

# Presentation to the Parliamentary Portfolio Committee 15 March 2023



## Q2 and Q3 2022/23 Financial and Non-Financial Performance Reports



**Overview of the NLC**



**Quarter 2 Performance**



**Quarter 3 Performance**



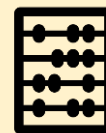
**Other matters**

# The NLC's mandate rests on three areas



## **REGULATE**

the National Lottery, other lotteries, and sports pools.



## **PROMOTE KNOWLEDGE & AWARENESS**

by developing & implementing educational & informational measures to educate the public about lotteries



## **DISTRIBUTE**

a portion of the revenue from the National Lottery and sports pools to good causes through the National Lottery Distribution Trust Fund (NLDTF).

# The NLC's unique role



## Sole regulator

- ✓ Sole regulator for lotteries and sports pools in South Africa



## Largest grant funder

- ✓ Over R1,2 billion (2021-22FY) allocated to beneficiaries across the country, the NLC is the largest grant funder in SA.



## Catalyst for social upliftment

- ✓ Driven by the vision of social upliftment – anchored in the NDP, UN SDGs and AU Vision.



a member of the dtic group

# QUARTER 2 PERFORMANCE

# QUARTER 2 2022/23 PERFORMANCE DASHBOARD

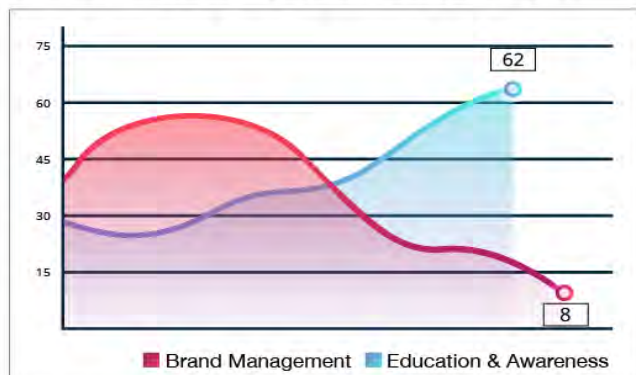
9596 applications received thus far. This represents a 22% increase in applications when compared to the same period, last year.

## FINANCE:

**R 391.7 million**

was paid to a total number of 1766 beneficiaries

## STAKEHOLDER RELATIONS, MARKETING & COMMUNICATIONS



Brand Management 8: Brand Reputation Activities Conducted  
62 Education & Awareness Sessions Conducted

## REGULATORY COMPLIANCE:



58 illegal lotteries were investigated and closed



Twenty-nine (29) draw inspections were conducted on all draw-based games

## CORPORATE PERFORMANCE:



**93%**  
Achieved On  
All Targets

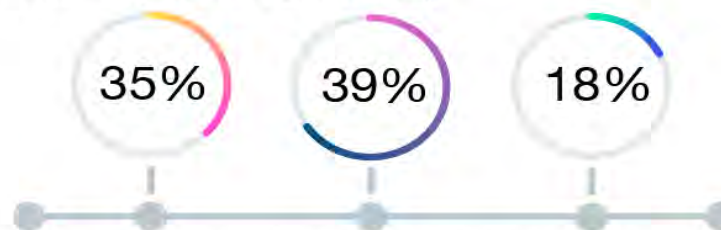
## MONITORING & EVALUATION

A total of **686** projects were monitored in Q2 against the predetermined quarterly target of 600.

## INTERNAL AUDIT

**16** Planned Audits Completed

## LEGAL: (INVESTIGATIONS):



Grant Funding: There were 52 (fifty-two) cases reported for investigation during the quarter under review.

The highest number of reported fraudulent conducts were observed in the Arts, Culture and National Heritage at 35%, the Charities Sectors at 39% with the Sports and Recreation sector at 18%.

## FINANCE:

### BEE PROMOTION

Total procurement for FY 2022/23 amounted to

**48 MILLION**

Ownership by black people: - **R35 million**

Ownership by youth: - **R6.7 million**

Ownership by black women: - **R6.7 million**

## PROVINCIAL OFFICES:

**Eastern Cape:** The province processed 709 walk-ins, mainly inquiring about the application process and Ithuba/Lotto.

**Free State:** 460 walk-ins in the second quarter.

**Gauteng:** 551 walk-ins in the quarter.

**KwaZulu-Natal:** Processed all applications received during quarter 2.

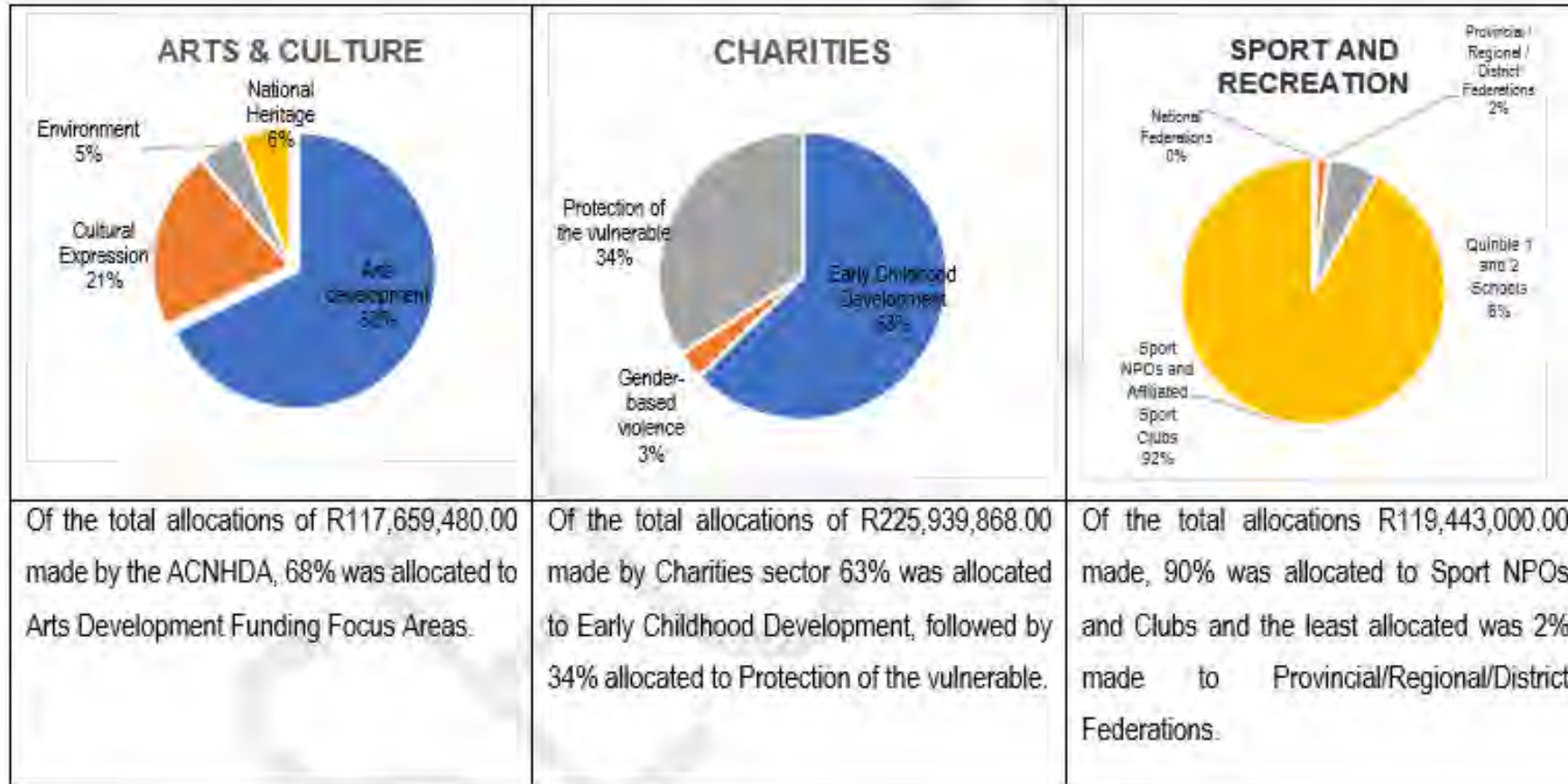
**Limpopo:** 929 walk-ins were recorded in the provincial office.

**Northern Cape:** 71 walk-ins in the second quarter.

**North West:** 766 walk-ins recorded in the provincial office.

**Western Cape:** 473 walk-ins recorded in the provincial office.

# GRANT FUNDING



By the end of the quarter, 3511 applications were adjudicated with 1907 being confirmed funding.

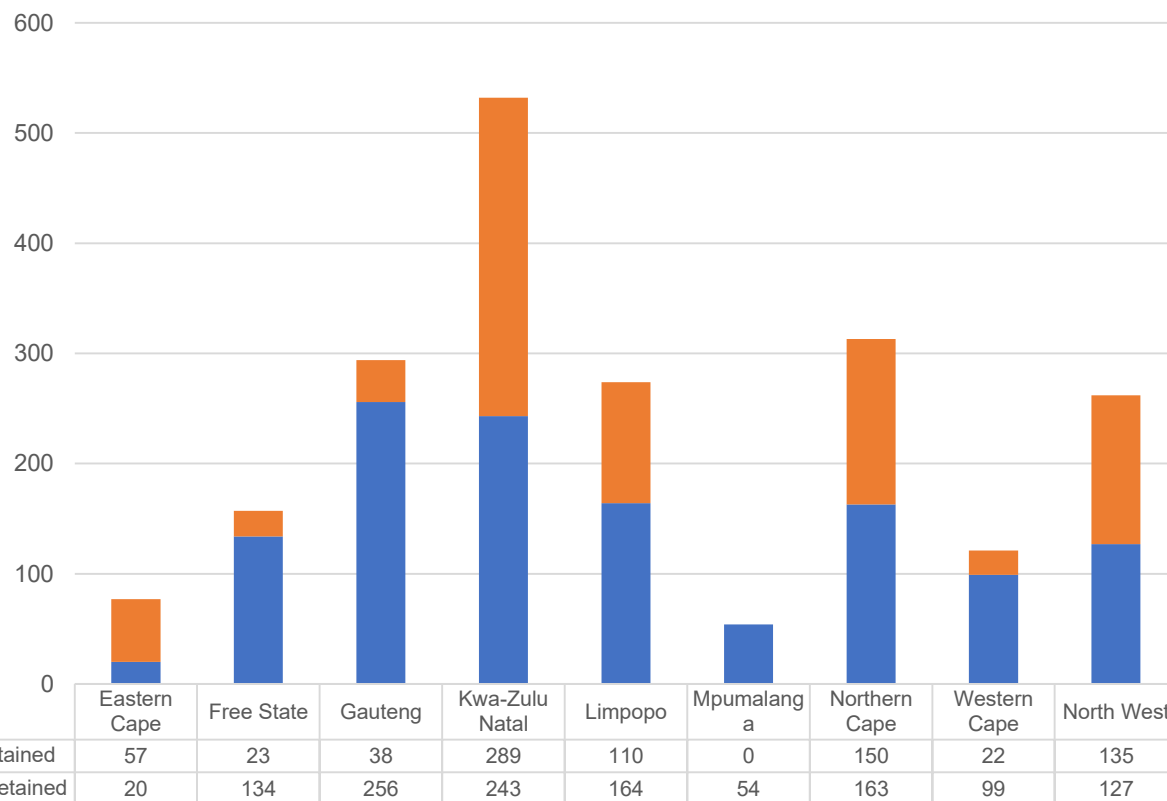
# MONITORING AND EVALUATION

| Province       | Arts       | Charities  | Misc      | Sport      | Total      |
|----------------|------------|------------|-----------|------------|------------|
| Eastern Cape   | 20         | 62         | 0         | 16         | <b>98</b>  |
| Free State     | 24         | 14         | 0         | 12         | <b>50</b>  |
| Gauteng        | 29         | 32         | 3         | 26         | <b>90</b>  |
| Kwa-Zulu Natal | 18         | 40         | 4         | 25         | <b>87</b>  |
| Limpopo        | 17         | 41         | 1         | 34         | <b>93</b>  |
| Mpumalanga     | 26         | 11         | 1         | 50         | <b>88</b>  |
| Northern Cape  | 18         | 24         | 0         | 7          | <b>49</b>  |
| North-West     | 16         | 23         | 1         | 24         | <b>64</b>  |
| Western Cape   | 7          | 27         | 1         | 32         | <b>67</b>  |
| <b>Total</b>   | <b>175</b> | <b>274</b> | <b>11</b> | <b>226</b> | <b>686</b> |



A total of 686 projects were monitored in Q2 against the predetermined quarterly target of 600. The project monitoring was conducted using both telephonic / virtual monitoring as well as physical site visits. The table shows the project monitoring sessions conducted per province and sector for Q2. The Charities sector is at 40%, followed by the Sport and Recreation sector at 33%, Arts and Culture at 25%, and 2% for Miscellaneous.

# M&E JOBS CREATED



A total of 2 084 jobs were created or retained in Q2.

A total of 1 376 (66%) jobs were created for women and 708 (34%) for men.

Kwa-Zulu Natal Province provided the highest number of jobs (532) while Mpumalanga province recorded the lowest (54).


# PERFORMANCE AGAINST THE APP QUARTER 2 2022/23

| OUTCOME  | OUTPUTS   | OUTPUT INDICATORS   | QUARTER 2 2022/23 MILESTONES                    | ACHIEVED / NOT ACHIEVED  | REASONS FOR VARIANCE   |
|--|---|---|---|--|--|
| A professional and sustainable organization  | Optimal performance and effective adaptation of employees | 1.1 The Future Fit People Strategy is implemented   | Implement the framework and communications plan | ACHIEVED<br><br>The project was executed in 4 provinces and the leading change sessions were rolled out to communicate <b>NLC's</b> FFPS communication plan. |  |
|  | Protect and Strengthen the NLC Brand                      | 1.2 The NLC Brand Management Plan is implemented  | Implement the brand management plan             | ACHIEVED<br><br>8 interventions were undertaken in Q2 to positively showcase the NLC Brand.  |  |
|  | Strategic Partnerships at national and provincial level   | 1.3 Identify, develop and implement Strategic partnerships with key stakeholders at provincial and national level | Implement the action plan                       | ACHIEVED<br><br>Key strategic partners were identified provincially for <b>MOU's drafting.</b>   |  |
| Innovative and agile frameworks, systems and standards that are globally competitive | Optimise returns to good causes                           | 2.1 Percentage disbursement of grants as per GNR644, 6(c)(iv)   | 90% of grants disbursed                         | ACHIEVED<br><br>98% of grants were disbursed.  | <i>The overachievement is due to having received a higher number of compliant Grant Agreements than anticipated.</i> |


# PERFORMANCE AGAINST THE APP QUARTER 2 2022/23

| OUTCOME  | OUTPUTS  | OUTPUT INDICATORS   | QUARTER 2 2022/23 MILESTONES                     | ACHIEVED / NOT ACHIEVED   | REASONS FOR VARIANCE   |
|--|--|---|--|---|--|
| Innovative and agile frameworks, systems and standards that are globally competitive | Promoting transformation in the economy to enable greater inclusion and growth | 2.2 Number of Enterprise Supplier Development (ESD) Programs implemented nationally | Selection of suppliers                           | NOT ACHIEVED<br><br>Suppliers were not selected for GP and WC as they did not meet the minimum points required. | SCM will re-issue the call for ESD in the 2 provinces and accelerate the process in Q3 |
|  | Driving digital transformation   | 2.3 Formulate the organisational digital transformation strategy                    | Appoint the service provider                     | ACHIEVED<br><br>The service provider was appointed.   |  |
| Safe and sustainable lotteries and sports pools                                      | Fair and safe national lottery   | 3.1 The National Lottery monitoring matrix implemented                              | Implement the National Lottery Monitoring Matrix | ACHIEVED<br><br>The National Lottery Monitoring Matrix was implemented.   |  |
|  | Fair and safe sports pools   | 3.2 The Sports Pool monitoring matrix implemented                                   | Implement the Sports Pool Monitoring Matrix      | ACHIEVED<br><br>The Sports Pool Monitoring Matrix was implemented.  |  |

# PERFORMANCE AGAINST THE APP QUARTER 2 2022/23

| OUTCOME  | OUTPUTS  | OUTPUT INDICATORS  | QUARTER 2 2022/23 MILESTONES   | ACHIEVED / NOT ACHIEVED  | REASONS FOR VARIANCE   |
|--|--|--|--|--|--|
|  | Enhanced Regulatory Activities                                       | 3.3 Number of regulatory activities decentralised to provinces           | Identification of relevant role-players and conduct training                 | ACHIEVED<br><br>Assistant Managers in Provinces were identified as officials responsible for education and awareness. Training was provided on the participants protection and society lotteries public awareness. | <br>The overachievement is due to a proactive approach from the Regulatory Compliance Team in anticipation of a new covid wave. |
|  | Retailer Inspections to ensure the integrity of the National Lottery | 3.4 Number of retailer inspections conducted nationally                  | 200 retailer inspections conducted   | ACHIEVED<br><br>265 retailer inspections were conducted.   |  |
|  | Protecting the interests and preventing harm to participants         | 3.5 Percentage investigations on reported and identified lottery schemes | Conduct investigations on 85% of all identified and reported lottery schemes | ACHIEVED<br><br>85% of all identified and reported lottery schemes were investigated.  |  |
| A sustainable and impactful civil society sector | Regulation 3A(1)(a)  | 4.1 Percentage of applications adjudicated within 150 days               | 90% of applications adjudicated within 150 days                              | ACHIEVED<br><br>99% of applications were adjudicated within 150 days.  |  |

# PERFORMANCE AGAINST THE APP QUARTER 2 2022/23

| OUTCOME  | OUTPUTS   | OUTPUT INDICATORS   | QUARTER 2 2022/23 MILESTONES                                      | ACHIEVED / NOT ACHIEVED   | REASONS FOR VARIANCE   |
|--|---|---|---|---|--|
| A sustainable and impactful civil society sector | Funding aligned to the developmental needs of South Africa  | 4.2 A minimum of 10% allocated to projects located in the districts of the District Development Model (DDM) | 10% of funding allocated to projects located in the DDM districts | ACHIEVED<br><br>In the period under review a total amount of R303 023 205 was contributed to the projects and programs that seek to develop the various districts in the country. | <br>NATIONAL LOTTERIES COMMISSION<br>a member of the dtic group               |
|  | Monitoring and Evaluation of the projects we fund           | 4.3 2000 Monitoring reports completed   | Complete 600 monitoring reports                                   | ACHIEVED<br><br>686 monitoring reports were completed.  | <i>Overachievement is due to higher Pre site visits requests from the DAs, which are not planned but given priority to address the 150 days turnaround time.</i> |
|  | Investing in the sustainability of NLC funded organisations | 4.4 Number of capacity building programs implemented nationally   | Implement 1 capacity building program                             | ACHIEVED<br><br>The program was implemented in KZN.   |  |

# SUMMARY OF Q2 2022/23 PERFORMANCE



|                                |    |      |
|--------------------------------|----|------|
| Number of targets in the APP   | 15 | 100% |
| Number of targets NOT ACHIEVED | 1  | 7%   |
| Number of targets ACHIEVED     | 14 | 93%  |

NLC Q2 Organisational Performance = 93%

# Q2 FINANCIAL PERFORMANCE

# SALIENT INFORMATION

|   | Audited<br>(2021/22)<br><b>(R'000)</b> | Annual<br>Target<br><b>(R'000)</b> | Q1<br><b>(R'000)</b> | Q2<br><b>(R'000)</b> | YTD<br><b>(R'000)</b> |
|---|--|------------------------------------|----------------------|----------------------|-----------------------|
| Lottery Ticket Sales (incl. VAT)              | 7 127 066                              | 7 018 697                          | 1 715 615            | 1 802 572            | 3 518 187             |
| Share of ticket sales                         | 1 641 380                              | 1 613 456                          | 380 419              | 441 016              | 821 435               |
| Lottery fees and Societies                    | 96                                     | 80                                 | 15                   | 20                   | 35                    |
| Grant Allocations                             | 1 172 631                              | 1 239 115                          | 151 085              | 350 147              | 501 232               |
| Cash Disbursements                            | 1 490 721                              | N/A                                | 116 792              | 274 866              | 391 658               |
| Turnaround times for 1 <sup>st</sup> tranches | 35 days                                | 60 days                            | 29 days              | 24 days              | 27 days               |

# STATEMENT OF FINANCIAL PERFORMANCE



|  | Year to Date   |                | Variance | Reasons  |
|--|----------------|----------------|----------|--|
|  | Budget         | Actual         |          |  |
| Revenue from non-exchange transactions | 825 753        | 928 449        | 12%      | The over performance is in share of ticket sales is because of big jackpots that rolled over during the period                                     |
| Revenue from share of ticket sales     | 739 051        | 821 435        | 11%      |  |
| Unclaimed and unexpired prize money    | 70 000         | 95 056         | 36%      | The over performance in unclaimed and expired funds is because of a large number of unclaimed prizes which expired during the period               |
| Interest from the Participants Trust   | 5 452          | 2 350          | 57%      | This line item was over-budgeted, future budget will consider interest received in the past two years.   |
| Withdrawals                            | 10 000         | 8 247          | 18%      | Less projects were withdrawn than anticipated, analysis is being conducted on the projects that were allocated in 2021 financial and not yet paid. |
| Licence Fees                           | 1 250          | 1 361          | 9%       | Variance due to the extension of the Lottery Licence by further two years  |
| RFP Lottery Fee - Application Fee      | -              | -              |          |  |
| Revenue from exchange transactions     | 39 548         | 52 373         | 32%      | Variance due to rate hikes by SARB.  |
| Interest income                        | 37 508         | 48 233         | 29%      |  |
| Lottery fees and Societies             | 40             | 35             | 12%      | A beneficiary wrote to NLC to return R3 million that was paid.   |
| Sundry Income                          | 2 000          | 4 105          | 105%     |  |
| <b>Total Revenue</b>                   | <b>865 301</b> | <b>980 822</b> |          |  |

# STATEMENT OF FINANCIAL PERFORMANCE



|                       | Year to Date |           | Variance | Reasons   |
|-----------------------|--------------|-----------|----------|---|
|                       | Budget       | Actual    |          |   |
| Expenses              | (913 850)    | (746 559) | 18%      | Charities commenced late with allocations due to expiry of contracts of the Das.  |
| Net Grants Allocated  | (619 557)    | (499 472) | 19%      |   |
| Employee Costs        | (159 463)    | (145 072) | 9%       | The variance is as result of salary increases being implemented once off in the current financial year on the basic salary instead of the package as budgeted for. Furthermore, there are 22 vacant positions that have been budgeted for which have not yet been filled and the charities DA contracts were not renewed and were included in the budget. |
| Goods and service     | (134 829)    | (102 015) | 24%      |   |
| Net Surplus/(Deficit) | -48 549      | 234 263   |          |   |



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# QUARTER 3 PERFORMANCE

# Q3 PERFORMANCE DASHBOARD 2022/23



The NLC allocated over R700 million across all sectors in the third quarter

93% Organisational Performance Achieved

## INVESTIGATIONS

|   |  |
|---|--|
| 56<br>(fifty-six) incidents reported for investigation during the quarter | Allegations of misuse of funds at<br><b>34% (19)</b> |
| Fraudulent applications at<br><b>16% (9)</b>                              | Other<br><b>25%</b>                                  |

## REGULATORY COMPLIANCE

|  |   |   |
|--|---|---|
| <br><b>24</b><br>illegal lotteries were investigated and closed | <br>Twenty <b>(20)</b> draw inspections were conducted on all draw-based games (i.e. Powerball, Lotto, and Sportstake games) | <br><b>151</b><br>National Lottery retail outlets were inspected for the period to verify compliance |
|--|---|---|





## MONITORING AND EVALUATION

**551** projects monitoring was undertaken against a target of **400** for the quarter

Job creation at NLC is measured through organisations that have been funded for salaries as well as stipends under approved items. A new job is created, or an existing job is retained, when salaries and stipends are funded.

**1,219** jobs were created or retained in NLC funded projects for Q3

## SOCIAL MEDIA PLATFORMS

|  |   |
|--|---|
| <br>Followers<br><b>21,880</b>            | <br>Overall number of impressions for NLC Tweets<br><b>8,214</b> |
| <br>Timelines Reached:<br><b>42,925</b> | <br>Profile Visits:<br><b>5,205</b>                            |

## CORPORATE PERFORMANCE

Digital Transformation Strategy:  
In Progress

## ICT

Conducted **3** Awareness Sessions:  
Targeted SMS Training conducted for CLOs

## FINANCE

As at 31 December 2022

**R 530.6 Million**

was paid to a total number of  
**2 269** beneficiaries

## LEGAL

- Achieved **83.33%** AOP Targets
- Conducted 6 education & awareness sessions
- **91%** of requests for legal information/legal advice and legal advisory exceeded the target by **6%**

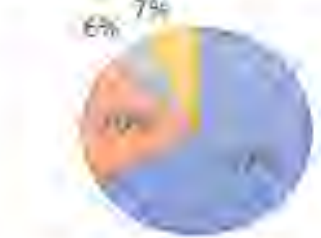

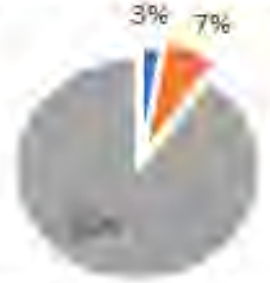
## STAKEHOLDER MANAGEMENT, MARKETING & COMMS:

**30** education and awareness sessions were conducted  
Contact Centre: contactcentre handled **22138** enquiries during third quarter, including **4967** e-mails.

## PROVINCES



# GRANT FUNDING – Q3

|  |  |   |
|--|--|---|
| <p><b>Arts, Culture and National Heritage</b></p>  <ul style="list-style-type: none"> <li>Arts development</li> <li>Cultural expressions</li> <li>Environment</li> <li>National Heritage</li> </ul> | <p><b>Charities</b></p>  <ul style="list-style-type: none"> <li>Early Childhood Development</li> <li>Gender-based violence</li> <li>Protection of the vulnerable</li> </ul> | <p><b>Sport and Recreation</b></p>  <ul style="list-style-type: none"> <li>National/Provincial / Regional / District Federations</li> <li>Quintile 1 and 2 Schools</li> <li>Sport NPOs and Affiliated Sport Clubs</li> </ul> |
| <p>Of the total allocations of R171 834 614.00 made by the ACNHDA, 67% was allocated to Arts Development Funding Focus Areas.</p>  | <p>Of the total allocations of R369 171 209.00 made by Charities sector 58% was allocated to Early Childhood Development, followed by 37% allocated to Protection of the vulnerable.</p>   | <p>Of the total allocations R145 635 000.00 made, 90% was allocated to Sport NPOs and Clubs and the least allocated was 3% made to National/Provincial/Regional/District Federations.</p>   |

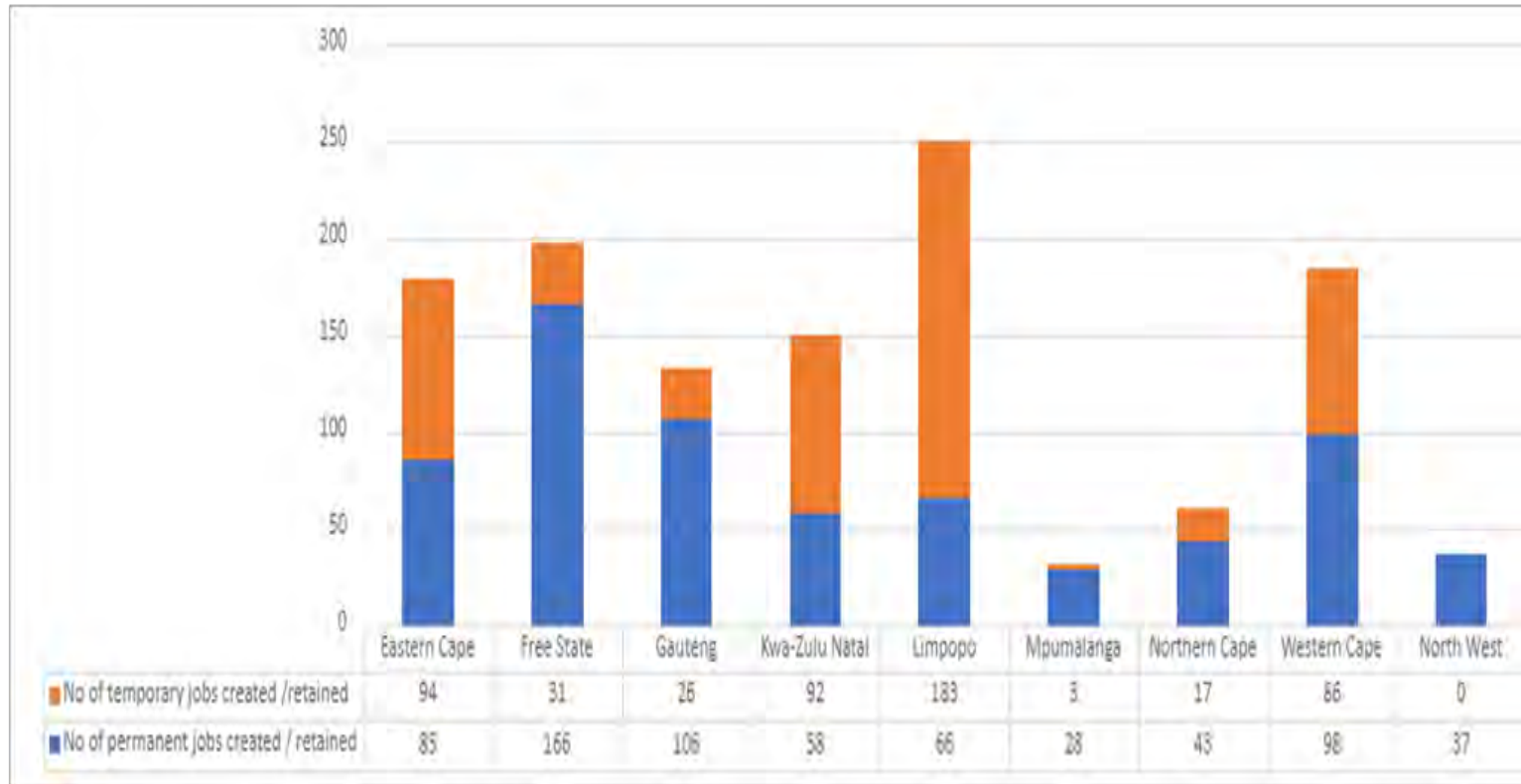
# MONITORING AND EVALUATION – Q3

| Province       | Arts | Charities | Miscellaneous | Sport | Total |
|----------------|------|-----------|---------------|-------|-------|
| Eastern Cape   | 9    | 41        | 0             | 18    | 68    |
| Free State     | 12   | 18        | 0             | 8     | 38    |
| Gauteng        | 21   | 41        | 0             | 20    | 82    |
| Kwa-Zulu Natal | 19   | 18        | 2             | 15    | 54    |
| Limpopo        | 14   | 50        | 4             | 28    | 96    |
| Mpumalanga     | 40   | 20        | 1             | 19    | 80    |
| North West     | 14   | 12        | 0             | 15    | 41    |
| Northern Cape  | 7    | 25        | 0             | 9     | 41    |
| Western Cape   | 16   | 16        | 0             | 19    | 51    |
| Total          | 152  | 241       | 7             | 151   | 551   |

For the Quarter under review a total of 551 projects monitoring was undertaken against a target of 400 for the quarter. This comprised of 228 project monitoring sessions completed in October, 221 in November, and a further 102 in December. All project monitoring was conducted using physical site visits.


The table shows the project monitoring sessions conducted per Province and per Sector for Q3. The Charities sector is at 44%, followed by the Arts and Culture sector at 28%, Sport and Recreation sector at 27%, and 1% for Miscellaneous.

# M&E JOBS CREATED – Q3



A total of 1,219 jobs were created or retained in NLC funded projects for Q3. The Figure shows the job per category and province. A total of 782 (64%) jobs were created for women and 437 (36%) for men. Limpopo Province provided the highest number of jobs (249) while Mpumalanga province recorded the lowest (31).


# PERFORMANCE AGAINST THE APP QUARTER 3 2022/23

| OUTCOME  | OUTPUTS   | OUTPUT INDICATORS   | QUARTER 3 2022/23 MILESTONES                    | ACHIEVED / NOT ACHIEVED   | REASONS FOR VARIANCE   |
|--|---|---|---|---|--|
| A professional and sustainable organization  | Optimal performance and effective adaptation of employees | 1.1 The Future Fit People Strategy is implemented   | Implement the framework and communications plan | ACHIEVED<br>During the 3rd quarter, a work study was conducted with Regulatory Compliance Division. A FFPS implementation report was compiled.  | <br>NATIONAL LOTTERIES COMMISSION<br>a member of the dtic group |
|  | Protect and Strengthen the NLC Brand                      | 1.2 The NLC Brand Management Plan is implemented  | Implement the brand management plan             | ACHIEVED<br>Monitoring of brand compliance for external stakeholders implemented.<br>Brand compliance presentation for grantees in KwaZulu-Natal, Free State, Northern Cape, North West, Eastern Cape, and Limpopo.<br>Brand Audit on compliance of funded infrastructure projects implemented in Gauteng, Eastern Cape, Northern Cape, and Free State in collaboration with Monitoring and Evaluation (BDD). |  |
|  | Strategic Partnerships at national and provincial level   | 1.3 Identify, develop and implement Strategic partnerships with key stakeholders at provincial and national level | Implement the action plan                       | ACHIEVED<br><b>MOU's have been finalised.</b>   |  |
| Innovative and agile frameworks, systems and standards that are globally competitive | Optimise returns to good causes                           | 2.1 Percentage disbursement of grants as per GNR644, 6(c)(iv)   | 90% of grants disbursed                         | ACHIEVED<br>98% of grants were disbursed.   | The overachievement is due to having received a higher number of compliant Grant Agreements than anticipated.                                      |


# PERFORMANCE AGAINST THE APP QUARTER 3 2022/23

| OUTCOME  | OUTPUTS  | OUTPUT INDICATORS   | QUARTER 3 2022/23 MILESTONES                      | ACHIEVED / NOT ACHIEVED   | REASONS FOR VARIANCE   |
|--|--|---|---|---|--|
| Innovative and agile frameworks, systems and standards that are globally competitive | Promoting transformation in the economy to enable greater inclusion and growth | 2.2 Number of Enterprise Supplier Development (ESD) Programs implemented nationally | Implement ESD program                             | <p><b>NOT ACHIEVED</b></p> <p>The NLC re-advertised in Quarter 3, however during the compliance assessment of the ESD Applicants, it was discovered that there was an oversight ito 1 missing SCM Document (POPIA Form) to be completed &amp; returned by the ESD. Legal Opinion enquiry was lodged for legal guidance on whether the NLC should issue the POPIA Form to the responsive ESD Applicants.</p> | The achievement of the target has now been deferred to Quarter 4 |
|  | Driving digital transformation   | 2.3 Formulate the organisational digital transformation strategy                    | Map new divisional experiences and business model | <p>ACHIEVED</p> <p>The GF Model was reviewed and presented to the Board</p>   |  |
| Safe and sustainable lotteries and sports pools                                      | Fair and safe national lottery   | 3.1 The National Lottery monitoring matrix implemented                              | Implement the National Lottery Monitoring Matrix  | <p>ACHIEVED</p> <p>The National Lottery Monitoring Matrix was implemented.</p>  |  |
|  | Fair and safe sports pools   | 3.2 The Sports Pool monitoring matrix implemented                                   | Implement the Sports Pool Monitoring Matrix       | <p>ACHIEVED</p> <p>The Sports Pool Monitoring Matrix was implemented.</p>   | 25   |

# PERFORMANCE AGAINST THE APP QUARTER 3 2022/23

| OUTCOME  | OUTPUTS  | OUTPUT INDICATORS  | QUARTER 3 2022/23 MILESTONES   | ACHIEVED / NOT ACHIEVED   | REASONS FOR VARIANCE  |
|--|--|--|--|---|---|
|  | Enhanced Regulatory Activities                                       | 3.3 Number of regulatory activities decentralised to provinces           | Conduct training   | ACHIEVED<br><br>Assistant Managers in Provinces were trained to enable them to effectively implement the decentralised activities in provinces. |  |
|  | Retailer Inspections to ensure the integrity of the National Lottery | 3.4 Number of retailer inspections conducted nationally                  | 150 retailer inspections conducted   | ACHIEVED<br><br>151 retailer inspections were conducted.  |   |
|  | Protecting the interests and preventing harm to participants         | 3.5 Percentage investigations on reported and identified lottery schemes | Conduct investigations on 95% of all identified and reported lottery schemes | ACHIEVED<br><br>95% of all identified and reported lottery schemes were investigated.   |   |
| A sustainable and impactful civil society sector | Regulation 3A(1)(a)  | 4.1 Percentage of applications adjudicated within 150 days               | 90% of applications adjudicated within 150 days                              | ACHIEVED<br><br>93% of applications were adjudicated within 150 days.   |   |

# PERFORMANCE AGAINST THE APP QUARTER 3 2022/23

| OUTCOME  | OUTPUTS   | OUTPUT INDICATORS   | QUARTER 3 2022/23 MILESTONES                                      | ACHIEVED / NOT ACHIEVED   | REASONS FOR VARIANCE  |
|--|---|---|---|---|---|
| A sustainable and impactful civil society sector | Funding aligned to the developmental needs of South Africa  | 4.2 A minimum of 10% allocated to projects located in the districts of the District Development Model (DDM) | 10% of funding allocated to projects located in the DDM districts | ACHIEVED<br><br>For the period under review a total amount of R158 932 169 was contributed to the projects and programs that seek to develop the various districts in the country |  |
|  | Monitoring and Evaluation of the projects we fund           | 4.3 2000 Monitoring reports completed   | Complete 400 monitoring reports                                   | ACHIEVED<br><br>551 monitoring reports were completed.  |   |
|  | Investing in the sustainability of NLC funded organisations | 4.4 Number of capacity building programs implemented nationally   | Implement 1 capacity building program                             | ACHIEVED<br><br>The program was implemented in NC.  |   |

# SUMMARY OF Q3 2022/23 PERFORMANCE



|                                |    |      |
|--------------------------------|----|------|
| Number of targets in the APP   | 15 | 100% |
| Number of targets NOT ACHIEVED | 1  | 7%   |
| Number of targets ACHIEVED     | 14 | 93%  |

NLC Q3 Organisational Performance = 93%

# Q3 FINANCIAL PERFORMANCE

# FINANCIAL ALLOCATION

|   | Audited<br>(2021/22)<br><b>(R'000)</b> | Annual<br>Target<br><b>(R'000)</b> | Q1<br><b>(R'000)</b> | Q2<br><b>(R'000)</b> | Q3<br><b>(R'000)</b> | YTD<br><b>(R'000)</b> |
|---|--|------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Lottery Ticket Sales (incl. VAT)              | 7 127 066                              | 7 018 697                          | 1 715 615            | 1 802 572            | 2 022 474            | 5 540 661             |
| Share of ticket sales                         | 1 641 380                              | 1 613 456                          | 380 419              | 441 016              | 441 509              | 1 262 944             |
| Lottery fees and Societies                    | 96                                     | 80                                 | 18                   | 21                   | 16                   | 55                    |
| Grant Allocations                             | 1 172 631                              | 1 239 115                          | 151 876              | 349 868              | 382 132              | 732 000               |
| Cash Disbursements                            | 1 490 721                              | N/A                                | 116 792              | 274 866              | 138 931              | 530 589               |
| Turnaround times for 1 <sup>st</sup> tranches | 35 days                                | 60 days                            | 29 days              | 24 days              | 21 days              | 26 days               |

# STATEMENT OF FINANCIAL PERFORMANCE



|  | Year to Date   |                | Variance | Reasons  |
|--|----------------|----------------|----------|--|
|  | Budget         | Actual         |          |  |
| Revenue from non-exchange transactions | 825 753        | 928 449        | 12%      | The over performance is in share of ticket sales is because of big jackpots that rolled over during the period                                     |
| Revenue from share of ticket sales     | 739 051        | 821 435        | 11%      |  |
| Unclaimed and unexpired prize money    | 70 000         | 95 056         | 36%      | The over performance in unclaimed and expired funds is because of a large number of unclaimed prizes which expired during the period               |
| Interest from the Participants Trust   | 5 452          | 2 350          | 57%      | This line item was over-budgeted, future budget will consider interest received in the past two years.   |
| Withdrawals                            | 10 000         | 8 247          | 18%      | Less projects were withdrawn than anticipated, analysis is being conducted on the projects that were allocated in 2021 financial and not yet paid. |
| Licence Fees                           | 1 250          | 1 361          | 9%       | Variance due to the extension of the Lottery Licence by further two years  |
| RFP Lottery Fee - Application Fee      | -              | -              |          |  |
| Revenue from exchange transactions     | 39 548         | 52 373         | 32%      | Variance due to rate hikes by SARB.  |
| Interest income                        | 37 508         | 48 233         | 29%      |  |
| Lottery fees and Societies             | 40             | 35             | 12%      | A beneficiary wrote to NLC to return R3 million that was paid.   |
| Sundry Income                          | 2 000          | 4 105          | 105%     |  |
| <b>Total Revenue</b>                   | <b>865 301</b> | <b>980 822</b> |          |  |

# STATEMENT OF FINANCIAL PERFORMANCE

Year to Date

Budget Actual Variance Reasons

|                       |           |           |     |   |
|-----------------------|-----------|-----------|-----|---|
| Expenses              | (913 850) | (746 559) | 18% | Charities commenced late with allocations due to expiry of  |
| Net Grants Allocated  | (619 557) | (499 472) | 19% | contracts of the Das.   |
|                       |           |           |     | The variance is as result of salary increases being implemented once off in the current financial year on the basic salary instead of the package as budgeted for. Furthermore, there are 22 vacant positions that have been budgeted for which have not yet been filled and the charities DA contracts were not renewed and were |
| Employee Costs        | (159 463) | (145 072) | 9%  | included in the budget.   |
| Goods and service     | (134 829) | (102 015) | 24% |   |
| Net Surplus/(Deficit) | -48 549   | 234 263   |     |   |

# Funded Projects



## Overberg Renosterveld Conservation Trust

Funded: R390 000. The 2023 Veld School at [#Haarwegskloof](#) Renosterveld Reserve. The Grade 6 class from the @hpsride2school in [#Bredasdorp](#) were the first visitors this year. In total 136 scholars joined the project over the course of 5 days, learning about conservation and [#Renosterveld](#), photosynthesis and the web of life.

It's part of the [#environmental](#) education work, funded by the [National Lotteries Commission](#), to inspire the next generation of [#conservation](#) heroes to help look after our natural world!

[#VeldSchool](#)   [#Conservation](#)   [#ORCT](#)  
[#Renosterveld](#)



## i-MED Africa

Funded R 422,411. We create gardens with our students, teach them about planting sustainably and they have the option of selling the harvest or using it at home.. This helps with food security and easing some financial stress on various households in our communities..

[National Lotteries Commission](#)  
[#FundingForImpact](#)  
[#food4thought](#)



## IMBALI WESTERN CAPE

CELEBRATING CHRISTMAS WITH THE  
IMBALI VISUAL LITERACY PROJECT AND  
THE NATIONAL LOTTERIES COMMISSION  
(NLC) ✨

IMBALI Western Cape deeply appreciates the generous grant of R177 000 received from the National Lotteries Commission (NLC), which includes costs associated with the Visual Literacy Project.

During this year's VLP Christmas Workshop in Kylemore, our teachers hosted scholars between the age groups of Grade 1 and Grade 9 to assist in making handcrafted Christmas cards for their parents and loved ones at home.



## FAMSA BLOEMFONTEIN

FAMSA hosted a dialogue in Petrusburg, Xhariep district. The discussions were centered around the gender stereotypes and traditional beliefs that can influence acts of violence.

FAMSA is funded by the National Lotteries Commission for programmes aimed at the protection of the vulnerable. One of our programme outcomes is providing lifeskills and prevention programmes that shift destructive social norms, practices and attitudes towards vulnerable groups.

#16daysofactivism #gbvprevention #protectthevulnerable #prevention  
#socialwork #dialogue #lifeskills

# Sport and Recreation Sector



“Rowing driving mass participation and transformation and making rowing accessible to All! One district at a time. 52 of South African districts will have rowing!”.

Row SA,  
September 2022

## Donor marrow for toddler

**Murphy Roberts**

After months of searching for a bone marrow donor little Gracelyn Green has finally found her match.

Jane Ward, deputy director of the The South African Bone Marrow Registry (SABMR), confirmed a donor cord blood unit has been found in the United States for "Gracey", funded through its Patient Assistance Programme (PAP).

"The PAP was established by the SABMR in 2018 to assist families who cannot afford donor-related costs financially," she explained.

"It is funded solely by donations from the public, corporates and fundraising efforts, and hence continued entreaties by the SABMR to donate to this worthy cause to give patients a second chance at life."

Gracey's aunt, Lizel Solomons, said her family were elated to learn a match had been found. Initially, she said, the transplant had to take place in June, but due to the toddler's not being well the transplant was pushed back.

"She had become very ill with anaemia and high heart rates, fever spikes and low counts, so the transplant was pushed back," she related.

Solomons said the family hosted five donor drives to help Gracey find a match.



**Lizel Solomons with little Gracey, who found her match in the US**

"My family is obviously anxious and concerned, as we were very well informed and are aware the upcoming transplant can go either way.

"However, we hope and pray for the best and trust in God for good things."

Gracey was diagnosed in August 2021 with juvenile myelomonocytic leukaemia (JMML), a rare cancer of the blood

that affects young children, and her only chance of survival is a stem-cell transplant.

The family has had to endure tragedy after tragedy; at five months little Gracey lost her mother, uncle and grandparents when their home was gutted by a fire on 4 June last year.

The little girl's diagnosis afterwards has made the family even more determined not to lose her.

According to SABMR, there has been a significant increase in donors of colour on the registry over the last year owing to ongoing donor drives and patient campaigns such as those hosted by Gracey's family.

"We have an idea of the timeline, but when the transplant is happening depends on Gracey's well-being and if all the markers tick all the boxes," Solomons said.

"The Patient Assistance Programme that is funded by the NLC(PAP) has just saved baby Gracey's life by giving her a second chance of life.

The NLC last grant covered the cost etc... and now all is in order with this Western Cape baby been transplanted.(amazing blessing and thank you to the NLC)"

Kamiel Singh

SA Bone Marrow Registry

September 2022

# Arts, Culture and National Heritage Sector



“Thank you to everyone who made time to come to Thokoza Film Festival, today is the last day and good luck to all the filmmakers.

It was possible to make this event because of our sponsors National Lotteries Commission, City of Ekurhuleni, our media partner Kasie FM News 97.1. To the community of Thokoza siyabonga”.

Thokoza Film Festival  
October 2022



a member of the dtic group

# THANK YOU