBEE compliance level to be achieved. Furthermore, that such status be confirmed in a verification certificate issued by an accredited verification agency.
Developing and implementing a preferential procurement policy?	Yes	The Board implemented its SCM Policy, taking into account the requirements as set out in the Treasury Regulations, Treasury Instructions, the Preferential Procurement Regulations and all relevant legislation pertaining to supply chain management.
Determining qualification criteria for the sale of state-owned enterprises?	No	The Board is not a State-owned Enterprise.
Developing criteria for entering into partnerships with the private sector?	No	The Board is not a service delivery entity. It is a regulatory and licensing authority.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-based Black Economic Empowerment?	No	The Board will set such criteria as and when it offers incentives, grants and investment schemes in support of Black Economic Empowerment.

PART D:

Human Resource Management

1. INTRODUCTION

As of 31 March 2025, the Board has an approved organisational structure comprising 115 positions. Of these, 74 positions are currently funded, with 65 filled and 9 remaining vacant.

The increase in the total number of positions results from a recent review of the organisational structure, which identified the need for additional capacity to support the growth of the gambling and racing industry—regulated by the Board—and to ensure continued compliance with evolving regulatory requirements.

However, the full implementation of the revised structure is constrained by funding limitations. To realise the intended benefits of the structural review and ensure the Board is adequately resourced to fulfil its mandate, additional funding is required to operationalise and fill the newly created positions.

The Human Resource Division provides comprehensive services and strategic support to the WCGRB. Its responsibilities span a wide range of people management and organisational development functions, including:

- Recruitment and onboarding
- Talent acquisition and retention
- Performance management
- Skills development and training
- Employee and industrial relations
- Employment equity and diversity management
- Occupational health and safety
- Employee wellness and psychosocial support
- HR compliance and legislative reporting
- Policy development, review, and implementation
- HR records and information management

The payroll administration is managed separately by the Department of Administration and Finance.

OVERVIEW OF THE BOARD'S HUMAN RESOURCE (HR) MATTERS

The following were set HR priorities for the year under review:

- Attracting and appointing suitably qualified personnel to ensure that the Board is equipped with the skills and competencies required to meet its strategic and operational objectives.
- Promoting workforce diversity and equity, with particular emphasis on the equitable representation of designated groups across all occupational categories and levels, in alignment with the Board's Employment Equity Plan.
- Investing in continuous professional development through targeted training interventions linked to Personal Development Plans, to enhance employee competencies and support high performance.
- Creating and maintaining a safe and compliant working environment, guided by occupational health and safety legislation and best practices.
- Fostering a performance-oriented culture underpinned by transparent performance management systems that support accountability and excellence.
- Creating a caring and supportive organisational culture that prioritises employee wellbeing and promotes a people-centred approach.
- Conducting regular reviews of HR policies to ensure legal compliance, responsiveness to emerging workforce needs, and alignment with organisational objectives.
- Undertaking job evaluations to ensure that job descriptions, designations, and salary structures remain appropriate, fair, and aligned with changes to the organisational structure.

Workforce Planning Framework and Recruitment Strategies

Human Resource continues to drive its core strategies to address the identified workforce challenges. The employment needs of the Board are met by the recruiting and selecting of candidates for appointment according to their ability, experience and qualifications to fulfil job requirements.

All posts are advertised both internally and externally to reach the widest possible audience, particularly among designated groups. Advertising platforms, including internet-based media, are selected based on cost-efficiency and the potential to reach the appropriate national target audience.

A transparent and objective approach is followed during appointments. A representative from the Employment Equity Committee is involved in the shortlisting process and invited to interviews as an observer. The HR Department further ensures that all interviews are fair, consistent, transparent, non-discriminatory and aligned with best practice.

Employee performance management framework

The Board has a performance management system and an approved Performance Management Policy that provides clear guidelines for measuring and enhancing both employee and organisational performance.

The performance management process includes a mid-year review and an annual assessment, with ongoing monitoring of operational targets linked to each employee's performance agreement.

Where performance expectations are not met, appropriate steps are taken in accordance with the Labour Relations Act through a structured poor performance management process.

Employee wellness programmes

The WCGRB acknowledges its responsibility to prevent and/or mitigate psychosocial stress and personal challenges faced by employees and their families. The Board is committed to promoting healthy lifestyles and supporting employee well-being.

It recognises that unresolved personal or work-related issues can negatively impact individuals and the organisation. Consequences may include increased absenteeism, low morale, decreased productivity, high staff turnover and the risk of incapacity.

The Employee Well-being Programme (EWP) was established to provide a caring, supportive and people-centred working environment. The programme aims to assist employees in managing personal, emotional and social challenges that may affect their performance and well-being.

The EWP is monitored through quarterly and annual utilisation reports, which include trend analyses, risk identification, productivity impacts and recommendations for targeted interventions. Services include a 24/7/365 telephonic counselling line, e-care, face-to-face counselling, trauma support and response to critical incidents.

Policy development

The Human Resource Division regularly reviews HR policies to ensure alignment with applicable legislation and best practices. This ongoing evaluation is essential for maintaining a fair, legally compliant and effective work environment.

Policy development follows a comprehensive consultation process involving relevant stakeholders - including employees, management, and legal advisors - to ensure broad participation and secure buy-in.

Achievements

During the year under review, the Human Resource Division made the following contributions:

- Reviewed and updated HR policies to ensure legal compliance and continued relevance.
- Facilitated the recruitment and selection of competent staff to support the WCGRB's strategic and operational goals.
- Submitted the Workplace Skills Plan (WSP) and Training Implementation Report in accordance with CATHSSETA requirements.
- Coordinated training and development initiatives as outlined in the WSP.
- Ensured timely submission of the Employment Equity Report to the Department of Labour, in line with the Employment Equity Act.
- Enhanced HR information management systems to improve process efficiency.
- Implemented the Organisational and Leadership Culture Plan to foster a positive working environment.
- Promoted the Employee Assistance Programme to increase awareness and employee engagement.
- Maintained a safe and healthy working environment for all staff.

Challenges

A key challenge remains the limited funding available to implement the revised organisational structure. This structure is critical to meeting the increasing demands of the gambling and racing industry and aligning with the organisation's strategic objectives.

Since its inception, the Board's structure has remained largely unchanged despite significant growth in industry oversight responsibilities. This has increased workloads for existing staff, placing strain on service delivery and operational efficiency.

Additionally, the flat organisational structure limits career progression opportunities, contributing to staff turnover. Despite substantial investment in training and development, skilled employees often leave in search of better career prospects, resulting in the loss of institutional knowledge and expertise.

The Board's remuneration levels also fall below industry benchmarks, which hampers its ability to attract and retain skilled professionals. The combination of high workloads and comparatively low compensation negatively affects staff morale, impacting motivation, engagement and performance.

Future HR Plans and Strategic Goals

The Human Resource Division will continue to align its initiatives with the Western Cape Gambling and Racing Board's Strategic Plan and Annual Performance Plan. The following priorities have been identified:

- Continued investment in staff training and development, with a focus on technical, leadership, and compliance-related competencies.
- Attraction and retention of high-performing and skilled employees to support the Board's evolving regulatory mandate.
- Implementation of the revised Employment Equity Plan, with targeted measures to address under-representation of designated groups.
- Maintenance of a safe, healthy and inclusive workplace, in line with Occupational Health and Safety legislation.
- Strengthening of a performance-driven culture through improved performance management and accountability frameworks.
- Continued promotion and implementation of the Employee Wellness Programme to support staff well-being and productivity.
- Streamlining and digitisation of HR processes to improve efficiency and responsiveness.
- Ongoing implementation of the Organisational and Leadership Culture Change Plan to reinforce values-based leadership and drive behavioural change.
- Regular review and alignment of HR policies with relevant legislation, provincial standards, and best practices.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel-related expenditure

Personnel Cost by programme

Programme	Total Expenditure for the entity (R' 000)**	Personnel Expenditure (R' 000)	Personnel Exp. as a % of total exp.	No. of Employees	Average personnel cost per Employee (R' 000)
Board and Administration*	33 400	16 763	22%	32	524
Licensing	16 476	16 095	21%	25	644
Regulatory compliance	18 825	17 671	23%	27	654
ICT	8 763	3 615	5%	5	723
TOTAL	77 464	54 144	70%	89	608

** Total expenditure excludes depreciation and amortisation, and other non-cash items, but includes capital expenditure.
* Board and Administration programme includes the Board, the Administration and Finance Department, Executive Management and twelve (12) temporary workers.

Personnel cost by salary band

Level	Personnel Expenditure (R' 000)**	% of Personnel Exp. to total personnel cost	No. of Employees	Average Personnel cost per Employee (R' 000)
Top management	1 722	4%	1	1 722
Senior management	7 575	16%	6	1 263
Professional qualified	10 392	21%	11	945
Skilled	22 703	47%	31	732
Semi-skilled	6 065	13%	16	379
Unskilled	-	0%	-	-
TOTAL	48 457		65	

** Excludes Board members' remuneration of **R2 024 067**, housing allowance of **R989 296**, remuneration of temporary workers of **R2 318 497** and net salary accruals/provisions of **R 1 065 840**.

Performance Rewards

No Performance Bonuses were paid for the 2024/25 financial year.

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 ('000)
Board and Administration	17 474	228	1.30%	20	11
Regulatory compliance	17 671	73	0.41%	21	3
Licensing	16 095	0	0.00%	22	0
ICT	3 615	38	1.05%	5	8
TOTAL	54 855	339	0.62%	68	5

** Personnel Expenditure as disclosed in Note 22 to the financial statements.

The total number of employees trained includes three temporary workers. The training expenditure includes financial assistance for part-time studies.

Employment and vacancies

Programme	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of Vacancies
Administration	6	10	6	4	40%
Executive	7	7	6	1	14%
Management	5	7	7	-	0%
Regulatory compliance	22	24	21	3	13%
Licensing	21	22	21	1	5%
ICT	4	4	4	-	40%
TOTAL	69	74	65	9	12%

Level	2023/2024 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of Vacancies
Top management	1	1	1	-	0%
Senior management	4	6	6	-	0%
Professional qualified	11	13	11	2	15%
Skilled	33	36	31	5	14%
Semi-skilled	16	18	16	2	11%
Unskilled	-	-	-	-	0%
TOTAL	65	74	65	9	12%

Efforts are currently underway to fill all vacant positions within the organisation. In certain instances, posts had to be re-advertised due to the initial recruitment process not yielding suitably qualified candidates. The Board remains committed to ensuring that all appointments are made in accordance with merit-based, fair, and transparent recruitment practices, with the aim of attracting the most competent talent.

Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	1	-	-	1
Senior management	4	2	-	6
Professional qualified	11	-	1	10
Skilled	33	-	1	32
Semi-skilled	16	-	-	16
Unskilled	-	-	-	-
TOTAL	65	2	2	65

Reasons for staff leaving

Reason	Number	% Total no. of staff leaving
Death	1	100%
Resignation	-	-
Dismissal	-	-
Retirement	-	-
Ill health	-	-
Expiry of contract	-	-
Other	-	-
Total	1	100%

There were no resignations recorded during the 2024/2025 financial year. Of the two terminations reflected in the table above, one was due to death, and the other resulted from an internal promotion - an employee resigned from their existing role to accept a higher-level position within the organisation.

It is important to note that the Board's flat organisational structure offers limited opportunities for career progression. This remains a concern, particularly given the significant investment of time, effort, and resources into employee training and development.

As a result, some employees eventually leave the organisation in pursuit of better career prospects elsewhere. Another key factor contributing to potential staff turnover is the Board's remuneration levels, which remain below the industry average for comparable roles. This may continue to affect the organisation's ability to attract and retain skilled professionals in the long term.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal warning	-
Written warning	-
Final written warning	-
Dismissal	-
TOTAL	-

Equity Target and Employment Equity Status

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	1	1	-	-	-	-
Senior management	1	1	2	1	-	-	-	1
Professional qualified	2	3	1	3	1	-	4	1
Skilled	5	8	11	9	0	0	2	3
Semi-skilled	3	4	2	4	0	0	1	2
Unskilled	-	-	-	-	-	-	-	-
TOTAL	11	16	17	18	1	-	7	7

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	-	-	-	-	-	-	-	-
Senior management	1	1	2	1	-	-	-	-
Professional qualified	-	2	1	2	-	-	2	1
Skilled	4	7	9	8	-	-		3
Semi-skilled	2	3	6	4	-	-	2	1
Unskilled	-	-	-	-	-	-	-	-
TOTAL	7	13	18	15	-	-	4	5

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	-	-	-	-
Senior management	-	-	-	-
Professional qualified	-	-	-	-
Skilled	-	-	-	-
Semi-skilled	1	1	-	-
Unskilled	-	-	-	-
TOTAL	1	1	-	-

The WCGRB acknowledges the importance of maintaining a workforce that is broadly representative of the demographics of the Western Cape. To this end, employment equity targets are actively considered during the recruitment and selection process.

A transparent and objective approach to appointments is consistently applied. A representative from the Employment Equity Committee participates in the shortlisting process and attends interviews in an observer capacity. The Human Resources Department ensures that all interviews are fair, consistent, and non-discriminatory, with a focus on candidates' abilities, experience and qualifications relevant to the job requirements.

PART E:

PFMA Compliance Report

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Irregular expenditure confirmed	704	0
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**704**	**0**

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	704	0
Total	**704**	**0**

During the year, the entity procured plumbing and electrical maintenance services without specifying the minimum CIDB grading requirements in the Request for Quotation documentation, as required by Regulation 25 of the Construction Industry Development Regulations. This omission resulted from a misclassification of the work as general maintenance rather than construction, further compounded by vacancies within the SCM unit. Although the process was not procedurally compliant, the appointed service providers were CIDB-registered at the time of appointment.

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	13	988
Irregular expenditure under determination	704	0
Irregular expenditure under investigation	0	0
Total	**717**	**988**

For the amounts disclosed as "under assessment," the AGSA raised two findings in the prior year and one finding in the current year. These findings relate to: the failure to obtain three quotations; payments made under a contract that exceeded the quoted amount; and the splitting of transactions instead of procuring them as a single procurement transaction.

The findings raised in the prior year were not resolved, as the Board escalated a specific enquiry to the National Treasury - via the Provincial Treasury - regarding the application of the PFMA Compliance and Reporting Framework. A response was received in May 2025. Based on the guidance provided by the Provincial Treasury, the alleged irregular expenditure will now be assessed and addressed in accordance with the PFMA Compliance and Reporting Framework.

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

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

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	0	0

f) Details irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

Additional disclosure relating to Inter-Institutional Arrangements

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

Description
None.
Total

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

Description	2024/2025	2023/2024
	R'000	R'000
None.	0	0
Total	0	0

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

Description
None.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	10
Less: Fruitless and wasteful expenditure recoverable	-	(10)
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	-	-

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	10
Total	0	10

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	0	0
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	0	0

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	10
Total	0	10

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

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

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

Disciplinary steps taken
None.

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

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	0	0
Other material losses	0	0
Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	0	0

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
None	0	0
Total	0	0

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
None	0	0
Total	0	0

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
None	0	0
Total	0	0

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Nature of losses	Number of invoices	Consolidate Value
		R'000
Valid invoices received	472	21 505
Invoices paid **within** 30 days or agreed period	458	21 219
Invoices paid **after** 30 days or agreed period	14	286
Invoices older than 30 days or agreed period **(unpaid and without dispute)**	0	0
Invoices older than 30 days or agreed period **(unpaid and in dispute)**	0	0

Invoices paid after 30 days were delayed due to the following reasons:
- The Office was awaiting confirmation of bank details before processing payments.
- The Office was awaiting clarity on pricing.
- Payments were made only after the goods or services had been received or rendered.

3. SUPPLY CHAIN MANAGEMENT

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Twelve (12) month IBM subscription	International Business Machines Corporation South Africa	State Information Technology Agency Framework Agreement	ITRFQ 022424	1 103
Total				1 103

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
There were no contract variations and expansions which exceeded 15% of the original contract value or exceeded the amount of R15 million.						

PART F:

Financial Information

Notes

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON WESTERN CAPE GAMBLING AND RACING BOARD

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Gambling and Racing Board set out on pages 96 to 148, which comprise the statement of financial position as at 31 March 2025, 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 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 Western Cape Gambling and Racing Board as at 31 March 2025 and its financial performance and cash flows for the year ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act No. 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity, and for the year ended, 31 March 2025.

Responsibilities of the accounting authority for the financial statements

8. 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.

9. In preparing the financial statements, the accounting authority is responsible for assessing the public 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 public 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

10. 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.

11. 1A 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 on pages 92 to 93, forms part of this auditor's report.

Report on the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicator presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected the following material performance indicators related to programme 3: regulatory compliance presented in the annual performance report for the year ended 31 March 2025.I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national community or public interest.

- Number of compliance assessments conducted
- Percentage of investigations itiated within 30 days of allegations ofillegal gambling received by the Board

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

15. I performed procedures to test whether:

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

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

17. I did not identify any material findings on the reported performance information for the selected material performance indicators.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.

Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

21. 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.

22. 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 public 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.

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

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

25. My opinion on the financial statements, the report on the audit of the annual performance report 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.

26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

27. The other information obtained prior to the date of this auditor's report is a draft annual report, and the audit committee report is expected to be made available to us after 31 July 2025.

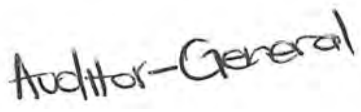
28. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, conclude that there is a material misstatement of this other information, I am required to report that fact.

29. When I do receive and read the audit committee reports, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

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



Cape Town
31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT

1. 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

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

3. 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 public 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 public 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 public 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

4. 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.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(); 51(1)(b)(i); 51(1)(e)(ii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(4)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2: 16A3.2(a): 16A6.1: 16A6.2(a) 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4: 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3: 16A8.4: 16A9.1(b)(i); 16A9.1(d): 16A9.1(e); 16A9.1(f): 16A9.2; 16A9.2(a)(i); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 33.1 1; 33.1.3
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.7; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2

Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2(1)(b);2.1(f)
Preferential Procurement Regulation, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Preferential Procurement Regulation, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Country of incorporation and domicile	South Africa
Board members	Mr CA Bassuday Ms C Fani Mr RG Nicholls Ms L Venter Ms A Mvandaba Mr M Burton Mr AS Chetty
Postal address	PO Box 8175 Roggebaai 8012
Controlling Entity	Western Cape Provincial Treasury
Bankers	Nedbank
Auditors	Auditor General (SA)
Secretary	Heinrich Brink

FINANCIAL INFORMATION

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PA Abrahams
for the Western Cape Gambling and Racing Board

Statement of Financial Position as at 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	48 148 432	39 716 857
Inventories		57 623	70 267
Prepayments	4	1 266 370	1 218 740
Receivables from exchange transactions	5	933 973	1 569 096
Receivables from non-exchange transactions	6	61 976 302	81 903 597
Cash and cash equivalents - Trust funds (securities)	7	46 800 236	43 302 835
Cash and cash equivalents - Trust funds (probity costs)	7	19 143 984	15 455 938
Cash and cash equivalents - ILSF Housing Fund	8	556 903	653 809
		178 883 823	**183 891 139**
Non-Current Assets			
Property, plant and equipment	9	26 298 786	26 256 689
Intangible assets	10	4 239 725	4 209 082
Prepayments	4	765 664	400 904
		31 304 175	**30 866 675**
Total Assets		**210 187 998**	**214 757 814**
Liabilities			
Current Liabilities			
Trust creditors (securities)	7	46 800 236	43 302 835
Trust creditors (probity costs)	7	14 476 950	13 680 093
Payables from exchange transactions	11	2 080 216	1 331 200
Taxes and transfers payable	12	99 128 380	112 895 618
Provisions	13	-	682 117
Employee Benefits	14	5 465 727	4 706 432
		167 951 509	**176 598 295**
Non-Current Liabilities			
Employee Benefits	14	5 547 000	4 520 000
Total Liabilities		**173 498 509**	**181 118 295**
Net Assets		**36 689 489**	**33 639 519**
Accumulated surplus		36 689 489	33 639 519
Total Net Assets		**36 689 489**	**33 639 519**

*See Note 38

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Interest income	15	4 997 848	5 127 003
Operating revenue	16	60 064 446	54 772 178
Rental income	17	838 213	449 206
Sundry income	18	817 348	473 249
Total revenue from exchange transactions		**66 717 855**	**60 821 636**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	19	24 586 000	21 178 000
Services in-kind	20	-	4 076 153
Sponsorships received	21	-	846 500
Total revenue from non-exchange transactions		**24 586 000**	**26 100 653**
Total revenue		**91 303 855**	**86 922 289**
Expenditure			
Amortisation: Intangible assets	10	400 148	389 511
Depreciation: Property, plant and equipment	9	1 664 078	1 451 640
Elimination of illegal gambling operations		28 400	5 060
Employee related costs	22	54 854 700	51 742 838
Finance costs	14	703 000	672 000
General expenses	23	15 858 554	18 455 544
Legal fees		954 964	1 195 486
Rental expenses	24	1 794 044	2 676 901
Travel and subsistence		2 177 279	2 147 786
Total expenditure		**(78 435 167)**	**(78 736 766)**
Operating surplus		**12 868 688**	**8 185 523**
(Gain)/Loss on disposal of assets	9	26 407	(36 012)
Actuarial (gains)/losses	14	372 830	(1 060 877)
Impairment loss	9	-	4 297 946
		(399 237)	**(3 201 057)**
Surplus for the year		**12 469 451**	**4 984 466**

*See Note 38

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2023	**38 178 615**	**38 178 615**
Changes in net assets		
Surplus for the year	4 984 466	4 984 466
Surplus payable to the Provincial Revenue Fund: 31 March 2024 (see note 27)	(9 523 562)	(9 523 562)
Total changes	**(4 539 096)**	**(4 539 096)**
Opening balance as previously reported	33 860 477	33 860 477
Adjustments		
Correction of errors (Note 39)	(220 958)	(220 958)
Restated* Balance at 01 April 2024 as restated*	**33 639 519**	**33 639 519**
Changes in net assets		
Surplus for the year	12 469 451	12 469 451
Retention of surplus funds approved: 31 March 2024	9 523 562	9 523 562
Surplus payable to the Provincial Revenue Fund: 31 March 2025 (see note 27)	(18 943 043)	(18 943 043)
Total changes	3 049 970	3 049 970
Balance at 31 March 2025	**36 689 489**	**36 689 489**

*See Note 38

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Taxes and levies collected		1 748 203 051	1 504 471 761
Operating revenue		60 564 857	54 495 986
Government grant		24 586 000	21 178 000
Net receipts for trust funds		4 294 258	14 592 893
Interest income		4 911 547	5 776 276
Sponsorships received		-	677 000
Rental Income		829 090	385 320
Sundry income		1 114 238	151 879
		1 844 503 041	1 601 729 115
Payments			
Employee costs		(54 144 235)	(51 644 727)
Suppliers		(21 178 803)	(19 852 803)
Taxes and levies distributed		(1 751 469 643)	(1 498 196 202)
		(1 826 792 681)	(1 569 693 732)
Net cash flows from operating activities	**29**	**17 710 360**	**32 035 383**
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(1 769 592)	(26 840 282)
Capitalised development IT costs	10	(430 790)	-
Proceeds from sale of property, plant and equipment	9	10 138	46 435
Net cash flows from investing activities		**(2 190 244)**	**(26 793 847)**
Cash flows from financing activities			
Surplus paid to the Provincial Revenue Fund		-	(13 803 428)
Net increase/(decrease) in cash and cash equivalents		**15 520 116**	**(8 561 892)**
Cash and cash equivalents at the beginning of the year		99 129 439	107 691 331
Cash and cash equivalents at the end of the year	**3**	**114 649 555**	**99 129 439**

*See Note 38

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer-ence
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods and services other than capital assets	51 852 926	-	**51 852 926**	60 564 857	**8 711 931**	(1)
Entity revenue other than sales	3 647 145	-	**3 647 145**	6 854 875	**3 207 730**	(2)
Total revenue from exchange transactions	**55 500 071**	**-**	**55 500 071**	**67 419 732**	**11 919 661**	
Revenue from non-exchange transactions						
Transfer revenue						
Departmental transfers	24 586 000	-	**24 586 000**	24 586 000	**-**	
Retention of surplus funds	6 224 795		**6 224 795**	6 224 795	**-**	(3)
Total revenue from non-exchange transactions	**30 810 795**	**-**	**30 810 795**	**30 810 795**	**-**	
Total revenue	**86 310 866**	**-**	**86 310 866**	**98 230 527**	**11 919 661**	
Expenditure						
Compensation of employees	(56 959 141)	-	**(56 959 141)**	(54 144 235)	**2 814 906**	(4)
Goods and services	(20 606 930)		**(20 606 930)**	(21 119 217)	**(512 287)**	(5)
Payments for capital assets	(8 744 795)		**(8 744 795)**	(2 200 382)	**6 544 413**	(6)
Total expenditure	**(86 310 866)**	**-**	**(86 310 866)**	**(77 463 834)**	**8 847 032**	
Surplus before taxation	**-**	**-**	**-**	**20 766 693**	**20 766 693**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**-**	**-**	**20 766 693**	**20 766 693**	

The budget and the accounting basis differ. Refer to note 35 for the reconciliation between budget and statement of financial performance.

Refer to note 36 for the differences between budget and actual amounts of preparation and presentation as well as explanations regarding the changes between approved and final adjusted budget, where applicable.

In terms of paragraph 12(c) of GRAP 24, the comparison of budget and actual amounts shall be presented separately, by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts. For this purpose, all differences exceeding 0.5% of total operating expenditure were deemed to be material and therefore explanations have only been provided for those differences exceeding the threshold.

Explanations for variances:

1. It is challenging to accurately budget for the Board's own revenue, as application volumes are driven by industry demand. During the year, the number of new licence applications received and processed exceeded expectations. Board inspector fees are determined by the number of new applications and licence renewals in a given year. Although provision is made for an annual inflationary adjustment effective from April each year the budget was not updated to reflect these increases during the year. This resulted in an over collection of statutory fees.

2. The Board collected R1.6 million in miscellaneous income, of which R1 million relates to legal fees recovered following successful litigation outcomes. The Board does not budget for miscellaneous income. In addition, interest income exceeded budgeted amounts, primarily due to favourable interest rates on the Board's bank balances.

3. As part of the FY2024/25 Budget, the Minister for Finance and Economic Opportunities approved the roll over of funds amounting to R6 225 000. These roll over funds relate to previously approved cash surpluses and, therefore, were not received as actual cash during the year under review. As a result, the roll over funds have been included as an adjustment in Note 36, as they were not recognised in the statement of financial performance for the year under review.

4. The underspending is due to vacancies. As at 31 March 2025, there were nine (9) vacancies within the Board. The approved budget makes provision for a full complement of staff.

5. The overspending on goods and services relates to building maintenance, parking bay rentals, and storage fees for the Board's furniture. During the year under review, significant electrical repairs were required to ensure compliance with health and safety regulations. When procuring office accommodation, the sales agreement included a provision for the transfer of the existing lease agreement to the Board. As a result, the Board was required to lease additional parking spaces. Furthermore, the Board is in the process of refurbishing its office accommodation. Accordingly, it entered into a lease agreement for the temporary storage of its furniture until the refurbishment is completed. This refurbishment process was still in progress at year end.

6. As part of the FY2024/25 Budget, the Minister for Finance and Economic Opportunities approved the roll over of funds amounting to R6 225 000. The intention was to utilise these funds for the refurbishment of the office accommodation. However, due to a lack of internal capacity, the Board appointed a project manager to oversee the refurbishment project on its behalf. The planning phase was still underway at year end; therefore, the Board was unable to utilise the roll over funds during the year under review.

1. Significant accounting policies

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

1.1 Basis of preparation

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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:

Receivables from exchange transactions

The entity assesses its debtors for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. For amounts due to the Board, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Fair value estimation

The carrying value less impairment provision of receivables from exchange transactions and payables from exchange transactions are assumed to approximate their fair values due to the short term nature of these assets and liabilities.

Provisions

Provisions were recognised based on management's best estimate based on the information available. Contingent liabilities are disclosed on the same principle. Provisions are discounted where the time value effect is material.

Property, plant and equipment, and intangible assets

The Board assesses the useful life and residual values of these assets based on the condition of the assets and the replacement policy of the Board. Management also considers the impact of technology, availability of capital funding and service requirements to determine the optimum useful life expectation, where appropriate.

The Board acquired office accommodation in August 2023. In accordance with par 69 of GRAP 17 Property, plant and equipment, land and buildings are separable assets and are accounted separately, even when they are acquired together. At the time of acquisition, information about the cost of land and the cost of the building was not separately available. In accordance with par 35 of GRAP 17, the fair value of items of land and buildings is usually determined from market based evidence by appraisal. Land and buildings were revalued by a member of the valuation profession as at 31 March 2024. As at 31 March 2024, based on the total fair value of the property, land represented 42% of the total fair value, whereas buildings represents 58% of the total fair value. For purposes of cost allocation to land and buildings, the same ratio has been used to allocate the total purchase price to land and buildings as separable assets. 42% of the total purchase price has therefore been allocated to land and 58% of the total purchase price has been allocated to buildings. The allocation of total purchase price to land and building based on the ratio of fair value at year end is management's best estimate based on the information available.

Post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for post retirement benefits, such as future salary increases, mortality rates and future pension increases, are based on current market conditions. Additional information is disclosed in Note 14. Due to the long term nature of the plans, there is significant uncertainty.

Other long term employee benefits

The present value of other long term employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount other long term employee benefits.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle other long term employee benefits. In determining the appropriate discount rate, the entity considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related long service awards.

Other key assumptions for long service awards, such as future salary increase, mortality rates, etc. are based on current market conditions. Additional information is disclosed in Note 14. Due to the long term nature of long service awards, there is significant uncertainty.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures an impairment loss.

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

Management uses the aging of outstanding statutory receivables to make a determination as to whether statutory receivables may be impaired. Statutory receivables with long outstanding balances (debtors with financial difficulty) are assessed for impairment.

Current employee benefits

Staff leave is accrued to employees according to the Board's leave policy. Provision is made for the full cost of accrued leave at the reporting date. This accrual will be realised as employees take leave or terminate employment.

1.5 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.

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

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

Land and Buildings are carried at revalued amounts less any accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluations are done every 3 years.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

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

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

Item	Depreciation method	Average useful life
Land	Not applicable	Indefinite
Buildings	Straight-line	50 Years
Motor vehicles	Straight-line	4 - 20 Years
Equipment and furniture	Straight-line	2 - 30 Years
Computers	Straight-line	3 - 25 Years
Computer accessories	Straight-line	2 - 25 Years

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

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 32).

1.6 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

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

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:
- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. The change will be accounted for as a change in estimate.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Amortisation method	Average useful life
WCGRB Database Software	Straight-line	10 Years
Licensing Automation Project	Straight-line	15 Years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 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:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents: Trust funds (securities)	Financial asset measured at amortised cost
Cash and cash equivalents: Trust funds (trust)	Financial asset measured at amortised cost
Cash and cash equivalents: ILSF Housing Fund	Financial asset measured at amortised cost

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

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost

Initial recognition and measurement

Financial instruments are recognised initially when the Board becomes a party to the contractual provisions of the instruments. The Board classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial instruments after initial recognition using the following categories:

- Financial assets at amortised cost, using the effective interest method, less accumulated impairment losses.
- Financial liabilities at amortised cost, using the effective interest method.

Impairment 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 are impaired.

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If there is evidence, then the recoverable amount is estimated and an impairment loss is recognised.

For amounts due to the Board, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

All impairment losses/reversal of impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Derecognition

The Board derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the Board transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

1.7 Financial instruments (continued)

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) shall be recognised in surplus or deficit.

Any liabilities that are waived, forgiven or assumed by another entity by way of non exchange transaction, are accounted for in accordance with GRAP 23.

Receivables from exchange transactions

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in surplus or deficit within operating expenses.

When receivables from exchange transactions are uncollectable, bad debts written off are recognised in operating expenses in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term fixed deposits.

1.8 Statutory receivables

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non exchange transaction, using the policy on Revenue from non exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, 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.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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 or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

1.8 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable 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 receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Taxation

The Board's income is exempt from taxation in terms of Section 10(1)(cA) (i) of the Income Tax Act, 1962.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

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

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Recognition and measurement

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of impairment loss

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

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

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

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

1.12 Employee benefits

Short-term employee benefits

Short-term employee benefits include items such as:

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

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

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

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

The entity recognises the expected cost of bonus 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.

The accruals for employee entitlements to salaries and annual leave represents the amount which the Board has a present obligation to pay as a result of employees' service provided for at the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates.

Post-employment benefits: Defined contribution plans

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

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:
- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

The amount recognised as a defined benefit liability is the net total of the following amounts:
- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- actuarial gains and losses.

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

Long service awards

Long service awards are provided to employees who achieve certain pre determined milestones of service within the Board. The expected costs of these benefits are accrued over the period of employment. The Board's obligation in respect of this benefit is valued by independent actuaries annually and the corresponding liability is raised.

The liability is recognised as the present value of the defined benefit obligation at the reporting date.

The Board recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:
- current service cost;
- interest cost;
- actuarial gains and losses;

The Board uses the Projected Unit Credit Method to determine the present value of its long service awards obligation and the related current service cost, and where applicable, past service cost.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, are recognised in the Statement of Financial Performance in the period that it occurs.

1.13 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.

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

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

Contingent assets and contingent liabilities are not recognised. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable. Contingencies are disclosed in note 34.

1.14 Revenue from exchange transactions

Measurement

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

Operating revenue consists of:

Board Inspectors' charge out fees

This represents the hourly charge out rate for board inspectors performing probities and application investigations. The revenue is recognised on invoice for the hours the inspectors performed the duties of probity and investigations.

Investigation fees

This represents fees paid by licensed operators in terms of section 44 of the Western Cape Gambling and Racing Act (Act 4 of 1996) as amended. The revenue is recognised on invoice at the granting or renewal of an operator licence.

Licence application fees

This represents a fee payable in terms of section 44 of the Western Cape Gambling and Racing Act (Act 4 of 1996) as amended. The Board also collects national application fees in terms of section 28(1)(a) (b) of the National Gambling Regulations. The revenue is recognised on invoice at time of application.

LPM Operator fees

This represents a fee payable in terms of section 44C of the Western Cape Gambling and Racing Board (Act 4 of 1996) as amended. The revenue is recognised on invoice at the granting or renewal of an operator licence.

Interest income

Refer to section 1.16 for the accounting policy on Interest Income.

Rental income

Revenue from rental income is recognised on a straight-line basis over the term of the lease agreement.

Other income

Other income is recognised when it is probable that future economic benefits will flow to the entity and when the amount can be measured reliably.

1.15 Revenue from non-exchange transactions

Government grants

Government grants without conditions attached to it, are recognised as revenue when the asset is recognised.

Sponsorships received, including goods in-kind

Sponsorships received, including goods in kind, are recognised as assets and 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.

Services in-kind

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

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

1.16 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

1.17 Accounting by principals and agents

Identification

A principal agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Recognition

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.18 Trust funds

Trust funds represent deposits by gaming enterprises for the purposes of covering costs and defaults incurred in terms of section 34 and section 39 of the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996), as amended.

1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements or comparative information. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as 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 practicable, and the prior year comparatives are restated accordingly.

1.20 Fruitless and wasteful expenditure

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

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

1.21 Irregular expenditure

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

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

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

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

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

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

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

Irregular expenditure recovered is recognised as revenue in the Statement of Financial Performance.

1.22 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

1.22 Segment information (continued)

Taking the Board's programmes into consideration and the types of internal management reports as well as the annual financial statements, the following can be deduced when assessed against the definition of segment reporting:

Administration and ICT Programmes are support functions to the entity that do not generate economic benefits and therefore these programmes cannot be seen as segments.

Licensing and Regulatory Compliance do generate economic benefits, but reporting is done on an aggregated economic reporting level. Programmes are based on the Board's functional activities of Licensing and Regulatory Compliance with support service departments bearing the cost of a general nature. Accordingly, data is not analysed for allocation to individual departments.

It is management's view that the Board do not have segments as the programmes are support functions and do not generate economic benefits or service potential.

1.23 Prepaid expenses

Prepaid expenses are expenses which are paid for in advance.

Prepaid expenses are expenditure paid for in one reporting period, but for which the underlying asset will not be consumed until a future period. When the underlying asset is eventually consumed, it is charged to the statement of financial performance.

1.24 Budget information

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements. Refer to note 35.

1.25 Related parties

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

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

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

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

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

Remuneration of management includes remuneration derived for services provided to the entity in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the entity for services in any capacity other than as an employee or a member of management do not satisfy the definition of remuneration. Remuneration of management excludes any consideration provided solely as reimbursement for expenditure incurred by those persons for the benefit of the reporting entity, such as the reimbursement of accommodation costs associated with work related travel.

1.26 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.

1.27 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 0.5% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.28 Tax and levies collection

The Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) provides for the imposition of statutory taxes and fees payable by licence holders, as well as administrative penalties for non compliance. The Board collects gambling taxes and levies on gambling transactions on behalf of the Provincial Revenue Fund and other beneficiaries. Taxes and levies are collected based on the tax arrangements as set out in the Western Cape Gambling and Racing Act. Taxes and levies collected are disclosed in Note 28 and Note 37 to the financial statements.

Figures in Rand	2025	2024

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Minister of Finance approved the following Standards of GRAP to become effective for financial periods commencing on 1 April 2025:

Standard/Interpretation	Impact on the financial statements
GRAP 104: Financial Instruments	The expected impact on the financial statements is not significant.
iGRAP 22: Foreign Currency Transactions and Advanced Consideration	No such transactions are expected in the foreseeable future.

The table below outlines new pronouncements and amendments for which the Minister of Finance has not yet determined an effective date:

Standard/Interpretation	Expected impact
GRAP 1: Presentation of Financial Statements (amendments related to going concern)	The expected impact on the financial statements is not significant.
GRAP 103: Heritage Assets (amendments)	No such transactions are expected in the foreseeable future.
GRAP 105, GRAP 106 and GRAP 107: Transfer of Functions and Mergers (amendments)	No such transactions are expected in the foreseeable future.
Improvements to Standards of GRAP (2023)	The expected impact on the financial statements is not significant.
Guideline: The Application of Materiality to Financial Statements	The expected impact on the financial statements is not significant.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	38 540 111	39 716 857
Short-term deposits	9 608 321	-
	48 148 432	**39 716 857**

The Board's bank balances are held at Nedbank. The interest rate for funds held in the primary bank account is 6.90% as at 31 March 2025 (31 March 2024: 7.80%).

Cash and cash equivalents in the cash flow statement consist of:

Trust funds (securities) Refer to Note 7	46 800 236	43 302 835
Trust funds (probity costs) Refer to Note 7	19 143 984	15 455 938
ILSF Housing Fund Refer to Note 8	556 903	653 809
Bank balances (as per above)	38 540 111	39 716 857
Short term deposits (as per above)	9 608 321	-
	114 649 555	**99 129 439**

Figures in Rand	2025	2024

Monies held in trust funds (trust and securities) are held in terms of section 34 and 39 of the Western Cape Gambling and Racing Act (the "Act").

In terms of section 34 of the Act, any person who submits an application under this Act and any licence holder which is the subject of a hearing, an investigation or enquiry under this Act, shall be liable and pay to the Board in the prescribed manner all costs reasonably incurred by on behalf of the Board in conducting any hearing, investigations or enquiries provided for in this Act.

In terms of section 39 of the Act, the Board may require any applicant for a licence, before commencing or, in the case of a holder of such a licence, continuing to carry on the business authorised under that licence, to give security for the payment of all taxes, fees and gambling obligations due, or which may become due, under this Act in such amount and form as the Board may determine.

4. Prepayments

Annual licence fees: software	1 920 561	1 471 316
Membership fees	13 813	35 225
Subscription fees	42 727	30 545
TV Licence fees	221	221
Conference fees	-	31 449
Repairs and maintenance	45 742	50 888
Training services	8 970	-
	2 032 034	**1 619 644**

As disclosed in the statement of financial position

Current assets	1 266 370	1 218 740
Non-current assets	765 664	400 904
	2 032 034	**1 619 644**

5. Receivables from exchange transactions

Amounts due in respect of regulation operations	817 999	1 305 729
Amounts due in respect of other activities	115 974	263 367
	933 973	**1 569 096**

Statutory receivables included in receivables from exchange transactions are as follows:

Licence application fees	80 075	215 705
Board Inspector's Charge-out fees	376 448	245 274
Investigation fees	214 684	401 455
	671 207	**862 434**
Financial asset receivables included in receivables from exchange transactions above	**262 766**	**706 662**
Total receivables from exchange transactions	933 973	1 569 096

Figures in Rand	2025	2024

5. Receivables from exchange transactions (continued)

Statutory receivables general information

Transaction(s) arising from statute

Licence application fees: In terms of section 44(1) of the Act (Western Cape Gambling and Racing Act, Act 4 of 1996), the prescribed new licence application fee shall be paid by every applicant for a licence on submission of a new licence application.

Board Inspector's Charge out Fees: In terms of section 34(1) of the Act, any person who submits an application under this Act shall be liable for and pay to the Board in the prescribed manner all costs reasonably incurred by or on behalf of the Board in conducting any hearings, investigations or enquiries provided for in this Act.

Investigation fees: In terms of section 44(2) of the Act, the prescribed annual investigation fees shall be paid by a licence holder upon issue of the licence and thereafter annually upon renewal thereof.

Determination of transaction amount

Licence application fees: New licence application fees are set out in "Annexure B: New Licence Application Fees" in the Western Cape Gambling and Racing Regulations (Fees and Costs), 2016: Amendment, 2024.

Board Inspector's Charge out Fees: Board Inspectors Charge Out Fees represent the hourly charge out rates for board inspectors performing probities and application investigations. The Board also charged flat rates for key employee and gambling employee licence applications.

Annual investigation fees: Annual investigation and licence fees are set out in "Annexure C: Annual Licence and Investigation Fees" in the Western Cape Gambling and Racing Regulations (Fees and Costs), 2016: Amendment, 2024.

Interest or other charges levied/charged

No interest was levied/charged for statutory receivables for the year under review.

Discount rate applied to the estimated future cash flows

Statutory receivables are not discounted.

Receivables past due but not impaired

Relating specifically to Statutory Receivables

Statutory Receivables outstanding for more than 30 days are considered as past due but not impaired. At 31 March 2025, statutory receivables of R113 906 (31 March 2024: R223 476) were past due but not impaired. These relate to existing licence holders with no defaults in the past. Management has considered the impairment indicators for statutory receivables, as outlined in accounting policy 1.8. Based on this assessment, none of the outstanding amounts have been impaired.

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

Group 1: 31 - 60 days past due	48 896	80 000
Group 2: 61 - 90 days past due	17 679	85 812
Group 3: 91 and over past due	47 331	57 664
	113 906	**223 476**

Figures in Rand	2025	2024

5. Receivables from exchange transactions (continued)

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables

Counterparties without external credit rating

Group 1	262 766	706 662

Group 1 – new customer (less 6 months).

None of the financial assets that are fully performing have been renegotiated in the last year.

Trade and other receivables neither past due nor impaired

Trade and other receivables, which do not represent statutory receivables as at year end, were neither past due nor impaired (31 March 2024: Rnil).

6. Receivables from non-exchange transactions

Statutory Receivables from non-exchange transactions	61 976 302	81 903 597

Statutory receivables included in receivables from non-exchange transactions above are as follows:

Annual Licence Fees	68 057	134 771
Gambling Taxes	61 908 245	81 768 826
	61 976 302	**81 903 597**
Total receivables from non-exchange transactions	61 976 302	81 903 597

Statutory receivables general information

Transactions arising from statute

Annual licence fees: In terms of section 44(2) of the Act, the prescribed annual licence fees shall be paid by a licence holder upon issue of the licence and thereafter annually upon renewal thereof.

Gambling Taxes: In terms of section 64(1) of the Act, from time to time and in the manner prescribed there shall be paid to the Board gambling and betting taxes by the holders of licences as provided for in Schedules III and IV.

Figures in Rand	2025	2024

6. Receivables from non-exchange transactions (continued)

Determination of transaction amount

Annual licence fees: Annual licence fees are set out in "Annexure C: Annual Licence and Investigation Fees" in the Western Cape Gambling and Racing Regulations (Fees and Costs), 2016: Amendment, 2024.

Gambling Taxes: The determination of amounts payable for taxes on gambling activities is provided for in Schedules III and IV to the Western Cape Gambling and Racing Act.

Interest or other charges levied/charged

No interest was levied/charged for statutory receivables for the year under review.

Discount rate applied to the estimated future cash flows

Statutory receivables are not discounted.

Statutory receivables past due but not impaired

Statutory receivables outstanding for more than 30 days are considered past due but not impaired. As at 31 March 2025, there were no statutory receivables past due but not impaired (31 March 2024: R11 830).

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

91 and over past due	-	11 830

Factors the entity considered in assessing statutory receivables past due but not impaired

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

Figures in Rand	2025	2024

7. Cash and cash equivalents - Trust funds

Trust funds (securities)	46 800 236	43 302 835
Trust funds (probity costs)	15 418 461	14 237 653
Total	**62 218 697**	**57 540 488**
Add: Amount receivable from current account		
Trusts	3 725 523	1 218 285
	65 944 220	**58 758 773**
Currently disclosed in the financial statements		
Current assets		
Trust funds (securities) Refer to Note 3	46 800 236	43 302 835
Trust funds (probity costs) Refer to Note 3	19 143 984	15 455 938
Total	**65 944 220**	**58 758 773**
Current liabilities		
Trust creditors (securities)	46 800 236	43 302 835
Trust creditors (probity costs)	14 476 950	13 680 093
Total	**61 277 186**	**56 982 928**
Variance:	4 667 034	1 775 845

The variance as indicated above is due to the settlement of outstanding amounts payable by licence holders from monies held in trust for respective licence holders as at the end of reporting period each year.

Reconciliation of trust balances		
Amounts Held in Trust as at 31 March (securities and probity Costs)	62 218 697	57 540 488
Amounts to be transferred from primary bank account (probity costs)	3 725 523	1 218 285
Amounts settled from trust accounts for outstanding debtor balances	(4 667 034)	(1 775 845)
Trust balances held on behalf of licence holders as at 31 March	**61 277 186**	**56 982 928**

8. Cash and cash equivalents - ILSF Housing Fund

ILSF Housing Allowance	556 903	653 809

The individual linked savings facility is established in terms of clauses 4.5.6.3 and 4.5.6.4 of the Public Service Co ordinating Bargaining Council Resolution 7 of 2015.

Accumulated savings shall only be accessed for the purpose of acquiring homeownership, building and/or improving a home acquired for ownership.

Refer to Note 3 Cash and cash equivalents.

Figures in Rand

9. Property, plant and equipment

	2025			2024		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	10 683 801	(1 883 801)	8 800 000	10 683 801	(1 883 801)	8 800 000
Buildings	14 811 633	(2 907 866)	11 903 767	14 811 633	(2 611 633)	12 200 000
Motor vehicles	1 772 406	(1 629 820)	142 586	1 772 406	(1 563 292)	209 114
Equipment and furniture	4 808 646	(3 159 845)	1 648 801	4 549 984	(2 837 760)	1 712 224
Computers	6 393 062	(2 774 606)	3 618 456	5 559 113	(2 329 677)	3 229 436
Computer accessories	1 050 536	(865 360)	185 176	922 886	(816 971)	105 915
Total	**39 520 084**	**(13 221 298)**	**26 298 786**	**38 299 823**	**(12 043 134)**	**26 256 689**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	8 800 000	-	-	-	8 800 000
Buildings	12 200 000	-	-	(296 233)	11 903 767
Motor vehicles	209 114	-	-	(66 528)	142 586
Equipment and furniture	1 712 224	452 159	(11 091)	(504 491)	1 648 801
Computers	3 229 436	1 159 996	(25 366)	(745 610)	3 618 456
Computer accessories	105 915	130 566	(89)	(51 216)	185 176
	26 256 689	**1 742 721**	**(36 546)**	**(1 664 078)**	**26 298 786**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	-	10 683 800	-	-	(1 883 800)	8 800 000
Buildings	-	14 811 633	-	(197 489)	(2 414 144)	12 200 000
Motor vehicles	384 539	-	-	(175 425)	-	209 114
Equipment and furniture	1 098 811	1 012 840	(1 444)	(397 983)	-	1 712 224
Computers	3 550 280	321 289	(6 479)	(635 654)	-	3 229 436
Computer accessories	115 915	37 591	(2 502)	(45 089)	-	105 915
	5 149 545	**26 867 153**	**(10 425)**	**(1 451 640)**	**(4 297 944)**	**26 256 689**

9. Property, plant and equipment (continued)

Pledged as security

None of the property, plant and equipment have been provided as guarantee for liabilities.

Compensation received for losses on property, plant and equipment – included in operating profit.

The Board did not receive any compensation from third parties for items of property, plant and equipment that were impaired, lost or given up.

Revaluations

Land and Buildings was revalued on 31 March 2024 by a Professional Valuer in terms of section 20(2)(a) of the Property Valuers Profession Act, 2000.

The market value of Land and Buildings was determined by using active market prices. The Capitalization of Income approach method has been used to determine the value of the property.

The valuation has been performed with the following assumptions:

- The property is valued free and clear of any or all liens or encumbrances.
- There are no hidden or unapparent conditions of the property, subsoil, or structures that render it valuable.
- All applicable zoning and use regulations and restrictions have been complied with.
- The utilization of the land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespassing.

Land and buildings are revalued independently every 3 years.

Other information

1. There were no capital commitments relating to property, plant and equipment at year end.
2. As at 31 March 2025, assets with a total cost of R765 791 were fully depreciated. Four of these assets, with a combined cost of R566 790, represent IBM servers that were replaced during the current year. Although originally intended for disposal, the ICT department has indicated that the servers will be retained as spare items and used for testing purposes.

Property, plant and equipment in the process of being constructed or developed

For the period under review, the Board did not have property, plant and equipment which is in the process of being constructed or developed.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to maintain property, plant and equipment is disclosed in note 32 to the financial statements.

Restricted title

As at 31 March 2025, the Board did not have property, plant and equipment whose title is restricted.

Material impairment losses 2024

As disclosed in the reconciliation of property, plant and equipment, the Board recognised a total impairment loss of R4 297 944 in respect of land and building. The impairment loss incurred was brought about by the revaluation of the building. The Board bought the building at a premium; in addition to this, the Board paid non refundable Value Added Taxes to the amount of R3 300 000. As the Board is not a VAT vendor, the non refundable taxes are not recoverable by the Board and thus resulted in the increased impairment loss on the building. The Land and Buildings are a non cash generating assets as the Board hold these assets for administrative purposes.

The recoverable service amount of land and building is the fair value less costs to sell. As disclosed under the heading "Revaluations", an independent valuer was used to determine the recoverable service amount.

Figures in Rand	2025	2024

10. Intangible assets

	2025			2024		
	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	133 287	(108 335)	24 952	133 287	(101 396)	31 891
Internally generated computer software	6 169 364	(1 954 591)	4 214 773	5 738 574	(1 561 383)	4 177 191
Total	**6 302 651**	**(2 062 926)**	**4 239 725**	**5 871 861**	**(1 662 779)**	**4 209 082**

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software	31 891	-	(6 939)	24 952
Internally generated computer software	4 177 191	430 790	(393 208)	4 214 773
	4 209 082	**430 790**	**(400 148)**	**4 239 725**

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software	38 830	(6 939)	31 891
Internally generated computer software	4 559 763	(382 572)	4 177 191
	4 598 593	**(389 511)**	**4 209 082**

Pledged as security

None of the intangible assets have been provided as guarantee for liabilities.

Intangible assets developed for the year under review

Computer software, internally generated	430 790	-

Additions for the year include the development of an Online Request Fulfillment System amounting to R47 840, as well as further enhancements to the Board's existing internally generated intangible asset, Project Genesis, amounting to R382 950.

Intangible assets in the process of being constructed or developed

As at 31 March 2025, the Board had no intangible assets which are in the process of being developed.

Research and development expenditure

Online Request Fulfillment System	11 960	-

The Board incurred research and development expenses of R11 960 related to the development of an Online Request Fulfillment System. These expenses are included under consulting and professional fees in Note 23 to the financial statements.

Figures in Rand	2024	2023

Restricted title

As at 31 March 2025, the Board did not have intangible assets whose title is restricted.

Material individual intangible asset

The Licensing Automation Project is an individual asset which is material to the Board's financial statements.

The carrying value of the capitalised development costs for the Licensing Automation Project amounted to R 4 214 773 as at 31 March 2025 (31 March 2024: R4 177 191).

The remaining amortization period of the Licensing Automation Project is 9 years.

Other information

As at 31 March 2025, the Board did not have any contractual commitments for the acquisition of intangible assets.

11. Payables from exchange transactions

Trade payables	2 080 216	1 331 200

12. Taxes and transfers payable

Provincial Revenue Fund (see note 27)	96 089 796	110 060 510
Kenilworth Racing (Betting Levy)	3 038 584	2 835 108
	99 128 380	**112 895 618**

13. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	682 117	-	(427 509)	(254 608)	-

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Legal proceedings	600 000	682 117	(356 900)	(243 100)	682 117

Three licence holders commenced review proceedings on 22 November 2017. The Applicants applied to the Western Cape High Court, Cape Town for the review, setting aside and declaring unlawful and invalid the Board's decision to impose BBBEE conditions of licence on the Applicants as licence holders. Further, that the Court award costs against any party opposing the Application. Judgement was delivered on 11 December 2019, in favour of the Board. The licence holders applied for Leave to Appeal to the Supreme Court of Appeal, on 30 January 2020. The Applicant's leave to appeal was granted on 15 December 2020. The matter was argued before the Supreme Court of Appeal on 24 May 2022. Judgement was delivered on 24 June 2022. The Appeal was upheld with cost and the order of the Court a quo was set aside. Legal fees amounting to R427 509 was paid to the applicants during the year under review. Before this matter was finalised, the estimate for the applicants' legal cost was R682 117. Following the settlement of this liability, no further provision remains.

Figures in Rand	2025	2024

14. Employee benefits

Employee Benefits

Current Liabilities	5 465 727	4 706 432
Non-Current Liabilities	5 547 000	4 520 000
	11 012 727	**9 226 432**

Current Liabilities - Employee Benefits

Accrual for leave pay	3 972 586	3 258 469
Accrual for bonus	538 238	510 154
Subtotal	4 510 824	3 768 623
Current portion of Post Retirement Medical Aid	87 000	88 000
Current portion of Long Service Awards	311 000	196 000
ILSF: Housing allowance	556 903	653 809
	5 465 727	**4 706 432**

Non-Current Employee Benefits

Long Service Awards	725 000	786 000
Post-Retirement Medical Aid	5 220 000	4 018 000
Subtotal	5 945 000	4 804 000
Less: Current Liability	(398 000)	(284 000)
	5 547 000	**4 520 000**

Long service awards

The Board offers employees Long Service Awards for every ten (10) years of unbroken service completed, from ten years of service to forty (40) years of service, inclusive.

The table below sets out the Long Service Award policy:

Completed Service (in years)	Employed before 23 March 2017	Employed after 23 March 2017
10 years	A cash amount equal to the monthly benefit salary of the employee at his/her 10 - year anniversary	None
20 years	R 10 899	R 10 899
30 years	R 21 797	R 21 797
40 years	R 29 064	R 29 064

Figures in Rand	2025	2024

14. Employee benefits (continued)

Valuation of assets

The long service awards liability for the Board is provided for. However, no dedicated assets have been set aside to meet this liability.

Post retirement medical aid plan

Employees of the Board participate on a medical scheme of their choosing. The Board shall continue to provide a medical assistance subsidy of 75% of medical scheme contributions if an employee:

- Exited or exits the service of the Board because of retirement (including early retirement), death or dismissal on account of incapacity due to ill health or injury;
- Has attained at least fifty (50) years of age;
- Has remained a principal member of a registered medical scheme for twelve (12) months immediately before the date he/she exited the service of the Board;
- If an employee or former employee dies and his or her spouse becomes the principal member of a registered medical scheme, then the spouse becomes eligible to receive the subsidy.

The subsidy as at 1 January 2025 was R3 836 per month (R3 620 per month on 1 January 2024) and is expected to increase by 8.93% on 1 January 2026.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	4 804 000	5 143 000
Net expense recognised in the statement of financial performance	1 141 000	(339 000)
The amounts recognised in the statement of financial position	**5 945 000**	**4 804 000**

Accrued Liability

Long Service Award		
Current liability	311 000	196 000
Non-current liability	414 000	590 000
Post-Retirement Medical Aid		
Current liability	87 0000	88 000
Non-current liability	5 133 000	3 930 000
	5 945 000	**4 804 000**

Figures in Rand	2025	2024

14. Employee benefits (continued)

Net expense recognised in the statement of financial performance are as follows:

Current service cost: Long Service Awards*	71 000	81 000
Current service cost: Medical Aid Benefit*	180 000	204 000
Interest cost: Long Service Awards*	76 000	75 000
Interest cost: Medical Aid Benefit*	627 000	597 000
Benefits paid: Long Service Awards*	(119 698)	(177 482)
Benefits paid: Medial Aid Benefit*	(66 132)	(57 641)
Actuarial loss/(gain) due to demographic assumption changes: Long Service Awards	(93 302)	482
Actuarial loss/(gain) due to financial assumption changes: Long Service Awards	5 000	(22 000)
Actuarial loss/(gain) due to demographic assumption changes: Medical Aid Benefit	287 132	(717 359)
Actuarial loss/(gain) due to financial assumption changes: Medical Aid Benefit	174 000	(322 000)
	1 141 000	**(339 000)**

*These items are included as part the information disclosed in Note 22 to the financial statements (medical aid - company contributions and long service awards).

Key assumptions used

Assumptions used at the reporting date:

Long Service Awards	31 March 2025	31 March 2024
Discount rate	8.95%	9.98%
CPI (Consumer Price Inflation)	4.46%	5.27%
Normal Salary Increase Rate	5.46%	6.27%
Net Effective Discount Rate	3.32%	3.49%
Pre retirement mortality	SA 85 - 90 (light)	SA 85 - 90 (light)

Post-Retirement Medical Aid	31 March 2025	31 March 2024
Discount rate	13.34%	15.26%
Medical CPI (Consumer Price Inflation)	7.93%	9.58%
Medical Aid Contribution Inflation	8.93%	10.58%
Net Effective Discount Rate	4.05%	4.23%

14. Employee benefits (continued)

Demographic Assumptions	31 March 2025	31 March 2024
Pre-retirement Mortality	SA 85 - 90 (light)	SA 85 -90 (light)
Post-retirement Mortality	PA (90) rated down 2 years and 1% annual improvement from 2006	PA (90) rated down 2 years and 1% annual improvement from 2006 (PRMA)
Average retirement age	65	65
Proportion with spouse dependent at retirement	85%	85%
Continuation of membership at retirement	70%	80%

Refer to the table below for more information regarding key assumptions:

Discount Rate	GRAP 25 defines the determination of the Discount rate assumption to be used as follows: The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the benefit payments, an entity uses current market rates of the appropriate term to discount shorter term payments and estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.
Normal Salary Inflation Rate	The underlying future rate of consumer price index inflation (CPI inflation) was derived from the relationship between the (yield curve based) Conventional Bond Rate and the (yield curve based) Inflation linked Bond rate for the time period indicated by the valuation's implied duration. The assumed rate of salary inflation was set as the assumed value of CPI plus 1%.
Medical Aid Inflation	The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period. South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. These increases are not considered to be sustainable and it was assumed that medical aid contribution increases would out strip general inflation by 1% per annum over the foreseeable future.
Average Retirement Age	The average retirement age for all active employees was assumed to be 65 years. This assumption implicitly allows for ill health and early retirements.
Mortality Rates	Mortality before retirement has been based on the SA 85 90 mortality tables. These are the most commonly used tables in the industry. Mortality post employment (for pensioners) has been based on the PA (90) ultimate mortality tables. No explicit assumption was made about additional mortality or health care costs due to AIDS.

14. Employee benefits (continued)

Promotional Salary Increase Rates

The following promotional salary increases were assumed:

Age Band	Promotional Increase
20 - 24	5%
25 - 29	4%
30 - 34	3%
35 - 39	2%
40 - 44	1%
45 and over	0%

Withdrawal Decrements: Long Service Awards

Allowance for withdrawals was made based on age, as summarised in the table below:

Age Band	Withdrawal Rate Males	Withdrawal Rate Females
20 - 24	16%	24%
25 - 29	12%	18%
30 - 34	10%	15%
35 - 39	8%	10%
40 - 44	6%	6%
45 - 49	4%	4%
50 - 54	2%	2%
55 - 59	1%	1%
60+	0%	0%

Withdrawal Decrements: Post-Retirement Medical Aid

Allowance for withdrawals was made based on age, as summarised in the table below:

Age Band	Withdrawal Rate Males	Withdrawal Rate Females
20 - 24	15%	15%
25 - 29	10%	10%
30 - 34	7%	7%
35 - 39	4%	4%
40 - 44	2%	2%
45 +	0%	0%

Early Retirement: Long Service Awards

The assumed rates of early retirement is set out below:

Age Band	Decrement for Males - NRA 65	Decrement for Females - NRA 65
20 - 54	0%	0%
55 - 59	5%	10%
60 - 64	5%	10%
65	100%	100%

14. Employee benefits (continued)

Sensitivity Analysis

The results of the valuation are dependent on the assumptions used. The tables below outline firstly how the accrued liability as at 31 March 2025 is impacted by changes in the assumptions and secondly how the income statement expenses (interest and service cost) are impacted by changes in assumptions.

Post - Retirement Medical Aid

Mortality Rates

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the organisation. If the actual rates of mortality turn our higher than the rates assumed in the valuation basis, the cost to the organisation in the form of subsidies will reduce and vice versa.

The table below illustrate the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%. The effect is as follows:

	-20% Mortality Rate	Valuation Assumption	+20% Mortality Rate
Total Accrued Liability	R 5 656 000	R 5 220 000	R 4 849 000
Interest Cost	R 779 000	R 718 000	R 666 000
Service Cost	R 270 000	R 247 000	R 227 000

Medical aid inflation

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

The table below illustrate the effect of a 1% p.a. change in the medical aid inflation assumption. The effect is as follows:

	- 1% Medical aid inflation	Valuation Assumption	+1% Medical aid inflation
Total Accrued Liability	R 4 938 000	R 5 220 000	R 5 367 000
Interest Cost	R 678 000	R 718 000	R 738 000
Service Cost	R 231 000	R 247 000	R 254 000

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cash flows. If the discount rate is higher, the present value of the liability will be lower and vice versa.

The table below illustrate the effect of a 1% change in the discount rate assumption. The effect is as follows:

	- 1% Discount rate	Valuation Assumption	+1% Discount rate
Total Accrued Liability	R 6 156 000	R 5 220 000	R 4 469 000
Interest Cost	R 850 000	R 718 000	R 612 000
Service Cost	R 301 000	R 247 000	R 204 000

14. Employee benefits (continued)

Long Service Awards

Withdrawal rate

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the organisation. If the actual rate of withdrawal turns out to be higher than the rates assumed in the valuation basis, then the cost to the organisation in the form of benefits will reduce and vice versa.

The table below illustrate the effect of higher and lower withdrawal rates by increasing and decreasing the withdrawal rates by 20%. The effect is as follows:

	-20% Withdrawal rate	Valuation Assumption	+20% Withdrawal rate
Total Accrued Liability	R 739 000	R 725 000	R 711 000
Current Service Cost	R 59 000	R 58 000	R 57 000
Interest Cost	R 60 000	R 59 000	R 58 000

Normal salary inflation

The cost of the long service awards is dependent on the increase in the annual salaries paid to the employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

The table below illustrate the effect of a 1% p.a. change in the Normal Salary inflation assumption. The effect is as follows:

	- 1% Normal salary inflation	Valuation Assumption	+1% Normal salary inflation
Total Accrued Liability	R 781 000	R 725 000	R 791 000
Current Service Cost	R70 000	R 58 000	R 72 000
Interest Cost	R 76 000	R 59 000	R 77 000

Discount rate

The value of the liability is directly dependent on the level of the discount rate used to discount the future expected cash flows. If the discount rate is higher, the present value of the liability will be lower and vice versa.

The table below illustrate the effect of a 1% change in the discount rate assumption. The effect is as follows:

	- 1% Discount rate	Valuation Assumption	+1% Discount rate
Total Accrued Liability	R 750 000	R 725 000	R 702 000
Interest Cost	R 60 000	R 58 000	R 56 000
Service Cost	R 54 000	R 59 000	R 63 000

Defined contribution plan

The Board operates a defined contribution retirement plan domiciled in the Republic of South Africa and is governed by the Pension Funds Act, 1956 (Act no. 24 of 1956). All permanent staff are covered by the retirement benefit plan.

The assets of the fund are held separate from those of the board, in funds under the control of trustees.

The total cost charged to income of R4 990 015 (2024: R4 941 035) represents contributions payable to the fund as specified in the rules of the fund (as disclosed Note 22 to the financial statements).

14. Employee benefits (continued)

Other disclosures

The defined benefit obligations have the following duration and maturity:

Weighted average duration of the defined benefit obligation (years)	31 March 2025	31 March 2024
Long Service Awards	3.73	3.74
Post-Retirement Medical Aid	18.69	19.19

Figures in Rand	2025	2024
Maturity analysis of benefit payments: Long Service Awards		
1 Year Following the Valuation Date	311 000	196 000
2 Years Following the Valuation Date	220 0000	296 000
3 Years Following the Valuation Date	202 000	209 000
	733 000	**701 000**
Maturity analysis of benefit payments: Post-Retirement Medical Aid		
1 Year Following the Valuation Date	87 000	88 000
2 Years Following the Valuation Date	135 000	96 000
3 Years Following the Valuation Date	189 000	156 000
	411 000	**340 000**

15. Interest income

Interest revenue		
Bank	4 816 282	4 516 961
Other Financial Institutions	181 566	610 042
	4 997 848	**5 127 003**

16. Operating Revenue

Board Inspector Charge Out Fees	11 068 884	9 445 151
Investigation Fees	39 433 994	37 469 766
Licence application fees	5 542 864	4 261 105
Limited Pay-out Machine Operator Fees	4 018 704	3 596 156
	60 064 446	**54 772 178**

17. Rental Income

Rental income	838 213	449 206

The Board procured office accommodation in August 2023. The sale agreement included a provision for the transfer of the existing lease agreement to the Board. The lease agreement is set to expire in April 2025.

Figures in Rand	2025	2024

18. Sundry income

Legal fees recovered	699 723	321 370
Other miscellaneous income	117 625	151 879
	817 348	**473 249**

19. Government Grant

Provincial Revenue Fund	24 586 000	21 178 000

The grant has no conditions attached to it. The grant is recognised in surplus/deficit on receipt thereof.

20. Services in-kind

Services in-kind benefit revenue	-	4 076 153

The Board occupied a building at no cost managed by the Department of Infrastructure until 31 October 2023. The amount disclosed in the financial statements is based on the payments made by the Department of Infrastructure in respect of rental expenditure and utilities.

The Board recognises the corresponding amount as an expense for the consumption of services in kind as disclosed in Note 23 to the financial statements.

21. Sponsorships received

Gambling Industry Contributions	-	846 500

The amount of R846 500 represent sponsorships received from licence holders towards the Board's Responsible Gambling Summit held in November 2023. R677 000 represent sponsorships received in cash. One licence holder sponsored the event venue free of charge to the amount of R169 500.

The Board recognises the corresponding amount as an expense for the consumption of sponsorships received as disclosed in Note 23 to the financial statements.

22. Employee related costs

Basic salary	40 139 244	38 224 570
Bonus	2 904 077	2 715 925
Medical aid - company contributions	3 199 839	3 098 182
UIF	156 960	153 525
Leave pay	1 682 548	1 144 607
Transport allowance	62 500	-
Defined contribution plans	4 990 015	4 941 035
Car allowances	12 120	12 120
Overtime payments	323 668	144 728
Long service awards	71 001	81 001
Acting allowances	323 432	181 318
Housing benefits and allowances	989 296	1 045 827
	54 854 700	**51 742 838**

Figures in Rand	2025	2024

Remuneration of executive management

The emoluments of the executive management, as disclosed in Note 25 to the financial statements, are included in the employee related costs as disclosed in this note.

Remuneration of Board Members

Fees paid to the members of the Board, as disclosed in Note 25 to the financial statements, are included in the employee related costs as disclosed in this note.

23. General expenses

Advertising	-	49 720
Auditors remuneration	2 897 907	2 962 906
Bank charges	5 662	3 495
Cleaning	339 949	269 277
Computer software annual licences	2 792 716	2 490 708
Conferences and membership fees	513 809	636 573
Consulting and professional fees*	2 679 165	1 553 626
Consumables	71 272	52 801
Insurance	374 473	365 570
Levies	478 214	458 976
Meeting expenses	187 912	34 640
Postage	3 840	4 237
Postage and courier	479	614
Printing and stationery	236 494	213 294
Recruitment costs	337 914	113 386
Rental of equipment	224 238	206 918
Repairs and maintenance (see note 32)	1 188 320	457 181
Responsible Gambling Awareness	968 499	1 186 263
Security services	24 148	37 900
Services in kind (see note 20)	-	4 076 153
Services: Translations/Subscriptions/Transcriptions	184 511	165 656
Sponsorships expenditure (see note 21)	-	846 500
Staff welfare	514 756	358 178
Telephone and fax	759 197	732 006
Training	338 686	516 998
Transportation costs	-	134 059
Utilities	736 393	527 909
	15 858 554	**18 455 544**

**Consulting and professional fees include research costs amounting to R1.2 million for the financial year ended 31 March 2025.*

Figures in Rand	2025	2024

24. Rental Expenses

Office Accommodation		
Contractual amounts	194 465	2 131 998
Storage Facilities		
Contractual amounts	1 599 579	544 903
	1 794 044	**2 676 901**

The Board is in the process of refurbishing its office accommodation. Accordingly, it had to enter into a lease agreement for the temporary storage of its furniture until the refurbishment is completed.

25. Emoluments

Executive

2025	Emoluments	Retirement Fund	Bonus	Other	Total
Chief Executive Officer	1 584 818	31 148	93 167	13 204	1 722 337
Manager: Legal Services	727 579	39 618	58 265	51 014	876 476
HOD: Admin & Finance	1 194 240	64 087	73 285	58 050	1 389 662
HOD: Licensing	881 785	48 014	35 566	4 232	969 597
HOD: Compliance	1 286 128	69 448	78 701	56 980	1 491 257
HOD: Information Technology	1 230 341	66 020	74 381	10 462	1 381 204
Manager: Human Resources	956 152	51 520	57 817	21 965	1 087 454
Manager: Legal Services (Acting)	290 878	15 397	-	73 120	379 395
	8 151 921	**385 252**	**471 182**	**289 027**	**9 297 382**

**Other benefits comprise travel allowance, medical benefits, acting allowances and leave paid out.*

2024	Emoluments	Retirement Fund	Bonus	Other	Total
Chief Executive Officer	1 460 791	78 536	88 770	131 716	1 759 813
Manager: Legal Services (Note 1)	1 025 413	50 686	80 266	148 836	1 305 201
HOD: Admin & Finance	1 122 612	59 997	68 902	55 912	1 307 423
HOD: Licensing (Note 2)	617 201	28 458	55 569	176 970	878 198
HOD: Compliance	1 224 992	66 327	74 686	93 317	1 459 322
HOD: Information Technology	1 155 985	61 785	69 872	26 827	1 314 469
Manager: Human Resources	899 088	48 239	54 355	7 285	1 008 967
Manager: Legal Services (Acting) (Note 1)	136 288	7 421	-	35 595	179 304
	7 642 370	**401 449**	**492 420**	**676 458**	**9 212 697**

Note 1: *The Manager: Legal Services resigned effectively on 31 January 2024. An Acting Manager: Legal Services was appointed on 1 February 2024.*
Note 2: *The HOD: Licensing resigned on 31 October 2023.*

**Other benefits comprise travel allowance and medical benefits*

25. Emoluments (continued)

Board members

2025	Members' fees	Other fees	Total
Mr CA Bassuday	394 391	24 649	419 040
Ms C Fani	272 947	28 018	300 965
Mr RG Nicholls	278 393	20 635	299 028
Ms L Venter	260 276	15 059	275 335
Mr M Burton	281 524	11 134	292 658
Ms A Mvandaba	190 342	20 963	211 305
Mr A Chetty (Note 1)	203 078	22 658	225 736
	1 880 951	**143 116**	**2 024 067**

(a) **Note 1:** *Mr Chetty was appointed to the Board on 1 April 2024.*

**Other fees comprise of claims for business kilometres and subsistence allowances.*

2024	Members' fees	Other fees	Total
Mr CA Bassuday	296 226	35 255	331 481
Ms C Fani	161 065	7 640	168 705
Mr RG Nicholls	209 457	7 232	216 689
Mr T Arendse	239 666	22 233	261 899
Ms L Venter	218 668	25 889	244 557
Mr M Burton	187 422	7 517	194 939
Ms A Mvandaba	91 659	1 457	93 116
	1 404 163	**107 223**	**1 511 386**

Figures in Rand	2025	2024

26. Operating leases

Minimum lease payments due		
- within one year	131 528	224 237
- in second to fifth year inclusive	30 910	162 437
Present value of minimum lease payments	**162 438**	**386 674**

Operating lease payments represent rentals payable by the Board for equipment hire.

27. Related parties

Relationships	Nature of the relationship	Transactions for the period under review
Executive Authority Western Cape Provincial Treasury: Ms D Baartman	Minister Baartman is the Member of the Executive Council responsible for the administration of the Western Cape Gambling and Racing Act.	No direct transactions.
Western Cape Provincial Head Official: Ms J Gantana	The WCGRB is a Schedule 3C PFMA Provincial Public Entity with the Western Cape Provincial Treasury as its parent/ responsible department. Ms J Gantana is the Head of Provincial Treasury in the Western Cape.	No direct transactions.
Western Cape Provincial Treasury	The Western Cape Gambling and Racing Board (WCGRB) falls within the oversight responsibilities of the Provincial Treasury.	Government grant as disclosed in Note 19. Taxes and levies as disclosed in Note 28. The transactions disclosed as payable to the Provincial Treasury or receivable on its behalf with the Treasury acting as a conduit to the Provincial Revenue Fund occurred within the terms and conditions of the Board's mandate and aligned with normal operating parameters.
Non Executive Members of the Board	The non executive members of the Board constitute the Accounting Authority of the WCGRB in terms of the Public Finance Management Act.	Fees for attendance of meetings as disclosed in Note 25.
Executive Management of the Board	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.	Remuneration of Executive Management as disclosed in Note 25.

Figures in Rand	2025	2024
Related party balances		
Amounts payable to Provincial Treasury, acting as a conduit to the Provincial Revenue Fund		
Taxes and levies due: Provincial Treasury (see note 12)	77 146 753	100 536 948
Cash Surplus: Provincial Revenue Fund (see note 12)	18 943 043	9 523 562
Total amounts due	**96 089 796**	**110 060 510**
Amounts due to Provincial Treasury, acting as a conduit to the Provincial Revenue Fund		
Taxes and levies receivable: Provincial Treasury (see note 37)	60 371 738	80 515 148

27. Related parties (continued)

Key management information

Class	Description	Number
Non-executive board members	The Board consist of Members appointed on a part time basis by the Executive Council.	Seven (7) Members were appointed to the Board as at 31 March 2025.
Executive management	The Executive Committee consist of the Chief Executive Officer, the Head of Departments of the Licensing, Regulatory Compliance, Administration and Finance and ICT as well as the Legal and Human Resources Managers.	Six (6) Senior Managers were appointed to the Executive Committee as at 31 March 2025.

Figures in Rand	2025	2024

28. Taxes and levies collected during the year

Provincial taxes		
Casino	391 031 990	384 595 938
Horse Racing and Betting	1 227 942 990	980 234 217
Limited Pay Out Machines	124 821 571	135 440 924
	1 743 796 551	**1 500 271 079**
Levies		
Casino	2 749 232	2 569 787
Horse Racing and Betting	466 842	388 240
Limited Pay Out Machines	1 090 303	1 043 931
	4 306 377	**4 001 958**
Interest, fines and penalties		
Casino	43 000	5 625
Horse Racing and Betting	42 200	160 597
Limited Pay Out Machines	14 923	32 503
	100 123	**198 725**
Total collected		
Provincial taxes	1 743 796 551	1 500 271 079
Levies	4 306 377	4 001 958
Interest, fines and penalties	100 123	198 725
	1 748 203 051	**1 504 471 762**
Distributable to:		
Provincial Revenue Fund	1 662 564 372	1 436 382 872
Kenilworth Racing	85 638 679	68 088 890
	1 748 203 051	**1 504 471 762**

The Western Cape Gambling and Racing Act (Act 4 of 1996, as amended) provides for the imposition of statutory taxes and fees payable by licence holders, as well as administrative penalties for non compliance. The Board collects gambling taxes and levies on gambling transactions on behalf of the Provincial Revenue Fund and other beneficiaries.

The Board is party to a principal agent arrangement with the Provincial Revenue Fund. Information regarding this agreement is disclosed in Note 37 to the financial statements.

Figures in Rand	2025	2024

29. Cash generated from operations

Surplus	12 469 451	4 984 466
Adjustments for:		
Depreciation - tangible assets	1 664 078	1 451 640
Amortisation - intangible assets	400 148	389 511
Impairment loss	-	4 297 946
Movement in provisions	(682 117)	82 117
Movement in employee benefits	1 786 295	(290 766)
Loss/(Gain) on sale of assets	26 407	(36 012)
Services in-kind revenue	-	(4 076 153)
Services in-kind expenditure	-	4 076 153
Changes in working capital:		
Inventories	12 644	(14 949)
Receivables	701 877	(12 175)
Prepayments	(412 390)	(368 405)
Payables	(2 550 291)	6 959 117
Trust creditors	4 294 258	14 592 893
	17 710 360	**32 035 383**

30. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: credit risk and liquidity risk.

Liquidity risk

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

The Board's financial liabilities are payable within a period of twelve (12) months.

The Board has minimised its liquidity risk by ensuring that it has adequate banking facilities and funds in trust for any claim against its trade receivables. As at 31 March 2025, management did not consider there to be any significant concentration of risk which had not been adequately provided for.

The Board's maximum exposure to liquidity risk at reporting date is disclosed below:

Payables from exchange transactions	2 080 216	1 251 581

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of bank balances, cash equivalents and receivables from exchange transactions. The Board only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Figures in Rand	2025	2024

30. Risk management (continued)

Receivables from exchange transactions comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board.

The amount outstanding in respect of receivables from exchange transactions, which do not represent statutory receivables, amounts to R262 766 (31 March 2024: R706 662) at the end of the reporting period. The Board holds no specific collateral for this balance. Management considers the amount of R262 766 to be fully recoverable as no impairment indicators exist for this balance.

The Board holds no specific collateral for its credit risk exposure other than the trust accounts. For the year under review the Board has not renegotiated the credit terms of any of its debtors. As at 31 March 2025, management did not consider there to be any significant concentration of risk which had not been adequately provided for.

As at 31 March 2025, there were no outstanding balances for more than 30 days.

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

Cash and cash equivalents	48 148 432	39 716 857
Receivables from exchange transactions	262 766	706 662
Cash and cash equivalents - trust funds (securities)	46 800 236	43 302 835
Cash and cash equivalents - trust funds (trust)	19 143 984	15 455 938
Cash and cash equivalents - ILSF Housing Fund	556 903	653 809

Interest rate management

The Board does not pay any material amounts of interest and as a consequence, the Board is not exposed to any material interest risk.

Cash funds are managed to daily operational needs and surplus funds are placed at favourable rates with reputable financial institutions in South Africa.

Fair value of financial instruments

The carrying amounts reported in the statement of financial position for receivables from exchange transactions, cash and cash equivalents, payables from exchange transactions and other financial liabilities approximate fair value.

Figures in Rand	2025	2024

31. Financial instruments

Categories of financial instruments

2025

Financial assets	At amortised cost	Total
Cash and cash equivalents	48 148 432	48 148 432
Receivables from exchange transactions	262 766	262 766
Cash and cash equivalents - trust funds (securities)	46 800 236	46 800 236
Cash and cash equivalents - trust funds (trust)	19 143 984	19 143 984
Cash and cash equivalents - ILSF Housing Fund	556 903	556 903
	114 912 321	**114 912 321**

Financial liabilities	At amortised cost	Total
Payables from exchange transactions	2 080 216	2 080 216

2024

Financial assets	At amortised cost	Total
Cash and cash equivalents	39 716 857	39 716 857
Receivables from exchange transactions	706 662	706 662
Cash and cash equivalents - trust funds (securities)	43 302 835	43 302 835
Cash and cash equivalents - trust funds (trust)	15 455 938	15 455 938
Cash and cash equivalents - ILSF Housing Fund	653 809	653 809
	99 836 101	**99 836 101**

Financial liabilities	At amortised cost	Total
Payables from exchange transactions	1 251 581	1 251 581

32. Repairs and maintenance

Repairs and maintenance: Building	838 584	384 890
Repairs and maintenance: Equipment	190 626	35 618
Repairs and maintenance: Vehicles	159 110	36 673
	1 188 320	**457 181**

Refer to Note 23 to the financial statements where repairs and maintenance has been disclosed.

Figures in Rand	2025	2024

33. Events after the reporting date

There were no events after the reporting date that could materially affect the financial statements.

34. Contingencies

On 8 February 2018, two licence holders applied for a declaratory order in the Western Cape High Court, for an order in the following terms: (a) Declaring that Freeplay credits do not constitute a "drop" for the purpose of the computation of adjusted gross revenue and does not form part of the taxable revenue per Section 64 of the Act read with Schedule III; (b) Ordering that the Minister For Finance, in her capacity as the custodian of the provincial revenue fund, refund the Applicants R44 570 465 and R1 763 983, respectively in relation to taxes paid; (c) Alternatively that the Board offset the referenced amounts against the Applicants' future liability to pay gambling tax. Judgement was delivered on 29 April 2020 in favour of the Applicants. The Board resolved to appeal the judgement, after having obtained legal advice on the prospects of success on appeal. The Board and Minister for Finance were granted leave to Appeal to the SCA against the whole judgment and that the costs of the application is to be costs in the Appeal. The appeal was heard in the Supreme Court of Appeal on 22 November 2022. Judgement was handed down on 4 September 2023 and the Appeal was upheld. No order was made to costs as the parties agreed that each party will pay their own legal costs. The Court will therefore not impute liability on the Board to pay the costs of the other Applicants should they succeed and vice versa. The Applicant filed a Notice of Application for Leave to Appeal to the Constitutional Court on 26 September 2023 and the Board filed its Notice of Opposition and Founding Affidavit at the Constitutional Court on 9 October 2023. The matter was heard on 4 February 2025 in the Constitutional Court. Judgement has been reserved.

35. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus per the statement of financial performance	12 469 451	4 984 466
Adjusted for:		
Retention of surplus funds	6 224 795	31 525 000
Depreciation: tangible assets	1 664 078	1 451 640
Amortisation: intangible assets	400 148	389 511
Impairment losses	-	4 297 946
Services in-kind revenue	-	(4 076 153)
Services in-kind expenditure	-	4 076 153
Loss/(Gain) on the sale of assets	26 407	(36 012)
Movement in inventories	12 644	(14 949)
Movement in receivables	701 877	(12 175)
Movement in prepayments	(412 390)	(368 405)
Movement in payables	775 887	635 007
Movement in employee benefits	1 786 295	(290 766)
Movement in provisions	(682 117)	82 117
Net surplus per approved budget (see note 36)	**22 967 075**	**42 643 380**

36. Budget differences

Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting bases differ. The amounts in the annual financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. Adjustments to amounts in the annual financial statements were made to express the actual amounts on a comparable basis to the final approved budget. Refer to the Statement of Comparison of Budget and Actual Amounts where the amounts based on the comparable basis (cash) have been disclosed.

The amounts of these adjustments are identified in the table below.

	Actual (accrual basis)	Adjustments	Adjusted to comparable basis (cash)	Notes on adjustments
Sale of goods and services other than capital assets	60 064 446	500 411	60 564 857	Movement in accounts receivable
Entity revenue other than sales	6 653 409	201 466	6 854 875	Non cash items
Departmental transfers	24 586 000	-	24 586 000	
Retention of surplus funds	-	6 224 795	6 224 795	The cash surplus has been retained in prior years and as such, an adjustment is required in the current year.
Total revenue	**91 303 855**	**6 926 672**	**98 230 527**	
Compensation of employees	(54 854 700)	710 465	(54 144 235)	
Goods and services	(23 979 704)	2 860 487	(21 119 217)	Accruals, movement in inventories and prepayments, non cash items
Total expenditure	**(78 834 404)**	**3 570 952**	**(75 263 452)**	
Net operating surplus/ (deficit)	**12 469 451**	**10 497 624**	**22 967 075**	See Note 35.
Payment for capital assets	(2 173 511)	(26 871)	(2 200 382)	Non cash portion of asset purchases in the prior year.
Net Surplus/(Deficit)	**10 295 940**	**10 470 753**	**20 766 693**	

Changes from the approved budget to the final budget

There were no changes from the approved budget to the final budget.

Figures in Rand	2025	2024

37. Accounting by principals and agents

The Board is a party to a principal-agent arrangement.

Details of the arrangement are as follows:

In terms of section 12(13) of the Western Cape Gambling and Racing Act (The Act), the powers and functions of the Board shall be to collect and administer in accordance with the provisions of this Act, taxes, levies, duties and licence fees imposed by or under this Act.

In terms of section 3(1) of Part C of the Act, any amount of tax, licence fee, penalty or interest payable in terms of this Act shall, when it becomes due and payable, be a debt due to the Province and shall be recoverable for the benefit of the Provincial Revenue Fund by the Chief Executive Officer as hereinafter provided.

The Board is an agent as it collects taxes, licence fees, penalties and interest on behalf of the Provincial Revenue Fund. The function of the Board to collect and administer taxes and levies for the benefit of the Provincial Revenue Fund is mandated by the Western Cape Gambling and Racing Act, Act 4 of 1996. No other binding arrangement exist.

There were no changes during the reporting period insofar it relates to the Board's powers and functions to collect and administer taxes, levies, duties and licence fees. Payments in respect of taxes, licence fees and penalties are paid to the Western Cape Provincial Treasury as Provincial Treasury is a conduit for the taxes and other revenue collected by the Board to the Provincial Revenue Fund.

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

Certain amounts included in Trade and other Receivables are fees payable to the Provincial Revenue Fund. Refer to the table below for detail:

Annual Licence Fees	68 056	134 771
Gambling Taxes	60 303 682	80 380 377
	60 371 738	**80 515 148**

Revenue recognised

The Board is not compensated for the transactions carried out on behalf of the principal. The Board received a government grant to the amount of R24 586 000 for the year under review.

Liabilities and corresponding rights of reimbursement recognised as assets

The Board has not incurred any liabilities on behalf of the principal and as a result has not recognised any corresponding right of reimbursement as assets.

Additional information

Revenue and expenses that relate to transactions with third parties undertaken in terms of the principal-agent arrangement

Categories of revenue received or to be received on behalf of the principal, are:

Categories

Gambling Taxes
Annual Licence Fees
Interest, fines and penalties

Figures in Rand	2025	2024

37. Accounting by principals and agents (continued)

Category of expenses paid or accrued on behalf of the principal, are:

The Board does not, in the normal course of business, incur expenditure on behalf of the Provincial Revenue Fund.

Amount of revenue received on behalf of the principal during the reporting period

Gambling Taxes	1 658 157 872	1 432 182 189
Annual Licence Fees	4 306 377	4 001 958
Interest, fines and penalties	100 123	198 725
	1 662 564 372	**1 436 382 872**

Refer to Note 28 - Taxes and levies collected during the year for information regarding the revenue collected on behalf of the Provincial Revenue Fund.

Payables recognised based on the rights and obligations established in the binding arrangements

Gambling Taxes	76 834 061	100 178 469
Annual Licence Fees	310 192	283 121
Penalties	2 500	73 000
Forfeiture of illegal gambling proceeds	-	2 358
	77 146 753	**100 536 948**

Receivables recognised based on the rights and obligations established in the binding arrangement

Reconciliation of the carrying amount of receivables

Opening balance	80 515 148	44 464 729
Taxes and levies principal is entitled to	1 642 420 962	1 472 433 291
Taxes and levies received on behalf of the principal	(1 662 564 372)	(1 436 382 872)
	60 371 738	**80 515 148**

GRAP 109 requires the Board to recognise a receivable for taxes to be collected based on the Board's function of collecting and administering taxes on behalf of the Provincial Revenue Fund. A corresponding liability has been recognised in the financial statements as these taxes are payable to the Provincial Revenue Fund.

Refer to Note 27 where resources held on behalf of the principal are disclosed.

Refer to Note 6 - Receivables from non exchange transactions.

Reconciliation of the carrying amount of payables in respect of taxes and levies

Opening balance	100 536 948	58 789 602
Taxes and levies principal is entitled to	1 642 420 962	1 472 433 291
Taxes and levies paid to the principal	(1 665 811 157)	(1 430 685 945)
	77 146 753	**100 536 948**

Refer to Note 27 where amounts payable to related parties are disclosed.

38. Prior year errors and adjustments

Housing Benefits and Allowances

In the prior year, housing allowances were correctly expensed to the Housing Benefits and Allowances expenditure accounts. However, when Individual Linked Savings Facility ("ILSF") funds amounting to R115 731 were withdrawn, the transactions were processed through salaries, resulting in a duplicate charge and an overstatement of the Housing Benefits and Allowances expenditure by the same amount. To offset the ILSF Housing Allowance liability at 31 March 2024, amount of R115 731 was incorrectly recognised as Sundry Income, which led to an overstatement of Sundry Income.

Medical aid - company contributions

Up until 31 March 2019, the medical aid allowance was increased in line with the cost of living adjustments ("COLA") as determined by the DPSA. During the COVID 19 pandemic and the subsequent years, staff members did not receive COLA increases due to financial constraints and the prioritisation of essential services. Post pandemic, staff members received non pensionable cash allowances, which replaced COLA adjustments. As a result, the medical aid allowance remained unchanged for several years. After COLA increases resumed post pandemic, the medical aid allowance was inadvertently not adjusted in line with those increases.

Refer to the information below for the impact of the prior year errors on the statement of financial position, statement of financial performance and disclosure notes.

Statement of financial position	As previously reported	Adjustment	Restated
Accumulated surplus / Net Assets	(33 860 477)	220 958	(33 639 519)
Payables from exchange transactions	(1 110 242)	(220 958)	(1 331 200)

Statement of financial performance	As previously reported	Adjustment	Restated
Sundry income	(588 980)	115 731	(473 249)
Employee related costs	51 637 611	105 227	51 742 838
Surplus for the year	(5 205 424)	220 958	(4 984 466)

Cash Flow Statement	As previously reported	Adjustment	Restated
Operating revenue (Note 1)	54 611 717	(115 731)	54 495 986
Employee costs	(51 539 500)	(105 227)	(51 644 727)
Suppliers	(20 073 761)	220 958	(19 852 803)

Note 1 - Since the adjustment related to the non cash portion of other income, the correction affected the movement in accounts receivable, which in turn impacted the cash received from operating revenue in the cash flow statement.

Other Prior Year Adjustments

Statement of Financial Position

Cash and cash equivalents Trust funds (trust) has been renamed to Cash and cash equivalents Trust funds (probity costs) to align with the corresponding trust liability account.

Note 5 - Receivables from exchange transactions
In the prior year, financial asset receivables included in receivables from exchange transactions amounting to R706 662 were incorrectly disclosed under “Counterparties without external credit rating” as R705 862.

38. Prior year errors and adjustments (continued)

Note 7 - Cash and cash equivalents Trust Funds
A reconciliation has been provided for both the current and prior year to reflect the amounts transferred from the current account to the trust account, as well as the trust settlements applied against licence holders' outstanding balances at year end.

Note 14 - Employee Benefits
In the prior year, in respect of the 'net expense recognised in the statement of financial performance', the current service cost for Long Service Awards and the Medical Aid Benefit Liability was disclosed net of benefits paid. In both the current and prior year, benefits paid are now separately disclosed in accordance with the requirements of GRAP 25.

Note 23 - General expenses
The line item previously classified as 'Entertainment' has been reclassified and is now presented as 'Meeting Expenses' to more accurately reflect the nature of the expenditure.

Note 28 - Taxes and levies collected during the year
For both the current and prior year, the disclosure now includes a summary of taxes and levies collected, which was not presented in the previous year's financial statements.

39. Change in estimate

Property, plant and equipment

An assessment has been made of the useful lives of the Board's property, plant and equipment effective 31 March 2025.

Management is of the opinion that the useful lives of the assets are in line with the current circumstances.

The re-assessment of useful lives led to a decrease in depreciation as the changes were applied prospectively.

The effect in the current year is an increase in net surplus of R85 857, resulting in a future decrease in net surplus of R85 857 over the next years.

Figures in Rand	2025	2024

40. Irregular, Fruitless and Wasteful expenditure

Irregular expenditure	703 537	-
Fruitless and wasteful expenditure	-	9 613
Closing balance	**703 537**	**9 613**

During the year, the entity procured plumbing and electrical maintenance services without specifying the minimum CIDB grading requirements in the Request for Quotation documentation, as required by Regulation 25 of the Construction Industry Development Regulations. This omission resulted from a misclassification of the work as general maintenance rather than construction, further compounded by vacancies within the SCM unit. Although the process was not procedurally compliant, the appointed service providers were CIDB registered at the time of appointment.

Refer to Part E: PFMA Compliance Report in respect of Irregular, Fruitless and Wasteful Expenditure.

41. B-BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

To obtain additional copies of this document, please contact:

Western Cape Gambling and Racing Board
24 Fairway Close
Fairway Terraces
Parow
7500

Tel: 021 480 7400
Email: ceo@wcgrb.co.za Website: www.wcgrb.co.za

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