

## NATIONAL LOTTERIES PARTICIPANTS TRUST

(Registration number IT001513/2015(T))

Annual Financial Statements for the year ended 31 March 2018

# Governance Framework of the National Lottery Participants Trust (NLPT)

The National Lotteries Participants Trust is established in terms of the Trust Property Control Act 57 of 1998. The NLPT was founded by Ithuba Holdings (RF) (Pty) Ltd. in accordance with the third Licence to Operate the National Lottery. The licence is a regulatory instrument provided for, under the Lotteries Act, to enable the NLC to fulfil its regulatory mandate of monitoring Ithuba's operations and Ithuba's obligations to procure a Trust for the purposes of protecting, amongst others, prize monies payable to National Lottery participants who have 365 days to claim their prizes. The duty of procuring the Trust is a key element of the regulatory function of the NLC as set out in section 10(1)(j) of the Lotteries Act.

The NLC Board, in its capacity as Regulator, exercises oversight in accordance with provisions of the Lotteries Act, licence and principles contained in the King IV Code. The NLPT complied with all reporting requirements through the submission of quarterly reports, management accounts, income and expenditure statements, annual financial statements within the stipulated periods as indicated by the Board of the NLC.

### APPOINTMENT OF TRUSTEES

The Board of Trustees comprises of two nominee Trustees, who are representatives of the NLC and Ithuba respectively, and three independent Trustees. The NLC, with consent from Ithuba, appoints a maximum of three independent Trustees. Trustees hold office for a period of three years and are eligible for re-appointment at the expiry of the three-year period.

### INDEPENDENCE

All independent and nominee trustees are deemed to be independent, having adhered to King IV code principles of independence and criteria for connected persons as defined in the Income Tax Act. Majority of the Trustees are independent as they have no material interest in the NLC, interest in national lottery operator, beneficiaries or suppliers. Trustees of the NLPT have fiduciary duties to the Trust and its beneficiaries. The primary beneficiaries of the NLPT are participants in the lottery who are secured of their prize money as well as the NLDTF as a secondary beneficiary of interest on the funds that are paid to the NLPT as well as unclaimed and expired prize money.

Trustees are required to complete an annual disclosure of interest and are required to disclose interest at every meeting to ensure that circumstances that may give rise to conflict of interest are managed and monitored effectively. There were no conflicts of interest identified during the reporting period.

### TRUST ADMINISTRATOR

The Trust administrator is appointed to service the Trust for the duration of the third Licence to Operate the National Lottery. The Trust administrator is accountable to the NLPT Board of Trustees for the performance of all financial, administrative, secretariat and clerical functions, as well as any duties which may be delegated by the Board of Trustees.

### MEMBERS AND ATTENDANCE

The Board of Trustees comprises of five members, including the chair, Adv. Nevondwe. The Deed of Trust makes provision for a minimum of four meetings per year. During the financial year ended 31 March 2018, the Board of Trustees met on four occasions.

The table below shows the attendance of these meetings.

Committee Member	Role	Qualifications	Date of Appointment	Quarterly Meetings	Special Meetings and Workshops
Adv. LT Nevondwe	Chairperson	LLB (University of Venda) LLM (University of Venda) LLD (University of Limpopo)	1 April 2016	3/4	1/1
Mr PR Letwaba, CA(SA)	Member – NLC Representative	BCom Accounting CTA	28 May 2015	3/4	1/1
Adv BE Mabuza	Member – Ithuba Representative	BProc (NWU) LLB (Wits) LLB (Georgetown University)	22 July 2015	4/4	1/1
Ms MT Ramuedzisi CA(SA)	Member	BBusSc (UCT) HDipAcc (Wits) MCom (Computer Auditing) (UJ)	1 April 2016	4/4	1/1
Mr A Mahlalutye	Member	RA BSc Quantity Surveying (UCT) Master's in Business Leadership (UNISA) Master's in Financial Management (University of London)	1 February 2018	0/4	0/1
Adv WE Huma**	Former Member		1 April 2016	3/4	0/3

\*\* Resigned in the period under review

**Special Board meeting and workshops include**

- Special Meeting (AFS Approval, National Lottery Participant Trust Workshop)

The NLPT Chairperson appeared before the NLC Board Audit and Risk Committee to report on the performance and financial information and other relevant matters concerning the Trust.

On behalf of the NLPT Board of Trustees



**Adv Nevondwe**

NLPT Board of Trustees Chairperson on 20 September 2018