Notes to the Annual Financial Statements

For the year ended 31 March 2010

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board in accordance with the Public Finance Management Act (Act 1 of 1999). These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. Accounting policies for material transactions, events or conditions not covered by GRAP reporting framework have been developed in accordance with paragraph 7, 11 and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board. Assets, liabilities, revenue and expenses have not been offset except where offseting is required or permitted by a Standard of GRAP.

Significant accounting policies, which have been consistently applied, are disclosed below. Details of any changes in accounting policies are explained in the relevant policy.

1.1 Significant Accounting Judgements and Estimates

In preparing the financial statements, management makes estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include : provision for doubtful debts, bonus provision, leave provision, useful lives and depreciation methods and asset impairment. Notes relating to the subject are included under the affected areas of the financial statements.

1.2 Presentation Currency

These financial statements are presented in South African Rands since that is the currency in which the majority of the NGB transactions are denominated.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded off to the nearest one thousand rand (R'000).

1.4 Revenue recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the NGB and can be reliably measured. Government grants are recognised when there is reasonable assurance that such grant will be received and all related conditions are complied with. Interest is recognised on a time proportion basis that takes into account the effective yield on assets.

1.5 Unauthorised, Irregular, Fruitless and Wasteful expenditure

In terms of section 55(2)(b)(i) of the Public Finance Management Act, 1999 the financial statements must include particulars of any irregular and fruitless and wasteful expenditure.

Fruitless and wasteful expenditure is expenditure made in vain and would have been avoidaded had reasonable care been exercised. All unauthorised, irregular, fruitless and wasteful expenditure is charged against income in the period in which they are incurred.

1.6 Inventory

Inventory is stated at the lower of cost or net realisable value while cost is determined on a first-in-first-out basis. Net realisable value represents the estimated selling price in the ordinary course of business less any costs incurred in selling and distribution. Inventory comprise of stationery that shall be consumed within a short-term period in the normal business of the entity and not held for sale.

1.7 Property, Plant and Equipment

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

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

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

Property, plant and equipment is initially measured at cost.

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

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired through a non-exchange transaction, its costs shall be measured at its fair value at the date of acquisition. If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or circumstances indicate that the carrying values may not be recovarable. If any such indicators are present and where the recovarable amount of an asset is less than its carrying value, the carrying value of the asset is written down to its recovarable amount through the statement of financial performance.

Item	**Average useful life**
Leased assets	over the period of lease
Furniture and office equipment	10 to 12 years
Motor vehicles	5 to 6 years
Computer equipment	5 to 12 years

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

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

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

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

1.8 Intangible assets

Costs associated with research or maintenance of software programs are recognised as an expense and are charged to the statement of financial performance when incurred. Identifiable development costs are recognised as an asset when it is probable that it will give rise to an asset that will generate future economic benefits for the organisation. Development costs are only recognised as assets if they meet the following conditions:

- An asset is created that can be identified;
- It is probable that the asset created will generate future economic benefits; and
- The development costs of the asset can be measured reliably.

Expenditure that enhances or extends the performance of computer software programs beyond their original specifications is recognised as a new acquisition.

Internally Generated Software

Internally generated software programs are initially recognised at cost. Intangible assets with indefinite useful lives, if any, are not amortised but tested for impairment annually and impaired if necessary.

National databases with a finite useful life are amortised over their useful lives using a straight line basis and tested for impairment at each reporting date. A database is amortised only once it is complete.

Purchased Software

Software licences are carried at cost less accumulated amortisation and impairment. Software is amortised over its useful life on a straight- line basis.

Item	Useful life
National databases	4 to 5 years
Computer software	5 to 8 years

Intangible assets are derecognised:

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

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.9 Leases

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

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

Finance Leases

Assets held under finance leases are recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the statement of financial performance.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

Finance Leases - Lessee

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

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

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

Operating Leases

Leases under which the lessor effectively retains the risks and benefits of ownership are classified as operating leases. Obligations incurred under operating leases are charged against income in equal instalments over the period of the lease.

1.10 Financial Instruments

Classification

Financial instruments are recognised on the statement of financial position when the entity becomes party to the contractual provisions of the instrument. Financial instruments include cash and bank balances, receivables and trade payables. These financial instruments are generally carried at their estimated fair value, which is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

1.10 Financial Instruments (continued)

Financial Assets

The entity's principle financial instruments are cash at bank and cash on hand, trade receivables and other receivables.

Financial Liabilities

The entity's principle financial liabilities are trade and other payables.

Initial Recognition and Measurement

Financial instruments are initially recognised using the trade date accounting method. The entity classifies the financial instruments on their component parts on initial recognition in accordance with the substance of the contractual arrangement.

Financial instruments are initially measured at fair value costs when the entity is a party to contractual arrangement. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other Payables

Trade and other payable are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

Cash and Cash Equivalents

Cash and cash equivalents are measured at fair value. The carrying amount approximates fair value due to

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

the short period to maturity. Cash and cash equivalents comprise cash at bank , cash on hand and short- term investments (32 days) held to maturity.

Trade and Other Receivables

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

Gains and losses

Gains and losses arising from a change in the fair value of financial instruments are included in net surplus or deficit in the period in which they arise.

Offsetting

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

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Impairment of financial assets

At the end of the reporting period the entity assesses all financial assets, other than those at fair value, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

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

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

Reversals of impairment losses are recognised in the surplus.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

1.10 Financial instruments (continued)

Derecognition of financial instruments

A financial asset is derecognised when:

- the right to receive cash flows from the asset has expired;
- the entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without delay to a third party under a "pass through" arrangement; or
- the entity has transferred its rights to receive cash flows from the asset and either (a) has transferred.

Substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substanially all the risks and rewards of the asset, but has transferred control thereof.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same customer on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is derecognised in the Statement of Financial Performance.

Financial Risk Management

In running its operations the organisation is exposed to interest rate, liquidity, credit and market risks. NGB has developed a comprehensive risk management process which monitors and controls the impact of such risks on the organisation's daily operations. The risk management process relating to each of these risks is discussed under the headings below.

Credit Risk and Market Risk

Credit risk consists mainly of accounts receivable and cash and cash equivalents. This is the risk of the entity being exposed to counter party failures. Although this risk is unlikely to occur in the short term, it is mitigated as follows:

- Cash and short-term deposits are placed with well established financial institutions of high quality and credit standing and also approved by National Treasury;
- Transactions are entered into with reputable financial institutions which are approved by National Treasury;
- Funds are invested in short-term facilities; and
- The organisation does not raise debtors in its ordinary course of business.

Credit risk with respect to accounts receivable is limited due to the nature of the entity's business and its reliance on government grant as the main source of funding.

Market risk is the risk that the value of an investment will decrease due to changes in market factors. The above stated mitigating factors apply to market risk as well.

Interest Rate Risk Management

This is the risk that adverse changes in interest rates will have a negative impact on the net income of the entity. The inherent interest rate risk is concentrated in short term investments and deposits which are highly liquid. This risk is managed by:

- investing in short term deposit accounts;
- transacting with well established financial institutions of high quality credit standing and the accounts bearing;
- interest at prevailing market rates; and
- the entity does not hold significant finance leases with fluctuating interest rates.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

Liquidity Risk

This is the risk that the entity may encounter difficulties in raising funds to meet its statutory commitments. Liquidity risk is managed by:

- investing in short term deposit facilities with a maturity period between 14 and 32 days;
- timeous request and release of funds by **the dti** to the NGB; and
- the nature of the entity's business is on a 30 days cash cycle basis.

Fair Value

The entity's financial instruments consist mainly of cash and cash equivalents, receivables and trade payables. No financial asset was carried at an amount in excess of its fair value and fair values could be reliably measured for all financial assets. The carrying amounts of financial assets and liabilities approximate their fair values due to their short-term maturity period.

1.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Gains and losses arising on translation are credited to or charged against income in the statement of financial performance.

1.12 Provisions

Provisions are recognised when:

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

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

Employees entitlement to annual leave is recognised when it accrues. A provision is made on the estimated liability for annual leave as a result of services rendered by employees up to the amount of the obligation. Employees entitlement to performance bonus is recognised when the Board has approved a percentage of the annual package as bonus for the year. The provision becomes actual after being qualified by the results of the performance measurement tool applied.

Payment of performance bonuses is the sole discretion of the Board. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

1.13 Employee Benefits

Short-term Employee Benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

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

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

Retirement benefits

Provident Fund

Both the entity and employees contribute to a defined contribution fund. Benefits are provided to all eligible employees.

Contributions to the Provident fund operated for employees are charged against income as incurred. The funds are externally managed.

1.14 Comparative Figures

Prior period comparative information has been presented in the current financial year. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.15 Taxation

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

1.16 Contingent Liabilities

Contingent liabilities are possible obligations that arose from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the entity; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

1.17 Capital Commitments

Capital commitments are disclosed in respect of contracted amounts for which delivery by the contractor is outstanding at the accounting date, and for amounts which the Board's approval has been obtained but not yet contracted for.

1.18 Related Parties

Parties are considered to be related to the entity if they have the ability to control or exercise significant influence over the entity (or *vice versa*) in making financial and operational decisions or if both parties are subject to common control.

Related party relationships where control exists are disclosed irrespective of whether there have been transactions between the related parties. Related party disclosures for transactions that took place on terms and conditions considered to be "at arms length" and "in the ordinary course of business" are not disclosed. All other transactions with related parties not considered to be "in the ordinary course of business" are disclosed in accordance with IPSAS 20: "Related Party Disclosures".

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
2. Grants		
Government Grants	**21,570**	18,195
3. Interest Income		
Interest Revenue		
Bank Deposits	**413**	662
4. Other Income		
Profit on Disposal of Fixed Assets	**2**	13
Central Electronic Monitoring System (5569 installed LPM's in 2010 and 4502 installed LPM's in 2009)	**115**	85
Conference Registration Fees	-	432
Bid Document Fees	-	35
SARS PAYE Refund (Prior year)	-	147
	117	712
5. Depreciation and Amortisation		
Amortisation		
Computer Software - Licensed	**29**	35
Computer Software, internally generated	**131**	90
	160	125
Depreciation		
Furniture and Office Equipment	**36**	28
Computer Equipment	**157**	117
Vehicles	**21**	21
Leased Cellular Phones	**31**	20
Leased Office Equipment	-	13
	245	199
6. Auditors' Remuneration		
External Audit Fee	**855**	505

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

7. Members' Emoluments

Board members' and senior management's remuneration during the year.

Executive

2010	**Basic Salary**	**Pension**	**Medical Aid**	**Bonus**	**Total**
Acting Chief Executive Officer - Ms. T. Moja	**1,001**	**-**	**-**	**-**	**1,001**
Chief Financial Officer - M.E. Ntsowe	**686**	**96**	**37**	**-**	**819**
Chief Operating Officer- T. Marasha	**696**	**96**	**27**	**-**	**819**
	2,383	**192**	**64**	**-**	**2,639**

2009	**Basic Salary**	**Pension**	**Medical Aid**	**Bonus**	**Total**
Acting Chief Executive Officer - Ms. T . Moja	930	-	-	148	1,078
Chief Financial Officer - ME Ntsowe	639	91	29	-	759
Chief Operating Officer - T. Marasha	650	90	28	-	768
	2,219	181	57	148	2,605

Non-executive

2010	**Board Allowance**	**Kilometer claims**	**Infrastructure**	**Bonus**	**Total**
Mr C.L. Fismer (Term ended 31/12/10)	**734**	**-**	**229**	**-**	**963**
Adv T.N. Aboobaker	**69**	**-**	**-**	**-**	**69**
Prof L. de Vries (Appointed 1/1/09)	**116**	**-**	**-**	**-**	**116**
Mr A.C. Keyser	**109**	**-**	**-**	**-**	**109**
	1,028	**-**	**229**	**-**	**1,257**

2009	**Board Allowance**	**Kilometer Claims**	**Infrastructure**	**Bonus**	**Total**
Mr C.L. Fismer (re-appointed 1/1/09)	33	-	305	-	338
Ms L.J.N. Kganyago (resigned 31/12/08)	20	2	-	-	22
Adv T.N. Aboobaker (re-appointed 1/1/09)	48	2	-	-	50
Z. Mdhladhla (resigned 31/12/08)	20	1	-	-	21
Mr A.C. Keyser (appointed 1/1/09)	16	2	-	-	18
Prof L. de Vries (appointed 1/1/09)	16	1	-	-	17
	153	8	305	-	466

During the year, the acting CEO received a bonus payment of R157,517, the COO received R113,782 while the CFO received R128,953. These payments were included in the provisions for performance bonuses for the 2008/09 financial year and disclosed as part of employee costs.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
8. Professional and Consulting Fees		
Research	-	1,251
SAACREG	-	3
Other Consulting Fees	**966**	777
Internal Auditors' Fees	**581**	523
Audit Committee Fees	**28**	36
	1,575	2,590

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
9. Reconciliation between Budget and Statement of Financial Performance		

Reconciliation of budget surplus/(deficit) with the surplus/(deficit) in the statement of financial performance:

	2010 R'000	2009 R'000
Net surplus per Statement of Financial Performance	**127**	354
Adjusted for:		
Impairments Recognised	**3**	235
Loss on the Sale of Assets	**(28)**	(13)
Unutilised Budget for the Year	**(86)**	(451)
Net surplus per approved budget	**16**	**125**

10. Personnel costs

	2010 R'000	2009 R'000
Salaries, Bonuses and Overtime - excl CEO, CFO & COO	**7,835**	7,473
Contract and Temporary Staff	**171**	63
Payment in Lieu of Leave	**32**	5
UIF	**48**	79
Insurance & Administration of the Provident Fund	**250**	241
Other Salary Related Costs	**(82)**	129
	8,254	7,990

Included in the personnel costs is an amount of R242,310 which was paid to an NGB employee who was seconded to a non-governmental organisation for a year. The secondment was brought about by the shifting of funds from the employee's department/division in order to enable the entity to implement an anticipated Interactive Gambling legislation. The secondment was aimed at enhancing the employee's research capabilities which the entity would utilise for research projects during the subsequent financial year.

The seconded employee left the organisation to which she was seconded, as well as the employment of the NGB prior to the completion of the secondment term. The secondment resulted in an unintended outcome for the NGB, with no direct benefit being derived. Whilst the secondment was aimed at affording skills development for the secondee, it was anticipated that the skills acquired during this period would be beneficial to the NGB in the future.

11. Travel and Subsistence

	2010 R'000	2009 R'000
Local	**733**	463
Overseas	**1,742**	709
	2,475	1,172

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
12. Other Operating Expenses		
Communication Costs	**380**	331
Conference, Forum and Workshop Expenses	**147**	724
Administrative Expenses	**560**	224
Maintenance, Repairs and Running costs	**158**	116
Public Awareness Campaign	**1,270**	-
Other	**660**	724
	3,175	2,119
13. Operating Lease		
Current Year		
Premises	**1,321**	1,187
The future minimum lease payments under non-cancelable operating leases for the Board's offices are as follows:		
Within 1 year	**940**	883
1 to 5 years	**5,354**	5,027
Thereafter	**9,100**	10,310
	15,394	16,220
14. Impairment Loss		
Impairment of Debtors	**3**	235
15. Finance Costs		
Interest paid - Finance Lease	**14**	22
16. Accounts Receivable: Exchange Transactions		
Accrued Interest Income	**18**	17
Other Receivables	**24**	11
	42	28
17. Accounts Receivable: Non-exchange Transactions		
SARS for PAYE and Penalties	**62**	-
18. Inventory		
Stationery on Hand and Consumables	**94**	33

No discounts or rebate were received from the purchase of inventory during the year.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
19. Cash and Cash Equivalents		
Cash and cash equivalents consist of:		
Cash at Bank	**4,057**	1,703
Cash on Hand	**2**	-
Short-term Investments	**-**	3,400
	4,059	5,103

20. Property, Plant and Equipment

	2010			2009		
	Cost / Valuation	Accumulated Depreciation	Carrying value	Cost / Valuation	Accumulated Depreciation	Carrying Value
Furniture and Office Equipment	**259**	**(109)**	**150**	165	(103)	62
Motor Vehicles	**174**	**(101)**	**73**	173	(81)	92
Office Equipment (Leased)	**-**	**-**	**-**	129	(112)	17
IT Equipment	**881**	**(448)**	**433**	1,032	(437)	595
Cellular Phones (Leased)	**68**	**(51)**	**17**	68	(20)	48
Total	**1,382**	**(709)**	**673**	1,567	(753)	814

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Furniture and Office Equipment	**62**	**108**	**-**	**(20)**	**150**
Motor Vehicles	**92**	**-**	**-**	**(19)**	**73**
Office Equipment (Leased)	**17**	**-**	**-**	**(17)**	**-**
IT Equipment	**595**	**23**	**(28)**	**(157)**	**433**
Cellular Phones (Leased)	**48**	**-**	**-**	**(31)**	**17**
	814	**131**	**(28)**	**(244)**	**673**

Reconciliation of Property, Plant and Equipment - 2009

	Opening Balance	Additions	Cell Phone Acquisition	Depreciation	Total
Furniture and Office Equipment	72	5	-	(15)	62
Motor Vehicles	113	-	-	(21)	92
Office Equipment (Leased)	43	-	-	(26)	17
IT Equipment	278	434	-	(117)	595
Cellular Phones (Leased)	-	-	68	(20)	48
	506	439	68	(199)	814

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

21. Intangible Assets

			2010			2009
	Cost / Valuation	**Accumulated Depreciation**	**Carrying Value**	**Cost / Valuation**	**Accumulated Depreciation**	**Carrying Value**
Computer Software, internally Generated	**795**	**(222)**	**573**	795	(90)	705
Computer Software, Other	**354**	**(208)**	**146**	266	(204)	62
Total	**1,149**	**(430)**	**719**	1,061	(294)	767

Reconciliation of Property, Plant and Equipment - 2010

	Opening Balance	**Additions**	**Scrapped Assets**	**Amortisation**	**Impairment Loss**	**Total**
Computer Software, internally Generated	**705**	**-**	**-**	**(132)**	**-**	**573**
Computer Software, Other	**62**	**113**	**-**	**(29)**	**-**	**146**
	767	**113**	**-**	**(161)**	**-**	**719**

Reconciliation of Intangible Assets - 2009

	Opening Balance	**Additions**	**Amortisation**	**Total**
Computer Software, internally Generated	448	347	(90)	705
Computer Software, Other	64	34	(36)	62
	512	381	(126)	767

22. Trade and other Payables

Trade Creditors and Accruals	663	1,664
SARS for PAYE and UIF, and Penalties	12	102
Deposits held in Trust	-	3
	675	1,769

NGB did not discount trade creditors since these are paid within 30 days, thus their fair value approximates their actual cost.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

23. Provisions

Reconciliation of Provisions - 2010

	Opening Balance	Additional Provisions and Adjustments	Utilisation of Provision	Reversed during the Year	Total
Performance bonuses	1,194	1,139	(962)	(232)	1,139
Leave Pay	258	184	(258)	-	184
Provision for pay progression	-	44	-	-	44
	1,452	1,367	(1,220)	(232)	1,367

Reconciliation of Provisions - 2009

	Opening Balance	Additional Provisions and Adjustments	Utilisation of Provision	Adjustment of Previous Year's Provision	Total
Performance Bonuses	636	1,194	(800)	164	1,194
Leave Pay	277	258	(277)	-	258
	913	1,452	(1,077)	164	1,452

Provision for bonus was calculated at 11% of total annual salary package for staff members below senior management. Bonus provision for senior managers is calculated at 17% of total annual salary package. The bonus liability is anticipated to be paid within the next twelve months. Provision for leave is calculated at current salary rate multiplied by number of available leave credits. There are no uncertainties envisaged that may affect the above provisions. Provision for pay progression was based on maximum salary increases permissible in terms of the entity's policy.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
24. Finance Lease Obligation		
There were two Finance lease commitments:		
a) Finance lease related to a photo copier and there were no restrictions imposed in terms of this lease. The lease covered the periods 30 November 2004 to 30 November 2009.		
- Total Future Lease Payments	-	31
- Future Finance Charges	-	(14)
	-	17
Up to 1 year	-	17
b) Finance lease relates to Cellular phones and there are no restrictions imposed in terms of this lease. The lease covers the periods 01 August 2008 to 31 July 2010.		
- Total Future Lease Payments	**17**	45
- Future Finance Charges	-	-
	17	45
Up to 1 year	**17**	34
2 to 5 years	-	11
Present value	**17**	45
Non-Current Liabilities	-	11
Current Liabilities	**17**	51
	17	62
25. Reconciliation of Net Suplus for the year to Net Cash From Operating Activities		
Surplus	**127**	354
Adjusted for:		
Depreciation and Amortisation	**405**	324
Movements in Provisions relating to Employee Costs	**(85)**	540
Profit on Disposal of Fixed Assets	**(3)**	(14)
Changes in working capital:		
Inventory	**(61)**	(3)
Accounts Receivable: Exchange Transactions	**(14)**	259
Accounts Receivable: Non-exchange Transactions	**(62)**	-
Trade and other Payables	**(1,092)**	215
	(785)	1,675

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000

26. Related Parties

Relationships

The Department of Trade and Industry	National department in National Sphere
SA Revenue Services	Public Entity in National Sphere
National Responsible Programme	Private Entity
NGB Trust	Trust established in terms of Section 16(3) of NGA
Zonke Monitoring Systems	Agent monitoring Central Electronic Monitoring Systems (CEMS)

The NGB registered a Trust to administer unlawful winnings affairs in anticipation of Section 14 of the National Gambling act No. 7 of 2004 coming into effect soon. The detailed unaudited financial statements of the NGB Trust do not form an integral part of these financial statements.

27. Losses

	2010 R'000	2009 R'000
SARS Penalties	12	85
Other Losses Written Off	6	2
	18	**87**

Unavoidable operating losses relating to flight alterations and upgrades totalling R6,165.14 were written off during the year.

28. Material Losses through Criminal Conduct

	2010 R'000	2009 R'000
Misappropriation of Funds by an Ex-employee	-	235

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
29. Fruitless and Wasteful Expenditure		
Interest and penalties for late payment to SARS	12	85

Irregular Expenditure

No irregular expenditure realised during the year under review.

Unauthorised Expenditure

There was no unauthorised expenditure during the year under review.

30. Criminal or Disciplinary Actions

A case of fraud relating to misappropriated funds referred to in note 26 above was reported to the police, resulting in an arrest of a former employee. The former employee was sentenced to five (5) year imprisonment sentence, suspended upon a condition that she repays the misappropriated money. Management is in the process of making payment arrangements with the former employee's lawyer.

31. Changes in accounting policy

Revenue from non-exchange transactions

During the year, the entity changed its accounting policy with respect to the treatment of revenue from non-exchange transactions in order to provide reliable and more relevant information. Revenue from non-exchange transactions is now distinguished from revenue from exchange transactions. The corresponding trade and other receivables are split between trade and other receivable from exchange transactions and trade and other receivables from non-exchange transactions.

32. Change of Accounting Estimate

The remaining useful lives of all assets were assessed during the year. A change in accounting estimate was effected in relation to fully depreciated assets still in use. The effect of the change in accounting estimate on the current year's results was an increase in the current year's surplus by R42,145.30. The effect of the change in accounting estimate for future financial years will be a decrease in net surplus of R16,958.53, R16,958.52 and R8,181.88 for 2011,2012 and 2013 respectively.

33. Prior Year Errors

Current liabilies in relation to SARS penalties were overstated by R147,371.29 during the 2008/09 financial year. As a result, the 2008/09 Net Surplus was understated by the same amount. The effect of the prior year error on the 2008/09 results are shown below.

During an assessment of useful lives of non-current assets for the year ended 31 March 2008, the useful life of a leased copier was increased beyond the leased term in error. The result of the error was an understatement of the depreciation, an overstatement of the carrying value of property, plant and equipment and an over-statement of net surplus for 2008/09 and years prior to it. The effect of the correction of the prior year error on the entity's financial results is also shown below.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
33. Prior Year Errors (continued)		
Statement of Financial Position		
Net Assets at 1 April 2008	-	3,371
Decrease in Current Liabilities for 2008/09	-	147
Decrease in Property, Plant and Equipment for 2008/09	-	(13)
Decrease in Property, Plant and Equipment for period prior to 2008/09	-	(43)
	-	3,462
Statement of Financial Performance		
Surplus for 2008/09 as previously stated	-	220
Increase in other Income for 2008/09	-	147
Increase in Depreciation for 2008/09	-	(13)
	-	354

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

	2010 R'000	2009 R'000
34. Contingent Liabilities		
A contingent liability exists in relation to the retention of the surplus funds for 2009/10.	**2,012**	1,674

35. Events after the Reporting Date

At the reporting date, management was not aware of any post-reporting events.

36. Accounting Standards not Adopted

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the entity. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the entity's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions on the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

The effective date of the Standard is for years beginning on or after 01 April 2011.

The entity expects to adopt the Standard for the first time in the 2011 Annual Financial Statements.

It is unlikely that the Standard will have a material impact on the entity's Annual Financial Statements.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the entity.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The entity expects to adopt the standard for the first time in the 2010 Annual Financial Statements.

It is unlikely that the standard will have a material impact on the entity's Annual Financial Statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph 19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and financial statements are not prepared on a comparable basis, a separate statement is prepared called the Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the Annual Financial Statements adjusted to be comparable to the budget.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

A comparable basis means that the budget and Annual Financial Statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2010.

The entity expects to adopt the standard for the first time in the 2010 Annual Financial Statements.

It is unlikely that the standard will have a material impact on the entity's Annual Financial Statements.

GRAP 103: Heritage Assets

Grap 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

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

The standard required judgment in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

Grap 103 states that a heritage asset should be measured at its cost unless it is acquired through a non-exchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, an entity has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The Standard also states that a restriction on the disposal of a heritage asset does not preclude the entity from determining the fair value.

Grap 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Grap 103 states that a heritage asset should not be depreciated but an entity should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the Standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The entity should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:

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

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

The effective date of the Standard is for years beginning on or after 01 April 2010.

The entity expects to adopt the Standard for the first time in the 2010 Annual Financial Statements.

It is unlikely that the Standard will have a material impact on the entity's Annual Financial Statements.

GRAP 21: Impairment of Non-cash-generating Assets

Non-cash-generating assets are assets other than cash-generating assets.

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

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

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach;
- Restoration cost approach; or
- Service units approach.

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the Standard is for years beginning on or after 01 April 2010.

The entity expects to adopt the Standard for the first time in the 2010 Annual Financial Statements.

It is unlikely that the Standard will have a material impact on the entity's Annual Financial Statements.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

GRAP 26: Impairment of Cash-generating Assets

Cash-generating assets are those assets held by an entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

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

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable amount of the asset. When estimating the value in use of an asset, an entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an entity applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

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

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the Standard is for years beginning on or after 01 April 2010.

37. Risk Management

Liquidity risk

Liquidity risk is the risk that the organisation would not have sufficient funds available or may encounter difficulties in raising funds to meet its future commitments. This risk is regarded as low considering the entity's current funding structures and management of available cash resources.

The table below illustrates the Board's exposure to liquidity risk from financial liabilities.

2010	**Carrying Amount**	**Total Cash Flow**	**Contractual Cash flow 1 year**	**Contractual Cash flow 1 year**
Other Financial Liabilities	**2,049**	**2,049**	**2,049**	-
2009	Carrying Amount	Total Cash Flow	Contractual Cashflow 1 year	Contractual Cashflow 1 year
Other Financial Liabilities	3,283	3,283	3,283	11

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

Sensitivity Analysis

A change in the market interest rate at the reporting date would have increased/(decreased) the surplus for the year by amounts below:

	Change in Investment	Increase/(decrease) in Net Surplus for the Year	
		Upward Change	*Downward Change*
31/03/2010			
Cash and Cash Equivalents	1%	41	(41)
Finance Lease	1%	-	-
31/03/2009			
Cash and Cash Equivalents	1%	51	(51)
Finance Lease	1%	1	(1)

Interest Rate Risk

The organisation is exposed to interest rate risk in respect of returns on investments with financial institutions and interest payable on finance leases contracted with outside parties.

Interest rate risk is a risk that adverse changes in interest rates will negatively impact on the net income of the organisation. This exposure to interest rate risk is mitigated by investing on short term basis in fixed deposits. The other factor is that NGB does not hold significant finance leases with fluctuating interest rates.

Credit Risk and Market Risk

Credit risk arises mainly from receivables and cash and cash equivalents.The Board's exposure to credit risk arises because of default of counterparties with the maximum exposure equal to the carrying amount of these instruments. Market risk refers to the risk that the value of an investment will decrease due to moves in market factors. These risks are mitigated as follows:

a) Cash and cash equivalents are placed with high credit quality financial institutions thus rendering the credit risk with regard to cash and cash equivalents limited.
b) Transactions are entered into with reputable institutions approved by National Treasury.
c) With regard to accounts receivables credit risk is limited by the fact that the organisation does not issue loans to staff or raise debtors in its day to day operations.
d) Funds are invested in short term facilities which are highly liquid.
e) The entity does not offer credit facilities either to employees or any other person except where a debtor may be raised due to advance on travel and subsistence.

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

37. Risk Management (continued)

Exposure to Credit Risk

Maximum exposure to credit and market risk at the reporting date from financial assets was:

R'000	2010	2009
Cash and Cash Equivalents	4,058	5,103
Other Receivables	10	11
	4,068	5,114

Concentration of Credit Risk

The maximum exposure to credit risk for financial assets at the reporting date by credit rating category was as follows:

R'000	AAA/Gov	AAA/Gov
Cash and Cash Equivalents	4,058	5,103
Other Receivables	10	11
	4,068	5,114

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

The following table provides information regarding the credit quality of assets which may expose the Board to credit risk.

	Not Past Due nor Impaired	Passed Due not Impaired Less than 2 Months	Past Due not Impaired more than 2 Months	Carrying Amount
2010				
Cash and Cash Equivalents	**4,058**	**-**	**-**	**4,058**
Other Receivables	**10**	**-**	**-**	**10**
	4,068	**-**	**-**	**4,068**

	Not past Due nor Impaired	Passed Due not Impaired less than 2 Months	Past Due not Impaired more than 2 Months	Carrying Amount
2009				
Cash and Cash Equivalents	5,103	-	-	5,103
Other Receivables	11	-	-	11
	5,114	-	-	**5,114**

Market risk is the risk that changes market prices, such as interest rates that will affect the value of the financial assets of the board.

Financial Instruments

The following table shows the classification on the entity's principle instruments together with their carrying values:

Financial Instrument	Classification	Carrying Amount 2010	Carrying Amount 2009
Cash & Cash Equivalents	Cash	**4,058**	5,103
Receivables	Loans and Receivables	**10**	11
Trade Payables	Financial Liabilities	**663**	1,769
Finance Lease	Financial Liabilities	**17**	62

Notes to the Annual Financial Statements

For the year ended 31 March 2010 (continued)

The following table presents the total net gains or losses for each category of financial liabilities.

2010	Loans & Receivables R'000	Financial Liability at Amortised Cost R'000	Total R'000
Interest Income	**413**	**-**	**413**
Finance Charges	**-**	**(14)**	**(14)**
Total Net Gains recognised in the Statement of financial Performance	**-**	**(14)**	**399**

2009	Loans & receivables R'000	Financial liability at amortised cost R'000	Total R'000
Interest Income	662	-	662
Finance Charges	-	(22)	(22)
Total Net gains Recognised in the Statement of Financial Performance	662	(22)	639

38. Expenditure Relating to Soccer World Cup

NGB did not incur any expenditure relating to the 2010 Soccer World Cup for the year ended 31 March 2010 and subsequent thereto.