

ANNUAL REPORT

2019/20 and 2020/21

Responsible Gambling
During the COVID-19 Pandemic





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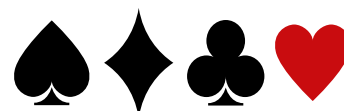
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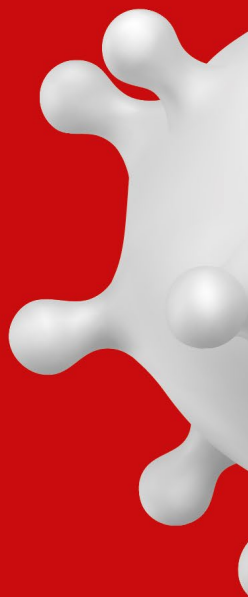
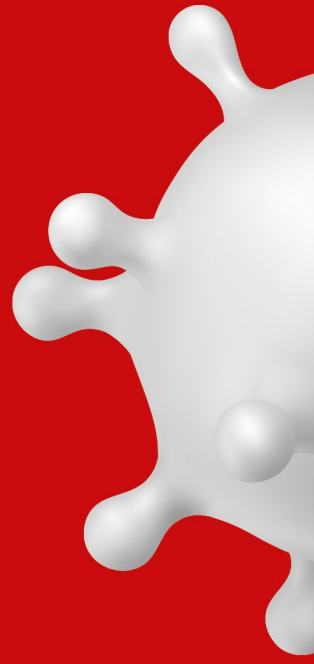
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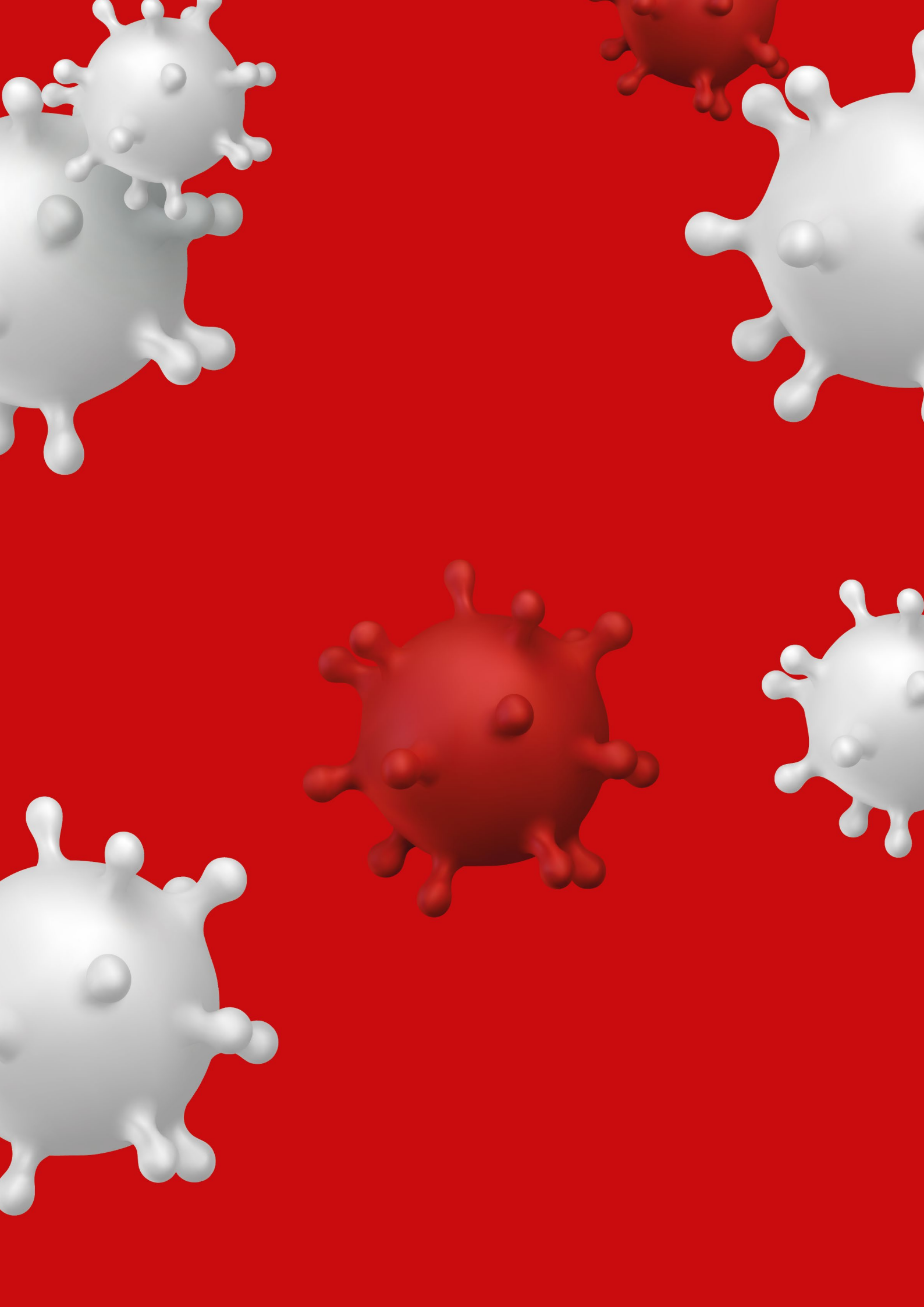
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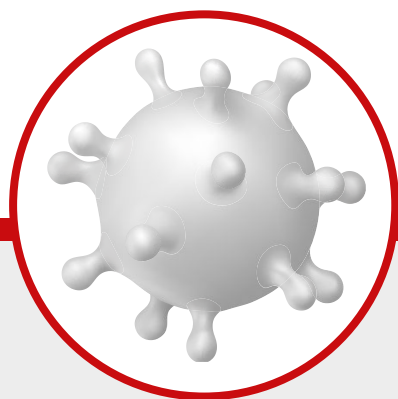
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PART A:

General Information







General Information

Registered Name:	The South African Responsible Gambling Foundation NPC
Registration Number:	2004/012448/08
Physical Address:	Sunnyside Office Park, Sentital House, 2nd floor, 32 Princess of Wales, Parktown, Johannesburg
Telephone Number:	+27 (0) 11 026 7323
International Number:	+27 (0) 21 674 5830
Toll Free Counselling Number:	+27 (0) 800 006 008
Industry Crisis and Support Number:	+27 (0) 71 515 0420
Email Address:	info@responsiblegambling.org.za
Training:	training@responsiblegambling.org.za
Website Address:	www.responsiblegambling.org.za
External Auditors:	SNG-Grant Thornton
Facebook:	South African Responsible Gambling Foundation
Twitter:	@SARGFoundation
Instagram:	#southafricanresponsiblegamblingfoundation
LinkedIn:	South African Responsible Gambling Foundation
WhatsApp Line:	+27 (0) 76 675 0710

About Us

The South African Responsible Gambling Foundation (The Foundation) is a not-for-profit NPC in terms of the Companies Act (Act no. 71 of 2008, as amended), and as such is funded by contributions from the South African gambling industry – which includes the casino, betting, bingo and limited payout machine (LPM) industries. The industry contribution is curbed at 0.1% of the industry's Gross Gambling Revenue (GGR) (i.e. money staked less money paid out in winnings). We provide free treatment and counselling to individuals affected by gambling as well as prevention programmes and industry training.

Strategic Goals



A recognised hub for research and intelligence on responsible gambling and problem gambling



Free comprehensive treatment and counselling services for those affected by problem gambling



Broad access to information, education and public awareness programmes on responsible gambling



Empowering the gambling industry to understand, identify and respond to incidents



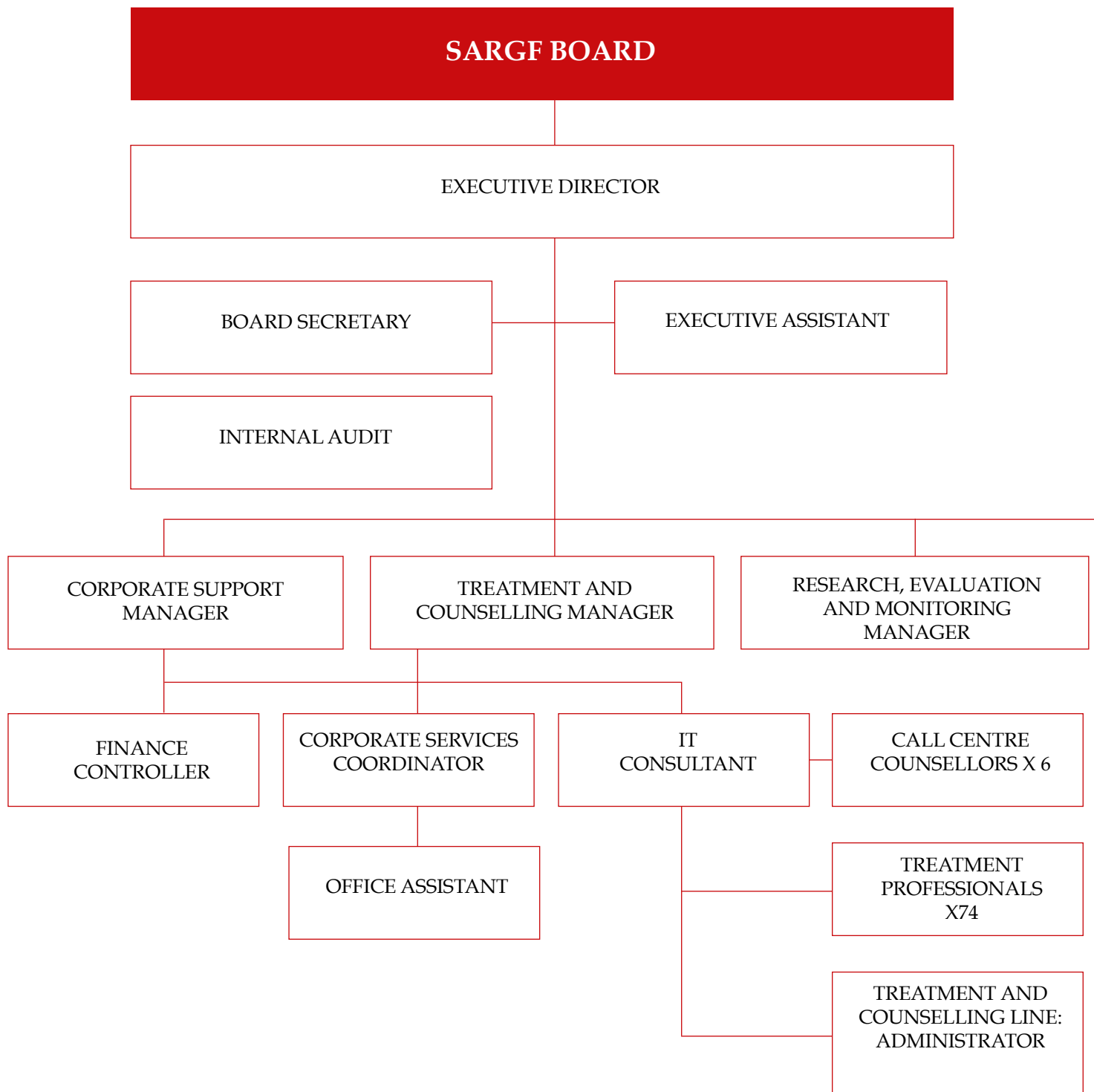
Sound governance and administration, and optimal utilisation of minimal resources

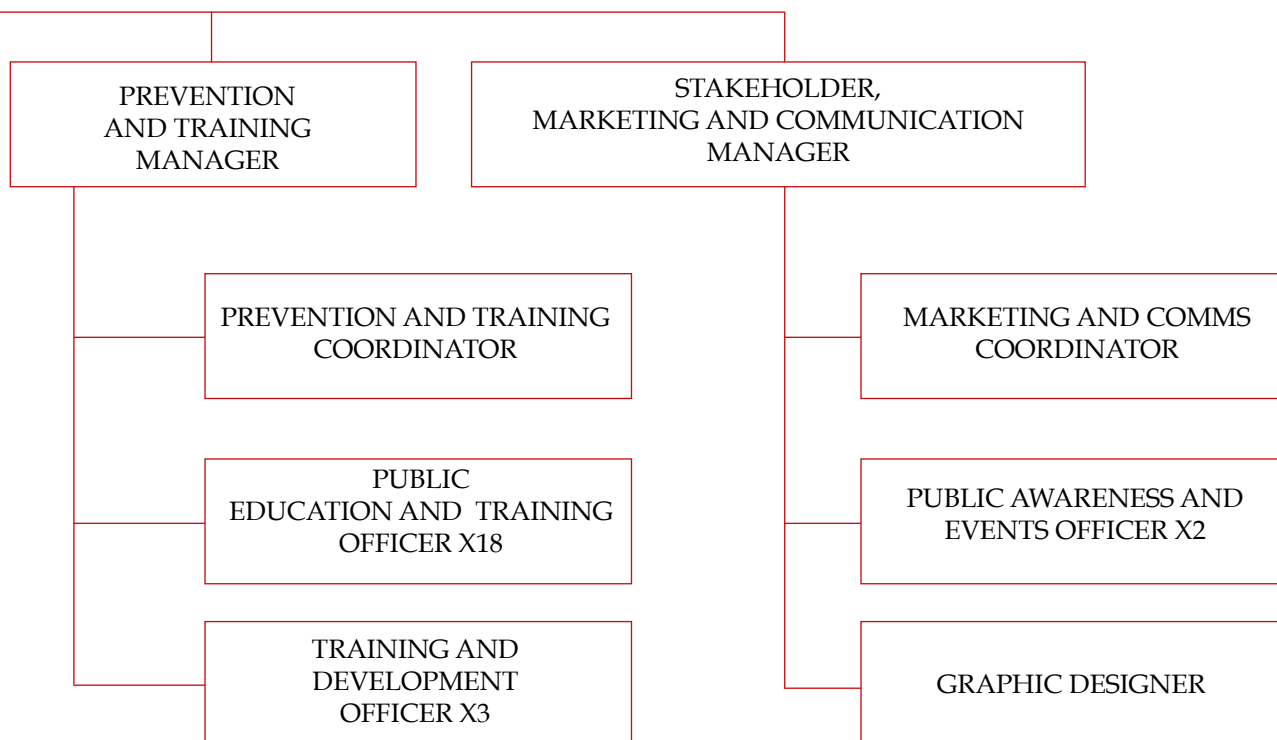
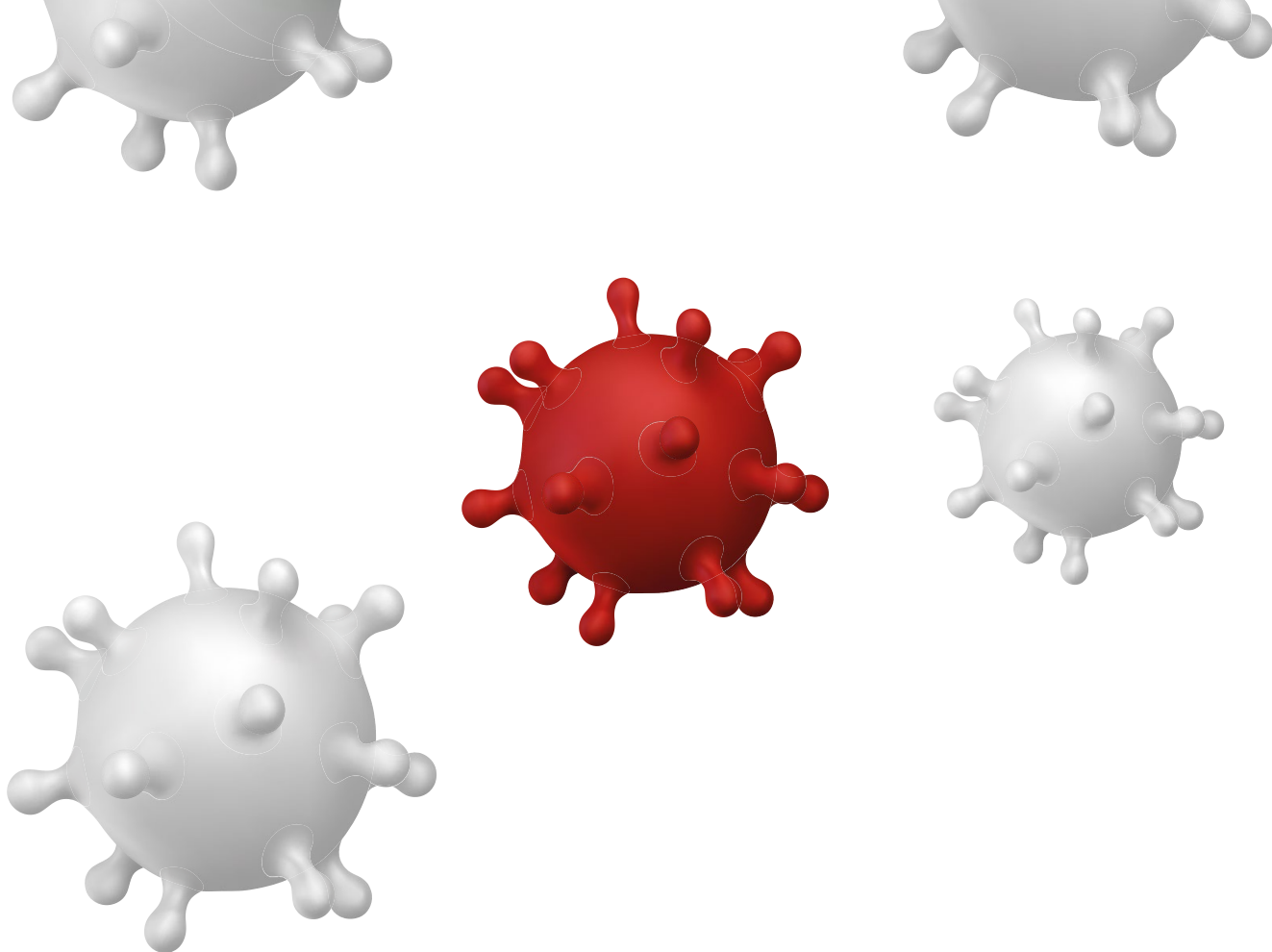
Abbreviations and Acronyms

AOP	Annual Operational Plan
CASA	Casino Association of South Africa
CEF	Central Energy Fund
DG	Disordered Gambler
ECGBB	Eastern Cape Gambling and Betting Board
FSGLA	Free State Gambling, Liquor and Tourism Authority
FR	Family Referral
GGB	Gauteng Gambling Board
GGR	Gross Gambling Revenue
KZNGBB	KwaZulu-Natal Gaming and Betting Board
LGB	Limpopo Gambling Board
LPM	Limited Payout Machines
MER	Mpumalanga Economic Regulator
MOU	Memorandum of Understanding

NCGB	Northern Cape Gambling Board
NGB	National Gambling Board
NRGP	National Responsible Gambling Programme
NWGB	North West Gambling Board
SARGF	South African Responsible Gambling Foundation
DTI	The Department of Trade and Industry
WCGRB	Western Cape Gambling and Racing Board
PG	Problem Gambling
PGD	Pathological Gambling Disorder
PLA	Provincial Licensing Authority
SE	Self-Exclusion
SP	Strategic Plan
TP	Treatment Professional

Organisational Structure






Foreword



The South African Responsible Gambling Foundation (Foundation) has made significant strides in the past five years (2016-2021) in treating individuals and family members affected by problem gambling. We have also created awareness about the potential harmful effects of problem gambling.

The impact that the Foundation made during this period includes 7 494 of people who have undergone Treatment and Counselling, 26 853 people have undergone responsible gambling training sessions, over 587 000 people have been reached through awareness and prevention initiatives.

Chairperson of the Board, Adv. Joe Nalane



31 March 2021 marks the end of our strategic year journey that began in 2016. We have lessons that we are taking forward into 2021-2026, such as ensuring that families of those affected by problem gambling receive dedicated support through our Social Services Intervention programme; this will include supporting them to approach relevant courts to apply for 3rd party self-exclusion. We will achieve this through the support of strategic partnerships that we have built and the new ones that we are seeking.

Propelling into the next five years, the Foundation has repositioned its five-year Strategic Plan 2021 – 2026 to focus on growing and expanding our interventions amid the Covid-19 pandemic. The outbreak of the pandemic caused disruption and brought about uncertainty in all sectors of our economy. While the lockdown regulations aimed to protect and save lives by restricting human movement and build capacity and resources for our healthcare system, many South Africans lost their jobs and income during the hard lockdown. This period added to an already high unemployment rate and social challenges. From a responsible gambling point of view, this means that more South Africans are now at risk of seeking alternative incomes streams and are more likely to resolve to gamble. We are poised to educate people about the odds of gambling, and at the same time, our Treatment and Counselling department is equally ready to treat those who might be affected by problem gambling.

The Covid-19 pandemic has also allowed the Foundation to innovate and increase its ICT capacity and capabilities to enable it to chart a way forward in a more hybrid and blended approach across all its offerings. Our Case Management System has been developed to provide a first-class patient management system, and the National Responsible Gambling Programme Academy laid a foundation for online teaching and learning.

In this Strategy Plan, the Foundation outlines a roadmap to ensure the attainment of its 2026 goals that will be used to guide and assess the organisation's performance at the end of the period. Whilst building on past achievements, this Strategic Plan reflects a revised and aligned response to the realisation of our mandate and strategic intent. In this regard, the Board of Directors is confident that the Foundation will continue to enhance its capability and capacity and will continue with its ongoing efforts to improve its governance systems and outcomes-based reporting in the period.

On behalf of my fellow Board, I take this opportunity to express our ongoing commitment and oversight to support the Foundation as it continues to concentrate on the delivery of its programmes as outlined in this Strategic Plan for the period 2021–2026.

Adv. Joe Nalane

Chairperson of the Board

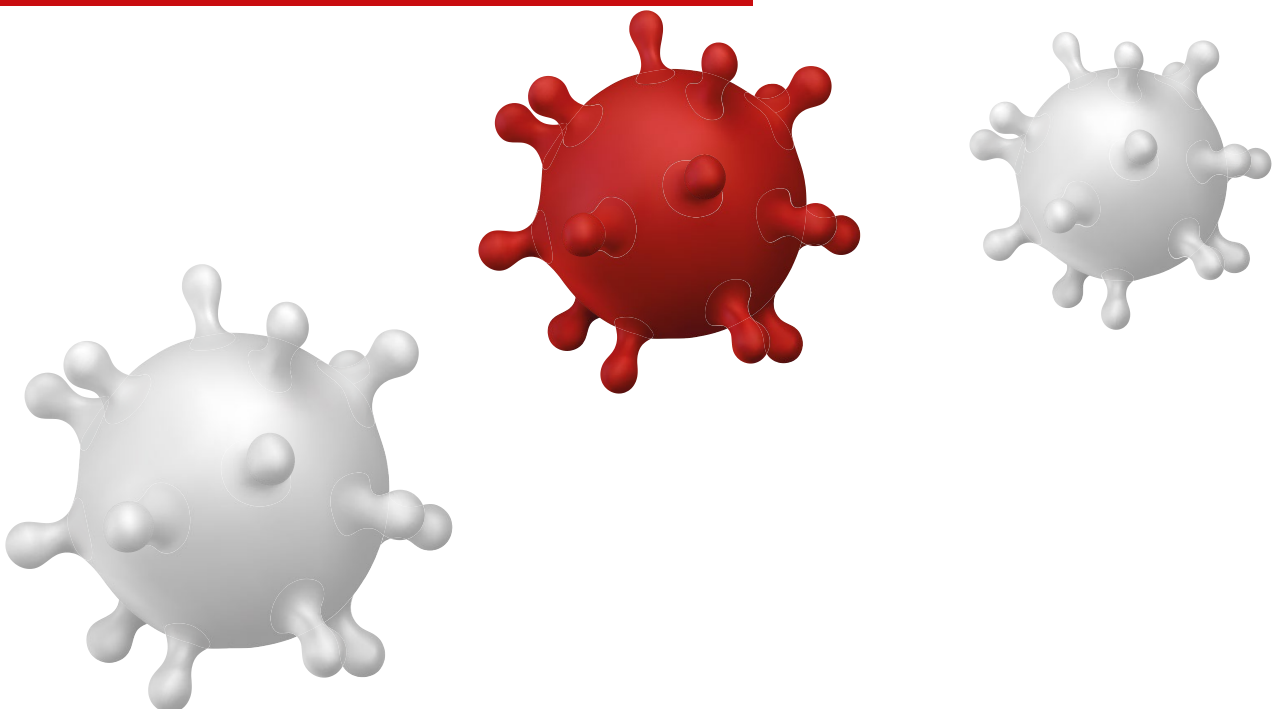
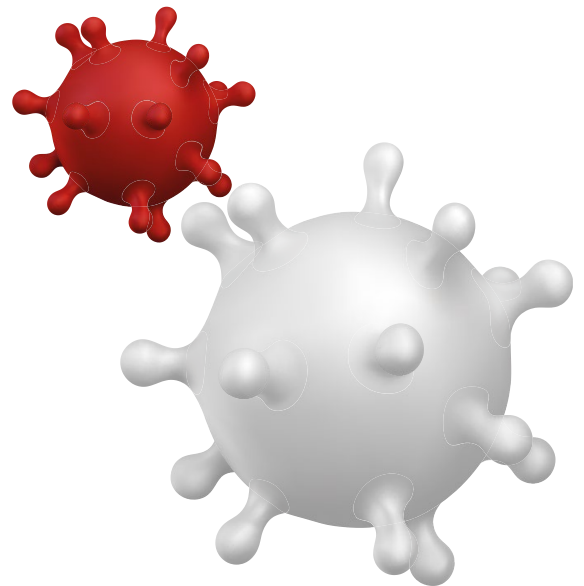
Our Vision

A responsible gambling environment through accessible programmes that manage and minimise the potential harmful effects of gambling in South Africa.

Our Mission

To grow awareness of responsible gambling and to ensure that the harmful effects of gambling are managed and minimised, through integrated programmes:

- Research, advocacy and stakeholder mobilisation;
 - Comprehensive treatment and counselling; and
 - Problem gambling prevention.
-



Board Members



Adv. Joe Nalane
Chairperson of the Board



Ms Sibongile Simelane- Quntana
Executive Director



Ms Baloyi, Portia Nonhlanhla
- Board and HR & RemCo
member



Mr Khanyile, Thabani Derrick
- Board and Audit and Risk
(ARC) Chairperson



Mr Dichabe, Kennilworth
Itumeleng - Board and ARC
(from 2020 to 2021)



Mr Makoko, Mokgase Gregory
- Board and HR and RemCo
Chairperson (from 2020 to 2021)



Mr Marasha, Douglas Themba -
Board and ARC



Ms Tshabalala, Agatha Ziningi -
Board and HR & RemCo



Mr Zwane Reuben Mabutho -
Board and ARC

Introduction

A black and white portrait of Ms Sibongile Simelane-Quntana, Executive Director of the South African Responsible Gambling Foundation. She is a woman with short hair, wearing glasses and a dark blazer over a light-colored shirt. She is looking directly at the camera with a slight smile. The background is a textured, light-colored wall.

The core of the South African Responsible Gambling Foundation's role with reference to the Foundation's ethos, primary mandate, vision, and mission is to grow awareness of responsible gambling and to manage and minimise the potential harmful effects of problem gambling.

The mission then seeks to succinctly identify what the organisation does, why, and for whom – its strategic focus in support of the public, industry, and the regulators. In achieving its vision, the Foundation defines its mission as follows:

To grow awareness of responsible gambling and to ensure that the potential negative and harmful effects of gambling are managed and minimised, through an integrated and well-managed programme of:

- Problem gambling prevention;
 - Integrated and comprehensive treatment and counselling;
 - Advocacy and stakeholder mobilisation; and
 - Research and knowledge application.
-

Executive Director, Ms Sibongile Simelane-Quntana

Through this mission the Foundation's vision is to be an enabler for a responsible gambling environment through accessible programmes that manage and minimise the potential harmful effects of gambling in South Africa.

The Foundation's strategic goals are set for a 5-year period, the strategic goals for the period under review derive from the 2016/2017 – 2020/2021 strategic plan, and five (5) strategic goals (outcomes) to direct its effort and focus are as follows:

1. Broad access to information, education, and public awareness programmes with regards to responsible gambling.

The Foundation managed to reach this goal, however during the Covid-19 pandemic and lockdown regulations, the Foundation had to minimise human contact to adhere to the Covid-19 health and safety protocols. The fluctuating lockdown regulations (level 1- 5) made it difficult for the Foundation to plan for public awareness programmes as adjustments to each level were based on the severity of pandemic.

2. Comprehensive treatment and counselling services for those affected by problem gambling;
3. A recognised knowledge hub for research intelligence that informs evidence-based decision making;
4. Empowered and capacitated gambling industry and other role players with regards to incidents of problem gambling; and
5. Sound governance and the optimal utilisation of available resources.

During the pandemic, and in the two years under review, the Foundation managed to make necessary provisions to ensure that the strategic goals and outcomes were not severely interrupted, the Foundation had to adapt offerings to ensure that responsible gambling programmes and support are still provided.

The Gambling Industry through their licensed operators contribute 0.1% of their Gross Gambling Revenue (GGR) towards the National Responsible Gambling Programme (NRGP), which enables the Foundation to implement its responsible gambling programmes. The Covid-19 Lockdown regulations had a negative impact on the Gambling Industry, including travel and tourism and leisure. Licensed onsite gambling established closed onsite gambling from 20 March, 2020, when the National Disaster Management Act came into effect, and the industry gradually resumed operations from 1 July 2020 based on the Lockdown regulation levels as well as the health and safety protocols. This had an impact on Gambling Revenue.

With regards to training of industry employees the training offering adopted a hybrid model of virtual and onsite training.

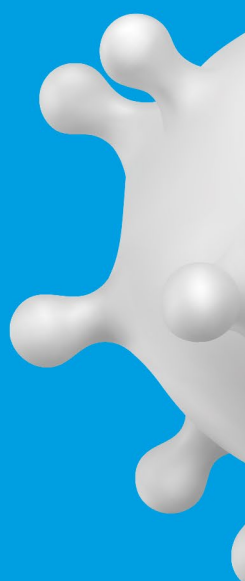
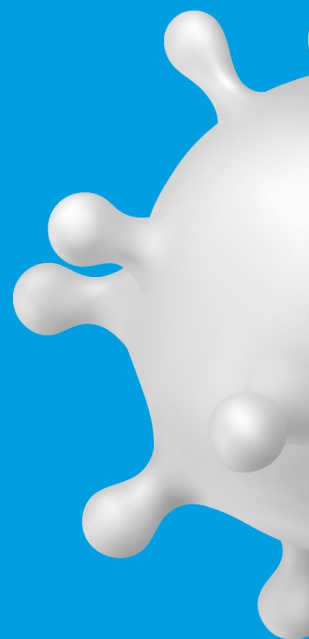
The Covid-19 pandemic has allowed the Foundation to reflect and assess how it will implement its programme's going forward by being agile and responsive during a global pandemic. With remote working and most human contact activities being virtual, the Foundation had to include in its plans for a more integrated and aggressive approach with the use of ICT systems using a blended and hybrid approach. Through our iterative planning, we have critically re-examined and, in some instances, placed emphasis on our performance metrics to ensure that they are specific, measurable, achievable, realistic, and time-bound in line with the 'SMART' principles.

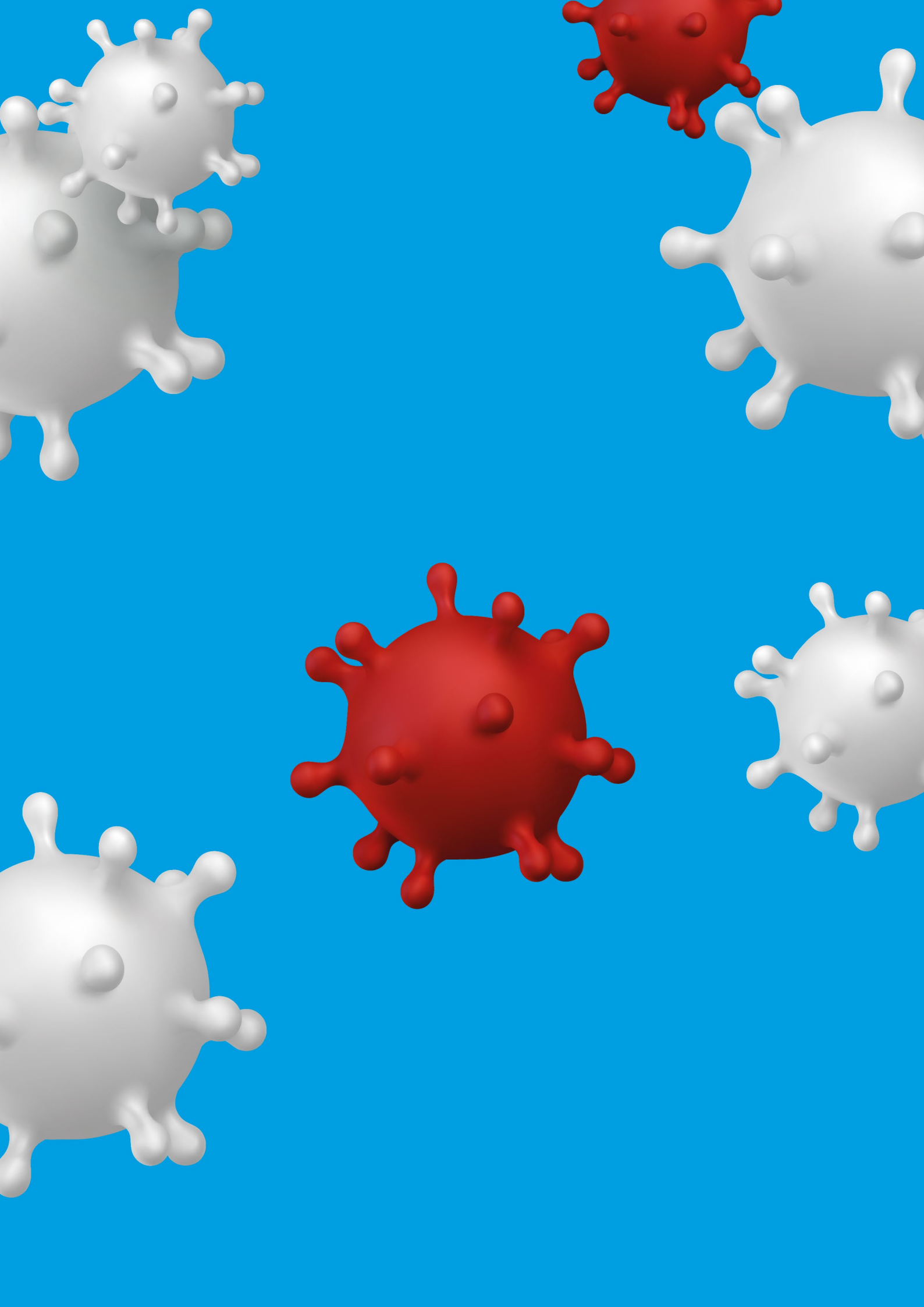
Ms Sibongile Simelane-Quntana

Executive Director

PART B: 1 April 2019 – 31 March 2020

Programme Information





Treatment and Counselling Programme

The Foundation's treatment and counselling programme is designed to assist problem gamblers to come to terms with their gambling disorder and possible triggers.

This seven-step process comprises:

Step 1: NRGP – Call the NRGP toll free helpline 0800 006 008, SMS HELP to 076 675 0719 or email helpline@responsiblegambling.org.za

Step 2: Counselling – A professional and qualified counsellor will take your call

Step 3: Treatment – You will be referred to your nearest treatment professional or clinical psychologist

Step 4: Assessment – Initial assessments will be administered to assess the severity of your gambling disorder

Step 5: In/Outpatient Treatments – Treatment options include outpatient treatment, inpatient treatment, affected family member counselling, continuing care and debt management

Step 6: Sessions – There are eight sessions for problem gamblers and three additional sessions

Step 7: Referral – Referral to an ongoing support group

Various types of gamblers require different interventions. As such, the Foundation offers a number of services at different points, to ensure a continuum of prevention initiatives:

Primary Prevention

Non-gamblers and social gamblers who have limited knowledge about gambling and the consequences of gambling irresponsibly benefit from public campaigns that highlight gambling as an entertainment activity only – not one to be used to increase finances or escape personal problems.

Secondary Prevention

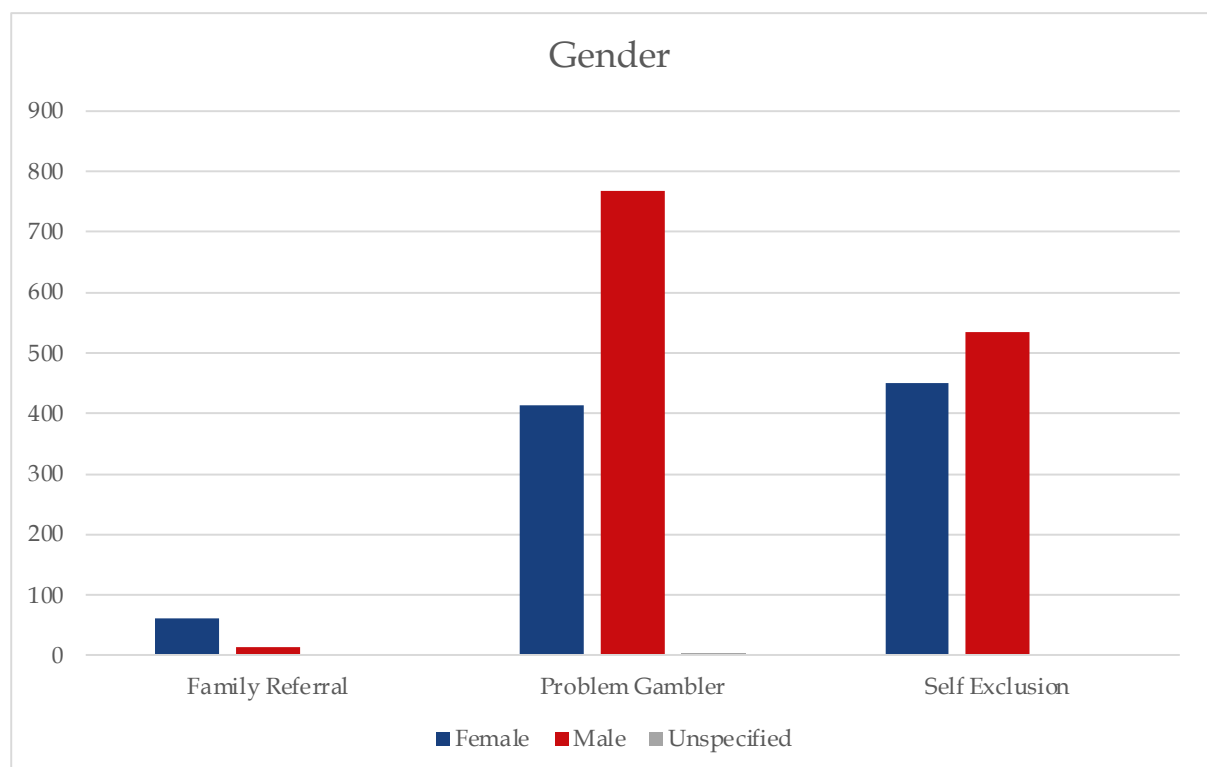
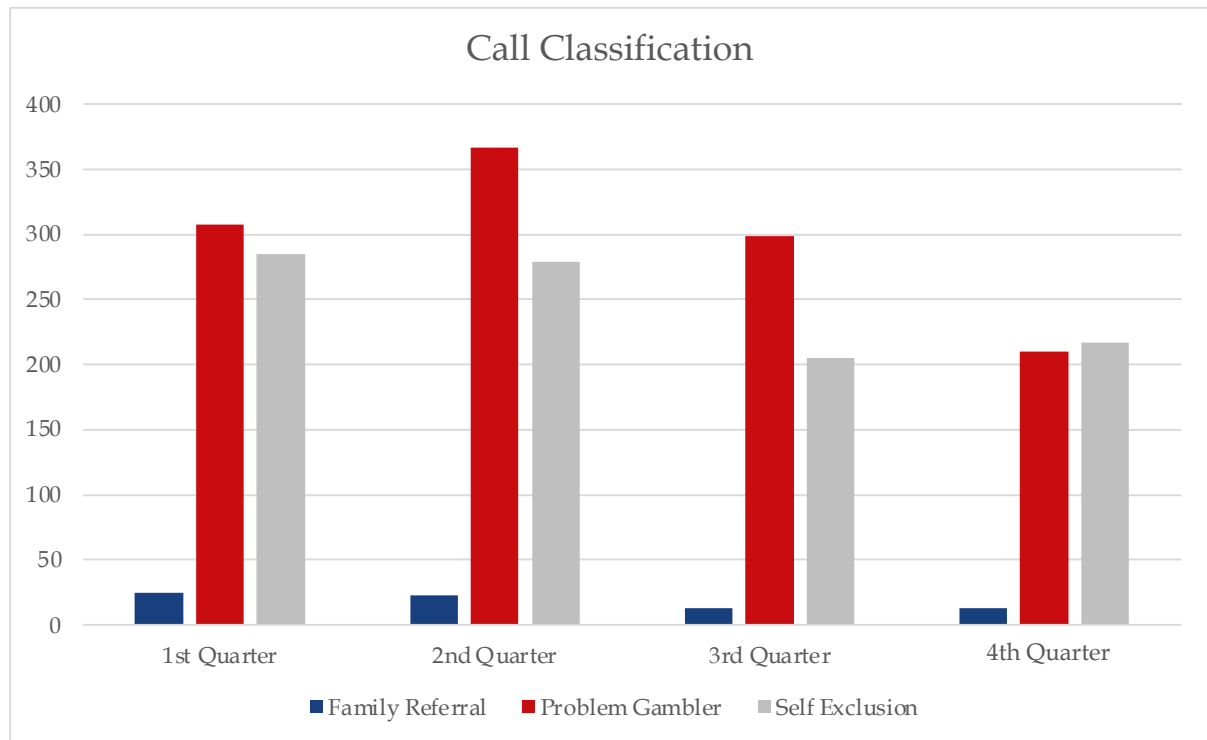
Frequent, binge, professional and problem gamblers are people who are already experiencing difficulties in different areas of their lives and are in danger of becoming compulsive or disordered gamblers. These are people who will benefit from the self-exclusion programme and the SARGF outpatient treatment programme. Self-exclusion assists them to stop accessing the casino floor, while the treatment programme uses cognitive behavioural programmes to help change their beliefs about the gambling activity, develop financial management skills and adopt new positive behavioural strategies.

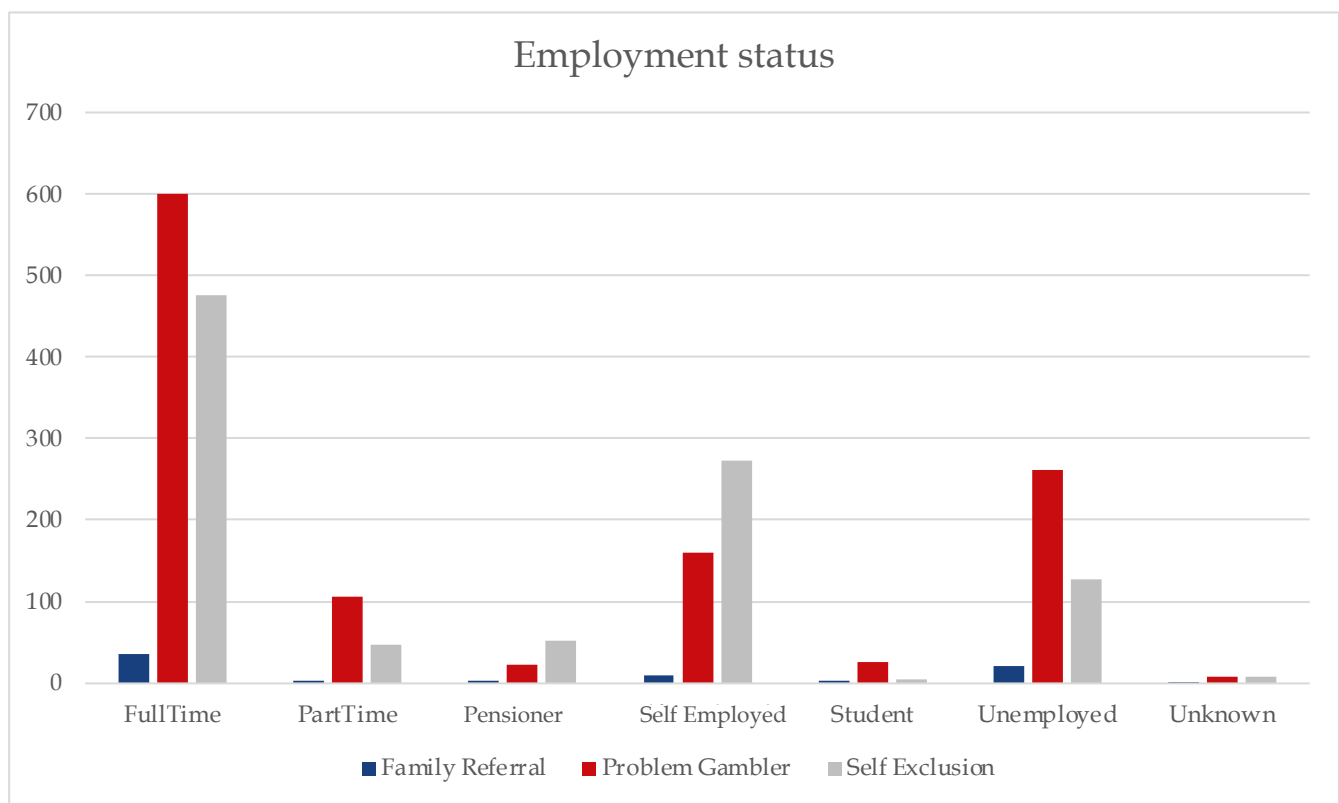
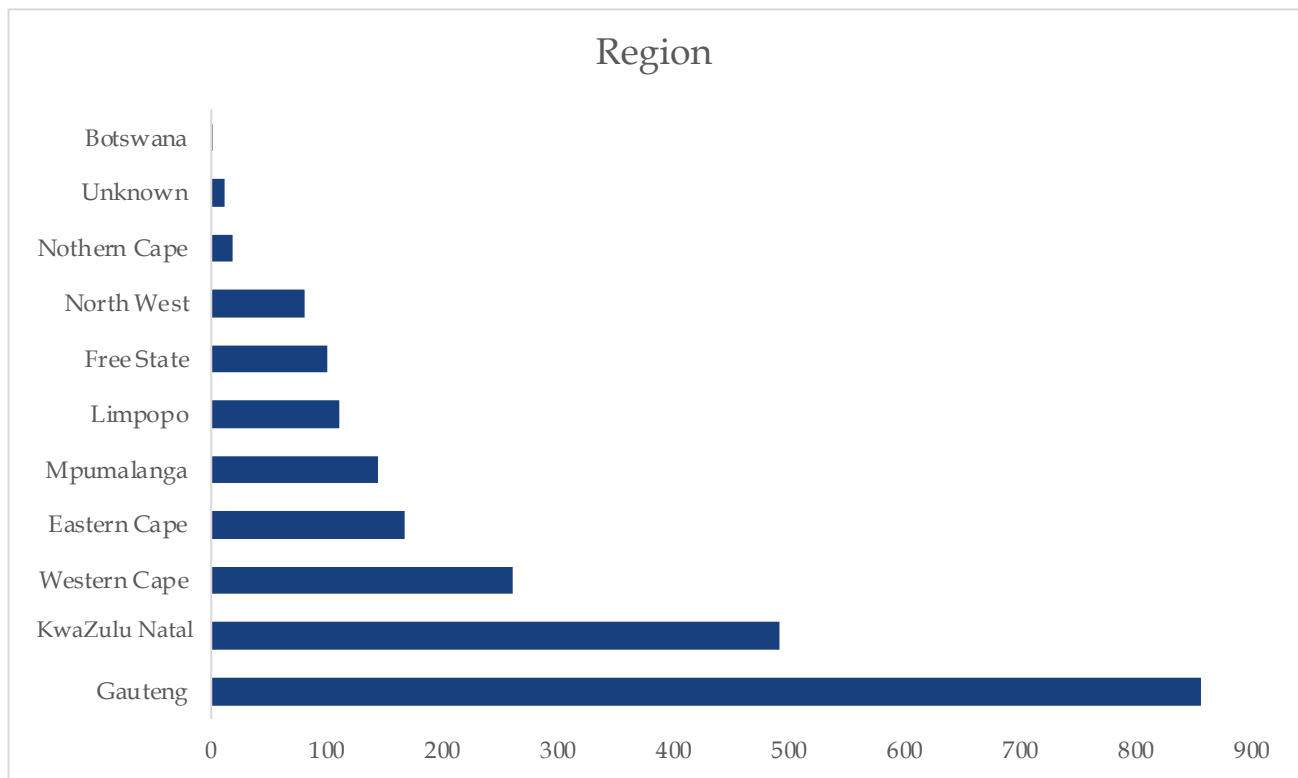
Tertiary Prevention

Disordered gamblers are individuals whose lives had been severely affected by their gambling behaviour. They have comorbid disorders such as bipolar mood disorder or alcohol/substance abuse. Individuals like these have lost their careers, family, friends and belongings because of gambling and yet they continue to gamble irresponsibly. Outpatient programme can no longer rehabilitate such individuals, and reference to the Foundation's inpatient programme is required. The inpatient programme helps them to move from a gambling environment to a place where they are surrounded by people trained to assist them to break the habit.

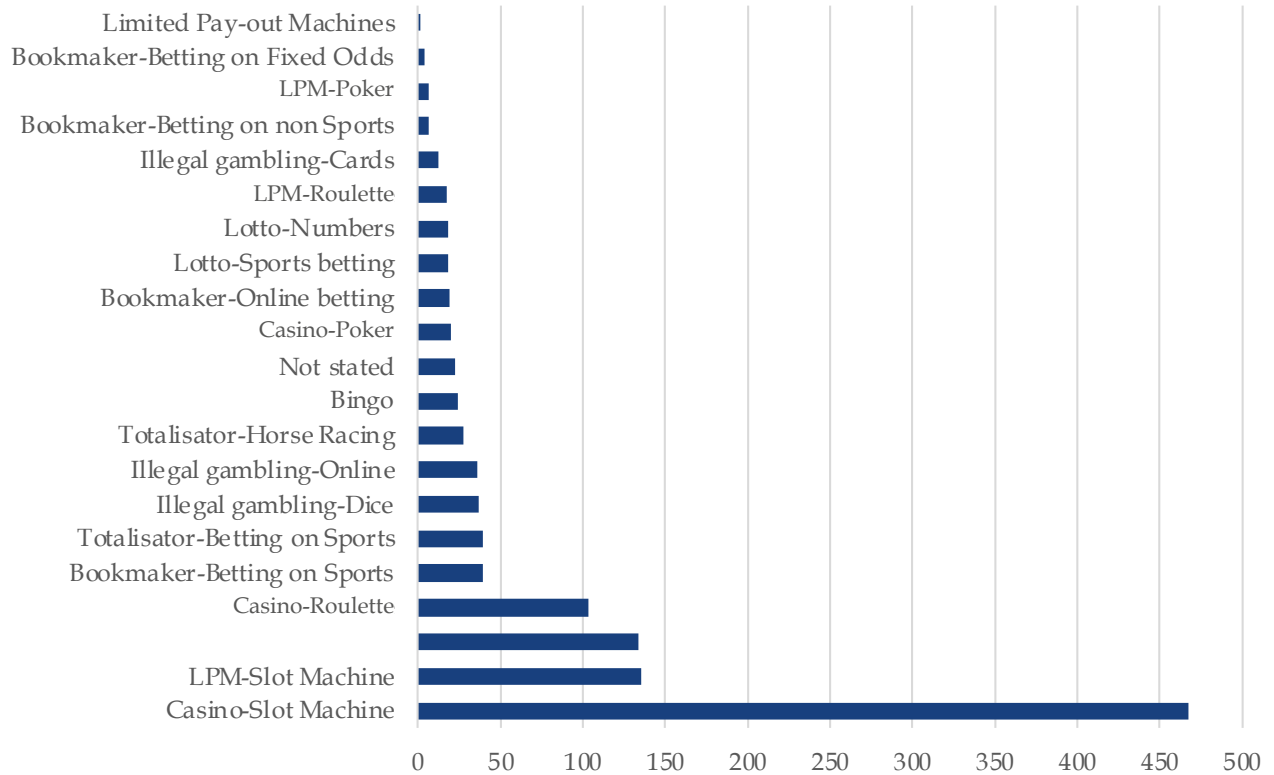
Telephone Counselling Line

The SARGF provides a free and confidential treatment and counselling service to any person with a gambling disorder. This service can be accessed through a 24/7 toll free counselling line. This service includes telephonic psycho-education and motivational interviewing. This type of counselling is offered after assessing the extent of the problem and determining whether the individual will benefit from motivational interview or should receive one-on-one psycho-education therapy with one of the Foundation's treatment professionals. Wherever there is a physical addiction to a substance or activity there is likely to be a psychological addiction too, and the Foundation counselling team aims to relieve this by exploring the root cause while helping the problem gambler to develop and recover from the addiction.

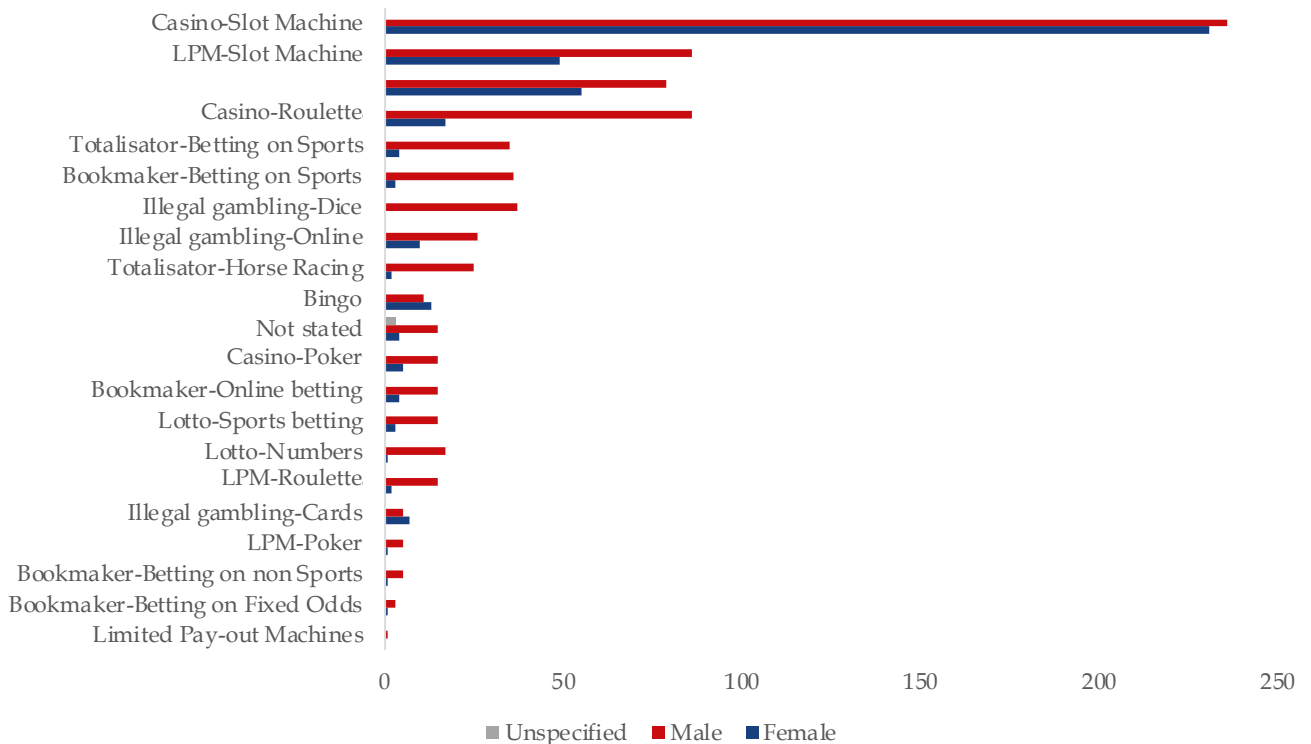


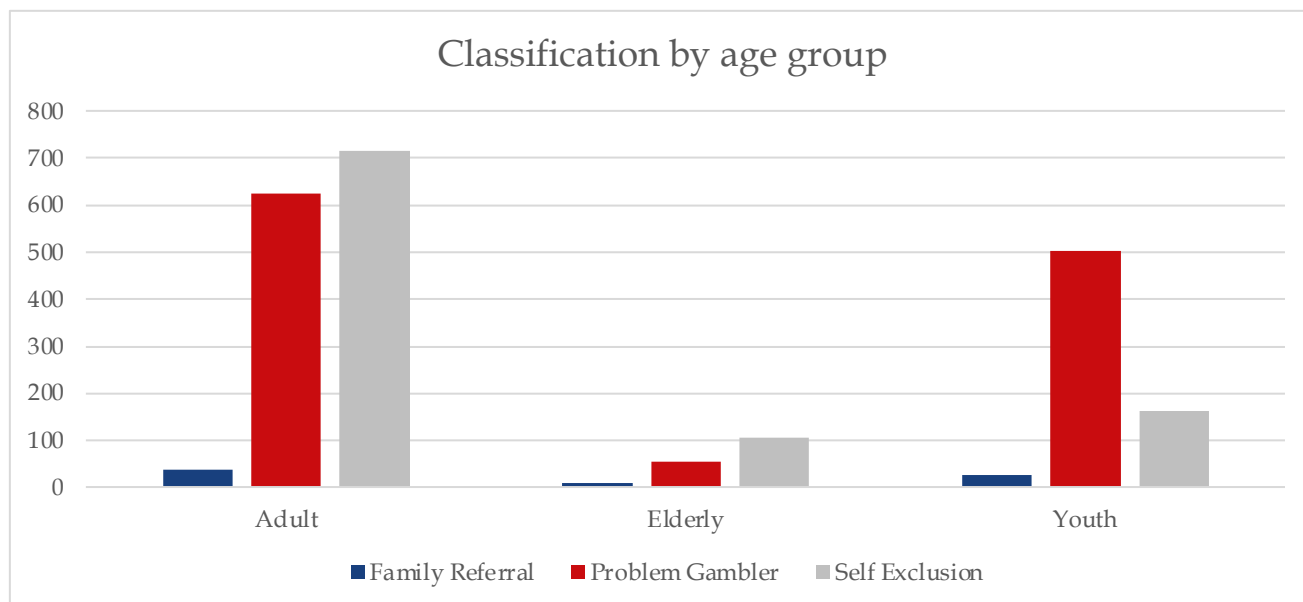


Gambling Preference



Gambling preference by gender





Prevention Programmes

The primary objective of the Foundation's prevention programme is to educate the public, potential gamblers and gamblers about responsible gambling. Essentially, this is made up of informed consumer choice. As a result, in all of our public awareness activities we seek to alert target audiences about the dangers of excessive and irresponsible gambling. To this end, the programme delivers training to industry employees, public awareness campaigns to schools and teachers, and general wellness initiatives to elderly citizens.

Prevention Programmes for the year 2019 – 2020 under review:

- Number of Responsible Gambling Workshops/ Webinars Conducted: 12
- Employee Wellness Days (Webinars): 10
- School Webinars/Workshops: 12
- Schools Designated as Gambling Free Zones: 12
- Old Age Intervention programme: 0
- Consumer shows: 20
- Responsible Gambling Month hosted: 1

Training

The Foundation has provided industry training programmes to various licensed operators. In terms of the National Gambling Act, 2004 (Act No. 7 of 2004), this programme satisfies the requirement for employee training on responsible gambling. This three-part training is appropriate for anyone working in the gambling industry and covers topics such as:

- Basic introduction to problem gambling
- Responsible gambling practices
- Impact of problem gambling
- Solutions to problem gambling

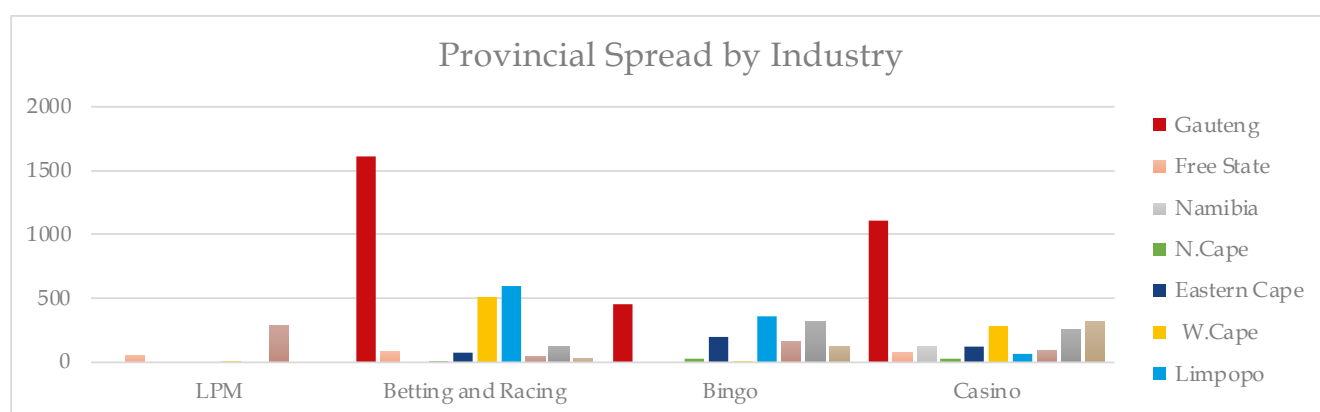
- Signs of a gambling disorder
- Underage gambling risk factors
- Self-exclusion programmes

For the 2019- 2020 period under review, the following Training Programmes took place:

- The top three training courses requested by licensed gambling operators were:
 - RG101 – 6508 people trained
 - RG102 - 955 people trained
 - RG103 - 76 people trained
- Majority of the training request came from the Betting & Racing operators, followed by Casinos, Bingo and LPM.
- The top three provinces that requested training are Gauteng, Limpopo, and the Western Cape.

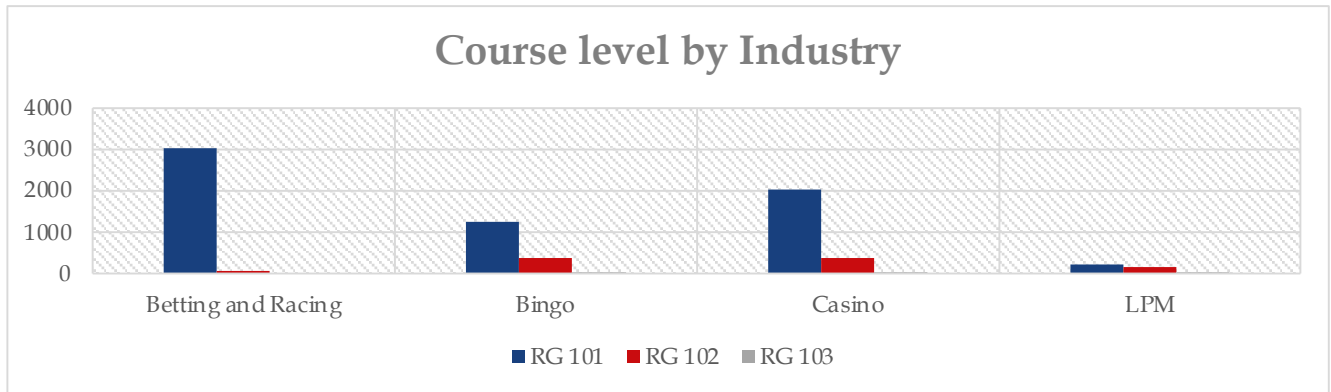
Training Stats (From April 2019 to February 2020)

Industry	Gauteng	Free State	Namibia	Northern Cape	Eastern Cape	Western Cape	Limpopo	Mpumalanga	North West	KZN
LPM	0	54		0	0	10	0	292	11	0
Betting and Racing	1606	82		11	73	505	591	44	131	29
Bingo	448	0		23	196	2	360	166	322	119
Casino	1103	73	126	22	119	282	64	92	253	320
Grand Total	3157	209	126	56	388	799	1015	594	717	468

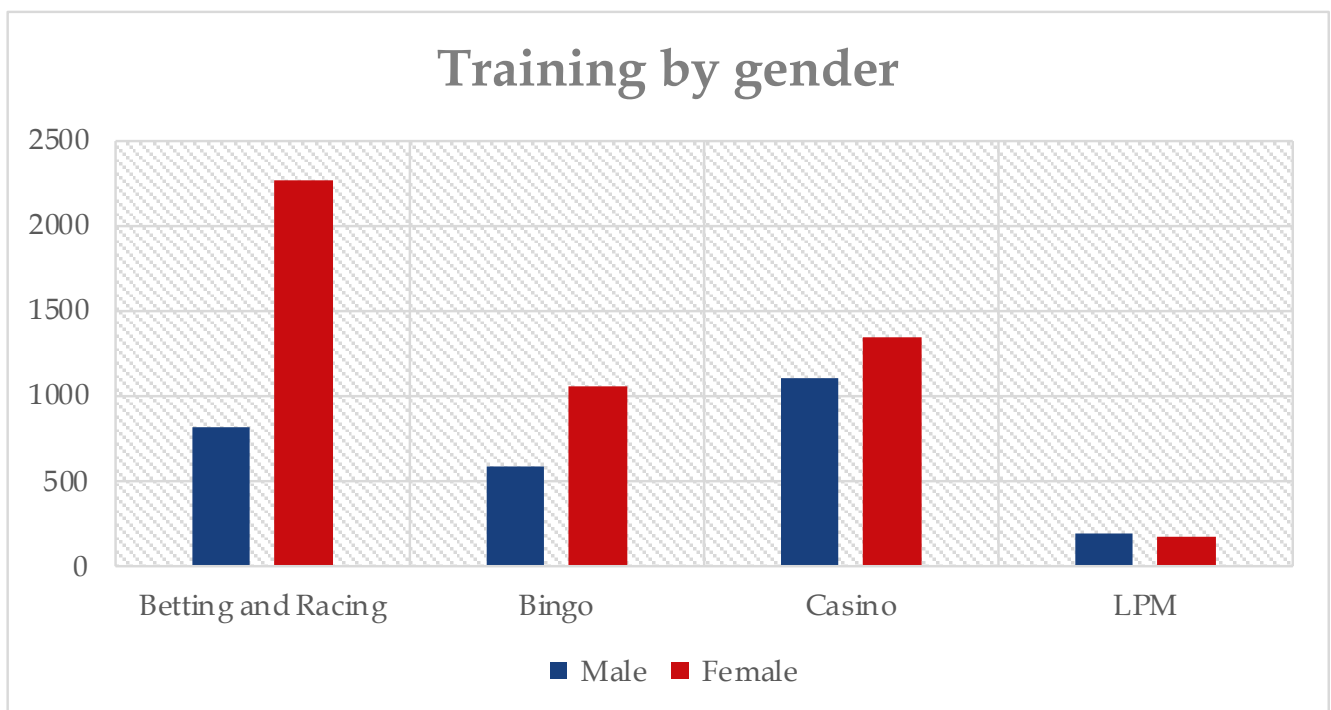


Industry	Course Level			
	RG 101	RG 102	RG 103	Grand Total
Betting and Racing	3015	67		3082

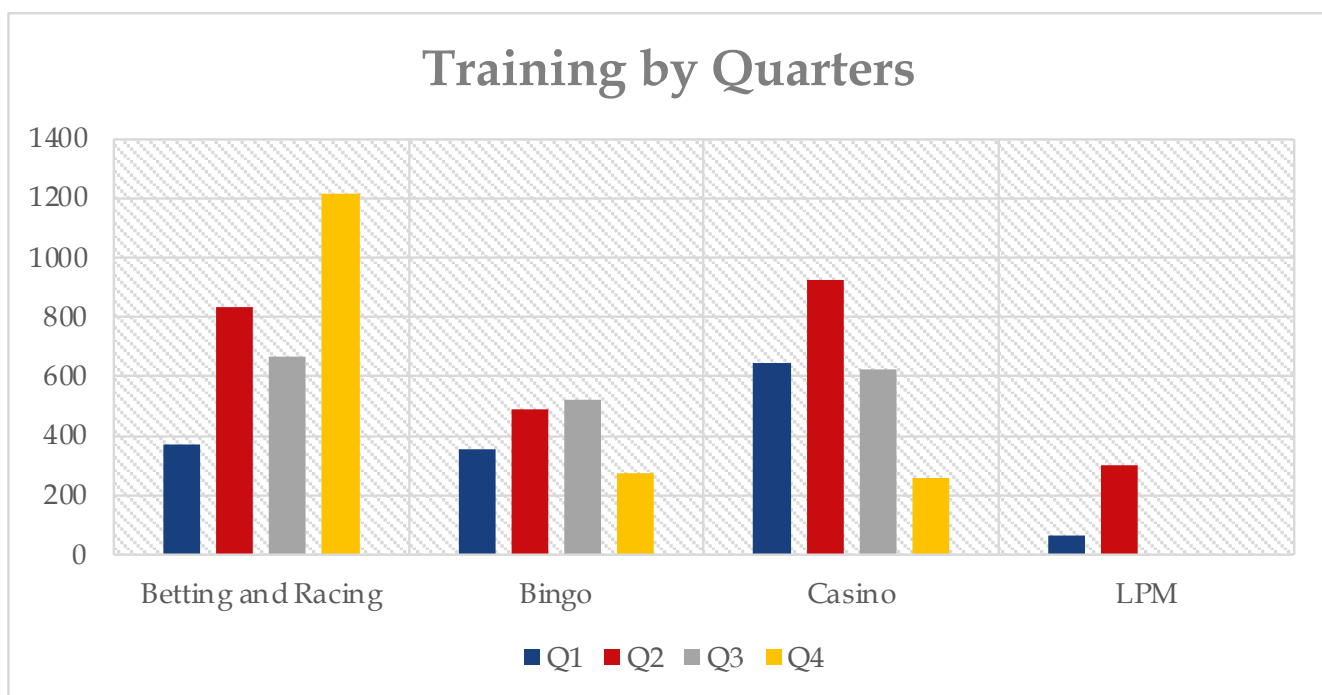
Bingo	1243	368	25	1636
Casino	2031	376	47	2454
LPM	219	144	4	367
Grand Total	6508	955	76	7539



Industry	Male	Female
Betting and Racing	817	2265
Bingo	583	1053
Casino	1107	1347
LPM	190	177
Grand Total	2697	4842



Industry	Quarters				
	Q1	Q2	Q3	Q4	Grand Total
Betting and Racing	371	832	665	1214	3082
Bingo	354	487	520	275	1636
Casino	645	925	626	258	2454
LPM	65	302			367
Grand Total	1435	2546	1811	1747	7539



Human Resources

1. Staff complement by employment type

Employment Type	African		Asian		Coloured		White		Total
	M	F	M	F	M	F	M	F	
Permanent Staff	8	8	-	-	1	-	-	1	18
Fixed-Term Contract	-	1	-	-	-	-	-	-	1
Interns	4	2	-	-	-	-	-	-	6
TOTAL	12	11	-	-	1	-	-	1	25

2. Staff complement by salary level

Salary Levels	African		Asian		Coloured		White		Total
	M	F	M	F	M	F	M	F	
Unskilled	-	1	-	-	-	-	-	-	1
Academically Qualified	8	6	-	-	1	-	-	1	16
Professionals	3	2	-	-	-	-	-	-	5
Snr Management	2	-	-	-	-	-	-	-	2
Top Management	-	1	-	-	-	-	-	-	1
TOTAL	13	10	-	-	1	-	-	1	25

3. Appointments, promotions and terminations

	African		Asian		Coloured		White		Total
	M	F	M	F	M	F	M	F	
Appointments	2	5	-	-	-	-	1	-	8
Promotions	-	1	-	-	-	-	-	-	1
Terminations	2	1	-	-	-	1	1	-	5
TOTAL	4	7	-	-	-	1	2	-	14

4. Staff turnover rates by salary level

Salary Level	Appointments	Terminations
Unskilled	-	-
Academically Qualified	5	3
Professionals	1	1
Snr Management	2	1
Top Management	-	-
TOTAL	8	5

5. Reasons For Leaving

Termination Type	Numbers
Death	1
Resignation	3
Expiry Of Contract / Term of Office	-
Dismissal - Organisational Changes	-
Dismissal – Misconduct	1
Dismissal - Inefficiency	-
Discharge - Ill Health	-
Retirement	-
Other	-
TOTAL	5

6. Annual leave by salary level for the reporting period

Salary Level	Total number of employees	Number of employees taken leave	Total days taken	Average days taken per employee	Total Cost to the Employer	Leave Balance at the period of reporting	Cost of the leave balance on the employer	Total Number Of Leave Days Paid Out	Cost To the Employer
Unskilled	1	1			R8 211.45		R	R0,00	R0,00
Academically Qualified	15	15	162.75	11.5	R160,888.32	39,25	R36 460.9	12	R13,784,40
Professionals	3	3	59.5	19.6	R197,373.40	15.25	R50,587.3	9	R9012,87
Snr Management	4	4	43	14.3	R268,263.69	17	R106,057.73	15.5	R35,656,55
Top Management	1	1	11	11	R40,240.2	15	R54,873	0	R0.00
Total	23	20	291.25	56.9	R674977.06	91.5	R250,721.08	36,5	R58, 453,82

7. Sick leave by salary level

Salary level	Total number of employees	Number of employees taken leave	Total sick days taken	Cost to company
Unskilled	1	1	10	R3121,70
Academically Qualified	14	14	48	R607,694,88
Professionals	11	3	18	R59,709,60
Snr Management	6	3	35	R218,354,15
Top Management	1	1	10	R36,582,00
TOTAL				R925,462,33

8. Misconduct and discipline

Outcomes Of Disciplinary Hearings	Number
Verbal Warning	-
Written Warning	-
Final Written Warning	-
Not Guilty	-
Case Withdrawn	-
Dismissal	1
Total	1

9. Skills development by salary level

Salary Level	Total number of employees	Training Day Equivalents	Average Days Per Employee	Total Cost	Average Cost Per Employee
Unskilled	1	5	5	R8740	R8740
Academically Qualified	1	21	R10,600	R10,600	R10,600
Professionals					
Snr Management					
Top Management					
Total	2			R19,340	R19,340

10. Educational assistance

Employee	Qualification	Institution	Year of Study	Cost – Current Financial Year
Tebogo Nkosi	Financial Management	Mancosa	2	R23,000
Mthokozisi Magubane	Human Resource And Payroll Certificate	Unisa	1	R18,000
Gugulethu Cebekhulu	Ba Psychology	Sacap	3	R33,000

11. Human Resource Activities

Staff Complement

Category	Number
Current Staff Complement	25
Permanent Staff	14
Fixed-Term Contract	3
Interns/ Learners	9
Total	25

Staff Movements

Appointments: 0

Promotions: 0

Terminations / Resignations / Expiry of Fixed-Term Contracts: 7 (3 Retrenchments) (1 Contract Expired) (7 Resignations)

Recruitment Activities: 0

Current Vacancies: 7

Probation Reviews: 3

Exit Interviews: 2

Training and Development: 2

Marketing and Communications

The Foundation continued with its ongoing Marketing and Communications plan. Stakeholder engagements with provincial gambling regulators continued as outlined in the Memorandum of Understanding on communication and public awareness collaborations in an effort to reinforce the responsible gambling message. The Marketing and Communications plan implemented in period under review was a continuation based on the Foundation's 2016 -2021 strategic direction.

Financial Information

For 2019-2020 period under review

Audited Annual Financial Statements for the year ended 31 March 2020. Auditor: SNG-Grant Thornton.

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.



South African Responsible Gambling Foundation NPC
(Registration number 2004/012448/08)
Annual Financial Statements
for the year ended 31 March 2020
SNG-Grant Thornton
Chartered Accountant (SA)
Registered Auditors
Issued 29 September 2020

South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile

South Africa

Auditor

SNG-Grant Thornton
Chartered Accountant (SA)
Registered Auditors
Grant Thornton

South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2020

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

Witness Saurombe
Financial Manager

Published

29 September 2020

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Audit Committee Report

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of company and include:

M Zwane

TD Khanyile

DT Marasha

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

3. External auditor

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditor that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

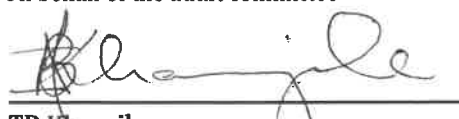
4. Annual Financial Statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

5. Accounting practices and internal control

The company's management ensured that effective internal controls were put in place over the financial reporting and assessing the effectiveness of the internal controls over financial reporting.

On behalf of the audit committee



TD Khanyile
Chairman Audit Committee

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 7.

The annual financial statements set out on page 10, which have been prepared on the going concern basis, were approved by the board of directors on 29 September 2020 and were signed on its behalf by:

Approval of annual financial statements



JF Nalane



SM Simelane-Quntana

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Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of South African Responsible Gambling Foundation NPC for the year ended 31 March 2020.

1. Incorporation

The company was incorporated in 2004 and obtained its certificate to commence business on the same day.

2. Nature of business

South African Responsible Gambling Foundation NPC was incorporated in South Africa with interests in the gambling industry. The company operates in South Africa and other Southern African countries.

The principal activities of the company is to ensure that it promotes responsible gambling by educating people and helping people with gambling challenges.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
D.T. Marasha		Non-executive Independent	
T.E. Ngobese		Non-executive Independent	Resigned Friday, 30 August 2019
S.M. Simelane-Quntana	Executive Director	Executive	
J.F. Nalane	Chairperson of the Board	Non-executive Independent	
Z. Samuels		Non-executive Independent	Resigned Tuesday, 18 February 2020
S.M. Maja		Non-executive Independent	
T.D. Khanyile	Chairman Audit and Risk Committee	Non-executive Independent	
M. Zwane		Non-executive Independent	
P. Baloyi		Non-executive Independent	
A. Tshabalala		Non-executive Independent	Appointed Tuesday, 18 February 2020
M.G. Makoko		Non-executive Independent	Appointed Thursday, 23 April 2020
K.I. Dichabe		Non-executive Independent	Appointed Thursday, 23 April 2020

5. Events after the reporting period

The directors are aware that the Foundation's future was put under significant strain due to significant decline in cashflows into the Foundation. This was caused by the closure of many gambling facilities under the lockdown announced by the President of Republic of South Africa in March 2020 to try and contain spread of Covid-19. However, the future looks bright as the gambling operations are slowly getting back to full operation and cash contributions from operators have also started to improve.

South African Responsible Gambling Foundation NPC

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Annual Financial Statements for the year ended 31 March 2020

Directors' Report

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. For more detailed explanation, refer to note 1.1.

7. Auditors

SNG-Grant Thornton continued in office as auditors for the company for 2020.

At the Directors meeting, the members will be requested to reappoint SNG-Grant Thornton as the independent external auditors of the company and to confirm Mr Abendran Govender as the designated lead audit partner for the 2021 financial year.

Independent Auditor's Report

To the members of

South African Responsible Gambling Foundation NPC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the South African Responsible Gambling Foundation NPC, as set out on pages 10 to 27, which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Responsible Gambling Foundation NPC as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Prior Period Restatements

We draw attention to note 20 to the financial statements, which describes the prior period restatements:

1. A lease contract was incorrectly assessed and not classified and recorded as a finance lease:
2. Prepayments for leasehold improvements were incorrectly recorded as property, plant and equipment and depreciated in the prior periods: and
3. SARS employee tax refund relating to the 2019 financial year was not recorded in the prior year.

Therefore, non-current assets, current assets, non-current liabilities, current liabilities and retained earnings as of 1 April 2019 and 1 April 2018 were restated to reflect the correction of these errors. Our opinion is not modified in respect of these matters

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2020" which includes; the Directors' Report and the Audit Committee's Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small Medium-Sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Abendran Govender CA (SA)

SizweNtsalubaGobodo Grant Thornton Inc.

Director

Registered Auditor

29 September 2020

20 Morris Street East

Woodmead

South African Responsible Gambling Foundation NPC

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Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated *
Assets			
Non-Current Assets			
Property, plant and equipment	2	2,502,779	3,575,395
Intangible assets	3	48,080	93,830
		2,550,859	3,669,225
Current Assets			
Trade and other receivables	5	1,467,886	1,048,578
Rental deposit	4	-	370,088
Prepayments		51,457	20,201
Cash and cash equivalents	6	3,946,258	4,059,655
		5,465,601	5,498,522
Total Assets		8,016,460	9,167,747
Equity and Liabilities			
Equity			
Retained income		3,996,778	3,920,581
Liabilities			
Non-Current Liabilities			
Lease liabilities	8	1,183,224	1,768,231
Operating lease liability		229,460	233,927
Deferred income	9	112,139	201,313
		1,524,823	2,203,471
Current Liabilities			
Trade and other payables	7	1,762,611	2,454,553
Lease liabilities	8	314,513	273,926
Operating lease liability		68,496	31,999
Deferred income	9	89,174	89,174
Provisions	10	260,065	194,043
		2,494,859	3,043,695
Total Liabilities		4,019,682	5,247,166
Total Equity and Liabilities		8,016,460	9,167,747

* See Note 20

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019 Restated *
Revenue	11	24,504,894	24,815,811
Other income	12	369,658	598,479
Operating expenses		(24,416,827)	(28,256,379)
Operating profit (loss)		457,725	(2,842,089)
Investment revenue		98,848	97,282
Finance costs	13	(480,376)	(269,381)
Profit (loss) for the year		76,197	(3,014,188)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		76,197	(3,014,188)

* See Note 20

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Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Restated* Balance at 01 April 2018	6,934,769	6,934,769
Loss for the year	(3,014,188)	(3,014,188)
Other comprehensive income	-	-
Total comprehensive loss for the year	(3,014,188)	(3,014,188)
Restated* Balance at 01 April 2019	3,920,581	3,920,581
Profit for the year	76,197	76,197
Other comprehensive income	-	-
Total comprehensive income for the year	76,197	76,197
Balance at 31 March 2020	3,996,778	3,996,778
Note(s)		

* See Note 20

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Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019 Restated *
Cash flows from operating activities			
Cash generated from operations	15	399,391	1,172,377
Interest income		98,848	97,282
Finance costs		(480,376)	(269,381)
Net cash from operating activities		17,863	1,000,278
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(261,463)	(1,925,546)
Sale of property, plant and equipment	2	304,535	-
Purchase of other intangible assets	3	-	(33,647)
Sale of financial assets		370,088	-
Net cash from investing activities		413,160	(1,959,193)
Cash flows from financing activities			
Finance lease payments		(544,420)	1,452,497
Total cash movement for the year		(113,397)	493,582
Cash at the beginning of the year		4,059,655	3,566,073
Total cash at end of the year	6	3,946,258	4,059,655

* See Note 20

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Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands and they are rounded to the nearest Rand.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Going concern

The going concern assumption is evaluated based on information available up to the date on which the Annual Financial Statements are approved for issuance by the Board. While there is widespread uncertainty regarding the extent of the financial impact of the COVID-19 global pandemic on the economy in which the Company operates, the going concern assumption was considered to be appropriate for the preparation of the Company's Annual Financial Statements for the year under review. In this regard, key considerations included:

- **The Company's outlook regarding trading conditions that will persist into the foreseeable future:** an assessment of a range of varied scenarios was performed, including assumptions regarding a worst case lockdown period of three months (which is informed by global trends), and a slow rate of return to normal trading conditions. Revenue assumed for the three months' lockdown period was negligible as the contributions made were very little. The Company intensified focus on cost leadership, including the reduction of corporate costs and employment costs. These contributed in ensuring that the Company is well positioned to navigate the challenging trading conditions anticipated in the year ahead.

- **The Company's commitments and debt service:** the Company has complied with its financial covenants for the reporting period. In light of the anticipated challenging economic environment triggered by the COVID-19 global pandemic, management has proactively engaged with some of its financiers to restructure some of its commitments and debt covenants. To date, the engagements with the financiers have been positive.

- **COVID-19 related relief measures enacted by Government:** the Company is participating in the COVID-19 Temporary Employer/Employee Scheme (TERS) implemented by the South African Government.

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions will change, which may then impact our estimations and may require a material adjustment to the carrying value of intangible and tangible assets.

The Company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, intangible assets with an indefinite useful life are tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of fair value less costs to sell of intangible and tangible assets are inherently uncertain and could materially change over time. The accuracy of the impairment models will only be proved by the future performance of the related businesses.

The impairment assessments for the year ended 31 March 2020 have been prepared on the basis that the COVID-19 global pandemic is an adjusting post balance sheet event and therefore include cash flow forecasts based on information available as at 31 March 2020.

Adjusting vs. non-adjusting post balance sheet events

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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

For the purposes of the current reporting period, ended 31 March 2020, management has assessed the COVID-19 global pandemic and related impacts on the Company's operations as being an adjusting post-balance sheet event, based on key events occurring before the Company's reporting date. These key events include the timing of the declaration of COVID-19 as a global pandemic by the World Health Organisation on 11 March 2020, as well as the announcement of COVID-19 related lockdown directed by the Government of key geographies in which the Company operates, commencing on 27 March 2020. These key events occurred prior the Company's reporting date, being 31 March 2020.

Therefore, objective evidence was used for impairment assessments as required by section 11 of IFRS for SMEs to the extent at which information was available at the Company's reporting date.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 - 8
Office equipment	Straight line	5 - 8
IT equipment	Straight line	3 - 5
Leased assets	Straight line	5
Leasehold improvements	Straight line	5

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

The residual value, depreciation method and useful life of each asset were viewed only where there is such and indication that there has been a significant change from the previous estimate.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit and loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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Accounting Policies

1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

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

Item	Depreciation method	Average useful life
Computer software,	Straight line	3 - 6

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.5 Tax

Income tax

The Foundation is a Public Benefit Organisation (PBO) status and is exempt from Income Tax.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee.

Finance leases - lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

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Accounting Policies

1.6 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.7 Cash and cash equivalents

Cash and cash equivalents comprises of demand deposit, and other short-term liquidity investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at their fair value and subsequently at amortised cost.

1.8 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Leave days

The expected cost of compensated absence 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.

1.10 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.11 Related parties

Related parties are considered to be related to the entity if they have the ability to exercise significant influence over the entity in making financial and operational decisions.

South African Responsible Gambling Foundation NPC

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Accounting Policies

1.12 Income

Contributions

Contributions are recognised to the extent that a gambling operator has earned Gross Gambling Revenue. Contributions are recognised only to the extent that they are collectable from each gambling operator. Contributions are measured at the fair value of consideration received or receivable, excluding taxes.

Collateral

Collateral income is recognised to the extent that the company has transferred significant risks and rewards of ownership of goods to the gambling operator provided the amount of income can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Income is measured at fair value of consideration received or receivable, excluding taxes and discounts.

Interest income

Interest income from all interest-bearing instruments recognised in the statement of comprehensive income on an accrual basis using the effective interest rate method.

Sponsorship received (cost recovery)

Funds received from sponsors for a specific project are recognised as other income, to the extent that the funds have been spent by the end of the financial year. Unspent funds are shown on the balance sheet as liabilities.

1.13 Landlord contributions

Landlord contributions pertain to initial installation allowance provided and paid for by the Landlord relating to leasehold improvements for the South African Responsible Gambling Foundation for its Johannesburg office. The full installation allowance was initially recognised as liability on receipt and it is being released to the Statement of Comprehensive Income over the lease term.

1.14 Value Added Tax

Value Added Tax (VAT) is accounted for based on the requirements of the Value Added Tax Act 81 of 1991 of South Africa. The net amount is derived from netting off the total input tax to claim against the total output tax that should be paid over to the South African Revenue Service.

South African Responsible Gambling Foundation NPC

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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand

	2020	2020	2019
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2. Property, plant and equipment

	2020		2019	
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation
				Accumulated depreciation
				Carrying value
Leasehold improvements	1,098,521	(562,318)	536,203	(338,919)
Furniture and fixtures	509,370	(292,882)	216,488	(214,173)
Office equipment	285,204	(158,450)	126,754	(183,536)
IT equipment	1,047,195	(707,300)	339,895	(526,717)
Leased assets	1,890,460	(607,021)	1,283,439	(326,807)
Total	4,830,750	(2,327,971)	2,502,779	(1,590,152)
				3,575,395

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Leasehold Improvements	719,573	40,029	-	(223,399)	-	536,203
Furniture and fixtures	296,934	-	-	(79,157)	(1,289)	216,488
Office equipment	309,529	24,323	-	(97,350)	(109,748)	126,754
IT equipment	337,801	197,111	(13,914)	(178,661)	(2,442)	339,895
Leased assets	1,911,558	-	(227,497)	(395,432)	(5,190)	1,283,439
	3,575,395	261,463	(241,411)	(973,999)	(118,669)	2,502,779

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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Impairment loss	Closing balance
Leasehold property	823,960	96,941	(201,328)	-	719,573
Furniture and fixtures	374,582	4,737	(82,385)	-	296,934
Office equipment	380,249	26,522	(97,242)	-	309,529
IT equipment	371,751	192,238	(130,015)	(96,173)	337,801
Leased assets	544,367	1,605,108	(237,917)	-	1,911,558
	2,494,909	1,925,546	(748,887)	(96,173)	3,575,395

Property, plant and equipment encumbered as security

The Foundation went into finance leases of office equipment with various suppliers. Leased assets serve as security for the finance lease liability:

Finance assets assets	1,283,439	1,911,558
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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand

3. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	168,451	(120,371)	48,080	412,102	(318,272)	93,830

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	93,830	(45,750)	48,080

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software	206,919	33,647	(146,736)	93,830

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Intangible assets with the cost price of R257 390 reached the end of their useful life during the current financial year and they were derecognised from the annual financial statements. No other intangible assets were purchased to replace them.

4. Rental deposit

At amortised cost

Rental deposit

370,088

The rental deposit which was made to the Landlord as security in case of rental obligations default was refunded to the Foundation during the current financial year. The rental deposit was replaced with a bank guarantee which was obtained from Nedbank. There is no financial risk exposure to the Foundation regarding the bank guarantee obtained from Nedbank.

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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
4. Rental deposit (continued)		
Current assets		
At amortised cost	-	370,088
5. Trade and other receivables		
Employee costs in advance	63,567	194,760
Accrued income	5,818	5,217
SARS PAYE receivable	44,306	44,306
Trade Receivables	1,378,958	825,551
Provision for doubtful debts	(24,763)	(21,256)
	1,467,886	1,048,578
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	-	962
Bank balances	729,962	2,757,440
Short-term deposits	3,216,296	1,301,253
	3,946,258	4,059,655
7. Trade and other payables		
Trade payables	993,081	1,469,755
Other payables	222,311	205,521
VAT liability	329,128	253,372
Accrued expenses	218,091	182,823
Contractor contributions	-	343,082
	1,762,611	2,454,553
8. Lease liabilities		
Minimum lease payments which fall due		
- within one year	702,521	799,222
- in second to fifth year inclusive	1,725,872	2,854,195
	2,428,393	3,653,417
Less: future finance charges	(930,656)	(1,611,260)
Present value of minimum lease payments	1,497,737	2,042,157
Non-current liabilities	1,183,224	1,768,231
Current liabilities	314,513	273,926
	1,497,737	2,042,157
The average lease term is 3 years (2019:4 years) and the average effective borrowing rate is 22% (2019: 25%).		
The company's obligations under leases are secured by the leased assets. Refer note 2.		
9. Deferred income		
Landlord contribution	201,313	290,487

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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9. Deferred income (continued)

Split between non-current and current portions

Non-current liabilities	112,139	201,313
Current liabilities	89,174	89,174
	201,313	290,487

The Landlord contribution pertains to installation allowance given to the Foundation by the Landlord for renovations of the Johannesburg offices in 2018 financial year.

10. Provisions

Reconciliation of provisions - 2020

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	120,224	81,949	(120,224)	81,949
Provision for annual report fees	-	58,219	-	58,219
Leave pay provision	73,819	78,990	(32,912)	119,897
	194,043	219,158	(153,136)	260,065

Reconciliation of provisions - 2019

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	169,317	120,224	(169,317)	-	120,224
Provision for internal audit fees	344,905	-	(185,273)	(159,632)	-
Leave pay provision	113,752	43,054	(82,987)	-	73,819
	627,974	163,278	(437,577)	(159,632)	194,043

11. Income

Collateral	48,730	132,655
Contributions	24,456,164	24,683,156
	24,504,894	24,815,811

Collateral income is made up of sale of branded pamphlets, pamphlet holders, notice boards, stickers, and posters to gambling operators.

12. Other income

Profit on sale of assets and liabilities	63,124	-
Sponsorship received	200,000	400,402
Other income	106,534	198,077
	369,658	598,479

Other income comprises of landlord income installation allowance, recoveries on untimely cancellation of training sessions and amount received from HWSETA.

13. Finance costs

Finance leases	480,376	269,381
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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
14. Auditor's remuneration		
Fees	290,735	329,323
15. Cash generated from operations		
Profit (loss) before taxation	76,197	(3,014,188)
Adjustments for:		
Depreciation and amortisation	1,019,749	895,623
Profit on sale of assets	(63,124)	-
Interest received	(98,848)	(97,282)
Finance costs	480,376	269,381
Impairment loss	118,669	96,173
Movements in operating lease assets and accruals	32,030	102,118
Movements in provisions	66,022	(433,931)
Changes in working capital:		
Trade and other receivables	(419,308)	2,369,635
Prepayments	(31,256)	(4,681)
Trade and other payables	(691,942)	1,078,703
Deferred income	(89,174)	(89,174)
	399,391	1,172,377
16. Commitments		
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	1,217,493	1,115,871
- in second to fifth year inclusive	1,665,826	2,880,494
	2,883,319	3,996,365
Operating lease payments represent rentals payable by the company for its office properties. Leases are negotiated for an average term of five years. No contingent rent is payable.		
17. Related parties		
Relationships		
Members of key management	JF Nalane DT Marasha SM Simelane-Quntana TD Khanyile M Zwane A Tshabalala G Makoko K Dichabe	
Related party balances and transactions with other related parties		
Related party balances		
Amounts included in Trade receivable (Trade Payable) regarding related parties		
JF Nalane	(40,350)	(36,010)
TD Khanyile	(5,566)	(10,667)

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Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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18. Directors' remuneration

Executive

2020

	Emoluments	Bonus	Travel allowance	Employee benefits contributions	Total
S.M. Simelane-Quntana	1,039,014	85,454	134,035	123,995	1,382,498

2019

	Emoluments	Bonus	Travel allowance	Employee benefits contributions	Total
S.M. Simelane-Quntana	949,304	79,109	134,035	141,286	1,303,734

Non-executive

2020

	Travel Allowance	Directors' fees	Total
J.F. Nalane	17,674	115,410	133,084
T.D. Khanyile	-	37,682	37,682
	17,674	153,092	170,766

2019

	Directors' fees	Total
J.F. Nalane	114,760	114,760
T.D. Khanyile	77,127	77,127
	191,887	191,887

19. Change in estimate

Property, plant and equipment

The useful life of Office Equipment was initially estimated to be 5 years. In the current period management have revised their estimate to 8 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R2 600.

The useful life of Furniture and Fittings was initially estimated to be 6 years. In the current period management have revised their estimate to 8 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R4 273.

The useful life of IT Equipment was initially estimated to be 3 years. In the current period management have revised their estimate to 5 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R8 491.

The useful life of Computer Software was initially estimated to be 3 years. In the current period management have revised their estimate to 6 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R33 010.

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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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20. Prior period errors

*One of the lease agreements entered into in 2018 financial year was accounted for as an operating lease instead of a finance lease from date of initial agreement. The lease agreement qualifies as finance lease agreement and it was recognised as a finance lease in the current financial year.

#Administration of initial leasehold improvements were done by the Landlord. The Foundation paid money to the Landlord to pay to the contractors as and when required during leasehold improvements. All the money paid to the Landlord was capitalised by the Foundation as leasehold improvements. The Landlord did not use some of the money paid to it by the Foundation in 2017. The landlord did refund these unused funds during the current financial year. Therefore, leasehold improvements were overstated by unused funds which were subsequently refunded.

\$PAYE receivable from SARS was not recorded in the prior year. The refund was incorrectly allocated to the Foundation's Income Tax account instead of PAYE Account by SARS in the prior year. The Foundation paid the "refunded" amount to SARS as PAYE and continued to request for a refund under income tax account.

@Other fixed assets were reclassified to Office Equipment as they belong to the same class and nature of assets as Office Equipment.

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

Statement of Financial Position

	2019 Restated*	2019	Movement
#Leasehold improvements	719,573	771,509	(51,935)
@ Office Equipment	309,529	296,268	13,261
@Other fixed assets	-	13,261	(13,261)
*Finance lease assets	1,911,558	1,800,767	110,790
\$PAYE receivable	44,306	-	44,306
*Non-current Finance lease liability	(1,768,231)	(1,650,371)	(117,860)
*Current Finance lease liability	(273,926)	(262,919)	(11,007)
#Trade payables	(1,469,755)	(1,549,560)	79,805
\$Other payables	(548,630)	(475,765)	(72,838)
#*\$Retained earnings	(6,934,769)	(6,932,102)	(2,667)
	(8,010,345)	(7,988,912)	(21,406)

Profit or Loss

	2019 Restated*	2019	Movement
#Depreciation expense	(748,887)	(730,041)	(18,846)
*Finance costs	(269,381)	(237,990)	(31,391)
*Lease expenses	(1,464,212)	(1,521,575)	57,363
\$Employment costs	(8,813,268)	(8,784,736)	(28,532)
	(11,295,748)	(11,274,342)	(21,406)

21. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is the ability of gambling operators to recover from an economic depression caused by Covid-19 on their operations. For more detailed explanation, refer to note 1.1.

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Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand	2020	2019
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22. Events after the reporting period

The annual financial statements were authorised for issue on Tuesday, 29 September 2020 by the board of directors of the company.

Covid-19 related lockdown

As disclosed in Accounting Policy Note 1.1, management has assessed the COVID-19 global pandemic, most specifically the effect of the lockdown, as being an adjusting post-balance sheet event for the reporting period based on the timing of lockdown implemented in the Company's respective trading market, which occurred before the Company's reporting date, being 31 March 2020.

For the duration of the lockdown, the Company did not generate and collect material revenue. Accordingly, the Company's current financial year income was not severely impacted as the lockdown was enforced on the last month of the financial year. However, income for the financial years ending 31 March 2021 and 2022 are expected to be negatively impacted. In light of the general uncertainty related to the macro-economic impact of the pandemic, it is not possible to quantify with accuracy the full impact of the pandemic on the business.

Economic dependence

The company receives its income based on gross gambling revenue made by gambling operators. From 27 March 2020 most of the gambling operators were forced to close their operating activities due to Covid-19. This has affected the company significantly in terms of gambling operators meeting their contractual contributions to the company. However, the gambling industry started operating from 1 July 2020, when trading restrictions has been relaxed. Continuous assessments will be made by management to determine how this will impact the company's going concern and its operations.

Impairment of financial instruments

The Company's bad debts as a percentage of trade receivables has been low in the prior year compared to current year R501 340 (38%), (2019: R52 332 (6%)). The company had to write off trade receivables from contributors which have been struggling to settle their accounts before lockdown was implemented. The lockdown did put most of these operators into great uncertainty regarding their going concern status with little hope for the company to recover long outstanding debts.

Section 11 of IFRS for SMEs allows an entity to determine a provision for doubtful debts based on current defaults (including forwardlooking information). As the COVID-19 global pandemic was assessed to be an adjusting post-balance sheet event for the period ended 31 March 2020, only information available as at 31 March 2020 was considered in determining the provision for doubtful debt. It is also anticipated that the impact of the COVID-19 global pandemic may increase provision for doubtful debt and actual loss for the year ending 31 March 2020.

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Annual Financial Statements for the year ended 31 March 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019 Restated *
Income			
Collateral		48,730	132,655
Contributions		24,456,164	24,683,156
	11	24,504,894	24,815,811
Other income			
Sponsorship received (Cost recoveries)		200,000	400,402
Other income		106,534	198,077
Gains on disposal of assets		63,124	-
		369,658	598,479
Expenses (Refer to page 29)		(24,416,827)	(28,256,379)
Operating profit (loss)		457,725	(2,842,089)
Investment income	13	98,848	97,282
Finance costs	13	(480,376)	(269,381)
		(381,528)	(172,099)
Profit (loss) for the year		76,197	(3,014,188)

* See Note 20

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Annual Financial Statements for the year ended 31 March 2020

Detailed Income Statement

Figures in Rand	Note(s)	2020	2019 Restated *
Operating expenses			
Administration and management fees		(249,073)	(214,196)
Advertising		(929,754)	(2,466,802)
Rates and taxes		(143,542)	(118,059)
Auditors remuneration	14	(290,735)	(329,323)
Bad debts		(487,495)	(52,332)
Bank charges		(30,582)	(33,466)
Cleaning		(21,780)	(37,041)
Commission paid		(14,256)	-
Computer expenses		(52,680)	(252,241)
Consulting and professional fees		(843,838)	(700,546)
Depreciation, amortisation and impairments		(1,138,418)	(991,796)
Employee costs		(7,578,931)	(8,813,268)
Responsible Gambling 101		(351,955)	(389,242)
Other Expenses		(111,645)	(68,475)
Responsible Gambling 102		(145,177)	(29,864)
Outpatient programme		(1,125,193)	(1,914,786)
Self exclusion treatment		(983,494)	(378,764)
Family sessions treated		(78,861)	(97,417)
Internal auditors remuneration		(418,796)	159,594
Collateral expenses		(817,848)	(2,014,100)
Public awareness		(496,228)	(136,291)
Public relations		-	(103,500)
Fines and penalties		(22,886)	(18,524)
Board meeting expenses		(152,133)	(215,353)
Annual report		(58,219)	(158,950)
Insurance		(61,052)	(57,816)
Lease expenses		(1,158,436)	(1,464,212)
Inpatient programme		(127,691)	(170,500)
Case management expenses		(186,800)	(818,588)
Municipal expenses		(166,231)	(122,794)
Conferences and workshops		(241,550)	(73,335)
Accommodation		(819,900)	(649,526)
Removal costs		(1,200)	(128,949)
Courier and Postage		(93,645)	(136,309)
Printing and stationery		(370,551)	(648,507)
Repairs and maintenance		(47,451)	(8,835)
Research and development costs		(1,001,032)	(585,588)
Secretarial fees		(6,000)	(6,783)
Assets <R7 000		(94,866)	(32,672)
Software expenses		(18,520)	(24,462)
Staff welfare		(263,954)	(259,244)
Subscriptions		(36,510)	(9,472)
Telephone		(717,538)	(519,879)
Training costs		(601,175)	(894,783)
Internet		(188,907)	(27,394)
Travel		(1,658,209)	(2,241,989)
Group sessions		(12,090)	-
		(24,416,827)	(28,256,379)

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Annual Financial Statements for the year ended 31 March 2020

Supplementary Information

1. Sponsorship received

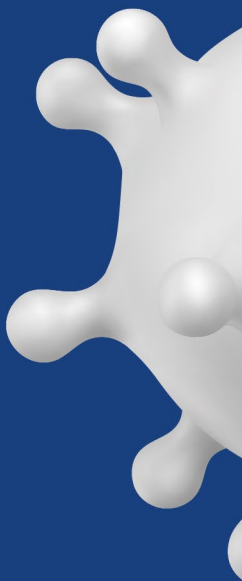
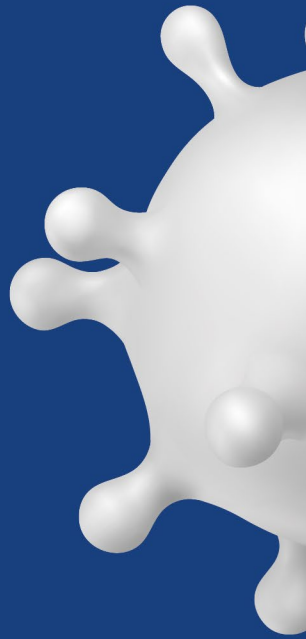
	2020	2019
Sponsorship received	200,000	400,402
Research expenses	(868,685)	(601,565)
	(668,685)	(201,163)

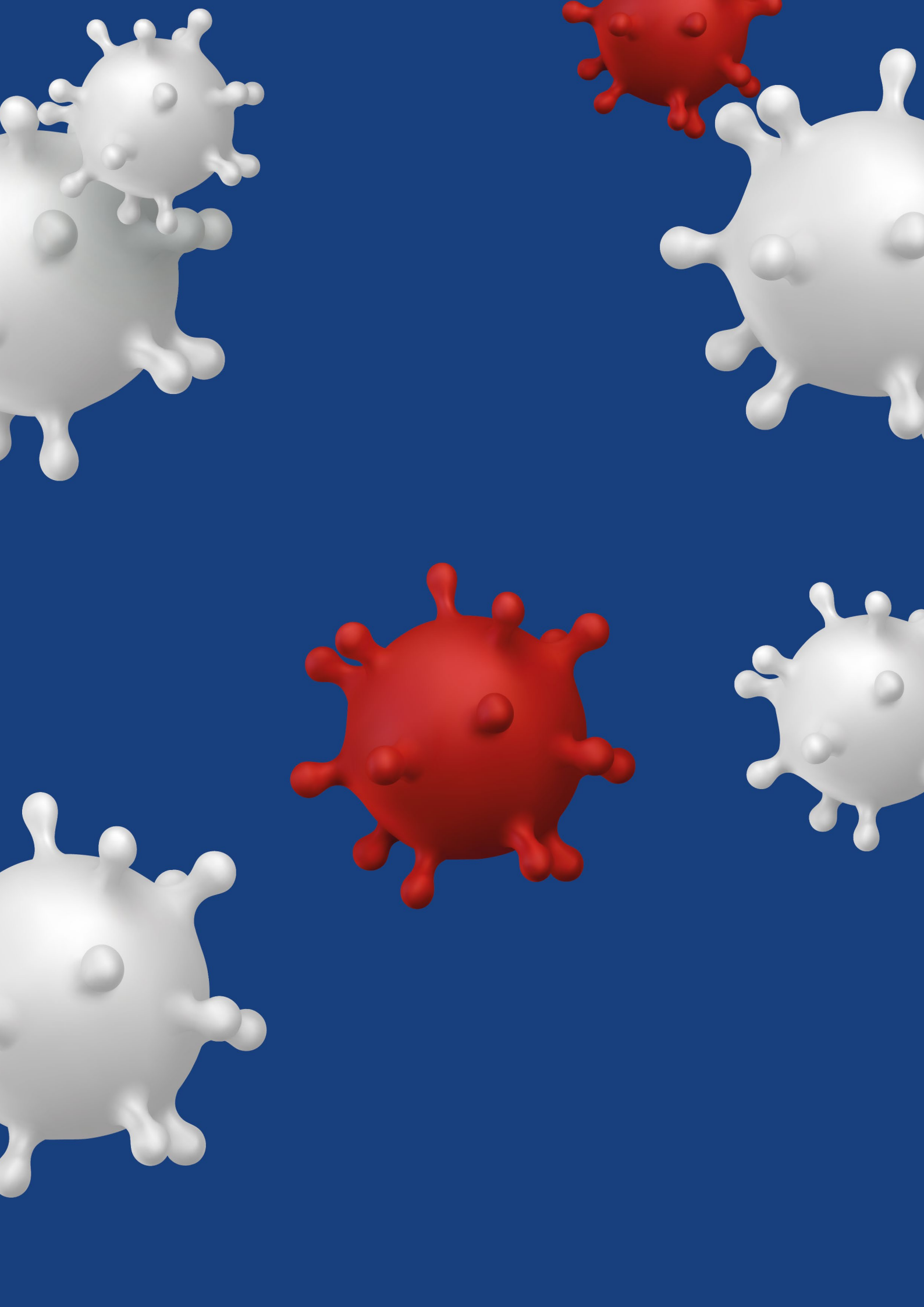
* See Note 20

PART C:

Programme Information

Responsible Gambling during the Covid-19 Pandemic







Treatment and Counselling

There were five (5) Treatment and Counselling programmes for the period under review, namely:

1. Treatment for Problem Gamblers
2. Counselling for Self-exclusion Clients
3. Counselling for Families
4. Counselling for Casino Employees
5. Counselling for People who are impacted by Covid-19

The Covid-19 pandemic and its associated regulations and restrictions impacted Treatment and Counselling in the following ways:

1. Counsellors were not able to go to the office to attend to their daily duties
2. Only four (4) counsellors attended to calls via the office cellphone at home
3. After the lockdown restrictions were eased, counsellors had to change their working hours and only one person was allowed at the office at a time.
4. All face-to-face counselling sessions were cancelled, and telephonic sessions were introduced.

There was a notable increase in the need for counselling because many punters had migrated to online gambling due to the lockdown.

As a contingency plan in light of the pandemic, the Treatment and Counselling department undertook the following steps:

1. Counsellors had to work from home – they were provided with a work cellphone and tablet, which was rotated amongst the four counsellors.
2. All counsellors were provided with routers and laptops to be able to conduct counselling sessions from home.
3. When the lockdown restrictions were eased, counsellors had to come back to the office with one person taking calls at a time.

Prevention Programmes

The National State of Disaster was declared in March 2020, and limited operations resumed in around July 2020. The implementation of the awareness activities needed to be reduced to adhere to the lockdown-level restrictions.

Prevention Programmes for the year 2020 – 2021 under review:

- Number of Responsible Gambling Workshops/ Webinars Conducted: 3
- Employee Wellness Days (Webinars): 0
- School Webinars/Workshops: 5
- Schools Designated as Gambling Free Zones: 0
- Old Age Intervention programme: 0
- Consumer shows: 0
- Responsible Gambling Month hosted: 1

Challenges experienced in the absence of on-site training:

- At the start of the lockdown facilitators were not immediately prepared for the different mode of delivery, and some found it very challenging to engage with learners using the virtual mode. They received training on how to use Teams for virtual engagement, but they had to use different skills when training virtually compared with face-to-face.
- Internet capabilities for operators and facilitators (who were mostly working from home) was a challenge.
- Operators in smaller geographical locations and from sectors such as the Low Payout Machine and Betting and Racing sector, who did not have laptops that each learner could use to access the training, had to make use of one available laptop and set it up so that the learner group could hear and see the facilitator and the facilitator could see and hear them – to ensure learner engagement and interaction during training.
- Due to staff restructuring and fewer employees being in the employ of a specific branch meant groups had to be joined from different locations, and in some instances different gambling operators, to make the training effective in terms of group size for interaction and peer learning as well as for cost effectiveness.
- There was a sudden rush and need for training as operators realised that they needed to have done a certain amount of training for compliance purposes – despite having been under lockdown for a long period of time.
- Power cuts affected some training sessions, but these were effectively re-scheduled.

Virtual facilitator-led training

Virtual facilitator-led training was organised. Operators requested training and the times and dates were confirmed. Facilitators were scheduled, and three days before the date of the training they sent the training link to the email addresses that had been provided by the operator (those who would attend the training). They also sent training resources for learners (to either print out and make use of, or for use on their laptops). Registers for operator training coordinators were sent to print out and get signed and returned to the SARGF. On-line learner feedback forms were completed by learners post training, and training certificates were developed and distributed accordingly.

Virtual training became the norm as the facilitators honed their skills through practice and shadowing (watching the training of one another). Tips for virtual training were provided and the Training and Wellness Manager attended at least one of each facilitator's virtual training sessions – providing constructive criticism for improvement.

The virtual facilitator-led training mode of delivery has been successful and to-date there are operators who prefer this for their employees/managers – especially when they are located all over the country/different branches/ geographical areas. A benefit of having learners from many different gambling sectors/geographical areas in one training session is that the interaction can be more valuable as learners share experiences and examples and learn from their peers.

Training

For the **2020 -2021 period under review:**

- 576 people were trained virtually, 995 onsite
- The top three training courses requested by licensed operators were
 - RG101
 - RG102
 - RG103
- The majority of the training requests came from Casinos, Bingo followed by Betting & Racing
- The top three provinces that requested training are Gauteng, North West followed by KwaZulu-Natal.

The effect of the Covid-19 pandemic on on-site Training Programmes

As most gambling operations were completely closed during the hard lock down and operated with limited gambling capabilities as the restrictions lifted, many gambling operations that may use contract or part time employees had to let these employees go. Other operators put their employees on unpaid leave – thus there was no-one to provide any training to.

As the industry opened up and restrictions eased, operators still operated with skeleton staff and limited employee numbers – who thus did not have the time available nor the income to pay for days during which learners could receive training. During the last 6 months of 2021, operators realised that they would need to still meet obligations to compliance requirements of their head offices and started requesting more training – mostly virtual facilitator-led training. Slowly operators made time and arranged for employees to receive more necessary training without it affecting their work schedules too much.

Although the SARGF has communicated to operators that they did have the opportunities to organise training throughout the Covid-19 lockdowns, only some took advantage of the training offerings. Despite there now being lower restrictions and people are able to travel and provide face-to-face training (and this has been communicated to operators) the SARGF still seems to be getting more requests for virtual facilitator-led training than face-to-face training. This is especially true for the courses that provide training to Social Workers and Health Care Professionals and Gambling Regulators.

The contingency plan for the 2020 – 2021 period under review, was to provide training by means of the virtual facilitator-led mode of delivery and to communicate with operators that the SARGF was still providing training – albeit virtually.



Human Resources

The two major challenges that the Covid-19 pandemic presented for Human Resource practices were: change of work environment from office-based to work-based (remote work); and trying to comply with Covid-19 protocols.

The contingency plan adopted by Human Resources was the work from home approach and HR assisted staff with resources such as desks, equipment, and data.

The pandemic and its resulting restrictions resulted in the adoption of a new working model for SARGF, namely the adoption of a dual model. The model is working very well, and work can be done anywhere. The employees do not necessarily need to be in the office.

Marketing and Communications

The Covid-19 pandemic had an impact on Marketing and Communication in particular the Foundation's Public Awareness Programmes. The programmes had to put on hold due the lockdown regulations Level 5 and Level 4, which restricted indoor and outdoor gatherings.

Onsite gambling sites were temporarily closed or operated at limited capacity when the National State of disaster was declared in March 2020 and limited operations resumed around July 2020. With regards to the training offering, details about scheduled facilitator-led virtual training was communicated to stakeholders.

With regards to the public awareness activities for the remainder of the financial year, the planning had to be agile and adhere to the lockdown regulations as and when the levels were adjusted.

Marketing-specific challenges during the Covid period

Not being able to reach people face-to-face and delivering the responsible gambling message effectively was the greatest challenge. With regards to traditional Public Relations through media relations it was a challenge to utilise 'earned' publicity for awareness. The media environment focus was on the health aspect of the Covid-19 pandemic and the devastation it was causing to everyday life, the health system, and government's response to tackling the pandemic.

As and when lockdown level restrictions eased, the Foundation took advantage of the provisions in the restrictions to continue with the awareness with the limited public awareness activities.

How Marketing and Communications dealt with the rapid overhaul of the way individuals view the world and the resulting change in consumer behaviour:

From a gambling point of view and onsite gambling establishments operating on limited capacity due to the lockdown restrictions, there became an increase in online betting platforms. Online gambling in South Africa is illegal, however online betting is legal and regulated. This meant that gambling was becoming increasingly popular to a younger gambling population.

The lockdown restrictions saw many sectors and industries having to limit operations or completely shut down, for example, the Travel and Tourism industry, and many people lost their jobs due to retrenchment. The pandemic arrived at a point where unemployment in South Africa was already at a high. This creates a vulnerable context to stimulate problem gamblers, where gambling is no longer about entertainment and leisure, but rather to repay debt or recover losses.

Governance

At first, the impact of the Covid pandemic on the SARGF workforce was demoralising, since the normal routine of being office bound was disturbed. In an office environment, staff work as a family, and this was disturbed. Later on, however, staff adapted to the work-from-home approach and are now comfortable with it.

Specific Governance issues had to be dealt with:

- **Health and safety and the resulting new protocol(s)** – The Board convened to determine how to provide guidelines on how the Foundation was to continue offering its business in the midst of Covid-19. It resulted in the formation of work-from-home within Covid-19 protocols.
- **Financial impact and cash flow** – The staff had to endure salary cuts. The Foundation also had to postpone some of its plans and reduce spending.
- **Overseeing risk** – The board could convene virtually any time it needed to.
- **Business continuity** – It was a big risk from 27 March 2020 to 30 June 2020, as for the most part, the gambling industry was still closed.
- **Key person risks and succession plans** – The employees of the Foundation do not work in silos. Managers work closely with employees, and the Foundation ensures that it capacitates its staff. This ensures that staff can fill managerial roles in times of need.
- **The Board's functioning** – The board functioned very well. Appraisal meetings were held when needed.

Financial Information

For 2020-2021 period under review

Audited Annual Financial Statements for the year ended 31 March 2021. SNG-Grant Thornton continued in office as auditors for the company for 2021.

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.



The South African Responsible Gambling Foundation NPC
(Registration number 2004/012448/08)

Annual Financial Statements
for the year ended 31 March 2021

SNG-Grant Thornton
Chartered Accountant (SA)

Registered Auditors
Issued 27 September 2021

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	South Africa
Registered office	Sunnyside Office Park 32 Cnr Sunnyside Road & Carse O'Gowrie Building B 1st Floor Parktown 2193
Business address	Sunnyside Office Park 32 Cnr Sunnyside Road & Carse O'Gowrie Building B 1st Floor Parktown 2193
Auditor	SNG-Grant Thornton Chartered Accountant (SA) Registered Auditors Grant Thornton

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Contents

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

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Preparer

Witness Saurombe
Corporate Services Manager

Published

27 September 2021

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Audit Committee Report

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of company and include:

R.M. Zwane
D.T. Khanyile
D.T. Marasha
K.I. Dichabe

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

3. External auditor

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditor that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Annual Financial Statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

5. Accounting practices and internal control

The company's management ensured that effective internal controls were put in place over the financial reporting and assessing the effectiveness of the internal controls over financial reporting.

On behalf of the audit committee

Thabani D. Khanyile

Digitally signed by Thabani D. Khanyile
DN: cn=Thabani D. Khanyile, o=CEF (SOC) LTD, ou=CEF
Internal Audit Services, email=Thabanik@cefgroup.co.za,
c=ZA
Date: 2021.09.27 11:46:51 +0200

D.T. Khanyile
Chairperson Audit Committee

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period that ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

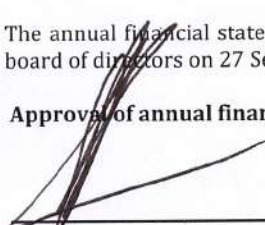
The directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provide reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The directors have reviewed the company's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position. They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 7.

The annual financial statements set out on page 10, which have been prepared on the going concern basis, were approved by the board of directors on 27 September 2021 and were signed on its behalf by:

Approval of annual financial statements



J.F. Nalane

S.M. Simelane-Quntana

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The South African Responsible Gambling Foundation NPC for the year ended 31 March 2021.

1. Incorporation

The company was incorporated in 2004 and obtained its certificate to commence business on the same day.

2. Nature of business

The South African Responsible Gambling Foundation NPC was incorporated in South Africa with interests in the gambling industry. The company operates in South Africa and other Southern African countries.

The principal activities of the company is to ensure that it promotes responsible gambling by educating people and helping people with gambling challenges.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
D.T. Marasha		Non-executive Independent	
S.M. Simelane-Quntana	Executive Director	Executive	
J.F. Nalane	Chairperson of the Board	Non-executive Independent	
S.M. Maja		Non-executive Independent	Resigned Thursday, 30 April 2020
T.D. Khanyile	Chairperson Audit and Risk Committee	Non-executive Independent	
R.M. Zwane		Non-executive Independent	
P.N. Baloyi		Non-executive Independent	
A.Z. Tshabalala		Non-executive Independent	
M.G. Makoko		Non-executive Independent	Appointed Wednesday, 13 May 2020
K.I. Dichabe		Non-executive Independent	Appointed Monday, 13 July 2020
M.T. Mpepele		Executive	Appointed Monday, 01 March 2021

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company. For more detailed explanation, refer to note 1.1.

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Directors' Report

6. Auditors

SNG-Grant Thornton continued in office as auditors for the company for 2021.

At the Directors meeting, the members have been requested to reappoint SNG-Grant Thornton as the independent external auditors of the company and to confirm Mr Gerard Musthan as the designated lead audit partner for the 2022 financial year.

Independent Auditor's Report

To the Members of South African Responsible Gambling foundation NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of South African Responsible Gambling Foundation NPC (the company) set out on pages 10 to 25, which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Responsible Gambling Foundation NPC as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2021", which includes the Directors' Report and the Audit Committee's Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SizweNtsalubaGobodo Grant Thornton Inc.

Gerard Musthan CA(SA)

Director

Registered Auditor

29 September 2021

20 Morris Street East

Woodmead

Sandton

2191

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Non-Current Assets			
Property, plant and equipment	2	1,761,131	2,502,779
Intangible assets	3	307,861	48,080
		2,068,992	2,550,859
Current Assets			
Trade and other receivables	4	1,521,876	1,467,886
Prepayments		36,758	51,457
Cash and cash equivalents	5	5,797,766	3,946,258
		7,356,400	5,465,601
Total Assets		9,425,392	8,016,460
Equity and Liabilities			
Equity			
Retained income		6,518,769	3,996,780
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	7	1,023,500	1,183,224
Operating lease liability		51,389	229,460
Deferred income	8	-	112,139
		1,074,889	1,524,823
Current Liabilities			
Trade and other payables	6	989,446	1,762,609
Finance lease liabilities	7	443,327	314,513
Operating lease liability		178,071	68,496
Deferred income	8	112,139	89,174
Provisions	9	108,751	260,065
		1,831,734	2,494,857
Total Liabilities		2,906,623	4,019,680
Total Equity and Liabilities		9,425,392	8,016,460

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Statement of Comprehensive Income

Figures in Rand	Note(s)	2021	2020
Revenue	10	17,821,618	24,504,894
Other income	11	444,469	369,658
Operating expenses		(15,454,225)	(24,416,826)
Operating profit		2,811,862	457,726
Investment revenue		102,753	98,848
Finance costs	12	(392,626)	(480,376)
Profit for the year		2,521,989	76,198
Other comprehensive income		-	-
Total comprehensive income for the year		2,521,989	76,198

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Statement of Changes in Equity

Figures in Rand	Retained income	Total equity
Balance at 01 April 2019	3,920,582	3,920,582
Profit for the year	76,198	76,198
Other comprehensive income	-	-
Total comprehensive income for the year	76,198	76,198
Balance at 01 April 2020	3,996,780	3,996,780
Profit for the year	2,521,989	2,521,989
Other comprehensive income	-	-
Total comprehensive income for the year	2,521,989	2,521,989
Balance at 31 March 2021	6,518,769	6,518,769
Note(s)		

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Statement of Cash Flows

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Cash generated from operations	14	2,641,765	399,391
Interest income		102,753	98,848
Finance costs		(392,626)	(480,376)
Net cash from operating activities		2,351,892	17,863
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(185,160)	(20,052)
Sale of property, plant and equipment	2	13,771	63,124
Purchase of other intangible assets	3	(298,085)	-
Sale of financial assets		-	370,088
Net cash from investing activities		(469,474)	413,160
Cash flows from financing activities			
Finance lease payments		(30,910)	(544,420)
Total cash movement for the year		1,851,508	(113,397)
Cash at the beginning of the year		3,946,258	4,059,655
Total cash at end of the year	5	5,797,766	3,946,258

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands and they are rounded to the nearest Rand.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Going concern

The going concern assumption is evaluated based on information available up to the date on which the annual financial statements are approved for issuance by the Board. The Foundation endured the global pandemic, coronavirus COVID-19, for the full financial year under review. The industry in which the Foundation operates is facing challenges associated with the restrictions and economic uncertainty due to curfews and travel restrictions as a result of the pandemic.

While there is widespread uncertainty regarding the extent of the financial impact of COVID-19 global pandemic on the economy in which the Foundation operates, the going concern assumption was considered to be appropriate for the preparation of the Foundation's annual financial statements for the year under review. In this regard, the following key considerations included take into account:

- **The Foundation's outlook regarding trading conditions that will persist into the foreseeable future:** The Foundation intensified focus on cost leadership, including the reduction of corporate costs and employment costs. Furthermore, the Foundation has incorporated hybrid approach in its processes to continue offering its services. These contributed in ensuring that the Foundation is well positioned to navigate the challenging trading conditions anticipated during the COVID-19 period.
- **The Foundation's commitments and debt service:** the Foundation has complied with its financial covenants for the reporting period. In light of the anticipated challenging economic environment triggered by the COVID-19 global pandemic, management has proactively engaged with some of its financiers to restructure some of its commitments and debt covenants. To date, the engagements with the financiers have been positive.

The Foundation has successfully managed to navigate the lockdown and subsequent recovery cycles and this solid recovery has aided in strengthening its "balance sheet" to adequately ensure it has sufficient access to financial resources to underpin its recovery journey. The gradual easing of lockdown restrictions imposed in 2020 and following through to 2021 together with the roll out of vaccines will add impetus to the Foundation's solid recovery.

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions will change, which may then impact our estimations and may require a material adjustment to the carrying value of intangible and tangible assets.

The Foundation reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value-in-use of fair value less costs to sell of intangible and tangible assets are inherently uncertain and could materially change over time. The accuracy of the impairment models will only be proved by the future performance of the related businesses.

The impairment assessments for the year ended 31 March 2021 have been prepared on the basis that the COVID-19 global pandemic is an adjusting event and therefore included in cash flow forecasts based on information available as at 31 March 2021.

Key sources of estimation uncertainty

The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment and intangible assets when changing circumstances indicate that they may have changed since the most recent reporting date. During the current year, the directors determined that the useful lives of certain items of Office Equipment, Furniture and Fittings and IT Equipment has to be revised.

Refer to note 18 for more information.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the Foundation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Foundation.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 - 8
Office equipment	Straight line	5 - 8
IT equipment	Straight line	3 - 5
Leased assets	Straight line	5
Leasehold improvements	Straight line	5

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

The residual value, depreciation method and useful life of each asset were viewed only where there is such an indication that there has been a significant change from the previous estimate.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit and loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

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Accounting Policies

1.3 Intangible assets (continued)

Research and development costs are recognised as an expense in the period incurred.

The Foundation shall measure intangible assets at cost less any accumulated amortisation and any accumulated impairment losses.

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

Item	Depreciation method	Average useful life
Computer software,	Straight line	3 - 6
Leases	Straight line	5

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

An entity shall derecognise an intangible asset, and shall recognise a gain or loss in profit or loss:

- (a) on disposal; or
- (b) when no future economic benefits are expected from its use or disposal.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the Foundation will measure debt instruments at amortised cost using the effective interest method and commitments at cost less impairment.

1.5 Tax

Income tax

The Foundation is a Public Benefit Organisation (PBO) status and is exempt from Income Tax.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee.

Finance leases - lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

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Accounting Policies

1.6 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

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

1.7 Cash and cash equivalents

Cash and cash equivalents comprises of demand deposit, and other short-term liquidity investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at their fair value and subsequently at amortised cost.

1.8 Impairment of non-financial assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Leave days

The expected cost of compensated absence 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.

1.10 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.11 Related parties

Related parties are considered to be related to the entity if they have the ability to exercise significant influence over the entity in making financial and operational decisions.

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Accounting Policies

1.12 Income

Contributions

Contributions are recognised to the extent that a gambling operator has earned Gross Gambling Revenue. Contributions are recognised only to the extent that they are collectable from each gambling operator. Contributions are measured at the fair value of consideration received or receivable, excluding taxes.

Promotional material

Promotional material income is recognised to the extent that the company has transferred significant risks and rewards of ownership of goods to the gambling operator provided the amount of income can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Income is measured at fair value of consideration received or receivable, excluding taxes and discounts.

Interest income

Interest income from all interest-bearing instruments recognised in the statement of comprehensive income on an accrual basis using the effective interest rate method.

Sponsorship received (cost recovery)

Funds received from sponsors for a specific project are recognised as other income, to the extent that the funds have been spent by the end of the financial year. Unspent funds are shown on the balance sheet as liabilities.

1.13 Deferred income

Landlord contributions pertain to initial installation allowance provided and paid for by the Landlord relating to leasehold improvements for the South African Responsible Gambling Foundation for its Johannesburg office. The full installation allowance was initially recognised as liability on receipt and it is being released to the Statement of Comprehensive Income over the lease term.

1.14 Value Added Tax

Value Added Tax (VAT) is accounted for based on the requirements of the Value Added Tax Act 81 of 1991 of South Africa. The net amount is derived from netting off the total input tax to claim against the total output tax that should be paid over to the South African Revenue Service.

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand

	2021	2020
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2. Property, plant and equipment

	2021		2020	
	Cost	Accumulated depreciation	Carrying value	Cost
				Accumulated depreciation
				Carrying value
Leasehold improvements	1,098,521	(800,631)	297,890	1,098,521
Furniture and fixtures	509,370	(362,942)	146,428	509,370
Office equipment	413,328	(280,163)	133,165	285,204
IT equipment	1,053,553	(774,474)	279,079	1,047,195
Leased assets	1,862,920	(958,351)	904,569	1,890,460
Total	4,937,692	(3,176,561)	1,761,131	4,830,750
				(2,327,971)
				2,502,779

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Leasehold Improvements	536,203	-	-	(238,313)	-	297,890
Furniture and fixtures	216,488	-	-	(68,680)	(1,380)	146,428
Office equipment	126,754	65,657	(1,338)	(51,140)	(6,768)	133,165
IT equipment	339,895	119,503	(18,374)	(150,076)	(11,869)	279,079
Leased assets	1,283,439	-	(11,476)	(372,584)	5,190	904,569
Total	2,502,779	185,160	(31,188)	(880,793)	(14,827)	1,761,131

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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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2. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Leasehold property	719,573	40,029	-	(223,399)	-	536,203
Furniture and fixtures	296,934	-	-	(79,157)	(1,289)	216,488
Office equipment	309,529	24,323	-	(97,350)	(109,748)	126,754
IT equipment	337,801	197,111	(13,914)	(178,661)	(2,442)	339,895
Leased assets	1,911,558	-	(227,497)	(395,432)	(5,190)	1,283,439
	3,575,395	261,463	(241,411)	(973,999)	(118,669)	2,502,779

Property, plant and equipment encumbered as security

The Foundation went into finance leases of office equipment with various suppliers. Leased assets serve as security for the finance lease liability:

Finance leased assets	904,569	1,283,439
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The South African Responsible Gambling Foundation NPC

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand

3. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	168,451	(138,707)	29,744	168,451	(120,371)	48,080
Finance lease assets	298,085	(19,968)	278,117	-	-	-
Total	466,536	(158,675)	307,861	168,451	(120,371)	48,080

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	48,080	-	(18,336)	29,744
Finance lease assets	-	298,085	(19,968)	278,117
	48,080	298,085	(38,304)	307,861

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Computer software	93,830	(45,750)	48,080

Pledged as security

The Foundation went into finance lease of computer software with suppliers. Leased assets serve as security for the finance lease liability:

Finance lease assets	278,117	-
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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
4. Trade and other receivables		
Employee costs in advance	3,895	63,567
Accrued income	6,705	5,818
SARS PAYE receivable	-	44,306
Trade Receivables	1,517,524	1,378,958
Provision for doubtful debts	(6,248)	(24,763)
	1,521,876	1,467,886
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	661,333	729,962
Short-term deposits	5,136,433	3,216,296
	5,797,766	3,946,258
6. Trade and other payables		
Trade payables	457,997	993,079
Other payables	110,143	222,311
VAT liability	266,153	329,128
Accrued expenses	155,153	218,091
	989,446	1,762,609
7. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	771,928	702,521
- in second to fifth year inclusive	1,324,415	1,725,872
	2,096,343	2,428,393
Less: future finance charges	(629,516)	(930,656)
Present value of minimum lease payments	1,466,827	1,497,737
Non-current liabilities	1,023,500	1,183,224
Current liabilities	443,327	314,513
	1,466,827	1,497,737
The average lease term is 3 years (2020:3 years) and the average effective borrowing rate is 23% (2020: 22%).		
The company's obligations under leases are secured by the leased assets. Refer note 2.		
8. Deferred income		
Landlord contribution	112,139	201,313
Split between non-current and current portions		
Non-current liabilities	-	112,139
Current liabilities	112,139	89,174
	112,139	201,313

The South African Responsible Gambling Foundation NPC

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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8. Deferred income (continued)

The Landlord contribution pertains to installation allowance given to the Foundation by the Landlord for renovations of the Johannesburg offices in 2018 financial year. The entire balance has been reallocated to current portion as the Foundation will be moving office space in the next financial year.

9. Provisions

Reconciliation of provisions - 2021

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	81,949	53,354	(81,949)	53,354
Provision for annual report fees	58,219	-	(58,219)	-
Leave pay provision	119,897	55,397	(119,897)	55,397
	260,065	108,751	(260,065)	108,751

Reconciliation of provisions - 2020

	Opening balance	Additions	Utilised during the year	Total
Provision for bonus	120,224	81,949	(120,224)	81,949
Provision for annual report fees	-	58,219	-	58,219
Leave pay provision	73,819	78,990	(32,912)	119,897
	194,043	219,158	(153,136)	260,065

10. Income

Promotional material	100,142	48,730
Contributions	17,721,476	24,456,164
	17,821,618	24,504,894

Promotional material income is made up of sale of branded pamphlets, pamphlet holders, notice boards, stickers, and posters to gambling operators.

11. Other income

Profit on sale of assets and liabilities	-	63,124
Recoveries	349,185	-
Other income	95,284	106,534
Sponsorship received	-	200,000
	444,469	369,658

Recoveries income comprises of bad debts written off in prior years and subsequently recovered and claim payments received from insurance.

Other income comprises of landlord income installation allowance, recoveries on untimely cancellation of training sessions and amount received from HWSETA.

12. Finance costs

Foreign exchange gains/losses	48	-
Finance leases	392,578	480,376
	392,626	480,376

The South African Responsible Gambling Foundation NPC

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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13. Auditor's remuneration

Fees	294,538	290,735
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14. Cash generated from operations

Profit before taxation	2,521,989	76,198
Adjustments for:		
Depreciation and amortisation	919,097	1,019,749
Loss (profit) on sale of assets	17,417	(63,124)
Interest received	(102,753)	(98,848)
Finance costs	392,626	480,376
Impairment loss	14,827	118,669
Movements in operating lease assets and accruals	(68,496)	32,030
Movements in provisions	(151,314)	66,022
Changes in working capital:		
Trade and other receivables	(53,990)	(419,308)
Prepayments	14,699	(31,256)
Trade and other payables	(773,163)	(691,943)
Deferred income	(89,174)	(89,174)
	2,641,765	399,391

15. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	1,325,767	1,217,493
- in second to fifth year inclusive	338,428	1,665,826
	1,664,195	2,883,319

Operating lease payments represent rentals payable by the company for its office properties. Leases are negotiated for an average term of five years. No contingent rent is payable.

16. Related parties

Relationships

Members of key management

J.F. Nalane
D.T. Marasha
S.M. Simelane-Quntana
T.D. Khanyile
R. M. Zwane
A. Z. Tshabalala
M.G. Makoko
K.I. Dichabe
P. N. Baloyi
M.T. Mpepele

Related party balances and transactions with other related parties

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

JF Nalane	-	(40,350)
TD Khanyile	-	(5,566)

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Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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17. Directors' remuneration

Executive

2021

	Emoluments	Bonus	Travel allowance	Employee benefits contributions	Total
S.M. Simelane-Quntana	1,010,461	101,221	134,035	47,993	1,293,710

2020

	Emoluments	Bonus	Travel allowance	Employee benefits contributions	Total
S.M. Simelane-Quntana	1,039,014	85,454	134,035	123,995	1,382,498

Non-executive

2021

	Directors' fees	Total
J.F. Nalane	137,225	137,225
T.D. Khanyile	48,654	48,654
	185,879	185,879

2020

	Travel Allowance	Directors fees	Total
J.F. Nalane	17,674	115,410	133,084
T.D. Khanyile	-	37,682	37,682
	17,674	153,092	170,766

18. Change in estimates

Property, plant and equipment

Some of Office Equipment with initially estimated useful life of 5 years has been revised to 8 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R4 427.

Some of Furniture and Fittings with initially estimated useful life of 6 years has been revised to 8 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R9 092.

Some of IT Equipment with initially estimated useful life of 3 years has been revised to 5 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R34 165.

19. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Foundation to continue as a going concern is dependent on a number of factors. The most significant of these is the ability of gambling operators to operate during the COVID-19 pandemic. For more detailed explanation, refer to note 1.1.

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Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
Income			
Promotional material		100,142	48,730
Contributions		17,721,476	24,456,164
	10	17,821,618	24,504,894
Other income			
Recoveries		349,185	-
Other income		95,284	106,534
Sponsorship received (cost recovery)		-	200,000
Gains on disposal of assets		-	63,124
		444,469	369,658
Expenses (Refer to page 27)		(15,454,225)	(24,416,826)
Operating profit		2,811,862	457,726
Investment income	12	102,753	98,848
Finance costs	12	(392,626)	(480,376)
		(289,873)	(381,528)
Profit for the year		2,521,989	76,198

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Detailed Income Statement

Figures in Rand	Note(s)	2021	2020
Operating expenses			
Administration and management fees		(31,750)	(249,073)
Advertising		(35,339)	(929,754)
Rates and taxes		(163,420)	(143,542)
Auditors remuneration	13	(294,538)	(290,735)
Bad debts		(335,295)	(487,495)
Bank charges		(21,428)	(30,582)
Cleaning		(750)	(21,780)
Commission paid		(19,373)	(14,256)
Computer expenses		(18,276)	(52,680)
Consulting and professional fees		(417,158)	(843,838)
Depreciation, amortisation and impairments		(933,924)	(1,138,418)
Employee costs		(7,350,413)	(7,578,931)
Responsible Gambling 101		(12,350)	(351,955)
Other Expenses		(10,200)	(111,645)
Responsible Gambling 102		(950)	(145,177)
Outpatient programme		(436,836)	(1,125,193)
Self-exclusion treatment		(197,526)	(983,494)
Family sessions treated		(46,741)	(78,861)
Internal auditors remuneration		(228,725)	(418,796)
Promotional material expenses		(258,780)	(817,848)
Public awareness		(152,850)	(496,228)
Fines and penalties		(39,281)	(22,885)
Board meeting expenses		(177,283)	(152,133)
Annual report		(9,281)	(58,219)
Insurance		(85,458)	(61,052)
Lease expenses		(1,152,047)	(1,158,436)
Inpatient programme		(97,959)	(127,691)
Case management expenses		-	(186,800)
Municipal expenses		(130,868)	(166,231)
Conferences and workshops		(17,404)	(241,550)
Accommodation		(77,130)	(819,900)
Removal costs		-	(1,200)
Courier and Postage		(8,796)	(93,645)
Printing and stationery		(183,266)	(370,551)
Profit and loss on sale of assets and liabilities		(17,417)	-
Repairs and maintenance		(4,092)	(47,451)
Research and development costs		(515,264)	(1,001,032)
Secretarial fees		-	(6,000)
Assets <R7 000		(52,027)	(94,866)
Software expenses		(74,178)	(18,520)
Staff welfare		(47,788)	(263,954)
Subscriptions		(24,475)	(36,510)
Telephone		(853,433)	(717,538)
Training costs		(511,448)	(601,175)
Internet		(201,953)	(188,907)
Travel		(193,455)	(1,658,209)
Group sessions		(13,300)	(12,090)
		(15,454,225)	(24,416,826)

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Annual Financial Statements for the year ended 31 March 2021

Supplementary Information

1. Research

	2021	2020
Sponsorship received	-	200,000
Research expenses	(93,444)	(868,685)
	(93,444)	(668,685)



Office Number: +27 11 026 7323

International Number: +27 21 674 5830

Office Address: Office Address: Sunnyside Office Park

Building B, 1ST Floor,

32 Sunnyside dr & Carse O'Gowrie,

Parktown,

Johannesburg

Training training@responsiblegambling.org.za

Info info@responsiblegambling.org.za

Website: <https://responsiblegambling.org.za/>

Facebook: South African Responsible Gambling Foundation

Twitter: @SARGFoundation

Instagram: #southafricanresponsiblegamblingfoundation

LinkedIn: South African Responsible Gambling Foundation

Toll Free Counselling Line: 0800 006 008

WhatsApp Line: 076 675 0710