ANNUAL REPORT
2024/2025

National Gambling Board
South Africa

a member of **the dtic** group

MINISTER'S NOTE TO PARLIAMENT

Dear Honourable Speaker,

I have the honour, in terms of section 65 of the Public Finance Management Act, 1999 (Act 1 of 1999), to present the Annual Report of the National Gambling Board, South Africa for the year ended 31 March 2025.

Mr Parks Tau, MP
Minister of Trade, Industry and Competition
Executive Authority of the National Gambling Board

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PART A

General Information

1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME	National Gambling Board of South Africa
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FAX NUMBER	+27 86 618 5729
EMAIL ADDRESS	info@ngb.org.za
WEBSITE ADDRESS	www.ngb.org.za
EXTERNAL AUDITORS	Lunika Incorporated
BANKERS	Standard Bank South Africa

2. LIST OF ABBREVIATIONS/ACRONYMS

AA	Accounting Authority
APP	Annual Performance Plan
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
B-BBEE Act	Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CTO	Chief Technology Officer
CSRD	Corporate Services and Research Division
DSD	Department of Social Development
ERRP	Economic Reconstruction and Recovery Plan
EBT	Electronic Bingo Terminal
EAP	Employee Assistance Programme
EA	Executive Authority
EXCO	Executive Committee
EMEs	Exempted Micro-Enterprises
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001)
FY	Financial Year
FPP	Fraud Prevention Plan
GCCD	Gaming Control and Compliance Division
GRAP	Generally Recognised Accounting Practice
GCIS	Government Communications and Information Systems
GNU	Government of National Unity
GDP	Gross Domestic Product
GGR	Gross Gambling Revenue
HDI	Historically Disadvantaged Individuals
HCO	Human Capital Optimisation
HR	Human Resources
ISO	Independent Site Operator
ICT	Information Communications Technology
IT	Information Technology
IR	Integrated Reporting
IG	Interactive Gambling
IGRFA	Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

ILO	International Labour Organisation
LPMs	Limited Payout Machines
MANCO	Management Committee
MTDP	Medium-Term Development Plan
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MOU	Memorandum of Understanding
NCEMS	National Central Electronic Monitoring System
NDP	National Development Plan
NGA	National Gambling Act, 2004 (Act No. 7 of 2004)
NGB	National Gambling Board
NGPC	National Gambling Policy Council
NGR	National Gambling Regulator
NGRF	National Gambling Regulators Foundation
NRGP	National Responsible Gambling Programme
NSDP	National Skills Development Plan
NT	National Treasury
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
PPE	Property, Plant and Equipment
PLAs	Provincial Licensing Authorities
PFMA	Public Financial Management Act, 1999 (Act No. 1 of 1999)
QSEs	Qualifying Small Enterprises
RMC	Risk Management Committee
RO	Route Operator
SMME	Small medium and micro-sized enterprises
SABS	South African Bureau of Standards
SANS	South African National Standards
SAPS	South African Police Services
SARGF	South African Responsible Gambling Foundation
SASSA	South African Social Security Agency
SBD	Standard Bidding Document
SWOT	Strengths, Weaknesses, Opportunities and Threats
SCM	Supply Chain Management
the dtic	The Department of Trade, Industry and Competition
TOWS	Threats, Opportunities, Weaknesses and Strengths
TO	Turnover
YoY	Year-on-Year

3. FOREWORD BY THE EXECUTIVE AUTHORITY

I hereby table the Annual Report of the National Gambling Board (NGB) for the 2024/25 financial year.

The NGB continues to implement its legislative mandate in the face of persistent challenges such as the proliferation of illegal gambling, emerging technological risks and the mitigation of gambling-related social ills, particularly problem gambling and its associated impact on vulnerable groups.

In the past year, South Africa made significant strides aimed at strengthening compliance oversight, accountability and transparency within the gambling environment.

As the Executive Authority, I remain committed to the strategic direction of the NGB, ensuring that the entity remains an effective organisation that is capacitated and adequately resourced to perform its functions in accordance with the National Gambling Act, 2004 (Act 7 of 2004) (NGA). The NGB is increasingly taking a proactive approach to policy development, monitoring trends and promoting responsible gambling.

During the year under review, the NGB continued to implement initiatives aligned with the National Development Plan (NDP) and the Government of National Unity (GNU), focusing on good governance, sustainable economic growth and addressing the challenges of unemployment and poverty through the gambling industry. The NGB's contribution to the developmental agenda is evident in its efforts to promote transformation within the industry and ensure participation of previously disadvantaged individuals in the gambling industry.

I wish to commend the Accounting Authority, management and staff of the NGB for their unwavering commitment and professionalism over the past year in executing their duties.

Mr Parks Tau, MP
Minister of Trade, Industry and Competition
Executive Authority of the National Gambling Board
30/09/2025

4. FOREWORD BY THE DEPUTY MINISTER

The Annual Report of the National Gambling Board (NGB) for 2024/25 is hereby tabled.

The NGB played a crucial role in the broader economic agenda of inclusive economic growth, poverty reduction, and the establishment of a capable, ethical, and developmental state. The NGB ensured effective regulation and oversight of the gambling industry to safeguard consumer interests, promote responsible gambling, and prevent illicit activities.

The Annual Report reflects the ongoing commitment by NGB to strengthening regulatory oversight in the gambling industry through various strategic initiatives and underscores the achievements of the organization towards a well-regulated socially responsible gambling environment.

The gambling industry contributed significantly to the economy through tax revenues amassed from a R75 billion industry to the tune of R5.8 billion. This makes the regulation of gambling a matter of profound national importance for economic development and social well-being. However, the industry experienced significant structural shifts, driven by technological advancements and evolving consumer preferences. The rapid expansion of betting and online gambling have transformed the landscape, presenting both opportunities and regulatory challenges during FY2024/25.

The NGB successfully undertook its oversight mandate in the year under review as well as increased its enforcement interventions against illegal gambling activities, enhancing its resolve of a compliant, uniform and fair gambling industry that advances broader goals of economic development.

I commend all stakeholders who have contributed to this work and urge continued commitment towards ensuring that the gambling industry operates in the best interest of all South Africans.

Mr Zuko Godlimpi, MP
Deputy Minister of Trade, Industry and Competition

5. ACCOUNTING AUTHORITY'S OVERVIEW

It is with great pleasure that I present this Accounting Authority Overview, reflecting the National Gambling Board's (NGB's) commitment to regulating in the public interest. We do so through close collaboration with stakeholders from diverse sectors within the gambling industry and the government, and by facilitating the adoption of strategic priorities, regulations and policies through our recommendations to the Executive Authority.

The 2024/25 financial year was marked by substantial national transformation and evolving regulatory imperatives in South Africa's socio-economic landscape. During the year under review, the country entered a pivotal new era through the formation of the Government of National Unity (GNU), following the 2024 National Elections. This significant political development ushered in a collaborative model of governance, aimed at promoting stability, inclusivity and accelerated service delivery across all spheres of government. The GNU, comprised of diverse political parties united by a common goal of restoring trust and efficiency in public institutions, aligns with Government's commitment to a framework that fosters economic growth, accelerates ongoing reforms and enhances the state's capacity.

Analogous to these political shifts, the socio-economic influence of gambling in South Africa continued to be both prominent and complex. Recent analyses entrenched the dual reality that whilst, on one hand, the gambling industry contributed significantly to job creation, tax revenue and provincial economic growth, on the other, there has been an increase in gambling-related harm, particularly among vulnerable communities.

The gambling industry contributes 0,83% to the country's Gross Domestic Product (GDP) and as such we regulate a pivotal sector of the economy. Gross Gambling Revenue generated by the industry in FY2024/25 amounted to R74.9 billion, with betting on horse-racing and sport accounting for more than half the GGR at 70%, followed by Casinos at 22%, LPMs (Limited Pay-Out Machines) at 6% and Bingo at 2%. Taxes generated amounted to R5.8 billion.

Research on the socio-economic impact of gambling revealed increases in gambling prevalence nationwide coupled with an increase in problem gambling to 31%. The increased participation in gambling has been exacerbated by increased advertising of gambling as well as accessibility. Gambling advertising is a significant risk facing the gambling industry as gambling advertising reaches all segments of society.

To address outdated regulatory thresholds in the LPM industry, the NGB commissioned a comprehensive study to inform potential revisions to stake and prize limits. Initially set in 2000 (R5 stake and R500 prize), these limits have become a bottleneck to industry growth. The NGB's research modelled customer behaviour and economic impact, concluding that a revision upwards of the limits for stakes and prizes could boost industry growth while balancing gambler welfare and socio-economic considerations.

These insights reinforced the NGB's role in balancing economic development with responsible regulation and harm minimisation.

As the prevalence of illegal online and unregulated gambling rises, so did our responsibility to enhance enforcement mechanisms and stakeholder collaboration. The NGB made a concerted effort to combat illegal gambling through collaborated efforts with law enforcement agencies and other key stakeholders. Enforcement interventions were implemented through various raids conducted and arrests were made throughout the year on illegal gambling establishments and legal notices were issued for the closure of illegal gambling sites.

The NGB has remained vigilant in its oversight role, through the implementation of a robust oversight evaluation strategy. This included monitoring compliance levels within the gambling industry to ensure robust regulation. Although provinces have been compliant in certain areas, compliance in other crucial areas of regulation, still falls behind. Embracing the fast-changing technologically driven gambling landscape, the NGB remained steadfast in its mandate to promote a fair, transparent and socially responsible gambling environment in South Africa.

In the FY2024/25, the entity committed to procure local goods and services and went above this commitment by over-achieving on its target and contributing to sustainable growth through the local economy. Further, the NGB enhanced supplier development and contributed to economic inclusion by spending on goods and services from black owned entities.

The achievements of the past financial year have not been without some challenges:

- In recent years there has been a growing trend among bookmakers to offer interactive gambling products under the guise of betting on contingencies, particularly through online casino-style games. While some operators claim that these offerings are permissible under the National Gambling Act 2004 (Act No. 7 of 2004) (NGA), they clearly fall outside the scope of traditional contingency betting, as they enable punters to actively engage with and initiate gameplay. In FY2024/25, the NGB, in exercising its oversight mandate, consistently communicated the illegality of these practices to the relevant provincial authorities. This unregulated activity has contributed to the rapid and unchecked expansion of the betting sector, allowing operators to provide casino-like experiences without meeting the prescribed tax obligations applicable to licensed casinos. Additionally, these interactive games are being offered without compliance to any approved technical standards, further exacerbating the legal and regulatory risks associated with their availability.
- In the year under review, a surge in gambling advertising, particularly in betting advertising was observed. Betting sponsorships have become a prominent feature of South African sports, increasing the public's exposure to gambling. South Africa's gambling advertising laws do not cater for time and sponsorships restrictions as seen in other countries and critics argue that advertising in a constrained economic environment entices risk-taking behaviours and lures even non-gamblers to try their luck at winning on gambling games further contributing to increased problem gambling.
- A concerning development has been the intersection between a constrained economy and low employment rates and the growing but erroneous reliance by recipients of social relief grants on gambling as an additional income source. In acknowledgement of this troubling situation that is exposing the most vulnerable in our society to the socio-economic harms of gambling, the NGB stepped up its broad-based public education to social grant recipients through a strengthened partnership with the South African Social Security Agency (SASSA).
- The slow pace of legislative reform continues to hamper regulators, given the increased rate at which illegal interactive gambling games are flooding the market. With no legislative basis for the regulation of interactive gambling, regulators are constrained in efforts to strengthen compliance oversight, accountability and transparency in this regard.

Governance has been and continues to be a key focus area for the NGB in our quest to make a meaningful contribution to the development of a capable, ethical state. It was with great pride and satisfaction that I announced the 10th (tenth) consecutive clean audit for the entity in the previous financial year 2024/25 FY.

I am proud of the commitment that the staff of the NGB has shown to the seventh administration of government and to the protection of our gambling public.

Looking ahead, the NGB is committed to supporting the policy agenda of the GNU through enhanced governance, inclusive engagement, and continued transformation of the gambling sector. We will intensify efforts to address illegal gambling, improve regulatory compliance, and advocate for legislative reforms that protect the integrity of the industry and the wellbeing of citizens.

The NGB acknowledges the support of the Minister of **the dtic**, Hon Parks Tau, and the Deputy Minister of **the dtic**, Hon Zuko Godlimpi for their support in the implementation of the NGB mandate. Further appreciation to the Director-General of **the dtic**, Mr Simphiwe Hamilton and the Executive Team of the Department for their ongoing support to the NGB.

Mr Lungile Dukwana
Acting Chief Executive Officer
31 July 2025

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by Lunika Incorporated.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines for the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the NGB.

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

The Accounting Authority is responsible for establishing and implementing a system of internal control which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully

Mr Lungile Dukwana
Acting Chief Executive Officer
31 July 2025

7. STRATEGIC OVERVIEW

The National Gambling Board (NGB) is established in terms of the National Gambling Act, 2004 (Act 7 of 2004) (the NGA). It is also registered as a Schedule 3A Public Entity in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) (the PFMA). The mission, vision and values of the NGB are as follows:

7.1 Vision, Mission, and Values

VISION

To position South Africa as the pre-eminent jurisdiction with an exemplary and effectively regulated gambling industry

MISSION

Lead the regulation of the gambling industry in the fulfillment of the National Gambling Act, 2004, through an effectively regulated and supervised gambling industry that upholds domestic, continental and internationally recognised standards of compliance

VALUES

- Professionalism
- Moral integrity
- Transparency
- Commitment and consistency
- Effective implementation of resolutions
- Responsive communication
- Teamwork
- Respect and tolerance

8. LEGISLATIVE AND OTHER MANDATES

The NGB is established in terms of the NGA. The NGB is a Schedule 3A Public Entity in terms of the PFMA. The mandate of the NGB is set out in sections 33 and 34, read with sections 32, 21 and 65 of the NGA, and these are:

- Oversight of gambling in the Republic of South Africa by:
    - Evaluating the issuing of national licences by the Provincial Licensing Authorities (PLAs);
    - Evaluating the compliance monitoring of licensees by PLAs;
    - Conducting oversight evaluation of the performance of PLAs so as to ensure that the national norms and standards established by the NGA are applied uniformly and consistently throughout the Republic; and
    - Assisting PLAs to ensure that the unlicensed gambling activities are detected.
- Monitoring of market conduct and market share.
- Monitoring socio-economic patterns of gambling activity and research and identify patterns of the socio-economic impact of gambling and addictive or compulsive gambling.
- Establishing and maintaining a national registry of every gambling machine or gambling device manufactured within or imported into the Republic, as well as maintaining all other legislator prescribed registers.
- Investigate alleged unlawful winnings that emanate from unlawful gambling activities. If such winnings are found to be unlawful, an application to the High Court for an order to declare the winnings forfeited to the State is made. Where winnings are deemed to be derived from legal gambling activities, funds are returned to the punter.
- Advising and providing recommendations to the National Gambling Policy Council (NGPC) on, amongst others, matters of national policy and legislative changes relating to gambling.

Other mandates

The implementation of the NGB's mandate is also indirectly governed by the following legislation:

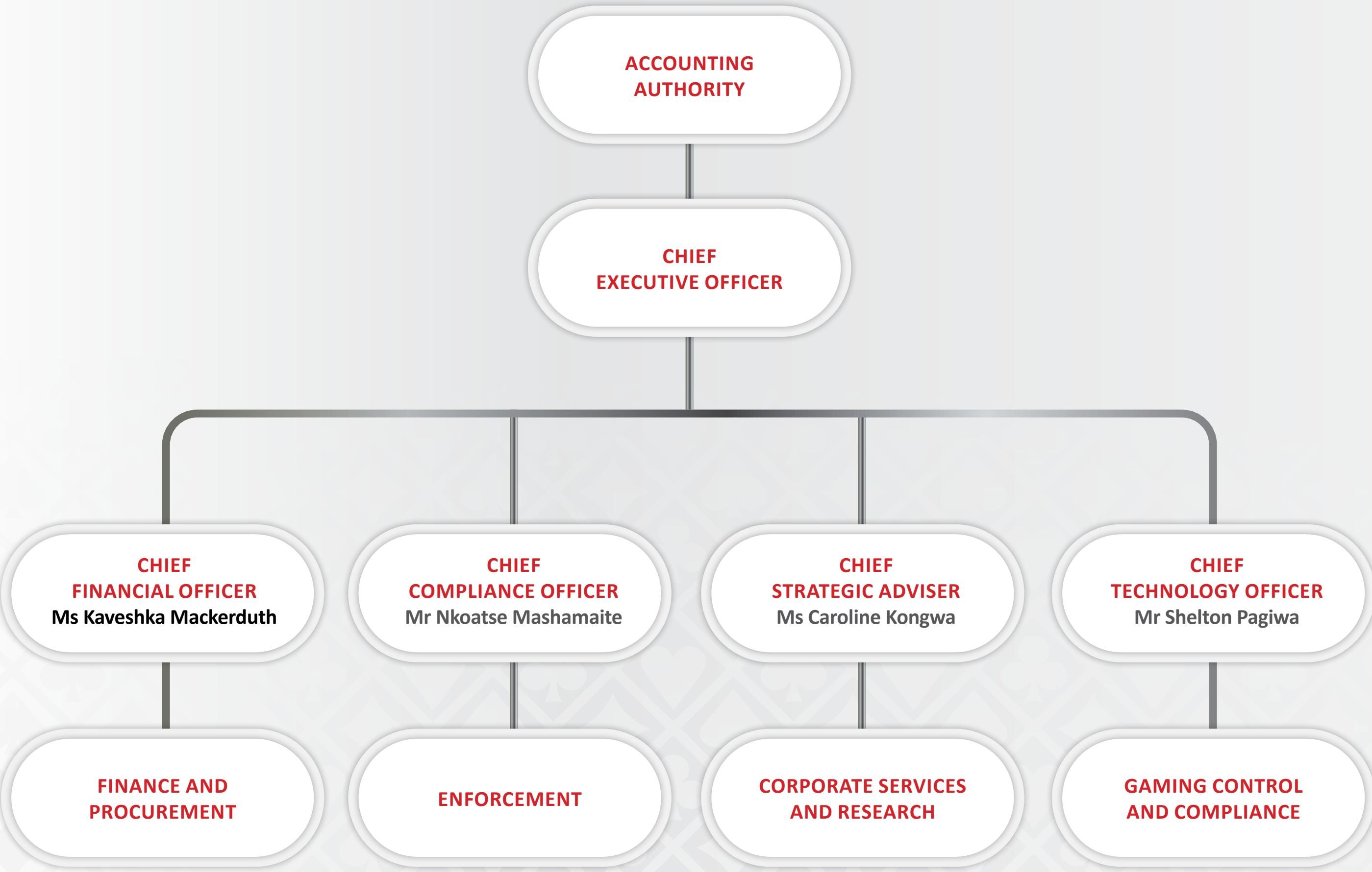
- Constitution of the Republic of South Africa, 1996
- Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003)
- The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001)
- Cyber Crimes Act, 2020 (Act 19 of 2020)
- Protection of Personal Information Act, 2013 (Act 4 of 2013)
- Intergovernmental Relations Framework Act (IGRFA), 2005 (Act 13 of 2005)
- Competition Act, 1998 (Act 89 of 1998)
- Prevention of Organised Crime Act, 1998 (Act 121 of 1998)
- Public Finance Management Act (PFMA), 1999 (Act 1 of 1999)
- Criminal Procedure Act, 1977 (Act 51 of 1977)
- Films and Publications Act, 1996 (Act 65 of 1996)
- South African Police Service Act, 1995 (Act 68 of 1995)
- Standards Act, 2008 (Act 8 of 2008)
- Legal Metrology Act, 2014 (Act 9 of 2014)
- National Regulator for Compulsory Specifications Act, 2008 (Act 5 of 2008)
- Consumer Protection Act, 2008 (Act 68 of 2008)

Policy mandates

There are various Government policies and plans which continue to inform the NGB's strategic direction and implementation of its mandate in order to achieve its intended outcomes. The NGB has aligned its strategy with the following:

- The National Development Plan (NDP), 2030
- The Medium-Term Strategic Framework 2019-2024 (MTSF)
- The National Gambling Policy, 2016
- State of the Nation Address
- Statement of the Intent of the 2024 Government of National Unity (GNU)
- Medium-Term Development Plan 2024-2029 (MTDP)

9. ORGANISATIONAL STRUCTURE[1]



1 Ms. Caroline Kongwa is designated as the Accounting Authority in terms of Section 49 of the PFMA.

PART B

Performance Information

1. AUDITOR’S REPORT: PREDETERMINED OBJECTIVES

Lunika Incorporated currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the management report, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor’s report.

Refer to pages 69 to 72 of the Report of the Auditors Report, published as Part F: Financial Information.

2. OVERVIEW OF NATIONAL GAMBLING BOARD'S PERFORMANCE

2.1 Service Delivery Environment

The NGB operated within a dynamic and multifaceted service delivery environment during FY2024/25, shaped by a convergence of economic, social, technological, and institutional factors. These contextual influences had a direct impact on the NGB's performance and its ability to fulfil its mandate of ensuring a well-regulated and socially responsible gambling industry in South Africa.

From an economic standpoint, the economy was projected to grow by 1.1 per cent in 2024, down from the *2024 Budget Review* forecast of 1.3 per cent. However, marginal improvements in energy supply contributed to a cautiously optimistic medium-term outlook. Despite these positive signals, South Africa continued to face significant macroeconomic challenges, including low potential growth, stagnant per capita income, and persistent unemployment. These conditions underscored the critical importance of maintaining fiscal discipline, accelerating infrastructure investment, and enhancing state capability — areas to which the gambling sector contributes through increased tax revenues.

The social context further complicated the regulatory landscape. High unemployment and poverty rates contributed to a rise in gambling participation among vulnerable populations who increasingly viewed gambling as an alternative source of income. This reality elevated the NGB's responsibility to protect these communities from gambling-related harm. In response, the NGB significantly scaled up its public education initiatives, raising awareness about the risks of gambling addiction and educating the public about treatment options for compulsive and addictive gambling behaviours.

Rapid technological advancements and innovations expanded online gambling platforms. This shift required the NGB to adapt its regulatory approach to keep pace with changes in the industry while ensuring robust compliance mechanisms and consumer protection frameworks remained in place. Notably, the proliferation of betting on online platforms, aided by increased access to digital platforms and widespread advertising led to a broader exposure of the population to gambling, necessitating intensified efforts in public education and regulatory enforcement.

Institutionally, the NGB continued to implement the objectives set out in its Strategic Plan 2023–2028 and Annual Performance Plan (APP) 2024/25, despite regulatory and legislative hurdles. Key challenges included continued illegal online gambling, the delayed enactment of the National Gambling Amendment Bill, and the inoperative status of the National Self-Exclusion Register. This ultimately impacted the NGB's ability to effectively regulate the gambling industry.

2.2 Organisational environment

During 2024/25, the NGB demonstrated operational efficiency in delivering on its mandate. The NGB managed to perform against its performance targets and excelled in some areas due to the commitment and ability of officials who prioritized the execution of NGB's functions.

The organisation maintained a stable staff complement with two (2) resignations and no retrenchments during the FY2024/25. This contributed towards the retention of institutional knowledge and organizational continuity which accelerated delivery against strategic objectives.

In terms of governance, risk and financial management, the effectiveness and efficiency of internal controls were evidenced by the NGB incurring no instances of fruitless, wasteful or irregular expenditure.

Further the NGB continued to benefit from a reliable and well managed information, communication and technological infrastructure which enabled the entity to discharge its operations. FY2024/25 further marked the year in which the NGB appointed a new service provider for the National Central Electronic Monitoring System (NCEMS). The effectiveness of this system plays a central role in ensuring business continuity, data integrity and timely reporting in the Limited Payout Machine (LPM) Sector. The NGB remains resilient in monitoring activities in the LPM Sector through the NCEMS to ensure accurate revenue generation.

2.3 Key policy developments and legislative changes

There are various government policies and plans which continue to inform the NGB's strategic direction and implementation of its mandate to achieve its intended outcomes, namely:

- The National Development Plan (NDP), 2030
- The Medium-Term Development Plan 2024-2029 (MTDP)
- The National Gambling Policy, 2016
- 2024 State of the Nation Address
- Statement of the Intent of the 2024 Government of National Unity (GNU)

During FY2024/25 a new administration came into existence comprising a GNU. This subsequently led to the development of a MTDP which would replace the MTSF. The priorities of the MTDP were *Drive Inclusive Growth and Job Creation; Maintain and optimize the social wage*; and *A capable, ethical and developmental state*.

2.4 Progress towards achievement of institutional Impact and Outcomes

The South African economy is confronted by an array of challenges, such as sluggish growth, high unemployment rates, fiscal pressures, energy limitations, and structural inequalities. In response, the Department of Trade, Industry and Competition (**the dtic**) initiated a process at the onset of the sixth administration to realign its focus through a reimagined industrial strategy. The new approach by **the dtic** was designed to cascade the objectives of the NDP and Economic Reconstruction and Recovery Plan (ERRP) and the framework of the approach crystallized into three shared objectives, namely: Industrialisation, Transformation and the development of a Capable State.

The NGB prepared an amendment to the FY2022-2027 Strategic Plan which was appended as an annexure to the approved FY2024/25–2026/27 APP. The amendment to the FY2022-2027 Strategic Plan was to translate the mandate of the NGB into three overarching performance indicators: Industrialisation, Transformation and a Capable State in order to align to the new approach developed by **the dtic**. This culminated in the development of new indicators with five-year targets set for the Capable State outcome.

The NGB developed an impact statement *"A regulated gambling industry that balances economic gains and punter protection"*. This impact statement is thus measured against the amended outcomes.

TABLE 1: Progress made against five (5) year targets

#	Outcome	Outcome Indicator	Baseline	Five (5) year target	Progress made against the Five (5) year target
1.	Industrialisation	Total value committed to procure local goods and services	New Indicator	R160 million committed to procure local goods and services	As at 31 March 2025, expenditure on local goods and services amounted to one hundred and eighty-seven point eight million rand (R187.8 million)
2.	Transformation	Monitored economic transformation and increased participation of HDIs in the mainstream gambling industry	New Indicator	One (1) report on the monitored economic transformation and increased participation of HDIs in the mainstream gambling industry	One (1) report on the monitored economic transformation and increased participation of HDIs in the mainstream gambling industry
		Total spend on goods and services procured from black owned entities	New Indicator	R100 million spend on goods and services procured from black owned entities	As at 31 March 2025, expenditure on black-owned entities amounted to one hundred and ninety-nine point five million rand (R199.5 million)
3.	Capable State	Facilitated R12.5 billion contribution of the LPM industry to the economy	New Indicator	R12.5 billion contribution of the LPM industry to the economy	Four billion two hundred and twenty-five million four hundred and seventy- three thousand five hundred and thirty- three-rand (R4 225 473 533.00) revenue facilitated in the LPM industry during the period (32.6% of the five-year target)
		Regulation of the LPM gambling industry through maintained operational National Central Electronic Monitoring System	There was a consistent zero-point zero two percent (0.02%) variance on the uptime of the systems in: • FY2020/21, • FY2021/22 and • FY2022/23	Within 5% variance of uptime on the systems	The NCEMS uptime was available for 99.96% during FY2024/25
		Nine (9) PLA compliance with the National Gambling Legislative framework	Fourteen (14) compliance oversight evaluations conducted for PLAs compliance with gambling legislation. Compliance oversight evaluations conducted as follows: • Nine (9) conducted in FY2021/22 and FY2022/23	Twenty-seven (27) compliance oversight evaluations conducted for PLAs compliance with gambling legislation	Twenty-seven (27) compliance oversight evaluations conducted for PLAs compliance with gambling legislation Compliance oversight evaluations conducted as follows: • Nine (9) conducted by NGB in FY2022/23 for PLAs FY2021/22; • Nine (9) conducted by NGB in FY2023/24 for PLAs FY2022/23 and • Nine (9) conducted by NGB in FY2024/25 for PLAs FY2023/24

#	Outcome	Outcome Indicator	Baseline	Five (5) year target	Progress made against the Five (5) year target
		Authoritative advice on policy, statutory matters and legislative reform in the Gambling Industry	Six (6) Advisory reports pertaining to the following matters were presented to **the dtic**: • Future regulation of the gambling industry in FY2020/21; • The economic recovery and reconstruction plan for the gambling industry in FY2020/21; • Gambling Legislative Advisory Report in FY2020/21; • Market Inquiry Report 2021/22; • Gambling Legislative Advisory Report FY2021/22; and • Gambling Legislative Advisory Report FY2022/23	Five (5) Advisory reports on policy, statutory matters and legislative reforms in the Gambling Industry	Seven (7) Advisory reports pertaining to the following matters were presented to **the dtic**: • Future regulation of the gambling industry in FY2020/21; • The economic recovery and reconstruction plan for the gambling industry in FY2020/21; • Gambling Legislative Advisory Report in FY2020/21; • Market Inquiry Report 2021/22; • Gambling Legislative Advisory Report FY2021/22; • Gambling Legislative Advisory Report FY2022/23; and • Gambling Legislative Advisory Report FY2023/24
		Monitored market share and market conduct of the four (4) sectors in the gambling industry	The NGB has published four (4) Gambling Sector Performance Reports for the following financial years: • FY2018/19; • FY2019/20; • FY2020/21; and • FY2021/22	Five (5) annual publications	The NGB has published five (5) Gambling Sector Performance Reports for the following financial years: • FY2019/20; • FY2020/21; • FY2021/22; and • FY2022/23 • FY2023/24
		Conducted evidence-based research on the impact of gambling	New indicator	One (1) evidence-based advisory report on the impact of gambling	One (1) evidence-based advisory report on the impact of gambling
		Educated and informed people on the harmful effects of gambling	New Indicator	Two hundred (200) community outreach interventions to inform and educate the public on the harmful effects of gambling	Sixty-four (64) community outreach interventions to inform and educate the public about the harmful effects of gambling conducted (32% of the five-year target)
		Facilitated S16 confiscation of proceeds from illegal gambling activities	8% reduction in the balance of proceeds from illegal gambling activities	100% reduction in the balance of proceeds from illegal gambling activities	12.6% reduction in the balance of proceeds from illegal gambling activities
		Protection of a regulated industry	New Indicator	Four (4) enforcement interventions to protect the gambling industry	Thirty-two (32) enforcement interventions to protect the gambling industry through Twenty-two (22) raids initiated and ten (10) warning notices issued

In FY2024/25, the NGB contributed towards the 2019-2024 MTSF priorities of *Economic Transformation* and *Job Creation* and *a better Africa and World*. This was done through promotion of local economic development through supporting Small, Micro and Medium Enterprises (SMME's) and local manufacturers and enhancing supplier diversity, empowerment, and inclusive economic growth. The NGB used its public procurement spend of one hundred and eighty-seven point eight million rand (R187.8 million) on local goods and services. The NGB also spent one hundred and ninety-nine point five million rand (R199.5 million) on black-owned entities. One hundred and fifty-seven (157) Qualifying Small Enterprises (QSEs) and Exempted Micro-enterprises (EMEs) were paid within fifteen (15) days.

Supporting the public health and safety of citizens through increased promotion of a socially responsible and sustainable gambling industry contributed to a capable state and a better Africa and World. Sixty-four (64) community outreach interventions to inform and educate the public about the harmful effects of gambling were conducted.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1. The strategic outcomes of the NGB are implemented through four (4) budgeted programmes. Four (4) programmes within the NGB contributed towards the organisation's core mandate, impact, outcomes and outputs, which are set out in detail below.

3.1.1 PROGRAMME 1: GAMING CONTROL AND COMPLIANCE

3.1.1.1 PURPOSE OF THE PROGRAMME

The Gaming Control and Compliance Division (GCCD) provides mandated operational core functions in terms of the NGA. The GCCD provides technical analysis of the modes of gambling, system audits and enforcement in line with statutory imperatives as provided for in gambling legislation. It provides reliable information through national centralised databases and contributes towards providing accessible, transparent and sufficient access for economic citizens to ensure the ease of doing business. The sub programmes of the GCCD are set out as follows:

3.1.1.2 SUB-PROGRAMMES

The following sub-programmes contribute to the provision of services by the GCCD programme:

Functional National Registers

The NGB is the custodian of national registers in terms of the NGA. The Act requires that the NGB must establish and maintain, in the prescribed manner and form, national registers to provide a national repository of gambling sector-specific information. The NGB is required to provide the information in its registry to PLAs in the prescribed manner and form to ensure information sharing and compliance as contemplated in the Act.

National Central Electronic Monitoring System (NCEMS)

The NGB is obliged by section 27 of the NGA read with regulation 14 of the National Gambling Regulations to supply, install, commission, operate, manage and maintain NCEMS which is capable of detecting and monitoring significant events, associated with any LPM that is made available for play in the Republic and analysing and reporting data according to the requirements of sections 21 to 26 of the NGA. NCEMS is essentially a system to track each LPM operated by a Route Operator (RO) or Independent Site Operator (ISO) in terms of location and status; record and validate every transaction on the LPM in real-time and periodically report collected data. The NCEMS enables the NGB to fulfil its oversight responsibility over the PLAs in terms of section 65 of the NGA, maintain the national register in terms of section 21 of the NGA, monitor and evaluate the PLAs compliance with the NGA and enables the NGB to assist the PLAs to detect and suppress unlawful gambling and unlicensed gambling activities.

Gaming Control

The NGB will monitor and analyse technological developments that affect gambling regulation and provide advice on the compliance of gambling machines and devices in terms of the NGA. The NGB will review and analyse the certification of gambling products, new gambling products, and the adoption of technology in the gambling industry in accordance with the technical standards, the South African National Standards (SANS) 1718 developed by the South African Bureau of Standards (SABS) in accordance with the Standards Act, 2008 (Act 8 of 2008).

Compliance

The NGB will ensure compliance with section 33 of NGA which requires the NGB to evaluate the issuing of national licences by PLAs and the compliance monitoring of licensees by PLAs. The section further requires the NGB to conduct oversight evaluations of the performance of PLAs, in a manner stipulated in section 34 of the NGA so as to ensure that norms and standards are applied uniformly and consistently by all PLAs.

3.1.1.3 CONTRIBUTION TOWARDS INSTITUTIONAL OUTCOMES

The GCC programme contributes towards the following outcomes as set out in the NGB's 2024/25 APP:

- Transformation:
  - Monitored economic transformation and increased participation of Historically Disadvantaged Individuals (HDIs) in the mainstream gambling industry.
- Capable State:
  - Regulation of the LPM gambling industry through maintained operational National Central Electronic Monitoring System.
  - Nine (9) PLA compliance with the National Gambling Legislative framework; and
  - Authoritative advice on policy, statutory matters and legislative reform in the Gambling Industry.

3.1.1.4 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

TABLE 2: Outcomes, outputs, output indicators, targets and actual achievement

Programme/Sub-programme:								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2022/23**	**Audited Actual Performance 2023/24**	**Planned Annual Target 2024/25**	**Actual Achievement 2024/25**	**Deviation from Planned Target to Actual Achievement 2024/25**	**Reasons for Deviations**
Transformation	Monitored economic transformation opportunities for HDIs in the mainstream gambling industry	Number of S53 economic transformation reports in the mainstream gambling industry produced	N/A	N/A	One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	Achieved One (1) consolidated report on S53 economic transformation in the mainstream gambling industry produced	N/A	N/A
Capable State	Monitored technical compliance of gambling games, machines, and devices in the gambling industry	Number of reports on technical compliance produced	N/A	One (1) consolidated report on analysis of technical gambling games, machines and devices was produced	One (1) consolidated report on technical compliance of gambling games, machines and devices produced	Achieved One (1) consolidated report on technical compliance of gambling games, machines and devices produced	N/A	N/A
	Facilitated revenue generation in the LPM industry	Rand value revenue generation facilitated in the LPM industry	N/A	N/A	Facilitated R2.5 billion revenue generation in the LPM industry	Over- achieved Four billion two hundred and twenty-five million four hundred and seventy- three thousand five hundred and thirty- three-rand (R4,225,473,533.00) revenue facilitated in the LPM industry	Exceeded revenue facilitated by One billion seven hundred and twenty-five million four hundred and seventy-three thousand five hundred and thirty-three rands (R1,725,473,533.00) in the LPM industry	This was due to the high turnover generated during the period and the NCEMS uptime was available 99.96%
	Conducted nine (9) PLA compliance evaluations	Percentage of evaluations of PLAs compliance with gambling legislation conducted	N/A	One (1) consolidated report on PLAs compliance evaluation with gambling legislation was produced	100 % evaluations of PLAs compliance with gambling legislation conducted	Achieved 100 % evaluations of PLAs compliance with gambling legislation conducted	N/A	N/A
	Advisory notes on uniformity in relation to gambling legislation	Number of advisory notes on uniformity in relation to gambling legislation	N/A	N/A	Four (4) advisory notes on uniformity in relation to gambling legislation	Achieved Four (4) advisory notes on uniformity in relation to gambling legislation produced	N/A	N/A

3.1.1.4.1 Narrative of Significant achievement

The NGB managed to achieve a 99.96% availability for NCEMS which is used to monitor, capture and report significant events on all LPMs made available for play in the Republic. This achievement ensured that the LPM sector was properly monitored and available to operators and punters all the time.

The NGB successfully analysed and reported on the gambling products currently used in the betting and wagering by bookmakers. The NGB identified instances where some of the products are interactive in nature and have subsequently engaged the relevant PLAs and reported to **the dtic** as well. These products are accessed through the internet and are not part of the products tested and approved in the Letter of Certification (LoC) but are treated as "contingencies" whose outcome people bet on.

The NGB's commitment to fostering economic transformation opportunities for HDIs within the mainstream gambling industry remains unwavering. The NGB monitored transformation in the bookmaker's mode of gambling. Based on the verified contributions it was noted that supplier and enterprise development, skills development, and socio-economic development contributions made by the gambling industry, totalling over three hundred and forty two million rand (R342 million), ensured the sustainability of SMMEs, promotion of income-generating businesses and employment opportunities, support and empowerment of communities in the betting sector as well as the empowerment of the operator's employees. Furthermore, it was noted that most PLAs are not adequately incorporating the Broad-Based Black Economic Empowerment (B-BBEE) requirements when licensing operators. Some PLAs failed to consider applicant's commitments to black economic empowerment when evaluating licence applications, leading to contravention of section 57 of NGA and section 10.1(a) of B-BBEE Act.

The NGB fulfilled its mandate of compliance oversight of PLAs and identified non-compliances of operators with the NGA for further action by PLAs, there are significant gaps in regulatory adherence across provincial boards and this is primarily due to contravention of section 11, which prohibits operators from offering interactive gambling. The non-compliance is attributed to the failure of PLAs to effectively monitor their licensees' activities, allowing some operators to engage in prohibited gambling activities.

There has been effective regulation of LPMs, however, gaps remain where PLAs' issued multiple type A licences in a single site which contravenes the provision of Regulation 3(1).

PLAs are no longer serving as supervisory bodies, as such the Financial Intelligence Centre (FIC) has assumed responsibility for supervision. The FIC is in the final stages of finalising Memorandums of Understanding (MOUs) with the NGB and PLAs. It is of importance to note that the gambling industry observed that FIC, however, primarily focuses on overseeing casinos, leading to other three (3) modes of gambling being overlooked (e.g. Bingos, Bookmakers and LPMs) though they contribute to seventy-seven (77%) percent of GGR.

3.1.1.4.2 Contribution of the achievement of targets towards achieving the entity's outcomes

Through monitoring transformation within the gambling industry, the NGB noted that despite ongoing regulatory oversight and the use of the Generic Codes of Good Practice due to the absence of a dedicated transformation charter, the industry continues to face major structural and systemic barriers to meaningful black ownership and participation. Progress has been observed in employment equity and community upliftment initiatives; however, transformation in the critical areas of ownership, management control, and enterprise development remains limited. The industry is still predominantly controlled by a few large corporations resulting in oligopolistic market conditions that hinder inclusive participation. Black entrepreneurs continue to face several barriers, including lack of access to funding, high regulatory and licensing costs, social stigma associated with gambling, and the absence of a sector-specific transformation framework. Consequently, the transformation objectives set out in the B-BBEE Act have not been fully realized within the gambling sector, particularly in ownership and control metrics.

The NGB has successfully maintained functional national registers and the NCEMS such that there have been no systems downtime during the period under review. As such through the availability and provision of the NCEMS, the NGB has facilitated R4,2 billion in the LPM industry. The NGB will continue to ensure strict adherence to this standard over the remainder of the MTDP period.

The NGB was able to analyse the new products and technologies implemented in the gambling industry for compliance with legislation and was able to provide advice to **the dtic** with regards to the products used mostly in the betting and wagering sector.

The NGB continues to monitor PLAs compliance with gambling legislation and has conducted twenty-seven (27) of the twenty-seven (27) compliance oversight evaluations for PLAs compliance with gambling legislation. As such the NGB has achieved 100% of the MTSF target. Achieving this target is an indication of the gambling industry's administrative, regulatory and operational abilities and positively contributes to a capable state and increases investor confidence.

3.1.2 PROGRAMME 2: ENFORCEMENT

3.1.2.1 PURPOSE OF THE PROGRAMME

This programme is mandated in terms of the Act to undertake co-operative activities to prevent and suppress illegal gambling activities and investigate suspected cases of unlawful gambling activities.

Through collaborated efforts with law enforcement agencies and other stakeholders the enforcement division, mandated by section 33(c) of the NGA will assist PLAs to ensure that unlicensed gambling activities are detected in compliance with section 66(2) and (3) of the NGA.

The division will further ensure, in complying with section 16(4) of the NGA, that the circumstances of the gambling activity of any winnings withheld and remitted to the NGB are investigated and if found to be illegally obtained, such funds will be forfeited to the State.

3.1.2.2 CONTRIBUTION TOWARDS INSTITUTIONAL OUTCOMES

The Enforcement programme contributes towards the following outcomes as set out in the NGB's 2024-2025 APP:

- Capable State:
  - Facilitated S16 confiscation of proceeds from illegal gambling activities.
  - Protection of a regulated industry.

3.1.2.3 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

TABLE 3: Outcomes, outputs, output indicators, targets and actual achievement

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Reasons for Deviations
Capable State	Targeted investigations completed on the circumstances of illegal gambling activity to contribute to the reduction of illegal gambling	Percentage of targeted investigations completed on the circumstances of illegal gambling activity to contribute to the reduction of illegal gambling	N/A	N/A	100% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling	Not- achieved 5.5% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling were undertaken	94.5% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling were unachieved	There were incomplete NGB 2 Forms without contact details. Most of the funds received were without prescribed documentation in order to identify the punter or confiscator of the funds in order to investigate in terms of S16 of the NGA
	Interventions implemented to protect the gambling industry	Number of enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS	N/A	N/A	Four (4) enforcement interventions to protect the gambling industry through raids initiated and cases registered with the SAPS	Over- achieved Twenty-two (22) interventions through raids implemented Q1 = 2 Q2 = 2 Q3 = 6 Q4 = 12	An additional eighteen (18) interventions through raids were undertaken	Increased involvement and collaboration with other enforcement agencies improved performance
		Number enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	N/A	N/A	Four (4) enforcement interventions to protect the gambling industry through notices and/or legal action undertaken	Over- achieved Ten (10 notices were issued Q1 = 3 Q2 = 1 Q3 = 1 Q4 = 5	An additional six (6) notices were issued	Increased involvement and collaboration with other enforcement agencies improved performance

3.1.2.3.1 Narrative of Significant achievement

Through established relationships and collaboration with other enforcement agencies, twenty-two (22) interventions through raids were initiated, with ten (10) warning notices issued to unlicensed gambling operators. As a result, the targeted interventions were over-achieved.

NGB compiled a list of ninety (90) identified illegal gambling operators. Through successful interventions, twenty-three (23) of these operators have blocked access to their sites in South Africa. This means that unless punters use evasive technologies, they will not be able to gain access to these websites. This significantly increases probability that the affected punters will choose licensed operators for their gambling activities.

All matters that had complete information for investigation were investigated. This means that confiscated monies associated with these matters will be appropriated as either refund to the punter or forfeiture to the state in terms of S16 of the NGA. This has effect of discouraging punters from using unlicensed online gambling sites for gambling purposes. Some of the matters investigated involve minors. Whereas the minors are adults now, the confiscation of the funds deterred them from engaging further in gambling activities as minors.

3.1.2.3.2 Contribution of the achievement of targets towards achieving the entity's outcomes

Improving relations between national, provincial and local government requires a proactive approach to resolving coordination problems. In ensuring our contribution towards capable state, the NGB targeted protection of the legal gambling industry by implementing enforcement interventions through initiation of raids and issue of warning notices. This target was made possible through coordinated efforts with other law enforcement agencies, ensuring maximum involvement of stakeholders. The net effect is the reduction of the number of land-based illegal gambling operators. The punters are left with fewer illegal gambling establishments, hence there is an increased likelihood that when they do gamble they will do so at licensed venues and thus contribute positively to the fiscus.

It is important for the state to be able to protect citizens as well as licensed operators from illegal gambling operators. This also ensures that when punters do gamble, they do so with licensed gambling operators and hence contribute positively to the fiscus. Through engagements with various stakeholders, NGB has successfully facilitated twenty-three (23) of the identified illegal gambling site operators to deny gambling services to South Africans.

3.1.3 PROGRAMME 3: CORPORATE SERVICES AND RESEARCH

3.1.3.1 PURPOSE OF THE PROGRAMME

The Corporate Services and Research Division (CSRD) provides mandated operational core functions in terms of the NGA. The division specifically provides a broad-based public education and awareness programme as well as an economic analysis of the gambling sector performance of the industry.

The CSRD provides support services to the NGB to ensure satisfactory internal and external stakeholder engagement, and seeks to attain a conducive work environment, which enhances business efficiency. CSRD comprises of the following subdivisions, Human Capital Optimisation (HCO), Legal Services, Research, Information Communication Technology (ICT), and Corporate Governance. The sub programmes of the CSRD are set out as follows:

3.1.3.2 SUB-PROGRAMMES

Legal Services

Legal Services provides corporate legal services to the NGB in the form of legal opinions, legal advice, legislative drafting, litigation, drafting and vetting of contracts and records management. Legal Services ensures that the NGB's interests are promoted and protected in its business operations and further ensures that the NGB operates within the ambit of the law. Records Management ensures that there is proper maintenance of records, access to and protection of information.

Corporate Governance

Corporate Governance coordinates implementation of Planning and Reporting Frameworks to enhance the effectiveness and efficiency of governance and achievement of performance deliverables. Corporate governance also focuses on Risk Management to assist with identification, assessment and mitigation of strategic, operational and reputational risks that may hinder the NGB from achieving its objectives.

Information Communication Technology (ICT)

The function of the ICT unit is to support the NGB in matters of ICT strategic development and maintenance of the communication and management systems, thereby safeguarding the assets of the NGB. The unit ensures that the ICT support functions are carried out in a manner that supports the strategic objectives and the mission statement of the NGB. ICT is geared at supporting and enhancing the overall organizational performance through the provision of assistive technologies.

Human Capital Optimisation (HCO)

HCO focuses on integrated management of the work environment in order to optimise and nurture human capital to ensure business efficiency is obtained and ensure that there is a conducive environment wherein balanced labour relations are maintained.

Research and Advisory Services

Mandated in terms of S65(1) and S65(2) of the NGA, the NGB monitors socio-economic patterns of gambling activity within the Republic, monitors gambling sector performance, market share and market conduct in the gambling industry.

A broad-based public education programme about the risks and socio-economic impact of gambling will be facilitated through educational campaigns. The aim is to maintain social dialogue with industry stakeholders on the consequences of the overstimulation of gambling, compulsive and addictive gambling, and the negative impact of participating in any unregulated gambling activity.

3.1.3.3 CONTRIBUTION TOWARDS INSTITUTIONAL OUTCOMES

The CSRD programme contributes towards the following outcomes as set out in the NGB's 2024-2025 APP:

- Capable State:
  - Monitored market share and market conduct of the four (4) sectors in the gambling industry.
  - Conducted evidence-based research on the impact of gambling; and
  - Educated and informed people on the harmful effects of gambling.

3.1.3.4 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

TABLE 4: Outcomes, outputs, output indicators, targets and actual achievement

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Reasons for Deviations
Capable State	Published and disseminated research and industry trends to the gambling industry and regulators for informed decision making	Number of reports on gambling sector performance produced	Over-achieved Nine (9) reports were produced: Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were produced Four (4) reports on socio-economic implications of market share and market conduct in the gambling industry	Nine (9) reports were produced: Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were produced Four (4) reports on socio-economic implications of market share and market conduct in the gambling industry were produced	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance produced	Over-achieved Nine (9) reports were produced: Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance were produced Four (4) reports on socio-economic implications of market share and market conduct in the gambling industry were produced	Four (4) additional reports were produced	Additional analysis was conducted per quarter on the socio-economic implications of market share and conduct due to efficiencies within the division

Programme/Sub-programme:								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Reasons for Deviations
	Research on the impact of the gambling industry for informed regulation	Number of reports on research on the impact of the gambling industry for informed regulation produced	N/A	N/A	One (1) consolidated report on research on the impact of the gambling industry for informed regulation produced	Over-achieved Three (3) reports were produced: One (1) consolidated report on research on the impact of the gambling industry for informed regulation produced One (1) consolidated report on economic analysis and research conducted on the impact of gambling One (1) consolidated report on benchmarking the South African gambling industry against other jurisdictions	Two (2) additional reports were produced	Additional analysis was conducted on economic analysis and benchmarking due to efficiencies within the division
	Broad-based community outreach interventions	Number of broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	N/A	N/A	Forty (40) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	Over-achieved. Conducted sixty-four (64) broad-based community outreach interventions to inform and educate the public on risks and socio-economic impact of gambling	Twenty-four (24) additional broad-based community outreach interventions were conducted	Additional outreach interventions resulted from improved internal efficiencies and enhanced stakeholder partnerships
	Ten (10) Case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	Number of case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	N/A	N/A	Ten (10) case studies of firms, workers, entrepreneurs, professionals, individuals or communities impacted by the NGB measures in the gambling industry	Achieved. Produced ten (10) case studies showcasing the impact of the NGB's broad-based public education interventions on communities	N/A	N/A

3.1.3.4.1 Narrative of Significant achievement

In FY2024/25, the NGB delivered substantial achievements in tracking economic trends for market intelligence and elevating public education, positioning itself as a proactive regulator in an evolving gambling landscape.

The NGB closely monitored socio-economic trends across the gambling sector, providing invaluable insights into industry performance for informed policy decision-making. By the end of FY2024/25, gross gambling revenue (GGR) surged to R74.9 billion — a 26.2% increase from the previous year. The betting sector dominated with 70% of total revenue (R52.3 billion), solidifying its position as the leading gambling mode. In contrast, traditional land-based gambling modes — casinos, LPMs, and bingo — saw declining market shares, with casinos now contributing just 22% of GGR.

To address outdated regulatory thresholds in the LPM industry, the NGB commissioned a comprehensive study to inform potential revisions to stake and prize limits. Initially set in 2000 (R5 stake and R500 prize), these limits have become a bottleneck to industry growth. The NGB's research modelled customer behaviour and economic impact, concluding that raising limits to R30–R70 for stakes and R3,000–R7,000 for prizes could boost industry participation while balancing gambler welfare and socio-economic considerations.

In parallel, the NGB made significant strides in promoting responsible gambling through education and outreach. With a target of forty (40) interventions in FY2024/25, the NGB over-achieved by delivering sixty-four (64) community-based outreach activities across the country. These interventions employed diverse methods from in-person sessions to media campaigns to inform citizens about gambling legislation, the risks of illegal and addictive gambling, and available support resources.

Strategic collaborations amplified this success. Notably, partnerships with PLAs, various gambling operators, the South African Responsible Gambling Foundation (SARGF), the Government Communications and Information Systems (GCIS), Thusong Centres and key public entities including the South African Social Security Agency (SASSA) and the Department of Social Development (DSD) enabled the NGB to reach vulnerable groups, particularly social grant recipients, who are increasingly at risk of compulsive and problem gambling behaviour amid financial hardship.

The strengthened media engagement strategy further extended the reach of responsible gambling messaging, leveraging the credibility and accessibility of twenty-one (21) media organisations. Community feedback gathered during outreach events was analysed and synthesised into ten (10) thematic case studies, offering qualitative insight that aligned with formal research findings especially regarding the gambling-related risks faced by disadvantaged communities.

3.1.3.4.2 Contribution of the achievement of targets towards achieving the entity's outcomes

The achievements of the CSRD programme in FY2024/25 directly contribute to the outcome of a Capable State by enhancing evidence-based policymaking, intergovernmental collaboration, and citizen empowerment.

By tracking socio-economic patterns of gambling activity and analysing market trends across the gambling modes, the NGB enabled informed evidence-driven decision-making in the regulation of gambling which enhances the capability of the state. The NGB study on the LPM sector stake and prize limits reflects the ability of the state to inform gambling policy and respond to changing economic realities.

The public education and outreach interventions, which exceeded targets, demonstrates the NGB's commitment to the outcome of a Capable State by empowering citizens, especially vulnerable groups.

Rural and peri-urban areas often lag behind urban areas when it comes to accessing information about government services. By focussing attention on educating citizens in these areas, this furthermore supports the capability of the state in its ideals to provide equitable access to professional and competent services. This contributes positively to the wellbeing and dignity of South Africans by informing them about free services available to them in relation to gambling addiction.

By thus empowering citizens to make informed and healthy choices when they gamble, the entity has supported government in protecting the wellbeing of the public, a key element in creating a capable, ethical and developmental state.

3.1.3.4.3 Women, youth and persons with disabilities

The NGB has reached its target on employment of Women in all its programmes and its currently sitting at 52.5% of women employed in various programmes. From a total of nine (9) occupied positions at top and senior management, five (5) are occupied by females. The employment of youth was further achieved through absorption of the previous four (4) Interns into the roles of Administrators in various programmes.

3.1.4 PROGRAMME 4: FINANCE AND PROCUREMENT SERVICES

3.1.4.1 PURPOSE OF THE PROGRAMME

This programme provides strategic financial management support and procurement services to the organisation. Finance and Procurement Services facilitate the overall management of the NGB and provide strategic financial management support to the organisation. It is the custodian of financial resources. The division comprises of two units that provide specialised support services to the NGB.

The NGB, as an agency of **the dtic** and an organ of state, strives to be a cautious steward for the management of State resources allocated to it to carry out its mission. Section 74 of the NGA provides an opportunity for the NGB to grow its revenue base in addition to its grant allocation, the collection of any fees payable, or any other money accruing to the NGB from other sources.

The Finance and Procurement Services division combined the performance expectations outlined in the Business Plan with the fiscal accountability demonstrated by its ability to design and implement a financial model that alleviated its sole dependency on a grant allocation. It was crucial for the NGB to manage statutory reporting requirements and achieve its performance with great financial accountability.

The Finance and Procurement Services division took cognizance of the current economic climate; and will continue to adopt cost containment measures introduced by the National Treasury. To this end, financial efficiencies are envisaged on cost items, which include travel, accommodation, catering and the use of consultants. The following sub-divisions contribute to the provision of services by the Finance and Procurement Services:

3.1.4.2 SUB-PROGRAMMES

Finance

The Finance sub-programme maintains reliable financial records which are prepared regularly for both internal and external stakeholders. These financial records are presented to external auditors annually to obtain an independent opinion on whether the NGB's financial records fairly present the state of its financial position, performance and cash flows. The NGB achieved a clean audit for the 2023/24 financial year, which is consistent with performance since FY2015/16.

Procurement

The Supply Chain Management (SCM) sub-programme endeavours to procure goods and services in a manner that is fair, equitable, transparent, competitive and cost-effective. This is achieved by ensuring that goods and services procured are in line with the objectives of the NGB as set out in the Strategy and APP. The SCM sub-programme also ensures that all procurement prescripts are complied with and that all SCM reporting requirements are met.

Internal controls include Finance and SCM strategies, policies and procedures which are reviewed annually to ensure their continued effectiveness and compliance with statutory requirements. These controls are tested by internal auditors to verify that they are adequate.

3.1.4.3 CONTRIBUTION TOWARDS INSTITUTIONAL OUTCOMES

The Finance and Procurement programme contributes towards the following outcomes as set out in the NGB's 2024-2025 APP:

- Industrialisation:
  - Total value committed to procure local goods and services.
- Transformation:
  - Total spend on goods and services procured from black-owned entities.

3.1.4.4 OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

TABLE 5: Outcomes, outputs, output indicators, targets and actual achievement

Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Actual Achievement 2024/25	Deviation from Planned Target to Actual Achievement 2024/25	Reasons for Deviations
Industrialisation	R160 million in additional local output committed or achieved	Rand value committed to procure local goods and services	N/A	N/A	R160 million in additional local output committed or achieved	Over-Achieved R187.8 million in additional local output achieved	Additional expenditure of R27.8 million was committed to procure local goods and services	The NGB had additional funds to spend on locally produced goods and services based on needs that arose
Transformation	R100 million spend on procurement of goods and services from black-owned entities	Rand value spend on procurement of goods and services from black-owned entities	N/A	N/A	R100 million spend on procurement of goods and services from black-owned entities	Over- Achieved R199.5 million spent on procurement of goods and services from black-owned entities	Additional expenditure of R99.5 million was spent on the procurement of goods and services from black-owned entities	The NGB had additional funds to spend on black-owned entities based on needs that arose

3.1.4.4.1 Narrative of Significant achievement

Rand values spent on locally produced goods and services as well as goods and services from black-owned entities assisted the entity in advancing its industrialisation and transformation objectives.

3.1.4.4.2 Contribution of the achievement of targets towards achieving the entity's outcomes

Through expenditure on the procurement of local goods and services as well as deliberate efforts to procure from black-owned entities, the NGB enabled the participation of previously marginalised individuals in the main-stream economy.

3.1.4.4.3 Women, youth and persons with disabilities

Procurement spend on women, youth and persons with disabilities

As a schedule 3A listed public entity, the NGB is required to comply with provisions of the Broad-Based Black Economic Empowerment Act, 2003 (Act 1 of 2003) (B-BBEE Act), specifically section 10 which states that every organ of state and public entity must apply any relevant code of good practice issued in terms of the B-BBEE Act. Consequently, the NGB has implemented the Enterprise and Supplier Development element, as set out in Code Series 400, which measures the extent to which an entity procures goods or services from empowering suppliers with robust B-BBEE recognition levels.

To discharge this obligation, the NGB further complied with the prescripts of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) (PPPFA) and strictly applied the 80/20 or 90/10 preference system to promote the achievement of spending on designated groups. To this end, the NGB set out to procure goods and services while implementing specific goals aimed at advancing transformation. The NGB procured goods and services from black-owned entities, spending R199.5 million on this designated group. A total of R187.8 million was spent by the entity on locally produced goods and services, representing an over-achievement of 17.4% of the annual target of R160 million.

Challenges encountered by the public entity when prioritising delivery for these designated groups and corrective steps to be taken in dealing with such challenges

In many instances designated suppliers identified on the National Treasury Central Supplier Database were unreachable when contacted or they were registered for commodities that they did not provide and/or supply. This database was overwhelmed with suppliers who are reflected as "active suppliers" on the system but in reality were "inactive suppliers" as they were non-responsive to requests for quotations issued by the NGB.

The NGB continues to actively seek out persons from designated groups in terms of its new procurement initiatives which allows the entity to attract enterprises to become beneficiaries of the entity's supplier development as well as enterprise development initiatives.

3.2 Linking performance with budgets

TABLE 6: Programme expenditure

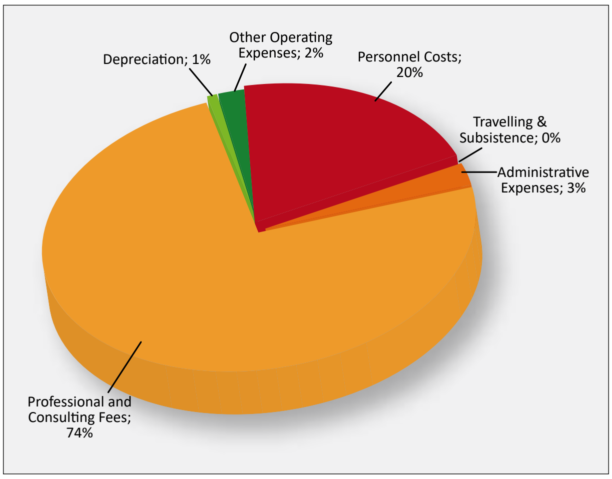
Programme/activity/ Objective	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Gaming Control & Compliance	204 525 814	205 564 725	-1 038 911	209 445 367	215 776 816	-6 331 449
Corporate Services & Research Services	49 826 311	47 217 950	2 608 361	44 030 926	43 055 803	975 123
Finance & Procurement	14 457 034	16 520 937	-2 063 903	19 399 431	19 961 696	-562 265
Enforcement	9 309 665	9 016 252	293 413	-	-	-
Total	**278 118 824**	**278 319 864**	**-201 040**	**272 875 724**	**278 794 315**	**-5 918 591**

A summary of financial information against performance and expenditure has been elaborated on above and can be expressed in rand values as per Table 6.

Revenue and expenditure analysis

As at 31 March 2025, total revenue of R280 million was received while total expenditure amounted to R278.3 million. This represents 100% of the budgeted year-to-date expenditure against the planned expenditure of R278.1 million. A surplus of R1.9 million was reported during the financial year ended 31 March 2025.

FIGURE 1: Percentage of expenditure according to cost items



A significant portion (74%) of the entity's expenditure was incurred against professional and consulting fees, mainly for the payment of the NCEMS operator in exchange for the LPM monitoring services rendered on behalf of the NGB. Personnel expenditure accounts for 20% of the entity's total expenditure, followed by administrative expenses, other operating expenses and depreciation at 3%, 2% and 1% respectively.

3.3 Strategy to overcome areas of under-performance

The NGB under-achieved one of its outcomes namely Facilitated S16 confiscation of proceeds from illegal gambling activities. The output was Targeted investigations completed on the circumstances of illegal gambling activity to contribute to the reduction of illegal gambling. An annual target was set for 100% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling. 5.5% of the total number of cases targeted for investigations to contribute to the reduction of illegal gambling, were undertaken. 94.5% of the total number of cases targeted for investigations contributing to the reduction of illegal gambling, therefore were not achieved.

Section 16(4) of the NGA states that *"upon receiving any winnings under subsection (3), the board must investigate the circumstances of the relevant gambling activity, and either:*

> *(a) deliver the winnings to the person who won them, if the board is satisfied that the gambling activity was lawful, and the winner was not a minor or excluded person at the time of the activity; or*
>
> *(b) apply to the High Court for an order declaring the winnings forfeit to the State."*

The manner and form for reporting these winnings are prescribed in terms of Regulation 6 of the National Gambling Regulations. The NGB did not have access to the documents to conduct the mandated investigations in terms of S16 of the NGA and had engagements with the reporting institutions.

The reporting institutions that responded positively to the request for information contributed to the achievement at 5,5% (five-point five percent) on the investigation of historical matters. The remaining undocumented funds were identified and included in a report for tabling to the Unlawful Winnings Committee meeting which was held on 27 March 2025 for a consideration of a recommendation for an *ex-parte* application to be submitted to the High Court for an order to declare the funds forfeited to the State. Once processed, the *ex-parte* court application will finalize all historical unlawful winning matters.

4. REVENUE COLLECTION

TABLE 7: Revenue

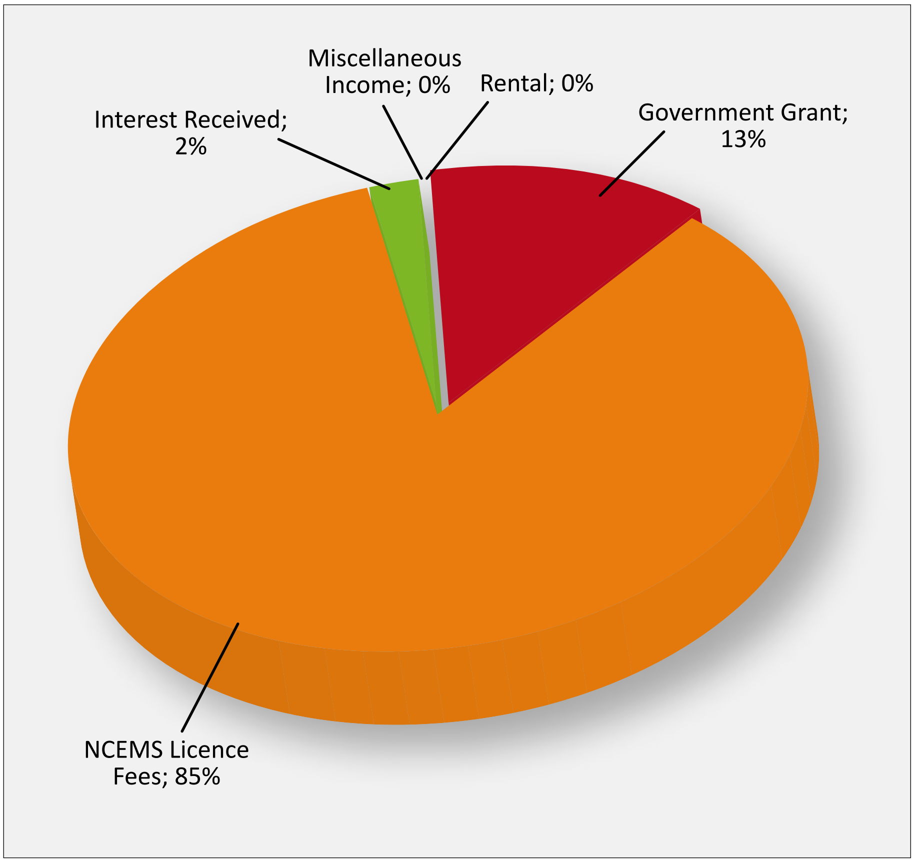
Programmes	2024/25			2023/24		
	Estimate	Actual amount collected	(Over)/under collected	Estimate	Actual amount collected	(Over)/under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Government Grant	34 641 000	34 641 000	-	33 152 400	33 152 000	400
NCEMS Licence Fees	230 000 000	232 011 671	-2 011 671	229 009 020	236 384 451	-7 375 431
Interest Received	6 111 668	6 004 204	107 464	7 377 965	7 195 123	182 842
Rental	2 673 600	2 534 718	138 882	1 225 000	1 564 016	-339 016
Miscellaneous Income	4 700 000	5 046 567	-346 567	43 207 227	-	43 207 227
Total	**278 126 268**	**280 238 160**	**-2 111 892**	**313 971 612**	**278 295 590**	**35 676 022**

The NGB receives its funding from the National Treasury through **the dtic**. Other sources of revenue include LPMs monitoring fees, rental income and interest received.

Over and above the grant amounting to R34.6 million, additional revenue amounting to R245.6 million was received from other sources which include LPM monitoring fees of R232 million, interest on short-term investments amounting to R6 million, rental income amounting to R2.5 million and miscellaneous income of R5 million.

In the FY2024/25, LPM monitoring fees accounted for 85% of the total revenue, while 13% of the revenue was received from **the dtic** grant allocation. The remainder of the revenue (2%) was received from other sources such as interest received and rental income.

FIGURE 2: Percentage revenue split



5. CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

The NGB maintains a non-current asset register with a total asset value of R54.8 million. R52.4 million of these assets are in the form of Property, Plant and Equipment (PPE), predominantly in the form of an office building. The balance of PPE is comprised of computer equipment, motor vehicles, office furniture and equipment. Intangible assets make up R2.4 million of the NGB's non-current assets and are mainly internally generated national registers.

Safeguarding of assets

Every NGB employee is the custodian of equipment, furniture and other assets issued to him/her and is therefore responsible for the safekeeping thereof. Assets verification exercises are conducted on a bi-annual basis to confirm the existence and condition of all NGB assets. While employees are held liable for the loss of assets arising out of negligence, the overall risk of loss of assets has been passed on to an external insurance service provider.

Asset maintenance

A maintenance contract is in place for the office building to undergo regular maintenance. Included in the maintenance agreement are general repairs, repairs of the lift, electrical repairs, and maintenance, amongst others.

The National Gambling Board is committed to proper fair and effective regulation of the gambling industry

PART C

Gambling Sector Performance

1. OVERVIEW OF THE GAMBLING INDUSTRY

The NGB is mandated by the NGA, Section 65(2)(e) to monitor market conduct and market share pertaining to casino, bingo, LPMs and betting on horse racing and sports in the South African gambling industry. In doing so, the NGB has gathered provincial gambling statistics and information for the period 1 April 2024 to 31 March 2025. NGB monitors market conduct (e.g. number of operators, gambling positions and outlets in the South African gambling sector) and also gathers and analyses national gambling statistics in terms of turnover (TO), GGR and the collection of taxes/levies.

TABLE 8: Snapshot of the gambling industry as at 31 March 2025

Variable	FY2023/24	FY2024/25	FY2024/25	FY2024/25	FY2024/25	FY2024/25
	Market conduct – as at Quarter 4 Statistics – Total all Quarters	Market conduct – as at Quarter 4 Statistics – Total all Quarters	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of operational casinos	37	36	37	37	37	36
Number of operational slots (casinos)	22 070	21 370	22 047	21 824	21 591	21 370
Number of operational table (casinos)	955	890	954	926	936	890
Number of operational gambling positions (casinos)	35 748	28 362	34 993	35 285	34 680	28 362
Number of operational totalisator outlets	366	325	366	357	368	325
Number of operational bookmakers	349	315	750	349	355	315
Number of operational bookmaker outlets	594	553	601	591	589	553
Number of operational Limited Payout Machine (LPM) site operators	2 599	2 546	2 555	2 530	2 566	2 546
Number of active LPMs	15 805	15 743	15 656	15 604	15 798	15 743
Number of operational bingo outlets	70	73	66	65	66	73
Number of operational bingo positions	12 290	13 452	12 290	11 755	12 270	13 452
Traditional	0	0	0	0	0	0
Electronic Bingo Terminals	12 290	13 452	12 290	11 755	12 270	13 452
National gambling statistics: Turnover	R1 142 683 922 400	R1 500 660 968 064	R330 517 575 459	R694 221 309 756	R1 100 365 133 361	R1 500 660 968 064
National gambling statistics: GGR	R59 306 767 610	R74 857 617 238	R17 411 780 381	R35 385 848 982	R55 778 234 194	R74 857 617 238
National gambling statistics: Taxes/levies collected	R4 840 977 357	R5 812 135 921	R1 344 122 195	R2 763 953 289	R4 335 779 634	R5 812 135 921

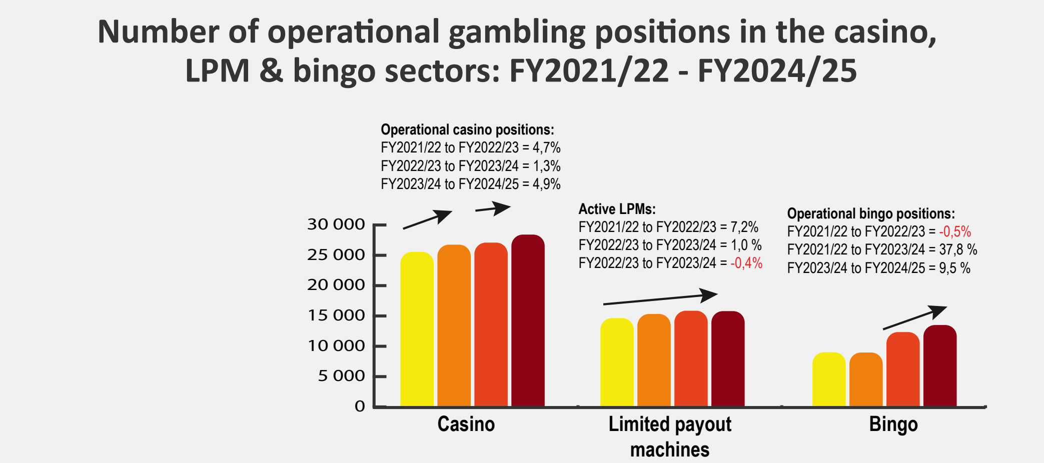
**Audited statistics received from all PLAs excluding Mpumalanga*

2. MARKET SHARE AND MARKET CONDUCT

The NGB continuously monitors market share and market conduct in the gambling industry to keep abreast of revenue generation and tax collection in the industry whilst ensuring that the industry operates in a fair environment that encourages competitiveness and job creation. The number of operational gambling positions and growth rate in GGR per mode was analysed from the FY2021/22 to FY2024/25.

As shown in figure 3, the number of operational casino and bingo positions in the country increased relative to the previous year. The number of operational casino positions increased by 4.9% to 28 362 while bingo positions increased by 9.5% to 13 452. The number of active LPMs declined by 0.4% to 15 743 LPMs.

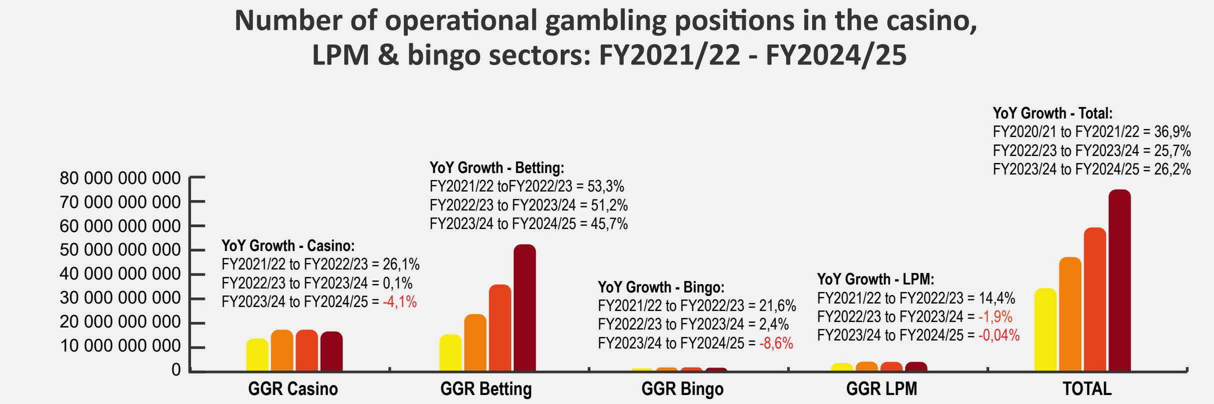
FIGURE 3: Number of gambling positions in the casino, LPM & bingo sectors: FY2020/21 – FY2023/24



	Casino	Limited payout machines	Bingo
Operational positions, FY2021/22	25 507	14 591	8 960
Operational positions, FY2022/23	26 695	15 642	8 917
Operational positions, FY2023/24	27 040	15 805	12 290
Operational positions, FY2024/25	28 362	15 743	13 452

Figure 4 shows GGR growth across the gambling modes over the period FY2021/22 to FY2024/25. GGR overall rose by 26.2% in FY2024/25 compared to the previous financial year's performance. This growth was largely driven by betting growth, with the sector expanding by 45.7%. The casino, LPM and bingo sectors declined by 4.1%, 0.04% and 8.6% respectively.

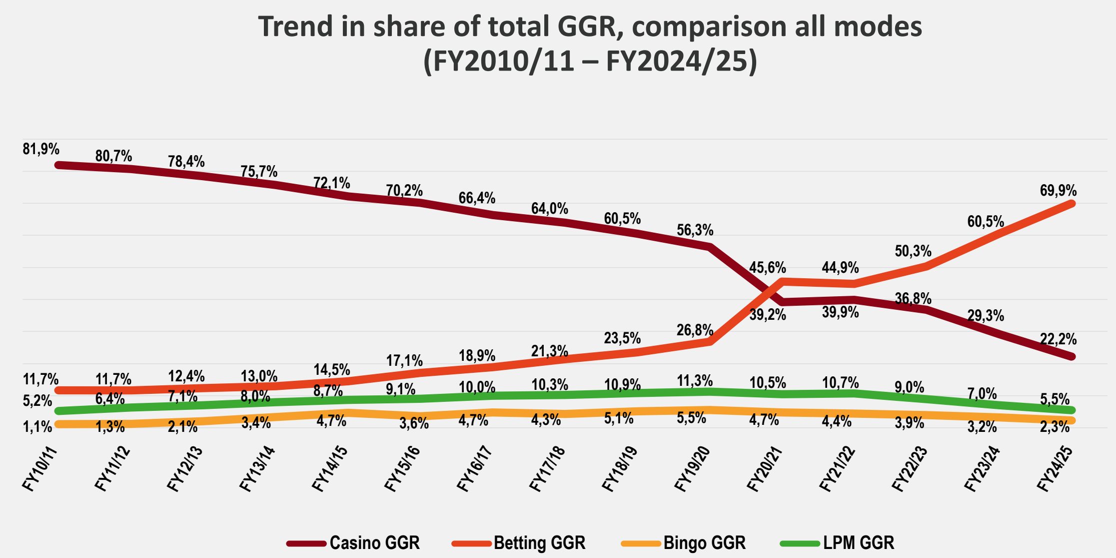
FIGURE 4: Growth in GGR, all modes (FY2021/22 – FY2024/25)



	GGR Casino	GGR Betting	GGR Bingo	GGR LPM	TOTAL
GGR, FY2021/22	13 753 507 077	15 468 352 646	1 510 403 511	3 698 726 491	34 430 989 725
GGR, FY2022/23	17 342 258 570	23 748 237 393	1 847 180 224	4 230 348 312	47 168 024 499
GGR, FY2023/24	17 356 154 721	35 908 575 322	1 892 333 728	4 149 703 839	59 306 767 610
GGR, FY2024/25	16 645 815 707	52 334 054 363	1 729 587 238	4 148 159 930	74 857 617 238

Figure 5 below illustrates the trend in GGR market share from FY2010/11 to FY2024/25. As at 31 March 2025, GGR from all modes of gambling totalled R74.9 billion (all quarters). Betting accounted for the largest share of GGR at 69.9%. Casinos made up 22.2%, while LPMs and bingo took up 5.5% and 2.3% of the gambling market respectively. Over time, LPMs and bingo have maintained small market shares that have remained relatively stable – although both declined in FY2024/25. A striking swap occurred between betting and casinos in FY2020/21, when betting became the dominant gambling mode in South Africa and these two sectors have traded places, with the picture becoming the inverse of a decade ago.

FIGURE 5: Trend in share of total GGR, comparison all modes (FY2010/11-FY2024/25)



A total amount of R74.9 billion was generated during FY2024/25. GGR increased by 26.2% relative to the previous year. Betting accounted for more than two thirds of total GGR at 70% (up from a market share of 60% during FY2023/24). The Western Cape (31%) accounted for the highest amount of GGR generated across provinces, closely followed by Mpumalanga (30%). Both provinces have overtaken Gauteng, previously the largest gambling market, which now stands at 18% market share.

FIGURE 6: GGR per gambling mode, all provinces, FY2024/25

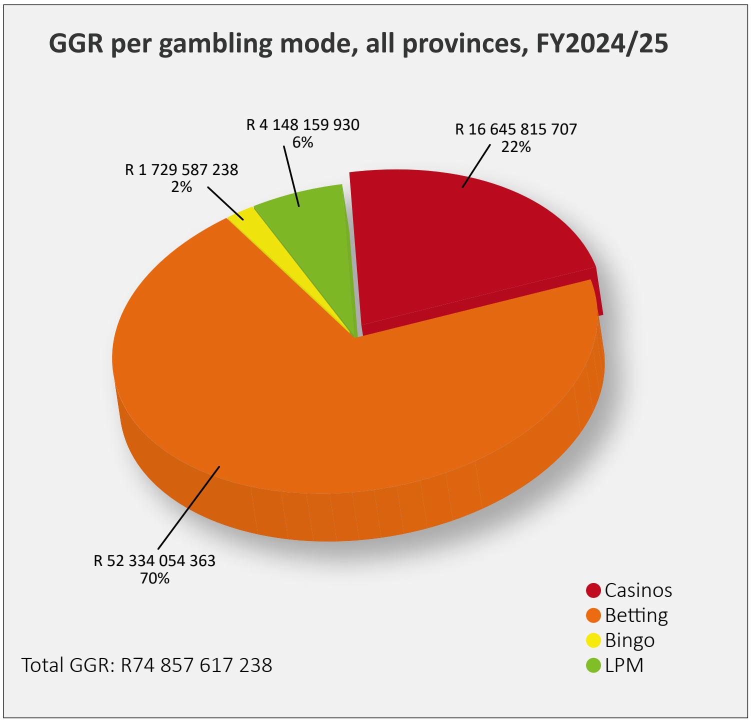
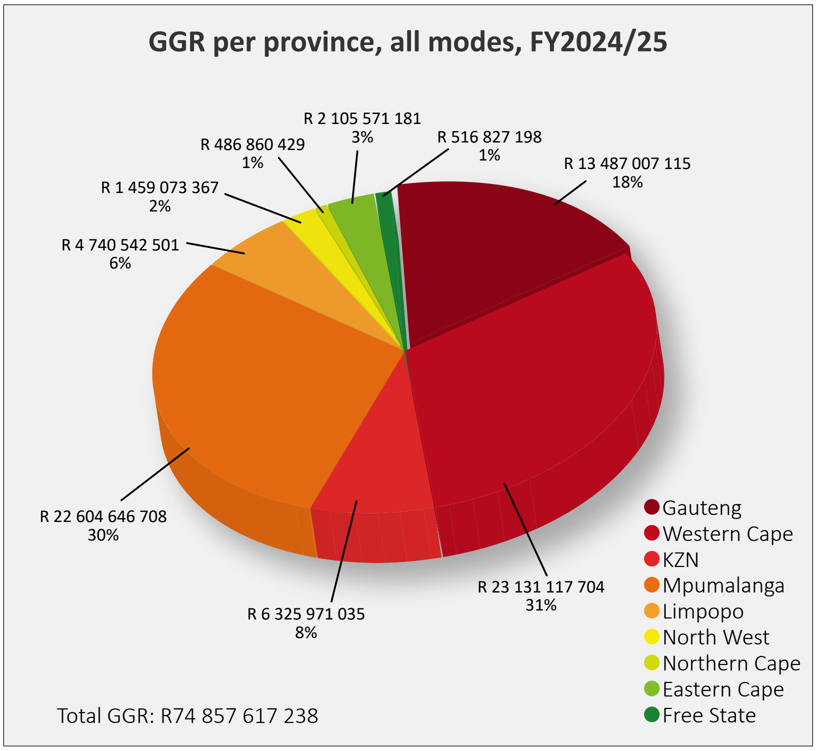


FIGURE 7: GGR per province, all modes, FY2024/25



One of the economic benefits derived from the gambling industry is its ability to generate revenue for the government from taxes and levies collected. These revenues are an important tool for the administration of fiscal policy in the form of government expenditure towards economic development, infrastructure improvement, building schools, enhanced service delivery etc. A total amount of R5.8 billion was collected during FY2024/25, which is 20.1% higher than the taxes/levies in the previous financial year. At 59%, betting contributed the highest amount of taxes/levies relative to other gambling modes as depicted in figure 8. The Western Cape (30%) accounts for the largest share of taxes/levies generated across provinces as depicted in figure 9.

FIGURE 8: Taxes/levies per gambling mode, all provinces, FY2024/25

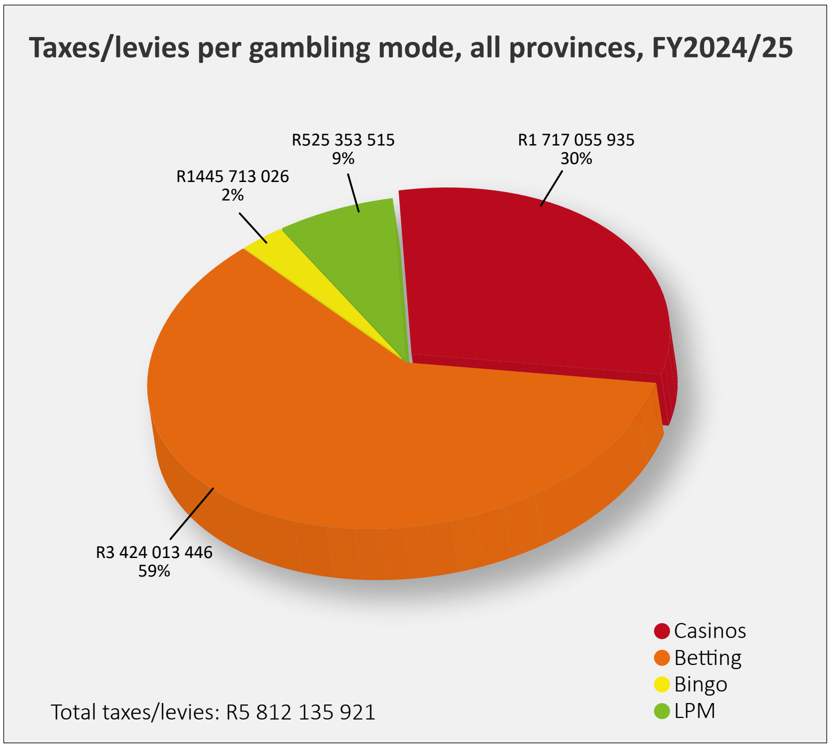
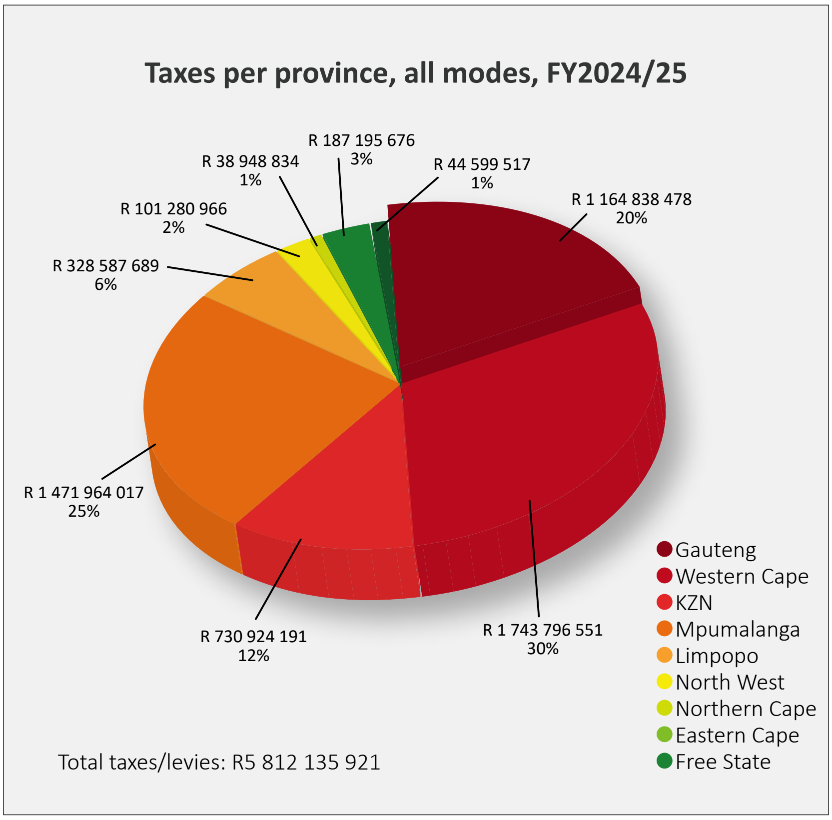


FIGURE 9: Taxes/levies per province, all modes, FY2024/25



3. B-BBEE IN THE GAMBLING INDUSTRY

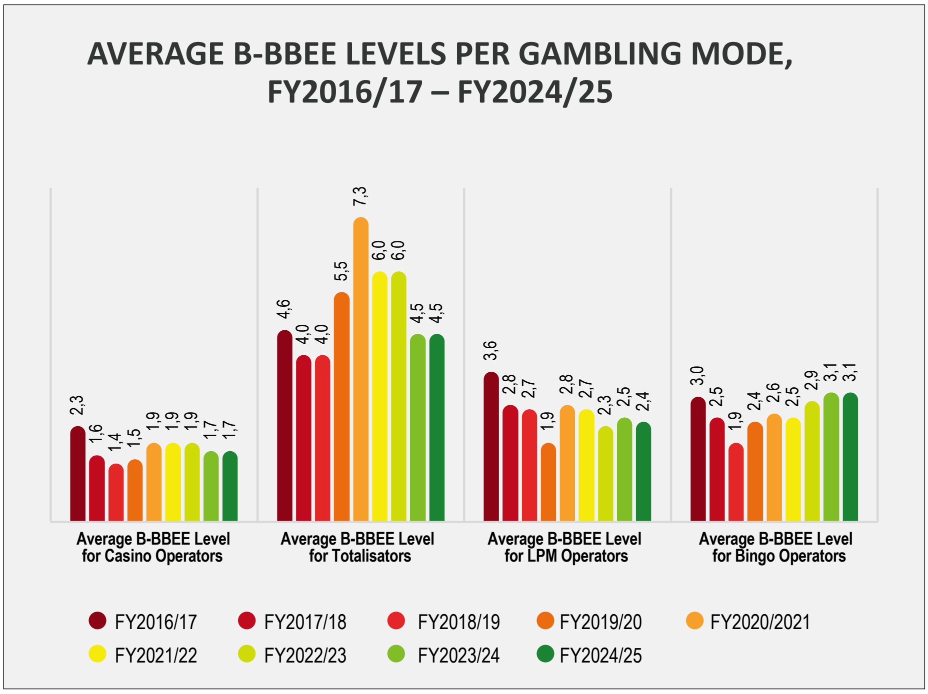
B-BBEE is an economic and political imperative in South Africa. Empowerment in the South African gambling industry is measured in terms of the Codes of Good practice published by **the dtic**. The gambling industry, to date, does not have its own transformation charter. Thus gambling enterprises are measured in terms of the generic scorecard and more specifically, the following: Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development and Socio-Economic Development. However, on 11 October 2013, **the dtic** released the revised B-BBEE Codes of Good Practice. The old and the new codes have been merged to monitor contributor levels applicable to the FY2018, and as follows:

- ownership;
- management control;
- skills development;
- enterprise (supplier) development; and
- socio-economic development.

Based on the information submitted by PLAs, the average B-BBEE status or contributor level of the South African gambling industry as at 31 March 2025 per gambling mode and operator, was as follows:

- Average B-BBEE level for casino operators: Level 1.7
- Average B-BBEE level for totalisators: Level 4.5
- Average B-BBEE level for LPM operators: Level 2.4
- Average B-BBEE level for bingo operators: Level 3.1 (currently only operational in Gauteng, Mpumalanga, North West, Eastern Cape and KwaZulu-Natal).

FIGURE 10: Average B-BBEE levels per gambling mode, FY2016/17 – FY2024/25



A detailed breakdown of B-BBEE levels per gambling mode and operator from FY2012/13 to FY2024/25, is reflected below:

Table 9 presents the B-BBEE levels for the casino sector from FY2012/13 to FY2024/25. On average, the casino sector achieved a level 1.7 B-BBEE compliance for the FY2024/25, as with the previous financial year. This deems the sector as the most compliant of all modes of gambling with black empowerment in terms of ownership, management control, skills development, enterprise and supplier development, and socio-economic development.

TABLE 9: B-BBEE levels for the casino sector from FY2012/13 TO FY2024/25

Province	Name of Casino	Controlling Shareholder	Contributor/ B-BBEE												
			FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Gauteng	Morula Sun Casino (GT),	Sun International	2	2	2	2	4	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
	Carnival City (GT)	Sun International									2	2	2	1	1
	Time Square (GT)	Sun International				2	2	1	1			1	1	1	
	Montecasino (GT)	Tsogo Sun	2	2	2	2	2	1	1		1	1	2	1	1
	Gold Reef City Casino (GT)	Tsogo Sun	2	2	2	2	2	1	1		2	2	2	2	2
	Silverstar Casino (GT)	Tsogo Sun	2	2	2	1	1	1	1		2	2	1	1	1
	Emperors Palace (GT)	Peermont Global	2	2	2	2	1	1	1		2	1	2	4	4
	Emerald Safari Resort (GT)	Tsogo Sun		3	2	2	4	2	2		4	3	2	2	2
Western Cape	Grandwest Casino (WC)	Sun International	3	2	2	2	4	3	2	1	1	1	1	2	1
	Golden Valley Casino (WC)	Sun International	3	2	2	3	3	1	4	2	2	3	1	4	2
	Caledon Hotel Spa Casino (WC)	Tsogo Sun	2	2	2	2	2	2	1	1	1	2	2	3	2
	Casino Mykonos (WC)	Tsogo Sun								2	2	2	2	2	2
	Garden Route Casino (WC)	Tsogo Sun								1	1	2	2	3	2
KwaZulu Natal	Sibaya Casino (KZN)	Sun International	2	2	2	2	3	3	1	1	3	3	4	1	1
	Suncoast Casino (KZN)	Tsogo Sun	2	2	2	2	2	1	1	1	1	1	2	2	2
	Black Rock Casino (KZN)	Tsogo Sun	3	3	2	2	2	1	1	1	1	1	2	2	2
	Golden Horse Casino (KZN)	Tsogo Sun	2	2	2	2	1	1	1	1	1	1	2	2	2
	Umfolozi Casino (KZN)	Peermont Global	2	2	2	2	1	1	1	1	1	1	1	1	1
Mpumalanga	The Ridge Casino (MP)	Tsogo Sun	2	2	2	2	1	1	1	1	1	2	2	2	2
	Emnotweni Casino (MP)	Tsogo Sun	2	2	2	2	1	1	1	1	1	2	2	2	2
	Graceland Hotel Casino (MP)	Peermont Global								1	1	1	1	1	1
Limpopo	Meropa Casino (LP)	Sun International	2	2	2	2	4	1	1	1	2	2	5	1	1
	Khoroni Hotel Casino (LP)	Peermont Global								1	1	1	1	1	1
	Thaba Moshate (LP)	Peermont Global								1	1	1	1	1	4
North West	Sun City (NW)	Sun International	3	3	3	2	1	1	1	1	1	2	1	1	1
	Carousel Casino (NW)	Sun International	2	2	2	2	4	2	1	3	5	5	2	Closed	Closed
	Mmabatho Palms Casino (NW)	Peermont Global								1	5	1	1	1	1
	Rio Casino (NW)	Peermont Global								1	2	1	1	1	1

Province	Name of Casino	Controlling Shareholder	Contributor/ B-BBEE												
			FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Northern Cape	Flamingo Casino (NC)	Sun International	4	4	2	4	4	4	2	2	2	2	1	2	2
	Desert Palace Hotel Resort (NC)	Northern Cape Consultants Kairo	2	2	2	2	2	2	2	2	2	2	2	2	2
	Grand Oasis Casino	Tsogo Sun				2	2	2	2	2	2	2	2	2	2
Eastern Cape	Boardwalk Casino (EC)	Sun International	3	3	2	2	3	3		2	2	2	2	1	1
	Wild Coast Sun (EC)	Sun International	3	3	3	2	2	2		2	1	1	1	1	1
	Hemingways Casino (EC)	Tsogo Sun	3	3	2	1	1	1		1	1	1	1	2	2
	Queens Casino (EC)	African Pioneer Gaming Pty Ltd		2	3	2	3	3		8	8	8	8	2	2
	Mayfair Casino (EC)	Billion Group								1	1	1	1	1	Closed
Free State	Windmill Casino (FS)	Sun International	2	2	2	2	4	2	2	2	3	5	4	2	2
	Naledi (FS)	Sun International						Not rated	Not rated	Closed	Closed	Closed	Closed	Closed	Closed
	Gold Fields	Tsogo Sun	2	2	2	2	2	1	1	1	2	1	1	1	1
	Frontier Inn	Peermont Global								1	1	1	1	1	1
Average BBBEE Level			2,4	2,3	2,1	2	2,3	1,6	1,4	1,5	1,9	1,9	1,9	1,7	1,7

On average, the totalisator sector achieved a level 4.5 B-BBEE compliance for the FY2024/25, however several PLAs reported non-compliance of totalisators in their province.

TABLE 10: B-BBEE levels for totalisators from FY2012/13 to FY2024/25

Name of totalisator	Name of province	Contributor/B-BBEE level												
		FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2918/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Kenilworth Racing (4Racing)	Western cape			2	2	4	4	4	8	8	8	8	8	8
Gold Circle	KwaZulu-Natal		4	4	2	3	4	4	6	5	5	2	2	2
4Racing	Limpopo	3	2	2	2	5	4	4	6	6	6	4	Non-compliant	Non-compliant
4Racing	Mpumalanga	3	2	2	2	5	4	4	4	8	4	4	Non-compliant	Non-compliant
4Racing	Gauteng	3	2	2	2	5	4	4		6	6	6	4	4
4Racing	North West	3	3	3	2	5	4	4	6	8	8	8	Non-compliant	Non-compliant
4Racing	Free State	3	2	2	2	5	4	4	4	8	4	8		
4Racing	Eastern Cape		2	2	2	5			6	6	6	4	4	4
4Racing	Northern Cape				5	4	4	4	4	8	8	8		
Average		**3,2**	**2,6**	**2,4**	**2,3**	**4,6**	**4**	**4**	**5,5**	**7**	**6**	**6**	**4,5**	**4,5**

On average, the bingo sector achieved a level 3.1 B-BBEE compliance for the FY2024/25. Table 11 presents the B-BBEE levels for the bingo sector from FY2012/13 to FY2024/25.

TABLE 11: B-BBEE levels for the bingo sector from FY2012/13 to FY2024/25

Name of province	Name of bingo operator	Contributor/BBBEE level												
		FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY201819	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Gauteng	Goldrush (Atterbury)	2	2	3.7*	1.6*	7.5*						4	4	4
	Goldrush Bingo Morula											4	5	5
	Bingo(Mall@ Reds)												6	6
	Bingo(Vaal)												6	6
	Bingo (Kolonnade)												6	6
	Goldrush West Gate						7.8*	7.8*		7	7	8	6	6
	Goldrush Alberton											8	8	8
	Galaxy Bingo	2	2	2	2	2*	1	1		1	1	1	2	2
Mpumalanga	Goldrush Bingo Ermelo					8	8		8	8	8	8	6	6
	Goldrush Bingo Middleburg											8	6	6
	Goldrush Bingo Bushbuckridge						2 (Exempt)	8 and	2 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2	2
	Galaxy Bingo Hazyview						2 (Exempt)	1	1	2 (Qualifying Small Enterprise)	2 (Qualifying Small Enterprise)	2 (Qualifying Small Enterprise)	2	2
	Galaxy Bingo Emalahleni						1 (Exempt)	1 (Exempt)	1 (Exempt Micro Enterprise)	1 (Exempt Micro Enterprise)	1 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2	2
	Galaxy Bingo Mbombela											2 (Exempt Micro Enterprise)	2	2
	Galaxy Bingo Tonga											2 (Qualifying Small Enterprise)	2	2
	Supabingo (Acornhoek)											4 (Exempt Micro Enterprise)	4	
	Star Bingo							4 (Exempt)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4	4
North West	Goldrush Bingo Rustenburg		N/A	4	1	2	2	2	2	2	2	2	4	4
	Goldrush Bingo Potchefstroom											2	2	2
	Galaxy Bingo Moruleng			1	1	4	4	2	2	2	2	2	2	2
	Galaxy Bingo Brits											2	2	2
	Galaxy Bingo Hebron													
	Ansino Vryburg											2	2	2
	Firegame Bingo													4

Name of province	Name of bingo operator	Contributor/BBBEE level												
		FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY201819	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Eastern Cape	Galaxy Bingo		1	1	1.8*	2	2		1.8	2	2	2	2	2
	Palacio Bingo					2	2		2	2	2	2	2	2
	Goldrush Bingo					2	2		2	2	2	2	2	2
	ISO Golden Palace Sterkspruit										1	1	1	1
	ISO Spin and Win Entertainment Mbizana										2	2	2	2
	ISO K2014000230 (Pty) Ltd t/a Spin N Win Uitenhage										1	1	2	2
	ISO K2017448757 (Pty) Ltd t/a Spinners Mount Frere										2	2	n/a	n/a
	ISO GEC Gaming (Pty) Ltd t/a Royal Aces & Bistro										1	1	1	1
KwaZulu-Natal	Galaxy Bingo				1	2	2	2	2	2	2	2	2	2
	Great Bingo					1	1	1	1	2	1	1	1	1
	Goldrush Bingo					4	N/A	N/A	4	4.6	4,6	4,6	4	4
	Star Bingo										4	4	4	4
	Go Bingo										4	4	4	4
Limpopo	Boss Gaming					4		4	2	2	2	2	2	Not operational
	Galaxy Bingo					2	2	2	2	2	2	2	2	2
	Goldrush Bingo (Latiano 557)						2	2	2	2	2	2	2	2
	Goldrush Bingo Phalaborwa						2	2	2	2	2	2	2	4
	Vegas Bingo					4		4	2	2	2	2	2	2
Average		**2**	**1,7**	**2**	**1,3**	**3**	**2,5**	**1,9**	**2,4**	**2,6**	**2,5**	**2,9**	**3,1**	**3,1**

On average, the LPM sector achieved a level 2.4 B-BBEE compliance for the FY2024/25.

TABLE 12: B-BBEE levels for the LPM sector from FY2012/13 to FY2024/25

Name of province	Name of route operators	Contributor/B-BBEE level												
		FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Gauteng	Vukani Gaming	1	3	2	2	1	1	1		1	1	1	2	2
	Gold Rush Gaming				2	7	7	5		8	8	8	8	8
	Hot Slots			0	8	8		8		4	4	4	1	1
	Grand Gaming	1	4	3	5	8	6	6		4	4	4	1	1
	Crazy Slots						Not compliant	Non-Compliant		8	8	5	8	8
Eastern Cape	Vukani Gaming		3	3	3	3	3		1	1	1	1	2	2
	Pioneer Slots		3	1	2	2	4		1	3	3	3	1	1
Free State	Vukani Gaming	1	1	1	2	2	2 2	2	1	1	2	1	2	2
	Goldrush							2	2	2	2	2	2	4
KwaZulu-Natal	Vukani Gaming	1	3	2	2	2	2	2	1	1	1	1	2	2
	Kingdom Slots	4	3	3	5	2	5	4	3	2	2	1	1	1
	Luck-at-it	1	1	1	2	5	1	2	1	1	1	1	2	2
	KZN Slots	5	5	5	5		4	4	3	4	4	1	2	1
Limpopo	Vukani Gaming	2	3	2	2	1	1	1	1	1	1	1	4	2
	Goldrush	3	1	1	1	4	1	1	1	8	8	4	4	4
Mpumalanga	Vukani Gaming	3	3	2	2	3	3	1	2	2	2	2	2	2
	Tripple 7 Slots								4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4	1
	Grand Gaming		2	2	2	Level 2 QSE	4 (Exempt)	Exempt	4	5	4	1	4	4
	Galaxy Gaming				1	2 (Exempt	1 (Exempt)	Exempt	2	1 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2	2
	Decatex Gaming								1 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	1 (Exempt Micro Enterprise)	1 (Exempt Micro Enterprise)	4	4

Name of province	Name of route operators	Contributor/B-BBEE level												
		FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
North West	Vukani Gaming	2	2	2	1	4	2	2	1	1	1	1	2	2
	Goldrush Slots	1	1	1	1	2	2	2	2	2	2	5	4	4
	Varloflash					4	2	2	2	2	2	2	2	2
	Tshufi Gaming							2	2	2	2	2	2	2
	Magic Slots							2	2	2	2	2	2	2
	Ansino-Klerksdorp											2	2	2
	Ansino Portchefstroom											2	2	2
	Vegas Slots Rustenberg								2	2	2	2	n/a	2
	Vegas SlotsHebron								2	2	2	2	n/a	n/a
Western Cape	Vukani Gaming	3	3	2	3	3	2	2	2	2	1	1	1	1
	Grand Gaming			2	5	5	4	4	3	3	2	2	1	1
Northern Cape	Goldrush Gaming					2	2	2	2	2	2	2	2	2
	Vukani Gaming				2	2	2	2	2	2	2	2	2	2
Average:		**2,4**	**2,5**	**2,1**	**2,7**	**3,6**	**2,8**	**2,7**	**1,9**	**2,8**	**2,7**	**2,3**	**2,5**	**2,4**

Of all gambling strategies, knowing when to quit may be the best

4. EMPLOYMENT IN THE GAMBLING INDUSTRY

The NGB monitors direct employment numbers in the gambling sector (industry and regulators). A total number of 33 169 people (direct employment) were employed in the gambling industry (including at regulators) as at 31 March 2025, down by 3% from the FY2023/24 level of 34 316. The casino and bookmaker sectors accounted for the highest numbers in terms of direct employment in the gambling industry as reflected in Table 13.

TABLE 13: Direct employment per province and mode, FY2024/25

	Province									
Gambling mode	Gauteng	Western Cape	KwaZulu-Natal	Mpuma-langa	Limpopo	North West	Northern Cape	Eastern Cape	Free State	Total
Casinos	3 450	2 604	5 349	351	333	443	246	542	441	13 759
Totalisators	185	139	587	37	60	14	4	13	45	1084
Bookmakers	5 516	1 302	2 432	1 145	1 013	687	397	246	161	12 899
LPM	644	65	95	320	882	114	23	724	27	2 894
Bingo	242	N/A	586	191	196	182	N/A	407	N/A	1 804
Regulators										
PLAs	110	65	143	77	66	81	18	55	114	729
Total	**10 147**	**4 175**	**9 192**	**2 121**	**2 550**	**1 521**	**688**	**1 987**	**788**	**33 169**

*EC as at FY2023/24

The Responsible Gambler uses gambling for fun and entertainment

5. RESPONSIBLE GAMBLING[2]

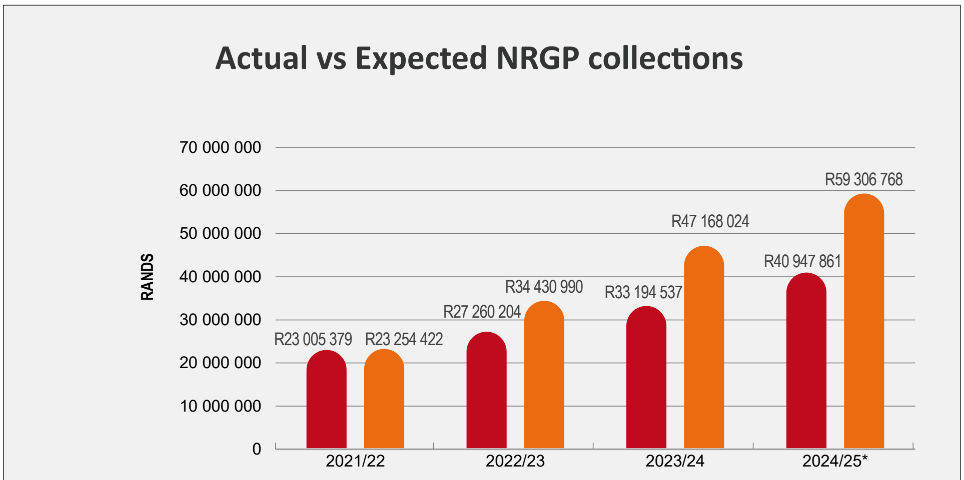
The South African Responsible Gambling Foundation (herein referred to as "the Foundation") is a not-for-profit company (NPC) incorporated in terms of the Companies Act, 2008 (Act 71 of 2008).

The Foundation is funded by the South African gambling industry, which consists of the following sub-sectors: casino, betting, bingo, LPM and bookmakers. The industry funding is curbed at 0.1% of the industry's GGR (i.e., money staked less money paid out in winnings).

Through its flagship programme, the National Responsible Gambling Programme (NRGP), the Foundation provides ***FREE*** Counselling, Treatment and Social Support interventions to individuals negatively affected by gambling. The Social Services intervention is primarily aimed at providing counselling and support to vulnerable groups, that is, children, teenagers, the elderly, and social grant recipients. In addition, this programme has a multifaceted approach aimed at restoring wellness and family psyche by supporting relapsed individuals, family counselling, as well as employee assistance. Through its Advocacy and Communication programme, it conducts public awareness and prevention interventions to sensitise the public about the adverse consequences of disordered gambling on themselves and their loved ones.

5.1 National Responsible Gambling Programme 0.1% GGR FY2024/25 Collections

FIGURE 11: ACTUAL VERSUS EXPECTED NRGP COLLECTIONS



	2021/22	2022/23	2023/24	2024/25*
Actual NRGP collections	23 005 379	27 260 204	33 194 537	40 947 861
Expected NRGP Collections	23 254 422	34 430 990	47 168 024	59 306 768

The National Responsible Gambling Programme's (NRGP) income collections increased due to the growth of the betting sector and has reached over R40 million for the first time in the Foundation's history. However, it is important to note that there is still a significant difference between expected NRGP collection (based on GGRs published by the NGB) and what the Foundation is actually collecting. In the 2023/24 financial year, the NGB published national GGRs of R59.3 billion. Based on this, the Foundation's NRGP income collections for the year under review were expected to be in the range of R50 million and above. However, the Foundation only managed to collect about R41 million, showing a shortfall of R18.3 million. This highlights some of the challenges the Foundation is faced with, as there are some operators and regulators who are not committed to the contributions towards the NRGP and benefit commercially from using the NRGP's toll-free counselling line and tag line for advertising compliance as outlined in the NGA. The Foundation continues to work with some PLAs to assist with real-time GGR confirmations to maximise NRGP income collections.

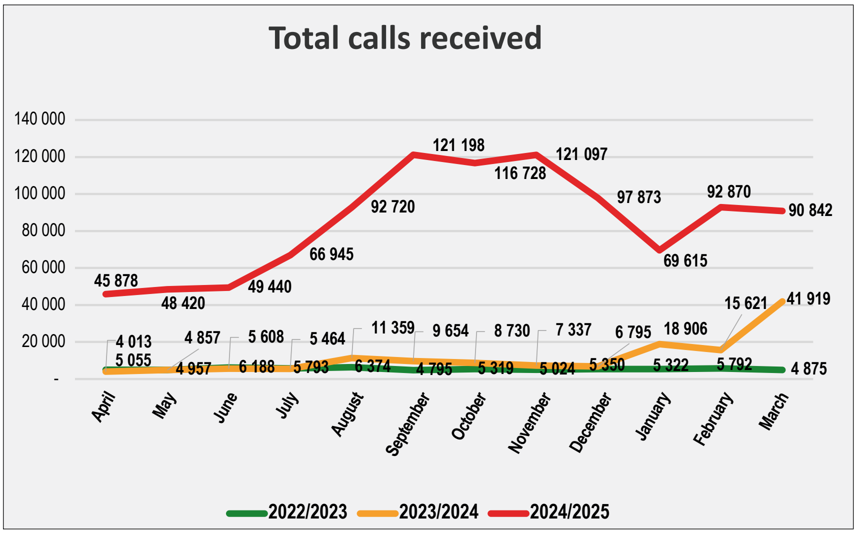
2 FY2024/25 The South African Responsible Gambling Foundation Highlights for the NGB. Information sourced from SARGF are the 2025 figures which are unaudited, and the audited figures will only be available in September 2025 after the financial statement audit.

5.2 Treatment and Counselling

5.2.1 Calls received

The total number of calls received in FY2024/25 amounted to one million thirteen thousand six hundred and twenty-six (1 013 626) compared to one hundred and forty thousand two hundred and sixty-three (140 263) in the FY2023/24. This was an increase by 623%. This is reflected in figure 11 below:

FIGURE 12: COMPARISON OF CALLS RECEIVED 2022/23, 2023/24 AND 2024/25

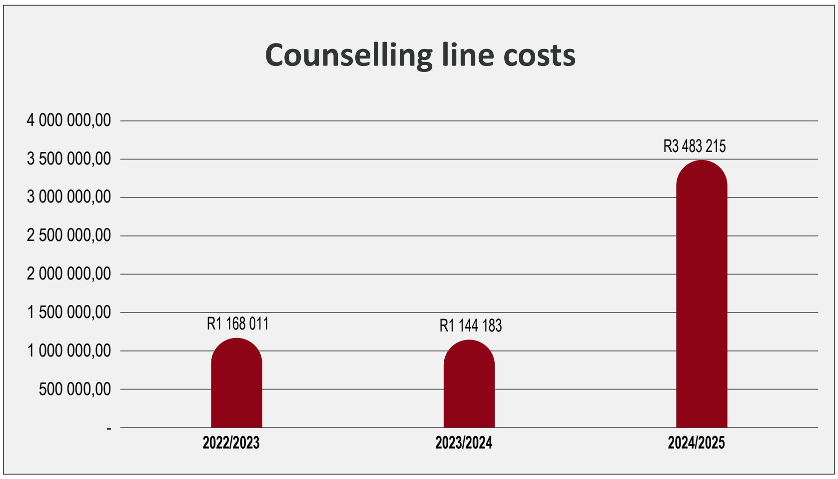


In the year under review, the NRGP toll-free counselling line saw a 28% decline in wrong calls compared to the previous financial year, from 67 919 in FY2023/24 to 48,710 in FY2024/25. The 48,710 wrong calls received were related to online betting account queries (cashing out, closing accounts, uploading FICA documents, game and wagering-related) and were congesting the counselling line. As a risk mitigation, the Foundation reconfigured the counselling line by instituting a diversion component as an option to redirect calls not related to the counselling line back to online betting operators' customer care lines. This has resulted in the Foundation receiving direct counselling calls and an increase in the counselling line bill as a result of the operator diversion efforts.

5.2.2 Total counselling line telephone bill and financial impact

As already stated, the diversion of non-problem gambling-related calls resulted in more successful referrals being made in the year under review and reduced wrong number calls by 28%. This resulted in telephone counsellors spending more time on calls assisting people in need of help. On average, each counsellor spent approximately 50 minutes on a call. Therefore, the increased number of people who were assisted through the counselling line led to a 204% increase in telephone bills.

FIGURE 13: Counselling line costs

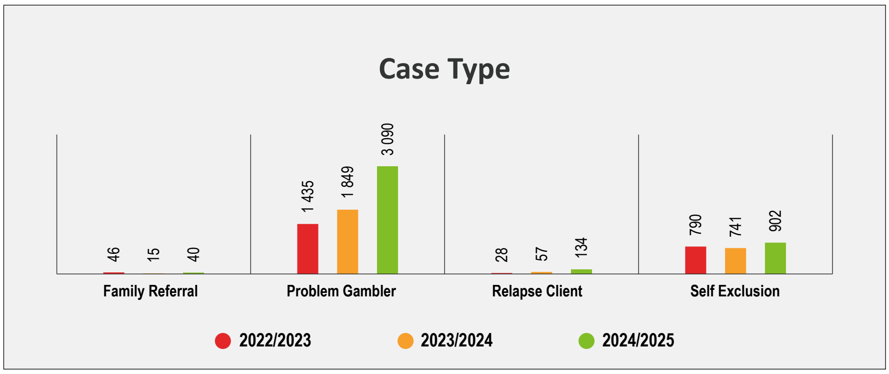


The increased number of inbound calls has led to an increase in the telephone bills. In addition, the successful problem gambling referrals have also led to more counselling and treatment sessions being administered to problem gamblers.

5.3 Referrals by case type

In the year under review, the NRGP counselling line saw an increase in referrals of 55% to 4 166 (2 662: 2023/24). From the 4 166 referrals, 3 090 were problem gamblers, followed by 902 self-exclusions, 134 relapses and 40 family referrals.

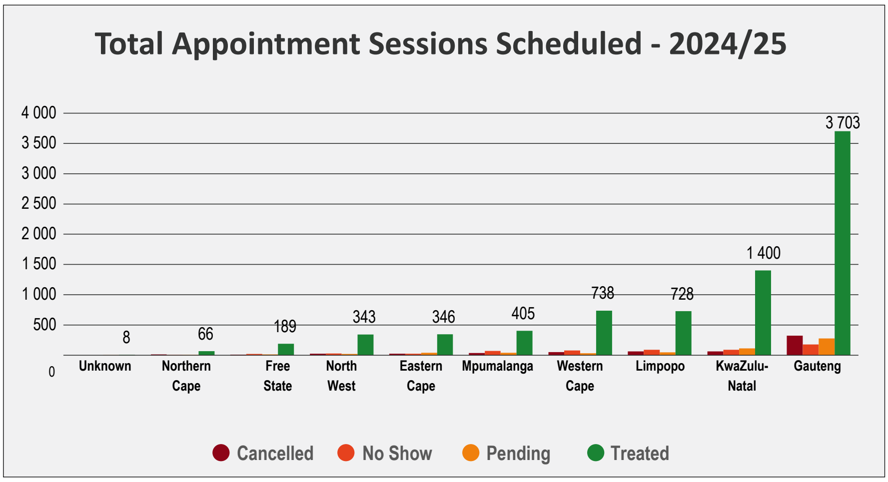
FIGURE 14: Referrals by case



5.3.1 Provincial Breakdown of referrals

In terms of provincial spread, 1 638 were from Gauteng, 804 from KwaZulu-Natal, 439 from Western Cape, 380 from Limpopo, 329 from Mpumalanga, 217 from Eastern Cape, 176 from North-West, 122 from Free State, 56 from Northern Cape, whilst 5 did not specify.

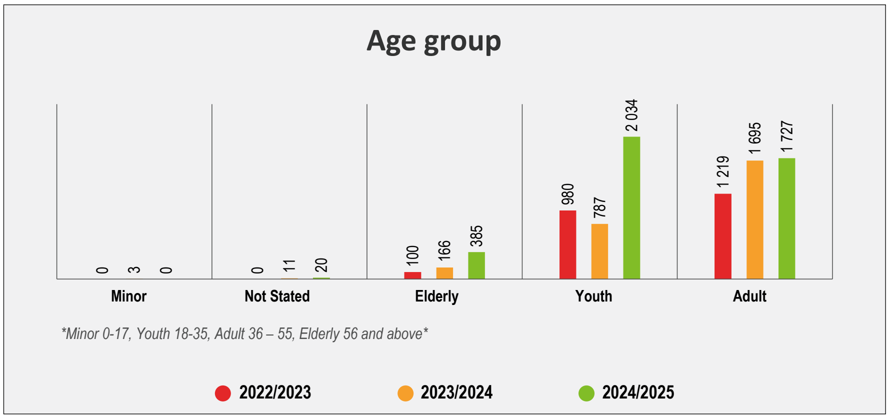
FIGURE 15: Referrals by province



5.3.2 Referrals by Age Group

Of the 4 166 referrals made, 2 034 were youth, followed by 1 727 adults, 385 were elderly, and 20 did not state their age.

FIGURE 16: Referral by age group



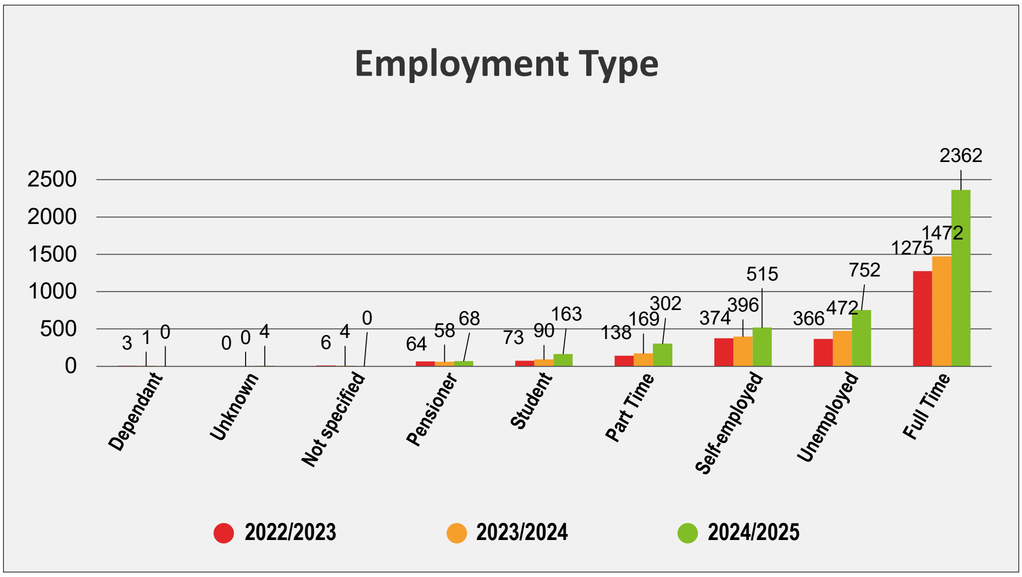
5.3.3 Referrals by gender

From the 4 166 referrals, 2 114 were males 2 052 were females.

5.3.4 Referrals by employment type

Of the 4 166 referrals, 2 362 were employed full time, followed by 752 who were unemployed, 515 self-employed, 302 worked part-time, 163 were students, 68 were pensioners, and 4 did not state their employment status. The data tells us that the majority seeking help had some type of employment, and therefore, gambling intent was no longer for social reasons and changed to a secondary income-generating activity, resulting in chasing losses.

FIGURE 17: Referral by employment type

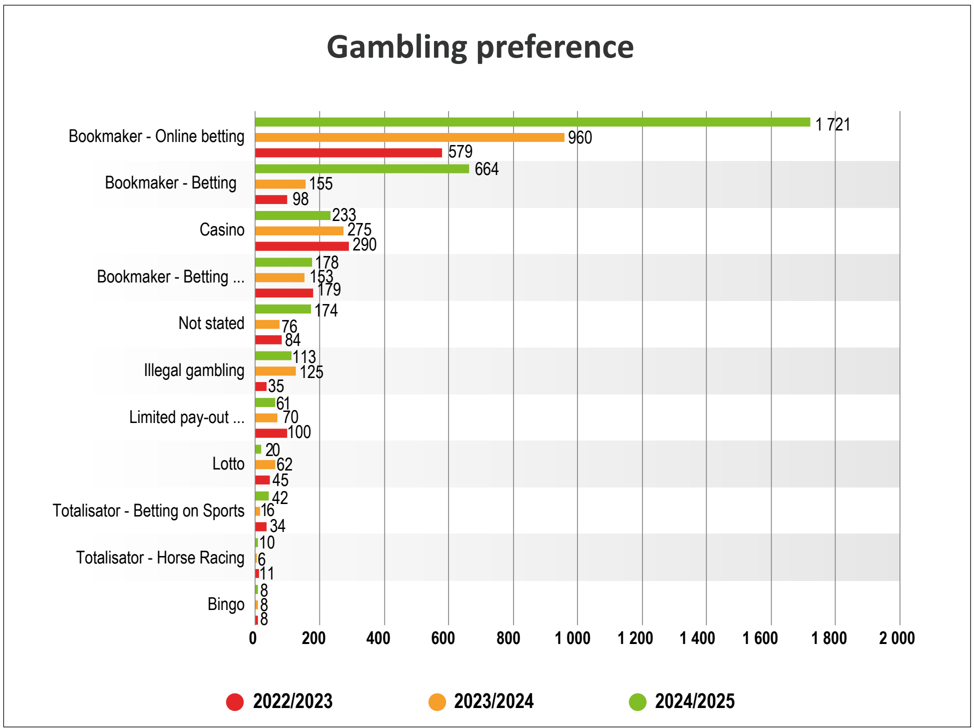


5.3.5 Referrals by gambling preference

From the referrals under the year in review, the top 10 preferred modes of gambling were:

i. Bookmaker – online betting
ii. Bookmaker – betting on non-sports
iii. Casino slot machines
iv. Bookmaker- betting on sports
v. Illegal gambling
vi. LPM machines
vii. Totalisator – betting on sports
viii. Lotto
ix. Totalisator Horseracing
x. Bingo

FIGURE 18: Referral by gambling preference



5.4 Treatment Unit

The treatment sessions administered during the year under review and their classes are broken down into a total of 7 952 sessions, and represent a 34% increase from the 5 917 treatment sessions made in the previous financial year

In the table below, the 7 952 treatment sessions administered are classified into different referral types; family referrals had a total of 84 sessions administered, 5 787 sessions administered for problem gamblers, 205 sessions administered for relapse clients, and 1 876 sessions administered for self-exclusions.

5.4.1 Scheduled treatment appointments

TABLE 14: Scheduled treatment appointments

Session number	Family Referral	Problem Gambler	Relapse	Self-Exclusion	Grand Total
First Session	35	1 550	52	784	2 421
Second Session	25	1 013	32	504	1 574
Third Session	15	807	29	385	1 236
Fourth Session	4	595	24	100	723
Fifth Session	1	568	20	49	638
Sixth Session	1	482	19	21	523
Seventh Session	1	395	16	17	429
Eight Session	2	318	11	15	346
Ninth Session		38	1		39
Tenth Session		21	1	1	23
Grand Total	**84**	**5 787**	**205**	**1 876**	**7 952**

5.4.2 Inpatient Admission/Psychiatric Evaluation

Of importance to note has been a significant increase in the number of problem gamblers recommended for Psychiatric Evaluation during the year under review. On average in the previous two financial years, about 12 problem gamblers were recommended for Psychiatric Evaluation, with about 7 being admitted per year. In the year under review, 27 problem gamblers were recommended for Psychiatric Evaluation and 18 were admitted, representing a 157% increase. This has also increased financial pressure on the Foundation's financial resources.

TABLE 15: Inpatient admissions

	2022/23	2023/24	2024/25
Psychiatric Evaluations	9	16	27
Inpatient admissions	6	9	18

In the year under review the diagnosis that were conducted during the psychiatric evaluations and inpatient admissions included the following: Bipolar Mood Disorder, Borderline Personality Trait, Gambling Disorder, Multiple Psychosocial Stressors, Cannabis Use Disorder and Suicide ideation, Depression, Acute Stress & Adjustment Disorder, Major Depressive Disorder, Generalized Anxiety Disorder, Childhood Trauma.

Inpatient Treatment: inpatient treatment is when a patient is suffering from more than one psychological disorder (e.g. presenting with signs of gambling disorder and depression or bipolar mood disorder at the same time) and gets hospitalised in a private clinic or hospital for 21 days receiving both talk and medicinal therapy to fight his or her psychological disorder.

A total of 27 psychiatric evaluations were conducted, which resulted in 18 inpatients being admitted to various psychiatric institutions during the financial year under review. Inpatient admissions have doubled compared to the previous financial year.

5.5 Social services

National Responsible Gambling Programme Support Group

This programme was designed for Problem Gamblers who have completed their recommended therapeutic sessions but still require ongoing support.

The NRGP online support group has empowered over 400 individuals overcoming gambling addiction in its first year. As the first initiative of its kind in the sector, this pioneering platform leverages the Ubuntu ethos "I am because we are" to dismantle isolation and foster a sustainable network of peer-driven recovery. By prioritising accessibility through WhatsApp and virtual meetings, the group ensures no one faces the battle alone, proving that collective support is transformative in rebuilding lives.

The Employee Assistance Programme (EAP) is a work-based intervention that supports employees with life issues that affect their productivity and mental health in the workplace. The NRGP offers an integrated and comprehensive proactive and reactive employee health and wellness service in this digital era, where gambling and online betting are being offered digitally, thus, employee behaviour and financial health are undergoing significant transformations. The Foundation's Social Services unit, therefore, aims to offer support to employees to ensure a productive workforce for the benefit of all stakeholders.

TABLE 16: Employee assistance programme

	Q1: April – June 2024	Q2: July – September 2024	Q3: November – December 2024	Q4 January – March 2025	Total
Number of Sessions	4	6	14	5	29
Number of Employees	379	206	480	478	1 543

PART D

Governance

1. INTRODUCTION

Corporate Governance is defined as the system of rules, practices and processes by which a company is controlled or directed. It fosters the allocation of powers and accountability among the Executive, Senior Management and the owners of a company/entity and ultimately serves as a safeguard against corruption and maladministration.

The National Gambling Board operates under a robust governance framework that ensures accountability, transparency and alignment with its legislative mandate. Governance at the NGB is structured to promote sound oversight by the Accounting Authority, which is appointed in line with the PFMA. The Accounting Authority is responsible for strategic leadership, policy direction, and effective oversight over operational execution and risk management. Through its various committees, including the Audit and Risk Committee, the Accounting Authority monitors compliance, performance and financial controls.

The NGB remains committed to upholding ethical leadership and good governance practices, in compliance with the PFMA, King IV Report on Corporate Governance, and other relevant regulatory frameworks. Regular performance reporting, internal audits, and strategic planning sessions reinforce the institution's accountability mechanisms. This governance approach supports the achievement of the NGB's objectives, as outlined in the Strategic Plan and APP.

A corporate governance function within an organisation that is not aligned to the business strategy of the organisation will potentially destabilise that organisation and expose it to critical business failure if not remedied. The NGB has ensured that its governance is aligned with its business strategy to ensure that corporate governance supports the decision-making processes.

2. PORTFOLIO COMMITTEES

The NGB attended the following meetings with the Portfolio Committee on Trade, Industry and Competition during the reporting period:

- **24 July 2024:** this meeting was an Induction meeting for the Portfolio Committee on Trade, Industry and Competition on **the dtic**'s Regulatory Mandate, including the Role of the Regulatory Entities.
- **18 September 2024:** this meeting was a briefing by the NGB on annual performance plans and budgets. Issues raised by the Portfolio Committee included the constitution of the NGB, online gambling, correlation between alcohol and gambling, transformation of the industry and public education on risks of gambling.
- **22 October 2024:** this meeting was a briefing by **the dtic** on review and development of legislation. Issues raised by the Portfolio Committee included the constitution of the NGB.

3. EXECUTIVE AUTHORITY

The NGB has implemented its approved Strategic Plan 2024/25-2028/29 and performed against its planned outcomes as contained in its APP 2024/25.

TABLE 17: Reports submitted to the Minister

Reports submitted	Date submitted
Quarter 1 performance report (April to June 2024)	31 July 2024
Quarter 2 performance report (July to September 2024)	31 October 2024
Quarter 3 performance report (October to December 2024)	31 January 2025
Quarter 4 performance report (January to March 2025)	30 April 2025

4. THE ACCOUNTING AUTHORITY (AA)

Pursuant to findings of the Auditor-General South Africa (AGSA) as detailed in the NGB's Audit Report 2013/14, the NGB had been placed under administration by the Minister, in addressing the role, powers and statutory functions of the NGB from 2014 until the present. Ms Caroline Kongwa remained the AA appointed by the Minister, and in terms of section 49 of the PFMA, served as the AA of the entity. This was to ensure that the goals and objectives of the NGB were performed within the limits of financial resources of the NGB.

Due to the proposed repositioning of the NGB to the NGR, the position of the Chief Executive Officer (CEO) will not be filled until the repositioning has been completed, and the NGB will remain under administration until this process has been finalized. The entity remains under the leadership of the AA.

TABLE 18: Profile of the AA

Name	Qualifications	Internal Position within NGB	Date Appointed	Date Resigned
Ms C Kongwa	LLM Degree (University of Pretoria); LLB Degree (University of Durban Westville); Postgraduate Diploma in International, African and Regional law (University of Durban Westville); Certificate in Economic and Developmental Policy (University of Witwatersrand); and Certificate in Labour Relations (University of Pretoria)	Accounting Authority	September 2014	N/A

5. RISK MANAGEMENT

In compliance with the Section 51 of the PFMA, the NGB has implemented systems of financial, risk management and internal control, which is efficient, effective and transparent, which resulted in the identification of Strategic and Operational risks and mitigations actions in line with the mandate of the NGB. Additionally, in terms of section 51, the AA must ensure that risk assessment is conducted regularly to identify emerging risks for the public entity.

The basic premise upon which the concept of risk management lies, is the elimination or mitigation of any factor that can hamper an organisation from achieving its strategic objectives. Therefore, the NGB is committed to a process of risk management that is aligned to the principles of good corporate governance, as supported by the PFMA and the principles contained in King IV. Risk management is a systematic and formalised process instituted by the NGB to identify, assess, manage and monitor risks.

Effective risk management assists the NGB to achieve, amongst others, the following outcomes needed to enhance performance:

- more sustainable and reliable delivery of services;
- informed decisions underpinned by appropriate rigor and analysis;
- innovation – an entity is compelled to determine alternative ways of achieving an objective despite the presence of risk;
- detection and prevention of fraud and corruption;
- better value for money through more efficient use of resources; and
- better outputs and outcomes through improved project and programme management.

The NGB's risk management system is characterized by the existence of various policies, strategies, processes, procedures and tools for identifying, evaluating, monitoring, managing and reporting of all material risks to which the entity is exposed. The NGB makes use of a risk management system that fits the above definition and is implemented across all its business units to enhance its ability to create effective management of resources and to ensure the transparency and accountability thereof.

Risk Management is an integral part of the management process at the NGB with all the various policies, strategies, processes, procedures and tools that have been crafted thoughtfully and implemented in a holistic manner that makes risk management an organisation-wide event as it is embedded in daily practices and business processes. This ultimately creates a cumulatively pre-emptive effect on how risk management is conducted, thereby enhancing the effectiveness of risk management.

During FY2024/25, the Strategic and Operational risks of the NGB were reviewed to identify emerging risks. Furthermore, the NGB conducted risk assessments on an on-going basis to improve the management of identified risks. The Risk Management Reports were respectively presented to the Management Committee (MANCO) and the Executive Committee (EXCO), on a monthly basis and to the Risk Management Committee (RMC), on a quarterly basis.

The key policy documents for risk management in the NGB are the Risk Management Policy and the Risk Management Strategy.

Risk Management Committee

The NGB has in place an RMC, which is comprised of Senior Managers of the NGB and has an external Chairperson who is a member of the NGB's Audit and Risk Committee (ARC). The RMC members were not remunerated for attendance at the RMC because they are officials of the NGB. The independent Chairperson for the RMC was remunerated according to the National Treasury Circular, which categorizes emoluments for different categories of listed public entities.

6. INTERNAL AUDIT

The NGB has an outsourced internal audit function, which provides combined assurance to stakeholders on the integrity of the information provided, governance of the organisation and assurance of existing internal control systems that are resilient to imminent change. The King Report recommends the establishment of this function. It is also prescribed by Treasury Regulations.

The objective of the internal audit function is to provide an assessment of the effectiveness of the NGB's system of internal control and risk management efforts. The ARC is mandated to monitor the performance of the internal auditors, including reports submitted, the proposed budget, and an overall audit scope proposed for the year. In assisting the AA, Internal Audit must evaluate governance processes and provide adequate assurance on the effectiveness of internal processes. These include:

- Incorporating a risk-based internal audit approach in their annual plan and executing audits accordingly,
- Providing adequate assurance on effective governance, risk management and internal control environment, and
- Providing a written assessment on the effectiveness of the organisation's internal control processes.

The internal audit service provider has completed the audit projects as approved in their annual internal audit plan. Their audit approach was risk-based and they reported to the ARC.

Key Activities and Objectives of the Internal Audit for FY2024/25

The internal auditors performed the following reviews during the financial year:

- Financial Discipline and Control Review;
- Performance Audit on Pre-determined Objectives;
- Compliance and Stakeholder Management Audit;
- Information Technology General Controls review;
- Strategic Plan and Annual Performance Plan
- Vulnerability and Penetration Testing
- Annual Financial Statements review.

The objective of the selected reviews was to evaluate if the NGB has and implements adequate and effective internal controls.

7. AUDIT AND RISK COMMITTEE (ARC)

The ARC was established in terms of Section 77 of the PFMA and the Treasury Regulations. The objective of establishing the ARC is to ensure the integrity of Integrated Reporting (IR).

Key activities and objectives of the Audit and Risk Committee for FY2024/25

The ARC was established to oversee the accounting and financial reporting process of the NGB as well as the audit of the financial statements of the NGB. This includes exercising oversight over the performance reporting process to confirm that the NGB has adhered to its service delivery requirements as mandated in the NGA.

The primary purpose of the ARC is to be a liaison and overseer of the work of an external auditor. The ARC consisted of five (5) members with the required skills and competencies to discharge their duties as contained in the ARC Charter. The NGB confirms that ARC members are independent and were not directly involved in the NGB's day-to-day operations. This allowed the ARC members to devote more time to overall fiscal responsibility matters based on their defined roles.

TABLE 19: Committees

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	6	5	Ms. G Deiner
			Mr. L Phahlamohlaka
			Adv L Thubakgale
			Mr.M Dondolo
			Mr. Z Myeza

The table below discloses relevant information on the audit committee members:

TABLE 20: Qualifications of ARC members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned	No. of Meetings attended
Ms. G Deiner	BCompt Accounting Science Higher Diploma in Education – Postgraduate Bachelor of Arts (BA) Professional Accountant (SA)	External	N/A	15 July 2019[3]	N/A	6
Mr. L Phahlamohlaka	Bachelor of Commerce Postgraduate Certificate in Executive Leadership	External-**the dtic** representative (Director: Management Accounting)	N/A	17 July 2015	N/A	5
Adv L Thubakgale	Post Graduate certificate in labour dispute resolution practice Master's in business administration (MBA) Master's in law (LLM) Advanced Diploma in Labour Law Gradium Baccalaureus Legum (LLB) Gradium Baccalaureus Iuris (B.Iuris)	External	N/A	14 August 2024	N/A	5
Mr. M Dondolo	Master's in business administration (MBA) Postgraduate Diploma in Business Management National Diploma in Internal Auditing Certificate in Enterprise Risk Management	External	N/A	19 May 2025	N/A	5
Mr. Z Myeza	BCom-Accounting Master's in business administration (MBA) Certificate in Corporate Governance Certificate in Aviation Management Master Practitioner in Real Estate Chartered Director: SA	External	N/A	19 May 2025	N/A	6

Remuneration of members of the Audit and Risk Committee

The Audit and Risk Committee (ARC) members were remunerated according to the National Treasury circular, which categorizes emoluments for different categories of listed public entities. No travel expenses were incurred by ARC members, as all ARC meetings during FY2024/25 were conducted virtually. Table 21 reflects the remuneration paid to ARC members during the financial year.

TABLE 21: Remuneration to ARC members

Name	Remuneration	Other allowance	Other re-imbursements	Total
Ms G Deiner (Chairperson)	57 995			57 995
Adv. L Thubakgale (RMC Chairperson)[4]	67 098			67 098
Mr. L Phahlamohlaka[5]				
Mr. M Dondolo	29 339			29 339
Mr. Z Myeza	31 024			31 024
TOTAL				**185 456**

3 Member was re-appointed on 15 July 2022 for a second term
4 RMC Chairperson's term is for the period 14 August 2024 to 13 August 2027
5 Mr. L Phahlamohlaka did not receive any remuneration from the NGB in terms of instruction note on remuneration of non-official members of commissions and committees of inquiry and audit committees issued by National Treasury as he is a representative of **the dtic**

8. COMPLIANCE WITH LAWS AND REGULATIONS

The NGB has in place a governance framework and a corporate compliance checklist. These were developed to determine specific provisions in each legislation that the NGB ought to comply with and continually enable the officials to observe legal compliance requirements when performing any function. The NGB utilised a corporate calendar to ensure that timelines for submitting corporate information were met and reported on a quarterly basis.

9. FRAUD AND CORRUPTION

The National Gambling Board (NGB) maintains a zero-tolerance approach to fraud and corruption and is committed to upholding integrity, transparency and accountability in all its operations.

The NGB has in place a Fraud Prevention Plan (FPP), which is aligned with the PFMA and applicable anti-fraud and corruption legislation and which is updated annually and reviewed quarterly. The FPP implementation reports are presented at the NGB's Risk Management Committee (RMC) for notification and inputs on a quarterly basis, before being presented to the Audit and Risk Committee (ARC). The FPP has an accompanying matrix of activities that are designed to proactively address the possible fraud risk areas facing the NGB, and to enhance the internal control environment to reduce the likelihood of fraud risks materialising. Progress against these activities is reported upon at the RMC and ARC every quarter.

During FY2024/25, staff training on anti-fraud and corruption was conducted together with various activities to create awareness to the NGB staff. This included the distribution of posters regarding fraud prevention, staff disclosing their financial interests, and the review of all NGB policies to ensure adequacy of controls to prevent and mitigate the fraud risk. The policies include the protection of whistle-blowers, in the event that any staff member feels a need to report any suspected fraud or corruption taking place at the NGB through the appropriate internal reporting mechanisms.

The NGB also has in place an externally focused email-based hotline, which is also made available to the public to report any cases of suspected fraud or corruption by an NGB official. The fraud prevention hotline is published on the NGB website, to ensure that it is readily accessible at all times. There have been no cases of suspected fraudulent activities reported during the 2024/25 financial year.

10. MINIMISING CONFLICT OF INTEREST

All NGB officials are required to comply with the NGB Conflicts of Interest Policy that sets out how they will conduct themselves in terms of their fiduciary duties, and what steps they would take in the event of a real or potential conflict of interest materialising. All NGB employees are required to, on an annual basis, disclose their financial and non-financial interests, and the NGB further conducts a bi-annual vetting process to determine the accuracy of the disclosures made by the NGB officials. Subsequent to the vetting process conducted during FY2023/24, none of the NGB officials were found to be conducting business with the State.

In addition, all NGB officials involved in procurement are required to complete and sign a Code of Conduct document in supply chain management. Should an official suspect that they may be conflicted concerning a bidder, then the official will disclose the possible conflict of interest immediately. The NGB will assess the conflict, and a determination will be made to inform whether the official may continue their role in the process or be required to recuse himself/herself from the process.

Bidders submitting bids to the NGB for any advertised procurement are required to submit a Standard Bidding Document (SBD), specifically SBD 4 form, wherein they are required to declare whether they have a relationship with any NGB official. Failure to submit such a declaration will result in the bid being disqualified.

The evaluation and adjudications of bids submitted are conducted through formalised NGB bid evaluation and bid adjudication committees. The members of these committees are required to disclose any real or potential conflict of interest with a bidder and will be required to recuse themselves should the nature of the conflict deem such recusal to be necessary. These controls have been put in place to ensure that the integrity of all NGB procurements is protected.

11. CODE OF CONDUCT

Every official joining the NGB is required to sign an acknowledgement of the NGB Code of Conduct. This sets out the undertaking made by the official to, at all times, conduct himself/herself ethically and in compliance with NGB policies. The Code of Conduct is important to the NGB as it has an impact on employee conduct as well as work culture and in addition, every official is further required to sign the Code of Conduct on an annual basis.

The NGB provided an education and awareness activity on ethical conduct in the workplace during the year, and this is conducted annually to ensure that all officials are fully aware of the required standards of conduct at the NGB. However, the Disciplinary Code and Procedure lists a breach of the code of conduct as a form of misconduct, which will attract appropriate disciplinary action.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The NGB has an approved Disaster Management Plan in place, which includes health safety and environmental issues, and sets out how the NGB will respond to any incident that may create exposure to harm. These could range from localised issues such as fire to environmental issues such as flooding. They also include risks such as industrial action, as well as health risks like the COVID-19 pandemic.

In every instance, whether it is localised and manageable, or beyond the control of the NGB, the NGB has adopted a risk-based approach to ensure business continuity.

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13. AUDIT AND RISK COMMITTEE REPORT

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

Audit and Risk Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

Our review of the findings of the internal audit work, which was based on the risk assessments conducted in the public entity, revealed minor weaknesses, which were then raised with the public entity.

During the year under review the internal auditors presented to the ARC audit outcomes pertaining to the following:

- Financial Discipline and Control Review;
- Performance Audit on Pre-determined Objectives;
- Compliance and Stakeholder Management Audit;
- Information Technology General Controls review;
- Strategic Plan and Annual Performance Plan;
- Vulnerability and Penetration Testing;
- Annual Financial Statements review;
- Audit of Human Capital Optimization; and
- NGB follow-up audit.

There were no significant areas of concern that were identified during the financial year. In addition, the committee is satisfied that the internal audit function is operating effectively and that the Internal Audit Plan is implemented.

In-Year Management and Monthly/Quarterly Report

The public entity reported quarterly to the National Treasury as required by the PFMA.

Quarterly reports were reviewed by the ARC and recommendations were made to the AA, for the approval of the said reports. The committee was satisfied with the quality and content of the quarterly reports for the NGB.

Evaluation of Annual Financial Statements

We have reviewed the annual financial statements prepared by the public entity for FY2024/25. There were no matters of concern that were brought to the attention of the committee that warranted intervention.

Auditor's Report

We have reviewed the entity's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The ARC concurs and accepts the conclusions of the external auditors that reflects a clean audit opinion.

Appreciation

The ARC wishes to express its appreciation to the management of the NGB, who has successfully achieved its 10th consecutive clean audit.

In addition, the ARC is grateful to the External Auditors and Internal Auditors who assisted the Audit Committee in performing its functions effectively.

Mr Zenzele Myeza
Chairperson of the Audit and Risk Committee
National Gambling Board
Date:

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act 53 of 2003 and as determined by **the dtic**.

TABLE 22: Compliance with any relevant code of good practice (B-BBEE certificate levels 1 – 8):

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes/No**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The NGB does not issue licenses
Developing and implementing a preferential procurement policy?	Yes	Preferential procurement policy is in place The policy is compliant with legislative requirements The policy is reviewed annually
Determining qualification criteria for the sale of state-owned enterprises?	No	
Developing criteria for entering into partnerships with the private sector?	No	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	

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PART E

Human Resource Management

1. INTRODUCTION

Overview of Human Resource (HR) matters

The nature of the human capital function within the NGB is broadly encapsulated in the NGB's legislative framework. The NGA requires the AA to appoint suitably qualified and experienced staff to enable the NGB to carry out its functions. The NGA further requires the AA, in consultation with the Minister, to determine remuneration, allowances, employment benefits and other terms and conditions of employment.

Our people are our crucial enablers, the driving force behind the NGB's vision and mission. Only through their knowledge, skills and dedication will we meet our objective of becoming a game changer in regulating a safe and sustainable gambling industry. Ensuring that we attract and retain the best talent is therefore critical to our success.

HR priorities for the year under review and the impact of these priorities

HCO made concerted efforts to ensure the implementation of the Human Capital Strategy. The strategy is intended to assist the organization in achieving its strategic objectives through the implementation of performance management goals to create an environment where people can perform to the best of their abilities and produce work of the highest quality.

The other key pillar of the strategy is to implement talent management strategies that involves attracting and retaining high-quality employees, developing their skills, and continuously motivating them to improve on their performance. The primary purpose will therefore be to create a motivated workforce that will stay with the organisation and in the long term be beneficial to the NGB in achieving its objectives.

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

Our human capital are the people the NGB employs who take pride in the work that they do. They are very critical drivers to ensure that the NGB achieves its strategic objectives and business performance. Our employees have a mix of qualifications, skills, and experience instrumental to creating value and long-term sustainability for the organisation.

Annual review of the Recruitment and Selection Policy as well as Retention Policy was conducted in order to equip the NGB to attract and retain a skilled workforce. There were also appointments of four (4) Interns on the structure at the beginning of the year to afford graduates the exposure and practical working experience and were later appointed as Administrators as part of our retention strategies.

Employee performance management framework

Human Capital Strategy resides firmly within the organisation's strategic objectives and subscribes to the requirements thereof, promoting the cascading of performance management and measurement at all levels across the NGB.

The NGB's performance management process ensured appropriate alignment of individual, team and business unit performance objectives with those of the NGB. This enabled translation of the NGB's strategic focus areas into individual action plans.

- Performance management is consistently applied across the NGB to ensure effective alignment of strategic objectives and individual outputs;
- Performance objectives are based on a scorecard of metrics featuring both financial and non-financial indicators, which are aligned with the NGB's strategic imperatives; and
- Performance management is an ongoing process rather than an event.

Performance outcomes were appropriately differentiated to reflect the different levels of contribution made by employees to the success of the NGB. Where performance deficits were identified, these were dealt with actively, with the primary objective of returning the employee to full performance. The system was further enhanced by reviewing the current policy and processes to ensure effectiveness and efficiency.

Employee wellness programmes

Employee wellness programmes are recognised as good organisational practices by international organisations such as the International Labour Organisation (ILO). In the context of the NGB, employee wellness was an important human capital aspect as it affects productivity. The NGB has a developed employee wellness plan with the primary goal of informing, empowering and providing employees with the skills to take ownership of their wellbeing and to improve on their work-life balance. There were several interventions taken in this area to develop and support work-life balance for NGB officials.

Policy development

Human capital policies are in place and have been reviewed to ensure that they are aligned to the Strategic Plan and legislative requirements. Furthermore, developed and revised policies will be effectively implemented to mitigate human capital risk and to increase organisational effectiveness going forward.

Highlighted achievements

The NGB has in place an approved HCO Strategy for 2019/24, which is aimed at ensuring that the NGB has adequate capable human capital that will enable it to achieve its strategic objectives. The strategy further details the organisational structure, roles and behaviour needed to take the organisation forward.

The NGB further awarded seven (7) bursaries to its internal employees with an aim to enhance and accelerate their performance in their scope of work. The awarding of bursaries by NGB is aimed at responding to the need to build a talent pipeline to address the scarce and critical skills required to improve performance. There have been records and evidence of good performance demonstrated by the bursary recipients through performance appraisals of the current performance cycle and thus result in improvement of organizational performance.

The NGB has the responsibility to ensure that the skills development gaps are addressed in line with the National Skills Development Plan (NSDP) and other government priorities. The implementation of the Bursaries programme and other short learning courses enables tracking of the return on investment, which will ensure continuous improvement in performance towards the achievement of operational as well as strategic objectives of the NGB.

Challenges faced by the public entity

The NGB has been stable as there were no labour unrests during the period under review.

Future HR plans/goals

The concerted effort in the future will be in ensuring that the NGB retains its talent, develops, re-skills and upskills the current human capital to meet the demands for the future NGB. The NGB will also be embarking on a process to automate some of its HR processes to improve effectiveness and efficiency.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

TABLE 23: Personnel cost by programme

Programme/activity/objective	Total Expenditure for the entity	Personnel Expenditure	Personnel exp. as a % of total expenditure	No. of employees	Average personnel cost per employee
Gaming Control and Compliance	205 564 725	10 044 230	3.6%	6	1 674 038
Corporate Services and Research	47 217 950	25 797 008	9.3%	22	1 172 591
Finance and Procurement	16 550 937	11 246 420	4.0%	7	1 606 631
Enforcement	9 016 252	8 866 843	3.2%	5	1 773 369
Total	**278 316 864**	**55 954 501**	**20.1%**	**40**	**1 398 863**

Total employee costs for the 2024/25 financial year amounted to R55 954 501. The highest costs were evidenced under the Corporate Services and Research programme. This is directly linked to the programme having the highest number of staff members including the four (4) Administrators.

TABLE 24: Personnel cost by salary band

Level	Personnel Expenditure	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee
Top Management	11 870 026	21,2%	4	2 967 507
Senior Management	13 406 164	24.0%	5	2 681 233
Professional qualified	12 744 720	22,8%	8	1 593 090
Skilled	14 466 886	25,9%	14	1 033 349
Semi-skilled	1 366 175	2,4%	3	455 392
Unskilled	0	0	0	0
Temporary staff	2 109 800	3,8%	6	351 633
Total	**55 963 771**	**100%**	**40**	**1 399 094**

The NGB uses a strategic approach to determine the salaries paid to officials, which includes an assessment of market related salaries, to ensure that the NGB adequately compensates its human resources. Employee benefits, as part of personnel costs are utilised as a mechanism to attract and retain talent.

In implementing the above strategic approach, salaries paid to Skilled officials and Senior Management comprised the highest portion of salaries paid within the NGB, at 25,85% and 23,96%, respectively, closely followed by salaries paid to Professional qualified at 22,78%. It is important to note that the compensation gap between the four (4) highest echelons is not significant.

TABLE 25: Performance rewards

Programme/activity/objective	Performance rewards	Personnel Expenditure	% of performance rewards to total ersonnel cost
Top Management	2 363 657	11 870 026	4.2%
Senior Management	2 404 258	13 406 165	4.3%
Professional qualified	1 957 270	12 744 720	3.5%
Skilled	2 242 213	14 466 886	4.0%
Semi-skilled	193 522	1 366 175	0.3%
Unskilled	0	0	0.0%
Temporary staff	205 253,40	2 103 800	0.4%
Total	**9 366 173**	**55 963 773**	**16.7%**

Performance rewards were implemented in line with the Performance Management Policy. Overall, performance rewards paid out during the financial year comprised 17% of the NGB's total personnel expenditure as compared to 14% paid during 2023/24.

TABLE 26: Training costs

Programme/activity/objective	Personnel Expenditure	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg. training cost per employee
Gaming Control and Compliance	10 044 230	269 464	0.5%	1	269 464
Corporate Services and Research	25 797 008	389 045	0.7%	7	55 578
Finance and Procurement	11 246 420	52 325	0.1%	1	0
Enforcement	8 866 843	0,00	0.0%	0	0
Total	**55 954 501**	**710 834**	**1.3%**	**9**	**78 982**

Training costs incurred related to bursaries issued and various short-term training courses that were conducted.

TABLE 27: Employment and vacancies

Programme/activity/objective	2024/25 Approved Posts	2024/25 No. of Employees	2024/25 Vacancies	% of vacancies
Gaming Control and Compliance	6	6	0	0.0%
Corporate Services and Research	24	22	*2	8.3%
Finance and Procurement	7	7	0	0.0%
Enforcement	5	5	0	0.0%
Total	**42**	**40**	**2**	**8.3%**

* The position of CEO has been put on hold due to a moratorium placed and it is accounted for under CSRD and that of the Human Capital Practitioner.

As at the end of the financial year, there were two (2) vacant positions, namely, the CEO and Human Capital Practitioner. Efforts to fill the Human Capital Practitioner are underway and the position of the CEO could not be filled due to the moratorium on this position

TABLE 28: Employment and vacancies per programme

Programme/activity/objective	2023/24 No. of Employees	2024/25 Approved Posts	2024/25 No. of Employees	2024/25 Vacancies	% of vacancies
Top Management	3	5	4	1	20.0%
Senior Management	6	5	5	0	0.0%
Professional qualified	7	8	8	0	0.0%
Skilled	15	15	14	1	6.7%
Semi-skilled	3	3	3	0	0.0%
Unskilled	-	0	0	0	0.0%
Temporary staff	0	*6	6	0	0.0%
Total	**34**	**42**	**40**	**2**	**4.8%**

* The position of CEO has been put on hold due to a moratorium placed and it is accounted for under top management and the Human Capital Practitioner under Skilled level. There were six (6) temporary posts filled the year i.e. Four (4) Administrators, Manager: Corporate Governance and Manager: Compliance Oversight. All six (6) positions have been accounted under temporary staff as they are on fixed term contract.

TABLE 29: Employment changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	1	-	4
Senior Management	6	0	1	5
Professional qualified	7	1	0	8
Skilled	15	1	1	15
Semi-skilled	3	-	-	3
Unskilled	-	-	-	-
Temporary staff	0	6	1	5
Total	**34**	**9**	**3**	**40**

* The position of CEO has been put on hold due to a moratorium placed and it is accounted for under top management.

There were changes in employment within the financial year. There were nine (9) appointments made and three (3) terminations (two (2) of which were resignations and one (1) position abolished). There was also filling of the position of Chief Technology Officer through the promotion of the Senior Manager: Gaming Technology. The position of Senior Manager: Gaming Technology, was subsequently abolished.

TABLE 30: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	2	100%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	**2**	**100%**

The reason for staff leaving was due to two (2) resignations during the financial year on the positions of Manager: Corporate Governance and Human Capital Practitioner.

TABLE 31: Labour relations: misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	-
Written Warning	-
Final Written warning	-
Dismissal	-
Total	**-**

TABLE 32: Equity target and employment equity status - male

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	-	-	-	-	-	-	-
Senior Management	2	-	-	1	-	-	-	-
Professional qualified	3	-	-	-	-	-	-	-
Skilled	6	-	-	-	-	-	-	-
Semi-skilled	1	-	1	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	**14**	**0**	**1**	**1**	**0**	**0**	**0**	**0**

TABLE 33: Equity target and employment equity status - female

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	-	-	-	1	-	-	1
Senior Management	3	-	-	-	-	-	-	-
Professional qualified	4	-	2	-	1	-	-	1
Skilled	11	-	-	1	-	-	-	-
Semi-skilled	2	-	-	1	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	**21**	**0**	**2**	**2**	**2**	**0**	**0**	**2**

TABLE 34: Equity target and employment equity status – disabled staff

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	-	-	-	-
Skilled	1	1	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	**1**	**1**	**0**	**0**

The NGB has set Employment Equity targets which are aligned to the National Employment Equity targets. National Employment Equity targets have been set for females in management positions at 50% and people with disabilities at 2%. The national targets, when applied against the NGB's organisational structure, translate to the following:

- There were ten (10) approved top and senior management positions at the NGB at the beginning of the financial year. At the end of the financial year, there were nine (9) occupied positions, five (5) of which were occupied by females and four (4) by males. There is one (1) vacant position of CEO top management positions that could not be filled due to the moratorium being placed on it.
- A further analysis of the targets against the NGB's status quo reveals the following:
  - Indian females are over-represented as they comprise 5.0% (2) of the total staff compliment (40) against a total EAP National target of 1 %.
  - African females are over-represented as they comprise 52.5% (21) of the total staff compliment (40) against a total EAP National target of 37.6 %.
  - There is one (1) official with a disability currently employed at the NGB at the skilled level.
  - There is under-representation of Whites and Coloured (male and female) as well as Indian male.

Attempts made to address variances

The approved Employment Equity Plan submitted to the Department of Labour and Employment provided for specific interventions in ensuring that the NGB worked towards meeting the desired Employment Equity targets. The plan was implemented and monitored. Advertisements for all positions were clearly designed to target under-represented categories, i.e. Coloured, White and people with disabilities.

PART F

Financial Information

1. INDEPENDENT AUDITOR'S REPORT TO PARLIAMENT ON NATIONAL GAMBLING BOARD OF SOUTH AFRICA

Report on the audit of the annual financial statements

Opinion

1. We have audited the financial statements of the National Gambling Board set out on pages 75 to 107, which comprise the statement of financial position as at 31 March 2025, statement of Statement of Statement of Financial Performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In our opinion, the financial statements present fairly, in all material respects, the financial position of the National Gambling Board South Africa as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act (PFMA).

Basis for opinion

3. We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the responsibilities of Lunika Chartered Accountants and Auditors Incorporated for the audit of the financial statements section of our report.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the accounting authority for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

8. 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of our responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 72, forms part of our auditor's report.

Report on the audit of the annual performance report

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

11. We selected the following material performance indicators related to Programme 1 - gaming control and compliance presented in the annual performance report for the year ended 31 March 2025. We selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Number of S53 economic transformation reports in the mainstream gambling industry produced
    - Number of reports on technical compliance produced
    - Rand value revenue generation facilitated in the LPM industry

- Percentage of evaluations of PLAs compliance with gambling legislation conducted
- Number of advisory notes on uniformity in the gambling legislation

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

13. We performed procedures to test whether:

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

14. We performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

15. We did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

16. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Authority is responsible for the National Gambling Board's compliance with legislation.

17. We performed procedures to test compliance with selected requirements in key legislation.

18. We did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

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

20. Our opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and we do not express an audit opinion or any form of assurance conclusion on it.

21. Our responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programme presented in the annual performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. We did not receive the other information prior to the date of this auditor's report. When we do receive and read this information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, we may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

We did not identify any significant deficiencies in internal control.

Lunika Inc.

Samkelo Mxunyelwa CA (SA)
Lunika Chartered Accountants and Auditors Incorporated
Director
Registered Auditor
31 July 2025

Lonehill Office Park
Sandton
Johannesburg

Annexure to the auditor’s report

The annexure includes the following:

- the auditor’s responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout our audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the public entity’s compliance with selected requirements in key legislation.

Financial statement

In addition to our responsibility for the audit of the financial statements as described in this auditor’s report, 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 public entity’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. we also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If 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 about the material uncertainty or, if such disclosures are inadequate, to modify our opinion on the financial statements. Our conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b); Section 66(4);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Regulation 8.2.1; 8.2.2 Regulation 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A8.3; 16A 8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Regulation 31.1.2(c'); 31.2.5; 31.2.7(a) Regulation 33.1.1; 33.1.3
Public service regulation	Public service regulation 13(c);18; 18 (1) and (2);
PRECCA	Section 29; 34(1)
PPPFA	(definition "acceptable tender") Section 1(i); 2.(1)(a); 2.1(b); 2.1(f)
PPR 2017	(under functionality) Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1, 10.2 Paragraph 11.1
PPR 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2
SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4(c); 4.4(d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
NT Instruction 4A of 2016/17	Paragraph 6
NT Instruction 07 of 2017/18	Paragraph 4.3
NT SCM Instruction Note 03 2019/20	Paragraph 5.5.1(vi); 5.5.1(x)
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; Paragraph 3.4(a); 3.4(b) Paragraph 3.9 Paragraph 6.1; 6.2; 6.7
SCM Instruction note 2 of 2021-22	Paragraph 3.2.1; 3.2.2; 3.2.4; 3.2.4; 3.3.1; Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1) Paragraph 4(2) Paragraph 4(4)
PFMA instruction note no.3 of 2021/22	Definition Paragraph 4.2(b)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20- Annexure A	Section 5.5.1 (iv) and (x)
National Treasury Instruction 4A of 2016/17	Paragraph 6
Instruction note No. 4 of 2022/2023: PFMA Compliance and Reporting Framework	Paragraph 4.12

General Information

Country of incorporation and domicile	South Africa
External auditors	Lunika Incorporated
Physical address	1085 Francis Baard Street Hatfield Pretoria 0028
Postal address	Private Bag X27 Hatfield 0028
Telephone number	+ 27 10 003 3475
Website address	www.ngb.org.za
Bankers	Standard Bank of South Africa

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Abbreviations used:

AA	Accounting Authority
COID	Compensation for Occupational Injuries and Diseases
GRAP	Generally Recognised Accounting Practice
PFMA	Public Finance Management Act 1999 (Act 1 of 1999)
the dtic	The Department of Trade, Industry and Competition
ARC	Audit and Risk Committee
NCEMS	National Central Electronic Monitoring System
NGB	National Gambling Board

Accounting Authority's Report

The Accounting Authority (AA) is required by the Public Finance Management Act, 1999 (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the AA to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The AA acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the AA to meet these responsibilities, the AA sets standards for internal control aimed at reducing the risk of error 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The AA is 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.

The AA has reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is dependent on **the dtic** for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that **the dtic** has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the AA is primarily responsible for the financial affairs of the entity, it is supported by the entity's internal auditors, external auditors and the Audit and Risk Committee (ARC) as assurance providers with respect to matters of oversight and governance.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented hereto.

The annual financial statements set out on page 75 to 107, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2025 and were signed on its behalf by:

Mr. Lungile Dukwana
Accounting Authority

Statement of Financial Position

as at 31 March 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	63 294 780	69 057 022
Inventories	4	119 129	75 504
Receivables from exchange transactions	5	1 815 323	1 802 449
Statutory receivables from exchange transactions- LPM monitoring fees	6	21 345 654	17 552 518
		86 574 886	**88 487 493**
Non-Current Assets			
Receivables from exchange transactions	5	427 999	81 827
Property, plant and equipment	7	52 430 510	42 649 153
Intangible assets	8	2 391 847	2 752 945
		55 250 356	**45 483 925**
Total Assets		**141 825 242**	**133 971 418**
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	16 415 838	15 917 985
NCEMS service fees payable	10	38 688 747	33 403 235
Provisions	11	1 594 299	1 442 136
		56 698 884	**50 763 356**
Total Liabilities		**56 698 884**	**50 763 356**
Net Assets		**85 126 358**	**83 208 062**
Accumulated surplus		85 126 358	83 208 062
Total Net Assets		**85 126 358**	**83 208 062**

Statement of Financial Performance

Figures in Rand	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Limited payout machines (LPM) monitoring fees	12	232 011 671	236 384 452
Interest received		6 004 204	7 195 123
Other income	13	7 581 285	1 564 016
Total revenue from exchange transactions		**245 597 160**	**245 143 591**
Revenue from non-exchange transactions			
Transfer revenue			
Government grant		34 641 000	33 152 000
Total revenue		**280 238 160**	**278 295 591**
Expenditure			
Depreciation and amortisation	7&8	(2 092 453)	(1 864 479)
Employee related costs	14	(44 090 365)	(41 157 607)
Related parties	15	(12 049 590)	(8 996 437)
Operating leases	16	(146 681)	(4 923 466)
NCEMS service fees	17	(193 110 939)	(196 794 977)
General Expenses	18	(26 829 836)	(25 057 352)
Total expenditure		**(278 319 864)**	**(278 794 318)**
Surplus (deficit) for the year		**1 918 296**	**(498 727)**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus/deficit	Total net assets
Balance at 01 April 2023	**84 196 617**	**84 196 617**
Changes in net assets Prior year adjustments	(489 829)	(489 829)
Deficit for the year	(1 184 483)	(1 184 483)
Correction of errors	685 757	685 757
Total changes	(988 555)	(988 555)
Balance at 31 March 2024	**83 208 062**	**83 208 062**
Balance at 01 April 2024	**83 208 062**	**83 208 062**
Changes in net assets Surplus for the year	1 918 296	1 918 296
Total changes	1 918 296	1 918 296
Balance at 31 March 2025	**85 126 358**	**85 126 358**
Note(s)		

Cash Flow Statement

Figures in Rand	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Rental income		2 526 346	1 249 898
Limited payout machines (LPM) monitoring fees		228 218 326	234 780 057
Grants		34 641 000	33 152 000
Interest income		5 968 941	7 194 630
Other receipts		4 833 113	-
		276 187 726	276 376 585
Payments			
Employee costs		(55 724 014)	(49 514 357)
Suppliers		(218 274 797)	(219 152 272)
		(273 998 811)	(268 666 629)
Net cash flows from operating activities	19	**2 188 915**	**7 709 956**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(7 793 837)	(41 936 155)
Purchase of other intangible assets	8	(157 320)	(262 200)
Net cash flows from investing activities		**(7 951 157)**	**(42 198 355)**
Net increase/(decrease) in cash and cash equivalents		**(5 762 242)**	**(34 488 400)**
Cash and cash equivalents at the beginning of the year		69 057 022	103 545 421
Cash and cash equivalents at the end of the year	3	**63 294 780**	**69 057 021**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Limited payout machines (LPM) monitoring fees	230 000 000	-	**230 000 000**	232 011 671	**2 011 671**	31
Interest received	6 600 000	(488 332)	**6 111 668**	6 004 204	**(107 464)**	31
Other income	6 455 015	918 585	**7 373 600**	7 581 285	**207 685**	31
Total revenue from exchange transactions	**243 055 015**	**430 253**	**243 485 268**	**245 597 160**	**2 111 892**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	34 641 000	-	**34 641 000**	34 641 000	**-**	
Total revenue	**277 696 015**	**430 253**	**278 126 268**	**280 238 160**	**2 111 892**	
Expenditure						
Depreciation and amortisation	(2 554 148)	447 631	**(2 106 517)**	(2 092 453)	**14 064**	31
Employee related costs	(43 979 596)	(1 073 068)	**(45 052 664)**	(44 090 365)	**962 299**	31
Executive and non-executive managers' remuneration	(12 104 135)	64 268	**(12 039 867)**	(12 049 590)	**(9 723)**	
Lease rentals on operating lease	-	-	**-**	(146 681)	**(146 681)**	
NCEMS service fees	(190 900 000)	(384 048)	**(191 284 048)**	(193 110 939)	**(1 826 891)**	31
General Expenses	(27 814 876)	179 147	**(27 635 729)**	(26 829 836)	**805 893**	31
Total expenditure	**(277 352 755)**	**(766 070)**	**(278 118 825)**	**(278 319 864)**	**(201 039)**	
Surplus for the year	**343 260**	**(335 817)**	**7 443**	**1 918 296**	**1 910 853**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amountson comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	3 000 000	(2 400 000)	**600 000**	604 472	**4 472**	31
Intangible assets	-	-	**-**	157 320	**157 320**	
	3 000 000	**(2 400 000)**	**600 000**	**761 792**	**161 792**	
Total Assets	**3 000 000**	**(2 400 000)**	**600 000**	**761 792**	**161 792**	
Net Assets	**3 000 000**	**(2 400 000)**	**600 000**	**761 792**	**161 792**	
Reserves						
Accumulated surplus	3 000 000	(2 400 000)	**600 000**	761 792	**161 792**	

Gambling is a game of chance. Sometimes you win, sometimes you don’t

Accounting Policies

1. Significant accounting policies

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 55(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

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

1.1 Presentation currency

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

1.2 Going concern assumption

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

1.3 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

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.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. 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 tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including obsolescence and information technological advancements, together with economic factors such as inflation.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11- Provisions.

Residual values and useful lives of PPE

The entity determines the estimated useful lives and related depreciation charge of PPE. Residual value, useful lives and depreciation methods for each asset are reviewed at the end of each reporting period. If the expectations differ from the previous estimate, the change is accounted for as a change in accounting estimate.

1.4 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

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

Accounting Policies *(continued)*

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

Costs include 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.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are subsequently 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 useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	Straight-line	40 to 50 years
Leasehold improvement	Straight-line	Over the lease period
Furniture and office equipment	Straight-line	3 to 10 years
Motor vehicles	Straight-line	5 years
IT equipment	Straight-line	3 to 10 years

The residual value, and the useful life and depreciation method of each are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as change in accounting estimates.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimates unless expectations differ from the previous estimate.

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.

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

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

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

1.5 Intangible assets

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.

the expenditure attributable to the asset during its development can be measured reliably.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Accounting Policies *(continued)*

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

Item	Average useful life
Computer software, internally generated	4 to 10 years
Computer software, other	3 to 10 years
National Database	4 to 10 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 arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.6 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.7 Financial instruments

When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Classification

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

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost

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

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

Initial recognition

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at amortised cost using effective interest rate.

Impairment and uncollectibility of financial assets

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

Financial assets measured at cost:

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

Accounting Policies *(continued)*

Derecognition

Financial assets

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

- the contractual rights to the cash flows from the financial asset expire, are settled or waived.

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

Financial liabilities

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

Presentation

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

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

Financial Risk Management

In running its operations the organisation is exposed to interest rate, liquidity, credit and market risks. The 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;
- 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.

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 held between 14 and 32 days;
- timeous request and release of funds by **the dtic** 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.

1.8 Taxation

The entity is exempt from income taxation in terms of Section 10(1)(cA) of the Income Tax Act, 1962 (Act 58 of 1962).

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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. Income for leases is disclosed under revenue in the statement of financial performance.

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.

Accounting Policies *(continued)*

Operating leases - lessee

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

1.10 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.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for distribution at no charge or for a nominal charge.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.
Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish non-cash-generating assets from cash-generating assets are as follows:

Identification

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

The 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, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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

Accounting Policies *(continued)*

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

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.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

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

Reversal of an impairment loss

The entity assesses 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, the entity estimates the recoverable service amount of that asset.

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

A reversal of an impairment loss for a 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.

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

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.

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 or expense incurred. The funds are externally managed.

1.14 Provisions and contingencies

Provisions are recognised when:

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

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

Accounting Policies *(continued)*

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 recognized 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 NGB 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 at the sole discretion of the NGB. The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

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

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

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

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Accounting Policies *(continued)*

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

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

As the 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 reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.17 Comparative figures

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

1.18 Fruitless and wasteful expenditure

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

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

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.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including- (a) this Act; or (b) the State Tender Board Act, 1968 (Act 86 of 1968), or any regulations made in terms of the Act; or (c) any provincial legislation providing for procurement procedures in that provincial government.

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

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

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

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt

Accounting Policies *(continued)*

account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/ expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.20 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

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

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have not been included in the Statement of comparison of budget and actual amounts.

1.21 Related parties

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

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

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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

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

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

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

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

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

1.22 Events after reporting date

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

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

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

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

1.23 Statutory receivables

Definition

Statutory Receivables are receivables that arise from legislation as opposed to contractual deliverables. Receivables that arise due to contractual agreement are accounted for in terms of the accounting policy on Financial Instruments. Statutory Receivables are classified and recognised as exchange or non-exchange in accordance with the relevant GRAP standards on Revenue and essentially based on whether or not there is a supply of goods and services in exchange for economic benefits or similar value

Accounting Policies *(continued)*

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

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

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means. Statutory receivables can arise from both exchange and non-exchange revenue transactions, the entity shall apply recognition and initial measurement requirement of the Standards of GRAP on Revenue from Exchange Transactions (GRAP 9) and Revenue from Non-Exchange Transactions (Taxes and Transfer) (GRAP 23), as well as the requirements of this standard of GRAP. If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

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

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

Interest

Where the entity charges interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate. Interest on statutory receivables is recognised as revenue in accordance with the Standards of GRAP on Revenue from Exchange Transactions (GRAP 9) and Revenue from Non-exchange Transactions (Taxes and Transfers) (GRAP 23), whichever is applicable.

Other charges

Where the entity is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to charge additional charges on overdue or unpaid amounts, and such charges are made, the entity applies the principles as stated in the Rate of Interest Act, 1975 (Act 55 of 1975) determined by the Minister of Justice and Correctional Services published in the Government Gazette from time to time, as well as the Standards of GRAP on Revenue from Exchange Transactions (GRAP 9) and Revenue from Non-exchange Transactions (Taxes and Transfers) (GRAP 23).

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired. In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

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

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

Accounting Policies *(continued)*

entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted. An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in the surplus or deficit.

Derecognition

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

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.24 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Criteria developed by the entity to distinguish non-cash-generating assets from cash-generating assets are as follows:

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets' remaining service potential.

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation:	Effective date to be determined by the Minister	Expected impact:
• GRAP 107 (as revised) Mergers		Unlikely there will be a material impact
• GRAP 106 (as revised) Transfer of Functions Between Entities Not Under Common Control		Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control		Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023		Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)		Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets		Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration		Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments		Unlikely there will be a material impact

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	58 394 512	63 818 522
Short-term deposits	4 900 268	5 238 500
	63 294 780	**69 057 022**

4. Inventories

Stationery on hand and consumables	119 129	75 504
Inventories recognised as an expense during the year	48 937	93 006

Inventory pledged as security

None of the inventory was pledged as security

5. Receivables from exchange transactions

Trade debtors	468 142	431 894
Prepayments	1 775 180	1 452 382
	2 243 322	**1 884 276**

Non-current assets	427 999	81 827
Current assets	1 815 323	1 802 449
	2 243 322	**1 884 276**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

6. Statutory receivables from exchange transactions - LPM monitoring fees

LPM monitoring fees accrued but not yet received		21 345 654	17 552 518

How the transaction arises

Section 27 (1) of the NGA requires the NGB to establish and maintain a national Central Electronic Monitoring System capable of (a) detecting and monitoring significant events associated with any Limited Pay-out Machine that is made available for play in the Republic; and (b) analysing and reporting that data in accordance with the prescribed requirements. The NGB may contract with any person to supply any or all of the products or services required to fulfil its obligations in terms of subsection (1). Subsection (4) prescribes that every Limited Pay-out Machine that is made available for play must be electronically linked to the National Central Electronic Monitoring System, and the licensee of that machine must pay the prescribed monitoring fees in relation to that machine.

How the transaction amount is determined

In terms of Schedule 2 of the National Gambling Regulations 2004, monitoring fees are calculated as a percentage of Gross Gambling Revenue at 6%, 5.61%, 5.21%, 4.42%, 3.87% and 3.24% respectively for installed Limited Pay-out Machines up to

15,000, 25,000, 35,000, 42,000 and more than 42,000 respectively. Since the financial period ended 31 March 2023, installed limited pay-out machines exceeded 15,000, culminating in a reduction of monitoring fees from 6% to 5.61% of the Gross Gambling Revenue.

Interest charged including the basis and rate

The interest rate charged on statutory receivables which are overdue is the prescribed rate of interest in terms of the Prescribed Rate of Interest Act, 1975 (Act 55 of 1975) determined by the Minister of Justice and Correctional Services published in the Government Gazette from time to time. The interest rate charged during the year varied from 8.25% to 11.75% per annum.

The basis used to assess and test whether the statutory receivable is impaired

Individual debtors were assessed individually for indicators of impairment. A collective assessment of the amounts which are past due was made by categorising the outstanding amounts into the following two categories:

30 days to 150 days:	no provision
180 days and above:	90 percent

Discount rate applied to the estimated future cash flows

No discount rate was applied to the estimated future cash flows as the amounts which are past due are considered insignificant in relation to the overall statutory receivables balance.

The main events and circumstances that led to recognition of the impairment loss:

Key indicators and assumptions used to assess and calculate whether the statutory receivables were impaired during the reporting period:

Indicators of impairment loss include, but are not limited to:

- Significant financial difficulties suffered by the debtor;
- The probability of the debtor entering into sequestration, liquidation or other financial re-organisation;
- A breach of the terms of the transactions such as default on payment of the principal amount or interest charged; and
- Adverse changes in international, national or local economic conditions.

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

Ageing of amounts past due but not impaired is as follows:

Current		21 345 654	15 924 474
30 days past due		-	1 519 237
60 days past due		-	105 351
90 days past due		-	922
120 days past due		-	-
150 days past due		-	2 534
		21 345 654	**17 552 518**

Analysis of statutory receivables past due that have been impaired:

No statutory receivables from exchange transactions were impaired during the period ended 31 March 2025. The ageing of the entity's statutory receivables is presented below:

The ageing of amounts past due and impaired is as follows:

Balance		21 345 654	17 552 518
Less: Amounts impaired		-	-
30 days past due		-	-
60 days past due		-	-
90 days past due		-	-
120 days past due		-	-
180 days past due		-	-
Total statutory receivables from exchange transactions		**21 345 654**	**17 552 518**

Factors considered in assessing impairment losses:

When the statutory receivables were considered holistically, it was determined that the recoverability of amounts which are 180 days past due is uncertain. Specific circumstances relating to individual debtors were also considered. None of the operators' balance was 180 days past due, resulting in no impairment of any debtor.

Circumstances leading to the reversal of impaired loss:

No reversal of impairment loss was necessary during the year, as there was no impaired loss recorded.

7. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land and buildings	50 882 250	(1 277 892)	49 604 358	40 087 041	(469 520)	39 617 521
Furniture and fixtures	4 047 924	(3 280 040)	767 884	3 681 803	(2 992 249)	689 554
Motor vehicles	1 548 271	(814 532)	733 739	1 849 348	(968 375)	880 973
IT equipment	3 647 895	(2 323 366)	1 324 529	3 602 214	(2 295 412)	1 306 802
Leasehold improvements	-	-	-	326 371	(172 068)	154 303
Total	**60 126 340**	**(7 695 830)**	**52 430 510**	**49 546 777**	**(6 897 624)**	**42 649 153**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land and buildings	39 617 521	10 795 209	-	-	(808 372)	49 604 358
Furniture and fixtures	689 554	45 419	(400)	102 869	(69 558)	767 884
Motor vehicles	880 973	-	-	-	(147 234)	733 739
IT equipment	1 306 802	559 053	(43 889)	-	(497 437)	1 324 529
Leasehold improvements	154 303	-	-	(102 869)	(51 434)	-
	42 649 153	**11 399 681**	**(44 289)**	**-**	**(1 574 035)**	**52 430 510**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Other changes, movements	Depreciation	Total
Land and buildings	-	40 087 041	-	-	(469 520)	39 617 521
Furniture and fixtures	555 131	202 975	(2 700)	-	(65 852)	689 554
Motor vehicles	243 629	736 171	-	(3 629)	(95 198)	880 973
IT equipment	889 301	896 460	(5 443)	-	(473 516)	1 306 802
Leasehold improvements	205 737	19 735	-	-	(71 169)	154 303
	1 893 798	**41 942 382**	**(8 143)**	**(3 629)**	**(1 175 255)**	**42 649 153**

Pledged as security

None of the assets disclosed above have been pledged as security.

Reclassification of assets

The NGB reclassified Leasehold Improvements with a carrying value of R102 869 to Furniture and Fitures. The reason for the reclassification is the fact that the asset was removed from a previously leased office building to the building owned by the NGB.

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

	2025	2024 Restated*
Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Building	10 795 209	
Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected		
Renovation of office building	10 795 209	-
During the renovation of the entity's office premises, it was discovered that there were more compnents of the building that required refurbishment, necessitating additional work to be performed, requiring an extended amount of time to complete the refurbishment project.		
	10 795 209	**-**

	2025	2024 Restated*
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
General expenses	761 040	143 165

* See Note 23

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

8. Intangible assets

	2025			2024		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software, internally generated	5 139 139	(2 747 989)	2 391 150	5 437 089	(2 685 260)	2 751 829
Computer software, other	401 995	(401 298)	697	401 995	(400 879)	1 116
Total	**5 541 134**	**(3 149 287)**	**2 391 847**	**5 839 084**	**(3 086 139)**	**2 752 945**

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	2 751 829	157 320	(517 999)	2 391 150
Computer software, other	1 116	-	(419)	697
	2 752 945	**157 320**	**(518 418)**	**2 391 847**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, internally generated	2 849 082	367 081	(464 334)	2 751 829
Computer software, other	226 006	-	(224 890)	1 116
	3 075 088	**367 081**	**(689 224)**	**2 752 945**

Pledged as security

None of the assets disclosed above have been pledged as security.

9. Payables from exchange transactions

	2025	2024
Trade payables	11 486 685	10 650 600
Unidentified confiscated gambling winnings	4 804 625	4 957 531
SARS for PAYE and UIF	1 457	1 457
Confiscated winnings from identified punters	123 071	308 397
	16 415 838	**15 917 985**

Unidentified confiscated gambling winnings refer to money confiscated from suspected illegal gamblers whose identity has not been estalished by the NGB. Confiscated winnings from identified punters, on the other hand, refer to moneys confiscated from suspected illegal gamblers whose identity has been established through the completion of a NGB 2 form which contains

details of such punter from whom such winnings have been confiscated. For all winnings confiscated, banks and gambling establishments are required to complete the NGB 2 form and send it to the NGB to enable the NGB to approach the courts to confirm that such winnings are indeed illegal winnings so they can be forfeited to the state. If the confiscated winnings are declared by the courts not to be illegal winnings or if the unlawful winnings committee deems the amount not to be illegal gambling winnings, such winnings are refunded to the punter.

10. NCEMS service fees payable

	2025	2024
NCEMS service fees incurred but not yet paid	38 688 747	33 403 235

NCEMS service fees are recognised as current liabilities when they accrue to the NCMES operator.

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

11. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave provision	1 442 136	3 493 998	(3 194 799)	(147 036)	1 594 299

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave provision	1 379 595	3 232 820	(3 073 486)	(96 793)	1 442 136

Provision for leave pay is calculated at current salary rate multiplied by the number of available leave credits. The leave credits are expected to become payable when an employee ceases to become an employee of the NGB.

It is not known how many or when employees will leave the employ of the NGB, giving rise to uncertainty about the amount and timing of the expected outflows relating to the leave pay provision.

12. Limited payout machines (LPM) monitoring fees

	2025	2024 Restated*
Property, plant and equipment	232 011 671	236 384 452

In exchange for monitoring LPM activities, the NGB charges a monitoring fee which is collected from LPM operators by the NCEMS operator on behalf of the NGB. The NGB pays the NCEMS operators a fee for the services rendered.

13. Other income

	2025	2024 Restated*
Rental income	2 534 718	1 564 016
Miscellaneous income	5 046 567	-
	7 581 285	**1 564 016**

Future minimum lease payment under non-cancellable operating lease of office premises:

	2025	2024 Restated*
Within 1 year	192 250	1 219 347
2 to 5 years	-	245 667
	192 250	**1 465 014**

As at the end of the year, there were two lease agreements in place under 36 months lease agreements that were ceded to the NGB. Total monthly rental payments of approximately R93,317 are payable to the NGB, with annual escalation clauses of 5.5% and 8% for the two tenants, with an option to renew the agreements for a further period. No contingent rent is payable.

14. Employee related costs

	2025	2024 Restated*
Basic	37 980 989	35 213 525
UIF	67 455	69 985
Leave pay provision charge	212 866	116 960
Defined contribution plans	1 113 054	1 021 333
13th Cheques	2 549 704	2 595 032
Housing allowances	2 046 647	2 001 568
Other salary-related costs	119 650	139 204
	44 090 365	**41 157 607**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

15. Related parties

Relationships	Nature of relationships
The Department of Trade, Industry and Competition (**the dtic**)	Executive authority
Companies and Intellectual Property Commission (CIPC)	Schedule 3A public entity under common control
Companies Tribunal (CT)	Schedule 3A public entity under common control
National Credit Regulator (NCR)	Schedule 3A public entity under common control
National Consumer Tribunal (NCT)	Schedule 3A public entity under common control
National Consumer Commission (NCC)	Schedule 3A public entity under common control
South African National Accreditation System (SANAS)	Schedule 3A public entity under common control
National Metrology Institute of South Africa (NMISA)	Schedule 3A public entity under common control
National Regulator for Compulsory Specifications (NRCS)	Schedule 3A public entity under common control
National Empowerment Fund (NEF)	Schedule 3A public entity under common control
National Lotteries Commission (NLC)	Schedule 3A public entity under common control
Export Credit Insurance Corporation (ECIC)	Schedule 3A public entity under common control
South African Bureau of Standards (SABS)	Schedule 3A public entity under common control

Members of key management	Name of member
	Ms K Mackerduth
	Ms. C Kongwa
	Mr N Mashamaite
	Mr Shelton Pagiwa

Related party balances	2025	2024
Rental for a building leased to the Department of Trade, Industry and Competition	3 140	3 140

Executive and non-executive managers' remuneration

2025

	Emoluments	Allowances	Bonuses	Other benefits	Audit committees fees	Total
Chief Financial Officer: Ms K Mackerduth	2 499 205	51 492	654 023	84 061	-	3 288 781
Chief Strategic Officer: Ms. C Kongwa	2 877 400	55 092	752 993	97 586	-	3 783 071
Chief Compliance Officer: Mr N Mashamaite	2 143 458	51 492	395 715	73 280	-	2 663 945
Chief Technology Officer: Mr Shelton Pagiwa (Appointment date: 01 August 2024)	1 483 932	34 328	560 926	49 151	-	2 128 337
Ms GA Deiner (Audit Committee Chairperson)	-	-	-	-	57 995	57 995
Adv. L Thubakgale (Audit Committee member and Risk Management Committee Chairperson)	-	-	-	-	67 098	67 098
Mr M Dondolo (Audit Committee member)	-	-	-	-	29 339	29 339
Mr Z Myeza (Audit Committee member)	-	-	-	-	31 024	31 024
	9 003 995	**192 404**	**2 363 657**	**304 078**	**185 456**	**12 049 590**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

2024

	Emoluments	Allowances	Bonuses	Other benefits	Audit committees fees	Total
Chief Financial Officer: Ms K Mackerduth	2 327 714	51 492	443 646	75 535	-	2 898 387
Chief Strategic Officer: Ms. C Kongwa	2 753 394	55 092	510 781	89 018	-	3 408 285
Chief Compliance Officer: Mr N Mashamaite	2 061 017	51 492	380 495	67 219	-	2 560 223
Chief Technology Officer: Mr Shelton Pagiwa (Appointment date: 01 August 2024)	-	-	-	-	40 014	40 014
Ms GA Deiner (Audit Committee Chairperson)	-	-	-	-	51 756	51 756
Adv. L Thubakgale (Audit Committee member and Risk Management Committee Chairperson)	-	-	-	-	16 188	16 188
Mr M Dondolo (Audit Committee member)	-	-	-	-	21 584	21 584
Mr Z Myeza (Audit Committee member)						
	7 142 125	**158 076**	**1 334 922**	**231 772**	**129 542**	**8 996 437**

16. Operating lease expense

Current year

	2025	2024 Restated*
Premises	-	4 776 785
Photocopiers	146 681	146 681
	146 681	**4 923 466**

Future minimum lease payments under non-cancellable operating leases for photocopiers

	2025	2024 Restated*
Within 1 year	146 681	146 681

The NGB has contracted with Konica Minolta and Toshiba to rent three (3) and four (4) photocopiers respectively over a 36 month period. Monthly rentals of R8 574 and R3 650 are payable to Konica Minolta and Toshiba respectively, with no escalation clauses. No contingent rent is payable and the lease contracts are not renewable at the end of the lease period.

17. NCEMS service fees

	2025	2024 Restated*
Service fees paid to the NCEMS operator	193 110 939	196 794 977

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

18. General expenses

Advertising		564 019	1 144 959
Bank charges		52 236	109 985
Cleaning		527 464	350 690
Consulting and professional fees		13 639 187	9 426 082
Insurance		246 416	262 289
Conferences		-	312 435
Books and periodicals		-	2 873
Vehicle licenses		3 796	4 502
Fuel and oil		66 652	77 617
Printing costs		166 652	138 087
Stationery		48 937	93 006
Copying costs		100 126	67 917
Security costs		1 049 040	726 459
Software expenses		1 547 965	1 406 519
Refreshments		115 092	103 049
Subscriptions and membership fees		706 055	684 953
Telephone and fax		810 442	519 273
Office relocation costs		7 035	235 193
Training		710 834	573 758
Travel- local		705 000	650 686
Travel- overseas		-	3 212 285
Assets expensed		8 687	20 008
Electricity		2 229 211	1 126 635
Recruitment costs		185 778	506 317
Storage		48 083	60 421
Loss on disposal of assets		44 289	8 146
General maintenance		2 768 665	2 813 794
Foreign exchange losses		-	3 627
Temporary staff costs		478 175	415 787
		26 829 836	**25 057 352**

19. Cash generated from operations

Surplus (deficit)		1 918 296	(498 727)
Adjustments for:			
Depreciation and amortisation		2 092 453	1 864 479
Loss on disposal of assets		44 290	11 777
Movements in provisions		152 163	62 541
Changes in working capital:			
Inventories		(43 625)	(30 734)
Receivables from exchange transactions		(4 152 182)	(1 030 852)
Payables from exchange transactions		2 177 520	7 331 472
		2 188 915	**7 709 956**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

20. Commitments

Authorised capital expenditure

Already contracted for but not provided for			
Website development		123 510	361 560
Refurbishment of office premises		8 611 427	13 857 217
		8 734 937	**14 218 777**
Total capital commitments			
Already contracted for but not provided for		8 734 937	14 218 777

Authorised operational expenditure			
Already contracted for but not provided for			
Recruitment services		-	637 146
Printing of corporate documents		-	120 000
Internet and telephone services		716 312	1 176 622
Employee wellness services		612 808	755 877
Media monitoring services		77 509	185 601
Internal audit services		-	331 587
Security services		2 420 368	341 913
Off-site storage services		181 978	285 749
Vetting of recruits		21 586	21 586
Cleaning services		821 121	218 912
External audit services		2 408 583	850 071
ICT support services		-	698 245
Research services		4 474 709	4 498 956
Training		9 200	26 450
Maintenance- building		230 544	230 544
Probity on service providers		-	143 520
Translation services		-	163 863
ICT support and communiation services		-	620 499
Hosting of ICT servers		142 333	498 166
Sage 300 software upgrade		3 090 121	-
Cleaning equipment for EDP candidate		50 539	-
Caseware training		17 776	-
Internet connectivity services		1 658 028	-
Gardening services		181 500	-
Building maintenance		146 482	-
ICT support ans MS communication services		914 839	-
Maintenance and hosting of national registers		789 453	-
Internal audit services		1 204 371	-
Quality assurance services		851 775	-
		21 021 935	**11 805 307**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*
Total operational commitments			
Already contracted for but not provided for		21 021 935	11 805 307
Total commitments			
Total commitments			
Authorised capital expenditure		8 734 937	14 218 777
Authorised operational expenditure		21 021 935	11 805 307
		29 756 872	**26 024 084**

The committed operational and capital expenditure will be financed from retained cash surpluses.

21. Agent/Principal Arrangement

The NGB is required to establish a National Central Electronic Monitoring (NCEMS) capable of monitoring significant events relating to LPMs. To this end, the NGB appointed an NCEMS operator to establish and maintain a NCEMS. The NCEMS operator performs this function by connecting to each LPM throughout the country through the internet. LPM's are gambling machines found in pubs, clubs and taverns which resemble gambling machines in casinos except that they have a restricted prize as described in section 26 of the NGA. In exchange for monitoring LPM activities, the NGB charges a monitoring fee, which is collected from LPM operators by the NCEMS operator on behalf of the NGB. The NGB pays the NCEMS operator a fee for the services rendered. All resources required to establish and operate the NCEMS are provided by the NCEMS operator.

The NGB is a principal in the arrangement. Management has exercised reasonable care and judgement in discharging its responsibilities in ensuring that the prescripts of the applicable standards of GRAP apply to this arrangement.

The NGB has entered into a contract with the NCEMS operator for the supply, installation, commissioning, operation, management and maintenance of the NCEMS for LPMs in the Republic of South Africa and collection of related monitoring fees on behalf of the NGB for eight (8) years. The contract stipulates terms and conditions of services. Any subsequent changes will be agreed and documented by both parties in the form of an addendum to the existing agreement.

The agent-principal arrangement exists for purposes of rendering a monitoring service to the LPM industry (3rd party). Risks in relation to failure to monitor the industry has been passed on to the NCEMS operator in the form of a performance guarantee. The NCEMS operator has furnished the NGB with an irrevocable performance guarantee in the amount of R30 000 000 (Thirty Million Rand), issued by a financial service provider approved by the NGB.

In the event the contract is terminated, the NGB will undertake a procurement process to appoint a new NCEMS operator.

22. Change in estimate

Property, plant, equipment and intangible assets

The remaining useful lives of all assets were assessed during the year. A change in accounting estamate was made in relation to Computer Equipment and Office Furniture. The effect of the change in accounting estimate on the current year's results was an increase in the current year's surplus by R62 079. The effect of the change in accounting estimate on future financial periods will be a decrease in net surplus of R44 089, R17 596 and R394 for the 2025/26, 2026/27 and 2027/28 financial periods respectively.

23. Prior-year adjustments

Subsequent to the conclusion of the Annual Financial Statements for the period ended 31 March 2024, the entity received invoices from two services providers as well as a statement for another service provider indicating that invoices previously recoorded as payables had been reversed and no longer refletced on the service provider's statemen. This meant that the audited AFS for the period ended 31 March 2024 did not reflect the two invoices for local travel undertaken (R34 433), off-site storage (R55 688), publications costs (R2 873), as well as the travel-related invoices amounting to R778 750.04 that needed to be reversed from the balance payable to services providers. This resulting in the liabilities in the Statement of Financial Position and expenses in the Statement of Financial Position being overstated by a total amount of R685 756.

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
Payables from exchange transactions	9	16 603 742	(685 756)	15 917 986

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Restated
General expenses	18	25 743 108	(685 756)	25 057 352

24. Risk management Liquidity risk

Liquidity risk is the risk that the organisation may not be able to meet its financial obligations as they fall due. This risk is regarded as low considering the entity's current funding structures and management of available cash resources. The NGB monitors its cash flow requirements which include its ability to meet financial obligations. The NGB also analyses its financial liabilities based on the remaining period to contractual maturity. Liabilities fall due after 30 days.

	2025	2024
Other financial liabilities	49 718 764	44 262 010

The table below illustrates the NGB's Maturity Analysis for non-derivative financial liabilities:

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	49 718 764	-	-	-	49 718 764

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	44 262 010	-	-	-	44 262 010

The NGB manages liquidity risk through an on-going review of future commitments. Annual cash flow forecasts are prepared and monitored. The entity receives an annual grant and is, therefore, not exposed to liquidity risk.

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:

			2025	2024
Cash and Cash Equivalents-increase by 1%	-	-	632 948	690 570
Cash and Cash Equivalents-decrease by 1%	-	-	(632 648)	(690 570)

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

Credit risk and Market risk

Credit risk arises mainly from receivables and cash and cash equivalents.The NGB'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.

Exposure to Credit Risk

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

	2025	2024
Cash and cash equivalent	63 294 780	69 057 022
Other receivables	336 572	317 258
	63 631 352	**69 374 280**

Concentration of credit risk

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

	2025	2024
Cash and Cash equivalents (excluding petty cash)	63 294 780	69 057 022
Other receivables	336 572	317 258
	63 631 352	**69 374 280**

Financial instrument

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

	2025	2024
Cash and cash equivalents (excluding petty cash)	63 294 780	69 057 022
Receivables	336 572	317 258
Other financial liabilities	(49 718 764)	(44 262 010)
	13 912 588	**25 112 270**

Interest rate risk

The organisation is exposed to interest rate risk in respect of returns on investments with financial institutions. During the year under review the entity held no finance lease contracts.

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 the NGB does not hold significant finance leases with fluctuating interest rates.

Trade receivables	30 -60 days past due	61-90 past due	91-120 past due	more than 120 days past due	Total
2025	6 783	220 715	59 753	52 461	339 712
2024	189 647	-	-	-	189 647
	-	**-**	**-**	**-**	**-**

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

25. Unauthorised expenditure

There was no unauthorised expenditure during the year.

26. Fruitless and wasteful expenditure

There was no fruitless and wasteful expenditure during the year.

27. Irregular expenditure

There was no irregular expenditure during the year.

28. Going concern

During the financial period ended 31 March 2025, the entity reported a surplus of R1.9 million. A cash surplus of R29.8 million was reported as at 31 March 2025, which is indicative of sufficient retained earnings. The NGB's net assets of R85.1 million is indicative of the fact that there are more than sufficient assets to cover the entity's liabilities. The NGB is substantially dependent on the government for continued funding of its operations. The entity's five-year strategy, the annual performance plan and budget were approved by the Minister of Trade, Industry and Competition, which is indicative of a commitment to fund the NGB's operations for the next Medium Term Expenditure Framework (MTEF) period. The NGB's ability to continue as a going concern and meet its financial obligations remains intact, and is further strengthened by the additional revenue of R232 million earned from the NCEMS during the year under review, arising out of an eight (8) year contract with the NCEMS operator.

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.

29. Contingent liabilities

	2025	2024 Restated*
National Treasury- Cash surplus	29 756 872	36 962 877
Less: Commitments	(29 756 872)	(26 024 084)
	-	**10 938 793**

The entity annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits.

The entity submits requests to the National Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits.

The entity surrenders for re-depositing into the relevant Revenue Fund, all surpluses that were realised in a particular financial year –

a) which were not approved for retention by the relevant Treasury in terms of section 53(3) of the PFMA; or
b) where no application was made to the relevant Treasury to accumulate the surplus in terms of section 53(3) of the PFMA. The surpluses are surrendered for re-depositing into the relevant Revenue Fund by no later than 30 November of each year, as prescribed.

Failure by the entity to submit a surplus retention request to the relevant Treasury by 30 September each year will result in the entity having to surrender the surplus to the relevant Revenue Fund by 30 November, unless there has been a delay in the finalisation of the audit.

In the case of a delay in the finalisation of the audit –

a) a letter is sent to the relevant Treasury by the 30th September explaining the delay.
b) a surplus retention request is submitted to the relevant Treasury within 30 days of finalising the audit.

The cash surplus has been calculated using a formula prescribed by the National Treasury, through the National Treasury Instruction Note 12 of 2020/2021, as follows: Cash and cash equivalents at the end of the year, plus receivables, less current liabilities. Commitments have been taken into account to arrive at the contingent liability amount.

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

30. Explanation of variances

Variances which are equal to or more than R200 000 are explained below. Variances which are below R200 000 are considered immaterial and, therefore, not explained.

Limited payout machines (LPM) monitoring fees

The actual LPM monitoring fees accrued exceeded the budgeted amount due to the performance of the LPM industry which surpassed predictions.

Interest received

The budget for interest received was decreased to align the initial budget with subsequent actual financial performance which indicated that the actual interest received was less than that which was envisaged during budgeting.

Other income

The increase in the budget for other income was aimed at aligning budgeted rental revenue with actual revenue received during the year. The positive budget variance arose from credit notes received for travel-related invoices that were duplicated by a travel management company.

Depreciation and amortisation

A downward revision of the depreciation and amortisation budget was made due to the removal of depreciation associated with land which does not require depreciating.

Employee costs and Executive managers' remuneration

The increase in the budget for employee costs was made to align the budget with employee benefits provided for in the performance management policy. The positive variance on employee costs was due to vacancies that emanated from resignations during the year.

NCEMS service fees

The budget on NCEMS service fees was increased to align budgeted NCEMS service fees with actual expenditure. However, the final amount paid for NCEMS services exceeded the budget as the NCEMS operator collected more revenue for the NGB than envisaged, giving rise to a negative budget variance. It must be noted that the amount paid to the NCEMS operator is linked to the amount the NCEMS operator collects on behalf of the NGB.

General expenses

The positive budget variance on general expenses was due to unspent funds on software upgrades which were committed but not expended.

Property, plant and equipment

The budget for property, plant and equipment was reduced due to management's decision to prolong the replacement of a motor vehicle that had reach the end of its useful life.

31. Events after the reporting date

There is no subsequent event that has occured after the reporting period that will materially impact the entity.

32. Broad-Based Black Economic Empowerment (B-BBEE) Performance

In terms of section 13G(1) all spheres of government, public entities and organs of state must report on their compliance with the broad-based black economic empowerment in their audited annual financial statements and annual reports. During the financial period ended 31 March 2025, the NGB was measured for Broad-Based Black Economic Empowerment (B-BBEE) compliance in accordance with **the dtic** Codes of Good Practice, Gazette Number 38766 and 36928. The applicable scorecard used to determine the NGB's compliance with the B-BBEE Act, 2013 (Act 46 of 2013) was the Codes of Good Practice – Specialised Generic (Revised codes). The NGB was found to be a compliant contributor to the B-BBEE Act, 2013 as a level 8 contributor. The B-BBEE certificate is valid until 08 May 2026.

Notes to the Annual Financial Statements *(continued)*

Figures in Rand	Note(s)	2025	2024 Restated*

33. Information on payment of suppliers

Description	Number of invoices	Value
Valid invoices received	536	207 206 996
Invoices paid within 30 days or agreed period	536	207 206 996
	-	-

All invoices were paid within 30 days of receipt of invoices. This was made possible by the fact that the entity makes payments on the 15th of the month and at the end of the month.

34. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract
Annual iQual software license	Predicate Logistics (Pty) Ltd	Sole service provider	None	88 797
Printing of PAIA manual	Government Printing Works	Sole service provider	None	11 097
Procurement of E-Views software package	Quantec		None	55 143
Subcription to Regional eXplorer	IHS Information and Insight (Pty) Ltd	Sole service provider	None	171 983
ICT system support services	4Sight Systems (Pty) Ltd	Sole service provider	None	4 313
Annual jurisdictional membership fee	International Association of Gaming Regulators (IAGR)	Sole service provider	None	16 048
ICT system support services	4Sight (Pty) Ltd	Sole service provider	None	4 313
Annual Caseware software license	Adapt IT (Pty) Ltd	Sole service provider	None	118 416
Sage 300 software licence	4Sight (Pty) Ltd	Sole service provider	None	82 179
Subscription to VIXIO Gambling Compliance portal	VIXIO Regulatory Intelligence	Sole service provider	None	779 012
Cleaning of flooded office	Sheshisa Business Enterprise (Pty) Ltd	Emergency	None	28 700
Renewal of post box	SA Post Office	Sole service provider	None	2 670
Sage VIP software license	Sage South Africa (Pty) Ltd	Sole service provider	None	36 350
Training on Caseware	Adapt IT (Pty) Ltd	Sole service provider	None	17 776
Roof leak repair	Eleanor Relocation and Removals (Pty) Ltd	Emergency	None	16 150
Sage 300 upgrade	4Sight Systems (Pty) Ltd	Sole service provider	None	3 090 121
Training on Sage Payroll	Sage South Africa (Pty) Ltd	Sole service provider	None	9 200
				4 532 268

35. Appointment through contract variations

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of contract variation
Office refurbishment	Afroteq Advisory (Pty) Ltd	Variation	None	14 498 970	4 999 936

NOTES:

PROBLEM GAMBLING IS TREATABLE
GAMBLE RESPONSIBLY

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