National Gambling Board
South Africa
a member of **the dtic** group

ANNUAL REPORT
2025/2026

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PART A

GENERAL INFORMATION

1. GENERAL **INFORMATION**

REGISTERED NAME	National Gambling Board of South Africa
PHYSICAL ADDRESS	1085 Francis Baard Street, Hatfield, Pretoria, South Africa
POSTAL ADDRESS	Private Bag X27, Hatfield, 0028
TELEPHONE NUMBER/S	+27 86 772 7713, or +27 10 003 3475
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
ACEO	Acting Chief Executive Officer
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASAM	American Society of Addiction Medicine
B-BBEE	Broad-Based Black Economic Empowerment
B-BBEEA	Broad-Based Black Economic Empowerment Act, 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
DSM-5-TR	Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, Text Revision
EA	Executive Authority
ECL	Expected Credit Losses
EXCO	Executive Committee
EMEs	Exempted Micro-enterprises
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act, 2001 (Act 38 of 2001)
FY	Financial Year
FPP	Fraud Prevention Plan
GAIN	Growth and Inclusion Strategy
GCCD	Gaming Control and Compliance Division
GRAP	Generally Recognised Accounting Practice
GNU	Government of National Unity
GGR	Gross Gambling Revenue
HCO	Human Capital Optimisation
HPCSA	Health Professions Council of South Africa
HR	Human Resources
IAF	Internal Audit Function
ICT	Information Communications Technology
IGRFA	Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
ILO	International Labour Organisation
ISO	Independent Site Operator
IT	Information Technology
LoC	Letter of Certification
LPMs	Limited Payout Machines
MANCO	Management Committee
MOU	Memorandum of Understanding
MTDP	Medium-Term Development Plan
MTEF	Medium-Term Expenditure Framework

NCEMS	National Central Electronic Monitoring System
NDP	National Development Plan
NGA	National Gambling Act, 7 of 2004
NGB	National Gambling Board
NGPC	National Gambling Policy Council
NIP	National Industrial Policy
NRGP	National Responsible Gambling Programme
NSDP	National Skills Development Plan
NSFAS	National Student Financial Aid Scheme
NT	National Treasury
POPIA	Protection of Personal Information Act, 2013 (Act 4 of 2013)
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
PPE	Property, Plant and Equipment
PLAs	Provincial Licensing Authorities
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
QSEs	Qualifying Small Enterprises
RGS	Remote Gambling Server
RMC	Risk Management Committee
RO	Route Operator
SABRIC	South African Banking Risk Information Centre
SABS	South African Bureau of Standards
SACSSP	South African Council for Social Service Professions
SAIPA	South African Institute of Professional Accountants
SANS	South African National Standards
SAPS	South African Police Services
SARB	South African Reserve Bank
SARGF	South African Responsible Gambling Foundation
SASSA	South African Social Security Agency
SBD	Standard Bidding Document
SMME	Small medium and micro-sized enterprises
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
WHO	World Health Organization
YoY	Year-on-Year

3. FOREWORD BY THE EXECUTIVE AUTHORITY

Mr Parks Tau, Minister of Trade, Industry and Competition

I hereby table the Annual Report of the National Gambling Board (NGB) for the 2025/2026 financial year.

The 2025/2026 financial year (FY) represented a period of renewed focus and strengthening of the resolve of the NGB as it continued to execute its mandate within an increasingly complex and evolving gambling landscape. The National Gambling Policy Council (NGPC) was revived in July 2025 after a hiatus, with the Council convening two meetings in the year to deliberate on gambling regulatory matters.

South Africa continued to navigate a complex and uncertain geopolitical environment characterised by heightened trade tensions, global conflicts, supply chain disruptions, inflationary pressures, fuel price escalations and the rapid expansion of digital markets across borders. As a relatively small and open economy South Africa remains vulnerable to disruptive global trade dynamics, including the proliferation of cross-border illicit economic activities. These challenges had a direct impact on the gambling regulatory environment for the period under review, particularly through the growth of illegal online offshore gambling operators exploiting jurisdictional gaps, digital payment systems, and international technology platforms to target South African consumers outside the regulated framework.

The gambling sector in South Africa is undergoing rapid transformation, driven by technological advancements, the proliferation of online gambling platforms (operating outside the ambit of the laws of the Republic of South Africa), and the persistent challenge of illegal gambling activities. The increasing prevalence of illegal online gambling operators targeting South African consumers, often without safeguards for player protection or regulatory compliance, undermined licensed operators, eroded consumer protection measures, reduced potential tax revenues, and increased risks associated with money laundering and illicit financial flows. This reinforced the urgency of strengthening regulatory oversight and modernising the legislative framework. In this context, the work of the NGB remained critical for the period under review in strengthening cooperative enforcement, enhancing regulatory oversight, and supporting a resilient and accountable gambling sector that contributes to economic stability and public confidence.

It is against this backdrop, that the NGB intensified its efforts to promote a regulated, fair, and socially responsible gambling environment, while safeguarding the public from the harmful effects of unregulated operators. During FY2025/26, the NGB prioritized its efforts to combat illegal gambling activities working in close collaboration with law enforcement agencies, internet service providers, and Provincial Licensing Authorities (PLA's). Critical partnerships were established to enhance oversight of the gambling industry as well as ensure unlicensed and illegal gambling activities were detected. These interventions included coordinated enforcement actions, evaluation of compliance within the industry, disruption of unlawful operations, and increased broad-based public awareness campaigns cautioning against the risks associated with gambling.

In line with broader government priorities, NGB's focus has remained firmly on inclusive economic growth, job creation, and enhancing the resilience of communities. During the year under review, the work of the NGB continued to align with the objectives of the National Development Plan (NDP), the Medium-Term Development Plan (MTDP), and the Growth and Inclusion Strategy and **the dtic**'s industrialisation agenda. The entity also continued to support ethical governance and economic transformation, through supplier development initiatives, contributing to broader economic inclusion objectives.

Emphasis was placed on strengthening cooperative governance between the NGB and Provincial Licencing Authorities (PLA's). This collaboration remains essential to ensuring uniform norms and standards across the country, as envisaged in the National Gambling Act, 2004 (Act 7 of 2004) (NGA). Progress in this regard reflects the commitment to building a cohesive regulatory framework that enhances oversight and enforcement capability.

While the operating environment remains constrained by fiscal pressures and increasing regulatory demands, guided by our constitutional responsibility to deliver responsive, transparent, and accountable governance, the NGB prioritised strengthening institutional capacity, improving service delivery outcomes, and ensured that public resources are utilised efficiently and effectively.

In line with broader government priorities, the NGB's focus has remained firmly on inclusive economic growth, job creation, and enhancing the resilience of communities.

As Executive Authority, I remain committed to ensuring that the NGB operates with the highest standards of governance, accountability, and transparency. The progress reflected in this report underscores our collective determination to strengthen the regulatory environment and uphold the public interest. To this end, I continue to emphasise the need for urgent regulation of illicit gambling activity in South Africa to put an end to the harm associated with these activities.

I wish to extend my appreciation to the Acting Chief Executive Officer, the management, staff and stakeholders for their continued dedication and support. Together, we will continue to advance our mandate and contribute meaningfully to the development of our country.

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

Executive Authority of the National Gambling Board

4. FOREWORD BY THE DEPUTY MINISTER

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

The Annual Report of the National Gambling Board (NGB) for the 2025/26 financial year is hereby tabled.

The year under review was characterised by continued growth and structural shifts within South Africa's gambling industry, particularly the rapid expansion of online betting and digitally facilitated gambling activities. While the sector continued to make a substantial contribution to the economy, employment, and revenue, the related risks of problem gambling, illegal gambling activities, and the susceptibility of specific groups to gambling-related issues rose markedly.

The NGB continued to play an important role in safeguarding the integrity of the gambling industry through effective oversight, monitoring, compliance, and stakeholder collaboration.

The gambling sector generated substantial economic activity during the year under review, with continued growth in gross gambling revenue and tax contributions to the fiscus. However, these developments also highlighted the urgent need for responsive regulation, particularly regarding interactive gambling, online betting platforms, and gambling advertising practices.

The increased visibility of gambling advertisements across digital platforms, sports sponsorships, and mainstream media continues to raise concerns, particularly regarding the exposure of young people and economically disadvantaged communities. Consequently, the NGB intensified its awareness campaigns and policy engagements to strengthen advertising controls and foster responsible gambling practices.

The NGB's work continues to support the Government's broader priorities of inclusive economic development, ethical governance, and building capable institutions. The entity has demonstrated resilience and adaptability in responding to emerging technological and regulatory challenges while continuing to promote transformation and responsible participation within the gambling industry.

I commend the Acting Chief Executive Officer, management and staff of the NGB, as well as all stakeholders and regulatory partners, for their commitment and contribution during the year under review. Their collective efforts remain critical in ensuring that South Africa's gambling sector operates in a lawful, fair, and socially responsible manner.

Mr Zuko Godlimpi, MP

Deputy Minister of Trade, Industry and Competition

"The NGB continued to play an important role in safeguarding the integrity of the gambling industry through effective oversight, monitoring, compliance, and stakeholder collaboration."

5. OVERVIEW BY THE ACTING CHIEF EXECUTIVE OFFICER

Mr Lungile Dukwana

It is my pleasure to present the National Gambling Board's (NGB's) Acting Chief Executive Officer's overview for 2025/26, which reflects a year of increased regulatory complexity, rapid technological disruption, increasing socio-economic pressures on the gambling sector, and intensified regulatory and enforcement efforts. Despite these hurdles, the NGB remained steadfast in executing its statutory mandate in terms of the National Gambling Act, 2004 (Act 7 of 2004) (NGA), through strengthened regulatory oversight, collaborative enforcement interventions, research, stakeholder engagement, and extensive public education campaigns.

The year under review was characterised by continued economic uncertainty, persistent unemployment, and heightened financial vulnerability among South African households. Although Statistics South Africa (StatsSA) reported modest economic growth during this period, economic conditions continued to be challenging for many South Africans, particularly young people and low-income households, facing rising living costs and limited employment opportunities. Additionally, StatsSA's report on the Personal Services Industry indicated a significant increase in gambling activities, particularly online and bookmaker betting, with gambling now accounting for 54.5% of household expenditures on recreation, sport, and culture.

The gambling industry in South Africa continued to evolve further during the year under review, particularly with the growth of the betting sector by 19.6% year-on-year (YoY), from R52.0 billion to R62.2 billion, increased exposure to gambling advertising, and the emergence of unlawful gambling products and services operating across provincial and international borders. These developments placed significant pressure on the existing regulatory framework, marked by a heightened focus on regulatory enforcement, operational stability, and organisational performance.

The proliferation of illegal online gambling platforms remains one of the most significant threats to the integrity of the gambling sector, and the increasing scale and sophistication of unlawful operators targeting South African consumers underscore the persistent risks posed to consumers, particularly vulnerable groups, and, concomitantly, highlight the importance of a robust regulatory response.

The increased visibility of gambling advertising across digital platforms, sports sponsorships, and mainstream media, combined with misleading, aggressive, and non-compliant gambling advertising that contravenes regulatory standards, remains a matter of concern, particularly regarding the exposure of young people and economically vulnerable communities, and underscores the necessity for improved oversight and enforcement.

The NGB therefore undertook several strategic interventions to strengthen regulatory certainty and safeguard the integrity of the regulated gambling industry. The NGB intensified its oversight role to ensure the consistent application of national norms and standards by Provincial Licensing Authorities ("PLAs"), while also addressing emerging risks associated with unlawful gambling activities, including illegal online gambling, unlawful betting products, and non-compliant advertising practices.

The NGB developed a Verified Gambling Operators Web Portal in collaboration with PLAs as a dedicated online platform to provide the public with easy access to a centralised, accessible, and regularly updated list of licensed gambling operators across South Africa, where members of the public can easily confirm whether a gambling operator, whether online or land-based, is licensed in South Africa. This initiative empowers members of the public to make informed decisions and ensures that those who choose to participate in gambling activities do so through legal and regulated channels that have the necessary safeguards. It is also aimed at supporting the NGB's ongoing efforts to combat illegal gambling (including online and offshore gambling) while promoting responsible gambling practices, gambling only with locally licensed operators, protecting the public, and protecting the economy.

Interventions also included oversight evaluations of PLAs, enforcement support operations, the development of national norms and standards on gambling advertising, and extensive engagements with international gambling regulators and digital platforms concerning illegal online gambling activities targeting South African residents. A significant achievement during the year under review was the NGB's intervention regarding the regulatory treatment of Remote Gambling Servers (RGS) in

> *The NGB undertook several strategic interventions to strengthen regulatory certainty and safeguard the integrity of the regulated gambling industry.*

South Africa. The NGB issued formal notices and regulatory guidance to PLAs clarifying the legal position relating to RGS infrastructure, compliance obligations, and applicable technical standards in terms of the NGA. These interventions strengthened regulatory certainty and reinforced the prohibition of unlawful remote gambling activities within the South African gambling framework.

During the year under review, the NGB intensified its collaborative enforcement efforts with PLAs, law enforcement agencies, the Independent Communications Authority of South Africa (ICASA), financial institutions, the Financial Intelligence Centre (FIC) and digital platforms to combat illegal gambling. Enforcement interventions included investigations, monitoring illegal gambling premises and websites, raiding unlawful gambling operations, and making arrests in cooperation with law enforcement agencies. The NGB also improved its investigative capacity through the launch of the Illegal Gambling Module training programme. During this period, the NGB conducted thirty-five (35) raids and inspections to combat illegal gambling. The absence of a system to block illegal online gambling remains a challenge for the NGB in addressing offshore illegal online gambling websites offering gambling illegally to South African citizens. The NGB has begun to consider adopting such a system to address illegal online gambling.

> *The NGB paid particular attention to the growing prevalence of gambling among students and recipients of social assistance grants.*

In advancing consumer protection and responsible gambling objectives, the NGB undertook high-impact interventions relating to gambling advertising and public awareness. The organisation issued compliance directives and public notices addressing the growing prevalence of unlawful and non-compliant gambling advertising, while also calling on members of the public to report advertising practices that contravene the NGA and Regulations. Whilst there have been shifts in response to this intervention, these may not be adequate, and the NGB has therefore developed norms and standards in collaboration with the PLAs.

The NGB also welcomed and supported key judicial developments during the reporting period, including the landmark Supreme Court of Appeal judgment affirming the unlawfulness of bookmakers offering roulette and casino-style games outside the scope of their licensed gambling activities. The judgment reinforced the integrity of South Africa's gambling policy framework and supported the NGB's ongoing efforts to ensure that gambling activities remain strictly regulated within approved legislative parameters.

The NGB further streamlined regulatory processes within the Limited Payout Machine (LPM) sector by improving the submission and evaluation of Type B applications under the National LPM Regulations, thereby enhancing regulatory efficiency and supporting greater consistency in provincial implementation processes.

During the 2025/26 financial year, socio-economic realities continued to shape gambling participation patterns across the country, as research and stakeholder engagements undertaken during the year reinforced growing concerns regarding the relationship between economic hardship and increased gambling participation. Many individuals facing unemployment, financial distress, and limited economic opportunity increasingly view gambling as a potential means of supplementing their income. The NGB remains deeply concerned by this trend, particularly regarding the participation of youth, students, unemployed individuals, and recipients of social grants in gambling activities.

To this end, the NGB prioritised responsible gambling advocacy and public awareness initiatives, conducting extensive outreach interventions across all provinces and leveraging traditional and digital media platforms to educate the public on the risks and socio-economic consequences associated with gambling.

The NGB paid particular attention to the growing prevalence of gambling among students and recipients of social assistance grants. The NGB established partnerships through Memorandums of Understanding (MOUs) with institutions such as the National Student Financial Aid Scheme (NSFAS), the Financial Intelligence Centre (FIC) and the South African Banking Risk Information Centre (SABRIC). The NGB also strengthened its strategic partnerships through collaborations with the South African Social Security Agency (SASSA), the South African Reserve Bank (SARB), the Independent Communications Authority of South Africa (ICASA) the South African Responsible Gambling Foundation (SARGF) and educational institutions to reinforce responsible gambling practices and to protect vulnerable groups from gambling-related harm. These partnerships are critical in supporting coordinated enforcement, disrupting unlawful gambling activities, safeguarding vulnerable consumers, and strengthening the overall effectiveness of the regulatory framework.

The year under review also brought into sharper focus the limitations of the current legislative framework, particularly the NGA, in addressing digital and cross-border gambling activities. The fragmented regulatory approach between national and provincial governments, limited enforcement powers available to the NGB in relation to provincial non-compliance, the proliferation of illegal online gambling platforms, evolving digital and non-compliant advertising practices by operators, and the absence of certain legislative instruments necessary to strengthen regulatory enforcement and consumer protection posed challenges for the NGB. This highlighted the need for regulatory reform and policy alignment to ensure that legislation remains responsive to technological developments while safeguarding consumer interests.

The NGB prioritised strengthening governance systems, improving operational efficiency, and driving organisation-wide performance, all guided by a commitment to ethical leadership and accountability aimed at delivering measurable benefits to its stakeholders.

The deficiencies of the current regulatory model due to the concurrent nature of legislation on gambling pose challenges for the NGB. However, the NGB further engaged with national gambling forums, namely the Chief Executive Officers (CEOs) and Chairpersons Forums and their subcommittees (Compliance, Law Enforcement, ICT), to address specific issues such as regulatory compliance, legal matters, operations, law enforcement, and information technology. The NGB actively contributed to ongoing policy discussions at the NGPC regarding the modernisation of the NGA, providing critical regulatory input to support evidence-based policy-making and the development of a regulatory framework that is responsive to technological advancements and emerging industry trends.

The entity also continued to advance Government's economic transformation priorities through localisation, supplier development, and procurement from black-owned enterprises. These initiatives remain aligned with the strategic priorities of **the dtic** and the Government's broader programme of inclusive economic participation.

Operationally, the NGB focused on strengthening internal controls, enhancing risk management processes, and improving performance monitoring systems. These efforts are essential to ensuring accountability, transparency, and the efficient utilisation of public resources.

Despite resource constraints, the achievements of the NGB demonstrate the continued resilience and commitment of the entity to delivering on its mandate. The commitment and professionalism of employees have been instrumental in sustaining organisational performance.

Looking ahead, the NGB will continue to prioritise regulatory modernisation, enforcement coordination, and stakeholder engagement, while maintaining a strong focus on consumer protection and responsible gambling.

I wish to express my sincere appreciation to the Executive Authority, Minister Parks Tau, the Deputy Minister, the NGB management, staff, and stakeholders for their continued support and commitment.

Mr Lungile Dukwana

Acting Chief Executive Officer
31 July 2026

Responsible gambling awareness, Queenstown. Eastern Cape

Underage gambling awareness, Pietrmaritzburg. KZN

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 are consistent with the Annual Financial Statements audited by Lunika Incorporated.
- The Annual Report is complete, accurate, and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines for the Annual Report as issued by the National Treasury.
- The Annual Financial Statements (Part G) 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 therein.
- The Accounting Authority is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance regarding the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, performance information, human resources information, and financial affairs of the public entity for the financial year ended 31 March 2026.

Yours faithfully

Mr Lungile Dukwana
Acting Chief Executive Officer
31 July 2026

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

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 is as follows:

- 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 evaluations 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 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 legislatively prescribed registers.
- Investigating 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 declaring the winnings forfeited to the State is made. Where winnings are deemed to be derived from legal gambling activities, the 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:

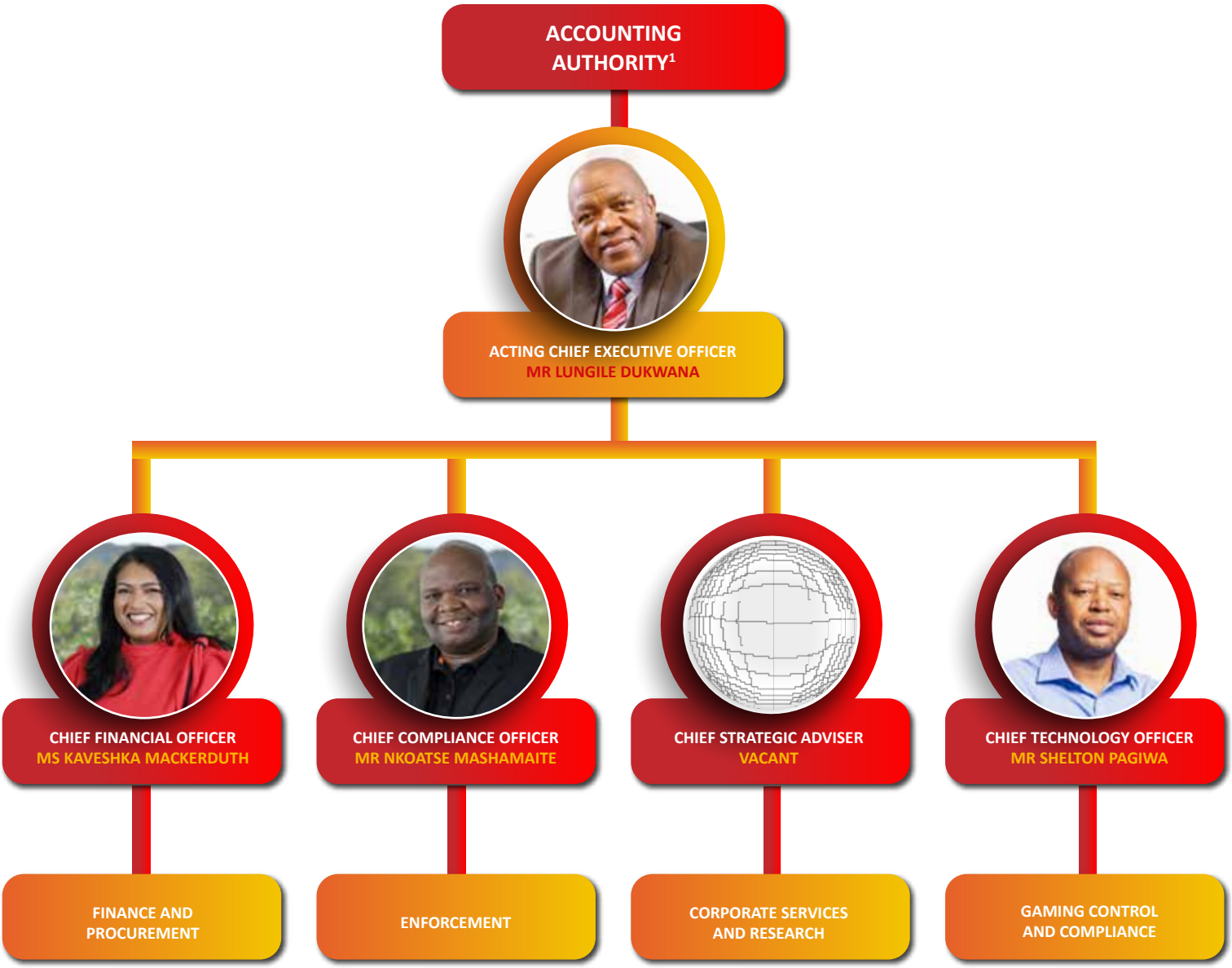
- Constitution of the Republic of South Africa, 1996;
- Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003);
- The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001);
- Cybercrimes Act, 2020 (Act 19 of 2020);
- Protection of Personal Information Act, 2013 (Act 4 of 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); and
- Consumer Protection Act, 2008 (Act 68 of 2008).

POLICY MANDATES

There are various Government policies and plans that continue to inform the NGB's strategic direction and the 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 National Gambling Policy, 2016;
- The State of the Nation Address;
- The Statement of Intent of the 2024 Government of National Unity (GNU); and
- The Medium-Term Development Plan 2024 –2029 (MTDP).

9. ORGANISATIONAL **STRUCTURE**



1. Mr. Lungile Dukwana has been designated the powers of 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 page 97 of the Report of the Auditor's Report, published as Part G: 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 the 2025/26 financial year, 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 1.4 per cent in 2025, down from the 2024 initial 1.9% set in the March 2025 Budget GDP projections. However, improvements in energy supply contributed to a 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 that 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 2025–2030 Strategic Plan and 2025/2026 Annual Performance Plan (APP), 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 the 2025/26 financial year, the NGB exhibited operational efficiency in fulfilling its mandate. The NGB successfully met its performance targets, attributable to the dedication and competence of officials who prioritised the execution of the NGB's functions.

The organisation maintained a stable staff complement with five (5) resignations and no retrenchments during the reporting period. This contributed to the retention of institutional knowledge and organisational 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 ; R751 861 (FY2025/26) and R28 077 006 (prior years) is under assessment pending the court outcome.

Furthermore, the NGB continued to benefit from a reliable and well-managed information, communication, and technological infrastructure, which enabled the entity to effectively execute its operations. During the review period, the National Central Electronic Monitoring System (NCEMS) was instrumental in ensuring business continuity, data integrity, and timely reporting within the Limited Payout Machine (LPM) sector. The NGB remains resilient in its monitoring activities within the LPM sector through the NCEMS to guarantee accurate revenue collection.

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;
- The 2025 State of the Nation Address;
- The Growth and Inclusion Strategy (GAIN) Framework; and
- The National Industrial Policy (NIP) focused on the implementation of decarbonisation, digitalisation, and diversification (3Ds).

During the period under review,, the NGB continued to build on the priorities of the MTDP, namely "*Driving inclusive growth and Job Creation; and a Capable, Ethical, and Developmental State.*"

2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

The NGB adopted the following impact statement: *"A regulated gambling industry that balances economic gains and punter protection."* Progress towards this impact statement is measured against the following outcomes.

Table 1: Progress Made Against Five (5) Year Targets

Outcome	Outcome Indicator	Baseline	Five-year target	Progress made against the Five (5) year target
Facilitated jobs sustained for industry needs and economic competitiveness	Jobs sustained through appointment of NCEMS operator	New indicator	30 jobs sustained annually through the appointment of NCEMS operator	Thirty-two (32) jobs were sustained by the NCEMS operator and the technical partner during the period under review
Workplace readiness	Employment opportunities through public employment programmes	New indicator	10 employment opportunities	Four (4) employment opportunities in SCM, Legal Services, Enforcement and Communications and Marketing were facilitated in FY2025/26
Facilitated revenue generation in the economy through investment in a NCEMS for the LPM sector	Revenue generation in the LPM sector	R4.2 billion revenue generated in the LPM sector for the FY2024/2025	R12.5 billion revenue generated in the LPM sector	R4.2 billion revenue generated in the LPM sector in FY2025/2026
Data-driven insight on market dynamics in the gambling industry for informed decision making	Monitored market share and market conduct of the four (4) sectors in the gambling industry	The NGB has published five (5) Gambling Sector Performance Reports for the following financial years: • FY2018/19 • FY2019/20; • FY2020/21; • FY2021/22; and • FY2023/24	Five (5) annual publications on insight on market dynamics in the gambling industry for informed decision making	The NGB has published one (1) Gambling Sector Performance annual publication on insight on market dynamics in the gambling industry for informed decision making in FY2025/26 for the following financial year: • FY2024/25
Increased investment in the LPM sector	Conducted evidence-based research on further prescribed allocation of LPMs in four provinces	One (1) evidence-based advisory report on the impact of gambling	Five (5) evidence-based advisory reports on the impact of gambling	One (1) evidence-based advisory report on the impact of gambling was produced
Commitment to procuring local goods and services to contribute to the local economy for sustainable growth	Total value committed to procure local goods and services	In FY2024/25, one hundred and eighty-seven point eight million rand (R187.8 million) was spent on the procurement of local goods and Services	R800 million committed to procure local goods and services	The NGB spent the following amount on procurement of local goods and services: FY2025/26 = R237 million
Commitment to spend on procurement of goods and services from black-owned entities to enhance supplier development and economic inclusion	Total value spend on goods and Services procured from black owned entities	In FY2024/25, one hundred and ninety-nine point five million rand (R199.5 million) was procured from black owned entities	R600 million spend on goods and services procured from black owned entities	The NGB spent the following amount on good and services from black owned entities: FY2025/26 = R212 million
Enhanced regulation of the gambling industry to inform gambling policy development	Evaluated regulatory compliance in the gambling industry	New Indicator	Forty- five (45) evaluation regulatory notices issued	Nine (9) evaluation regulatory notices issued
Red Tape Reduction	Reduced turn-around time to complete investigations on illegal gambling activities	New Indicator	Completed investigations on illegal gambling activities in less than twenty-five (25) days	Investigations were completed within five (5) days against the prescribed twenty-five (25) days

Table 1: Progress Made Against Five (5) Year Targets (cont.)

Outcome	Outcome Indicator	Baseline	Five-year target	Progress made against the Five (5) year target
Protection of the regulated gambling industry	Interventions to combat illegal gambling	Thirty-two (32) enforcement interventions to protect the gambling industry through: Twenty-two (22) raids initiated and ten (10) warning notices issued	Eighty (80) interventions to combat illegal gambling	Thirty-five (35) interventions were conducted to combat illegal gambling through raids and inspections initiated in FY2025/26
Increased public awareness to educate and inform people on the harmful effects of gambling	Implemented broad-based public education programme on the risks and socio-economic impact 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)	Two hundred (200) community outreach interventions to inform and educate the public on the harmful effects of gambling	One hundred and ninety-seven (197) community outreach interventions to inform and educate the public on the harmful effects of gambling conducted

During the 2025/26 financial year, the NGB contributed towards the promotion of local economic development through supporting Small, Micro and Medium Enterprises (SMMEs) and local manufacturers and enhancing supplier diversity, empowerment, and inclusive economic growth. The NGB used its public procurement spend of R269 million rand (2024/25: R237 million) on local goods and services. The NGB also spent R212 million rand on black-owned entities. Twenty-nine (29) Qualifying Small Enterprises (QSEs) and Exempted Micro-Enterprises (EMEs) were paid within fifteen (15) days.

Supporting the public health and safety of citizens through enhanced promotion of a socially responsible and sustainable gambling industry has contributed to a capable state, as well as a better Africa and a better world. A total of one hundred and ninety-seven (197) community outreach interventions were carried out to inform and educate the public about the detrimental effects of gambling.

The NGB set twelve (12) annual targets for the 2025/26 financial year and achieved 100% (one hundred percent) of the targets.

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

3.1 The strategic outcomes of the NGB are implemented through four (4) budgeted programmes. The four (4) programmes within the NGB contributed to 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:

FUNCTIONAL NATIONAL REGISTERS

The NGB is the custodian of national registers in terms of the NGA. The Act requires the NGB to establish and maintain, in the prescribed manner and form, national registers that serve as 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 the 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. The NCEMS is essentially a system to track each LPM operated by a Route Operator (RO) or an Independent Site Operator (ISO) by 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 enable 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, namely 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 the 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 PLAs' performance, in accordance with section 34 of the NGA, 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 2025/26 APP:

- Facilitated jobs sustained for industry needs and economic competitiveness
  - Section 27 of the NGA appointment and monitoring of the NCEMS operator for jobs sustained
- Facilitated revenue generation in the economy through investment in a NCEMS for the LPM sector
  - Facilitated R2.5 billion revenue generation in the LPM sector to strengthen the domestic economy
- Enhanced regulation of the gambling industry to inform gambling policy development
  - Evaluation regulatory notices issued in nine (9) provinces

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

Table 2: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

PROGRAMME 1: GAMING CONTROL AND COMPLIANCE								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from Planned Target to Actual Achievement 2025/26	Reasons for Deviations
Facilitated jobs sustained for industry needs and economic competitiveness	Section 27 of the NGA appointment and monitoring of the NCEMS operator for jobs sustained	Number of jobs sustained through the appointment of NCEMS operator and report produced	N/A	N/A	30 jobs sustained through the appointment of NCEMS operator and report produced	Over-achieved Thirty-two (32) jobs were sustained during the period under re-view	Exceeded thirty (30) jobs sustained through the appointment of NCEMS operator by two (2) jobs.	The variance was due to maintenance of a consistently high revenue stream generated through the NCEMS, there-fore more jobs were sustained by the NCEMS operator
Facilitated revenue generation in the economy through investment in a NCEMS for the LPM sector	Facilitated R2.5 billion revenue generation in the LPM sector to strengthen the domestic economy	Rand value revenue generation facilitated in the LPM sector	N/A	Over-achieved R4,2 billion revenue facilitated in the LPM sector	Facilitated R2.5 billion revenue generation in the LPM sector	Over-achieved R4.2 billion revenue generated in the LPM sector in FY2025/2026	Exceeded revenue facilitated in the LPM sector by R1.7billion	The variance was due to an increase in the active LPMs
Enhanced regulation of the gambling industry to inform gambling policy development	Evaluation regulatory notices issued in nine (9) provinces	Number of evaluation regulatory notices issued	N/A	N/A	Nine (9) evaluation regulatory notices issued	Achieved Nine (9) evaluation regulatory notices issued	N/A	N/A

3.1.1.5 NARRATIVE OF SIGNIFICANT ACHIEVEMENT

3.1.1.5.1 The NGB achieved 99.87% availability of the NCEMS during the period under review. The NCEMS is a critical regulatory system utilised to monitor, capture, and report significant events across all LPMs made available for play in the Republic, as required by section 27 of the NGA. This level of system availability ensured continuous regulatory oversight of the LPM sector and uninterrupted accessibility for operators and players.

3.1.1.5.2 In executing its compliance oversight mandate, the NGB conducted oversight of PLAs and identified instances of operator non-compliance with the NGA for further regulatory action by the relevant PLAs. The NGB further noted significant gaps in regulatory adherence across certain provinces, primarily relating to contraventions of section 11 of the NGA, which prohibits interactive gambling. These instances of non-compliance are attributable to inadequate monitoring and enforcement by certain PLAs, resulting in licensed operators engaging in prohibited gambling activities. Given the ongoing dispute between the affected PLAs and the NGB regarding the interpretation and application of the relevant legislative provisions, the matter has been escalated to the NGPC for determination in accordance with sections 62 and 63 of the NGA.

3.1.1.5.3 The NGB also observed a notable increase in gambling-related advertising within the Republic during the reporting period. In response, the NGB issued formal directives to PLAs to ensure that only advertising compliant with section 15 of the NGA and regulation 3 of the National Gambling Regulations is permitted within their respective jurisdictions. To strengthen regulatory consistency and oversight, the NGB is currently developing national advertising norms and standards for the gambling sector.

3.1.1.5.4 Following the cessation of the PLAs' role as supervisory bodies in December 2022, the FIC assumed responsibility for anti-money laundering and counter-terrorist financing supervision of gambling accountable institutions. During the period under review, the FIC finalised MOUs with both the NGB and all PLAs, thereby formalising information-sharing protocols and strengthening inter-institutional coordination to support regulatory compliance.

3.1.1.6 CONTRIBUTION OF THE ACHIEVEMENT OF TARGETS TOWARDS ACHIEVING THE ENTITY'S OUTCOMES

3.1.1.6.1 The sustained operational performance of the NCEMS, reflected in minimal system downtime of 0.13% during the reporting period, contributed significantly to the effective regulation and oversight of the LPM sector. Through the continued availability and reliability of the system, the NGB supported regulatory oversight of an industry that generated approximately R4.2 billion during the period under review. The NGB remains committed to maintaining this high operational standard throughout the remainder of the Medium-Term Development Plan (MTDP) period.

3.1.1.6.2 The NGB further strengthened regulatory oversight by analysing emerging products and technologies within the gambling sector to assess compliance with applicable legislation. This enabled the NGB to provide technical and regulatory advisory support to **the dtic** and other relevant stakeholders, including the National Regulator for Compulsory Specifications (NRCS). Of particular significance was the NGB's advisory support confirming that the Remote Gaming Server (RGS), a technological infrastructure that enables, facilitates, or supports interactive gambling activities, is unlawful in terms of section 11 of the NGA. As such, the NRCS issued a directive to industry stakeholders, testing laboratories, and applicants confirming that RGS products may no longer be submitted for certification against SANS 1718; that no new, renewed, or extended Letters of Certification (LoCs) will be issued for such systems; and that existing certifications have either lapsed or will lapse upon expiry. This intervention represents a significant regulatory milestone in preventing the unlawful expansion of interactive gambling activities.

3.1.1.6.3 The NGB continued to monitor PLA compliance with gambling legislation through its compliance oversight programme. During the reporting period, the NGB issued nine (9) of the planned forty-five (45) compliance oversight evaluation notices, thereby achieving 20% of the MTDP target. Progress against this target provides an important measure of the administrative, regulatory, and operational effectiveness of the gambling regulatory framework. Improved compliance oversight strengthens state capability, promotes regulatory certainty, and enhances investor confidence in the gambling sector.

3.1.2 PROGRAMME 2: ENFORCEMENT

3.1.2.1 PURPOSE OF THE PROGRAMME

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

Through collaborative 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 sections 66(2) and (3) of the NGA.

The division will further ensure, in complying with section 16(4) of the NGA, that the circumstances surrounding 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 2025/2026 APP:

- Red Tape Reduction:
  - Targeted investigations completed within twenty-five (25) days on illegal gambling matters
- Protection of the regulated gambling industry:
  - Enforcement interventions to combat illegal gambling

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

Table 3: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

PROGRAMME 2: ENFORCEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from Planned Target to Actual Achievement 2025/26	Reasons for Deviations
Red Tape Reduction	Targeted investigations completed within twenty-five (25) days on illegal gambling matters	Turn-around time to complete investigations on illegal gambling activities	N/A	N/A	Completed investigations on illegal gambling activities in less than twenty-five (25) days	Over-achieved Investigations on illegal gambling activities com-pleted within five (5) days	Targeted Investigations on illegal gambling activities completed within five (5) days against the prescribed twenty-five (25) days	Increased cooperation by other enforcement agencies resulted in complete information to finalise targeted investigation

Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from Planned Target to Actual Achievement 2025/26	Reasons for Deviations
Protection of the regulated gambling industry	Enforcement interventions to combat illegal gambling	Number of interventions to combat illegal gambling through raids and inspections initiated	N/A	Over-achieved Thirty-two (32) enforcement interventions to protect the gambling industry through twenty-two (22) raids initiated and ten (10) warning notices issued	Sixteen (16) interventions to combat illegal gambling through raids and inspections initiated	Over-achieved Thirty-five (35) interventions to combat illegal gambling through raids and inspections initiated Q4 = 11 Q3 =14 Q2 = 5 Q1 = 5	Target over-achieved by nineteen (19) more interventions	Improved cooperation by other enforcement agencies

3.1.2.4 NARRATIVE OF SIGNIFICANT ACHIEVEMENT

3.1.2.4.1 Greater collaboration and involvement with other enforcement agencies contributed to exceeding the targeted number of enforcement interventions. A total of thirty-five (35) interventions were carried out, including inspections and raids on illegal land-based gambling premises, with arrests effected by the South African Police Service (SAPS). It would be more effective to combat illegal gambling through collaboration between the NGB, ISPs , and banks.

3.1.2.4.2 There was a noticeable reduction in the number of unlawful winnings remitted by the reporting institutions. However, all cases with sufficient information were fully investigated. As a result, any confiscated funds linked to these matters will be allocated either as refunds to the punters or forfeited to the State in accordance with section 16 of the NGA. This approach serves to discourage individuals from using unlicensed online gambling platforms. To give effect to section 16 of the NGA, during the 2025/26 financial year (01 April 2025 to 31 March 2026) and subject to the investigations conducted, approximately R775 000.00 (seven hundred and seventy-five thousand rand), identified as proceeds from unlawful gambling activities, was, by order of the High Court, forfeited to the State.

3.1.2.4.3 The NGB also pursued strategic partnerships with the banking sector by proposing the conclusion of MOUs with the SABRIC and the SARB, with the aim of combating and eliminating financial crimes linked to gambling activities.

3.1.2.5 CONTRIBUTION OF THE ACHIEVEMENT OF TARGETS TOWARDS ACHIEVING THE ENTITY'S OUTCOMES

3.1.2.5.1 Strengthening relationships across national, provincial, and local government requires a proactive approach to addressing coordination challenges. In contributing to a capable state, the NGB focused on protecting the legal gambling industry by implementing enforcement interventions, including targeted inspections and raids. This objective was achieved through coordinated efforts with multiple law enforcement agencies, ensuring broader stakeholder involvement. As a result, a number of illegal land-based gambling operators is under continuous surveillance to prevent illegal operations, increasing the likelihood that punters will gamble at licensed venues, thereby contributing positively to the fiscus.

3.1.2.5.2 It is essential for the State to safeguard both citizens and licensed operators from harm caused by the unregulated gambling industry in the form of revenue erosion and unsafe environments. This ensures that when individuals participate in gambling, they do so through regulated operators, supporting revenue collection and thus preserving the integrity of the gambling industry.

3.1.2.5.3 Through ongoing engagement with various local stakeholders, including international gambling authorities, the NGB has also facilitated action against unlicensed online operators. To date, twenty-seven (27) identified illegal gambling websites have been restricted from being accessed by South African users, further strengthening regulatory compliance and consumer protection.

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 economic analysis of the gambling sector and the performance of the industry.

The CSRD provides support services to the NGB to ensure satisfactory internal and external stakeholder engagement and to attain a conducive work environment that enhances business efficiency. The CSRD comprises the following subdivisions: Human Capital Optimisation (HCO), Legal Services, Research, Information and 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, including legal opinions, legal advice, legislative drafting, litigation, contract drafting and vetting, 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 the implementation of planning and reporting frameworks to enhance the effectiveness and efficiency of governance and the achievement of performance deliverables. Additionally, Corporate Governance also focuses on risk management to facilitate the identification, assessment, and mitigation of strategic, operational, and reputational risks that may hinder the NGB from achieving its objectives.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The function of the ICT unit is to support the NGB in the strategic development of ICT and in maintaining communication and management systems, thereby protecting the assets of the NGB. The unit guarantees that ICT support activities are conducted in a manner that aligns with the strategic objectives and the mission statement of the NGB. ICT is primarily focused on supporting and improving the overall organisational performance through the provision of assistive technologies.

HUMAN CAPITAL OPTIMISATION (HCO)

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

RESEARCH AND ADVISORY SERVICES

Mandated in terms of sections 65(1) and 65(2) of the NGA, the NGB monitors socio-economic patterns of gambling activity within the Republic, as well as 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 2025/2026 APP:

- Workplace readiness:
  - Implemented Human Capital Strategy on mentoring and coaching to enhance skills and employability
- Data-driven insight on market dynamics in the gambling industry for informed decision making:
  - Gambling Sector Performance analysis of the four sectors in the gambling industry for provision of market intelligence
- Increased investment in the LPM sector:
  - Research on the socio-economic impact of the licensed LPM sector in Mpumalanga, KZN, Limpopo and North-West to increase investment in the LPM sector
- Increased public awareness to educate and inform people on the harmful effects of gambling:
  - Broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact 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 3: CORPORATE SERVICES AND RESEARCH								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual Achievement 2025/26**	**Deviation from Planned Target to Actual Achievement 2025/26**	**Reasons for Deviations**
Workplace readiness	Implemented Human Capital Strategy on mentoring and coaching to enhance skills and employability	Number of reports on implementation of the Human Capital Strategy on mentoring and coaching	N/A	N/A	Two (2) employment opportunities facilitated and report produced	Over-achieved Four (4) reports on implementation of the Human Capital Strategy on mentoring and coaching produced and Four (4) employment opportunities in SCM, Legal Services, Enforcement and Communications and Marketing facilitated	Two (2) additional employment opportunities were facilitated	Additional employment needs existed which were funded
Data-driven insight on market dynamics in the gambling industry for informed decision making	Gambling Sector performance analysis of the four sec-tors in the gambling in-dustry for provision of market intelligence	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 were 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) reports (based on unaudited data) and one (1) annual report on data-driven insight on market dynamics in the gambling industry for informed decision making produced	Over-achieved Seven (7) reports were produced: • Four (4) reports (based on unaudited data) were produced • One (1) annual report on data-driven insight on market dynamics in the gambling industry for informed decision making produced • One (1) report on the motivation for a market inquiry by the Competition Commission into the state of the gambling industry to assess barriers to entry in order to unlock opportunities for SMME's produced • One (1) consolidated report on conducted economic analysis of the gambling industry produced	Two (2) additional reports were produced	Additional analysis was conducted per quarter due to efficiencies within the division

PROGRAMME 3: CORPORATE SERVICES AND RESEARCH								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2023/2024**	**Audited Actual Performance 2024/25**	**Planned Annual Target 2025/26**	**Actual Achievement 2025/26**	**Deviation from Planned Target to Actual Achievement 2025/26**	**Reasons for Deviations**
Increased investment in the LPM sector	Research on the socio-economic impact of the licensed LPM sector in Mpumalanga, KZN, Limpopo and North-West to increase investment in the LPM sector	Number of reports on research on the socio-economic impact of the licensed LPM sector in Mpumalanga, KZN, Limpopo and North-West to increase investment in the LPM sector produced	N/A	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	One (1) consolidated evidence-based advisory report on the socio-economic impact of the licensed LPM sector in Mpumalanga, KZN, Limpopo and North-West to increase investment in the LPM sector	Over- achieved • One (1) consolidated evidence-based advisory report on the socio-economic impact of the licensed LPM sector in Mpumalanga, KZN, Limpopo and North-West to increase investment in the LPM sector produced • One (1) consolidated report on Bench-marking the South African gambling industry against other jurisdictions produced	One (1) additional report was produced	Additional analysis was conducted per quarter due to efficiencies within the division
					Four (4) requests to the Minister for the LPM sector to proceed into Phase 2 implementation of LPM rollout in Mpumalanga, KZN, Limpopo and North-West	Achieved Four (4) requests to the Minister for the LPM sector to proceed into Phase 2 implementation of LPM rollout in Mpu-malanga, KZN, Limpopo and North-West pro-duced	N/A	N/A
Increased public awareness to educate and inform people on the harmful effects of gambling	Broad-based community outreach interventions conducted to in-form and educate the public on risks and socio-economic impact of gambling	Number of broad-based community outreach interventions conducted	N/A	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	Forty (40) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling	Over-achieved One hundred and ninety-seven (197) broad-based community outreach interventions conducted to inform and educate the public on risks and socio-economic impact of gambling conducted	Exceeded target by One hundred and fifty-seven (157)	Enhanced internal efficiency and strengthened stakeholder engagement to secure collaboration through media engagements

3.1.3.5 NARRATIVE OF SIGNIFICANT ACHIEVEMENT

3.1.3.5.1 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 the 2025/26 financial year, gross gambling revenue (GGR) had risen to R84.5 billion, representing a 13.4% year-on-year increase. The betting sector's market share expanded to 74% of total revenue (R62.2 billion), reinforcing its position as the leading gambling mode. Casinos and limited payout machines (LPMs) experienced declining market shares to 19% and 5% of total GGR, respectively, while bingo remained at 2%. Gambling tax revenue amounted to R6.4 billion by the end of the reporting period.

3.1.3.5.2 In accordance with the NGA's regulatory provisions on the gradual introduction of LPMs, research was conducted to assess the socio-economic impact of LPMs in four (4) provinces that have reached the upper thresholds of their Phase 1 LPM rollout: namely KwaZulu-Natal (KZN), Mpumalanga, Limpopo and the North West. The study collected and analysed quantitative and qualitative data, conducted economic modelling and international benchmarking to inform evidence-based policy and regulatory decision-making for the further rollout of LPMs in the four (4) provinces. The research was conducted over a nine (9) month period and concluded at the end of February 2026. On the basis of the research findings, the study recommends that all four (4) provinces proceed to Phase 2 of their LPM allocations.

3.1.3.5.3 In advancing consumer protection and responsible gambling objectives, the NGB undertook several high-impact interventions through media releases on gambling advertising and illegal gambling. The organisation issued compliance directives and public notices addressing the growing prevalence of unlawful and non-compliant gambling advertising, and called on members of the public to report advertising practices that contravene the NGA and Regulations. These interventions were complemented by broader public education campaigns promoting responsible gambling and raising awareness regarding the risks associated with illegal online gambling, particularly during high-risk periods such as the festive season. The public education initiatives were undertaken in various provinces, including KwaZulu-Natal, Free State, Limpopo, Eastern Cape, Western Cape, Northern Cape, Mpumalanga, Gauteng, and North West, and had an expanded reach to households across different Living Standards Measure (LSM) groups in rural and urban areas.

3.1.3.5.4 The NGB and the NSFAS initiated a strategic partnership to raise awareness among tertiary institutions, protect students from gambling-related harm, and safeguard public funds allocated to education. This collaboration arose from growing concerns about the increasing exposure of young people to gambling, particularly illegal online platforms, and the unintended use of student allowances for gambling activities. This partnership is critical in supporting the disruption of unlawful gambling activities, safeguarding vulnerable consumers such as students, and strengthening the overall effectiveness of the regulatory framework.

3.1.3.6 CONTRIBUTION OF THE ACHIEVEMENT OF TARGETS TOWARDS ACHIEVING THE ENTITY'S OUTCOMES

3.1.3.6.1 By tracking socio-economic patterns of gambling activity and analysing market trends across the gambling modes, the NGB enabled data-driven insights on market dynamics in the gambling industry for informed decision-making. The NGB's study on the socio-economic impact of LPMs in four provinces enables increased investment in the LPM sector.

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

3.1.3.6.3 Rural and peri-urban areas often lag behind urban areas when it comes to accessing information about government services. Focusing on educating citizens in these areas, further supports the capability of the state in its efforts to provide equitable access to professional and competent services. This contributes positively to the well-being and dignity of South Africans by informing them about free services available to them in relation to gambling addiction.

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

3.1.3.7 PRIORITISING WOMEN, YOUTH AND PERSONS WITH DISABILITIES AND THE CORRECTIVE STEPS THAT WERE UNDERTAKEN IN DEALING WITH SUCH CHALLENGES

3.1.3.7.1 The NGB has reached its target for the employment of women across all its programmes and is currently sitting at 57.2%, with women employed across various programmes. Of the nine (9) occupied top and senior management positions, four (4) are occupied by women. The employment of youth was further achieved through the appointment of four (4) Administrators and four (4) Interns across 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 the financial resources. The division comprises 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 of the 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, by collecting any fees payable and 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 grant funding. It was crucial for the NGB to manage statutory reporting requirements and achieve high performance while maintaining a high level of financial accountability.

The Finance and Procurement Services division took cognisance 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 in 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 Division:

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 the external auditors annually to obtain an independent opinion on whether the NGB's financial records fairly present its financial position, performance, and cash flows. The NGB achieved a clean audit for the 2025/26 financial year, which is consistent with performance since 2015/16 FY.

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 the goods and services procured align with the objectives of the NGB as set out in the Strategic Plan 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 the internal auditors to verify that they are adequate.

3.1.4.3 CONTRIBUTION TOWARDS INSTITUTIONAL OUTCOMES

The Finance and Procurement Services programme contributes towards the following outcomes as set out in the NGB's 2025/2026 APP:

- Commitment to procuring local goods and services to contribute to the local economy for sustainable growth:
  - 70% of total public procurement spend on local producers to increase local market competitiveness.
- Commitment to spend on procurement of goods and services from black-owned entities to enhance supplier development and economic inclusion:
  - 60% of total public procurement spend on goods and services from black-owned entities to increase market share

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

Table 5: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

PROGRAMME 4: FINANCE AND PROCUREMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2023/2024	Audited Actual Performance 2024/25	Planned Annual Target 2025/26	Actual Achievement 2025/26	Deviation from Planned Target to Actual Achievement 2025/26	Reasons for Deviations
Commitment to procuring local goods and services to contribute to the local economy for sustainable growth	70% of total public procurement spend on local producers to increase local market competi-tiveness	% total public procurement spend on local producers	New Indicator	Over-Achieved R187.8 million in additional local output achieved	70% of total public procurement spend on local producers to increase local market competitiveness	Over-achieved Out of the NGB's total procurement spend of R269 million, R237 million was spent on locally produced goods and services, making up 88% of the total procurement spend.	18% more of total public procurement spent on local producers to increase local market competitiveness	More funds were available to spend on locally produced services than envisaged during planning.
Commitment to spend on procurement of goods and services from black-owned entities to enhance supplier development and economic inclusion	60% of total public procurement spend on goods and Services from black-owned entities to increase market share	% of total public procurement spend on goods and services from black-owned entities	New Indicator	Over-Achieved R199.5 million spent on procurement of goods and services from black-owned entities	60% of total public procurement spend on goods and services from black-owned entities to increase market share	Over-achieved Out of the NGB's total procurement spend of R269 million, R264 million (98%) was spent on goods and services produced by black-owned entities.	38% more of total public procurement spent on goods and services from black-owned entities to increase market share.	More funds were available to spend on black-owned entities than envisaged during planning.

3.1.4.5 NARRATIVE OF SIGNIFICANT ACHIEVEMENT

3.1.4.5.1 Out of the NGB's total procurement spend of R269.4 million, R264 million (98%) was spent on goods and services produced by forty-seven (47) black-owned entities. In so doing, the NGB ensured the participation of black-owned entities in the mainstream economy, predominantly in the ICT and construction sectors.

3.1.4.6 CONTRIBUTION OF THE ACHIEVEMENT OF TARGETS TOWARDS ACHIEVING THE ENTITY'S OUTCOMES

3.1.4.6.1 The NGB spent 88% of its total procurement on locally produced goods and services, thereby exceeding the 70% target, primarily through the provision of ICT services from suppliers with 50% black ownership.

3.1.4.7 PRIORITISING WOMEN, YOUTH AND PERSONS WITH DISABILITIES AND THE CORRECTIVE STEPS THAT WERE UNDERTAKEN IN DEALING WITH SUCH CHALLENGES

3.1.4.7.1 The NGB contributed R161.8 million (60%) towards the equitable inclusion of thirty-four (34) entities that are at least 30% women-owned.

3.2 LINKING PERFORMANCE WITH BUDGETS

Table 6: Linking performance with budgets

Programme/activity/Objective	2025/26			2024/25		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
Gaming Control & Compliance	201 702 317	204 547 889	-2 845 572	204 525 814	205 564 725	-1 038 911
Corporate Services & Research Services	56 915 861	53 266 292	3 649 569	49 826 311	47 217 950	2 608 361
Finance & Procurement	16 523 340	15 919 873	603 467	14 457 034	16 416 165	1 959 131
Enforcement	9 866 885	9 428 034	438 851	9 309 665	9 016 252	293 413
Total	**285 008 403**	**283 162 088**	**1 846 315**	**278 118 824**	**278 215 092**	**-96 268**

3.3 STRATEGY TO OVERCOME AREAS OF UNDER-PERFORMANCE

There were no areas of under-performance, as all targets were achieved.

The Responsible Gambler uses gambling for fun and entertainment.

4. REVENUE COLLECTION

Table7: Revenue

Sources Of Revenue	2025/26			2024/25		
	Estimate	Actual Amount Collected	(Over) / Under Collected	Estimate	Actual Amount Collected	(Over) / Under Collected
Government Grant	35 790 000	35 790 000	0	34 641 000	34 641 000	0
NCEMS Licence Fees	233 297 201	237 886 705	-4 589 504	230 000 000	232 011 671	-2 011 671
Interest Received	4 953 841	4 799 540	154 301	6 111 668	6 004 204	107 464
Rental	2 694 288	2 689 679	4 609	2 673 600	2 534 718	138 882
Miscellaneous Income	8 285 949	0	8 285 949	4 700 000	4 864 920	-164 647
Total	**285 021 279**	**281 165 925**	**3 855 355**	**278 126 268**	**280 056 513**	**1 929 972**

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

Over and above the grant amounting to R35.8 million, additional revenue of R245.4 million was received from other sources, including LPM monitoring fees of R237.9 million, interest on short-term investments of R4.8 million, and rental income of R2.7 million. It is worth noting that while miscellaneous income amounting to R5 million was received during the 2024/25 financial year, mainly from the sale of bid documents, no such revenue was received in 2025/26.

In the 2025/26 financial year, 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, totalling 3%, was received from other sources such as interest received and rental income.

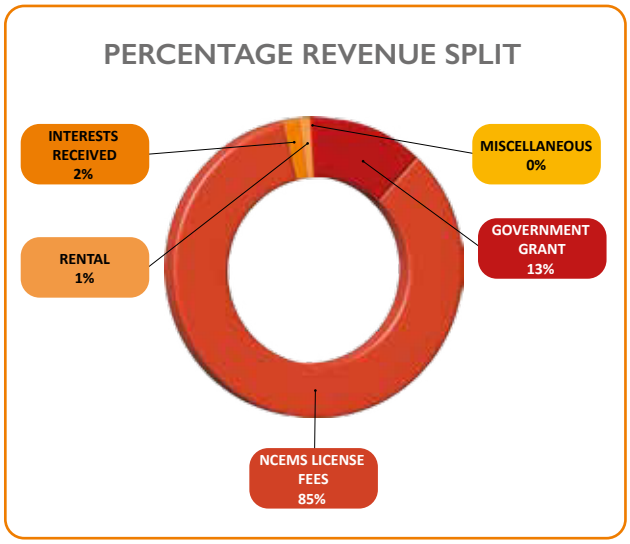


Figure 1: Percentage revenue split

5. CAPITAL INVESTMENT

Table 8: Capital Investment

Infrastructure projects	2025/26			2024/25		
	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Budget R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
None	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

* **Note:** NGB does not have infrastructure projects

CAPITAL, INVESTMENT AND ASSET MANAGEMENT PLAN

The NGB maintains a non-current asset register with a total asset value of R61.6 million. Of this amount, R59.8 million is in the form of Property, Plant and Equipment (PPE), predominantly office premises. The balance of PPE comprises computer equipment, motor vehicles, office furniture and equipment. Intangible assets amount to R1.8 million of the NGB's non-current assets and are mainly internally generated national registers.

DETAILS AS TO HOW ASSET HOLDINGS HAVE CHANGED OVER THE PERIOD UNDER REVIEW, INCLUDING INFORMATION ON DISPOSALS, SCRAPPING AND LOSS DUE TO THEFT

As a result of office refurbishments amounting to R7.9 million, the value of the entity's office premises increased from R49.6 million to R56.6 million during the year. Office premises account for 95% of the entity's non-current assets. No disposals were made or loses suffered during the year.

MEASURES TAKEN TO ENSURE THAT THE PUBLIC ENTITY'S ASSET REGISTER REMAINED UP-TO-DATE DURING THE PERIOD UNDER REVIEW

Asset verifications were conducted twice during the year, in September 2025 and March 2026.

THE CURRENT STATE OF THE NGB'S CAPITAL ASSETS

All the NGB's capital assets were in good condition as at the end of the financial period.

MAJOR MAINTENANCE PROJECTS THAT HAVE BEEN UNDERTAKEN DURING THE PERIOD UNDER REVIEW

Property, plant and equipment were maintained at a cost of R699 923 to ensure that they remain in good working order.

PROGRESS MADE IN ADDRESSING THE MAINTENANCE BACKLOG DURING THE PERIOD UNDER REVIEW

There was no maintenance backlog during the year.

PART C

GAMBLING SECTOR PERFORMANCE

1. OVERVIEW OF THE GAMBLING INDUSTRY

1.1 The NGB is mandated by Section 65(2)(e) of the NGA 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 2025 to 31 March 2026. The NGB monitors market conduct (e.g., the number of operators, gambling positions, and outlets in the South African gambling sector) and also gathers and analyses national gambling statistics on turnover (TO), GGR, and the collection of taxes/levies.

Table 9: Snapshot of the Gambling Industry as at 31 March 2026[2]

VARIABLE	FY2024/25 Statistics – Total all Quarters	FY2025/26 Statistics – Total all Quarters
Number of operational casinos	36	36
Number of operational slots (casinos)	21 370	20 981
Number of operational table (casinos)	890	865
Number of operational gambling position (casinos)	28 362	24 246
Number of operational totalisator outlets	325	340
Number of operational bookmakers	315	315
Number of operational bookmakers outlets	553	539
Number of operational Limited Payout Machine (LPM) site operators	2 546	2 594
Number of active LPMs	15 743	15 988
Number of operational bingo outlets	73	62
Number of operational positions	8 868	8 413
Traditional	0	0
Electronic Bingo Terminals	8 868	8 413
National gambling statistics: **Turnover (R)**	**R1 500 660 968 064**	**R1 763 286 358 535**
National gambling statistics: **GGR (R)**	**R74 498 495 925**	**R84 464 936 791**
National gambling statistics: **Tax/ Levies Collected (R)**	**R5 812 135 921**	**R6 445 732 302**

2. Information is provisional and unaudited for Gauteng

2.1 The NGB continuously monitors market share and market conduct in the gambling industry to keep abreast of revenue generation and tax collection, while ensuring 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 were analysed from 2022/23 to 2025/26.

2.2 Figure 2 shows the number of operational gambling machines throughout the country, by mode. Overall, the number of gambling machines declined slightly from 45 981 to 45 382. Casino slot machines and Electronic Bingo Terminals (EBTs) also recorded marginal decreases, falling to 20 981 and 8 413 respectively, while LPMs increased by 2% to 15 988 machines.

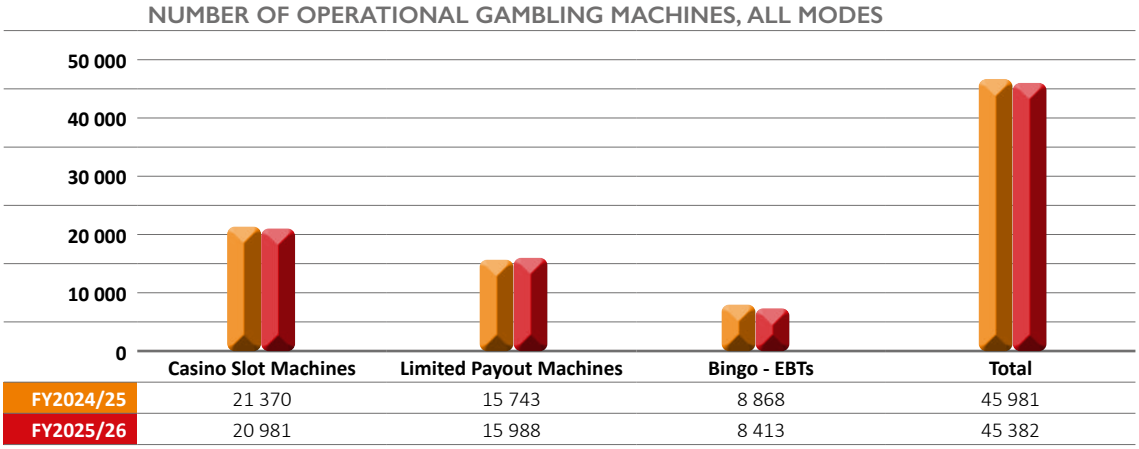


Figure 2: Number of Gambling Machines in the Casino, LPM & Bingo Sectors: FY2024/25 – FY2025/26

2.3 Figure 3 shows GGR growth across the gambling modes over the period 2022/23 to 2025/26. Overall, GGR across all gambling modes has shown strong year-on-year growth of 25.7%, 25.6%, and 13.4% over the period between 2022/23 and 2025/26. Betting is the primary driver of growth, increasing significantly from R23.7 billion in 2022/23 to R62.2 billion in 2025/26, with high annual growth rates of 51.2%, 44.7% and 19.6% over the period. Casinos and bingo have been declining, while LPMs have recovered over the past year, increasing by 2.6%.

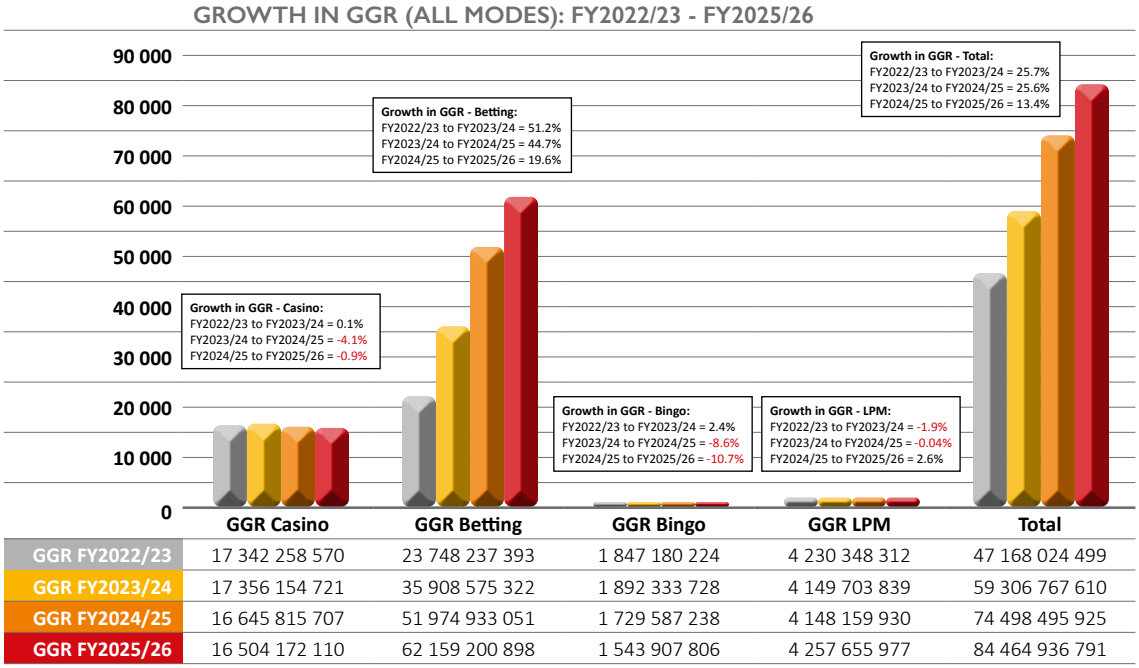


Figure 3: Growth in GGR, All Modes (FY2022/23 – FY2025/26)

2.4 Figure 4 below illustrates the trend in GGR market share from 2011/12 to 2025/26. As at 31 March 2026, GGR from all modes of gambling totalled R84.5 billion (all quarters). Overall, the trend shows a shift from a casino-dominated industry in 2011/12 to one dominated by the betting sector, while LPMs and bingo remain minor and relatively stable sectors. Betting's share of total GGR increased sharply over the past seven years, while casinos lost significant market share over the same period. By the end of the 2025/26 financial year, betting accounted for the largest share of GGR at 74%. Casinos made up 19%, while LPMs and bingo accounted for 5% and 2% of the gambling market, respectively.

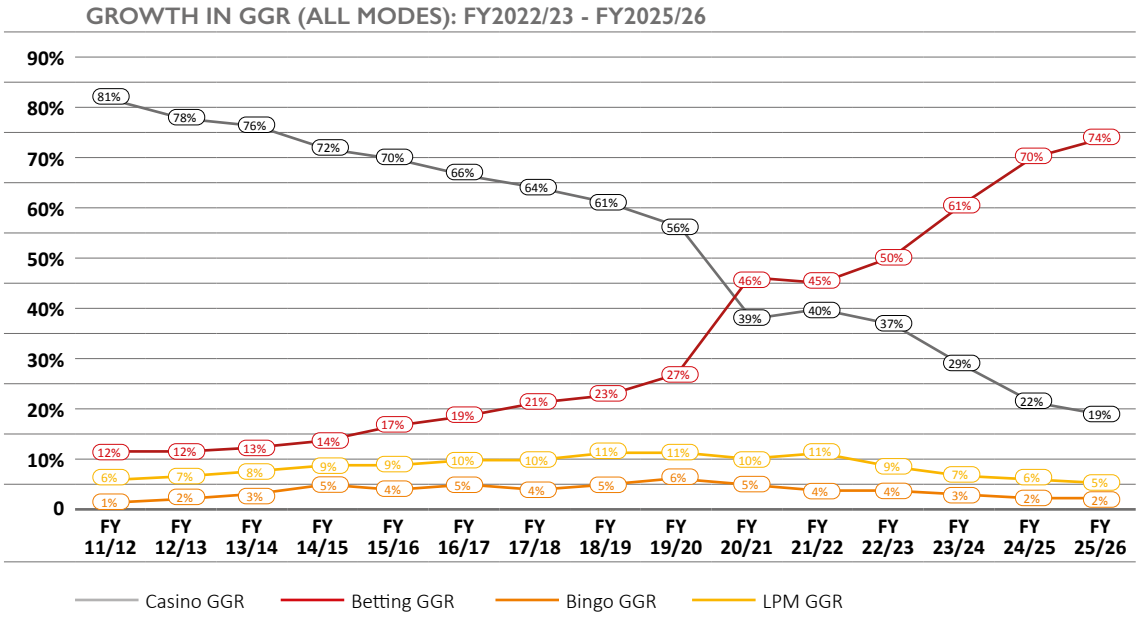


Figure 4: Trend in Share of Total GGR, Comparison All Modes (FY2011/12-FY2025/26)

> *Get help if gambling makes you stressed, depressed or obsessed.*

2.5 A total of R1.8 trillion[3] was wagered during the 2025/26 financial year, reflecting a 17.6% increase compared to the previous year's turnover of R1.5 trillion. The betting sector accounted for the majority of industry turnover, contributing 80% of the total. Mpumalanga and the Western Cape were the leading provinces, generating 46% and 24% of total turnover respectively. The turnover per gambling mode and province are reflected in figures 5 and 6.

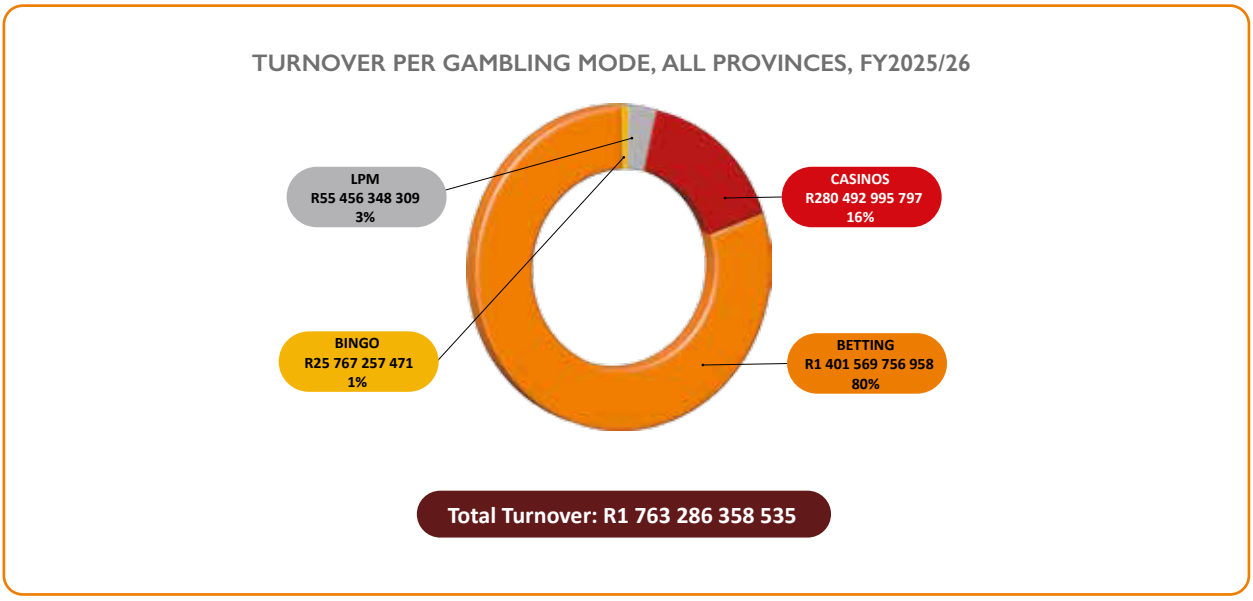


Figure 5: Turnover per gambling mode, all provinces, FY2025/26

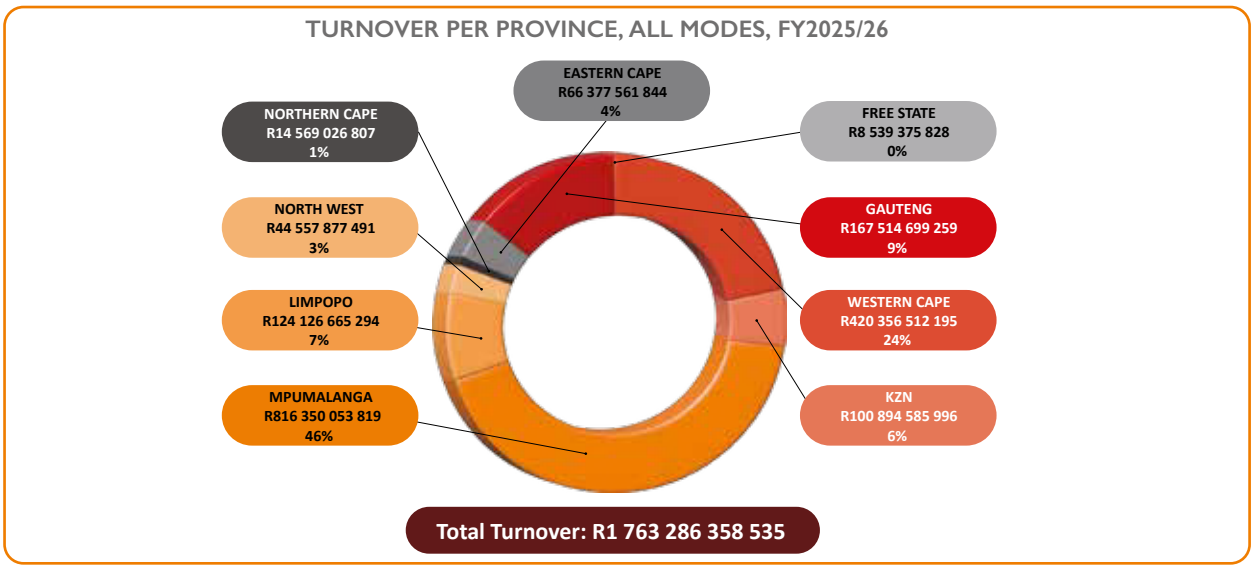


Figure 6: Turnover per province, all modes, FY2025/26

3. Information is provisional and unaudited for Gauteng

2.6 A total of R84.5 billion[4] in GGR was generated during the 2025/26 financial year, reflecting a 13.4% increase compared to the previous year. The betting sector contributed the largest share of total GGR at 74%, up from 70% in the 2024/25 financial year. Provincially, Mpumalanga generated the highest share of GGR at 34%, followed by the Western Cape at 29%. The GGR per gambling mode and province are reflected in figures 7 and 8.

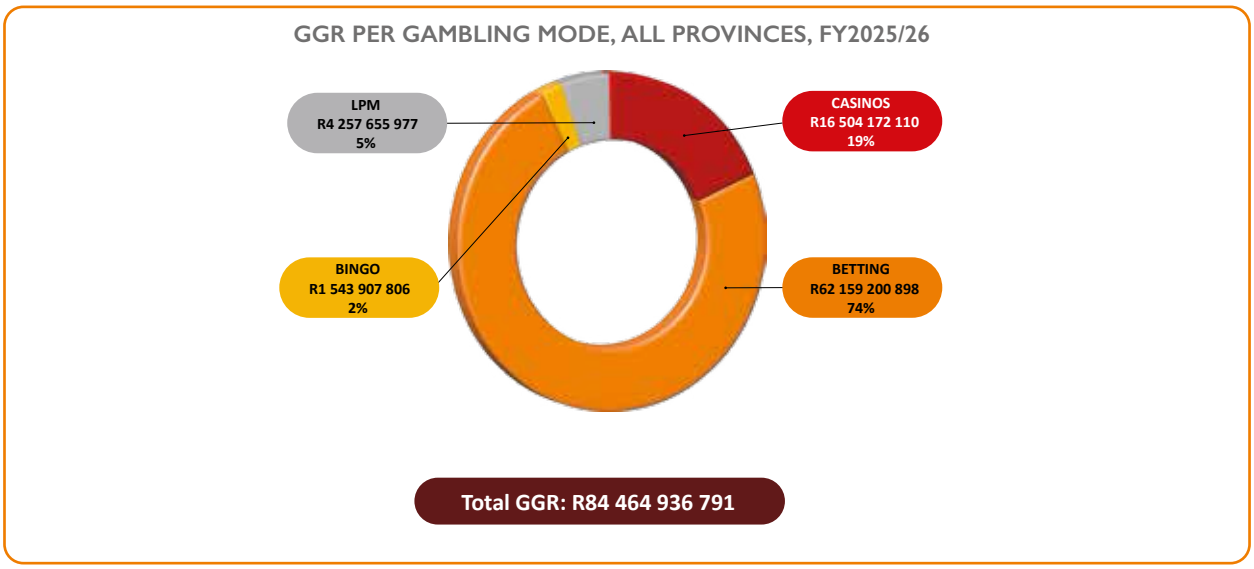


Figure 7: GGR per Gambling Mode, All Provinces, FY2025/26

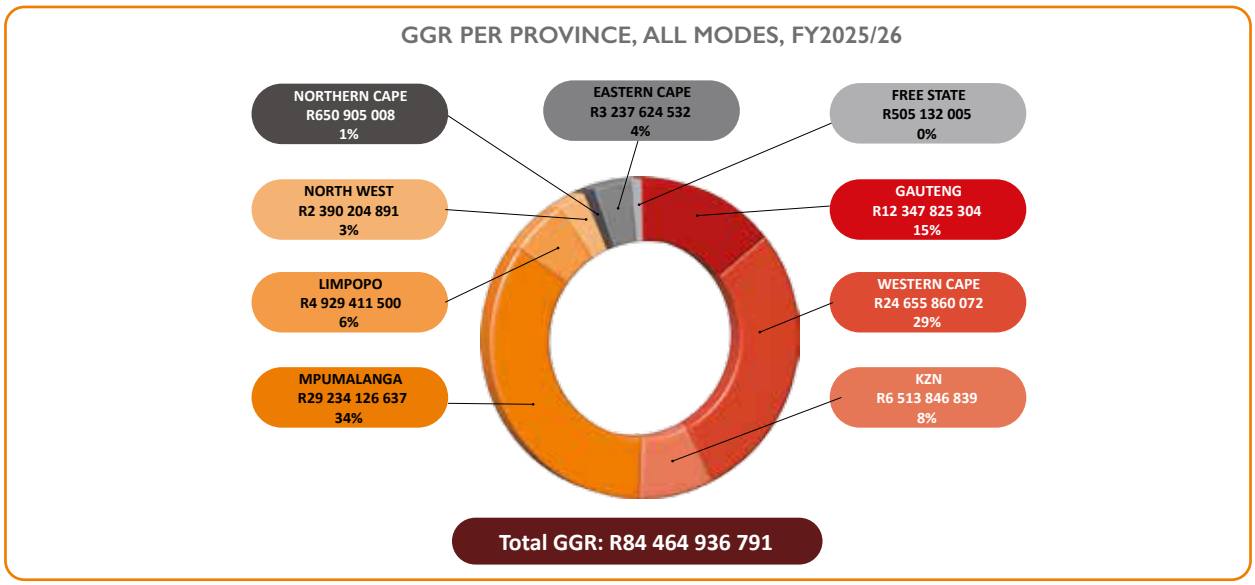


Figure 8: GGR per province, all modes, FY2025/26

4. Information is provisional and unaudited for Gauteng

2.7 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.

2.8 A total amount of R6.4 billion[5] was collected in tax revenue during the 2025/26 financial year, which is 10.9% higher than the taxes/levies in the previous financial year. At 64%, betting contributed the highest amount of taxes/levies relative to other gambling modes. Mpumalanga (30%) and the Western Cape (29%) accounted for the largest share of taxes/levies generated across provinces as depicted in figures 9 and 10.

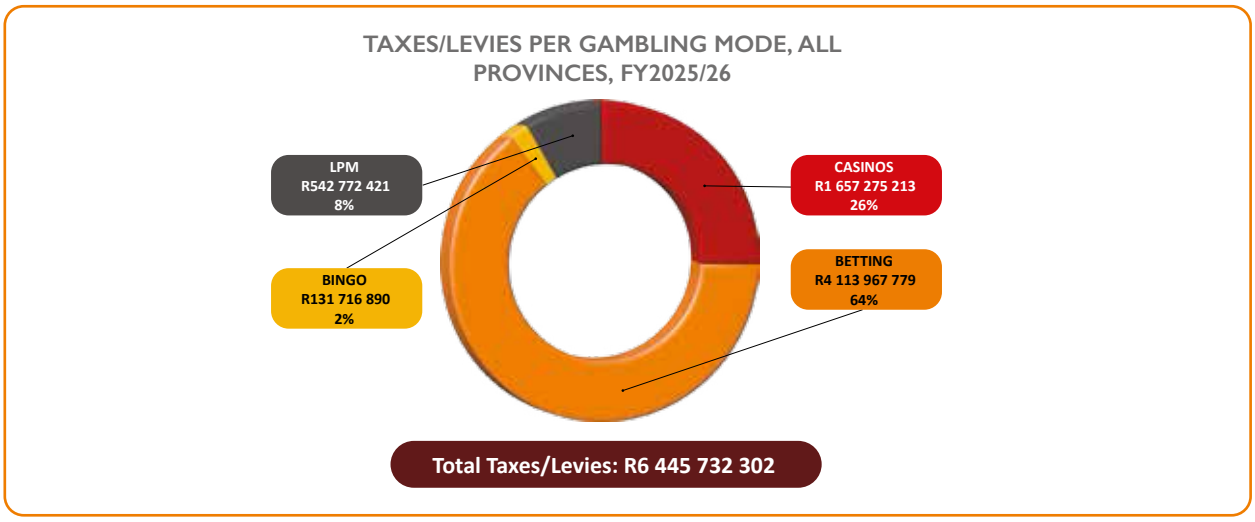


Figure 9: Taxes/Levies per Gambling Mode, All Provinces, FY2025/26

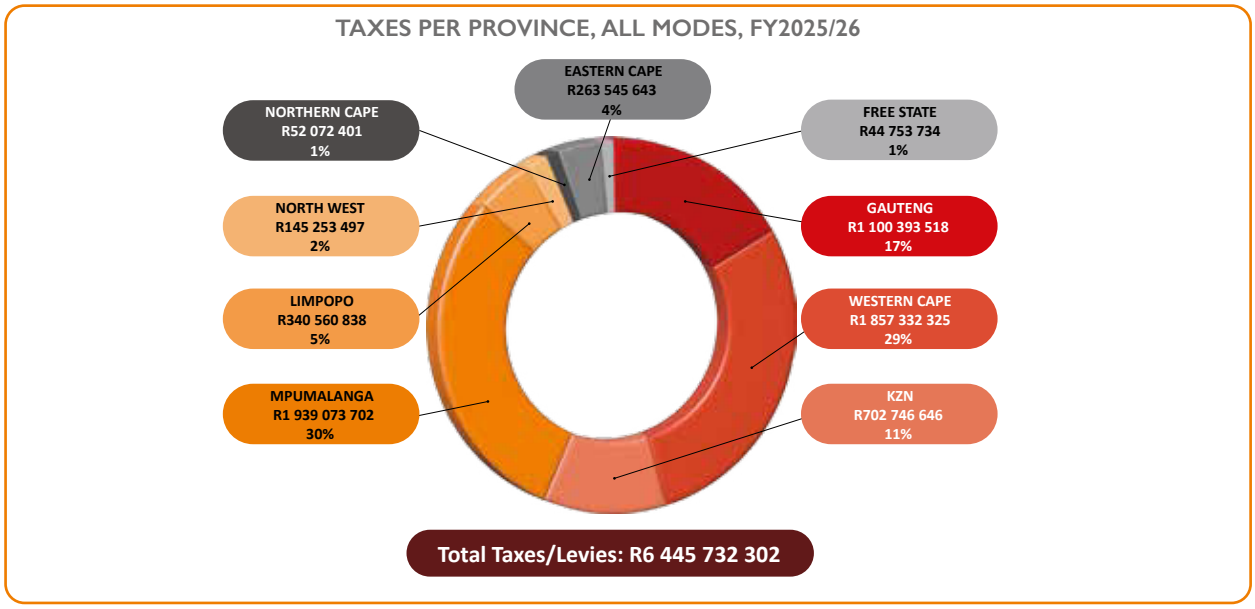


Figure 10: Taxes/Levies per Province, All Modes, FY2025/26

5. Information is provisional and unaudited for Gauteng

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**. To date, the gambling industry does not have its own transformation charter. Therefore, gambling enterprises are measured in terms of the generic scorecard, 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 new codes have been merged to monitor contributor levels applicable to FY2018, 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 2026 per gambling mode and operator, was as follows:

- Average B-BBEE level for casino operators: Level 1.6
- Average B-BBEE level for totalisators: Level 6.4
- 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).

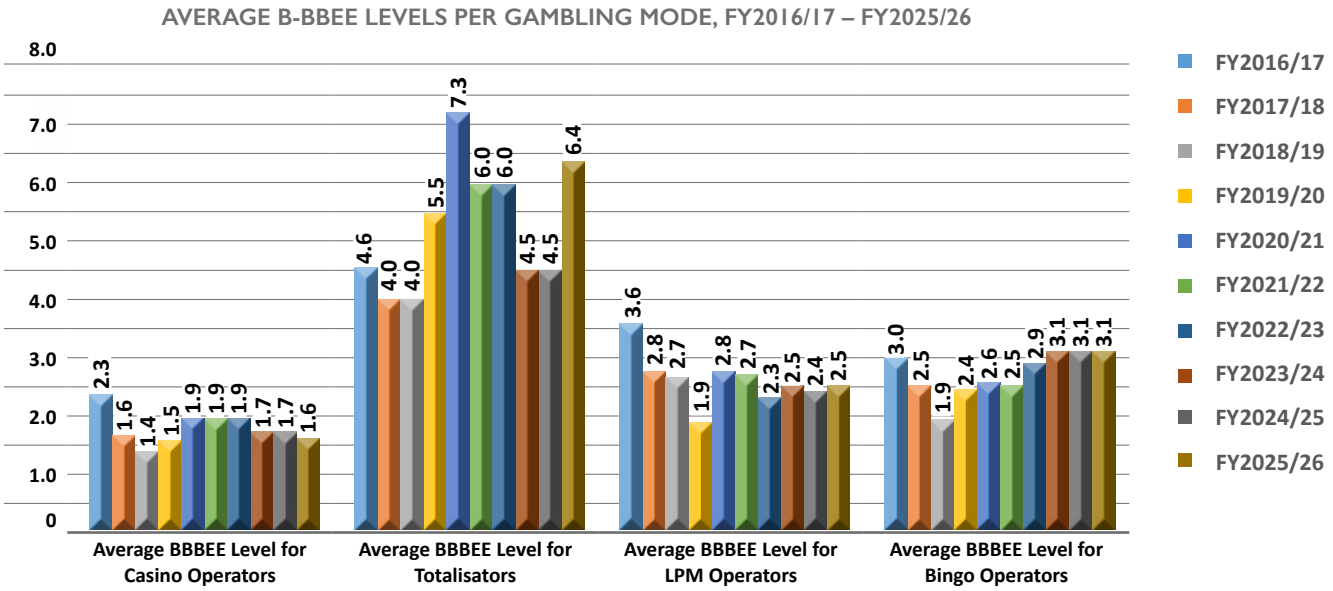


Figure 11: Average B-BBEE Levels per Gambling Modes, FY2016/17 - FY2025/26

A detailed breakdown of B-BBEE levels per gambling mode and operator from 2012/13 to 2025/26 is reflected below:

Table 3 presents the B-BBEE levels for the casino sector from 2012/13 to 2025/26. On average, the casino sector achieved a B-BBEE compliance level of 1.6 for the 2025/26 financial year. This indicates that the sector is the most compliant across all modes of gambling with respect to black empowerment in terms of ownership, management control, skills development, enterprise and supplier development, and socio-economic development.

Table 10: B-BBEE Levels for the Casino Sector from FY2012/13 to FY2025/26

Province	Name of Casino/26	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	FY2025/26
Gauteng	Morula Sun Casino (GT),	Sun International	2	2	2	2	4	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed
	Carnival City (GT)	Sun International									2	2	2	1	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	1
	Gold Reef City Casino (GT),	Tsogo Sun	2	2	2	2	2	1	1		2	2	2	2	2	2
	Silverstar Casino (GT)	Tsogo Sun	2	2	2	1	1	1	1		2	2	1	1	1	1
	Emperors Palace (GT)	Peermont Global	2	2	2	2	1	1	1		2	1	2	4	4	4
	Emerald Safari Resort (GT)	Tsogo Sun		3	2	2	4	2	2		4	3	2	2	2	2
Western Cape	Grandwest Casino (WC),	Sun International	3	2	2	2	4	3	2	1	1	1	1	2	1	1
	Golden Valley Casino (WC),	Sun International	3	2	2	3	3	1	4	2	2	3	1	4	2	2
	Caledon Hotel Spa Casino (WC),	Tsogo Sun	2	2	2	2	2	2	1	1	1	2	2	3	2	2
	Casino Mykonos (WC),	Tsogo Sun								2	2	2	2	2	2	2
	Garden Route Casino (WC),	Tsogo Sun								1	1	2	2	3	2	2
KwaZulu-Natal	Sibaya Casino (KZN),	Sun International	2	2	2	2	3	3	1	1	3	3	4	1	1	1
	Suncoast Casino (KZN),	Tsogo Sun	2	2	2	2	2	1	1	1	1	1	2	2	2	2
	Black Rock Casino (KZN),	Tsogo Sun	3	3	2	2	2	1	1	1	1	1	2	2	2	2
	Golden Horse Casino (KZN),	Tsogo Sun	2	2	2	2	1	1	1	1	1	1	2	2	2	2
	Umfolozi Casino (KZN),	Peermont Global	2	2	2	2	1	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	2
	Emnotweni Casino (MP),	Tsogo Sun	2	2	2	2	1	1	1	1	1	2	2	2	2	2
	Graceland Hotel Casino (MP)	Peermont Global								1	1	1	1	1	1	1
	Meropa Casino (LP),	Sun International	2	2	2	2	4	1	1	1	2	2	5	1	1	1

Province	Name of Casino/26	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	FY2025/26
Limpopo	Meropa Casino (LP),	Sun International	2	2	2	2	4	1	1	1	2	2	5	1	1	1
	Khoroni Hotel Casino (LP)	Peermont Global								1	1	1	1	1	1	1
	Thaba Moshate (LP)	Peermont Global								1	1	1	1	1	4	1
North West	Sun City (NW),	Sun International	3	3	3	2	1	1	1	1	1	2	1	1	1	1
	Carousel Casino (NW),	Sun International	2	2	2	2	4	2	1	3	5	5	2	Closed	Closed	Closed
	Mmabatho Palms Casino (NW),	Peermont Global								1	5	1	1	1	1	1
	Rio Casino (NW),	Peermont Global								1	2	1	1	1	1	1
Northern Cape	Flamingo Casino (NC),	Sun International	4	4	2	4	4	4	2	2	2	2	1	2	2	2*
	Desert Palace Hotel Resort (NC)	Northern Cape Consultants Kairo	2*	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*	2*
Eastern Cape	Boardwalk Casino (EC),	Sun International	3*	3*	2*	2*	3*	3*		2*	2*	2*	2*	1*	1*	1*
	Wild Coast Sun (EC),	Sun International	3*	3*	3*	2*	2*	2*		2*	1*	1*	1*	1*	1*	1*
	Hemingways Casino (EC),	Tsogo Sun	3*	3*	2*	1*	1*	1*		1*	1*	1*	1*	2*	2*	2*
	Queens Casino (EC),	African Pioneer Gaming Pty Ltd		2*	3*	2*	3*	3*		8*	8*	8*	8*	2*	2*	2*
	Mayfair Casino (EC)	Billion Group								1*	1*	1*	1*	1*	Closed*	closed*
Free State	Windmill Casino (FS),	Sun International	2	2	2	2	4	2	2	2	3	5	4	2	2	2
	Naledi (FS),	Sun International						Not rated	Not rated	Closed	Closed	Closed	Closed	Closed	Closed	Closed
	Gold Fields	Tsogo Sun	2	2	2	2	2	1	1	1	2	1	1	1	1	1
	Frontier Inn	Peermont Global								1	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**	**1,6**

On average, the totalisator sector achieved a level 6,4 B-BBEE compliance for FY2025/26; however, several PLAs reported non-compliance of totalisators in their province. *Figures for 2024/25

B-BBEE LEVELS FOR TOTALISATORS FROM FY2012/13 TO FY2025/26

Name of totalisator	Name of province	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	FY2025/26
Kenilworth Racing (4Racing)	Western cape			2	2	4	4	4	8	8	8	8	8	8	5
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	8
4Racing	Mpumalanga	3	2	2	2	5	4	4	4	8	4	4	Non-compliant	Non-compliant	8
4Racing	Gauteng	3	2	2	2	5	4	4		6	6	6	4	4	4
4Racing	North West	3	3	3	2	5	4	4	6	8	8	8	Non-compliant	Non-compliant	8
4Racing	Free State	3	2	2	2	5	4	4	4	8	4	8	-	-	8
4Racing	Eastern Cape		2	2	2	5			6	6	6	4	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**	**6,4**

On average, the bingo sector achieved a level 3.1 B-BBEE compliance for the FY2025/26. Table 5 presents the B-BBEE levels for the bingo sector from FY2012/13 to FY2025/26. *Figures for 2024/25

Table 11: B-BBEE Levels for the Bingo Sector from FY2012/13 to FY2025/26

Province	Name of bingo operator	B-BBEE LEVELS, BINGO, FY2012/13 – FY FY2025/26													
		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	FY2025/26
Gauteng	Goldrush (Atterbury)	2	2	3.7*	1.6*	7.5*						4	4	4	4
	Goldrush Bingo Morula											4	5	5	5
	Bingo(Mall@Reds)												6	6	6
	Bingo(Vaal)												6	6	6
	Bingo(Kolonnade)												6	6	6
	Goldrush West Gate						7.8*	7.8*		7	7	8	6	6	6
	Goldrush Alberton											8	8	8	8
	Galaxy Bingo	2	2	2	2	2*	1	1		1	1	1	2	2	2

Province	Name of bingo operator	B-BBEE LEVELS, BINGO, FY2012/13 – FY2024/25													
		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	FY2025/26
Mpumalanga	Goldrush Bingo Ermelo					8	8		8	8	8	8	6	6	
	Goldrush Bingo Middleburg											8	6	6	2
	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	2
	Galaxy Bingo Hazyview						2 (Exempt)	1	1	2 (Qualifying Small Enterprise)	2 (Qualifying Small Enterprise)	2 (Qualifying Small Enterprise)	2	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	2(EME)
	Galaxy Bingo Mbombela											2 (Exempt Micro Enterprise)	2	2	2(EME)
	Galaxy Bingo Tonga											2 (Qualifying Small Enterprise)	2	2	2(EME)
	Supabingo (Acornhoek)											4 (Exempt Micro Enterprise)	4	4	4(EME)
	Star Bingo							4 (Exempt)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4	4	4(EME)
North West	Goldrush Bingo Rustenburg		N/A	4	1	2	2	2	2	2	2	2	4	4	4
	Goldrush Bingo Potchefstroom											2	2	2	2
	Galaxy Bingo Moruleng			1	1	4	4	2	2	2	2	2	2	2	2
	Galaxy Bingo Brits											2	2	2	2
	Galaxy Bingo Hebron														4
	Ansino Vryburg											2	2	2	2
	Firegame Bingo													4	N/A
	Yugame														N/A
	Pioneer Bingo														N/A

Province	Name of bingo operator	B-BBEE LEVELS, BINGO, FY2012/13 – FY2024/25													
		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	FY2025/26
Eastern Cape	Galaxy Bingo		1	1	1.8*	2	2		1.8	2	2	2	2	2	2*
	Palacio Bingo					2*	2*		2*	2*	2*	2*	2*	2*	2*
	Goldrush Bingo					2*	2*		2*	2*	2*	2*	2*	2*	2*
	ISO Golden Palace Sterkspruit										1*	1*	1*	1*	1*
	ISO Spin and Win Entertainment Mbizana										2*	2*	2*	2*	2*
	ISO K2014000230 (Pty) Ltd t/a Spin N Win Uitenhage										1*	1*	2*	2*	2*
	ISO K2017448757 (Pty) Ltd t/a Spinners Mount Frere										2*	2*	n/a*	n/a*	n/A*
	ISO GEC Gaming (Pty) Ltd t/a Royal Aces & Bistro										1*	1*	1*	1*	1*
KwaZulu-Natal	Galaxy Bingo				1	2	2	2	2	2	2	2	2	2	2
	Great Bingo					1	1	1	1	2	1	1	1	1	1
	Goldrush Bingo					4	N/A	N/A	4	4.6	4,6	4,6	4	4	3,2
	Star Bingo										4	4	4	4	4
	Go Bingo										4	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	2
	Goldrush Bingo (Latiano 557)						2	2	2	2	2	2	2	2	2
	Goldrush Bingo Phalaborwa						2	2	2	2	2	2	2	4	4
	Vegas Bingo					4		4	2	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**	**3,1**

Table 12: B-BBEE Levels for the LPM Sector from FY2012/13 to FY2025/26

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	FY2025/26
Gauteng	Vukani Gaming	1	3	2	2	1	1	1		1	1	1	2	2	2
	Gold Rush Gaming				2	7	7	5		8	8	8	8	8	2
	Hot Slots			0	8	8		8		4	4	4	1	1	1
	Grand Gaming	1	4	3	5	8	6	6		4	4	4	1	1	1
	Crazy Slots						Not compliant	Non-Compliant		8	8	5	8	8	8
Eastern Cape	Vukani Gaming		3	3	3	3	3		1	1	1	1	2	2	2*
	Pioneer Slots		3	1	2	2	4		1	3	3	3	1	1	1*
Free State	Vukani Gaming	1	1	1	2	2	2	2	1	1	2	1	2	2	2
	Goldrush						2	2	2	2	2	2	2	4	4
KwaZulu-Natal	Vukani Gaming	1	3	2	2	2	2	2	1	1	1	1	2	2	2
	Kingdom Slots	4	3	3	5	2	5	4	3	2	2	1	1	1	1
	Luck-at-it	1	1	1	2	5	1	2	1	1	1	1	2	2	2
	KZN Slots	5	5	5	5		4	4	3	4	4	1	2	1	2
Limpopo	Vukani Gaming	2	3	2	2	1	1	1	1	1	1	1	4	2	2
	Goldrush	3	1	1	1	4	1	1	1	8	8	4	4	4	4
Mpumalanga	Vukani Gaming	3	3	2	2	3	3	1	2	2	2	2	2	2	3
	Tripple 7 Slots								4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4 (Exempt Micro Enterprise)	4	1	4
	Grand Gaming		2	2	2	Level 2 QSE	4 (Exempt)	Exempt	4	5	4	1	4	4	1
	Galaxy Gaming				1	2 (Exempt)	1 (Exempt)	Exempt	2	1 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	2	2	2
	Decatex Gaming								1 (Exempt Micro Enterprise)	2 (Exempt Micro Enterprise)	1 (Exempt Micro Enterprise)	1 (Exempt Micro Enterprise)	4	4	4
	Hendecol Gaming														4
	Zwakala Slots (Pty) Ltd														2

On average, the LPM sector achieved a level 2.5 B-BBEE compliance for FY2025/26.

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	FY2025/26
North West	Vukani Gaming	2	2	2	1	4	2	2	1	1	1	1	2	2	2
	Goldrush Slots	1	1	1	1	2	2	2	2	2	2	5	4	4	4
	Varloflash					4	2	2	2	2	2	2	2	2	2
	Tshufi Gaming							2	2	2	2	2	2	2	2
	Magic Slots							2	2	2	2	2	2	2	N/A
	Ansino- Klerksdorp											2	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	N/A
	Ansino Rusternberg														2
	Maponga Gaming														1
Northern Cape	Goldrush Gaming					2	2	2	2	2	2	2	2	2	2*
	Vukani Gaming				2	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**	**2,5**

*Figures as at 2024/25

EMPLOYMENT IN THE GAMBLING INDUSTRY

The NGB monitors direct employment numbers in the gambling sector (industry and regulators). A total number of 32460 people (direct employment) were employed in the gambling industry (including at regulators) as at 31 March 2026, down by 2% from the FY2024/25 level of 33169. The casino sector accounted for the highest numbers in terms of direct employment in the gambling industry follwoed by the and bookmaker sector as reflected in Table 7.

Table 13: Direct Employment per Province and Mode, FY2025/26

	PROVINCE									
Gambling mode	Gauteng	Western Cape	KwaZulu-Natal	Mpuma-langa	Limpopo	North West	Northern Cape	Eastern Cape	Free State	TOTAL
Casinos	3450	2266	5393	343	333	388	246*	542*	367	13328
Totalisators	185	270	587*	71	74	33	4*	13*	35	1272
Bookmakers	5516	1105	2432*	794	879	673	397*	246*	188	12230
LPM	644	65	87	565	789	105	23*	724*	27	3029
Bingo	242	N/A	536	302	196	170	N/A*	407*	N/A	1853
Regulators										0
PLAs	106	73	149	84	66	81	18*	55*	116	748
TOTAL	**10143**	**3779**	**9184**	**2159**	**2337**	**1450**	**688**	**1987**	**733**	**32460**

* Figures for 2024/25

4. RESPONSIBLE GAMBLING[6]

4.1 INTRODUCTION

4.1.1 The National Responsible Gambling Programme (NRGP) consists of four core programmes: the Counselling, Treatment and Social Services Programme; Education and Training; Advocacy and Communication; and Research Insights. These programmes are supported by the Corporate Services Department which provides governance and administrative support through strategic leadership that is expanded to actively drive the successful execution of these programmes, ensuring that the NRGP's initiatives are efficiently executed and achieve meaningful impact.

4.1.2 The Corporate Services Department is therefore responsible for the following:

1) Coordinate cross-programme alignment to ensure that each initiative supports the overall organisational objectives.
2) Provide data-driven insights by integrating financial, operational, and research information to guide informed decision-making.
3) Strengthen stakeholder engagement through structured communication and reporting that enhances accountability.
4) Optimise resource management to ensure that human, financial, and technological resources are effectively allocated across all programmes.
5) Facilitate risk management and compliance to proactively identify and mitigate potential challenges that could affect programme delivery.

4.1.3 The National Responsible Gambling Foundation is funded by licensed gambling operators, who contribute 0.1% of GGR to support the Foundation's mandate of implementing a national responsible gambling programme aimed at minimising gambling-related harm. This funding is essential because it enables the Foundation to sustain prevention, early intervention, treatment, research, advocacy, and public awareness initiatives across South Africa. It supports key services such as the toll-free counselling line, the referral and treatment network, self-exclusion support, financial literacy interventions, relapse prevention services, and broader education and communication programmes that promote safer gambling behaviour. It also enables the Foundation to maintain the professional, administrative, and governance systems required to deliver these services consistently, ethically, and at scale. In this way, operator contributions support both compliance with responsible gambling obligations and access to structured support for individuals, families, and communities affected by gambling-related harm. In the year under review, the South African gambling industry contributed R57 413 428 (Figure 12) based on GGR. However, there was still a reported shortfall of approximately R1 893 339, which indicates that some operators are not yet contributing. Even so, a comparison between the 2025/26 and 2024/25 GGR shortfalls shows that the contribution gap is narrowing (Figure 13).

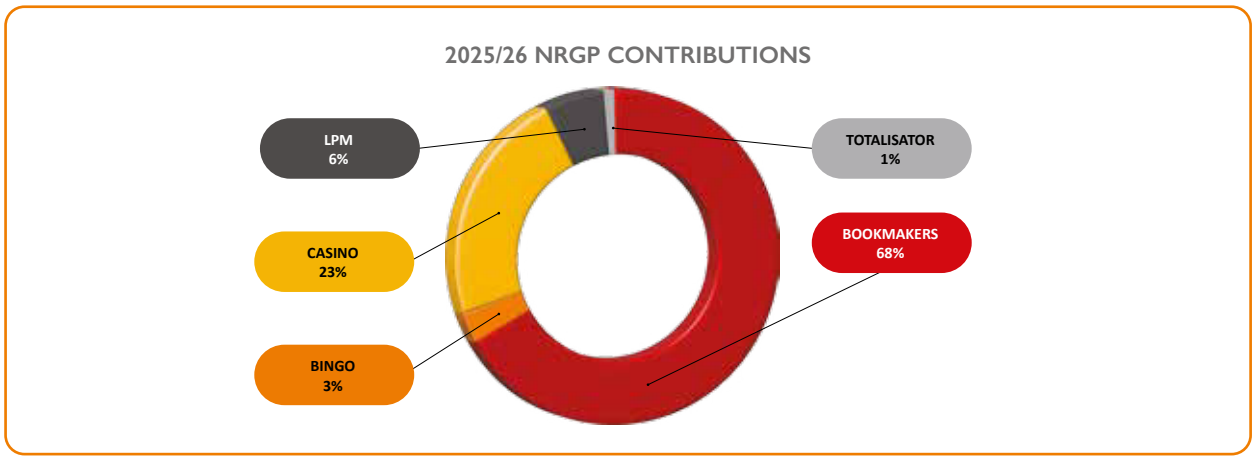


Figure 12: Gross Gambling Revenue Contributions 2025/26

6. This entire section is the FY2025/26 The South African Responsible Gambling Foundation Statistical information sourced from SARGF. The NGB cannot give assurance of the SARGF's clinical data

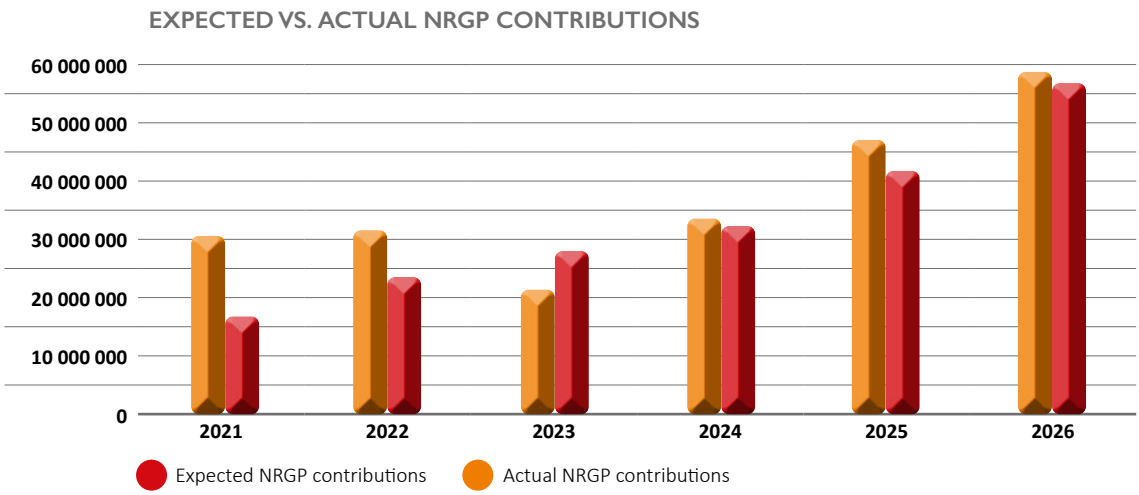


Figure 13: Comparative Analysis of Gross Gambling Revenue Contributions 2021 – 2026

4.2 COUNSELLING, TREATMENT AND SOCIAL SERVICES

4.2.1 The Counselling, Treatment and Social Services Department operates with the highest level of integrity, maintaining strict adherence to both local and international best-practice standards. This includes compliance with ethical guidelines for counselling services, evidence-based treatment protocols, and the safeguarding of client confidentiality in line with the Protection of Personal Information Act, 2013 (Act 4 of 2013) (POPIA). In addition to POPIA, the Counselling, Treatment and Social Services Department aligns its practice with the Mental Health Care Act 2002 (Act 17 of 2002), ensuring that all actions respect the rights and dignity of individuals receiving care. The diagnostic and treatment approach is informed by the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, Text Revision (DSM-5-TR) for the accurate recognition and management of mental health conditions related to gambling and co-occurring disorders.

4.2.2 The Department is also guided by the ethical and professional standards set by various professional bodies, including the Health Professions Council of South Africa (HPCSA) and the South African Council for Social Service Professions (SACSSP). Internationally, the American Society of Addiction Medicine (ASAM) criteria for assessment and treatment planning and the World Health Organization (WHO) standards for mental health and addiction services underpin the Department's approach, ensuring alignment with widely recognised global frameworks.

4.2.3 By integrating these local laws, international guidelines, and professional regulations, the Department maintains a comprehensive, ethical, and client-focused practice framework that supports both effective treatment outcomes and the protection of client rights.

4.2.4 COUNSELLING SERVICES

4.2.4.1 DIVERTED OPERATOR CALLS

4.2.4.1.1 During the 2025/26 financial year, the Counselling Toll-free Helpline managed a total of 1 263 470 calls. A significant portion of these incoming calls were operator-related queries linked to Hollywoodbets, Betway, LottoStar, Sportingbet, Supabets, GBets, Easybets, World Sports Betting, BetXchange, Jabula Bets, and YesPlay. These calls were automatically redirected to the respective operators. When comparing the total call volume to the previous financial year (2024/25), which recorded 1 013 695 calls, there was an increase of 249 775 calls, reflecting a 24.7% growth YoY. This notable increase is likely due to the greater visibility of the helpline number in operator advertising. Although this exposure drives awareness, the high volume of operator-related calls continues to affect the operational efficiency of the Counselling Toll-free Helpline and cannot be overlooked.

4.2.4.1.2 Figure 11 illustrates the monthly call volumes received by the helpline over a 12-month period. The data show significant fluctuations. Notably, April, September, October, November and December 2025 each recorded over 10 000 calls, while January and February 2026 also exceeded 10 000 calls. These variations may be linked to factors such as special events or increased operator advertising. However, confirming the exact causes will require further investigation and monitoring by the Foundation to establish a clear correlation.

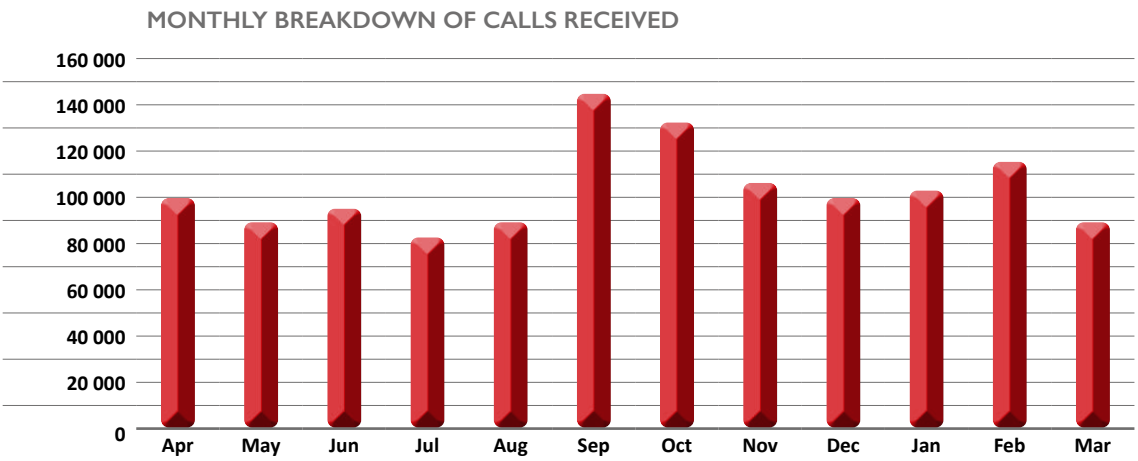


Figure 14: Number of Calls Received by the Counselling Line April 2025 –March 2026

4.2.4.2 INBOUND CALLS RECORDED ON THE CASE MANAGEMENT SYSTEM

4.2.4.2.1 During the 2025/26 financial year, the counselling line received a total of 83 541 calls, which were recorded on the Case Management System. Unlike the operator-diverted calls; these calls were classified accordingly, as shown in Figure 15. The number of calls received during the year under review reflects an increase of 19 384 calls compared to the 2024/25 financial year (64 157 calls). The majority of these calls were not treatment and counselling-related; with wrong numbers accounting for 77% of total calls received, general inquiries 8%, silent calls 7%, miscellaneous calls 2%, and treatment-related calls 7%. Calls classified as wrong numbers are operator-related calls that came through the Counselling Line, despite the diversion being put in place to redirect these calls away from the counselling service. The surge in operator queries not only increases operational costs, as indicated in Figure 15 below; but also affects staff productivity and may lead to staff fatigue. In response, the management of the South African Responsible Gambling Foundation (the Foundation) has engaged with operators, including Betway and Hollywoodbets, who have proposed several solutions. Some of these temporary measures are planned for implementation in the upcoming financial year.

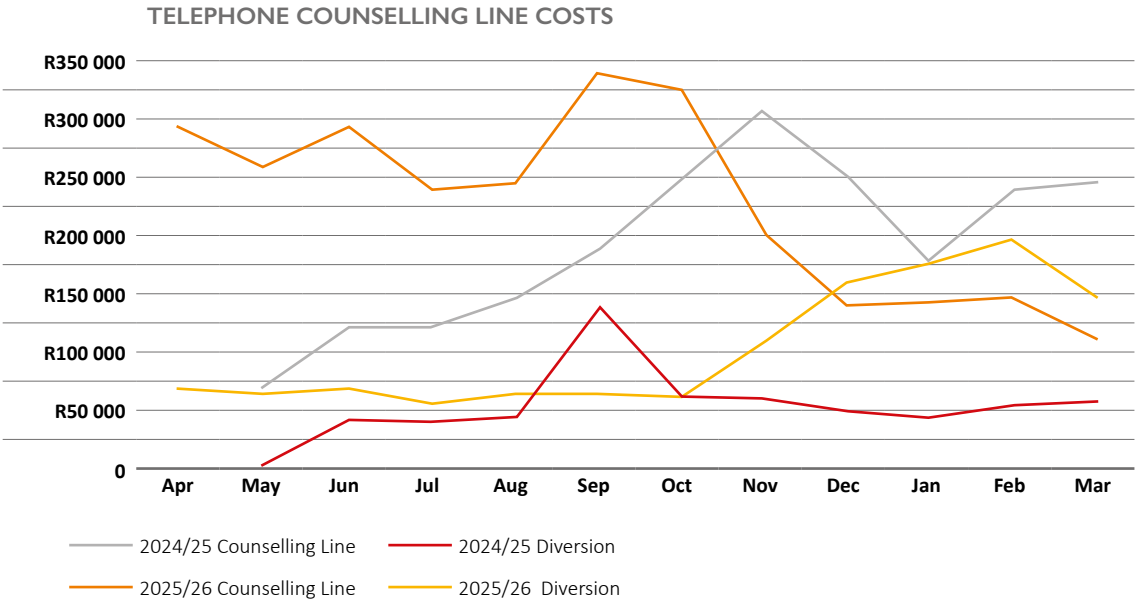


Figure 15: Costs of the Counselling Telephone Services 2024/25 and 2025/26

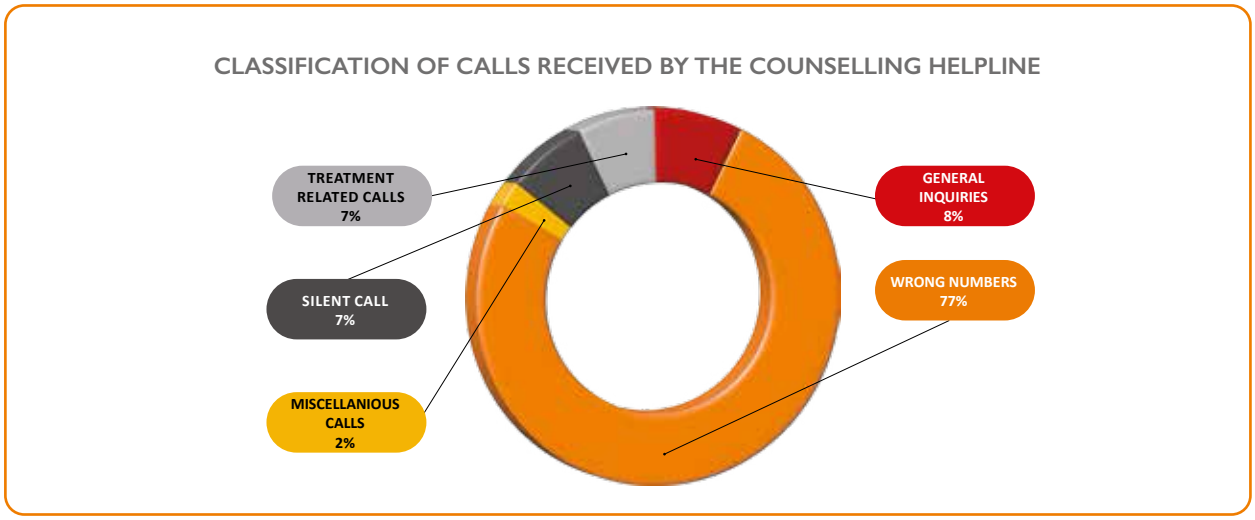


Figure 16: Calls Received by the Counselling Helpline Processed through the Case Management System

4.2.4.2.2 Treatment-related calls totalled 5 443 and are further classified into their respective categories, as shown in Figure 17.

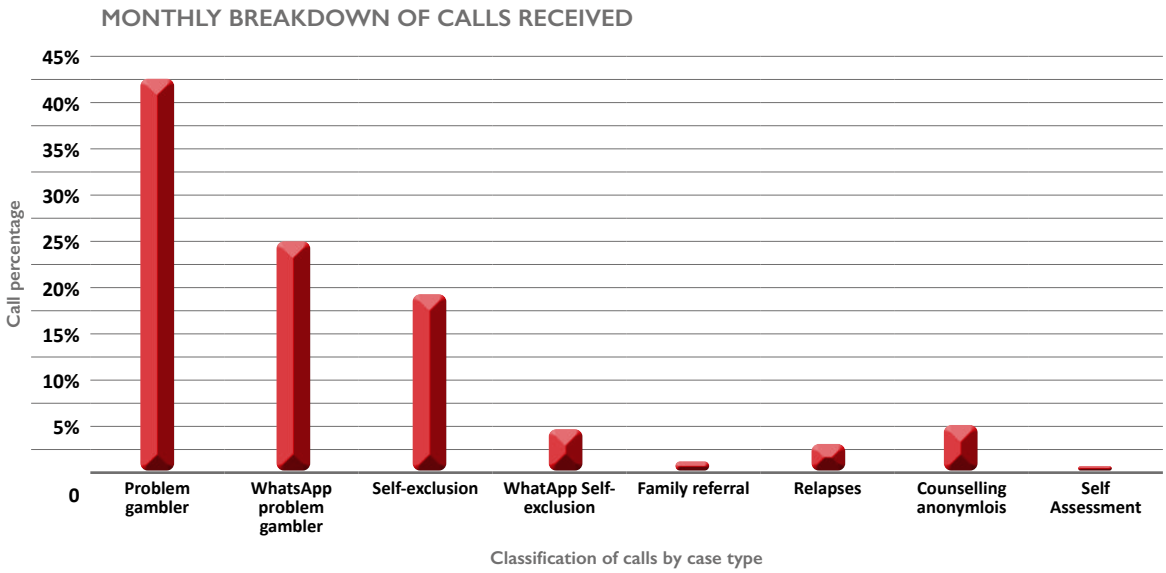


Figure 17: Categories of Treatment-Related Calls 2025/26

4.2.4.2.3 All calls related to treatment concerns were directed to psychotherapeutic interventions provided by treatment professionals through the National Responsible Gambling Treatment Programme. However, approximately 4% of calls were categorised as anonymous counselling requests. Anonymous counselling is a service designed for individuals who prefer to keep their personal details confidential and do not wish for their information to be recorded on the Case Management System. This option allows them to engage with professional counsellors privately without compromising their anonymity. The Foundation respects the right of these individuals to privacy and has established this service as part of its commitment to supporting those affected by disordered gambling. The Foundation believes that by offering a safe and confidential environment, it empowers individuals to take the first steps towards recovery while maintaining their autonomy and dignity.

4.2.5 DEMOGRAPHIC ANALYSIS OF CASES REFERRED FOR TREATMENT

4.2.5.1 GENDER ANALYSIS

4.2.5.1.1 Figure 18 provides a gender analysis of cases that progressed to treatment. Gender analysis plays a crucial role in the treatment of gambling disorders, as it can significantly impact gambling motivations, patterns of harm, co-occurring mental health issues, help-seeking behaviours, and access to care. By integrating gender analysis into treatment approaches, practitioners can provide more equitable, trauma-informed, and person-centred care. This approach acknowledges the diverse experiences and needs of individuals based on gender, thereby enhancing the effectiveness and inclusivity of treatment interventions.

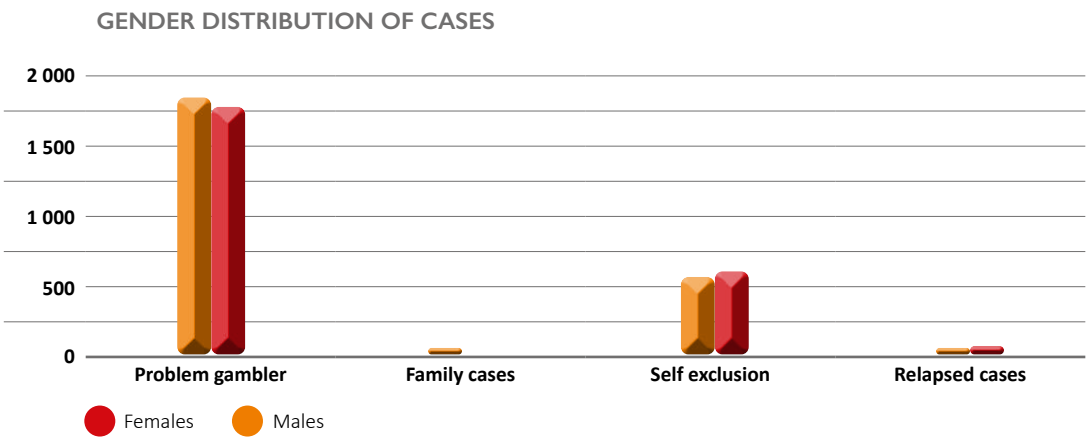


Figure 18: Gender Distribution of Cases by Category

4.2.5.2 PROVINCIAL BREAKDOWN

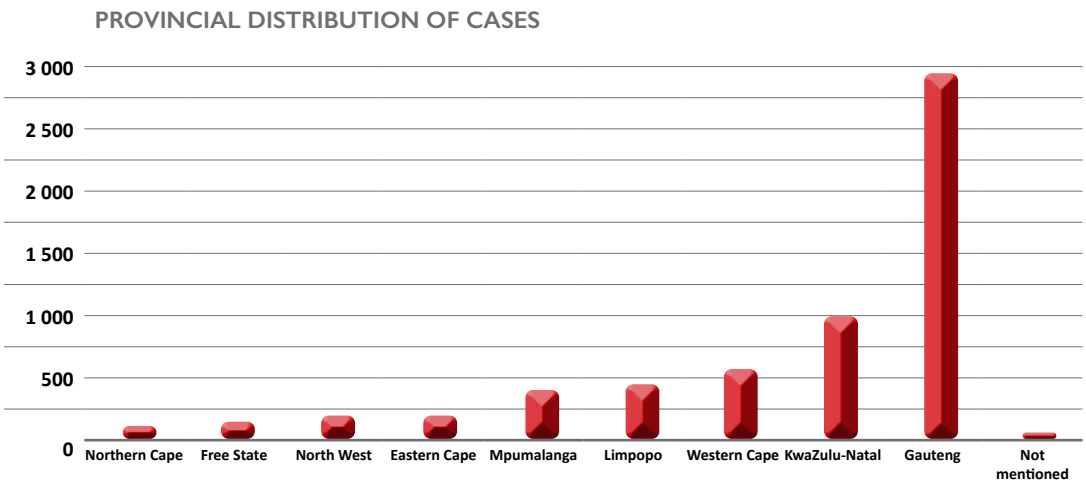


Figure 19: Distribution of Cases by Province

4.2.6 ASSESSMENT OF RISK FACTORS

4.2.6.1 The Counselling Line plays an essential role in the initial stage of problem gambling support because it collects accurate and comprehensive information about the individual seeking help. This information goes beyond demographic details and includes medical history, psychological status, and other potential risk factors. By using structured screening tools such as the Alcohol Use Disorders Identification Test (AUDIT), the Depression, Anxiety and Stress Scale (DASS), the Drug Abuse Screening Test (DAST), and the Columbia-Suicide Severity Rating Scale (C-SSRS), counsellors can identify co-occurring conditions that often accompany problem gambling.

4.2.6.2 These assessments are important for problem gambling onboarding because gambling-related harm frequently intersects with substance use, mental health challenges, and suicide risk. For instance, high levels of stress, anxiety, or depression can drive gambling behaviours or worsen their impact, while substance misuse can amplify financial and emotional vulnerabilities. Early detection of these factors allows counsellors to:

1) Understand whether there are underlying mental health issues, substance use , or suicidal thoughts, thereby guiding the urgency and type of intervention required.
2) Develop personalised care plans that address both the gambling problem and any co-existing concerns.
3) Identify risks early, thereby reducing the likelihood of crisis situations, relapse, or escalation of gambling behaviours.

4.2.6.3 In essence, these tools ensure that problem gambling interventions are holistic, evidence-based, and responsive to the complex needs of the individual, improving the chances of successful recovery and long-term well-being.

4.2.6.4 Understanding the risk factors for gambling behaviour is crucial for identifying clients, planning interventions, and improving treatment outcomes. This section provides an overview of key psychosocial and behavioural risk indicators observed in clients, including alcohol and drug use, suicidal thoughts, psychiatric history, debt, and family gambling history. These factors are known to contribute to problem gambling and may also indicate other challenges that require integrated interventions. The analysis below examines the distribution of these risk factors among problem gamblers and relapse clients to identify patterns of vulnerability and areas for targeted support.

4.2.6.5 ALCOHOL CONSUMPTION

4.2.6.5.1 The assessment of alcohol consumption revealed that 35% of individuals contacting the Foundation for the first time reported higher alcohol consumption levels, with 61% of individuals stating that they did not consume alcohol. In contrast, 3% of relapsed individuals did not consume alcohol, and 1% reported higher alcohol consumption levels.

4.2.6.6 DRUG CONSUMPTION

4.2.6.6.1 Drug consumption assessments of problem gamblers indicated that 95% did not use drugs whereas 1% indicated drug use. In terms of relapsed individuals, there was no reported drug use.

4.2.6.7 SUICIDE IDEATION

4.2.6.7.1 The Counselling Line assessments revealed that 35% of callers seeking help had suicidal ideation, while 65% did not exhibit any signs. Among the problem gambler cohort, 34% reported suicidal thoughts, compared to 62% who did not, indicating a significant level of psychological distress within this group. In contrast, among relapsed problem gamblers, 1% reported suicidal ideation, and 3% reported no suicidal thoughts.

4.2.6.8 PSYCHIATRIC HISTORY

4.2.6.8.1 Psychiatric history questions are crucial in the Counselling Line intake and onboarding process as they provide a comprehensive understanding of a person's mental health background before referral to a treatment professional. By gathering information about past diagnoses, hospitalisations, medication use, therapy experiences, and significant psychological events, the counsellors' referral report can assist treatment professionals to:

1) Identify whether there is a history of self-harm, suicidal ideation, or psychiatric hospitalisation, thereby allowing for immediate safety planning and prioritisation of care.
2) Understand previous treatment responses, triggers, and coping mechanisms to assist the treatment professional in tailoring interventions that are likely to be effective and avoiding duplicating previously ineffective strategies.
3) Identify comorbid conditions: Many mental health presentations overlap with medical or substance use issues. A comprehensive psychiatric history helps identify co-occurring conditions that might affect treatment outcomes.

4) Demonstrate that a clear interest in the client's mental health journey builds trust and shows a commitment to providing informed and personalised care.

4.2.6.8.2 Assessments conducted revealed that 95.9% of those seeking treatment did not present with any psychological historical diagnosis, while only 4.1% had such a diagnosis. Similarly, 92.5% of relapsed individuals also did not have any history of a previous psychiatric diagnosis, while about 3.7% did.

4.2.6.9 DEBT EXPOSURE

4.2.6.9.1 Eighty-three per cent (83%) of those assessed during the Counselling Line onboarding process indicated that they had debt that they were unable to service, while only 17% indicated they were still able to manage their debt despite increased financial distress.

4.2.6.10 HISTORY OF GAMBLING IN THE FAMILY

4.2.6.10.1 Sixty-seven percent (67%) of assessments reported no family history of gambling, while 33% indicated a positive family history, suggesting a notable intergenerational risk exposure within the sample.

3.2.7 TREATMENT SERVICES

3.2.7.1 The treatment services offer valuable insights into the number of individuals who have completed treatment. These participants have successfully navigated the assessment and onboarding process through the Counselling Line. The programme encompasses a range of psychotherapeutic interventions, including face-to-face counselling for those who meet the DSM-V TR criteria. It also extends to self-excluded individuals, psychiatric admissions, and inpatient care. Additionally, the programme includes financial literacy initiatives designed to assist clients who are struggling with financial management.

3.2.7.2 TREATMENT

3.2.7.2.1 During the 2025/26 financial year, the Foundation treated a total of 3 541 clients. Of these, 2 999 were new referrals while 542 continued with treatment from the previous year (2024/25). Those in treatment attended a combined 12 621 appointments during this financial year. Of these appointments, 10 145 were successfully conducted, demonstrating a strong overall service delivery performance. However, a combined total of 2 476 appointments did not result in completed sessions, comprising 825 cancellations, 703 no-shows, and 948 pending appointment sessions, as indicated in Figure 20.

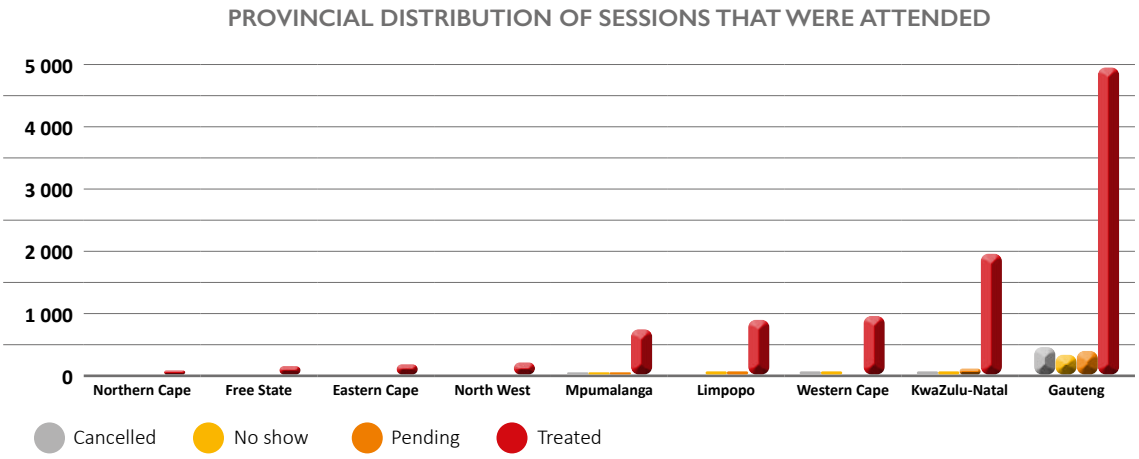


Figure 20: Session Attendance by Province

4.2.7.2.2 The decline in session attendance for disordered gamblers as the sessions progress is significant, with a sharp drop in participation after the initial engagement. This trend highlights the critical need for effective early intervention and retention strategies, especially those targeting problem gamblers, who are the primary users of these services. Strengthening these approaches could help maintain higher attendance rates throughout the session series.

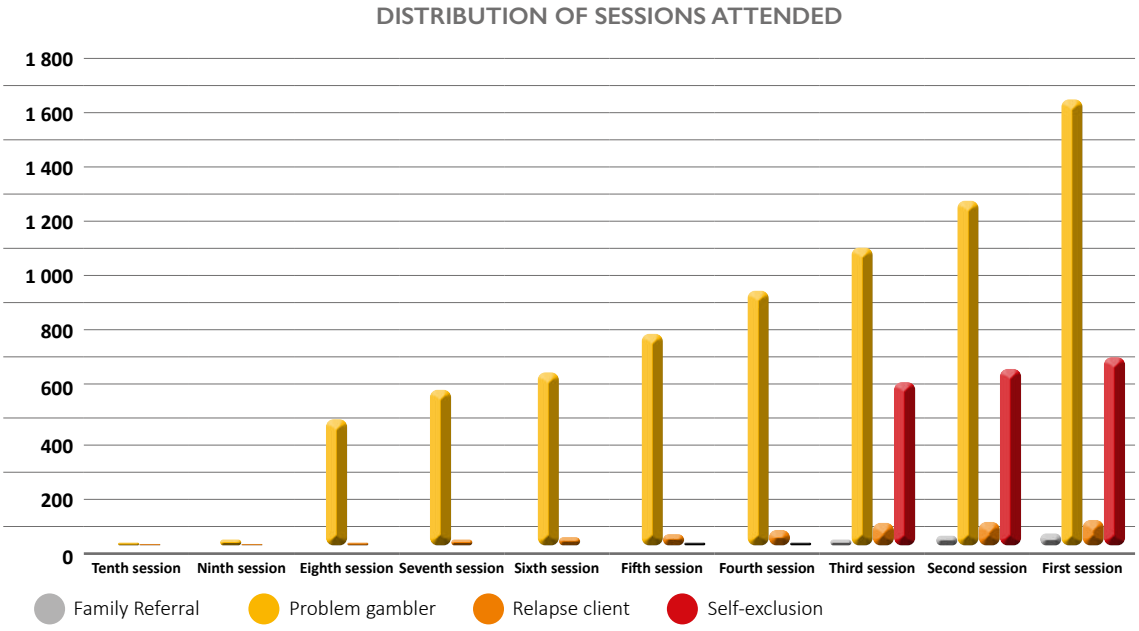


Figure 21: Session Attendance by Case Type

4.2.8 DEMOGRAPHIC ANALYSIS OF THOSE IN TREATMENT

4.2.8.1 The table below presents the distribution of clients by case type and gender, with a total of 3 541 clients treated during the financial year under review. Of the total, 1 745 clients were female and 1 794 were male, while two (2) clients did not specify their gender. This indicates a balanced gender distribution overall, with a slight male predominance.

Table 14: Gender Distribution by Case Type

Case Type	Female	Male	Not stated	Total
Family Referral	38	5		43
Problem Gambler	1271	1219	2	2492
Relapse Client	88	86		174
Self-Exclusion	348	484		832
Total	**1745**	**1794**	**2**	**3541**

4.2.9 PROVINCIAL BREAKDOWN OF TREATED PATIENTS

4.2.9.1 Gauteng Province recorded the highest number of clients receivingreatment, with a total of 1 642. Following Gauteng, KwaZulu-Natal had 670 individuals who underwent treatment, while the Western Cape reported 319 treated clients. In comparison, other provinces had significantly lower numbers. Limpopo accounted for 285 clients, Mpumalanga had 258, and the Eastern Cape treated 130 individuals. The North West Province reported 122 treated clients, the Free State 73, and the Northern Cape 37.

4.2.9.2 AGE DISTRIBUTION

4.2.9.2.1 The figure below presents the age classification of clients by case type for the current reporting period, with a total of 3 541 treated clients recorded across all categories.

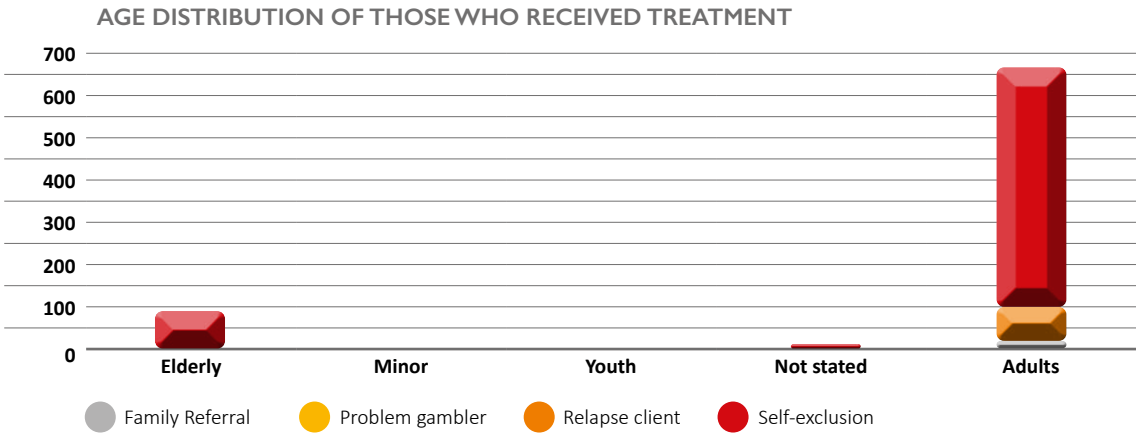


Figure 22: Age Classification of those who Received Treatment

Most of those who received treatment were youth between the ages of 18 and 35 and adults between the ages of 35 and 55, who accounted for 1 708 of individuals receiving treatment. This indicates that these two cohorts are the primary service users. Within the youth category, problem gamblers constitute the largest proportion at 1 400, followed by self-exclusion clients (194), relapse clients (100), and family referrals (14).

The elderly group, comprising 103 treated clients, is a smaller segment of the client base. Among them, 72 are self-exclusion cases and 29 are problem gamblers. Family referrals account for only 2 clients, and there are no recorded relapse clients. The minors category shows minimal engagement, with just 1 treated problem gambler client and no other case types. Additionally, there are 21 clients with unspecified ages, mostly problem gamblers (12) and self-exclusion clients (9).

Overall, problem gambling is the most common case type across all age groups, with 2 492 clients. This is followed by self-exclusion clients (832), relapse clients (174), and family referrals (43). The data indicate a significant concentration of service demand among youth and adults, highlighting the need for targeted intervention strategies for these age groups. It is also important to maintain support for smaller but significant groups, such as the elderly.

4.2.10 EMPLOYMENT STATUS

4.2.10.1 The figure below illustrates the distribution of treated clients by employment status and case type, with a total of 3 541 clients recorded during the reporting period.

4.2.10.2 Problem gambling is the most common case type across all employment categories, with 2 489 clients, followed by self-exclusion (832), and relapse clients (174), and family referrals (43). The data indicates that most clients are employed full-time, with 2 048 treated individuals. Among these, problem gamblers make up the majority (1 536), followed by self-exclusion clients (381), relapse clients (109), and family referrals (22). This suggests that individuals in stable employment are significantly impacted by gambling-related issues, likely due to higher disposable income and greater access to gambling activities.

4.2.10.3 Unemployed individuals represent the second-largest group, with 592 clients. Of these, 461 are problem gamblers, followed by self-exclusion clients (98), relapse clients (25), and family referrals (8). This underscores a strong correlation between unemployment and gambling vulnerability, possibly linked to financial distress and coping mechanisms.

4.2.10.4 Self-employed individuals account for 464 treated clients, with a significant number of self-exclusion clients (257) and problem gamblers (187). This may indicate that irregular income patterns in this group influence gambling behaviour. Part-time employees (253 clients) and students (125 clients) are smaller

but still notable groups, with problem gamblers predominating. Pensioners account for 52 treated clients, mainly within the self-exclusion (33) and problem gambler (17) categories, while dependants account for only 2 clients. Additionally, 5 clients have an unknown employment status, representing a small portion of the total.

4.2.10.5 Overall, the data suggests that while employment status varies, gambling-related challenges affect all economic groups, with a particularly high prevalence among full-time employed and unemployed individuals. This highlights the need to enhance targeted interventions, such as financial literacy, that address both financial behaviour and psychosocial factors across different employment segments.

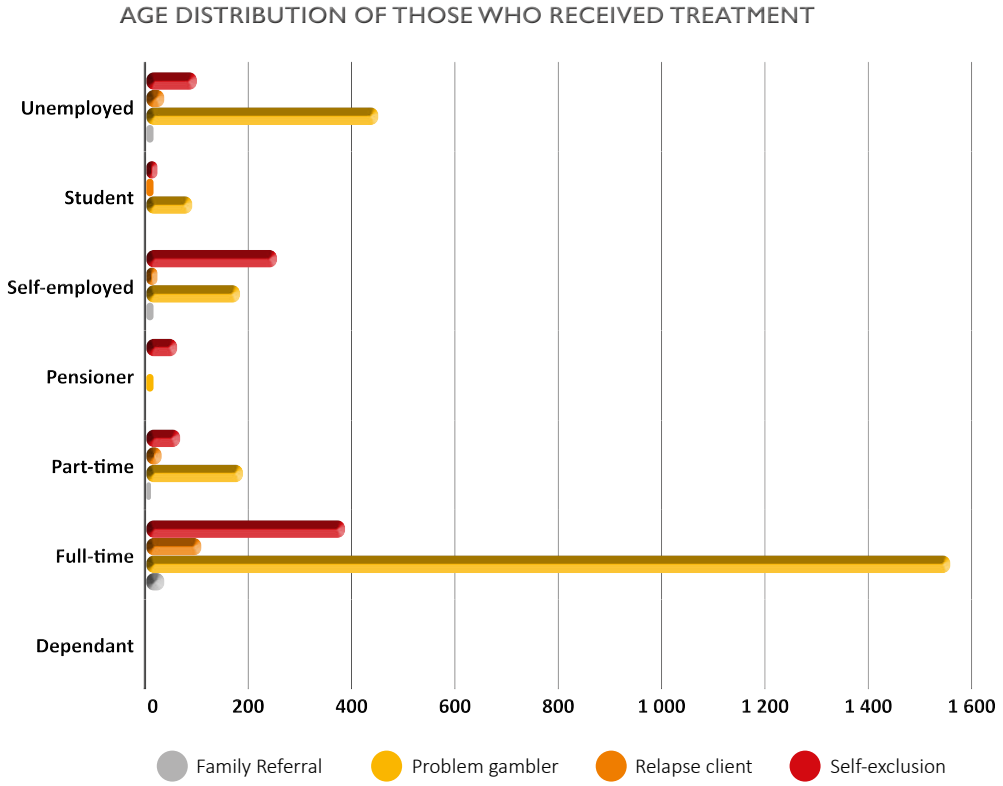


Figure 23: Employment Status by Case Type

4.2.10.5.1 EDUCATIONAL LEVEL

4.2.10.5.1.1 The data on client education levels indicates that most individuals accessing services are concentrated within the Matric education category, followed by Diploma and Degree holders. This suggests that gambling-related challenges affect individuals across a broad range of educational backgrounds, although those with secondary education remain the most significantly impacted group.

4.2.10.5.1.2 Problem gambling remains the predominant case type across all education levels, accounting for the highest number of treated clients (2 492). This is followed by self-exclusion clients (832), relapse clients (174), and family referrals (43), indicating a strong demand for both intervention and ongoing recovery support services.

4.2.10.5.1.3 The relatively lower representation of clients with higher academic qualifications (Honours, Master's, and PhD) suggests that gambling harm is more concentrated among individuals with mid-level educational attainment, particularly Matric and Diploma holders. However, the presence of clients across all education categories confirms that gambling-related harm is not limited to any specific educational group.

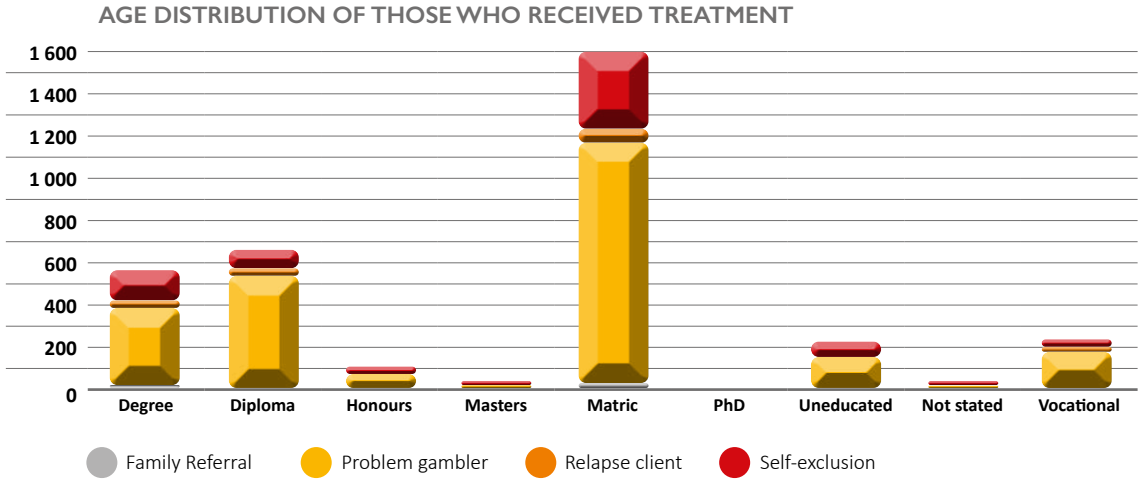


Figure 24: Education Levels of those who Received Treatment

4.2.11 PSYCHIATRIC EVALUATIONS AND INPATIENT ADMISSION

4.2.11.1 During the 2025–2026 reporting period, 36 psychiatric cases were assessed, reflecting the ongoing demand for integrated mental health and behavioural support services. The sample included 21 females and 15 males. Gauteng had the highest number of cases (12), followed by Limpopo (8), Mpumalanga (7), Western Cape (5), KwaZulu-Natal (4), Free State (1), and Eastern Cape (1).

4.2.11.2 The primary diagnoses were Major Depressive Disorder (ICD-10: F32.9 / F32.2 / F32.3), Gambling Disorder (ICD-10: F63.0), and Suicidal Ideation (ICD-10: R45.851), often presenting as comorbid conditions. Eighteen (18) cases had depressive disorders, 16 had gambling disorder, and 10 had suicidal ideation. Comorbid presentations were common, especially depression and gambling disorder, and depression and suicidality. Other diagnoses included bipolar disorder (F31.9) in 5 cases, anxiety disorders (F41.9) in 3 cases, impulse control disorders (F63.9) in 4 cases, substance use disorder (F19.10) in 1 case, and psychosocial stressors (Z65.8 / Z65.9) in 2 cases.

4.2.11.3 Psychiatric evaluations were conducted in 25 cases, mostly during first consultations (23 cases), with two as follow-up consultations. Eleven (11) cases were not evaluated and were recorded as "none" under consultation type. Hospital admissions were recorded for 17 patients, all receiving a 21-day inpatient treatment programme as per standard psychiatric stabilisation protocols.

4.2.11.4 Several individuals had complex psychiatric profiles, including co-occurring mood, behavioural, and impulse control disorders, such as bipolar disorder (F31.9), impulse control disorders (F63.9), substance-related conditions (F19.10), and severe psychosocial stressors (Z65.8 / Z65.9). Cases involving suicidal ideation (R45.851) required heightened clinical attention and, in some instances, inpatient admission. No medication was recorded for any of the 36 cases during the reporting period. Since the Foundation covers medication costs where clinically indicated and prescribed, this indicates that no prescriptions were issued requiring financial support from the Foundation during this period. This should be interpreted as a reflection of clinical assessment outcomes rather than a gap in reporting or service provision. Overall, the data reflects a client population with complex and high-risk clinical presentations, characterised by significant comorbidity between gambling disorder and mood disorders. The findings highlight the need for integrated, multidisciplinary approaches to care, with strengthened follow-up processes and improved clinical data reporting.

4.2.12 FINANCIAL LITERACY PROGRAMME

4.2.12.1 The Financial Literacy Programme (FLP) supports those in treatment with financial management during their recovery. It targets the financial management skills gap that often drives gambling harm. This report analyses client engagements within the FLP for the financial year, focusing on financial behaviour patterns, debt dynamics, and the growing link between financial distress and gambling.

4.2.12.2 The Financial Literacy Programme supported 25 individuals during the 2025/26 financial year compared to 10 in the 2024/25 year. A consistent pattern across all cases was the strong link between gambling behaviour and financial instability. Patients often reported early exposure to gambling during adolescence, at university, or in the workplace. This exposure led to escalating gambling from social activities to compulsive patterns and continued gambling despite severe financial repercussions. In extreme cases, clients liquidated high-value assets such as vehicles and property, spent all their salaries on gambling and redirected essential funds such as rent, childcare, and debt repayments towards gambling.

4.2.12.3 HIGH-RISK INDICATORS OBSERVED

- Reliance on loan sharks with high interest rates.
- Borrowing to meet basic living expenses.
- Recurrent cycles of borrowing to gamble, resulting in deeper debt.
- Debt used to sustain both lifestyle and gambling behaviour.
- Monthly debt obligations exceeding income in some cases.
- Ongoing cash flow deficits and lack of disposable income.

4.2.12.4 PSYCHOSOCIAL IMPACT AND HOUSEHOLD RISK

4.2.12.4.1 Financial distress was closely linked to emotional and social consequences, including emotional fatigue, stress, and feelings of being overwhelmed, reduced ability to meet parental and household responsibilities, and increased vulnerability among dependents. Moreover, several clients experienced advanced financial deterioration, including the sale of vehicles and residential property and the pawning of household assets. This indicates entrenched behavioural cycles requiring integrated financial and behavioural intervention.

4.2.13 SELF-EXCLUSION TREATMENT

4.2.13.1 During the 2025/26 financial year, 672 self-exclusion upliftment recommendation letters were issued to individuals seeking to have their self-exclusion status revoked. These letters are issued after a review process to evaluate readiness for reintegration into gambling environments following a period of exclusion. The report provides an overview of the provincial distribution, duration of exclusion before upliftment, gambling behaviour during the exclusion period, stated reasons for requesting upliftment, and levels of insight demonstrated by individuals.

4.2.13.2 A total of 672 upliftment recommendation letters were issued across the provinces. Gauteng recorded the highest number with 272 cases, followed by KwaZulu-Natal with 175 cases, and the Western Cape with 78 cases. Other provinces included Limpopo with 52 cases, Mpumalanga with 28 cases, and both the Free State and Eastern Cape with 20 cases each. North West also recorded 20 cases, while the Northern Cape recorded the lowest number with 6 cases.

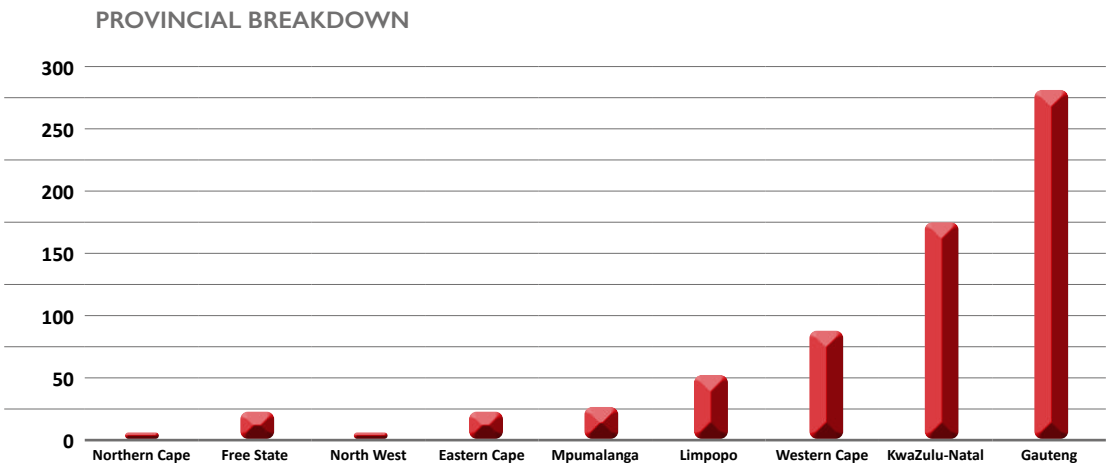


Figure 25: Provincial Distribution of those who Uplifted their Self-Exclusion Status

4.2.13.3 DURATION AND UPLIFTING OF SELF-EXCLUSION

4.2.13.3.1 Out of 672 individuals, 237 did not stop gambling during their exclusion period, while 435 refrained from gambling before requesting upliftment. Among those who resumed gambling after abstinence, 162 cases returned within six months to one year, 91 cases returned between one and two years, and 68 cases returned between two and three years. Longer exclusion periods were noted in 24 cases (three to four years), 15 cases (four to five years), and 67 cases (five years and above). In 8 cases, the duration was not specified.

4.2.13.3.2 These figures show varied adherence to exclusion before upliftment, with a concentration of returns to gambling within the first year.

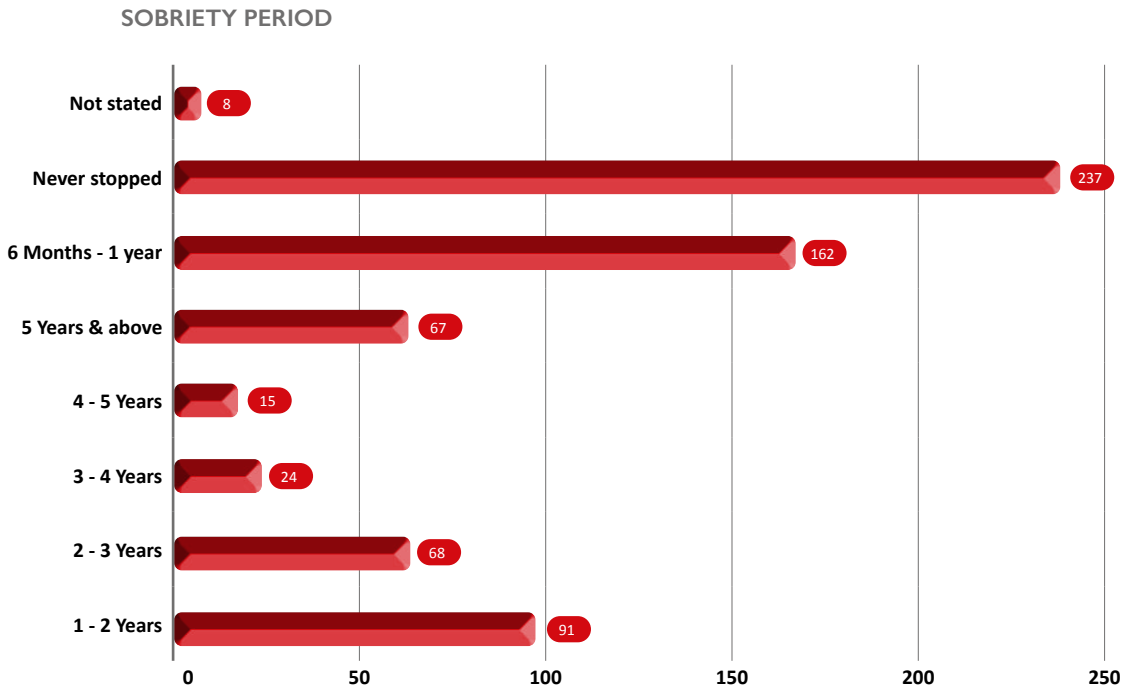


Figure 26: Duration of Abstinence Before Attending Treatment

4.2.14 SOCIAL SERVICES PROGRAMME

4.2.14.1 FAMILY INTERVENTION

4.2.14.1.1 Family referral data indicates that services were widely distributed across provinces, with a total of 81 family referrals recorded. The highest number of referrals was observed in Gauteng (43), followed by KwaZulu-Natal (19), while other provinces such as Limpopo (7), Western Cape (5), Mpumalanga (4), and Eastern Cape (3) recorded lower but consistent engagement levels. This distribution highlights both strong service uptake in high-density areas and the need to further strengthen outreach in underrepresented provinces.

4.2.14.1.2 In terms of service progression, the breakdown of family sessions shows a structured continuation of care. A total of 33 first sessions were conducted, followed by 26 second sessions and 22 third sessions. This gradual decrease across session stages reflects normal client attrition patterns, while still demonstrating a solid retention rate as a significant proportion of clients progressed beyond the initial intervention phase.

4.2.14.2 RELAPSE SESSIONS

4.2.14.2.1 A total of 528 relapse clients were treated during the reporting period, indicating a substantial demand for continued care and relapse management services. Provincial distribution shows that Gauteng recorded the highest number of relapse clients (211), followed by KwaZulu-Natal (120), Limpopo (69), and Mpumalanga (62). Lower numbers were recorded in provinces such as Western Cape (34), Eastern Cape (11), Northern Cape (10), Northwest (6), and Free State (5). This trend reflects both population density and varying levels of service access and reporting across regions.

4.2.14.2.2 Analysis of relapse sessions by appointment type reveals a clear pattern of client engagement across the treatment continuum. The highest number of sessions occurred at the initial stages, with 102 first sessions and 86 second sessions, followed by a gradual decline through subsequent sessions (73 third sessions, 64 fourth sessions, 58 fifth sessions, and 52 sixth sessions). Attendance continues to taper at higher-level sessions, with 46 seventh sessions, 40 eighth sessions, and minimal participation in ninth (4) and tenth sessions (3).

4.2.14.2.3 This pattern suggests that while initial engagement in relapse intervention is strong, there is a gradual drop-off as treatment progresses. This may be attributed to factors such as early recovery stabilisation, client disengagement, or external socio-economic pressures. Strengthening retention strategies, particularly beyond the third session, may improve long-term recovery outcomes.

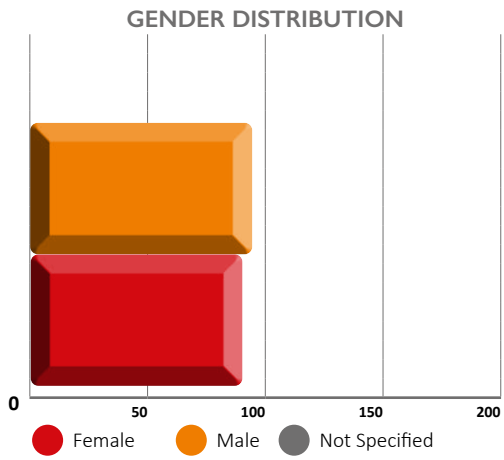


Figure 27: Gender Distribution of Relapsed Problem Gamblers

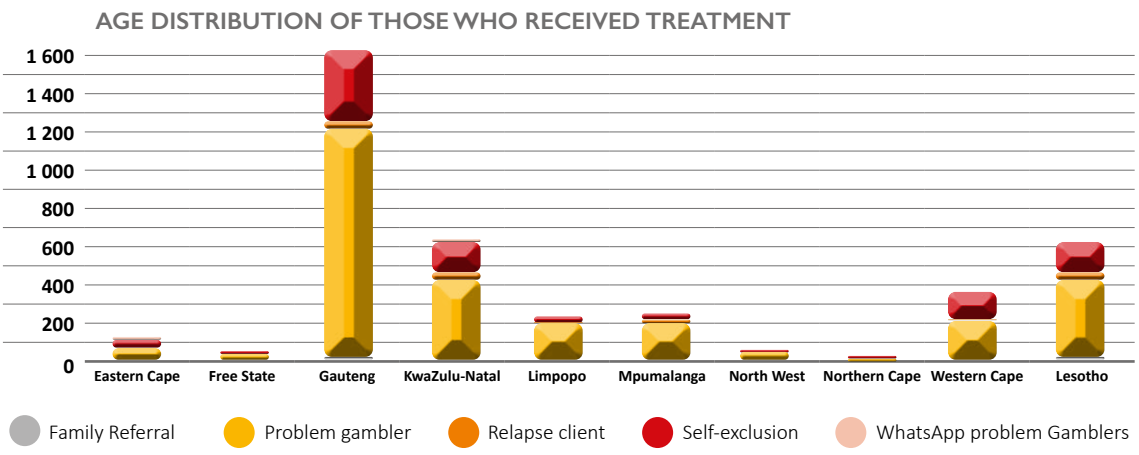


Figure 28: Relapse Sessions Attended

4.2.15 RELAPSE PREVENTION

4.2.15.1 NRGP support group sessions were conducted consistently throughout the year, with all 49 planned sessions successfully delivered. Attendance remained strong, with each session attracting at least 35 participants, demonstrating sustained engagement and the value of peer-based recovery support.

4.2.15.2 In terms of recovery milestones, notable achievements include:

- 1 member celebrating 27 months gambling-free
- 1 member celebrating 23 months gambling-free
- 4 members celebrating one year of sobriety
- 15 members celebrating six months
- 10 members celebrating three months

4.2.15.3 Most participants have completed their one-on-one sessions with assigned treatment providers, while others are progressing through different stages of their treatment programmes.

4.2.15.4 However, approximately 10 relapses were reported within the group, primarily triggered by factors such as paydays, access to loans, financial pressure, and coercion from loan sharks. These trends highlight the ongoing socio-economic challenges faced by clients and reinforce the importance of continuous relapse prevention strategies and the integration of financial counselling.

3.2.15.5 EMPLOYEE ASSISTANT PROGRAMME

4.2.15.5.1 Employee Assistance Programme (EAP) sessions also showed positive performance, with a variance of 14 more sessions conducted. Although fluctuations were noted across quarters, the overall target was achieved, with an increase in outreach and engagement.

4.2.15.5.2 A notable achievement was the successful implementation and expansion of group-based minor-intervention sessions. Although no initial target had been set, the department proactively identified a growing need for early intervention among younger populations and responded by delivering a total of 42 sessions. These sessions reached over 200 minors, providing preventative education, awareness of the risks associated with gambling, and basic coping strategies to build resilience.

4.2.15.5.3 The programme focused on early behavioural intervention, equipping minors with decision-making skills, emotional regulation techniques, and awareness of external influences such as peer pressure and socio-economic stressors. The strong participation levels indicate both the relevance of the programme and the effectiveness of outreach efforts. This initiative represents a critical step toward long-term harm reduction and supports the department's preventative care strategy.

4.2.15.5.4 Mobile counselling referrals were managed effectively, with performance meeting the annual target and showing improvement beyond initial projections.

4.2.15.5.5 The Social Services Sub-Programme demonstrated strong overall performance during the 2025/26 financial year, with evidence of both effective service delivery and the ability to respond to emerging client needs. Across all service areas—family interventions, relapse management, support groups, Employee Assistance Programme (EAP) sessions, and minor intervention- the department maintained a consistent focus on providing integrated and client-centred care.

4.2.15.5.6 Family intervention services showed steady engagement, with a total of 81 family referrals recorded across all provinces. While Gauteng and KwaZulu-Natal accounted for the majority of cases, the presence of referrals across all regions reflects a broad national reach. The structured progression from first to third sessions indicates a stable continuation of care, although some expected attrition was observed as cases progressed.

4.2.15.5.7 Relapse prevention remains a critical area of service, with 528 relapse clients supported. The high concentration of cases in Gauteng and KwaZulu-Natal aligns with broader service demand trends. Session data reflects strong initial engagement, with the highest attendance in early-stage interventions, followed by a gradual decline in later sessions. This highlights the importance of strengthening retention strategies and addressing external factors such as financial pressures and environmental triggers that contribute to relapse.

3.2.15.5.8 NRGP support groups played a vital role in sustaining recovery, with consistent session delivery and high attendance levels. The range of sobriety milestones from early recovery to over two years gambling-free demonstrates meaningful long-term impact. However, reported relapses linked to socio-economic triggers emphasise the need for continued psychosocial and financial support mechanisms.

4.2.15.5.9 The Employee Assistance Programme exceeded expectations, reaching over 3 000 employees and expanding workplace-based interventions. This reflects growing recognition of gambling-related harm within professional environments and the effectiveness of targeted outreach initiatives.

4.2.15.5.10 A key highlight of the year was the successful implementation of the minor-intervention programme, which reached over 200 minors despite having no initial target. This proactive approach to early intervention strengthens the department's preventative mandate and contributes to long-term harm reduction.

4.2.15.5.11 Overall, the department has not only met but, in several areas, exceeded its performance targets. Its ability to adapt, expand services, and maintain consistent delivery across multiple programmes underscores a strong operational foundation. Moving forward, the strategic focus should be placed on improving client retention in advanced treatment stages, expanding outreach in underrepresented regions, and further integrating preventative and early intervention initiatives to enhance long-term outcomes.

PART D

GOVERNANCE

1. INTRODUCTION

1.1 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.

1.2 The NGB 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 (AA), which is appointed in line with the PFMA. The AA is responsible for strategic leadership, policy direction, and effective oversight of operational execution and risk management. Through its various committees, including the Audit and Risk Committee (ARC), the AA monitors compliance, performance, and financial controls.

1.3 The NGB remains committed to upholding ethical leadership and good governance practices, in compliance with the PFMA, the King IV Report on Corporate Governance, and other relevant regulatory frameworks and best practice standards. 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.

1.4 A corporate governance function within an organisation that is not aligned with 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

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

- 21 October 2025: The NGB attended the Parliamentary Meeting: PC Trade – **the dtic** Annual Report and first quarter (Q1).
- 15 October 2025: The meeting comprised a briefing by the NGB on its 2024/25 Annual Report.
- 14 October 2025: The meeting comprised a study group of PC Trade, during which the NGB and the National Lotteries Commission (NLC) briefed the Committee on their 2024/25 Annual Reports.
- 07 May 2025: The NGB attended a briefing by **the dtic** on progress in implementing **the dtic** Group's red tape reduction interventions.

3. EXECUTIVE AUTHORITY

3.1 The NGB has implemented its approved Strategic Plan 2025/26 –2029/30 and performed against its planned outcomes as contained in its APP 2025/26 –2027/28.

Table 11: Reports Submitted to the Minister

REPORTS SUBMITTED	DATE SUBMITTED
01 Quarter 1 Performance Report (April- June 2025)	31 July 2025
02 Quarter 2 Performance Report (July to September 2025)	31 October 2025
03 Quarter 3 Performance Report (October to December 2025)	31 January 2026
04 Quarter 4 Performance Report (January to March 2026)	30 April 2026

4. THE ACCOUNTING AUTHORITY (AA)

4.1 In terms of section 49 of the PFMA, Ms Caroline Kongwa served as the AA of the entity in FY2025/26 from 1 April 2025 to 30 June 2025. In July 2025, the Minister appointed Mr Lungile Dukwana as Acting Chief Executive Officer to serve as the AA of the entity. The entity remains under the leadership of the AA.

Table 15: Profile of the ACEO designated as AA

Name	Qualifications	Internal Position within NGB	Date Appointed	Date Resigned
Mr Lungile Dukwana	• Bachelor of Administration - University of Transkei (now Walter Sisulu University) • Postgraduate Diploma in Transport Management - Rand Afrikaans University (now University of Johannesburg) • Master of Business Administration - Bond University (Australia)	Acting Chief Executive Officer	July 2025	N/A

5. RISK MANAGEMENT

5.1 In compliance with Section 51 of the PFMA, the NGB has implemented systems of financial management, risk management, and internal control, which are efficient, effective, and transparent, resulting in the identification of strategic and operational risks and mitigating actions in line with the mandate of the NGB. Additionally, in terms of section 51, the AA must ensure that risk assessments are conducted regularly to identify emerging risks to the public entity.

5.2 The basic premise upon which the concept of risk management is based 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 with 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.

5.3 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 rigour 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.

5.4 The NGB's risk management system is characterised by the existence of various policies, strategies, processes, procedures, and tools for identifying, evaluating, monitoring, managing, and reporting on 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.

5.5 Risk management is an integral part of the management process at the NGB, with all the various policies, strategies, processes, procedures, and tools having 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 cumulative pre-emptive effect on how risk management is conducted, thereby enhancing the effectiveness of risk management.

5.6 During FY2025/26, the strategic and operational risks of the NGB were reviewed to identify emerging risks. Furthermore, the NGB conducted risk assessments on an ongoing basis to improve the management of identified risks. The Risk Management Reports were presented to the Management Committee (MANCO) and the Executive Committee (EXCO) on a monthly basis, and to the Risk Management Committee (RMC) and Audit and Risk Committee (ARC) on a quarterly basis.

5.7 The NGB strategic risks are directly aligned to the achievement of its strategic outcomes.

1. Facilitated jobs sustained for industry needs and economic competitiveness

   Risk: Inability to sustain jobs

   Number of jobs sustained through the appointment of NCEMS operator and during FY2025/26, thirty-two (32) jobs were sustained during the period under review.

2. Workplace readiness

   Risk: Inequitable distribution of employment opportunities by NGB

   Number of reports on implementation of the Human Capital Strategy on mentoring and coaching amounted to four (4) reports produced by HCO during FY2025/2026 and additionally 4 (four) employment opportunities were facilitated.

3. Facilitated revenue generation in the economy through investment in a NCEMS for the LPM sector

   Risk: Existence of a grey market in the gambling industry

   Rand value revenue generation facilitated in the LPM sector during the period under review amounted to R4,2 billion.

4. Data-driven insight on market dynamics in the gambling industry for informed decision making

   Risk: Inability to accurately and reliably report gambling trends

   A total of 7 (seven) Gambling Sector performance Reports were produced during the period under review.

5. Increased investment in the LPM sector

   Risk: Failure to conduct empirical evidence-based research and measure the socio-economic impact of the gambling industry

   A total of 2 (two) reports were produced based on research on the socio-economic impact of the licensed LPM sector in Mpumalanga, KZN, Limpopo and North-West to increase investment in the LPM sector produced.

6. Commitment to procuring local goods and services to contribute to the local economy for sustainable growth

   Risk: Limited expenditure on locally produced goods and services

   Percentage (%) total public procurement spend on local producers during FY205/2026, amounted to R237 million was spent on locally produced goods and services, making up 88% of the total procurement spend.

7. Commitment to spend on procurement of goods and services from black-owned entities to enhance supplier development and economic inclusion

   Risk: Inability to spend on goods and services from black owned entities

   (%) of total public procurement spend on goods and services from black-owned entities during FY2025/2026 amounted to R264 million, making up 98% of the total procurement spend.

8. Enhanced regulation of the gambling industry to inform gambling policy development

   Risk: Non-co-operation of PLAs and non-compliant gambling industry

   Number of PLA's evaluated and evaluation regulatory notices issued amounted to 9 (nine), during FY2025/2026.

9. Increased public awareness to educate and inform people on the harmful effects of gambling

   Risk: Low levels of public awareness with regards to gambling

   During FY2025/2026, the NGB conducted (197) broad-based community outreach interventions to inform and educate the public on risks and socio-economic impact of gambling conducted

10. Red Tape Reduction

    Risk: Delays in processing unlawful winnings from illegal gambling activities

    Turn-around time to complete investigations on illegal gambling activities were set at twenty-five (25) days and all investigations on illegal gambling activities were completed within 5 (five) days.

11. Protection of the regulated gambling industry

    Risk: Inadequate and non- initiation of raids, notices and legal actions to protect the gambling industry against illegal operations, increased participation in internet-based gambling activities and increase in illegal internet gambling establishments

    Number of interventions to combat illegal gambling through raids and inspections initiated and amounted to thirty-five (35) interventions to combat illegal gambling during the period under review.

RISK MANAGEMENT COMMITTEE

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

6. INTERNAL AUDIT

6.1 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 regarding existing internal control systems that are resilient to imminent change. The King Report recommends the establishment of this function. It is also prescribed by the Treasury Regulations.

6.2 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 the 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 its annual plan and executing audits accordingly;
- Providing adequate assurance on the effective governance, risk management, and internal control environment; and
- Providing a written assessment of the effectiveness of the organisation's internal control processes.

6.3 The internal audit service provider has completed the audit projects as approved in its annual internal audit plan. Its audit approach was risk-based, and it reported to the ARC.

KEY ACTIVITIES AND OBJECTIVES OF THE INTERNAL AUDIT FOR FY2025/26

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

- Supply Chain Management;
- Performance Audit on Predetermined Objectives;
- PFMA/NGA Compliance;
- Risk Management Review;
- ICT Governance, Security and Applications Control Review;
- Business Continuity Plan review;
- Strategic Plan and Annual Performance Plan;
- Cyber Security and Vulnerability Assessment;
- Annual Financial Statements Review;
- Review of Research Processes; and
- Follow-up on internal and external audit findings.

6.5 The objective of the selected reviews was to evaluate whether the NGB has implemented adequate and effective internal controls.

Table 16: Audit Findings

	Number of findings	Total Addressed	Not Yet Due	Total Not Addressed	No. of recurring findings Last 3 Financial Years
IAF Findings	3	2	0	1[4]	0
External Auditor (Lunika Incorporated) Findings	1	1	0	0	0

4. Management has one finding in relation to Cyber Security and Vulnerability Assessment which it intends to address by 30 June 2026.

7. AUDIT AND RISK COMMITTEE (ARC)

7.1 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 FY2025/26

7.2 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.

7.3 The primary purpose of the ARC is to be a liaison between the NGB and the external auditor and to oversee the work of the external auditor. The ARC consisted of five (5) members (four (4) external members and one (1) member from within the public service) 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 15: Committees

COMMITTEE	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS ACTIVE AT YEAR-END	NAME OF MEMBERS
Audit and Risk Committee	7 Meetings Held	4 Active Members	Ms G Deiner*
			Mr L Phahlamohlaka
			Adv L Thubakgale
			Mr M Dondolo
			Mr Z Myeza

* Ms G Deiner's term of Office as Chairperson of ARC came to an end on 11 July 2025. Mr Zenzele Myeza was then appointed as the ARC Chairperson on 24 July 2025

COMPOSITION OF THE AUDIT COMMITTEE AND MEETING ATTENDANCE

The table below provides relevant information on the members of the Audit and Risk Committee:

Table 17: Composition and Meeting Attendance of the ARC

Name Committee	Qualifications	Professional Affiliation	Appointment: Term of Office		No. of meetings attended 2025/2026		Has the AC member declared private and business interests in every meeting?	Is the AC member an employee of an organ of state?	No. of other ACs that the member served on during the reporting period	No. of other governance structures the member served on during the reporting period
			Start date	End date	Ordinary Meetings	Special Meetings				
Ms G Deiner	• BCompt Accounting Science • Higher Diploma in Education – Postgraduate • Bachelor of Arts (BA) • Professional Accountant (SA)	SAIPA	15 July 2019[5]	11 July 2025	2	1	Yes	No	01	2
Mr L Phahlamohlaka	• Bachelor of Commerce • Postgraduate Certificate in Executive Leadership	-		17 July 2015	N/A	5	2	Yes	Yes	0
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)	IoDSA	14 August 2024	13 August 2027	4	2	Yes	No	02	1
Mr M Dondolo	• Master's in business administration (MBA) • Postgraduate Diploma in Business Management • National Diploma in Internal Auditing • Certificate in Enterprise Risk Management	-	19 May 2025	19 April 2028	5	2	Yes	No	1	4
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	Chartered Director: SA (IoDSA)	19 May 2025	19 April 2028	4	2	Yes	No	3	4

REMUNERATION OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

7.4 The ARC members were remunerated according to the National Treasury Circular, which categorises emoluments for different categories of listed public entities. No travel expenses were incurred by ARC members, as all ARC meetings during FY2025/26 were conducted virtually. Table 17 reflects the remuneration paid to ARC members during the financial year.

Table 18: Remuneration to ARC Members

Name	Remuneration	Other allowance	Other re-imbursements	Total
G Deiner (Chairperson)[6]	16 637	0	0	16 637
Adv L Thubakgale (RMC Chairperson)[7]	65 122	0	0	65 122
Mr L Phahlamohlaka[8]	0	0	0	
Mr M Dondolo	29 143	0	0	29 143
Mr Z Myeza[9]	48 268	0	0	48 268
TOTAL				**159 170**

5. Member was re-appointed on 15 July 2022 for a second term
6. Ms G Deiner's term of Office as Chairperson of ARC came to an end on 11 July 2025. Mr Zenzele Myeza was then appointed as the ARC Chairperson on 24 July 2025"
7. RMC Chairperson's term is for the period 14 August 2024 to 13 August 2027
8. 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**
9. Mr Z Myeza was appointed as Chairperson of ARC on 24 July 2025

8. COMPLIANCE WITH LAWS AND REGULATIONS

8.1 The NGB has in place a governance framework and a corporate compliance checklist. These were developed to determine the specific provisions in each piece of legislation that the NGB ought to comply with and continually enable 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 thereon, on a quarterly basis.

9. FRAUD AND CORRUPTION

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

9.2 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 to the NGB's RMC for notification and input on a quarterly basis, before being presented to the ARC. The FPP has an accompanying matrix of activities that is 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 to the RMC and ARC every quarter.

9.3 During FY2025/26, staff training on anti-fraud and corruption was conducted, together with various activities to create awareness among 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 the adequacy of controls to prevent and mitigate fraud risk. The policies include the protection of whistle-blowers, in the event that any staff member feels the need to report any suspected fraud or corruption taking place at the NGB through the appropriate internal reporting mechanisms.

9.4 The NGB also has in place an external email-based and telephonic fraud prevention hotline, which is made available to the public for reporting any cases of suspected fraud or corruption by an NGB official. The fraud prevention hotline details are published on the NGB website to ensure that they are readily accessible at all times. There were no cases of suspected fraudulent activity reported during the 2025/26 financial year.

10. MINIMISING CONFLICT OF INTEREST

10.1 All NGB officials are required to comply with the NGB Conflict of Interest Policy, which sets out how they will conduct themselves in terms of their fiduciary duties and what steps they will 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 biennial vetting process to determine the accuracy of the disclosures made by the NGB officials. The next NGB vetting exercise will take place in FY2026/27.

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

10.3 Bidders submitting bids to the NGB for any advertised procurement are required to submit a Standard Bidding Document (SBD), specifically the 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.

10.4 The evaluation and adjudication 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 procurement processes is protected.

11. CODE OF CONDUCT

11.1 All officials joining the NGB are required to sign an acknowledgment of the NGB Code of Conduct. This document outlines the commitment made by officials to, at all times, conduct themselves ethically, and in compliance with NGB policies. The Code of Conduct is vital to the NGB because it influences employee behaviour and work culture. Additionally, every official is required to sign the Code of Conduct on an annual basis.

11.2 The NGB provided education and awareness activities on ethical conduct in the workplace during the year, and these are conducted annually to ensure that all officials are fully aware of the required standards of conduct at the NGB. A breach of the Code of Conduct is listed in the Disciplinary Code and Procedure as a form of misconduct that attracts appropriate disciplinary action.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

12.1 The NGB maintains an approved Occupational Health and Safety Policy that encompasses health, safety, and environmental considerations. It delineates the measures the NGB will undertake in response to incidents that may pose exposure to harm. These incidents may include localised issues such as fires, as well as broader environmental concerns such as flooding. Additionally, the policy addresses risks including industrial action and other health hazards.

12.2 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.

13. REPORT OF THE AUDIT AND RISK COMMITTEE (ARC)

Mr Zenzele Myeza, Chairperson of the Audit and Risk Committee

We are pleased to present our report for the financial year ended 31 March 2026.

PART 1: AUDIT COMMITTEE REFLECTIONS

The ARC is an independent body that reports to the NGB to assist the Accounting Authority in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and control processes, and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

During the year under review, committee members were granted the opportunity to declare any potential conflicts of interest in their activities with the NGB prior to the commencement of every meeting.

The committee consistently provided reports to and briefed the Accounting Authority (AA) on its meetings, the main issues deliberated, challenges identified, and proposed solutions.

The ARC confirms that no meetings were held with the Executive Authority during the period under review.

The committee conducted a self-assessment of its own performance as it relates to its composition and quality, understanding of the NGB's business and risks, oversight of internal and external auditors, process and procedure, communication, oversight of internal controls, risk management, governance and financial reporting, and the committee's overall performance. Ultimately, the results reflected that members were happy with the overall performance of the ARC, and were confident that it adds value to the organisation.

Additionally, the ARC performed assessments of the NGB external audit function, the internal audit function, and the NGB Finance Function during the year under review.

AUDIT COMMITTEE RESPONSIBILITIES:

- The ARC reports that it has complied with its responsibilities arising from section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal terms of reference as its Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that it did not review changes in accounting policies and practices.
- The ARC recognises its duty to serve the public interest and confirms that it has diligently upheld this critical responsibility. It has functioned without hindrance, limitations, or threats to its independence throughout the reporting period.
- The ARC internalised the relevant requirements of the Global Internal Audit Standards™ in its work and has aligned both the IAF and ARC Charters. It confirms that the ARC applied professional scepticism in the execution of its duties, critically evaluating information placed before it, requesting additional information when necessary, and continuously assessing whether internal audit, management, and other providers of assurance maintained high ethical and professional standards.

PART 2: ARC COMPOSITION AND MEETING ATTENDANCE

The ARC consists of five (5) members in total (four (4) external members), and one (1) member from within the public service. The committee is properly constituted, with balanced representation of independent members and a diverse, appropriate mix of qualifications, expertise, and experience. The committee convened seven (7) times during the year with five (5) being ordinary meetings and the remainder being special meetings.

PART 3: AUDIT COMMITTEE FOCUS AREAS

The following were reviewed during the year under review:

EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEMS

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

> *There were no significant areas of concern 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 has been implemented.*

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

- Supply Chain Management;
- Performance Audit on Predetermined Objectives;
- PFMA/NGA Compliance;
- Risk Management Review;
- ICT Governance, Security and Applications Control Review;
- Business Continuity Plan Review;
- Strategic Plan and Annual Performance Plan;
- Cyber Security and Vulnerability Assessment;
- Annual Financial Statements Review;
- Review of Research Processes; and
- Follow-up on internal and external audit findings.

There were no significant areas of concern 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 has been implemented.

EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION

During the year under review, the ARC evaluated the NGB internal audit function in relation to its Planning and Communication, Skills and Experience, and the Work Programme of the internal audit function. From this exercise, the committee identified challenges faced by the internal audit function and recommended measures to improve the performance of that function.

EFFECTIVENESS OF RISK MANAGEMENT

During the year under review, the committee satisfied itself regarding the effectiveness of the NGB's Risk Management processes and procedures and is satisfied that risk management within the NGB is continually improving. The Chairperson of the NGB Risk Management Committee (RMC) is a member of the ARC and reports to the ARC on a quarterly basis regarding the NGB's risk management actions.

ADEQUACY, RELIABILITY, AND ACCURACY OF FINANCIAL AND PERFORMANCE INFORMATION

We have reviewed four (4) quarterly performance reports as prepared by the NGB during the year under review, as well as the annual financial statements prepared by the public entity for the 2025/26 financial year. There were no matters of concern brought to the attention of the committee that warranted intervention.

ADEQUACY AND EFFECTIVENESS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) GOVERNANCE

The NGB reported quarterly on ICT governance throughout the 2025/26 financial year, and this was adequate and effective.

ACCOUNTING AND AUDITING CONCERNS WERE IDENTIFIED AS A RESULT OF INTERNAL AND EXTERNAL AUDITS

There were no significant concerns arising from the internal and external audit findings. Management believed that the findings had no material impact on the audit outcome, and audit action plans were in place to address the findings.

COMPLIANCE WITH LEGAL AND REGULATORY PROVISIONS

The NGB has in place a governance framework and a corporate compliance checklist. These were developed to determine the specific provisions in each piece of 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 thereon on a quarterly basis.

"The committee conducted a self-assessment of its own performance as it relates to its composition and quality, understanding of the NGB's business and risks, oversight of internal and external auditors, process and procedure, communication, oversight of internal controls, risk management, governance and financial reporting, and the committee's overall performance. Ultimately, the results reflected that members were happy with the overall performance of the ARC, and were confident that it adds value to the organisation."

THE QUALITY OF THE IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTS SUBMITTED IN TERMS OF LEGISLATION

The NGB 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 approval. The committee was satisfied with the quality and content of the quarterly reports submitted by the NGB.

COMBINED ASSURANCE

The implementation and integration of Combined Assurance remains a work in progress, and the ARC regularly reviews developments in this area as part of its annual work plan. During the year under review, the ARC recommended the development of a Combined Assurance Framework and Plan for implementation from the 2026/27 financial year.

EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

We reviewed the annual financial statements prepared by the NGB for the 2025/26 financial year. There were no matters of concern brought to the attention of the committee that warranted intervention.

EXTERNAL AUDIT

During the year under review, the ARC evaluated the NGB external audit function in relation to planning and communication, skills and experience, and the work programme of the external audit function.

EXTERNAL AUDITOR'S REPORT

We have reviewed the public 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 with and accepts the conclusions of the External Auditor on the annual financial statements and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the eternal auditor (Lunica Incorporated).

The ARC wishes to express its appreciation to the management of the NGB, which has successfully achieved its 11th consecutive clean audit.

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

Mr Zenzele Myeza
Chairperson of the Audit and Risk Committee
National Gambling Board
Date: 31 July 2026

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

In the 2025/26 financial year, the NGB achieved a Level 8 B-BBEE compliance rating. Plans are in place to improve this level of compliance through the implementation of the Management Control Specialised Scorecard, Skills Development Element Specialised Scorecard, Supplier Development Specialised Scorecard, and Socio-Economic Development initiatives. The NGB has set a five-year target to achieve Level 3 B-BBEE compliance over the next MTDP period.

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 organisation 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 involve attracting and retaining high-quality employees, developing their skills, and continuously motivating them to improve their performance. The primary purpose is therefore 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 comprises the people the NGB employs who take pride in their work. They are critical drivers in ensuring that the NGB achieves its strategic objectives and business performance. Our employees have a mix of qualifications, skills, and experience that is instrumental in creating value and long-term sustainability for the organisation.

An annual review of the Recruitment and Selection Policy, as well as the 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 to the structure at the beginning of the year to afford graduates exposure to and practical working experience, and they were later appointed as Administrators as part of the NGB's retention strategies.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The Human Capital Strategy resides firmly within the organisation's strategic objectives and subscribes to their requirements, 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 the 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 proactively, 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 developed an employee wellness plan with the primary goal of informing, empowering, and providing employees with the skills to take ownership of their well-being and to improve their work-life balance. Several interventions were implemented 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 with the Strategic Plan and legislative requirements. Furthermore, developed and revised policies will be effectively implemented to mitigate human capital risk and enhance organisational effectiveness going forward.

HIGHLIGHTED ACHIEVEMENTS

The NGB has an approved HCO Strategy for 2025–29 that aims to ensure it has sufficient and capable human capital to meet its strategic objectives. The strategy also outlines the organisational structure, roles, and behaviours required to advance the organisation.

The NGB further awarded seven (7) bursaries to its internal employees with the aim of enhancing and accelerating their performance in their scope of work. The awarding of bursaries by the 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 is evidence of good performance demonstrated by the bursary recipients through their academic results and performance appraisals during the current performance cycle, resulting in improved organisational performance.

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

CHALLENGES FACED BY THE PUBLIC ENTITY

The NGB has been stable, as there was no labour unrest during the period under review.

FUTURE HR PLANS/GOALS

The concerted effort in the future will be to ensure that the NGB retains its talent, develops,

re-skills, and upskills its current human capital to meet the demands of the future NGB. The NGB will also be embarking on a process to automate some of its HR processes to improve effectiveness and efficiency.

> *Chasing losses can turn excitement into stress.*

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table 19: Personnel Cost by Programme

Programme/activity/objective	Total Expenditure for the entity R'000	Personnel Expenditure R'000	Personnel exp. as a % of total expenditure	No. of employees	Average personnel cost per employee R'000
Gaming Control and Compliance	204 547 889	9 716 397	3%	8	1 214 550
Corporate Services and Research	53 266 292	25 233 165	9%	20	1 261 658
Finance and Procurement	15 919 224	10 738 112	3%	7	1 534 016
Enforcement	9 428 034	9 056 557	3%	6	1 509 426
TOTAL	**283 161 439**	**54 744 231**	**19%**	**41**	**1 335 225**

Total employee costs for the 2025/26 financial year amounted to R54 744 231. The highest costs were incurred under the Corporate Services and Research Programme. This is directly linked to the programme having the highest number of staff members in its staff establishment.

Table 20: Personnel Cost by Salary Band

Level	Personnel Expenditure R'000	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee R'000
Top Management*	10 212 451	18.65%	4	2 553 113
Senior Management	12 996 330	23.74%	5	2 599 266
Professional qualified	13 257 261	24.22%	10	1 325 726
Skilled	15 672 240	28.63%	15	1 044 816
Semi-skilled	1 221 977	2.23%	3	407 326
Unskilled	0	0.00%	0	0
Temporary staff	1 383 972	2.53%	8	172 997
TOTAL	**54 744 231**	**100.00%**	**45**	**1 216 538**

*excludes payments to ARC members

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 professional qualified comprised the highest portion of salaries paid within the NGB, at 28,63% and 24,22%, respectively, closely followed by salaries paid to senior management at 23.74%. It is important to note that the compensation gap between the four (4) highest echelons is not significant

Table 21: Performance Rewards

Level	Performance rewards R'000	Personnel Expenditure R'000	% of performance rewards to total personnel cost
Top Management*	1 458 068	10 212 451	3%
Senior Management	1 744 711	12 996 330	3%
Professional qualified	1 791 000	13 257 261	3%
Skilled	2 105 002	15 672 240	4%
Semi-skilled	168 617	1 221 977	0%
Unskilled	0	0	0%
Temporary staff	150 879	1 383 972	0%
TOTAL	**7 418 277**	**54 744 231**	**14%**

*excludes payments to ARC members

Performance rewards were implemented in line with the Performance Management Policy. Overall, performance rewards paid out during the financial year comprised 14% of the NGB's total personnel expenditure, as compared to 17% paid during 2024/25.

Table 22: Training Costs

Programme/activity/objective	Personnel Expenditure R'000	Training Expenditure R'000	Training Expenditure as a % of Personnel Cost	No. of employees trained	Avg. training cost per employee R'000
Gaming Control and Compliance	9 716 397	269 464	0%	1	269 464
Corporate Services and Research	25 233 165	389 045	1%	7	55 578
Finance and Procurement	10 738 112	52 325	0%	1	0
Enforcement	9 056 557	0	0%	0	0
TOTAL	**54 744 231**	**710 834**	**1%**	**9**	**78 982**

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

Table 23: Employment and Vacancies

Programme/activity/objective	2025/26 Approved Posts	2025/26 No. of Employees	2025/26 Vacancies	% of vacancies
Gaming Control and Compliance	6	5	1	17%
Corporate Services and Research	23	21	2	9%
Finance and Procurement	7	6	1	14%
Enforcement	5	5	0	0%
TOTAL	**41**	**37**	**4**	**40%**

The position of CEO has been filled through an acting appointment, and the Executive Assistant: CEO is accounted for under CSRD.

As at the end of the financial year, three (3) vacancies remained, specifically for the roles of Information Technologist: National Registers, Manager: Finance, and Manager: Communications & Stakeholder Engagements. Efforts to fill these remaining positions are currently in progress. Additionally, the position of CEO could not be permanently filled due to an acting appointment.

Table 24: Employment and Vacancies per Programme

Programme / activity / objective	2024/2025 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Top Management	4	5	4	1	20%
Senior Management	5	5	5	0	0%
Professional qualified	8	10	7	3	30%
Skilled	14	15	15	0	0%
Semi-skilled	3	3	3	0	0%
Temporary staff	6	3	3	0	0%
TOTAL	**40**	**41**	**37**	**4**	**10%**

Table 25: Employment Changes

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	1	3
Senior Management	5	0	0	5
Professional qualified	8	0	3	5
Skilled	14	1	0	15
Semi-skilled	3	-	-	3
Unskilled	-	-	-	-
Temp staff	6	2	1	3
Total	40	3	5	34

There were changes in employment within the financial year. There were three (3) appointments made and five (5) terminations during the year, involving the positions of Chief Strategic Adviser, Information Technologist: National Registers, Manager: Finance, Manager: Communications & Stakeholder Engagements, and temporary Administrator: Legal Services.

Table 26: Reasons ror Staff Leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	5	100%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	**5**	**100%**

The reason for staff leaving was the five (5) voluntary resignations during the financial year from the positions of Chief Strategic Adviser, Information Technologist: National Registers, Manager: Finance, Manager: Communications & Stakeholder Engagements, and temporary Administrator: Legal Services.

Table 27: Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary action	Number
Verbal Warning	0
Written Warning	2
Final Written warning	1
Dismissal	0
Total	**3**

Disciplinary actions were taken during the financial year, as shown in the above table

Table 28: Equity Target and Employment Equity Status - Male

Level	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	-	-	1	-	-	-	-
Senior Management	2	-	-	1	-	-	-	-
Professional qualified	3	-	-	-	-	-	-	1
Skilled	6	-	-	-	-	1	-	-
Semi-skilled	1	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
TOTAL	**15**	**0**	**0**	**2**	**0**	**1**	**0**	**1**

Table 29: Equity Target and Employment Equity Status - Female

Level	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	-	-	-	1	-	-	-
Senior Management	3	-	-	-	-	-	-	-
Professional qualified	4	-	1	-	0	-	-	-
Skilled	9	-	-	-	-	-	-	-
Semi-skilled	2	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
TOTAL	18	0	1	0	1	0	0	0

Table 30: Equity Target and Employment Equity Status – Disabled Staff

Level	FEMALE			
	African		Coloured	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional qualified	-	1	-	-
Skilled	1	0	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
TOTAL	**1**	**1**	**0**	**0**

The NGB has set Employment Equity (EE) targets that are aligned with 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 to the NGB's organisational structure, translate into 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, all ten (10) positions were occupied, five (5) of which were occupied by females and four (4) by males. There was one (1) vacant CEO top management position that was filled through an acting appointment.
- A further analysis of the targets against the NGB's status quo reveals the following:
  - Indian females are over-represented as they comprise 1.9% (1) of the total staff complement (35), against a total EAP National target of 1 %.
  - African females are over-represented as they comprise 51.4% (18) of the total staff complement (35), against a total EAP National target of 37.6 %.
  - There is currently one official with a disability employed at the NGB at the skilled level.
  - There is under-representation of White and Coloured employees (male and female), as well as Indian males.

ATTEMPTS MADE TO ADDRESS VARIANCES

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

PART F

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. IRREGULAR EXPENDITURE

The NGB incurred no irregular expenditure during the period under review.

However, it should be noted that there is alleged irregular expenditure that is still under consideration by the entity. Details are set out below:

Disclosure of Alleged Irregular Expenditure under Assessment, Determination, and Investigation

Description	2025/2026	2024/2025
Irregular Expenditure under assessment	R751 861	R28 077 006*
Irregular Expenditure under determination		
Irregular Expenditure under investigation		
Total	**R751 861**	**R28 077 006**

* The figures stipulated under the FY2024/2025 are inclusive of amounts incurred in relation to the said expenditure from FY2014/2015 to FY2024/2025.

The NGB is currently engaged in a legal process with respect to an ex-employee of the entity. This is in relation to payments related to salaries, performance bonuses, and travel expenditure. Upon finalisation of the court matter, the NGB will be in a position to make a determination on the matter.

The potential financial implications of this matter have not yet been determined, as the matter remains before the courts.

1.2. FRUITLESS AND WASTEFUL EXPENDITURE

The NGB incurred no fruitless and wasteful expenditure during the period under review.

1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))

There are no additional disclosures relating to material losses to be made during the period under review.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
Valid invoices received	582	251 001 314
Invoices paid within 30 days or agreed period	582	251 001 314
Invoices paid after 30 days or agreed period		
Invoices older than 30 days or agreed period (unpaid and without dispute)		
Invoices older than 30 days or agreed period (unpaid and in dispute)		

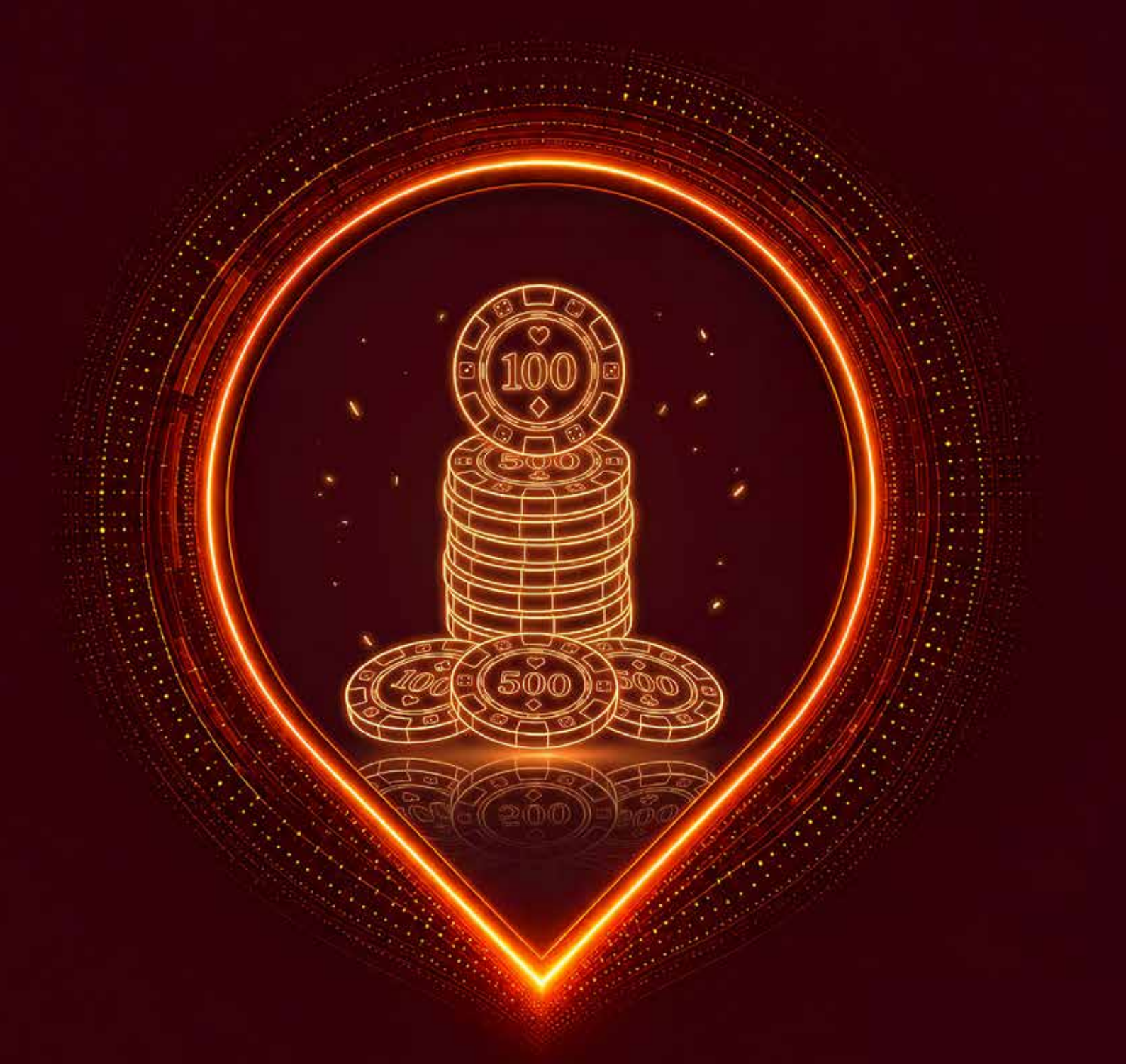
3. SUPPLY CHAIN MANAGEMENT

3.1. TABLE 31: 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 provider	n/a	R105 638
International Association of Gaming Regulators(IAGR) for annual jurisdictional membership fees	International Association of Gaming Regulators (IAGR)	Sole supplier	n/a	R15 733,52
Subscription to Regional eXplorer (Rex) for a period of 12 months	IHS Information and Insight (Pty) Ltd	Sole supplier	n/a	R177 098,85
Procurement of statistical package license (STATA) for a period of 24 months.	Quantec Enterprises (Pty) Ltd	Sole supplier	n/a	R68 248,00
Procurement of the CaseWare software license	Adapt IT (Pty) Ltd	Sole supplier	n/a	R126 704,84
Annual jurisdictional membership fees	Gaming Regulators Africa Forum (GRAF)	Sole supplier	n/a	R40 738,05
SAGE 300 software license for a period of one (1) year	4Sight Systems (Pty) Ltd	Sole supplier	n/a	R180 504,03
Post box- Private Bag X 27, Hatfield, 0028	South African Post Office	Sole supplier	n/a	R2 760,00
Technical support to prepare Annual Financial Statements (AFS) for 2024/2025 financial year	Adapt IT (Pty) Ltd	Sole supplier	n/a	R17 776,06
Insight system support services- update the scheduler and also load budgets	4Sight Systems (Pty) Ltd	Sole supplier	n/a	R4 312,50
Insight system support services- multiple budget loads	4Sight Systems (Pty) Ltd	Sole supplier	n/a	R2 875,00
GRAF exhibition branded stalls	Graf Regulators Africa (Pty) Ltd	Sole supplier	n/a	R55 000,00
Branded exhibition stall for the Rand Easter show to be held in East Rand, Johannesburg from 02 to 06 April 2026	Dogan Exhibitions and Events (Pty) Ltd	Sole supplier	n/a	R29 859,75
Support services of the SAGE 300 software for a period ending 31 March 2026	4Sight System (Pty) Ltd	Sole supplier	n/a	R20 000,00
Support services of the SAGE 300 software for a period of thirty-six (36) months	4Sight System (Pty) Ltd	Sole supplier	n/a	R672 048,96
Total				**R1 519 299**

3.2. TABLE 32: APPOINTMENTS THROUGH VARIATIONS

Project description	Name of supplier	Contract modification type	Contract number	Original contract value	Value of contract variation
Vehicle service and maintenance	Mercedes Benz Centurion (Pty) Ltd	Variation	None	92,599	53,969



PART G

FINANCIAL INFORMATION

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
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 2027 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 103 to 145, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2026 and were signed on its behalf by:

Mr. Lungile Dukwana
Accounting Authority
31 July 2026

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 103 to 145, which comprise the statement of financial position as at 31 March 2026, 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 2026 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 100, forms part of our auditor's 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 2026. 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 jobs sustained through the appointment of NCEMS operator and report produced
    - Rand value revenue generation facilitated in the LPM sector
    - Number of evaluation regulatory notices issued

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 beenspecifically 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.

24. We did not identify any significant deficiencies in internal control.

Lunika Inc.

Lunika Chartered Accountants and Auditors Incorporated

Samkelo Mxunyelwa CA (SA)
Director
Registered Auditor

31 July 2026
Lonehill Office Park
Sandton
Johannesburg

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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'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 us 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)

Legislation	Sections or regulations
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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

FIGURES IN RAND	Note(s)	2026	2025 Restated*
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	22 957 870	63 294 780
Inventories	4	130 445	119 129
Receivables from exchange transactions	5	1 394 187	1 616 045
Statutory receivables from exchange transactions- LPM monitoring fees	6	18 846 495	21 345 654
		43 328 997	**86 375 608**
NON-CURRENT ASSETS			
Receivables from exchange transactions	5	14 218	427 999
Property plant and equipment	7	59 796 920	52 430 510
Intangible assets	8	1 800 708	2 391 847
		61 611 846	**55 250 356**
Total Assets		**104 940 843**	**141 625 964**
LIABILITIES			
CURRENT LIABILITIES			
Payables	9	12 438 235	16 405 356
NCEMS service fees payable	10	7 722 022	38 688 747
Provisions	11	1 839 184	1 594 299
		21 999 441	**56 688 402**
Total Liabilities		**21 999 441**	**56 688 402**
Net Assets		**82 941 402**	**84 937 562**
Accumulated surplus		82 941 402	84 937 563
Total Net Assets		**82 941 402**	**84 937 563**

*See Note 24

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2026

FIGURES IN RAND	Note(s)	2026	2025 Restated*
REVENUE			
REVENUE FROM EXCHANGE TRANSACTIONS			
Limited payout machines (LPM) monitoring fees	12	237 886 705	232 011 671
Interest received	13	4 799 540	6 004 204
Other income	14	2 689 679	7 399 638
Total revenue from exchange transactions		**245 375 924**	**245 415 513**
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
TRANSFER REVENUE			
Government grant	15	35 790 000	34 641 000
Total revenue		**281 165 924**	**280 056 513**
EXPENDITURE			
Depreciation and amortisation	7&8	(2 278 608)	(2 092 453)
Employee related costs	16	(44 531 780)	(44 090 365)
Related parties	17	(10 371 621)	(12 049 590)
Operating leases	18	-	(146 681)
NCEMS service fees	19	(194 397 386)	(193 110 939)
General Expenses	20	(31 582 693)	(26 725 064)
Total expenditure		**(283 162 088)**	**(278 215 092)**
(Deficit) surplus for the year		**(1 996 164)**	**1 841 421**

*See Note 24

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2026

FIGURES IN RAND	Note(s)	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2024		**83 208 062**	**83 208 062**
Changes in net assets			
Restated deficit for the year		1 841 423	1 841 423
Net losses recognised directly in net assets		(111 920)	(111 920)
Total changes		1 729 503	1 729 503
Restated* Balance at 01 April 2025		**84 937 565**	**84 937 565**
Changes in net assets			
Surplus for the year		(1 996 163)	(1 996 163)
Total changes		(1 996 163)	(1 996 163)
Balance at 31 March 2026		**82 941 402**	**82 941 402**
Note(s)			

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2026

FIGURES IN RAND	Note(s)	2026	2025 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Rental income		2 424 693	2 526 346
Limited payout machine (LPM) monitoring fees		240 384 868	228 218 326
Grants		35 790 000	34 641 000
Interest income		4 798 371	5 968 941
Other receipts		-	4 833 113
		283 397 932	**276 187 726**
PAYMENTS			
Employee costs		(54 683 548)	(55 724 014)
Suppliers		(259 997 416)	(218 274 797)
		(314 680 964)	**(273 998 811)**
Net cash flows from operating activities	21	**(31 283 032)**	**2 188 915**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment	7	(9 053 877)	(7 793 837)
Purchase of other intangible assets	8	-	(157 320)
Net cash flows from investing activities		**(9 053 877)**	**(7 951 157)**
Net increase/(decrease) in cash and cash equivalents		**(40 336 909)**	**(5 762 242)**
Cash and cash equivalents at the beginning of the year		63 294 780	69 057 022
Cash and cash equivalents at the end of the year	3	**22 957 871**	**63 294 780**

*See Note 24

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2026

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	223 100 000	10 197 201	**233 297 201**	237 886 705	**4 589 504**	31
Interest received	5 880 000	(926 159)	**4 953 841**	4 799 540	**(154 301)**	31
Other income	2 640 000	250 116	**2 890 116**	2 689 679	**(200 437)**	31
Cash surplus	-	8 090 121	**8 090 121**	-	**(8 090 121)**	31
Total revenue from exchange transactions	**231 620 000**	**17 611 279**	**249 231 279**	**245 375 924**	**(3 855 355)**	
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
TRANSFER REVENUE						
Government grants & subsidies	35 790 000	-	**35 790 000**	35 790 000	**-**	
Total revenue	**267 410 000**	**17 611 279**	**285 021 279**	**281 165 924**	**(3 855 355)**	
EXPENDITURE						
Depreciation and amortisation	(2 106 521)	12 671	**(2 093 850)**	(2 278 608)	**(184 758)**	31
Employee related costs	(52 977 195)	7 995 262	**(44 981 933)**	(44 531 780)	**450 153**	31
Executive and non-executive managers' remuneration	(10 161 892)	-	**(10 161 892)**	(10 371 621)	**(209 729)**	31
NCEMS service fees	(182 022 009)	(8 824 303)	**(190 846 312)**	(194 397 386)	**(3 551 074)**	31
General Expenses	(20 125 765)	(16 798 651)	**(36 924 416)**	(31 582 693)	**5 341 723**	31
Total expenditure	**(267 393 382)**	**(17 615 021)**	**(285 008 403)**	**(283 162 088)**	**1 846 315**	
Surplus for the year	**16 618**	**(3 742)**	**12 876**	**(1 996 164)**	**(2 009 040)**	
STATEMENT OF FINANCIAL POSITION						
ASSETS						
NON-CURRENT ASSETS						
Property plant and equipment	500 000	1 050 000	**1 550 000**	489 628	**(1 060 372)**	31
Total Assets	**500 000**	**1 050 000**	**1 550 000**	**489 628**	**(1 060 372)**	
Net Assets	**500 000**	**1 050 000**	**1 550 000**	**489 628**	**(1 060 372)**	
RESERVES						
Accumulated surplus	500 000	1 050 000	**1 550 000**	-	**(1 550 000)**	

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 provincial entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

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.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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.

IMPAIRMENT OF STATUTORY RECEIVABLES

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures and impairment loss. The impairment loss is measured 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, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

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

An impairment loss recognised in prior periods for a statutory receivable are 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.

JUDGEMENT ON THE DISCLOSURE OF THE NCEMS CONTRACT AS A COMMITMENT

The NGB has assessed the need to disclose the contract between the NGB and the NCEMS service provider for the establishment and maintenance of the NCEMS system as a commitment. In doing so, management has considered the fact that the R1.1 billion stipulated in the 8-year contract is an estimate, and that actual service fees payable to the NCEMS operator will depend on the future performance of the LMP sector. Thus, if no monitoring fees are generated, no service fees would be payable to the NCEMS operator. Due to the uncertainty about the amount to be paid and the dependency of the contractual obligation on future revenue, management has not included the NCEMS contract in the Commitments note (Note 22).

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.

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.

1.4 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

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.

1.5 INTANGIBLE ASSETS (CONTINUED)

- 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.

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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

These financial statements are the first prepared under GRAP 104- Financial Instruments Comparative figures for the year ended 31 March 2025 were prepared under the previous GRAP 104 and have not been restated. The cumulative effect of the change in accounting policy is insignificant and, therefore, has not been recognised in opening accumulated surplus at 1 April 2025.

The entity has various types of financial instruments, and these are broadly categorised as either financial assets or financial liabilities.

1.7 FINANCIAL INSTRUMENTS

A financial asset is any asset consisting of cash or a contractual night to receive cash or another financial asset.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

CLASSIFICATION

Financial assets are classified at initial recognition based on both: the entity's management model for managing the financial assets; and the contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortised cost when both of the following conditions are met: (a) the asset is held within a management model whose objective is to hold financial assets to collect contractual cash flows; and (b) the contractual terms give rise, on specified dates. to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets satisfy the Solely Payments of Principal and Interest (SPPI) test. No financial assets are designated at fair value through surplus or deficit.

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
Cash and cash equivalent	Financial asset measured at amortised cost
Interest receivable	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 transaction	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 recognizes financial assets using trade date accounting.

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.

SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

1.7 FINANCIAL INSTRUMENTS (CONTINUED)

GAINS AND LOSSES

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognized in surplus or deficit when the financial asset or financial liability is derecognized or impaired, or through the amortization process.

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,

IMPAIRMENT OF TRADE RECEIVABLES – EXPECTED CREDIT LOSSES (ECL)

Simplified approach for trade receivables: In accordance with GRAP 104 para. 5.30, the entity always measures the loss allowance for trade receivables at lifetime expected credit losses. A provision matrix is used , grouping receivables by days- past-due aging category. Historical loss rates are calculated for each bucket from the entity's three-year payment history and adjusted for current and forward-looking macroeconomic conditions relevant to the entity. The NGB's definition of default: a receivable is in default when it is more than 120 days past due, or when there is evidence that the debtor is unable to pay.

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

Write-off: The gross carrying amount of a financial asset is directly reduced when the entity has no reasonable expectation of recovery. This constitutes a derecognition event. Indicators include: (a) a court judgment with no attachable assets; (b) recovery costs exceeding the recoverable amount; or (c) confirmed insolvency. Written-off balances subject to ongoing enforcement are disclosed separately. Recoveries are recognised in surplus or deficit when received.

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. The difference between the carrying amount of a financial liability (or part of a liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in the surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions

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.

1.7 FINANCIAL INSTRUMENTS (CONTINUED)

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.

Write-off: The gross carrying amount of a financial asset is directly reduced when the entity has no reasonable expectation of recovery. This constitutes a derecognition event. Indicators include: (a) a court judgment with no attachable assets; (b) recovery costs exceeding the recoverable amount; or (c) confirmed insolvency. Written-off balances subject to ongoing enforcement are disclosed separately. Recoveries are recognised in surplus or deficit when received.

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.

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.

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.

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.

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 CONTINGENCIES

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.

Contingent assets: A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the entity

Contingent assets are not recognised but are disclosed where an inflow of economic benefits or service potential is probable

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:

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.

1.12 IMPAIRMENT OF NON-CASH-GENERATING ASSETS (CONTINUED)

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

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.

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.

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.

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

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

Fruitless 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. Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows: (a) fruitless and wasteful expenditure incurred and confirmed in the previous financial year; (b) fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and (c) fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

Additional information relating to fruitless and wasteful expenditure under assessment, determination, investigations, narratives and a process of dealing with the concerned fruitless and wasteful expenditure must be recorded in the annual report of the entity.

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

National Treasury Instruction Note no. 4 of 2022/2023 which was issued in terms of sections 76(2)(e) to 76(4)(a) of the PFMA requires the following (effective from 3 January 2023):

Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Additional information relating to irregular expenditure under assessment, determination, investigation, narratives, and the process of dealing with the irregular expenditure is recorded in the annual report of the entity.

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 2025/04/01 to 2026/03/31.

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 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

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.

1.23 STATUTORY RECEIVABLES(CONTINUED)

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.

1.23 STATUTORY RECEIVABLES(CONTINUED)

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 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:

1.24 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash- generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash- generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

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.

BASIS FOR ESTIMATES OF FUTURE CASH FLOWS

In measuring value in use the entity:

- base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

1.24 IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

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

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

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

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

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

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

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

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

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 2026 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
• Improvements to the Standards of GRAP (2023)		Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)		Not expected to impact results but may result in additional disclosure
• GRAP 103 (amended): Heritage Assets		Unlikely there will be a material impact

FIGURES IN RAND

3. CASH AND CASH EQUIVALENTS

	2026	2025
Cash and cash equivalents consist of:		
Bank balances	18 833 616	58 394 512
Short-term deposits	4 124 254	4 900 268
	22 957 870	**63 294 780**

4. INVENTORIES

Stationery on hand and consumables	130 445	119 129
Inventories recognised as an expense during the year	74 461	48 937

INVENTORY PLEDGED AS SECURITY

None of the inventory was pledged as security.

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	373 845	154 269
Prepayments	1 034 560	1 889 775
	1 408 405	**2 044 044**
Non-current assets	14 218	427 999
Current assets	1 394 187	1 616 045
	1 408 405	**2 044 044**

5. RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONT.)

TRADE AND OTHER RECEIVABLES PLEDGED AS SECURITY

There were no trade receivables pledged as security.

ECL PROVISION MATRIX - CREDIT RISK EXPOSURE BY AGEING CATEGORY

The provision matrix rates are calculated from the entity's payment history over the preceding three financial years and adjusted for current macroeconomic conditions. Key factors that enable the entity to perform a forward-looking analysis include GDP growth rate, inflation rate, unemployment rate and the general lending rate. The loss allowance as at 31 March 2026 was considered immaterial at a value of R2,390 and has not been recognised in the financial statements.

TRADE AND OTHER RECEIVABLES IMPAIRED

The ECL allowance of R2,390 is immaterial and has not been recognised in the current financial statements. The opening balance of the loss allowance at 01 April 2025 is also immaterial at 2,397and as the result the opening accumulated surplus has not been adjusted.

The loss rate per ageing bucket for these trade and other receivables is as follows:

AGE CATEGORY	AMOUNT	DEFAULT RATE	EXPECTED CREDIT LOSS
Current	-	1%	-
30-60 days	235 893	1%	2 359
60-90 days	-	1%	-
90-120 days	-	1%	-
>120 days	3 140	1%	31
	239 033		**2 390**

6. STATUTORY RECEIVABLES FROM EXCHANGE TRANSACTIONS - LPM MONITORING FEES

	2026	2025
LPM monitoring fees accrued but not yet received	18 846 495	21 345 654

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.

6. STATUTORY RECEIVABLES FROM EXCHANGE TRANSACTIONS - LPM MONITORING FEES (CONT.)

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 changed from 11.25% to 10.50% 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.

AGEING OF AMOUNTS PAST DUE BUT NOT IMPAIRED IS AS FOLLOWS:	2026	2025
Current	18 846 495	21 345 654
60 days past due	-	-
120 days past due	-	-
	18 846 495	**21 345 654**

ANALYSIS OF STATUTORY RECEIVABLES PAST DUE THAT HAVE BEEN IMPAIRED

No statutory receivables from exchange transactions were impaired during the period ended 31 March 2026. The ageing of the entity's statutory receivables is presented below:

AGEING OF AMOUNTS PAST DUE AND IMPAIRED IS AS FOLLOWS:		
Balance	18 846 495	21 345 654
Less amounts impaired	-	-
Total statutory receivables from exchange transactions	**18 846 495**	**21 345 654**

Factors considered in assessing impairment losses:

When the statutory receivables were considered holistically, it was determined that the recoverability of amounts which are 120 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.

FIGURES IN RAND

7. PROPERTY PLANT AND EQUIPMENT

	2026			2025		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Land and buildings	58 787 739	(2 160 194)	56 627 545	50 882 250	(1 277 892)	49 604 358
Furniture and fixtures	4 926 501	(3 457 253)	1 469 248	4 047 924	(3 280 040)	767 884
Motor vehicles	1 548 271	(965 523)	582 748	1 548 271	(814 532)	733 739
IT equipment	3 557 789	(2 440 410)	1 117 379	3 647 895	(2 323 366)	1 324 529
Total	**68 820 300**	**(9 023 380)**	**59 796 920**	**60 126 340**	**(7 695 830)**	**52 430 510**

RECONCILIATION OF PROPERTY PLANT AND EQUIPMENT - 2026

	OPENING BALANCE	ADDITIONS	DEPRECIATION	TOTAL
Land and buildings	49 604 358	7 905 489	(882 302)	56 627 545
Furniture and fixtures	767 884	878 576	(177 213)	1 469 247
Motor vehicles	733 739	-	(150 991)	582 748
IT equipment	1 324 529	269 812	(476 962)	1 117 379
	52 430 510	**9 053 877**	**(1 687 468)**	**59 796 919**

RECONCILIATION OF PROPERTY PLANT AND EQUIPMENT - 2025

	OPENING BALANCE	ADDITIONS	DISPOSALS	TRANSFERS RECEIVED	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**

PLEDGED AS SECURITY

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

FIGURES IN RAND

7. PROPERTY PLANT AND EQUIPMENT (CONT.)

RECLASSIFICATION OF ASSETS

PROPERTY, PLANT AND EQUIPMENT IN THE PROCESS OF BEING CONSTRUCTED OR DEVELOPED

CUMULATIVE EXPENDITURE RECOGNISED IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT	2026	2025
Buildings	-	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 components 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**

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	699 923	761 040

8. INTANGIBLE ASSETS

	2026			2025		
	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST / VALUATION	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
Computer software, internally generated	5 139 139	(3 338 707)	1 800 432	5 139 139	(2 747 989)	2 391 150
Computer software, other	321 941	(321 665)	276	401 995	(401 298)	697
Total	**5 461 080**	**(3 660 372)**	**1 800 708**	**5 541 134**	**(3 149 287)**	**2 391 847**

RECONCILIATION OF INTANGIBLE ASSETS - 2026	OPENING BALANCE	AMORTISATION	TOTAL
Computer software, internally generated	2 391 150	(590 718)	1 800 432
Computer software, other	697	(421)	276
	2 391 847	**(591 139)**	**1 800 708**

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**

PLEDGED AS SECURITY

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

FIGURES IN RAND

9. PAYABLES

	2026	2025
Trade payables	849 179	3 914 370
Unidentified confiscated gambling winnings	4 030 105	4 804 625
SARS for PAYE and UIF	1 455	1 457
Confiscated winnings from identified punters	121 578	123 071
Accrual for performance bonuses	7 435 918	7 561 833
	12 438 235	**16 405 356**

Unidentified confiscated gambling winnings refer to money confiscated from suspected illegal gamblers whose identity has not been established 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

NCEMS service fees incurred but not yet paid	7 722 022	38 688 747

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

11. PROVISIONS

RECONCILIATION OF PROVISIONS - 2026	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	TOTAL
Leave provision	1 594 299	3 722 559	(3 477 674)	1 839 184

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

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

LPM monitoring fees	237 886 705	232 011 671

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.

FIGURES IN RAND

13. INTEREST RECEIVED

	2026	2025
Interest received	4 799 540	6 004 204

Interest received includes interest earned from a bank account held in the name of the NCEMS operator on behalf of the NGB amounting to R478,192 (R440,459 in 2025).

14. OTHER INCOME

Rental income	2 689 679	2 353 071
Miscellaneous income	-	5 046 567
	2 689 679	**7 399 638**

Non-recurring income amounting to R5 million was received during the comparative period (2025), comprising R4.7 million from RFP sales for an 8-year NCEM contract, a sale of a motor vehicle for R105,000 and other miscellaneous transactions.

FUTURE MINIMUM LEASE RECEIVABLES UNDER A NON-CANCELLABLE OPERATING LEASE OF OFFICE PREMISES:

Within 1 year	2 094 269	192 250
2 to 5 years	5 231 419	-
	7 325 688	**192 250**

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 R129,914 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.

15. GOVERNMENT GRANT

OPERATING GRANT

Government grant received from **the dtic**	35 790 000	34 641 000

UNCONDITIONAL

Unconditional grants received	35 790 000	34 641 000
Unconditional grant spent	(35 790 000)	(34 641 000)
	-	**-**

RECOGNITION

The NGB receives a grant from **the dtic** without having to give equal value to the grantor. The grant is recognised as revenue in the financial period in which it is due, when all the following conditions have been met.

- The NGB obtains control of the grant through receipt or the right to receive it,
- It is probable that the grant will flow to the NGB, and
- The amount of the grant can be reliably measured.

FIGURES IN RAND

16. EMPLOYEE RELATED COSTS

	2026	2025
Basic	38 025 523	37 980 989
UIF	76 267	67 455
Leave pay provision charge	453 047	212 866
Defined contribution plans	1 177 062	1 113 054
13th Cheques	2 544 691	2 549 704
Housing allowances	2 145 126	2 046 647
Other salary-related costs	110 064	119 650
	44 531 780	**44 090 365**

17. RELATED PARTIES

RELATIONSHIPS	NATURE OF RELATIONSHIPS
The Department of Trade, Industry and Competition (**the dtic**)	Schedule 3A public entity under common control
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
	Mr N Mashamaite
	Mr Shelton Pagiwa
	Mr Lungile Dukwana

RELATED PARTY BALANCES	2026	2025
Rental for a building leased to the Department of Trade, Industry and Competition	3 140	3 140

FIGURES IN RAND

17. RELATED PARTIES (CONT.)

EXECUTIVE AND NON-EXECUTIVE MANAGERS' REMUNERATION

2026	EMOLUMENTS	ALLOWANCES	BONUSES	OTHER BENEFITS	AUDIT COMMITTEE FEES	TOTAL
Acting Chief Executive Officer: Mr L Dukwana: (Secondment date: 23 July 2025)	285 957	-	357 447	-	-	643 404
Chief Financial Officer: Ms K Mackerduth	2 649 157	88 583	489 075	88 388	-	3 315 203
Chief Strategic Officer: Ms. C Kongwa (Resignation date: 30 June 2025)	703 856	23 046	-	24 959	-	751 861
Chief Compliance Officer: Mr N Mashamaite	2 272 065	88 583	209 729	75 932	-	2 646 309
Chief Technology Officer: Mr Shelton Pagiwa	2 272 065	88 583	419 458	75 568	-	2 855 674
Ms GA Deiner (Audit Committee Chairperson)	-	-	-	-	16 637	16 637
Adv. L Thubakgale (Audit Committee member and Risk Management Committee Chairperson)	-	-	-	-	65 122	65 122
Mr M Dondolo (Audit Committee member)	-	-	-	-	29 143	29 143
Mr Z Myeza (Audit Committee member)	-	-	-	-	48 268	48 268
	8 183 100	**288 795**	**1 475 709**	**264 847**	**159 170**	**10 371 621**

2025						
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**

18. OPERATING LEASE EXPENSE

	2026	2025
CURRENT YEAR		
Photocopiers	-	146 681
FUTURE MINIMUM LEASE PAYMENTS UNDER NON-CANCELLABLE OPERATING LEASES FOR PHOTOCOPIERS		
Within 1 year	-	146 681

FIGURES IN RAND

19. NCEMS SERVICE FEES

	2026	2025
Service fees paid to the NCEMS operator	194 397 386	193 110 939

20. GENERAL EXPENSES

Advertising	415 629	564 019
Bank charges	30 973	52 236
Cleaning	512 390	527 464
Consulting and professional fees	13 103 394	13 613 006
Insurance	264 430	246 416
Conferences	214 694	-
Vehicle licenses	2 944	3 796
Fuel and oil	114 486	66 652
Printing costs	52 900	166 652
Stationery	76 307	48 937
Copying costs	142 109	100 126
Security costs	1 343 906	1 049 040
Software expenses	4 496 794	1 547 965
Refreshments	284 742	115 092
Subscriptions and membership fees	1 063 817	706 055
Telephone and fax	1 443 855	709 656
Office relocation costs	9 287	7 035
Training	368 546	728 610
Travel- local	1 587 554	706 290
Travel- overseas	267 164	-
Assets expensed	36 556	8 687
Electricity	2 446 040	2 229 211
Recruitment costs	463 967	185 778
Storage	134 327	51 212
Loss on disposal of assets	-	44 289
General maintenance	2 705 882	2 768 665
Temporary staff costs	-	478 175
	31 582 693	**26 725 064**

21. CASH (USED IN) GENERATED FROM OPERATIONS

(Deficit) surplus	(1 996 164)	1 841 421
Adjustments for:		
Depreciation and amortisation	2 278 608	2 092 453
Loss on disposal of assets	-	44 290
Movements in provisions	244 885	152 163
Adjustment to retained earnings	-	76 875
Changes in working capital:		
Inventories	(11 316)	(43 625)
Receivables from exchange transactions	3 134 798	(4 152 182)
Payables	(34 933 843)	2 177 520
	(31 283 032)	**2 188 915**

FIGURES IN RAND

22. COMMITMENTS

AUTHORISED CAPITAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR	2026	2025
• Website development	21 166	123 510
• Refurbishment of office premises	30 130	8 611 427
• Procurement of office furniture	915 168	-
	966 464	**8 734 937**

TOTAL CAPITAL COMMITMENTS		
Already contracted for but not provided for	**966 464**	**8 734 937**

AUTHORISED OPERATIONAL EXPENDITURE

ALREADY CONTRACTED FOR BUT NOT PROVIDED FOR		
• Internet and telephone services	286 859	716 312
• Employee wellness services	255 323	612 808
• Media monitoring services	270 209	77 509
• Security services	1 076 462	2 420 368
• Offsite storage services	428 036	181 978
• Vetting services	-	21 586
• Cleaning services	310 731	821 121
• External audit services	1 702 598	2 408 583
• Research services	-	4 474 709
• Training	-	9 200
• Maintenance- building	187 764	230 544
• Hosting of ICT servers	-	142 333
• Sage 300 software upgrade	649 209	3 090 121
• Cleaning equipment for an enterprise development candidate	-	50 539
• Training	83 969	17 776
• Internet connectivity services	946 027	1 658 028
• Gardening services	-	181 500
• Building maintenance	-	146 482
• ICT support and MS communication services	776 834	914 839
• Maintenance and hosting of national registers	4 710 170	789 453
• Internal audit services	951 963	1 204 371
• Quality assurance services	851 775	851 775
• Promotional material	715 704	-
• Recruitment services	220 733	-
• ICT support services for Sage 300	672 049	-
• UPS maintenance	136 449	-
• Building insurance	474 718	-
• B-BBEE verification services	184 801	-
• Probity services	356 270	-
	16 248 653	**21 021 935**

22. COMMITMENTS (CONT.)

TOTAL OPERATIONAL COMMITMENTS	2026	2025
• Already contracted for but not provided for	16 248 653	21 021 935

TOTAL COMMITMENTS

TOTAL COMMITMENTS		
• Authorised capital expenditure	966 464	8 734 937
• Authorised operational expenditure	16 248 653	21 021 935
	17 215 117	**29 756 872**

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

23. 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.

Service fees paid to the NCEMS operator during the year are reflected in Note 19 ("NCEMS service fees", while balances receivable from the the NCEMS operator at the end of the financial period are reflected in Note 6 ("Statutory receivables from exchange transactions- LPM monitoring fees")

24. PRIOR-YEAR ADJUSTMENTS

Invoices received from an internet service provider amounting to R114,595 were reclassified from expenditure to pre-payments. Invoices amounting to R26,003 received from an employee wellness service provider were reversed. An amount of R20,304 deducted from a tenant's rental deposit and debited to rental income was reversed back into rental income. An invoice received for training services amounting to R36,003 was recorded as expenditure after the 2024/25 financial year-end. Credit notes amounting to 201,952 were issued to tenants, thereby reducing rental revenue for the 2024/25 financial period, as they incorrectly included VAT. The effect of the adjustments was a reduction in the retained earnings at the beginning of 2023/24 financial year by R111,920 and a reduction in revenue by R76,875. Receivables from exchange transactions for the 2024/25 decreased by R199,278 while trade payables decreased by R10,483. The statement of financial position and statement of financial performance for 2024/25 were restated as indicated hereunder.

STATEMENT OF FINANCIAL POSITION

2025	Note	As previously reported	Correction of error	Restated
Receivables from exchange transactions (Current Assets)	5	1 815 323	(199 278)	1 616 045
Payables from exchange transactions	9	(16 415 838)	10 483	(16 405 355)
		-	**(188 795)**	-

STATEMENT OF FINANCIAL PERFORMANCE

2025	Note	As previously reported	Correction of error	Restated
Other income	14	7 581 285	(181 647)	7 399 638
General Expenses	20	(26 829 836)	104 722	26 725 064
		-	**(76 925)**	-

25. RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

The entity's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. Comparative disclosures, where required, are shown as previously reported under GRAP 104.

LIQUIDITY RISK

Liquidity risk arises from the availability of funds to meet future commitments. The entity manages this risk through ongoing monitoring of future commitments and available credit facilities.

The table below analyses the entity's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

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

31 MARCH 2026	0-3 months	3-6 months	6-12 months	Total
Trade payables	8 517 446	-	-	8 517 446

AT 31 MARCH 2025	0-3 months	3-6 months	6-12 months	Total
Trade payables	49 718 764	-	-	49 718 764

25. RISK MANAGEMENT (CONT.)

INTEREST RATE RISK

The entity has no significant interest-bearing assets, other than bank balances with banks and the Corporation for Public Deposits (CPD) held with the SA Reserve Bank. The entity's revenue and operating cash flows are significantly independent from market interest rate fluctuations.

Balances with banks, deposits and all call and current accounts attract interest at rates that vary with the South African prime rate. The entity's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus/ deficit.

The sensitivity analysis below has been determined based on financial instruments exposure to interest rates at reporting date.

The basis points increases or decreases, as detailed in the table below, were determined by management and represent management's assessment of the potential change in interest rates.

	2026	2025
Interest rate increase of 100 basis points	229 579	632 948
Interest rate decrease of 100 basis points	(229 579)	(632 948)

CREDIT RISK

Credit risk is the risk of financial loss if a counterparty fails to meet its contractual obligations. The entity's credit risk arises principally from trade receivables, interest receivable and cash held at banking institutions.

Credit risk management practices: The entity manages credit risk on trade receivables through creditworthiness assessments before entering lease and service agreements, escalated collections for accounts more than 120 days overdue, and a documented write-off policy triggered by no reasonable expectation of recovery.

For cash and bank deposits. funds are held only with major South African registered banking institutions with a minimum long- term national credit ratings.. The maximum exposure to any single counterparty is managed in accordance with the entity's investment policy approved by the AA.

Expected Credit Loss (ECL) measurement methodology: From 1 April 2025. The entity applies the GRAP 104 ECL model. For trade receivables, the simplified approach (lifetime ECL from initial recognition) is applied using a provision matrix.

Historical loss rates by aging bucket are calculated from three years of payment data and adjusted for forward-looking macroeconomic factors.

Definition of default: more than 120 days past due. or objective evidence of inability to pay regardless of days past due.

ECL is calculated as a weighted average of outcomes. The entity monitors receivables monthly and applies internal credit monitoring to manage credit risk. Receivables are written off when recovery is deemed improbable and legal remedies have been exhausted. Macroeconomic indicators such as GDP growth, inflation, interest rates and changes in government policies as well as time value of money are considered when reviewing historical loss rates.

Past observations have indicated that the entity does not have default or ECL. However, the possibility of future default has been considered based on the number of days past due and current economic conditions, resulting in a negligible ECL loss.

25. RISK MANAGEMENT (CONT.)

EXPOSURE TO CREDIT RISK

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

FINANCIAL INSTRUMENT	Nature of mitigation	2026 carrying amount	2025 carrying amount
Cash and cash equivalent	Standard Bank and SA Reserve Bank	22 957 871	63 294 780
Trade receivables	Tenant deposits	239 033	336 572
		23 196 904	**63 631 352**

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.

AGE ANALYSIS OF FINANCIAL ASSETS THAT ARE PAST DUE BUT NOT IMPAIRED

TRADE RECEIVABLES	30 -60 days past due	61-90 past due	91-120 past due	More than 120 days past due	Total
2026	235 893	-	-	3 140	239 033
2025	6 783	220 715	59 753	52 461	339 712

FAIR VALUE INFORMATION

All financial instruments are measured at amortised cost. For short-term instruments, the carrying amount is a reasonable approximation of fair value. The table below classifies estimated fair values within the GRAP 104 fair value hierarchy:

FINANCIAL INSTRUMENT	Carrying amount 2026	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	22 957 871	22 957 871	22 957 871	-	-
Trade receivables	239 033	239 033	-	239 033	-
Trade payables	8 517 446	8 517 446	-	8 517 446	-

Level 1: quoted prices in active markets. Level 2: observables inputs. Level 3: unobservable inputs. The carrying amount of trade receivables and payables approximate fair values.

26. UNAUTHORISED EXPENDITURE

There was no unauthorised expenditure during the year.

27. FRUITLESS AND WASTEFUL EXPENDITURE

There was no fruitless and wasteful expenditure during the year.

28. IRREGULAR EXPENDITURE

There was no irregular expenditure during the year.

29. GOING CONCERN

During the financial period ended 31 March 2026, the entity reported a deficit of R2 million. A cash surplus of R21 million was reported as at 31 March 2026, which is indicative of sufficient retained earnings. The NGB's net assets of R82.9 million is indicative of the fact that there are more than sufficient assets to cover the entity's liabilities. The NGB is 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 R237.9 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.

30. CONTINGENT LIABILITIES

National Treasury- Cash surplus	21 199 441	29 756 872
Less Commitments	(17 215 117)	(29 756 872)
	3 984 324	**-**

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 3 of 2025/2026, 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.

31. 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 budget for LPM monitoring fees was increased as actual revenue 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 AND CASH SURPLUS

The increase in the budget for other income was aimed at aligning budgeted rental revenue with actual revenue received during the year. The budget variance arose from credit notes issued to the tenants adjusting rental revenue downwards to remove a VAT component. The budget was also revised to include a cash surplus retained for research and software license upgrade based on the National Treasury's approval.

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 reduction in the budget for employee costs was made due to vacancies resulting from resignations. The positive variance on employee costs was also due to vacancies.

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 increase in the budget for general expenses was due to unspent funds on software upgrades which were committed but not expended. The positive variance was due to savings on membership and subscription fees, legal fees, probity investigations and media promotions. While purchase orders were issued for this items, expenditure will only take place in the subsequent financial period.

PROPERTY, PLANT AND EQUIPMENT

The budget for property, plant and equipment was increased as a result of a need identified for office furniture. The positive variance was due to the fact tha a purchase order was issued to the supplier of the furniture with delivery to follow in the subsequent financial period.

32. FIRST-TIME ADOPTION OF GRAP 104 - FINANCIAL INSTRUMENTS (REVISED 2019)

BACKGROUND

GRAP 104- Financial Instruments (revised April 2019) became effective for the entity for annual reporting periods beginning on or after 01 April 2025. These financial statements for the year ended 31 March 2026 are the first prepared under the revised standard. The previous Standard of GRAP on Financial Instruments, issued in October 2009, applied to the comparative period.

TRANSITION APPROACH

In accorance with Directive 2 issued by the ASB, the entity has applied GRAP 104 (2019) using the retrospective application approach with the permitted relief that comparative information for the year ended 31 March 2025 has not be restated. The cumulative effect of initially applying GRAP 104 (2019) was determined to be immaterial such that the opening balance of accumulated surplus at 01 April 2025 was not be restated.

The cumparative financial information for the year ended 31 March 2025 is presented on the basis of the previous standard (GRAP 104- 2009) and is not comparable to the current year on a like-for-like basis in respect of financial instrument impairment; financial instruments that had been derecognised before 01 April 2025 are not subject to the transitional provisions; and the standard has been adopted in its entirety; piecemeal or partial adoption has not been applied.

KEY CHANGES ARISING FROM ADOPTION

The accounting policies (1.7) have been revised to be in line with the new GRAP 104.

33. EVENTS AFTER THE REPORTING DATE

There is no subsequent event that has occurred between the reporting date and the date when the financial statements were authorised for issue.

- Date when the financial statements were authorised: 31 May 2026
- Authorised by: Mr. Lungile Dukwan (Accounting Authority)

34. 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 2026, 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 29 May 2027.

35. INFORMATION ON PAYMENT OF SUPPLIERS

DESCRIPTION	Number of Invoices	Value
Valid invoices received	582	251 001 314
Invoices paid within 30 days or agreed period	582	251 001 314
	-	-

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.

FIGURES IN RAND

36. 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	105 638
Annual jurisdictional membership fees	International Association of Gambling Regulators (IAGR)	Sole service provider	None	15 734
Procurement of E-Views software package	Quantec	Sole service provider	None	68 248
Subscription to Regional eXplorer (12 months)	IHS Information and Insight (Pty) Ltd	Sole service provider	None	177 099
Annual jurisdictional membership fee	Gaming Regulators Africa Forum (GRAF)	Sole service provider	None	40 738
Sage 300 software license (one year)	4Sight (Pty) Ltd	Sole service provider	None	180 504
Annual Caseware software license	Adapt IT (Pty) Ltd	Sole service provider	None	126 705
Insight system support- budget loading	4Sight (Pty) Ltd	Sole service provider	None	2 875
GRAF exhibition branded stalls	Gaming Regulators Africa Forum	Sole service provider	None	55 000
Renewal of post box	SA Post Office	Sole service provider	None	2 760
Training on Caseware	Adapt IT (Pty) Ltd	Sole service provider	None	17 776
Branded exhibition stall at Rand Easter Show	Dogan Exhibitors and Events (Pty) Ltd	Sole service provider	None	29 860
Technical system support service	4Sight Systems (Pty) Ltd	Sole service provider	None	4 313
ICT support services	Sage South Africa (Pty) Ltd	Sole service provider	None	20 000
Software support for 36 months	Sage South Africa (Pty) Ltd	Sole service provider	None	672 049
				1 519 299

37. CONTINGENT ASSET

The NGB is currently engaged in a legal process with respect to an ex-employee of the entity and the outcome may result in the inflow of economic benefits to the entity. As the matter is sub-judice, further information cannot be disclosed.

National Gambling Board
South Africa
a member of the dtic group

1085 Francis Baard Street
Pretoria
Hatfield
0028

Private Bag x27
Hatfield
0028

Telephone: 010 003-3475
Email: info@ngb.org.za

www.ngb.org.za