

NATIONAL LOTTERIES COMMISSION

a member of the dtic group

2025/26 Annual Report

RESILIENCE, TRANSITION, AND MODERNISATION

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With the aid of, and thanks to the NLC, Lifesaving SA has empowered coaches, enabled athletes and skilled administrators, giving unemployed persons opportunities to be employed with dignity and youth opportunities to participate where they previously were unable to.

HELEN HERBERT
- Lifesaving SA, General Manager



PART A

General information

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Public entity's

NLC Annual Report 2025/26

REGISTERED NAME	National Lotteries Commission
PHYSICAL ADDRESS	Block D Hatfield Gardens 333 Grosvenor Street Hatfield Pretoria 0083 South Africa
POSTAL ADDRESS	PO Box 1556 Brooklyn Square Pretoria 0075
TELEPHONE NUMBER/S	Switchboard +27 12 432 1300 Info Centre 0860 065 383
FAX NUMBER	Fax +27 12 432 1387
EMAIL ADDRESS	info@nlcsa.org.za
WEBSITE ADDRESS	www.nlcsa.org.za
EXTERNAL AUDITORS	Auditor-General South Africa 4 Daventry Street Lynnwood Bridge Office Park Lynnwood Manor Pretoria 0081
BANKERS	Absa First National Bank Nedbank Rand Merchant Bank Standard Bank
COMPANY SECRETARY	Interim: Ms. Xolisile Njapha

List of Abbreviations/Acronyms

AA	Accounting Authority
ABMS	Anti-Bribery Management System
Act	The Lotteries Act (Act No. 57 of 1997), as amended
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AML	Anti-Money Laundering
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
Board	Board of Directors of the NLC
CATHSSETA	Culture, Arts, Tourism, Hospitality, Sports, Sector Education and Training Authority
CFO	Chief Financial Officer
The Commission	The National Lotteries Commission established in terms of the Lotteries Amendment Act, including its controlled entities, the National Lotteries Distribution Trust Fund and National Lotteries Participants Trust
Commissioner	Commissioner of the NLC
CRMP	Compliance Risk Management Plans
DA	Distributing Agency
ECD	Early Childhood Development
ERM	Enterprise Risk Management
ESD	Enterprise Supplier Development
GRAP	Generally Recognised Accounting Practices
HCM	Human Capital Management
IoDSA	Institute of Directors South Africa
IPSAS	International Public Sector Accounting Standards
M&E	Monitoring and Evaluation
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NGO	Non-Governmental Organisation
NLC	The National Lotteries Commission established in terms of the Lotteries Amendment Act, including its controlled entities, the National Lotteries Distribution Trust Fund and National Lotteries Participants Trust
NLDTF	National Lottery Distribution Trust Fund
NLPT	National Lotteries Participants Trust
NPO	Non-Profit Organisation
OHS	Occupational Health and Safety
PEP	Politically Exposed Persons
PFMA	Public Finance Management Act (Act No. 1 of 1999) as amended
PISE	Post Indaba Stakeholder Engagement
QAIP	Quality Assurance and Improvement Programme
R&D	Research and Development
RFP	Request for Proposal
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SHE	Safety, Health, and Environment
SOP	Standard Operating Procedures
The dtic	Department of Trade, Industry and Competition
TR	Treasury Regulations

Performance Highlights 2025/26

87%

of all planned organisational targets achieved

(Based on performance scorecard)

189

Education & Awareness sessions conducted nationally





88%

of all approved grants paid within the regulated timeframe

(Regulated timeframe of 60 days)

91%

of monitored lottery schemes compliant with the Lotteries Act

100%

of eligible funded projects successfully monitored



92%

of applications were adjudicated within 150 days

(Against a target of 150 days)



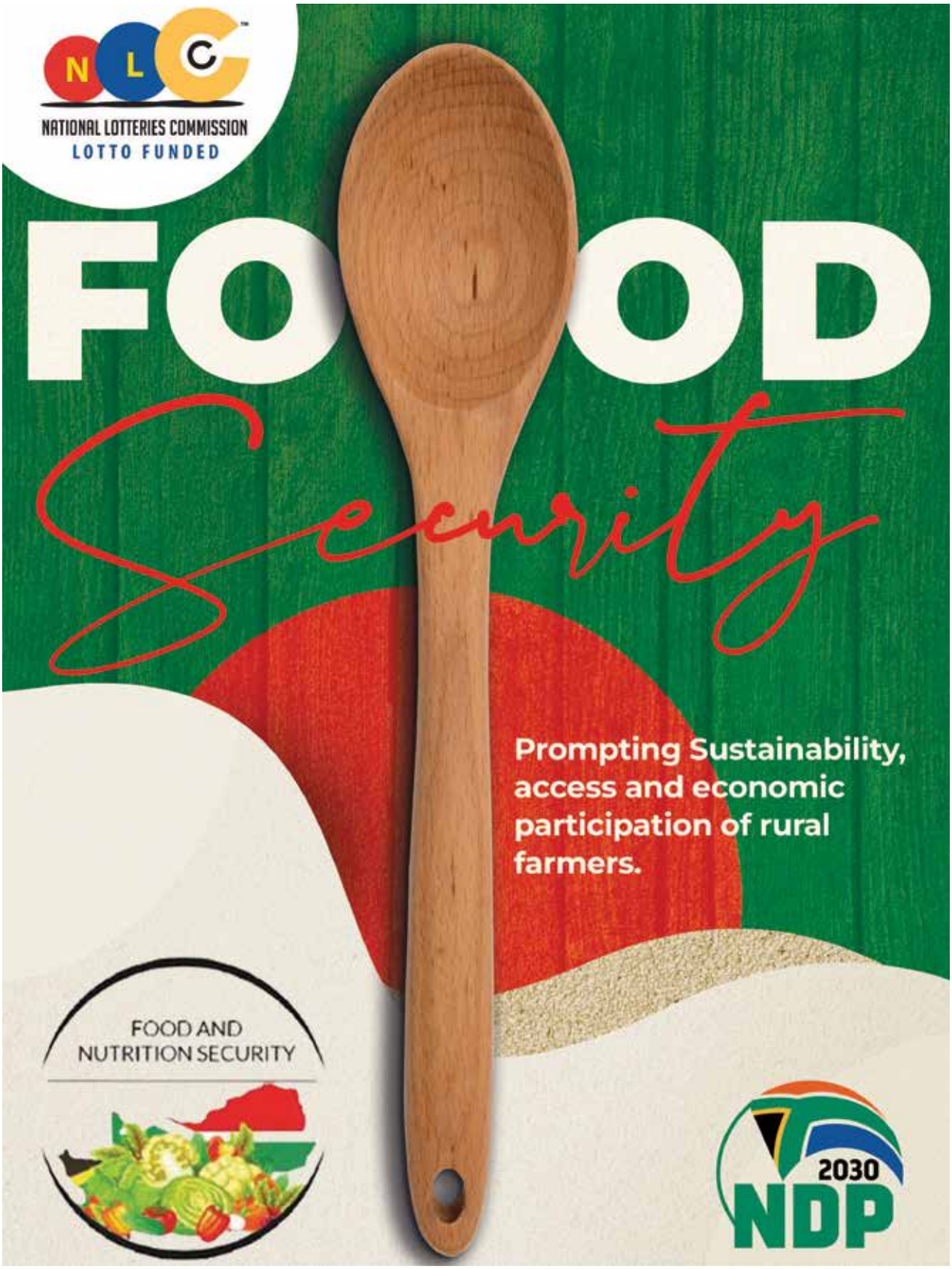
17 760

Children benefited annually from NLC-funded ECD Centres

1 321

New jobs created

(1 170 via funded projects and 151 via lottery operators)


NATIONAL LOTTERIES COMMISSION
LOTTO FUNDED
FOOD
Security
Prompting Sustainability, access and economic participation of rural farmers.
FOOD AND NUTRITION SECURITY
2030 NDP

Foreword by the Minister of Trade, Industry and Competition

Driving Development Through Responsible Stewardship.



MR PARKS TAU, MP

Minister of Trade, Industry and Competition

The National Lotteries Commission (NLC) as a developmental funding entity plays a vital role in the social upliftment of South Africa's underserved communities. It is an important member of the dtic family tasked with the responsibility to regulate the National Lottery and Sports Pools toward the funding of worthy good causes. Its work can be seen through early childhood development centres, old-age homes and sports facilities that define the landscape of South Africa's communities.

At the beginning of the 2025/26 financial year, I announced the awarding of 4th National Lottery and Sports Pools operating license to Sizekhaya Holdings (RF) (Pty) Ltd in terms of section 13 of the Lotteries Act 57 of 1997. I also announced the awarding of a 12-months temporary license to Ithuba to allow for a seamless transition between the current and newly appointed operator, who tookover lottery operations from 01 June 2026. This decision was taken to prevent disruption of lottery operations and ensure that the NLC receives the revenue required for grant funding of worthy good causes. I look forward to the growth of the lottery and sports pools under the stewardship of Sizekhaya and to a mutually beneficial and good working relationship between the Department of Trade, Industry and Competition (the dtic), the Commission and Sizekhaya. I also look forward to increased contributions to the beneficiaries of the National Lottery Distribution Trust Fund (NLDTF).

In July 2025, I approved the appointment of 10 Distributing Agency members in terms of Sections 26A and 26B (1) of the Lotteries Act, (No. 57 of 1997) as amended for a period of five years. These distributing agency members will be in office until 30 June 2030. Distributing Agency members play a critical role in ensuring that funds raised through the National Lottery are allocated fairly to deserving causes and organisations. With 10 distributing agency members appointed, the NLC now has the capacity to adjudicate applications and be able to meet the statutory time frames, including adjudicating applications within 150 calendar days.

During October 2025, President Cyril Ramaphosa signed an amendment to the National Lotteries Commission (NLC) Proclamation R. 32 of 2020, which broaden the scope of the Special Investigating Unit (SIU) ongoing investigation into the affairs of the NLC. Proclamation R293 of 2025 covers procurement and contracting for goods and services. I commend the SIU for their sterling work thus far and acknowledge that progress has been hampered by legal challenges they encountered along the way. The funds that they have recovered will be used for their intended purpose of funding worthy good causes.

> The National Lottery remains a vital instrument for social upliftment, supporting initiatives that improve lives and strengthen communities.

I would like to thank the NLC Board, Commissioner and the NLC team for their painstaking efforts and unwavering commitment to stabilise the Commission's operations. Critical executive and senior management positions have now been filled to ensure operational efficiency. It has succeeded in delivering on its responsibility to recalibrate, reset and restate the mandate of the organisation.



Mr Parks Tau, MP

Minister of Trade, Industry and Competition



Statement by Deputy Minister of Trade, Industry and Competition



Transforming Lives Through Development Funding.

MR ZUKO GODLIMPI, MP

Deputy Minister of Trade, Industry and Competition

The National Lotteries Commission (NLC) serves a dual mandate: regulating the National Lottery and Sports Pools and the funding of worthy causes. Lottery operations generate billions of Rands, and the operator contributes an agreed percentage of the revenue to the National Lottery Distribution Trust Fund (NLDTF) weekly. The funds accumulated in a particular year are distributed by the NLC the following year to worthy causes.

In terms of the funds that the NLDTF distributes, a larger share of 47% goes to charitable organisations, followed by Sport and Recreation with 28%, and Arts, Culture and National Heritage, which is allocated 23%. Miscellaneous Purposes are allocated the remaining 2%.

The NLC is a catalyst for poverty alleviation and the reduction of inequality in our society. Early Childhood Development (ECD) centres in our townships and rural communities provide young children with a good foundation in life and provide employment for ECD practitioners and other community members. Without the NLC funding, most of these ECD centres would struggle to sustain their operations, as many underprivileged parents cannot afford to pay fees. Old-age homes, drop-in-centres and home-based care organisations provide much-needed care and services to vulnerable members of our society. These organisations also create employment for many SA citizens as they improve the quality of life of disadvantaged members of society.

As a society, we are confronted with the triple challenges of unemployment, poverty and inequality. The Commission's funded projects create and sustain temporary and, in some instances, permanent jobs across sectors. These jobs may not be many, but they have improved quality of life and restored hope for historically disadvantaged communities. Looking at the impact of NLC funding over the past two decades, one appreciates the critical role this developmental institution plays in uplifting communities across South Africa.



Mr. Zuko Godlimpi, MP

Deputy Minister of Trade, Industry and Competition

The impact of Lottery funding can be seen in the organisations, facilities and programmes that uplift communities across South Africa.



Statement by Deputy Minister of Trade, Industry and Competition



Expanding Opportunity Through Inclusive Growth.

MR. JOHN STEENHUISEN, MP

Deputy Minister of Trade, Industry and Competition

I am delighted to have joined the Department of Trade, Industry and Competition (the dtic) family. My appointment to this critical ministry in the Government of National Unity (GNU) places me at the centre of the country's economic growth and transformation efforts. The Minister of Trade, Industry and Competition has allocated me the responsibility to focus on the reduction of red tape to foster business growth, enhance investment and improve industrial development in South Africa. It is not an easy task, but through collaboration with the department's agencies and partnerships with other government departments, we will be able to achieve our objectives.

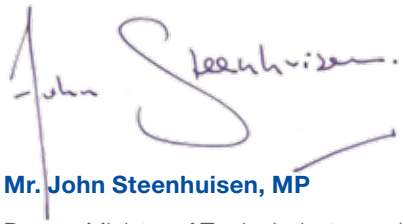
The Government of National Unity, at its inception, resolved to dedicate its term of office to actions that will advance three strategic priorities: Firstly, to drive inclusive growth and job creation. Secondly, to reduce poverty and tackle high cost of living. Thirdly, to build a capable, ethical and developmental state. As the Ministry, our work is aimed at realising an economic growth rate that creates sustainable employment for our people and transforms society.

Many people may not be aware of this, but our lottery value-chain is worth billions of Rands and creates jobs and wealth at both the operational and retail levels. For instance, in the previous financial year, total lottery sales amounted to R7, 28 billion, with 48% paid out in prizes and 34% going to the National Lotteries Distribution Trust Fund (NLDTF) to fund worthy good causes. Retail vendors were paid 6% in commission.

As a developmental agency, the National Lotteries Commission (NLC) plays a critical role in poverty alleviation and job creation in communities across South Africa. Through its mandate of regulating the National Lottery and Sports Pools and funding of worthy good causes, the NLC provides funding to projects that uplift impoverished communities and improve the standard of living of citizens. These lottery-funded projects create jobs, contribute to community development and give hope to the needy. Furthermore, they provide essential services, including early childhood development, sports, skills development, and health promotion, to under-served communities.

> By reducing barriers to funding and supporting worthy causes, we can unlock opportunities that drive development, create jobs and improve lives."

Looking at the period under review, a lot of work was done to improve access to NLC funding. This includes education and awareness initiatives and the establishment of partnerships with government departments and agencies to improve compliance by non-governmental organisations and non-profit companies with funding requirements. This was done because of a realisation that non-compliance remains a barrier to access to funding opportunities.



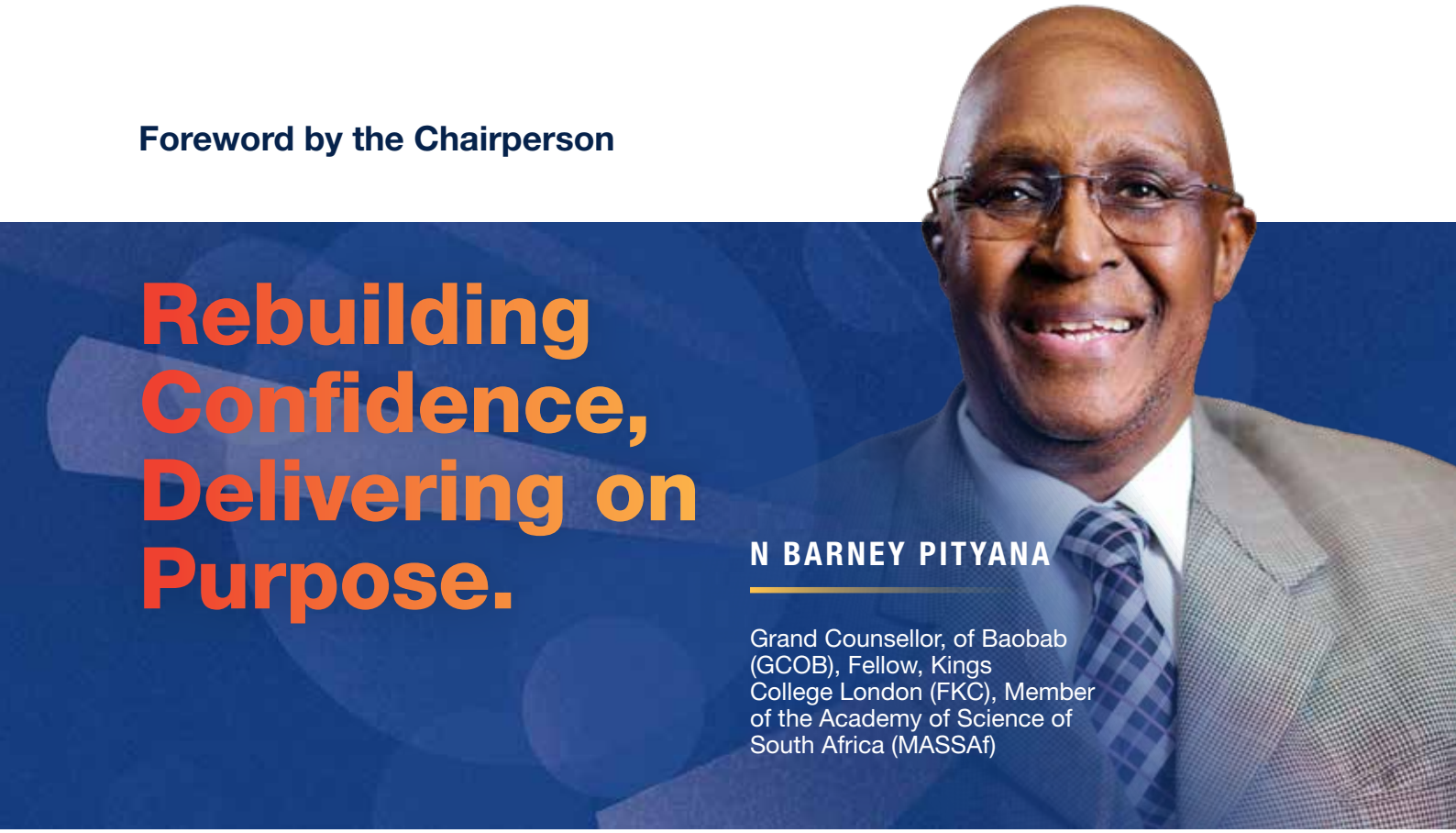
Mr. John Steenhuisen, MP

Deputy Minister of Trade, Industry and Competition.



Foreword by the Chairperson

Rebuilding Confidence, Delivering on Purpose.



N BARNEY PITYANA

Grand Counsellor, of Baobab (GCOB), Fellow, Kings College London (FKC), Member of the Academy of Science of South Africa (MASSAf)

It is with honour and a great sense of fulfilment that I present the Annual Report of the National Lotteries Commission (NLC) to the people of South Africa. The NLC, established in terms of the Lotteries Act (No. 57 of 1997, as amended), plays an important role in regulating the National Lottery and other lotteries, including society lotteries and promotional competitions. This report is firmly rooted in the values of the Constitution of the Republic of South Africa (1996), particularly the principle of accountability, responsiveness, and openness (s.1(d)).

Our role is to provide strategic direction to the NLC, ensure accountability, approve strategy and policies, and then oversee and monitor performance. Of crucial importance is that the Board has a duty to advise the Minister on all matters relating to the lottery. In this regard, the Board has recorded considerable progress in restoring ethical governance, building public trust and in implementing financial and operational reforms across the organisation. The Board has reviewed and approved 95% of organisational policies for all operational areas including Grant adjudication and review, Supply Chain Management (SCM), Human Capital Management (HCM) and Performance Management. Board Committees are now fully operational, holding regular meetings and ensuring that resolutions are implemented timeously. Most of the work at the NLC is performed by these committees. We can now say with confidence that the Commission is now stable and able to carry out its legislative mandate.

During the period under review, the Board has overseen a number of initiatives designed to improve corporate governance, corporate culture, interface with all our stakeholders including beneficiaries, parliament, media, and all those whom the NLC seeks to serve. During the course of the year the NLC finalised a new Strategic Plan. The Plan sets a strategic tone rooted in development, rooting a new messaging for the work of the NLC away from charity and philanthropy towards the constitutional values and affirming the role of the NLC as an agency of state to achieve the constitutional values and objectives set out especially in the Preamble to the Constitution of the Republic of South Africa, 1996.

In the course of the year the organisational structure has been finalised and much work was undertaken to establish and populate the structure of the NLC. In so doing, a further step has been taken to ensure that the NLC personnel structure is fit for purpose. Regarding the filling of vacant executive management positions in the NLC, 90% of vacancies have now been filled except for Executive Manager: Corporate Services, Executive Manager: Grant Funding and Senior Manager: Human Capital Management positions which we intend to fill in the coming financial year. During the past three years, the Board managed to appoint a new Commissioner of the NLC, a Chief Financial Officer, Chief Audit Executive, Executive: Legal Services and Chief Risk Officer (CRO). The focus of this Board remains firmly on the strategic pillars of restoring governance and integrity, strengthening regulatory and grant funding capabilities and rebuilding operational excellence.



In the previous financial year, the NLC achieved an unqualified audit opinion on its Annual Financial Statements “and Audit of Predetermined Objectives. In simple terms, this means that the Auditor-General South Africa did not find significant errors or material misstatements in the financial statements and that they complied with Generally Recognised Accounting Practices (GRAP) Framework. This outcome reflects the NLC’s continued efforts to entrench good governance practices, and it was a clear demonstration of remarkable progress in the stabilising the organisation. Building on this achievement, we look forward to achieve even better audit outcome for the 2025/26 financial statements.

During November 2025, the NLC convened a National Indaba in Boksburg, Johannesburg. Almost 2 000 stakeholders gathered over three days drawn from all constituencies that serve as partners of the NLC. Participants shared the strategic direction for the next ten years, provided an update on operational developments and gathered information on our stakeholder needs. The gathering was a success and the resolutions adopted during the Indaba will guide our operations into the future. While there, we also agreed with civil society organisations on new funding focus areas that are informed by the lived experiences of communities across South Africa.

In reflecting on a period marked by serious governance failures and acts of malfeasance, the Board recognised the profound impact these events had on individuals who, often at significant personal and professional risk, came forward to expose wrongdoing. While no formal policy framework existed at the time to guide such considerations, the Board resolved to engage thoughtfully with the experiences of these individuals, acknowledging both the harm endured and the broader institutional lessons arising from this period. The intention was not to establish a compensatory mechanism, but rather to create a once off platform for recognition, reflection and organisational healing, grounded in fairness, integrity and respect.

To support this objective, the Board constituted a Reparations Committee, which, with the assistance of independent experts and professional advisors, explored a range of possible interventions. The Committee’s work initially extended to both whistleblower-related considerations and certain legacy matters arising from Special Investigating Unit (SIU) findings, including community infrastructure projects. However, through a process of external assurance and independent review, important considerations relating to constitutional fairness, mandate limitations and potential fiscal implications were raised. As a result, the scope of the initiative was refined to focus specifically on current and former NLC employees who were directly affected.

The reparations initiative has been concluded and where applicable, settlement agreements are being implemented. Matters relating to legacy infrastructure projects continue to be addressed through the NLC’s established operational and regulatory processes.



N Barney Pityana

GCOB FKC MASSAf
Chairperson of the National Lotteries Commission

**Prof Pityana retired the NLC as at 31 July 2026. This report was adopted by the Board on 20 August 2026. Therefore the current chairperson, Mr Bonaklele, hereby signs on behalf of Prof Pityana.*



Commissioner's Overview

The 2025/26 financial year has marked a pivotal phase in the evolution of the National Lotteries Commission (NLC), characterised by the organisation's transition from stabilisation to sustained operational delivery within an environment of heightened public scrutiny and increasing demand for demonstrable social impact.

During this period, the focus of executive leadership has been on consolidating institutional gains, strengthening execution capability, and repositioning the NLC as a credible, responsive, and developmental regulator. This has required not only the restoration of governance and operational discipline, but also a deliberate shift towards impact-oriented performance aligned to national priorities.

Strategic Leadership and Organisational Consolidation

A key achievement during the year under review has been the stabilisation of the operational environment through the work of the executive and senior management teams, supported by functional governance structures and strengthened oversight mechanisms.

This has enabled improved coordination, clearer accountability, and more disciplined execution across the organisation. Regular Executive Committee and Management Committee engagements have reinforced performance monitoring, strengthened compliance, and ensured alignment between operational delivery and strategic objectives.

In navigating a complex operating environment, leadership has prioritised a balanced approach — strengthening governance and internal controls while advancing service delivery efficiency and responsiveness. This reflects a deliberate commitment to ethical leadership, institutional resilience, and sustained performance improvement.

Driving Modernisation and Systemic Reform

The continued implementation of the Thuthuka online grant management system represents a cornerstone of the NLC's modernisation agenda. The system has enhanced transparency and strengthened control through real-time application tracking, automated compliance checks, and improved lifecycle management of funded projects.

At the same time, the transition has brought greater visibility to structural challenges within the sector, including high levels of non-compliance and varying levels of digital readiness among applicants. In response, targeted system refinements and stakeholder support interventions are being implemented to improve accessibility, usability, and overall system efficiency.



Advancing Accessibility and Stakeholder-Centred Delivery

The implementation of the Use of Languages Policy, including the translation of grant agreements into all 12 official languages and Braille, reflects a deliberate commitment to inclusive service delivery and improved beneficiary understanding.

In parallel, the National Indaba and the Post Indaba Stakeholder Engagement (PISE) programme have strengthened the organisation's ability to translate strategic commitments into community-informed interventions. These engagements have reinforced the NLC's positioning as a responsive institution that is attuned to the evolving needs of communities. We are, however, very mindful that there is still much work to be done.

Addressing Operational Constraints with Accountability

The year under review has also highlighted persistent operational pressures, including delays in grant disbursement, bottlenecks arising from strengthened controls, and the high proportion of non-compliant applications.

Management recognises that these challenges require a careful balancing of governance integrity and delivery efficiency.

Targeted interventions—including enhanced applicant education, process optimisation and system improvements—are being implemented to strengthen throughput, improve compliance levels, and restore predictability within the grant funding pipeline.

This progress has not been achieved in isolation, but through the ongoing efforts and commitment of the NLC team, whose resilience continues to underpin the organisation's recovery and future direction.

Embedding Ethical Culture and Institutional Integrity

Significant progress has been made in embedding a values-driven organisational culture aligned to integrity, accountability, and performance excellence. This includes strengthened compliance frameworks, anti-corruption measures, and the continued implementation of organisational culture renewal initiatives.

These efforts are central to sustaining operational improvements and reinforcing public trust, ensuring that institutional reform is underpinned by both systems and behaviour.



> This progress has not been achieved in isolation, but through the ongoing efforts and commitment of the NLC team, whose resilience continues to underpin the organisation's recovery."



A Developmental Focus: Circular Economy and Inclusive Growth

Looking ahead, the NLC is increasingly positioned to contribute to South Africa's developmental agenda, particularly in advancing inclusive growth, job creation, and sustainable livelihoods.

In alignment with Ministerial priorities and emerging national policy frameworks, the NLC is focusing on supporting community-level participation in the circular economy —particularly within waste-to-value, recycling, and bio-economy value chains.

Supporting community-based and SMME-driven initiatives that enable local participation in recycling and waste recovery economies with a dedicated focus on rural development is a key priority.

The NLC's developmental approach reflects a deliberate repositioning of the NLC's grant-making function—from a predominantly transactional funding model to a catalytic, impact-driven instrument that supports both social and economic transformation.

Looking Ahead

As the organisation moves beyond stabilisation, the focus in the coming period will be on deepening operational efficiency, enhancing service delivery outcomes, and strengthening the developmental impact of funded interventions.

Priority operational areas include improving grant disbursement performance, raising compliance levels within the funding ecosystem, advancing digital maturity, strengthening monitoring and evaluation, and deepening stakeholder engagement.

These efforts will continue to reinforce the NLC's positioning as a transparent, accountable, and developmental regulator that delivers measurable impact in support of national priorities.

Conclusion

The progress achieved during the year under review provides a strong platform for sustained improvement. The NLC remains committed to building a resilient, responsive, and high-performing institution—capable of delivering on its mandate while contributing meaningfully to South Africa's developmental objectives, including inclusive growth, job creation, and the transition towards a more sustainable and circular economy.



Ms. Jodi Scholtz

Commissioner

Statement of responsibility and confirmation of accuracy for the Annual report

We relied on our five-year strategic plan and Annual Performance Plan (APP) (published on our website), which reflect the NLC's long-term, mid-term and short-term objectives in line with the National Treasury Framework for Strategic Plans and APPs. Interviews with key stakeholders were also conducted to ensure all material information is included in the 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 the Auditor-General South Africa (AGSA).
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP) standards applicable to the NLC.
- The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgments made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to 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, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2026.



Ms. Jodi Scholtz

Commissioner



N Barney Pityana

GCOB FKC MASSAf

Chairperson of the Board

**Prof Pityana retired the NLC as at 31 July 2026. This report was adopted by the Board on 20 August 2026. Therefore the current chairperson, Mr Bonaklele, hereby signs on behalf of Prof Pityana.*

Supporting Arts & Culture



Creating accessibility in the arts by providing skills and training programmes that equip our communities to participate in all forms of art!

We continue to strive towards an equal society for all people from all walks of life.

Why the National Lottery is important

Before a single national system existed, several smaller or provincial lotteries operated in South Africa and in some former homelands. Examples include a Transkei lottery (established 1989) and the Natal/KZN Lotto (launched in 1992). These local operations demonstrated both public appetite for lottery games and the problems of fragmented, uneven regulation. After the end of apartheid the new democratic government moved to create a single, regulated national lottery. The Lotteries Act (No. 57 of 1997) was enacted to:

(a) regulate and prohibit lotteries and sports pools, and

(b) establish a National Lotteries Board (NLB) to administer and oversee a national lottery.

The Act was assented to in November 1997 and its formal commencement was tied to later implementation steps. The National Lotteries Board (later renamed/restructured into the National Lotteries Commission) was established as the regulator and distribution authority for funds raised. The NLB set up the institutional framework for awarding an operating licence, monitoring compliance and approving distributions to "good causes."

Why the government wanted a national lottery — the premise and policy goals

The decision to create a single, national lottery after 1994 was driven by several clear aims set out in legislation and policy:

1. **Raise non-tax revenue for public good causes.**

   The Lotteries Act and later policy documents make plain that one of the main objectives was to generate substantial revenues that could be channelled to "worthy causes" (arts, sport, welfare, community development, and charitable projects) where public funding was insufficient. The lottery was seen as a mechanism to mobilise private spending for public benefit.

2. **Create a transparent, regulated distribution mechanism.**

   Rather than ad hoc charitable gaming or fragmented provincial lotteries, the government wanted a centralised, accountable body (the NLB/NLC) to ensure proceeds were awarded fairly and with oversight, to maximise social impact.

3. **Control and regulate gambling activity.**

   Legalising and regulating a national lottery allowed the state to curb illegal lotteries and rogue promotional competitions, protect consumers (age limits, rules), and ensure operators complied with standards.

4. **Economic and social benefits.**

   The lottery would create jobs (retail, distribution, broadcasting), stimulate ancillary industries (retail sales, media advertising), and offer entertainment revenue streams for the economy—while directing a portion of proceeds into development.

5. **Nation-building and redistribution.**

   In the post-apartheid context, channeling new sources of funding toward community upliftment, arts and culture, sport development, and social welfare fit government priorities for transformation and social inclusion. The national lottery was therefore framed as a redistributive instrument as well as a revenue source.

Over time the NLC has evolved: amendments to the Lotteries Act and subsequent policy decisions expanded and refined the regulator's mandate and governance. The National Lotteries Commission (NLC) is now the single national regulator tasked with policing compliance, regulating the operator, and overseeing distribution to good causes.

Evolution of the National Lottery

2000 - 2007
OPERATOR:
Uthingo

2007 - 2015
OPERATOR:
Gidani

2015 - 2025
OPERATOR:
Ithuba

2025 - 2026
OPERATOR:
Ithuba Holdings

June 2026
OPERATOR:
Sizekhaya



Vision

Our vision is to establish a lottery industry that is credible, trustworthy, efficient, technology-driven, progressive and that benefits all the people of South Africa, especially the most needy.

The Vision of the NLC is to build a society that abides by the constitutional values of human dignity, social justice and an egalitarian society. Such a future entails mutual assistance, community advancement and promoting excellence in science, arts and culture.



Mission

The National Lotteries Commission is a statutory body established to regulate the lotteries industry in South Africa, that, applying the principles of transparency and openness and with due regard to the interests of all participants, distributes grants for worthy good causes, and thereby seeks to mobilise communities to become agents of development and care, promote human dignity, equality, justice and social cohesion.

Regulation

To regulate and monitor all lotteries and sports pools with a commitment to uphold ethical standards and integrity, and simultaneously guaranteeing the protection of all participants.

Empowerment

To maximise earnings to create a collaborative effect that empowers communities, propelling inclusive and social cohesion and sustainable impact through the funding of worthy causes.

Accountability

To enhance financial management, oversight and accountability, while ensuring equitable and timely allocation of funds in accordance with established regulations.



Core Values

The foundational value of the NLC is UBUNTU–a way of living harmoniously with one another, or prizing communal relationships, ones in which people identify with each other and exhibit solidarity with and mutual care for one another.

Such a humanist ethic entails mutual respect, integrity and excellence as a way of life. The NLC is committed to achieve sustainable growth through the practice of good corporate governance, provision of excellent service and sound regulatory practice. In fulfilling the mission statement, the core values that NLC represents are depicted below:

Accountability

To embrace our duties with a sense of ownership and responsibility, aiming to create a positive and lasting sustainable influence on the communities we are dedicated to serving.

Integrity and Ethical Conduct

To be honest and demonstrate consistent, transparent, fair and an uncompromising adherence to strong moral and ethical principles.

Caring and Respect

To be honest and demonstrate consistent, transparent, fair and an uncompromising adherence to strong moral and ethical principles.

Excellence

To be committed to consistently achieve the highest standards of quality and performance of quality and performance in all aspects of our operations.

How We Fund



How We Regulate:

NLC exist to safeguard players and the wider public by ensuring that lottery and sports pools participation is credible.

The main ways we do this is by:

- Licensing the national lottery and sports pools operator
- Registering society lotteries and their schemes
- Compliance monitoring of other lotteries
- Setting out licence conditions, codes of practice and approving game rules and regulations
- Carrying out compliance reviews for all lotteries and sports pools operators
- Enforcement action taken where operators breach licence conditions and society conditions
- Working closely with the gambling industry to protect participants providing advice and guidance to players and the public
- Being the leading authority on lotteries-related statistics and research

How We Fund:

The NLC also serves as a Grant Funder, providing registered non-profit organisations with funding to establish projects that improve the lives of everyday South Africans.

We fund projects in the following categories under the Application Based Model:

- Arts, Culture, National Heritage and Environment
- Charities
- Sports and Recreation

The Research Based Model allows for planned and unplanned funding without having to lodge an application and is based on strategic partnerships with the NLC.

At the regulatory mandate level, the national lottery continues to make significant deposits to the National Lottery Distribution Trust Fund.



Legislative and Other Mandates

The National Lotteries Commission ("the NLC") is duly established as a juristic person in terms of Section 2 of the Lotteries Act, 1997 (Act No. 57 of 1997), as amended ("the Lotteries Act"). It is classified as a Schedule 3A public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("the PFMA"), as amended.

The Lotteries Act is principally enacted to regulate and prohibit unlawful lotteries and sports pools within the Republic. In furtherance of this statutory objective, the NLC is established as the designated regulatory authority mandated to oversee, administer, and enforce compliance within the lotteries and sports pools environment, in a manner that advances the public interest and gives effect to constitutional principles of accountability, fairness, and transparency.

In discharge of its statutory mandate, the NLC is vested with, inter alia, the following core functions:

- To ensure that the National Lottery and Sports Pools are conducted with due propriety and in strict compliance with the Constitution, all applicable legislation, the National Lottery licence conditions, and any related agreements, whilst safeguarding the interests of all participants;
- To conduct research into deserving good causes capable of being funded without the necessity of a formal application process prescribed under the Lotteries Act, whether at the instance of the Minister, the Board, or on its own initiative, in consultation with the Board;
- To invite and adjudicate applications for grants to worthy good causes in the manner prescribed by the Lotteries Act and applicable regulatory instruments;
- To promote public awareness and understanding through structured educational and informational programmes designed to educate the public on the National Lottery, Sports Pools, and the statutory framework governing grant applications, including eligibility criteria and procedural requirements;
- To administer and manage the human, financial, administrative, and clerical resources of the NLC, and to perform such ancillary or delegated functions as may be assigned by the Minister or the Board; and
- To safeguard, always, the integrity and interests of all participants in the National Lottery.

In addition to its sector-specific statutory obligations, the NLC is subject to the broader governance and accountability framework prescribed under the PFMA. Chapter 6 of the PFMA imposes binding fiduciary duties on the accounting authority, requiring the Board to discharge its responsibilities with diligence, honesty, integrity, and in good faith.

In particular, Chapter 6 obliges the accounting authority of the NLC to:

Maintain full, complete, and accurate records of the financial affairs of the NLC;

Prepare Annual Financial Statements and submit such statements, together with prescribed reports, to the National Treasury and the relevant executive authority within the statutory timeframes;

Ensure the establishment and maintenance of effective, efficient, and transparent systems of financial management, risk management, and internal control;

Implement procurement and provisioning systems that are fair, equitable, transparent, competitive, and cost-effective; and

Promote the efficient, economic, and effective utilisation of the resources of the NLC.

Furthermore, the PFMA underscores the imperative of prudent public asset management. The NLC is accordingly required to maintain comprehensive asset registers, implement robust asset management policies, and enforce internal control mechanisms to ensure that all assets are properly safeguarded, optimally utilised, and maintained in accordance with applicable regulatory requirements and recognised best practice standards.

Importantly, in fulfilment of its compliance governance obligations, the NLC has established a structured Regulatory Universe, being a consolidated framework and register of all applicable, relevant, and binding legislative and regulatory instruments with which it is required to comply. This Regulatory Universe serves as a governance and assurance mechanism to support enterprise-wide compliance oversight and monitoring.

The establishment and maintenance of this Regulatory Universe is undertaken in direct fulfilment of the obligations imposed under Section 51(1)(h) of the PFMA, read together with Section 10(1)(l) of the Lotteries Act, which enjoin the Accounting Authority/Board to ensure that the NLC effectively and efficiently complies with all applicable and relevant legislation. This framework accordingly underpins the institution's compliance architecture and reinforces the Board's fiduciary responsibility to ensure sustained legal and regulatory adherence across all operational domains.

Legal & Compliance Triumphs

1. Defending the Integrity of the Fourth National Lottery Licence Process

The 2025/26 financial year presented the National Lotteries Commission ("NLC") with one of the most legally intricate and publicly consequential regulatory environments since the advent of the democratic lottery dispensation. At the centre thereof stood the procurement and adjudication processes relating to the Fourth National Lottery Licence, a process of immense national significance, carrying profound implications for regulatory continuity, public confidence and the sustainability of funding for good causes across the Republic.

Against this backdrop, the NLC, together with its Executive Authority/Minister, was required to navigate a multiplicity of complex litigation proceedings instituted by various stakeholders seeking urgent judicial intervention in relation to the licensing process and transitional arrangements. Throughout these proceedings, the NLC remained steadfast in its constitutional and statutory obligations to uphold administrative fairness, procedural integrity, transparency and the overarching public interest.

A notable legal milestone was achieved in the matter of Ithuba Lottery v Minister of the dtic & Others, heard before the High Court during the third quarter of the reporting period. On 27 November 2025, the Court dismissed the urgent application with costs, thereby affirming the lawfulness and rationality underpinning the decisions and processes adopted by the Executive Authority and the NLC. The judgment constituted a significant vindication of the institution's governance posture and its commitment to conducting the licensing process within the strict confines of legality and administrative justice.

Concurrently, the NLC and its Executive Authority continue to defend related litigation concerning the pending appointment of the Fourth Licence Operator, together with proceedings pertaining to temporary licence arrangements intended to secure uninterrupted operation of the National Lottery pending finalisation of the principal licensing process. These matters traverse complex terrain involving constitutional principles, procurement jurisprudence, administrative law obligations and sector-specific regulatory interpretation.

Notwithstanding the litigious climate surrounding the process, the NLC has consistently maintained a principled and measured legal posture directed at safeguarding institutional credibility, preserving public confidence and ensuring continuity in the generation of revenue intended for the advancement of charitable and developmental causes.

The litigation has further necessitated the exercise of sophisticated legal coordination, enhanced governance oversight and sustained strategic engagement with the Executive Authority and external legal representatives.

The NLC remains resolute in its commitment to ensuring that the Fourth National Lottery Licence process withstands the highest levels of judicial scrutiny and continues to reflect the foundational constitutional values of accountability, transparency and legality.



ADV. LESEDI BOIHANG
EXECUTIVE MANAGER: LEGAL SERVICES

2. Strategic Litigation: Lottostar and Lottoland Matters

Throughout these proceedings, the NLC remained steadfast in its constitutional and statutory obligations to uphold administrative fairness, procedural integrity, transparency and the overarching public interest.

3. Legislative Review and Regulatory Reform

In furtherance of its mandate, in terms of Section 10(1)(f) of the Lotteries Act 57 of 1997,as amended, to advise the Minister on the efficacy of legislation pertaining to lotteries and ancillary matters as well as to maintain a modern, responsive and constitutionally compliant regulatory framework, the NLC and its Board continued to advance critical legislative reform initiatives during the reporting period.

Following extensive internal legal analysis, policy development and stakeholder engagement processes, Board approved Memoranda of Objects together with accompanying Policy Documents relating to proposed amendments to both the Lotteries Act and its Regulations were finalised and formally submitted to the Department of Trade, Industry and Competition ("the dtic") for consideration and further processing.

The proposed legislative reforms are directed at strengthening regulatory efficacy, enhancing governance and accountability mechanisms, addressing emerging technological and operational developments within the lottery sector and remedying identified legislative ambiguities and enforcement challenges.

Importantly, the reform process also seeks to ensure that the legislative framework governing the National Lottery remains aligned with evolving constitutional imperatives, contemporary regulatory demands and international best practice within the gaming and lottery environment.

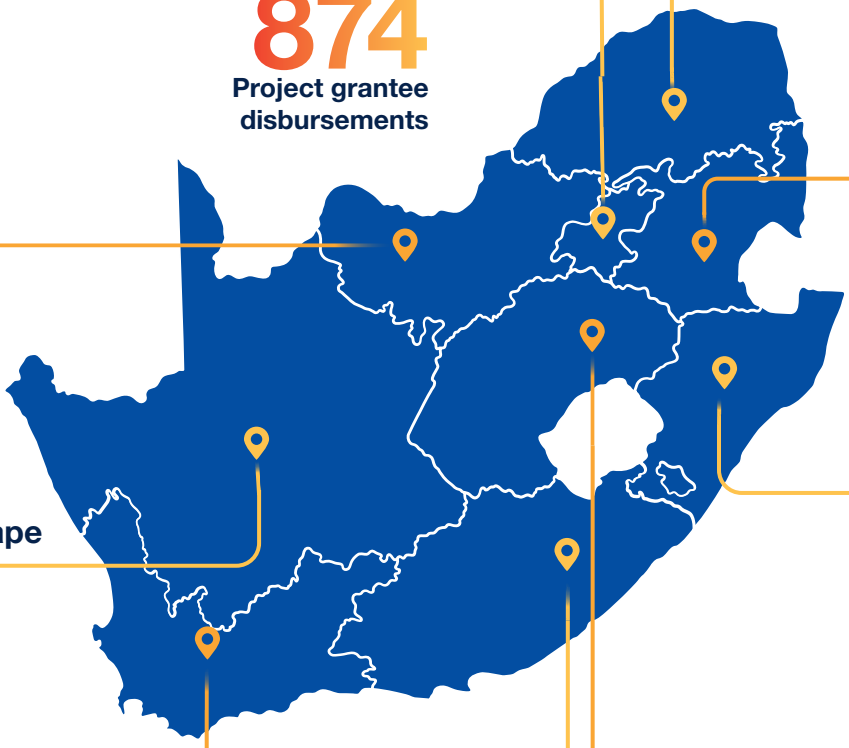
These developments reflect the NLC's continued commitment to institutional resilience, sound governance and the preservation of a transparent, fair and fit-for-purpose regulatory architecture capable of safeguarding the long-term integrity and sustainability of the National Lottery for the benefit of the people of South Africa.



Our Geographic Footprint

The NLC has a national footprint with nine provincial offices and a total staff complement of 376* employees.

*Inclusive of permanent and contract/interns.



874
Project grantee disbursements

42
Jackpot millionaires

Total ticket sales
+R7.5
Billion

Gauteng & Head Office
230
138
1 851

North West
19
58
491

Northern Cape
14
37
203

Western Cape
16
128
908

Limpopo
26
185
643

Mpumalanga
18
56
491

KwaZulu-Natal
22
121
1 121

Free State
11
76
426

Eastern Cape
19
74
612

KEY
NUMBER OF EMPLOYEES
GRANTEE DISBURSEMENTS
RETAIL TERMINALS

Organisational Structure

The NLC's Executive Committee (EXCO), led by Commissioner, Ms. Jodi Scholtz, is required to apply principles of openness and transparency, exercise the functions assigned to it in accordance with the Lotteries Act, as well as other applicable laws and best practice.

BOARD OF DIRECTORS

COMMISSIONER
Ms. Jodi Scholtz



CHIEF AUDIT EXECUTIVE
Mr. Vincent Jones

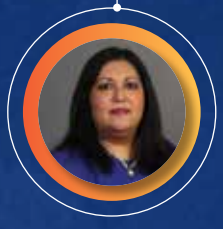


COMPANY SECRETARY
Interim: Ms. Xolisile Njapha



EXECUTIVE COMMITTEE

CHIEF FINANCIAL OFFICER
Ms. Tina Maharaj



ACTING CHIEF OPERATIONS OFFICER
Mr. Mzwandile Ngubane



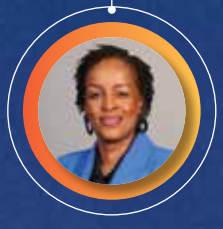
CHIEF INFORMATION OFFICER
Ms. Poppy Tshabalala



EXECUTIVE MANAGER: LEGAL SERVICES
Adv. Lesedi Boihang



EXECUTIVE MANAGER: REGULATORY COMPLIANCE
Ms. Tintswalo Nkuna





Securing the Future:

Strategic Alignment of the NLC with the MTDP, dtic and the Presidency Growth and Inclusion Strategy, The Transition to the fourth Licence

"As we navigate a pivotal era of institutional renewal, our forward-looking strategy is firmly anchored to the national development agenda. We have deliberately harmonised our funding and regulatory frameworks with the Medium-Term Development Plan (MTDP), the dtic's industrial goals, and the Presidency's Growth and Inclusion Strategy. This alignment ensures that every organisational effort acts as a catalyst for economic transformation and social equity."

NLC Funding and alignment to the 14 NDP outcomes



Sustainable human settlements and improved quality of life

NATIONAL LOTTERIES COMMISSION
LOTTO FUNDED

All people in South Africa are and feel safe

Responsive, accountable, effective and efficient local government



An efficient, effective and development oriented public service



Environmental assets and natural resources that are well projected and continually enhanced

Decent employment through inclusive economic growth

2030 NDP

An efficient, competitive and responsive economic infrastructure



Nation building and social cohesion

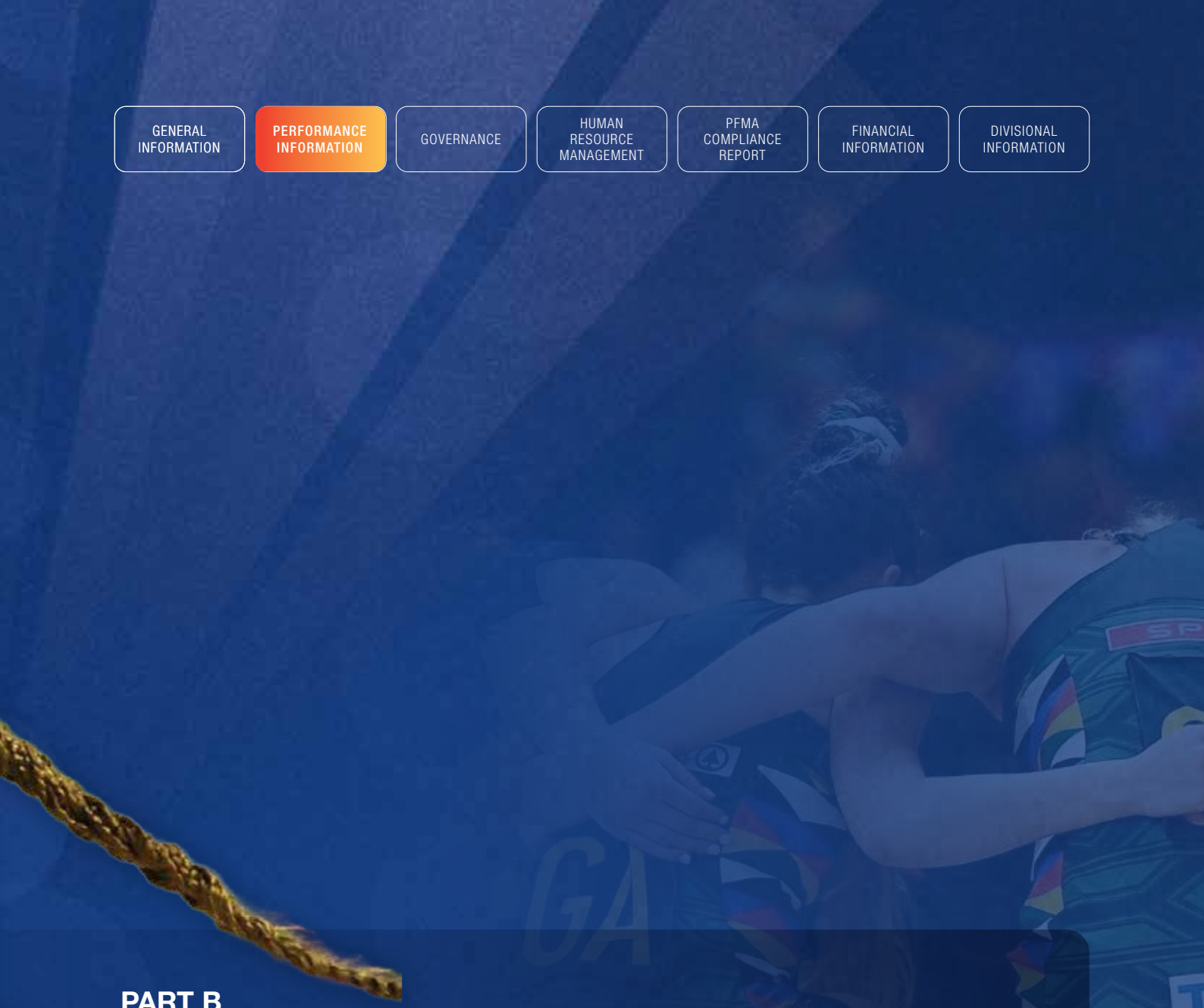


Sports & Recreation

R74m

Disbursed for period 2025/26





PART B

Performance information

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1. Auditor's Report:

Predetermined Objectives

The Auditor-General South Africa (AGSA) currently performs the necessary audit procedures on the performance information in accordance with the AGSA findings engagement. This engagement is not an assurance engagement and, accordingly, does not express an assurance opinion or conclusion. The outcomes management report of the audit of performance against predetermined objectives are included in the report to management, with material findings reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the Auditor's Report. Refer to page 161 of the Report of the Auditors Report, published as Part F: Financial Information

2. Situational Analysis

2.1 Service Delivery Environment

The NLC is a public entity established by Lotteries Act No. 57 of 1997 (as amended) to regulate the South African lotteries and sports pools industry. Primarily, the organisation was established to undertake the functions of:

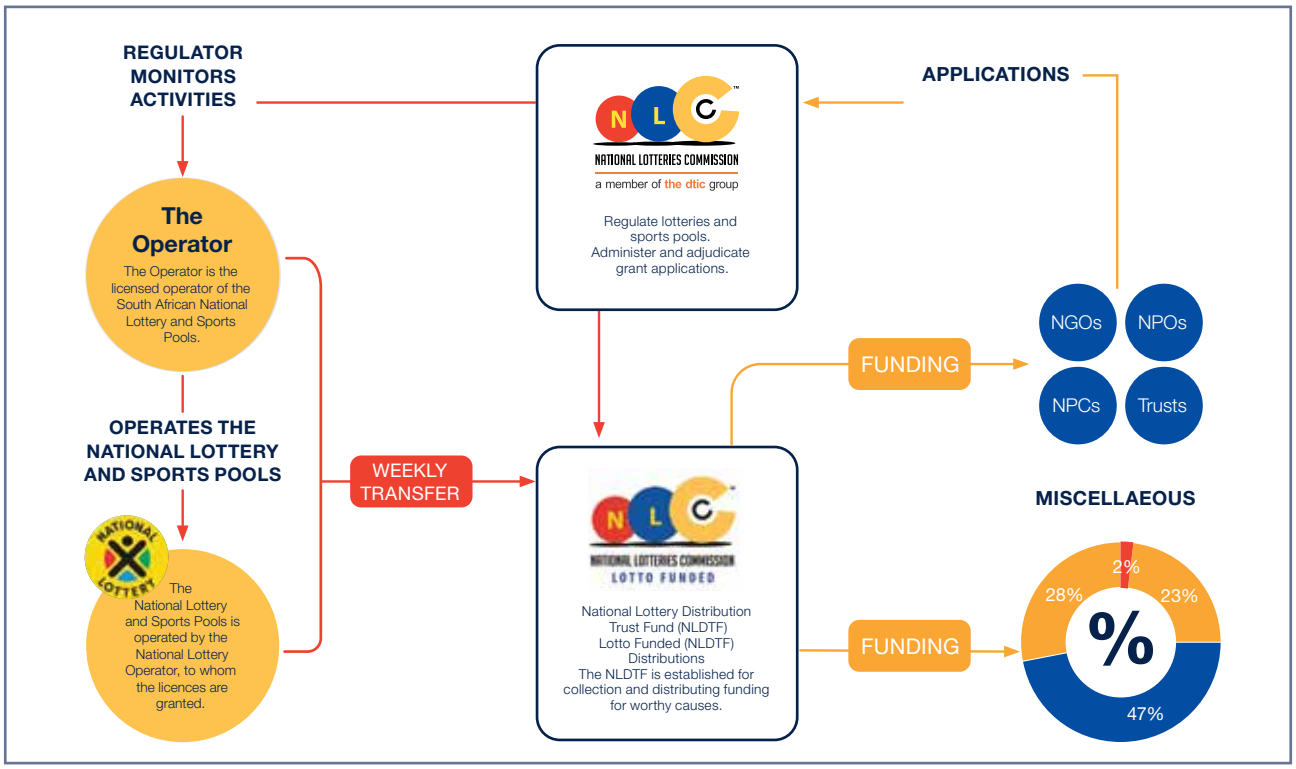
a. Regulation of the National Lottery and other Lotteries and sports pools

b. Administration of the National Lottery Distribution Trust Fund (NLDTF)



ANASHNEE MAHARAJ-DOMUN
SENIOR MANAGER: STRATEGY & PERFORMANCE

Operational Mandate



The NLC is governed by a Board, whose mandate is to:

- Regulate all lotteries and sport pools with integrity;
- Ensure the protection of all participants;
- Responsibly maximise revenue for good causes; and
- Distribute funds equitably and expeditiously

Largely, the NLC serves as a critical link between lottery operator and the broader social and economic communities of South Africa. Its functions are integral to promoting transparency, fairness, and integrity in lottery activities, while also ensuring that the revenue generated benefits the country's communities and fulfils its social development objectives.

A situational analysis of the macro environment for the Lottery and Gaming Industry involves examining the broader external factors that can influence the industry. These factors are typically categorised into dimensions, such as political, economic, social, technological, environmental, and legal (PESTEL).

Central to the conduct of an environmental analysis that feeds into strategy formulation is the necessity to identify opportunities and threats in each of the sub-environments. This is important, as foreknowledge of the opportunities and threats in the NLC's operating environment would enable the organisation to formulate a strategy that enables it to navigate these opportunities and threats within its operating context.

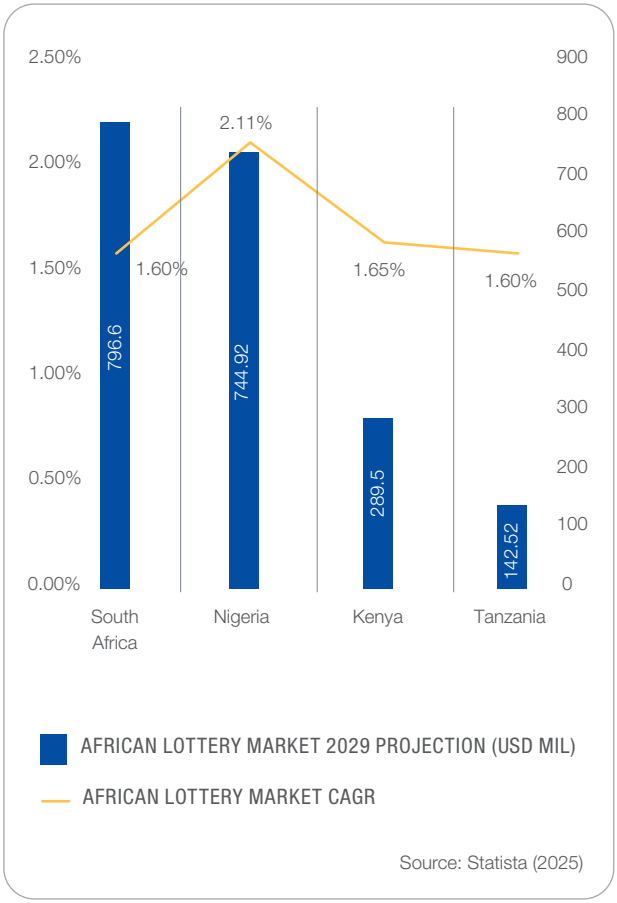
The Lottery and Gaming Industry

The lottery industry continues to grow and evolve. What was once a paper-based and localised activity has grown to leverage digital tools and platforms, attracting a wider consumer base and enhancing engagement without the limitations of geographic factors. Focusing on global and regional (African) growth, the industry records a compound annual growth rate of 5.3% and 7.1% respectively (Rustling, 2025). This growth is predicted to continue in the coming years, driven by the rise in technology integration in the industry and positive changes in consumer behaviour.

South Africa is considered to have one of the most mature lottery markets in Africa, alongside Nigeria. The South African Lottery particularly stands out for its contribution to social causes in the country, while the Nigerian Lottery is characterised by the high levels of engagement it receives.

Currently, South Africa is one of the frontrunners in the African market due to the scale and infrastructure of the national lottery, reportedly generating R7.3 billion in revenue in 2024 (Joseph, 2025). However, as the African Lottery market grows, several emerging national lotteries are developing their markets and capitalising on mobile platforms. Countries like Nigeria, Kenya, Ghana, Tanzania and Uganda are seeing accelerated growth using mobile platforms. Nigeria projects the highest annual growth rate of 2.11%, with a Lottery and Bingo market value of USD 744.92 million by the year 2029 (Statista, 2025). Kenya follows this rate, at 1.65%, with a market value of USD 142.52 million (Statista, 2025). South Africa is tied for third with Tanzania at 1.60% (Statista, 2025); however, due to the industry's maturity, South Africa is expected to achieve a greater market volume by 2029 (Statista, 2025).

African Lottery Market Growth Comparison



Source: Statista (2025)

The use of technology has been a cornerstone in the development of national lotteries worldwide. With a growing youth population eager to participate in online games, digital platforms have attracted more players through features that enhance user experiences, such as gamified components and push notifications (Torres, Duarte, & Martins, 2019). To maintain its position as a regional leader, the South African lottery can evolve through deeper digital engagement, stronger public trust, and bold innovation.

The appointment of the 4th licensing operator (Sizekhaya Holdings) has sparked controversy regarding the transparency of the licensing process. This has the potential to result in the loss of trust and confidence in the NLDTF away from the impact of social development projects. However, this is not new to the industry. Due to the licensing tender being one of the country's biggest procurement contracts, disputes are not only unavoidable, but expected.

The NLC increased efforts to ensure the ethical governance of the lottery and the distribution of funds, especially in preparation for the implementation of a 'state-run lottery'. The journey towards regaining public trust requires consistency and visible effort. The NLC completed a reparations process that included public apologies and compensation for whistleblowers.

South Africa has also not been spared from the US funding pressure. For over 20 years, USAID and PEPFAR have provided treatment against HIV and TB to over 4 million South Africans (Madwantsi, 2025). The recent withdrawal of U.S financial support has pressured government agencies such as the NLC to fill the gap. These funding cuts are projected to lead to over 500 000 deaths in South Africa (Selane, 2025) and 4 million deaths in Africa as a whole (Fröhlich, 2025) within the next ten (10) years due to treatment limitations and halted research and development programmes. Furthermore, healthcare workers and researchers face unemployment, with 15 000 jobs lost to date (Makodi, 2025).

This may cause a rise in concerns for NLDTF grantees, as campaigns such as the 'Close the Gap' (95-9595) campaign may become a priority, and lead to uncertainty surrounding the funding of other projects.

The government has recognised the need for self-sufficiency through this event – relying less on foreign aid and developing more diverse funding streams and partnerships (Dentlinger, 2025). Additionally, there is a growing need for those who invest in the country to do so not only to meet their own needs but also to support and strengthen South African structures, making them more resilient to global and national crises.

AfCFTA Regulations

As Africa's most industrialised economy, South Africa is positioning itself at the centre of implementing the African Continental Free Trade Area (South African Government News Agency, 2025). Under the AfCFTA, African countries are to undergo changes in trade legislation and regulations to boost productivity and investments, while simultaneously creating jobs and lifting a projected 30 million Africans out of poverty (World Bank Group, 2022). This agreement will also strengthen political relations within the African continent and reduce dependence on western countries for trade.

There is potential for more political stability on the continent as economically interdependent countries are less likely to engage in conflict. Furthermore, through this agreement, the NLC may see an increase in cross-border operations and players, as well as heightened competition from other African lotteries. This would require updates to licensing agreements, technological standards and compliance protocols to ensure alignment with the rest of the African continent while also protecting regional operations of NPOs.

South Africa is currently experiencing the longest streak of foreign equity outflows in (5) five years (Business Insider Africa, 2025). Investors have withdrawn a total of USD 3.7 Billion from the stock exchange since October 2024. This has been reflected in the currency's volatility.

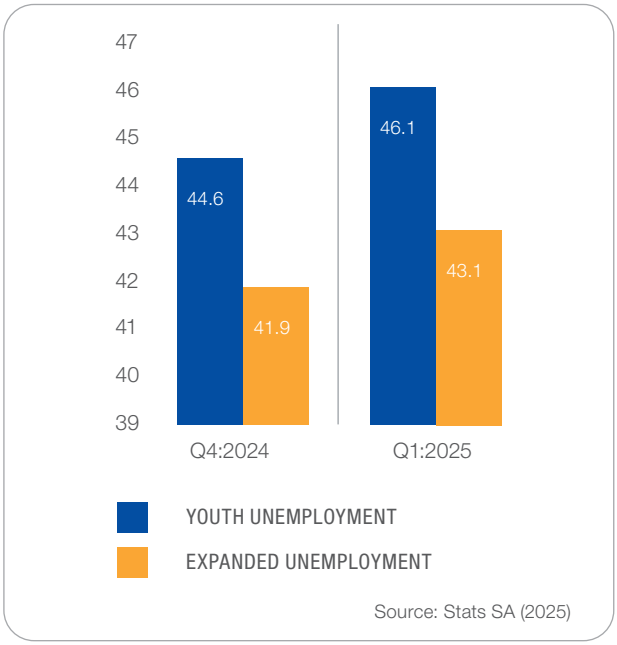
However, South Africa is still receiving a steady inflow of Foreign Direct Investments and has proven to be more stable and diversified compared to other African economies (Strategy&, 2024). Foreign Direct Investment (FDI) affects the economic conditions of emerging markets and boosts the growth and innovation of domestic organisations. Through the expansion of existing enterprises or the establishment of new operations, FDI helps reduce poverty and increase employment opportunities in South Africa.

Unemployment Rate and Disparities

The Growth and Inclusion Strategy emphasises a "jobs first" approach, with a focus on digital skills for jobs expected to empower the economy and society. Governmental programmes, such as the Presidential Employment Stimulus (PES), launched in 2020, have worked to create over 2 million jobs since inception (Mabasa, 2025). Despite these efforts, the unemployment rate in South Africa continues to rise.

The youth unemployment rate has increased from 44,6% in the fourth quarter of 2024 to 46,1% in the first quarter of 2025. The expanded unemployment rate has also increased in Q1 of 2025 by 1,2 percent to 43,1% from Q4 of 2024 (41,9%) (Stats SA, 2025). This goes to show that as much effort is directed towards improving employment in the country, the economic contexts within which South African citizens find themselves, particularly the rate at which the economy is growing, is not conducive to long-term and sustainable improvements.

South Africa's Unemployment Rates (%)



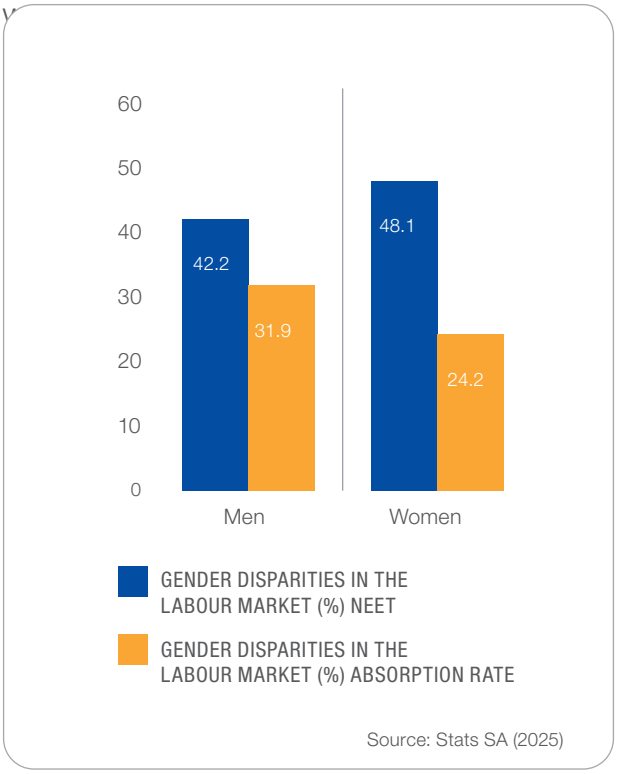
Initiatives such as the PES and The Jobs Fund were created to support innovative, scalable projects that create sustainable employment. These initiatives support the 'jobs first' approach by creating jobs across the country for economic development, whether temporary, project-based, or permanent. Through the expansion of the NLC's work, including providing non-monetary support to grantees and communities, this mandate can be further supported over a longer-term period, where social development leads to sustainable economic improvement.

In Q1 of 2025, nearly 6 in 10 unemployed individuals reported to have not had any work experience, which enables the cycle of exclusion as without skills, young people are struggling to find employment and without employment, young people feel they do not have the opportunity to gain skills (Stats SA, 2025).

Furthermore, between Q1:2024 and Q1:2025, discouraged work-seekers also increased by 425 000 (up by 0,2%), and the number of persons who were not economically active for reasons other than discouragement increased by 63 000 (up by 1,4%) (Stats SA, 2025). Should this continue, the reach and impact of skills development and job-creation initiatives to improve the unemployment rate are less guaranteed in 2025 than in 2024, as unemployed individuals are unable to find work in their area, unable to find work related to their skills, or have lost hope.

Young women are also reportedly more vulnerable in the labour market than young men. Overall, in Q1 of 2025, young women have a higher NEET (Not in employment, Education or Training) rate than young men. Furthermore, in 2024, young men had recorded an absorption rate of 31,9% compared to 24,2% for young women (Stats SA, 2025). Youth employment and skills development programmes provide a foundation for young people to gain skills; however, this is challenged by organisations' inability to retain employees after the programme ends.

Gender Disparities in the Labour Market



Recession

In 2025, South Africa faced a 50-60% likelihood of entering a recession (Stewart, 2025). Recessions typically affect consumer behaviour negatively, as people have less disposable income to spend on non-essential goods and services. However, historically, lotteries have shown resilience during economic downturns (The Lottery House, 2024). For example, during the Great Depression in the United States in the 1930s, many states saw an increase in lottery ticket sales. Similarly, during the 2008-2009 recession, despite the global economic slump, lotteries continued to generate substantial revenues.

A 2023 study by the University of Cape Town found that low-income South African households sometimes spend up to 5% of their monthly income on lottery tickets. Furthermore, 27.7% of South African lottery players are reportedly unemployed, 24% receive social grants, and 42% earn less than R5,000/month (Warby, 2025). Over the next 5 years, if social development remains limited, lotteries may continue to attract marginalised participants, sustaining high and steady demand, even as average income declines.

Inflation

South Africa experienced a slight rise in inflation in January 2025, from 3.0% to 3.2%, which since declined to 2.8% in May 2025. On a year-to-year basis, inflation was reported at 4.43% in 2024 and is forecast to decline to 3.79% in 2025, then hold steady at 4.5% from 2026 to 2029 (Statista, 2025). Inflation is a key indicator of economic stability as it determines how much of their essentials consumers can afford. An increase in inflation reduces the value of money, thereby affecting the utility of disposable income.

Gross Domestic Product

Despite economic challenges, South Africa's GDP is expected to grow slowly over the next five years. Deloitte projects real GDP of 1.7% in 2025 and 1.8% annually through 2027 (Deloitte, 2025), which is an improvement when compared to only 0.6% expansion in 2024 and 0.7% in 2023 (Stats SA, 2025).

HIV/AIDS, TB and STIs

Currently, 1.1 million people living with HIV know their status but are not on treatment (World Health Organization, 2025). South Africa contributes towards 50% of PEPFARs global HIV treatment goals (Madwantsi, 2025) and has one of the largest HIV populations in the world (approximately 8 million) (UNAIDS, 2025). Although only 17% of the HIV/AIDs budget came from PEPFAR, several members of the key population find themselves left out of treatment plans due to the recent funding cuts. Restoring access to this key population is imperative in the management of HIV/AIDS in the country, as these are most likely to be exposed to the virus and most likely spread it.

Furthermore, the accessibility of Anti-Retroviral Therapy (ART) helps to reduce the risk of active TB in patients. People with HIV are more likely to become ill with TB and have greater TB progression from latent to active TB. Research shows that treating HIV with ARVs reduces the risk of mortality due to TB by between 44% and 71%, as they strengthen the immune system (Carter, 2014).

Regardless of the disruption in funding, South African government and agencies have actively worked towards ensuring that those who are living with HIV have access to treatment, with a projection of 85% of people living with HIV will be on treatment by the year 2028.

Poverty and Inequality

According to the World Bank, poverty is expected to reach 63.5% in 2025 (World Bank Group, 2025). This means that over 34,3 million people would be living on under approximately R124 a day. This number is also expected to stay relatively unchanged from 2025 until 2027.

When considering South Africa on a global scale, it ranks among the highest inequality countries, with the top 20% of the population holding over 68% of the country's wealth in 2017 (International Monetary Fund, 2020). The connection between poverty and inequality should not be underestimated, as they both perpetuate a cycle that keeps the poor from improving their circumstances.

Through social grants, the government has committed to reducing the Gini coefficient (income inequality) to 0.6 (from 0.63 in 2025) by the year 2030. Extensive social spending has played a major role in the reduction of inequality. According to simulations by the (World Bank Group, 2020), social grants significantly reduce poverty rates and inequality by up to 10 and 7 percent respectively.

Crime

South Africa's crime rates pose a critical barrier to attracting and retaining investment. The perception of safety shapes where and how investors allocate their resources. South Africa was named the most dangerous country in Africa in 2023, characterised by high murder and organised criminal

activities (Moloi, 2023). Furthermore, data from the World Population Review (2025) reported South Africa's Crime Index to be 75.4 in 2024. This means that for every 100 000 people, there are 75 reported crimes in the country. However, crime of this calibre is not random and is indicative of underlying social issues. This high crime rate can be attributed to factors such as high unemployment and poverty, social exclusion, as well as the normalisation of violence in the country (World Population Review, 2025). These not only sustain cycles of criminal activity but also signal to investors the long-term instability the country is facing, reducing private-sector support.

Crime also raises the cost of doing business. Operations are often negatively affected by criminal activities and divert funds from income-generating activities towards protective and recovery measures.

Global Digital Transformation

As consumer behaviour shifts towards digital convenience, driving the use of innovations and technologies become imperative to remain competitive. The lottery industry has seen an increase in the use of tools such as Artificial Intelligence and blockchain for automation and to enhance transparency in processes. Furthermore, there has been increased acceptance of cryptocurrency prize options, using currencies like Bitcoin and Ethereum (Oluwatobi, 2020).

Digital transformation for the operational processes of national and governmental entities have also proven to be cost-efficient. For example, the introduction of the South African Revenue Service e-filing system has proven to streamline processes, reduce inefficiencies and lead to higher compliance rates (Ngcaweni, 2025). However, should there be failure to negotiate reasonable prices and nurture relationships with suppliers, the process towards fully digitised governmental systems will incur unnecessary expenses. Furthermore, without equally strong security measures, transparency and accountability, advanced systems will struggle to earn public trust. Cutting-edge systems need to be paired with rigorous data-protection frameworks and open governance practices to ensure citizens feel both secure and confident in using digital services.

Digital Platform Economy

Digital platforms have centred themselves in the economy – prioritising speed, convenience and reach when connecting with customers. Projections for the digital platform sector indicate that it could contribute as much as R91.4 billion to the South African economy by 2035 (Bhana, 2024).

In the 2022 Census, only 21.1 % of South African households reported to have no access to the internet, and 60.5 % reported to making use of cellphones and other mobile devices (Stats SA, 2024). This reliance on mobile devices, the growth of the online lottery market and the access to the internet establishes a need for robust frameworks that cover all bases and ensure strict compliance to the Protection of Personal Information Act (POPIA) and the Electronic Communications and Transactions Act (ECTA).

Social Media Trends

Social media has set the tone for global communication and culture. Younger South Africans are increasingly connected and "going viral" has become a huge part of lottery culture. As of January 2024, there were over 45 million internet users in South Africa, of which 26 million were active social media users (Statista, 2025). It is forecasted that the percentage of internet users in the country would increase from 78% in 2022, to 90% by 2027 (Statista, 2025). Typically, South Africans use the internet to find information, keep in contact with family and friends, and stay up to date with news and events (George, 2024).

Fifth Industrial Revolution

Globally, a new era of industrialisation is emerging–one in which technology no longer seeks to replace human potential but instead supports it. The 5th Industrial Revolution prioritises human-centrism in harnessing technological innovations, not only to drive efficiency but also to collaborate with humans in operational processes.

According to Goldman Sachs, 300 million jobs could be displaced globally by AI by 2030 (Kelly, 2023). Goldman Sachs further estimates that Generative AI alone could eventually increase annual global GDP by 7% (roughly $7 trillion) and lift global labour productivity growth by 1.5 percentage points annually over a 10-year period (Briggs & Kodnani, 2023).This emphasises the need to keep pace with technological innovations to reap the full benefits of the changes to come.

Early breakthrough innovations identified by the World Economic Forum include carbon-capturing microbes, reconfigurable intelligence surfaces and integrated sensing and communication (World Economic Forum, 2024). These highlight how technology is shaping a more humane future, stepping in to help solve every day human problems.

Climate Change

Climate change is considered a major developmental risk in South Africa, posing a threat to both economic progress and social stability. South African temperature is projected to increase by 4 to 6 degrees Celsius by the year 2100 (Department of Environmental Affairs, 2018). This climate change is expected to increase the frequency, intensity and duration of weather-related disasters, thus negatively affecting the development efforts of the country.

Events like 2015-2017 drought and Durban floods have already shrunk agricultural output and stressed vulnerable communities. A global study by PwC found that 44% of people in South Africa believe that these weather events will affect their ability to do their jobs (PwC Global, 2024). Climate-related challenges also drive up the cost of living and damage infrastructure, making it harder for South Africans to achieve sustainable growth.

Furthermore, given the country's socio-economic status, immediate social development projects often take priority over green initiatives, whose benefits unfold only in the long term. Limited budgets and urgent needs lead to a focus on poverty alleviation, healthcare, and education, sidelining environmental sustainability. This can have substantial future implications, as Africa is the continent most vulnerable to climate shocks, even though it contributes the least to global gas emissions of all continents (ECA, 2023). To safeguard both welfare and the environment, urgent social imperatives and long-term ecological stability must advance in parallel.

Green Project Funding

As environmental challenges intensify, green project funding has become increasingly crucial in the global shift towards sustainable development and climate resilience. This trend is reflected in the rise of green grants that support initiatives to reduce carbon footprints, conserve natural resources, and foster sustainable practices. For example, a total of R1.5 billion has been invested in developing green hydrogen projects in South Africa (South African Broadcasting Commission, 2025). Globally, the Development Assistance Committee (DAC) member countries, including Japan, Germany, and the United States of America, reportedly donated USD 55.9 billion to green projects in 2023 (DonorTracker, 2023).

With abundant solar, wind, and hydro potential, as well as a large youth population, Africa is seen as a key contributor to green projects, as it holds over half of the world's best resources and minerals for decarbonising energy and transport (Zero Carbon Analytics, 2024). However, the challenge lies in the lack of infrastructure and limited access to financing to support large-scale green projects on the continent.

As the world shifts towards increasing the use of nuclear energy for power, Africa and South Africa are further left behind the curve of innovation due to financial constraints.

Legislation and Regulations

The National Lotteries Commission operates within a framework set by the National Lotteries Commission in conjunction with broader public sector requirements (i.e the mandate of the Department of Trade, Industry and Competition). The NLC has taken strides to ensure good governance and maintain transparency and accountability. However, strict legal compliance tends to distance the organisation from its fundamental mandate: to serve and uplift South African communities through equitable funding distribution. A balanced approach is essential, where legal obligations are upheld as a foundation that supports, rather than overshadows, the NLC's developmental mission.

Additionally, to promote responsible gaming and consumer protection, regulators are imposing stricter controls in the industry. The National Lotteries Act is currently under review, 12 years after the previous amendment, and with digitisation, the POPIA and ECTA are key protectors against the misuse of information shared on digital platforms.

Digital platforms can collect vast amounts of information from users; therefore, it is of utmost importance that robust measures and infrastructures are in place to prevent breaches and cybercrimes from taking place.

The Remote Gambling Bill was also introduced to parliament in 2024 to regulate interactive gambling and to provide for uniform norms and standards in respect of remote gambling. This act will prohibit consumers from participating in or providing interactive games to others unless they are authorised in terms of the Act or other national legislation. This will help mitigate the financial effects of illegal gambling, especially in a digital and mobile world. This law also expands the consumer base of the South African lottery, as players are no longer limited by geographical factors.

Litigation

Public scandals and cases of corruption give rise to elongated litigation processes. This not only delays justice but also weakens public trust in organisations that provide social development services. Lengthy legal battles can disrupt operations, reduce revenue, and lead to significant costs for the organisation, further leading to budget constraints or delays in resource allocation.

On the other hand, investigation processes can be seen as anti-corruption measures as they highlight the inefficiencies of current systems in place. These can then be improved through the integration of more reliable and transparent systems.

2.2. Organisational Environment

The internal environment of the NLC in 2025/26 is characterised by a "culture of renewal" and the stabilisation of governance structures following several years of intensive reform.

A. Governance and Integrity

Restored Leadership: Following the retirement of long-standing Board members, the 2025/26 period saw the stabilisation of a new Board and the continued leadership of Commissioner Jodi Scholtz. The focus remained on the "three pillars": reinstating credibility, restoring governance, and building operational excellence.

Audit Outcomes: Building on the unqualified audit opinion from the 2024/25 year, the internal environment focused on tightening Supply Chain Management (SCM) controls and eliminating irregular expenditure.

Whistleblower Protection: The NLC implemented ground-breaking reparative measures for whistleblowers, signalling an internal shift toward transparency and the protection of ethical conduct.

B. Internal Systems and Capacity

Enterprise Architecture (EA) Implementation: The NLC initiated a blueprint to modernise its ICT infrastructure, business, application, data, technology (ICT infrastructure) and security architecture components. This includes the migration to a mid-tier, cloud-based ERP solution to integrate Finance, HCM, and Grant Management.

Human Capital Renewal: A focus on "Organisational Functionality" led to the filling of critical vacancies in the Distributing Agencies, which had previously caused adjudication delays.

The organisation also addressed long-standing wage disputes to ensure a stable and motivated workforce.

C. Strategic Partnerships

Inter-Agency Collaboration: Internally, the NLC strengthened its data-sharing protocols with the CIPC, SARS, DSD, SAFPS and the FIC to perform real-time AML (Anti-Money Laundering) and KYC (Know Your Customer) checks on grant applicants, effectively "building a wall" against fraudulent syndicates.

Organisational Challenges

The 2025/26 financial year has been a pivotal and challenging period for the NLC as it attempts to finalise its transition from a period of historical corruption to a modernised, "ethical and developmental" state continued. A key challenge during the year under review was the ability to attract sufficient credible and compliant non-profit organisations applying for funding on the Thuthuka online system.

The most significant regulatory challenge this year was the expiration of the current National Lottery operating licence in May 2025. The NLC had the monumental task of advising the Minister of Trade, Industry and Competition on the appointment of a new lottery operator to ensure a seamless handover to prevent any disruption in revenue generation for good causes. This included managing the vetting and selection process under intense public and legal scrutiny to ensure the integrity of the multi-billion-Rand contract.

The NLC also experienced significant delays in grant distribution. The bottlenecks were caused by several factors encompassing new integrity procedures and implementing robust internal controls. The introduction of more rigorous "control mechanisms" to mitigate fraud meant that processing times increased. The contracts for previous Distribution Agents (DAs) ended, and there were significant delays in appointing new ones, which stalled the adjudication of applications New DA members joined the NLC in July 2025.

While the current leadership has stabilised the ship, the NLC continues to be haunted by past scandals. The Special Investigating Unit (SIU) is still actively litigating and recovering millions in misappropriated funds. As recently as April 2026, courts struck down fraudulent grants. Rebuilding public trust remains a hurdle, as news cycles are still dominated by the prosecution of former Board members and senior officials.

The broader economic climate in South Africa has placed immense pressure on the NLC's mandate. Increased demand demonstrated by the high youth unemployment and the "cost of living" crisis have led to a surge in applications for funding from community organisations which unfortunately remain largely non-compliant in the main.

In early 2025, the NLC had to step in with R100 million in crisis intervention funding to counter the termination of certain international aid programmes (like USAID funding) to ensure vulnerable communities weren't left stranded.

Organisational Successes and Developments

The NLC demonstrated significant progress in the 2025/26 financial year, primarily through a focus on governance renewal, digital transformation, and targeted social impact. A key success was the full implementation of the Thuthuka online grant management system, which transitioned the organisation away from manual paperwork to a streamlined digital platform, enhancing transparency and accessibility for over 16 000 registered organisations.

The NLC further made notable strides in strengthening its institutional foundation and service delivery. A major internal milestone was the implementation of a revised governance framework, which included updates to the funding adjudication process, enhanced risk management protocols, and a renewed focus on ethical leadership. These reforms were instrumental in improving transparency and accountability.

The appointment of a new cohort of Distributing Agency members, signified a shift towards greater stability. The appointments brought renewed energy and vision to the NLC, driving alignment between operational activities and the Commission's legislative mandate.

The NLC also made commendable progress in promoting a values-driven organisational culture through various change management and staff engagement initiatives. Employee wellness programmes, diversity and inclusion workshops, and performance development planning were rolled out to support a more motivated and cohesive workforce.

The hosting of the crucial Stakeholder Indaba in Quarter 3 of the 2025/26 financial year, served as a pivotal platform for transparent engagement and strategic alignment. A major focus of the gathering was the rollout of the NLC's 2025-2030 Strategic Plan, which emphasises an "impact-based" funding model.

By fostering open dialogue, the Commission successfully strengthened its relationship with the NPO sector, moving toward a "partnership for development" rather than a mere transactional funding role. As the NLC moves forward, it does so with a deeper awareness of its public accountability and an unwavering commitment to ethical conduct and service excellence.

2.3 Key Policy Developments & Legislative Changes

The NLC mandate was formally realigned to the 7th Administration's three priorities: inclusive growth and job creation, poverty reduction, and building a capable, ethical state. This transitioned the NLC from a passive distributor to an active agent of the Department of Trade, Industry and Competition (the dtic)'s industrialisation goals.

A critical milestone was the preparation for the new National Lottery operator licence, as the previous term expired in May 2025. This necessitated enhanced advisory duties for the Minister regarding the selection of an operator that aligns with modernisation and transformation goals.

The Board approved a suite of high-impact internal policies to restore institutional integrity, including the Politically Exposed Persons (PEP) Policy, an Anti-Bribery Management System (ISO 37001), and a revised Whistleblowing Policy.

The dtic commissioned a regulatory impact assessment on the Lotteries Act to identify areas for streamlining. While the Act itself was not amended this year, the NLC began reviewing internal regulations to simplify the grant application process for grassroots organisations.



2.4 Progress towards the Achievement of Institutional Impacts & Outcomes

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Improved processes and creating an enabling environment for civil society by reducing red tape and unlocking bottlenecks	% Increase of transactions processed digitally, improving speed and reducing manual errors	A fully integrated and digitised management system enrolled to track and monitor service efficiency, enhancing accessibility, transparency, and ease of use. Streamlined operations to reduce costs, turnaround times and the overall effectiveness of service delivery.	The NLC has largely succeeded in deploying the Thuthuka 4.0 system to modernise the grant management value chain. All modules of the Grant Management System have been implemented. The system has provided transparency in the grant-making process, marked by an uptick in funding legitimate organisations. The system features real-time API integrations with the CIPC, DSD, and SAFPS for automated verification of directors and NPO status, addressing prior governance weaknesses. Tracking user experience and system enhancement requirements is currently being managed to further improve service efficiency. The NLC has seen measurable improvements in turnaround times and operational discipline, despite some bottlenecks. The NLC exceeded its targets by adjudicating 93% of applications within 150 days, 88% of grants were paid within the regulated 60-day timeframe. The NLC successfully paid 94.2% of invoices within 30 days, indicating streamlined administrative operations. While the system is live, "red tape" remains a challenge; the NLC is currently working with the dtic to amend the Lotteries Act and its Regulations to further unlock bottlenecks. While the digital rollout is largely complete, the "ease of use" for stakeholders is still being refined. A high volume of non-compliance (7 000 incomplete profiles) necessitated 189 "Education and Awareness" engagements to help organisations navigate the new digital environment.
Enhanced legislative and regulatory environment – Omnibus regulations	Revised Regulations and amended Act	Reduced red tape and unlocked bottlenecks, through continuation of the review and amendment of the Lotteries Act and its Regulations Simplified legislative and regulatory processes to expedite service delivery and facilitate smoother operations across the NLC Technical legal support provided to the dtic regarding their regulatory and legislative processes	Draft Memoranda of Objects and Policy Documents for the Act and Regulations were compiled and shared with the dtic; two formal engagements were held in Q4.

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Workforce Readiness and skills for the Economy	Percentage increase for work-based placement of graduates and learners through internships.	Place at least 275 graduates and student learners for experiential learning and internship programmes. (18% increase)	Successfully placed 49 additional interns for the 2025/26 financial year.
Inclusive growth and job creation.	Number of jobs created or retained by grantees.	Job creation and sustainability, at least 36 000 jobs created or retained to contribute to long-term societal growth, stability, and prosperity.	1 321 jobs were created or retained by NLC grantees, the Fourth Operator, and the Temporary Operator. (Note: Annual target of 6 500 was not met due to fewer grantees funded).
Illicit trade	Reduction of illegal schemes and illegal lotteries	Regulatory compliance and the reduction of illegal lotteries and schemes.	The NLC moved beyond simple monitoring to active enforcement, achieving a notable success rate in bringing schemes into alignment with the Lotteries Act. The NLC achieved a 93% compliance rate for lottery schemes with a total of 188 lottery schemes that were monitored, identified, and investigated in Q4. The "Reduction of illegal schemes" is a strategic priority because these "parasitic" lotteries directly jeopardise the revenue of the National Lottery Operator. The estimated financial impact of the 25 unlawful schemes identified in the final quarter alone was approximately R6.6 million. To improve future effectiveness, the NLC has submitted a revised Draft Memo of Objects to the Executive Authority to amend the Lotteries Act, specifically seeking to close gaps that allow illegal operators to circumvent current regulations. The NLC is currently awaiting a Supreme Court of Appeal ruling regarding "Lotto Star" and has put other cases (like Lottoland) in abeyance to manage legal costs, as these judgments will set the precedent for future enforcement powers. Despite the high compliance percentages, the NLC identified several factors that continue to hinder the total eradication of illegal lotteries. The rise of betting on the outcomes of the National Lottery remains a significant threat to the Operator's revenue maximisation. There remains an ongoing challenge regarding overlapping regulatory mandates between the NLC and Provincial Gambling Boards. The current legislative framework requires revisions to grant the NLC stronger teeth to satisfy its regulatory objectives effectively.

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Digitalisation Red tape reduction	Implemented phase 3 of the digital transformation strategy.	Achieve full integration of digital systems across the organisation, creating a seamless, agile digital ecosystem. Digital practices and data-driven decision-making are embedded at every level of the organisation.	Phase 3 was implemented, including the Regulatory Compliance solution. The HCM solution will be addressed through the ERP. Real-time API integrations with CIPC, DSD, and SAFPS were established.
Poverty alleviation through funding sustainable food security interventions	Increased food security	Approved proposals and funding allocation for the food security concept through the Research-Based Funding model.	Implementation of Phase One of the food security programme in KZN, EC and MP provinces commenced. Under Phase Two, an additional Food Hub in the Vhembe District was approved for Limpopo Province.
SMMEs Supported	Support provided to SMME's.	The NLC commits to supporting 500 SMMEs over the 5-year MTDP period. Through ESD initiatives, the NLC would support a minimum of 80 SMME's over the MTDP period.	The NLC supported 119 SMMEs year-to-date. However, specific ESD initiatives for 2025/26 were not achieved and have been deferred to the next cycle.
Enhanced stakeholder, community and customer engagement for improved partnership and impact.	Reviewed and implemented a communication, marketing, and public relations strategy.	To establish a robust, sustainable communication and public relations implementation plan that enhances the NLC's reputation and builds strong relationships with key stakeholders	In the 2025/26 financial year, the NLC successfully established and operationalised a robust communication and public relations framework designed to transition the entity's image toward that of an ethical, developmental regulator. The NLC reviewed and implemented its communication, marketing, and PR plan, and shifted its messaging from mere compliance to "impact-led" narratives, focusing on how lottery funds change lives rather than just reporting on figures. A mix of digital modernisation and grassroots engagement were utlised to build stronger ties with a diverse stakeholder base. 189 national engagements were conducted. A formal PISE plan was developed to ensure continuous interaction following the National Indaba. The launch in Mpumalanga attracted over 350 participants, focusing on rural community needs. The NLC's media strategy successfully amplified positive outcomes while transparently managing the narrative around anti-corruption efforts. An estimated 133 million audience reach, with 99% of exposure driven by digital and online media has been recorded, whilst media statements and strategic interviews result in an improvementt in positive sentiment.

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
	Number of education and awareness engagements conducted nationally.	Increase reach, engagement, and public awareness on key focus areas of grant funding and regulatory compliance through consistent messaging and public engagement.	The NLC conducted 189 education and awareness engagements nationally with a total of 10 315 stakeholders reached in the financial period.
Showcasing the impact of the NLC regulatory and funded initiatives.	Number of good stories profiled in various platforms.	Cover different scales of impact at community and national levels to illustrate a range of success narratives created by the NLC. Engaging and diversity of content to tell the success and impactful story of the NLC.	101 NLC "good stories" were profiled year-to-date across various platforms, including social media and the internal newsletter.
Red tape reduction and reducing poverty and high cost of living	Percentage of grants paid in line with the regulated 60 days' timeframe as per GNR644, 6(c)(iv).	Percentage of processes and policy instruments optimised, integrated and harmonised. 100% of grants paid in line with the regulated 60 days' timeframe.	Many organisations rely heavily on NLC funding for their day-to-day operations. Delays in payment can lead to operational stoppages where NGOs may be unable to pay staff or buy essential supplies for community projects. When funds are not released on time, projects meant to support vulnerable groups—such as children, women, and people with disabilities—cannot be executed as planned. There is a direct correlation between the speed of grant disbursements and the NLC's ability to meet its employment targets as grantees utilise funds to create or retain jobs within the sector. In the 2025/26 year, the NLC noted that a low number of project disbursements compromised the attainment of job creation targets. Improving this percentage ensures that the target of creating jobs remains achievable. Prompt payment is a key indicator of a "capable, ethical, and developmental state" and meeting this target helps rebrand the NLC as a transparent and trustworthy regulator. In the 2025/26 financial year, the NLC paid 88% of grants within the 60-day timeframe, significantly exceeding its target of 70%. This was attributed to closer project monitoring and prioritised adjudication of outstanding files.

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Foster a positive work environment that aligns with the organisational objectives.	Implemented the organisational culture renewal plan.	Achieve a more purpose-driven organisation aligned to our values and principles that improve productivity and efficiency from a positive cultural environment.	Implementing the organisational culture renewal plan is a foundational strategic priority for the NLC, serving as the internal engine required to restore the NLC's integrity and operational effectiveness. The importance of this target is multifaceted: The NLC is currently transitioning away from a "historic mode of funding" that was marred by misappropriation and diverted lottery funds. Culture renewal is essential to institutionalise ethics as it moves the organisation toward a "zero tolerance" era for fraud and corruption by embedding ethical practices into the daily behaviour of staff. A renewed culture supports the NLC's rebranding strategy as an ethical, developmental state entity, which is critical for restoring public and stakeholder trust. Improving Productivity and Service Delivery: The plan is designed to create a purpose-driven environment where staff values align with the organisation's strategic objectives. This alignment directly impacts on a positive cultural environment which is a key driver for improving productivity and streamlining the grant-making value chain. Operational successes are underpinned by a workforce that is motivated and aligned with the new performance standards. Support for Digital Transformation (Thuthuka) The rollout of the Thuthuka 4.0 system requires a cultural shift from manual, opaque processes to a digital-first, transparent mindset. Culture renewal helps staff adapt; ensuring that technology is used effectively to reduce "red tape." It encourages a culture where data-driven decision-making is embedded at every level of the organisation. Workforce Morale and Stability: Following leadership changes and intense institutional scrutiny, the renewal plan provides stability. A healthy culture is vital for the NLC's goal of placing graduates and interns, as it creates a professional environment that fosters skills development for the broader economy. Strengthening whistleblowing and Anti-Bribery Management Systems (ISO 37001) protects employees who act with integrity. The NLC successfully implemented 4 culture renewal initiatives in the final quarter, exceeding the target of 2. This "catch-up" effort was necessary because the target was not met in the previous quarter, highlighting the high priority management places on this organisational transformation.

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Credible and sustainable governance, risk management and compliance practices.	Implemented Organisational Compliance Management Framework and managed compliance risks.	Achieve full integration of the compliance framework across all organisational levels and ensure that compliance practices are deeply embedded within the organisational culture.	A 100% completion rate for this target was achieved in this financial year, demonstrating successful management of all identified organisational compliance risks. This milestone is part of a broader shift to move the NLC toward a "zero-tolerance" era for corruption and to reinstate its credibility as an ethical state entity. The implementation of the Compliance Management Framework has seen the following specific advancements: Risk Management: The NLC managed 100% of its organisational compliance risks throughout the year. Policy Implementation: The NLC implemented the Organisational Compliance Policy and successfully created awareness around critical areas such as Contract Management and the POPIA. Anti-Bribery Standards: The implementation of the Anti-Bribery Management System (ABMS)—specifically the ISO 37001 standard—is at 100%, with a certification audit planned for early in the next financial year. Automated Oversight: Digital transformation through the Thuthuka system now includes real-time API integrations with the CIPC and DSD to automate director and NPO verification, addressing historic governance weaknesses.
Building a capable state through improved and credible regulatory processes	Percentage compliance of lottery schemes with the Lotteries Act.	100% of lottery schemes are compliant with the Lotteries Act. Develop and implement a self-regulating model within the lottery industry where operators understand and prioritise compliance	91% of lottery schemes were found to be compliant with the Lotteries Act.
Building a capable state through improved and credible regulatory processes.	Developed and implemented the Fourth Licence Monitoring Matrix.	The National Lottery & Sports Pools are conducted with all due propriety to reinforce its integrity and to maintain participant trust.	Ithuba Holdings was granted the temporary licence for a 12-month period (1 June 2025 - 31 May 2026). The Temporary Licence monitoring matrix was developed and implemented during this period.
Reduce poverty and tackle the high cost of living	Percentage increase on the uptake of society lotteries.	100% Increase in the uptake of society lotteries.	The research undertaken has provided tangible recommendations to ensure an uptake in this area. These recommendations will be implemented in the 2026/27 financial year.

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Proactively reduce poverty and tackle the high cost of living. And promote Inclusive growth and job creation.	Conduct research on worthy good causes that may be funded without lodging an application in terms of the Act.	100% of RBF resources allocated to meaningful programmes and concepts.	During the 2025/26 financial year, NLC significantly maximised its socio-economic footprint by anchoring its grant allocations in robust, research-based funding concepts. By leveraging empirical data to inform strategic planning and moving toward targeted, evidence-led interventions, the NLC ensured that resources were directed exactly where they were needed most at the grassroots level. Concepts considered during the period included: The HIV/Aids programme; The Nelson Mandela Foundation and Cricket SA.
Proactively reduce poverty and tackle the high cost of living. And promote Inclusive growth and job creation.	Conduct research on worthy good causes that may be funded without lodging an application in terms of the Act.	100% of RBF resources allocated to meaningful programmes and concepts.	During the 2025/26 financial year, NLC significantly maximised its socio-economic footprint by anchoring its grant allocations in robust, research-based funding concepts. By leveraging empirical data to inform strategic planning and moving toward targeted, evidence-led interventions, the NLC ensured that resources were directed exactly where they were needed most at the grassroots level. Concepts considered during the period included: The HIV/Aids programme; The Nelson Mandela Foundation and Cricket SA.
Building a capable, ethical, and developmental state through impactful funding.	Strengthened monitoring of funded projects.	Ability to measure NLC's impact in line with pre-determined and research-based outcomes. Also derive high-level of impact and sustainability.	This target maps a significant shift from sampling projects for monitoring assessments to ensuring that all funded projects are subjected to monitoring. During the period all eligible projects were monitored across the NLC sectors. The primary purpose is to ensure that grantees comply with the conditions of the grant agreement, resulting in the achievement of the agreed outputs.
Inclusive growth and job creation. Reduce poverty and tackle the high cost of living.	Percentage of applications adjudicated within 150 days.	100% of applications adjudicated within 150 days to enhance trust and credibility with applicants and stakeholders.	During the 2025/26 financial year, achieving the APP target to adjudicate 80% of grant applications within 150 days (Regulation 3A(1)(a)) became a significant priority for the NLC. The strategic focus was heavily anchored on cutting red tape and fine-tuning digital workflows to clear the assessment pipeline. The operational drive was premised on unclogging the system quickly and efficiently. The appointment of a new cohort of Distributing Agency Members who took office on 01 July 2025 has positively impacted delivery of the 150-days target.

3. Institutional Programme Performance Information

Programme 1:

ADMINISTRATION AND BUSINESS SUPPORT:

Building Operational Excellence, innovation and agility



To ensure that the NLC restores governance and integrity with zero tolerance for fraud and corruption.

To implement responsive systems and processes

- Corporate Performance
- Human Capital
- Marketing and Communications
- ICT
- Modernisation
- Finance
- Supply Chain Management
- Legal
- Secretariat
- Risk

- A professional and sustainable organisation
- Innovative and agile frameworks, systems and standards that are globally competitive

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The combination of outputs in this programme will position the NLC to execute both mandates to ensure a safe and sustainable lottery industry for maximum economic and social impact through the support functions.

Consistent engagement (both direct and indirect) with our stakeholders assists with our planning and related interventions-as not only does it track satisfaction levels amongst stakeholder groups, but also provides direction in terms of areas of improvement. Historical trends within the NLC have demonstrated that the medium of “education and awareness” engagement sessions with stakeholders results in effective information dissemination even to grassroots level. It is imperative that the NLC strengthen its visibility campaign regarding the South African lottery and grant making.

In this campaign the focus would be on encouraging people to participate in the national lottery, to inform people about participant protection, the good uses of lottery funds with an emphasis on how peoples’ lives have been positively impacted by the lottery as well as legal and illegal lottery activities. Aligned to this and the theme of communication and visibility, it is an indicator to tell the good stories. The NLC will also profile and package the success stories of the impactful work of the organisation

Digital transformation is a continuous process that requires dedication, effort, and the agility to react to fast changing technologies and market trends. Successful digital transformation may lead to increased responsiveness, customer-centricity, and operational efficiency, allowing businesses like the NLC to prosper in the digital age. The NLC modernisation initiative addresses this fundamental cog that drives the work of the organisation, The NLC began its digital transformation journey in 2022 and will continue to implement.

The NLC plays a crucial role in funding initiatives that drive social development, empower communities, and promote economic growth. However, excessive bureaucratic hurdles can impede the effectiveness of this mandate, discourage eligible applicants and delay the disbursement of funds. To maximise impact, through this modernisation drive, the NLC is prioritising reducing red tape and enhancing the ease of doing business, ensuring a streamlined, transparent, and accessible grant funding process. The goal is of the new system is to address the needs of the grantees and stakeholders while creating a whole new exceptional experience for the grantees and beneficiaries. Moreover, the NLC is devoted to improving operational efficiency through automation and technology.

The NLC is deliberate on developing a high-performing, diverse, agile engaged and evolved workforce. In the previous financial year, the organisation embarked on a process of change management and developed the framework and plan that assisted the workforce in transitioning to the new desired state of the organisation. During the financial year, the focus will be on building on the change initiatives that ultimately support the organisational culture renewal. The successful implementation of the organisational culture renewal plan over the medium-term period requires a structured approach, ongoing commitment, and adaptability to feedback. The organisation seeks to create a thriving culture that supports its mission and enhances overall effectiveness; and a more engaged workforce that feels valued and aligned with organisational goals. With enhanced collaboration, we seek to build a culture that promotes teamwork and innovation, leading to better problem-solving and creativity Interventions in this area will continue to be executed operationally by Human Capital.

As part of the Minister's core outputs, red tape reduction processes element cannot be over-emphasised. Having 70% of grants paid within the regulated 60-day timeframe is a crucial performance indicator for the NLC. It demonstrates the organisation's efficiency in processing grant applications and disbursing funds, ensuring that beneficiaries receive timely support. The NLC aims to pay grants within a set timeframe to enhance operational efficiency and reduce administrative bottlenecks. The rapid speed of disbursement will ensure that recipients can commence their work promptly, leading to a timeous significant impact on the NLC-funded projects.

Programme 1: ADMINISTRATION & BUSINESS SUPPORT									
Outcome	Output	Output indicator	Audited actual performance 2023/24	Audited actual performance 2024/25	Planned annual target 2025/26	Actual achievement 2025/26 (Until date of re-tabling)	Deviation from planned target to actual achievement 2025/26	Reasons for deviation	Reasons for revision to the outputs/output indicators/ annual targets
Coordinated internship system with ring-fenced funding programs to increase practical work experience.	Implementation of workplace-based placement internships program	8. 10% increase in workplace-based placement internships		50 graduates and learners placed through internship program	Implementation of workplace-based placement internships with 10% increase from the baseline (50 from prior year)	ACHIEVED A workplace-based placement internships program, with a 5% increase from the baseline, was implemented.	48% more workplace-based placements were implemented.	The over-achievement is due to having considered that Tertiary institutions (Universities and TVETs) are occupied with exams and the conclusion of the academic year during the next quarter, therefore the placements were brought forward	This revision was an administrative error as there was no intent to alter the originally approved APP.

Programme 1: ADMINISTRATION & BUSINESS SUPPORT - Building Operational Excellence, innovation and agility								
Outcome	**Output**	**Output indicator**	**Audited actual performance 2023/24**	**Audited actual performance 2024/25**	**Planned annual target 2025/26**	**Actual achievement 2025/26 (Until date of re-tabling**	**Deviation from planned target to actual achievement 2025/26**	**Reasons for deviation**
Enhanced stakeholder, community and customer engagement	Effective Communication and Marketing Strategy	1. Review the communication, marketing and public relations strategy and implement the plan	-	-	Review of the communication, marketing, and public relations strategy and implementation of the plan as approved	ACHIEVED The communication, marketing and PR plan was reviewed and the approved plan was implemented.	n/a	n/a
Enhanced Stakeholder, Community and Customer Engagement for improved partnership and impact	Education and awareness	2. Number of education and awareness engagements conducted nationally	Conduct 132 education and awareness engagements nationally	Conduct 90 education and awareness engagements nationally	Conduct 120 education and awareness engagements nationally	ACHIEVED 189 education and awareness engagements conducted nationally.	69 additional engagements were conducted.	This is attributable to high volume of non-compliance by applicants. Targeted interventions were conducted in provinces with high volume of non-compliance.
Showcasing the impact of the NLC regulatory and funded initiatives	Effective profiling of good stories of communities impacted by the NLC	3. Number of good stories profiled	204 case studies packaged and profiled	Profile 100 case studies of organisations and communities impacted by NLC measures	Profile 100 good stories of the NLC	ACHIEVED 101 NLC good stories profiled.	1 additional good story was profiled	This is due to good stories profiled located in proximity of each other to save costs.
Red tape reduction and reducing poverty and high cost of living	Optimise returns to good causes	4. Percentage disbursement of grants as per GNR644, 6(c)(iv)		25% reduction in timelines for payment of grantees	70% of grants paid in line with the regulated 60 days timeframe	ACHIEVED 88% of grants paid in line with the regulated 60 days timeframe	18% more grants were paid in line with the regulated 60 days' timeframe.	Projects were closely monitored, with constant communication maintained with the provinces and projects were prioritised based on how long they had been outstanding from the date of adjudication.

Programme 1: ADMINISTRATION & BUSINESS SUPPORT -Building Operational Excellence, innovation and agility								
Outcome	**Output**	**Output indicator**	**Audited actual performance 2023/24**	**Audited actual performance 2024/25**	**Planned annual target 2025/26**	**Actual achievement 2025/26 (Until date of re-tabling**	**Deviation from planned target to actual achievement 2025/26**	**Reasons for deviation**
Foster a positive work environment that aligns with the organisational objectives	Cultivating a skilled, ethical, and motivated team through organisational culture renewal	5. Implement the organisational culture renewal plan		Development and approval of the organisational culture renewal plan	Implementation of the organisational culture renewal plan	ACHIEVED The organisational culture renewal plan was implemented.	n/a	n/a
Credible and sustainable governance, risk management and compliance practices	Effective organisational compliance	6. Percentage of organisational compliance risks managed			100% of organisational compliance risks managed	ACHIEVED 100% of organisational compliance risks were managed.	n/a	n/a
Digitalisation Red tape reduction	Driving effective digital transformation strategy	7. Phase 3 of the digital transformation strategy implementation plan is implemented	Implement phase 1 and 2 of the digital transformation strategy	Implement phase 3 the digital transformation strategy	Implement phase 3 of the digital transformation strategy	NOT ACHIEVED The HCM Solution of Phase 3 of the Digital Transformation Strategy was not Developed.	The solution that was developed was not integrated and solely supported performance assessments	The fully integrated HCM solution will be addressed in the ERP.
Coordinated internship system with ring-fenced funding programmes to increase practical work experience	Implementation of workplace-based placement internships programme	8. Percentage increase in workplace-based placement internships from 7% to 30%		50 graduates and learners placed through the internship programme	Implementation of workplace-based placement internships with 10% increase from the baseline (50 from the prior year)	ACHIEVED A workplace-based placement internships programme, with an 88% increase from the baseline, was implemented.	78% additional placements were implemented.	Additional interns were placed due to operational needs.

Programme 2:

REGULATORY COMPLIANCE:

Returning the NLC to its core mandate of regulatory compliance and reinstating its credibility



To ensure that the trust and integrity of the lotteries and sports pools landscape is maintained through exercising our regulatory oversight for credible and sustainable lotteries and sports pools

- Regulatory Compliance
- Lotteries Enforcement
- Society and Other Lotteries

- A capable, ethical and developmental state
- Reduce poverty and tackle the high cost of living

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The developments in the gaming and lottery industry have an influence on the regulatory environment of the lotteries and contributed to the amendment of the Lotteries Act No. 57 of 1997. Provisions made in the Lotteries Amendment Act No.32 of 2013 had an impact on the NLC regulatory, functional and governance role namely: amendment of certain definitions; to provide for the establishment of a National Lotteries Commission; to provide for the extension of the powers of the Board; to provide for the licensing of an organ of state to conduct the National Lottery; to provide for a clear accountability process for the distributing agency; to provide for the professionalisation of the distributing agency; to eliminate overlapping of functions between the Minister and the Board; to provide for the removal of the reconstruction and development programme as a category entitled to be allocated money of the fund; and to provide for matters connected therewith.

The outputs in this programme aim to uplift the regulatory function of the organisation to give direct impetus to the Board's strategic agenda. It further serves to reinforce the NLC's existence to safeguard participants and the wider public by effectively regulating the lottery industry. The approach will enable the NLC to respond to emerging risks and issues whilst constantly seeking ways to drive up standards. This is especially important due to the challenges and opportunities that online gaming and smartphone technology are bringing to the sphere. Protecting children and the vulnerable from being harmed or exploited by gaming continues to be a priority as demonstrated through the monitoring of the licence operator.





Programme 2: REGULATORY COMPLIANCE - Returning the NLC to its core mandate of regulatory compliance and reinstating its credibility								
Outcome	**Output**	**Output indicator**	**Audited actual performance 2023/24**	**Audited actual performance 2024/25**	**Planned annual target 2025/26**	**Actual achievement 2025/26 (Until date of re-tabling**	**Deviation from planned target to actual achievement 2025/26**	**Reasons for deviation**
Illicit Trade to attain decrease in the value of illegal lotteries and schemes	Enhanced measures to regulate lotteries and sports pools	9. Percentage compliance of lottery schemes with the Lotteries Act	50% increase in the number of compliant lottery schemes	75% increase in the number of compliant lottery schemes	80% of lottery schemes are compliant with the Lotteries Act	ACHIEVED 91% of lottery schemes are compliant with the Lotteries Act.	11% higher rate of compliance.	11% additional lottery schemes were compliant with the Lotteries Act. There was a willingness to comply with the Act by scheme operators.
Building a capable state through improved and credible regulatory processes	A fair and safe national lottery and sports pools	10. Develop and implement the Licence Monitoring Matrix	Implementation of the National Lottery & Sports Pools Monitoring Matrix	Compliance monitoring of the National Lottery and Sports Pools Licence conditions	Development and implementation of the Licence Monitoring Matrix	ACHIEVED The Licence Monitoring Matrix was developed and implemented	n/a	n/a
Reduce poverty and tackle the high cost of living	Driving compliant societies lotteries	11. Research on measures to increase the uptake of society lotteries	-	Assess society lottery applications and assist NPOs to comply with the Act	Conduct research on measures to increase the uptake of society lotteries	ACHIEVED Research was conducted on measures to increase the uptake of society lotteries.	n/a	n/a

Programme 3:

GRANT MAKING:

Returning the NLC to its core mandate of grant making and reinstating its credibility



Supporting a sustainable and impactful civil society sector to boost economic growth, inclusion and to enable meaningful transformation.

- Grant Funding
- Monitoring and Evaluation
- Provincial Offices
- Distributing Agencies

- Reduce poverty and tackle the high cost of living
- A capable, ethical and developmental state
- Inclusive growth and
- Job creation

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

The outputs in this programme are intended to improve the way we fund. The combination of outputs in this programme will position the NLC to execute the funding mandate to ensure a safe and sustainable lottery industry for maximum economic and social impact.

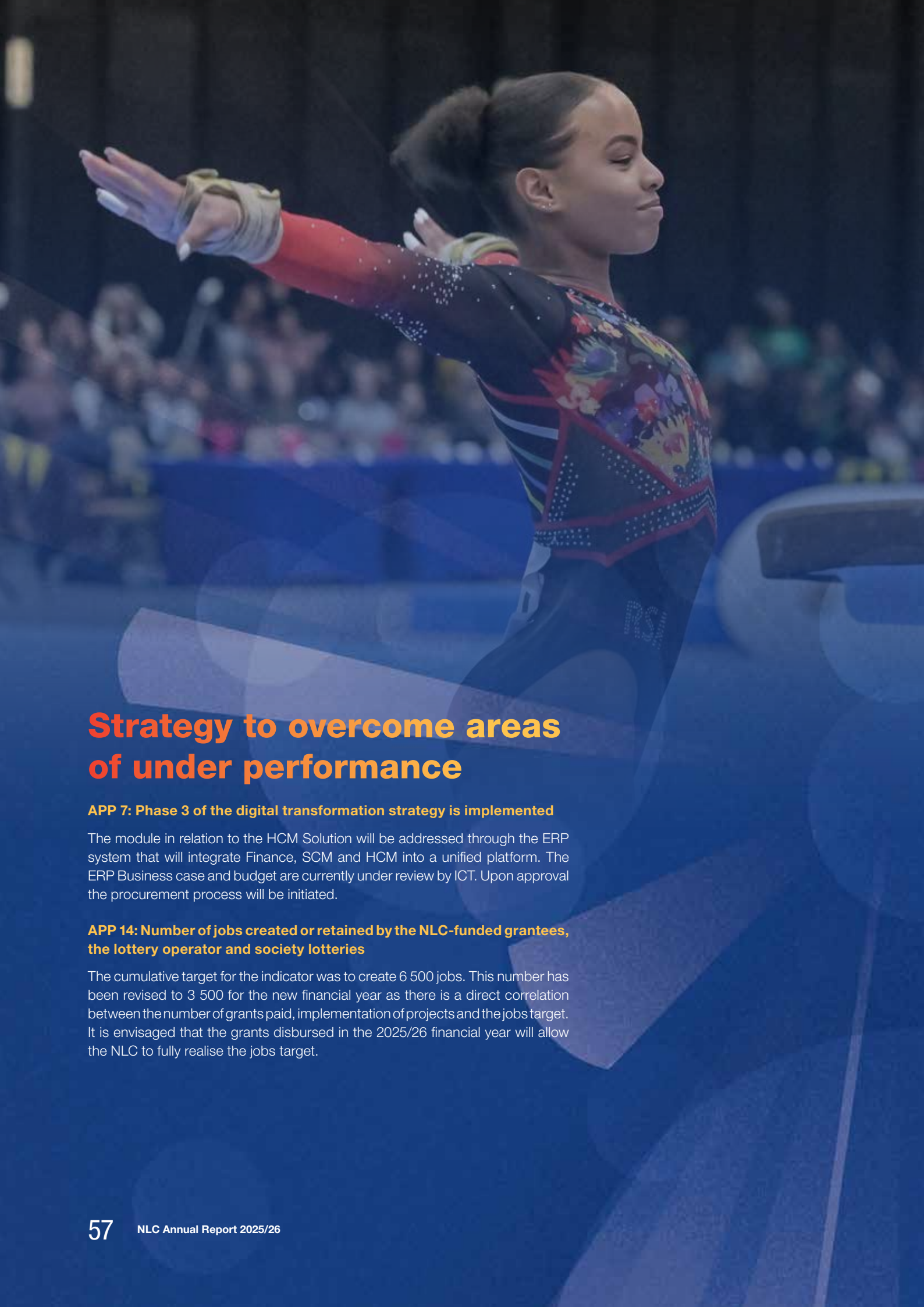
Like many governments, international development agencies, public sector organisations, and grant-making organisations globally, the NLC finds itself in a place where it is required to do more with less, as demand for funding outstrips what is available. This calls for a much more systematic and deliberate approach to grant making. Furthermore, the role of the NLC in the development space demands that we continuously ask the questions “Are we making the right investments?” and “If we are, how will we know?”

In answering these questions, as well as in response to the requirements of the amended Act, the NLC revised the underpinning philosophy of its research-based funding model. This revised philosophy and the strategic positioning of the organisation is based on the core concept of “Funding for Impact”. This marks a strategic shift in the NLC’s positioning in the development sector. It moves the NLC from merely focusing on the distribution of funds to being more broadly and deeply involved and engaged in managing and understanding the impact that its funding has on funded communities and grant holders. It asks the NLC to become more purposeful in ensuring that it is indeed a catalyst for social upliftment, changing lives for the better and contributing to the development of the poorest and most marginalised communities. The NLC intends to allocate funds through this vehicle to make a desired impact.

Provisions in both the previous Act and the amended Act require that grants be equitably distributed geographically, with specific focus on the sectors where the need is the greatest. These legislative provisions are examples of the intention of the amended Act that grant funding be impactful not just geographically, but specifically, where the need is the greatest. Funding for impact therefore aligns to the broad intention of the amended Act to reach the most marginalised and impoverished communities, with timeous adjudication of applications, as per the regulated time in terms of Regulation 3A(1)(a) in which an application received from the public should be adjudicated within 150 days of receipt.

In addition to funding for impact, several of the provisions in the amended Act are intended to enhance the experience of beneficiaries by improving the operational efficiency of the NLC, making it easier and less burdensome to access grant funding. Emphasis is also placed on the need to educate and empower communities, applicants and grant holders to enable them to derive the maximum benefit from their interaction and relationship with the NLC.

Programme 3: GRANT MAKING - Returning the NLC to its core mandate of grant making and reinstating its credibility								
Outcome	**Output**	**Output indicator**	**Audited actual performance 2023/24**	**Audited actual performance 2024/25**	**Planned annual target 2025/26**	**Actual achievement 2025/26 (Until date of re-tabling**	**Deviation from planned target to actual achievement 2025/26**	**Reasons for deviation**
Reduce poverty and tackle the high cost of living Inclusive growth and job creation	Enhanced allocation efficiency and effectiveness of research-based funding to realise impactful outcomes in communities	12. Conduct research on worthy causes that may be funded without lodging an application in terms of the Act	Develop a governance model to implement Research-Based Model and approval by the Board.	Allocation of 50% of the planned research-based funding budget	Conduct and present three research concepts on worthy causes for Board consideration	ACHIEVED Research was conducted on three worthy causes and presented to the Board for consideration	n/a	n/a
Building a capable, ethical and developmental state through impactful funding	Assurance that NLDTF funds are utilised for the intended purpose	13. Strengthened monitoring of funded projects	Complete 3 000 Monitoring assessments	100% monitoring of eligible funded projects	100% monitoring of eligible funded projects	ACHIEVED 100% of eligible funded projects were monitored.	n/a	n/a
Inclusive growth and job creation	Supporting programmes that create or retain jobs.	14. Number of jobs created or retained by the NLC funded grantees, Lottery operator and society lotteries		3 000 jobs created or retained by grantees	6 500 jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries	NOT ACHIEVED 1 321 jobs were created or retained by grantees, Lottery operator and society lotteries. 1170: Grantees 151: Operators	5 179 jobs were not created / retained.	The non-achievement is due to fewer grantees being funded.
Inclusive growth and job creation Reduce poverty and tackle the high cost of living	Regulation 3A(1)(a)	15. Percentage of applications adjudicated within 150 days	-	-	80% of applications adjudicated within 150 days	ACHIEVED 92% of applications were adjudicated within 150 days.	12% more applications were adjudicated.	The over achievement of the target was driven by the implementation of system changes and enhanced query management within Module 3, which improved the rate at which applications reached adjudication readiness in Quarter 4. In response to the increased volume, adjudication capacity was proactively scaled from one Committee in Quarter 2 to three Committees in Quarter 4, enabling higher throughput. Consequently, applications were adjudicated within the required time frames, resulting in performance exceeding the set target.



Strategy to overcome areas of under performance

APP 7: Phase 3 of the digital transformation strategy is implemented

The module in relation to the HCM Solution will be addressed through the ERP system that will integrate Finance, SCM and HCM into a unified platform. The ERP Business case and budget are currently under review by ICT. Upon approval the procurement process will be initiated.

APP 14: Number of jobs created or retained by the NLC-funded grantees, the lottery operator and society lotteries

The cumulative target for the indicator was to create 6 500 jobs. This number has been revised to 3 500 for the new financial year as there is a direct correlation between the number of grants paid, implementation of projects and the jobs target. It is envisaged that the grants disbursed in the 2025/26 financial year will allow the NLC to fully realise the jobs target.

Linking performance with budgets

Programme/activity/ objective	2025/26			2024/25		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme 1: Administration and Business Support	677 282.56	687 110.48	(9 827.91)	650,204.23	622,200	28,004
Programme 2: Regulatory Compliance	87 065.25	37 567.40	49 497.86	106,245.98	55,694	50,552
Programme 3: Grant Funding	1 451 245.98	461 467.13	989 788.85	1,538,752.76	771,937	766,815

5. Revenue Collection

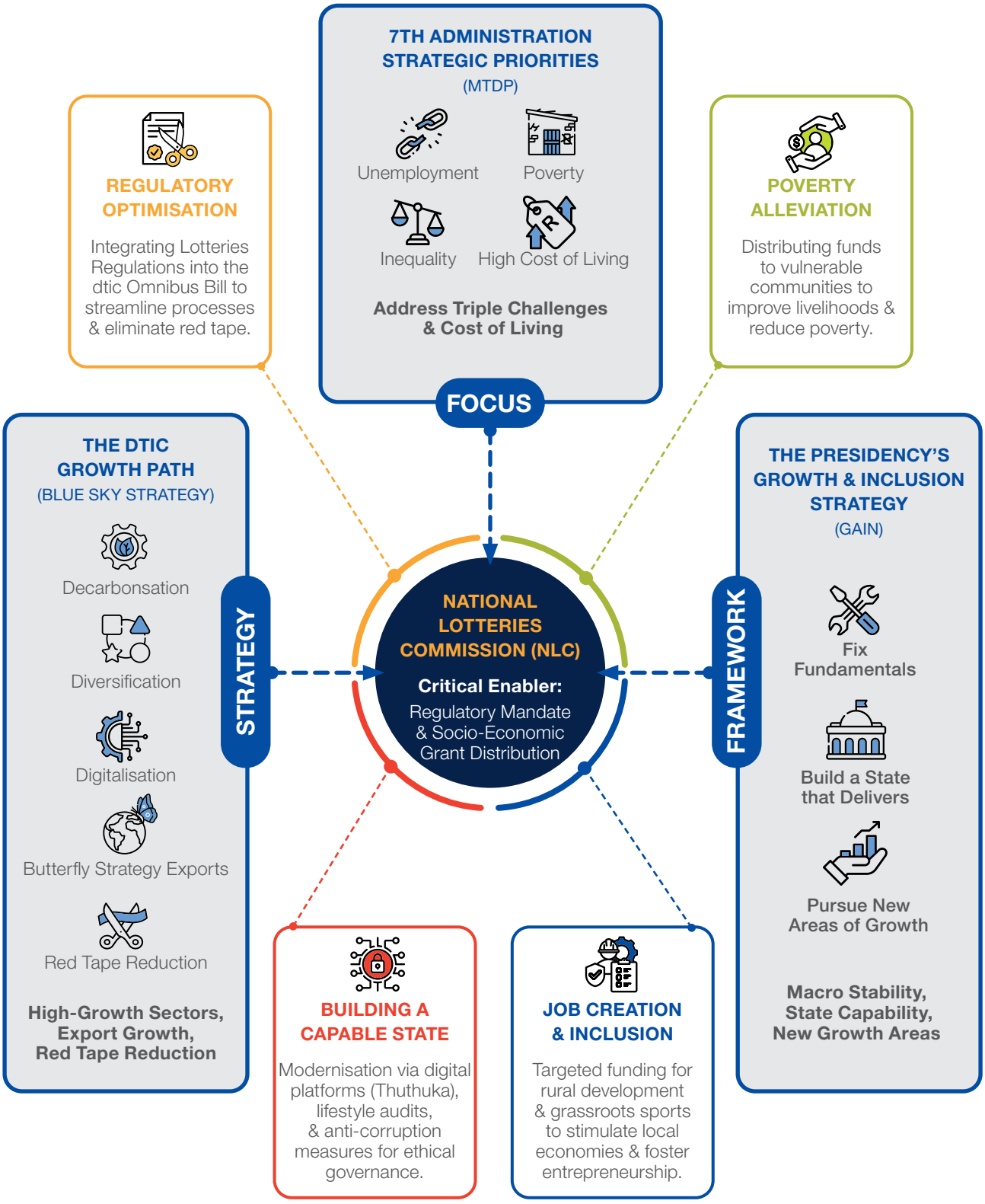
Sources of revenue	2025/26			2024/25		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Share of Ticket Sales	1,836,674	1,839,584	(2,910)	1,924,646	1,960,452	(35,806)
Interest Received	270,388	273,629	(3,241)	262,742	262,133	609
Society & Other Lotteries	62	86	(24)	62	96	(34)
Revenue From Participants Trust	8,669	9,666	(997)	8,528	9,030	(502)
Withdrawals	8,500	2,805	R5 695	5,000	8,066	(3,066)
Sundry Income	597	20,467	(19,870)	2,000	8,124	(6,124)
Licence Signing Fees	1,889	1,889	-	2,833	2,833	-
Unclaimed & Expired Prizes	88,814	89,348	(533)	89,391	69,044	20,347
Total	**2,215,594**	**2,237,474**	**(21 880)**	**2,295,202**	**2,319,778**	**(24,576)**

6. Capital Investment

Infrastructure Projects	2025/26			2024/25		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Provincial Office Accommodation	0	0	0	1,924,646	1,960,452	(35,806)

Strategic Alignment:

How The NLC Enables Government Priorities



Presidency's Growth and Inclusion Strategy (GAIN)

The GAIN document provides a framework to revive the country's stagnating growth rate and create jobs at scale. The strategy is built on three primary pillars:

PILLAR	STRATEGIC FOCUS
Fix the Fundamentals	Maintaining a stable macroeconomic framework, implementing economic reforms through Operation Vulindlela, and accelerating public infrastructure investment.
Build a State that Delivers	Improving overall state capability, strengthening local government utility models, fixing basic education, and driving digital transformation.
Pursue New Areas of Growth	Implementing a forward-looking industrial policy and positioning South Africa as a leading player in the global green economy.

The Role of the National Lotteries Commission (NLC)

The NLC acts as a critical enabler across these government-wide strategies through its regulatory mandate and its socio-economic grant distributions.

Regulatory Optimisation (the dtic Alignment): The NLC's legislative framework is actively being refined to support an open and competitive economy. Specifically, the Lotteries Amendment Regulations are integrated into the dtic's Omnibus Regulations to streamline processes, address industry gaps, and eliminate red tape.

Poverty Alleviation (MTDP Alignment): By distributing funds to worthy good causes, the NLC directly supports the 7th Administration's goal of reducing poverty and improving livelihoods in vulnerable and marginalised communities.

Building a Capable State (GAIN Alignment): In line with the Presidency's push for a state that delivers, the NLC is undergoing a modernisation journey. This includes rolling out digital platforms (like the Thuthuka online grant-management system) to improve service delivery, alongside strict lifestyle audits and a zero-tolerance approach to corruption to ensure ethical and capable governance.

Job Creation & Inclusion (GAIN & the dtic Alignment): The NLC's targeted funding approach, which includes directing substantial budget allocations to rural development and grassroots sports, actively feeds into the government's "jobs-first" approach by stimulating local economies, fostering entrepreneurship, and supporting community-level employment.



Strategic focus and outcomes

As articulated, the NLC derives its funds from the proceeds of the National Lottery deposited in the National Lotteries Distribution Trust Fund. The Board members of the NLC serve as trustees of the NLDTF.

The priorities set out above are not exclusive but will inform the strategies of the NLC for the next ten years in the hope that the grants of the NLDTF will make the greatest impact on the quality of life of the people of South Africa without fear, favour or prejudice.

The NLC will maintain the categories for grants set out in the Act. Annually the NLC will issue a call for applications setting out the priorities for that year. The distributing Agents consider the applications, adjudicate and make grants on merit.

While the NLC endeavours to support as many applications for funding worthy good causes as possible funds. However, are always limited and not all deserving applications will succeed.

The Board of the NLC will also make awards to address specific projects that will make an impact to the national landscape in an enduring fashion. In general, these grants will be selective and will be based on research. Such grants may be viable for a duration that will be determined by the Board.

It must be noted that the National Development Plan (NDP):

Vision 2030 is South Africa's long-term blueprint for eliminating poverty and reducing inequality by 2030. It sets out 14 national outcomes that collectively aim to build a capable state, promote inclusive economic growth, enhance social protection, and foster nation building and social cohesion. The NDP provides the overarching framework through which all organs of state, public entities, and development institutions align their policies, programmes, and budgets to contribute toward the country's shared vision of prosperity and equity.

Why Alignment Matters for the NLC?

As a public entity mandated to regulate lotteries and distribute funding for "good causes" through the National Lotteries Distribution Trust Fund (NLDTF), the National Lotteries Commission (NLC) plays a vital role in advancing national development priorities. Aligning its Strategic Plan, Annual Performance Plan, and grantmaking programmes with the NDP outcomes ensures that the NLC's investments directly support the nation's broader social and economic transformation agenda.

Such alignment enables the NLC to:

- Demonstrate developmental impact by showing how funded projects contribute to measurable national goals.
- Leverage partnerships with government departments and development agencies working toward the same outcomes.
- Enhance accountability and credibility through transparent contribution to national priorities.
- Maximise the value of lottery funding by targeting areas that address systemic challenges such as unemployment, inequality, social cohesion, and community development.

In essence, alignment with Vision 2030 positions the NLC not merely as a grant funder, but as a strategic development partner that channels national resources toward sustainable, inclusive growth and improved quality of life for all South Africans. The NLC is further at an advantage with it clear mandate, scale and reach including the fact that it is the sole regulator and the largest national grant channel for "good causes", with established legal / regulatory footing and the formal NLDTF funding channel. The organisation's role and reach of distributing funds to civil society and development projects — is unique and vital.

To date, the NLC has disbursed large sums over time and supports many causes (social development, sport, arts, community projects), which creates strong leverage for national outcomes when funds are well targeted.

The Board has identified the following strategic priorities:

1. Holistic Education and Family Cohesion
2. The Development of Vulnerable Youth, especially those who are out of school and out of employment
3. Combatting Gender-Based Violence
4. Rural Development
5. Food Security

1. Strategic Priority – Holistic Education & Family Cohesion

The NDP 2030 stresses building capabilities, reducing inequality and poverty, and strengthening families, communities and social cohesion as central to achieving inclusive growth and a safer, more prosperous society.

Programmes that combine high-quality education (including early childhood and skills pathways) with family-strengthening interventions are therefore fully consistent with the NDP's objectives to "unite South Africans" and to build the capabilities of our people.

Moreso, South Africa's current challenges make this a high-priority investment. Education throughput and the quality thereof remain fragile: although the DBE reported improvements in some 2024 NSC indicators, systemic challenges persist in learner progression and meaningful learning outcomes—and throughput (Grade 10 --> 12) remains a concern. Strengthening the family and early supports directly improves learner retention and readiness. Youth unemployment and low labour market inclusion are acute: young people face very high unemployment (youth rates consistently far above the national average), making investments that improve education, psychosocial stability and skill pathways critical to reducing long-term economic exclusion. High rates of violence against children and social stressors undermine learning and family functioning; interventions that reduce household stress, improve parenting and strengthen child protection directly support safer learning environments.

Early Childhood Development (ECD) and integrated early interventions show one of the highest long-term economic returns of social investments. Research spearheaded by James Heckman and subsequent regional analyses finds that quality early investments in disadvantaged children produce improved education, health and employment outcomes and deliver sustained social and fiscal returns (commonly cited ranges for long-term returns are in the region of ~7–10% per annum in human capital terms). UNICEF/region papers applying Heckman's framework to Southern/Eastern Africa also highlight major upside from scaling ECD. These findings support funding ECD plus family support as a high-value use of public and grant funds. Additionally, parenting and family-preservation programmes in South Africa reduce child behavioural problems, improve caregiver practices and strengthen family bonds—outcomes that translate into better school attendance, fewer behavioural referrals and lower risk behaviours in adolescence. Local evaluations and reviews of South African parenting-programme pilots show clear benefits when programmes are culturally adapted and accompanied by community outreach.

2. Strategic Priority - The Development of Vulnerable Youth, especially those who are out of school and out of employment

South Africa faces a persistent and deepening youth employment crisis: nearly half of young people are unemployed and millions are disengaged from both education and work. Investing NLC grants in targeted, evidence-based interventions that combine skills, work experience and supportive services for out-of-school, out-of-work youth is directly aligned with the NDP's goals of building capabilities, reducing inequality and strengthening social cohesion—and it is one of the highest-leverage uses of grant funding to prevent longterm scarring and social costs.

The NDP 2030 further prioritises building human capabilities, expanding access to education and training, increasing participation in the labour market, and strengthening social cohesion and community programmes.

Targeted investments in vulnerable youth—especially those who have dropped out or are NEET (Not in Employment, Education or Training)—directly support the NDP objectives to:

- raise skills levels,
- reduce structural inequality,
- and increase economic inclusion of historically excluded groups.

Funding youth development therefore advances the NDP's outcomes on skills, jobs and social cohesion.

Youth (15–34) unemployment is much higher than the national average—recent Stats SA analysis shows youth unemployment at around the mid-40s percentage point range, and a decade-long worsening trend in youth joblessness. This creates a cohort-wide risk of 14 long spells out of work. Millions of young people are disengaged. Official Q1:2025 reporting recorded roughly 4.8 million unemployed youth, with many reporting no prior work experience—demonstrating the "first-job" barrier and the extremely large pool of vulnerable youth the NLC could target.

Funding from the NLC is of high-value to address the following:

- Upstream prevention: Early, targeted support for out-of-school youth prevents costly downstream problems—prolonged unemployment leads to lifetime earnings loss ("scarring"), higher welfare reliance and increased vulnerability to crime and instability. Funding prevention produces higher long-term social returns than remediation alone.
- Catalytic role: The NLC can pilot and scale locally adapted, evidence-based models where public departments are constrained—demonstrating what works and leveraging co-funding. DPME evaluations show many youth programmes exist but vary in design and impact; well-targeted grants can strengthen fidelity and outcomes.
- Targeting the hardest to reach: Large shares of unemployed youth lack work experience—they need combined interventions (training + subsidised work experience + placement and support). Grant funding can subsidise the "first job" pathway and wraparound supports for particularly vulnerable youth.

Alignment with NDP 2030

- Raises skills levels, expands training access.
- Reduces structural inequality.
- Increases economic inclusion & social cohesion

Why Funding Matters

- Prevention: Early support reduces long-term social/ economic costs.
- Catalytic role: NLC can test, pilot & scale proven models.
- Reaching the hardest-to-reach: Supports first-job pathways, training + work experience + wraparound services.

3. Strategic Priority - Combatting Gender-Based Violence & Femicide

The NDP 2030 envisions a South Africa free from fear, where all people—especially women and children — feel safe and enjoy equal rights and opportunities. Chapter 12 of the NDP, Building Safer Communities, explicitly calls for the elimination of all forms of violence against women and children as a prerequisite for social cohesion, economic participation, and human dignity.

Further, Chapter 5 on Transforming Society and Uniting the Country and Chapter 9 on Improving Education, Training and Innovation both emphasise gender equality, empowerment, and the creation of safe environments for growth and learning. The NLC's strategic focus on combatting GBVF therefore directly supports NDP outcomes to:

- Build safer communities;
- Promote social cohesion and nation building;
- Strengthen human capabilities; and
- Reduce inequality and poverty through inclusive participation.

South Africa faces one of the highest rates of gender-based violence in the world—a situation that President Cyril Ramaphosa has described as a "second pandemic." The following key statistics illustrate the scale:

- Femicide rate: South Africa's femicide rate is five times higher than the global average (UNODC Global Study on Homicide, 2022).
- Police data: In the 2023/24 SAPS Crime Statistics, over 65 000 sexual offences were reported, with women and children making up the overwhelming majority of victims.
- Domestic violence: The South African Medical Research Council (SAMRC) found that 1 in 3 women have experienced physical or sexual intimate partner violence in their lifetime.
- Economic cost: KPMG estimated that in 2014 GBV costed the South African economy between R28 billion and R42 billion annually (about 1% of GDP), due to healthcare, lost productivity, legal, and social welfare costs.
- Youth vulnerability: Studies show that adolescent girls and young women (15–24) face the highest risk of intimate partner violence and sexual assault — directly affecting their education and employment prospects.

These figures demonstrate that GBVF is not only a human rights crisis but also an economic and developmental barrier, undermining the goals of the NDP and the Sustainable Development Goals (SDG 5: Gender Equality). GBVF further perpetuates poverty by excluding survivors from education, employment, and entrepreneurship. Studies by the World Bank and UN Women confirm that reducing GBVF increases women's labour market participation and contributes to GDP growth.

Children exposed to domestic or community violence experience trauma that affects learning, mental health, and long-term productivity. Addressing GBVF therefore contributes directly to human development and education outcomes, aligning with NDP priorities on capability-building. GBVF also disproportionately affects poor, rural, and marginalised communities, where women often lack access to justice and support services. Funding GBVF initiatives ensures equity and social justice, supporting the NLC's mandate to target vulnerable populations.

The NLC has a comparative advantage in funding community-level, cross-sectoral initiatives that complement government programmes to:

- Catalyse local innovation: Support community-led prevention and response models where government reach is limited;
- Strengthen service delivery ecosystems: Build capacity for NGOs, shelters, and CBOs working in GBVF prevention and survivor support;
- Leverage partnerships: Align with the National Strategic Plan on GBVF (2020–2030) to scale successful interventions;
- Enable accountability and learning: Support monitoring, evaluation, and data systems to strengthen national response mechanisms.

Alignment with NDP 2030

- Builds safer communities; promotes equality & human dignity.
- Strengthens human capabilities and reduces inequality.

Why Funding Matters

- GBVF undermines education, employment & economic participation.
- Children exposed to violence face long-term trauma & learning deficits.
- Disproportionate impact on poor, rural & marginalised women.

NLC can:

- Catalyse community-led solutions to Strengthen NGO/CBO service capacity
- Support NSP on GBVF (2020–2030)
- Improve data, accountability & learning

4. Strategic Priority - Rural Development

The NDP 2030 recognises that South Africa's long-term prosperity depends on inclusive growth that reaches rural and underdeveloped communities. Chapter 6 of the NDP, "An Integrated and Inclusive Rural Economy," envisions vibrant, equitable and sustainable rural communities supported by strong local economies, improved infrastructure, and expanded access to basic services.

The NDP calls for:

- Investment in rural infrastructure (roads, irrigation, broadband, energy);
- Support for smallholder farmers and rural enterprises to boost food security and livelihoods;
- Decentralised economic opportunities to curb rural-urban migration; and
- Community participation and social cohesion in rural development planning.

By prioritising rural development, the NLC directly contributes to these NDP outcomes and aligns with the broader national policy frameworks such as the District Development Model (DDM), the National Rural Development Framework, and the Comprehensive Rural Development Programme (CRDP).

The Rural Development Challenge in South Africa

South Africa's rural areas remain disproportionately affected by poverty, inequality, and underdevelopment.

Key Facts and Statistics Rural poverty:

According to Statistics South Africa (2024), almost 60% of people living below the upperbound poverty line reside in rural areas.

Unemployment: Rural unemployment rates consistently exceed urban rates, particularly among youth and women. In 2023, rural youth unemployment averaged above 50%, compared to 42% in urban areas.

Service access: Rural households face severe deficits in basic infrastructure—with only 62% having access to piped water, 59% to adequate sanitation, and limited access to digital connectivity (Stats SA, 2023).

Education and health disparities: Rural schools have higher dropout rates, and rural clinics face chronic staff shortages, reducing human capital development.

Food insecurity: The Department of Agriculture (2024) estimates that over 20% of rural households experience some level of food insecurity—a situation worsened by climate change and drought.

These statistics reflect the multi-dimensional nature of rural poverty, making holistic rural development a national imperative.

Funding rural development is critical primarily because of the following key outcomes:

(a) Reducing Inequality and Poverty

Rural poverty is both widespread and persistent. Investment in rural development directly contributes to poverty reduction, income diversification, and asset creation, particularly for women and youth.

(b) Food Security and Climate Resilience

Supporting small-scale farmers, agro-enterprises, and local food systems enhances national food security, nutrition, and climate resilience. Community-based projects also reduce vulnerability to drought and environmental shocks.

(c) Economic Inclusion and Localised Growth

Rural economies are often excluded from formal markets and finance. Grant funding can help unlock inclusive rural value chains, foster micro and cooperative enterprises, and promote local economic self-sufficiency.

(d) Social Cohesion and Stability

Persistent underdevelopment in rural areas fuels social fragmentation, migration pressures, and inequality. Empowering rural communities strengthens social cohesion, community participation, and national stability, directly supporting the NDP's vision of a united and prosperous society.

By investing in rural areas, the NLC fulfills its social mandate to support equity, inclusion, and national development, reaching the communities most excluded from traditional funding flows.

Rural Development Alignment with NDP 2030

- Builds an inclusive rural economy.
- Expands access to infrastructure, basic services & local economic opportunities.

Why Funding Matters

- Reduces poverty & inequality.
- Strengthens food security & climate resilience.
- Stimulates local economies & inclusive value chains.
- Enhances social cohesion and community stability.

5. Strategic Priority - Food Security

The NDP envisions a South Africa where "no one goes hungry" and where "food security and adequate nutrition are guaranteed for all." Chapter 6 of the NDP—An Integrated and Inclusive Rural Economy—calls for:

- Increasing household food production and nutrition security,
- Promoting sustainable agricultural practices, and Supporting small-scale farmers, cooperatives and community food systems to ensure equitable access to food.

Furthermore, Chapter 11 (Social Protection) and Chapter 12 (Building Safer Communities) link food security to poverty eradication, social stability, and community wellbeing. By prioritising food security, the NLC contributes directly to the NDP's objectives to:

- Eliminate poverty and reduce inequality;
- Build human capabilities through nutrition and health; and
- Strengthen sustainable livelihoods in both rural and urban communities.

The Food Security Challenge in South Africa

Despite being food-secure at a national level, millions of South African households experience chronic food insecurity due to poverty, unemployment, and rising living costs. According to Statistics South Africa (2023 General Household Survey):

- 11.8% of households reported inadequate access to food,
- 19.9% of children under five were classified as stunted due to chronic undernutrition.

The National Income Dynamics Study (NIDS-CRAM, 2022) found that 27% of households experienced hunger during at least one month of the year. Rising food prices have outpaced income growth: between 2022 and 2024, food inflation averaged 9–10%, disproportionately affecting low-income households. Women-headed households and those

in rural provinces (Eastern Cape, Limpopo, KwaZulu-Natal) are the most vulnerable to food insecurity. Climate change, drought, and energy constraints continue to threaten agricultural productivity and household food access. These trends underscore that food insecurity is both a symptom and driver of poverty, with direct consequences for health, education, and productivity.

Why Funding Food Security is Critical

- **A Human Right and Development Imperative:** Access to adequate and nutritious food is enshrined in Section 27(1) of the South African Constitution, which guarantees "the right to sufficient food and water." Funding food security initiatives therefore supports constitutional rights and human dignity.
- **Nutrition and Human Capital:** Food insecurity affects children's cognitive development, school performance, and future earning potential. Research by the Human Sciences Research Council (HSRC) shows that chronic undernutrition can reduce a child's lifetime productivity by up to 20%, entrenching intergenerational poverty.
- **Health and Social Wellbeing:** Undernutrition and poor diets contribute to South Africa's dual burden of malnutrition and obesity, increasing the risk of noncommunicable diseases (NCDs) such as diabetes and hypertension. Improving access to healthy food reduces healthcare costs and strengthens population wellbeing.
- **Economic Empowerment and Livelihoods:** Community and small-scale agriculture projects create local jobs, support entrepreneurship, and keep resources circulating within communities. Food production is one of the most accessible entry points for inclusive economic participation, especially for women and youth.
- **Climate Resilience and Sustainability:** Sustainable food systems—including urban agriculture, agroecology, and community gardens—enhance climate adaptation and reduce dependence on volatile food markets.

Ultimately, funding Food Security delivers measurable benefits that directly improve quality of life:

- Improved nutrition and health outcomes, especially for children and pregnant women;
- Reduced poverty and hunger, strengthening family and community stability;
- Enhanced education outcomes, as learners are better nourished and more attentive;
- Economic empowerment through job creation in agriculture and food value chains;
- Greater gender equality, by empowering women as food producers and decision-makers; and
- Increased resilience to climate shocks and price volatility.

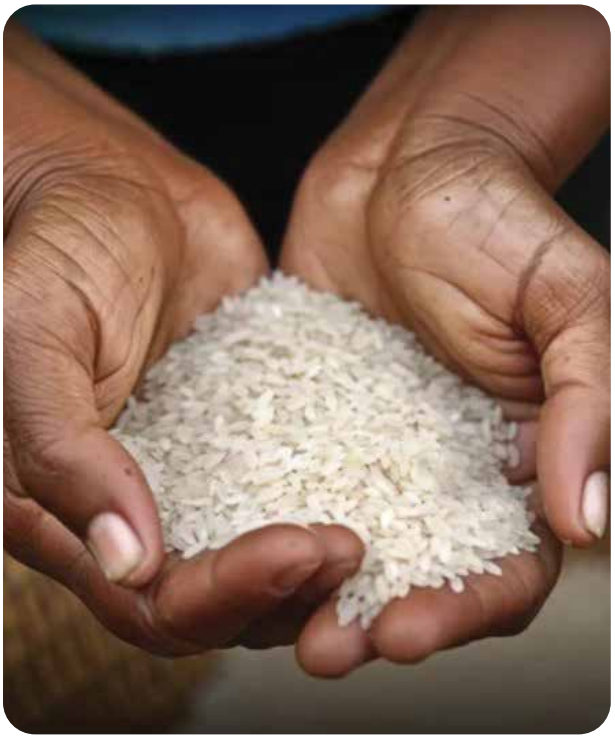
Undoubtedly, food security underpins every other development goal—it is the foundation of human dignity, productivity, and national wellbeing.

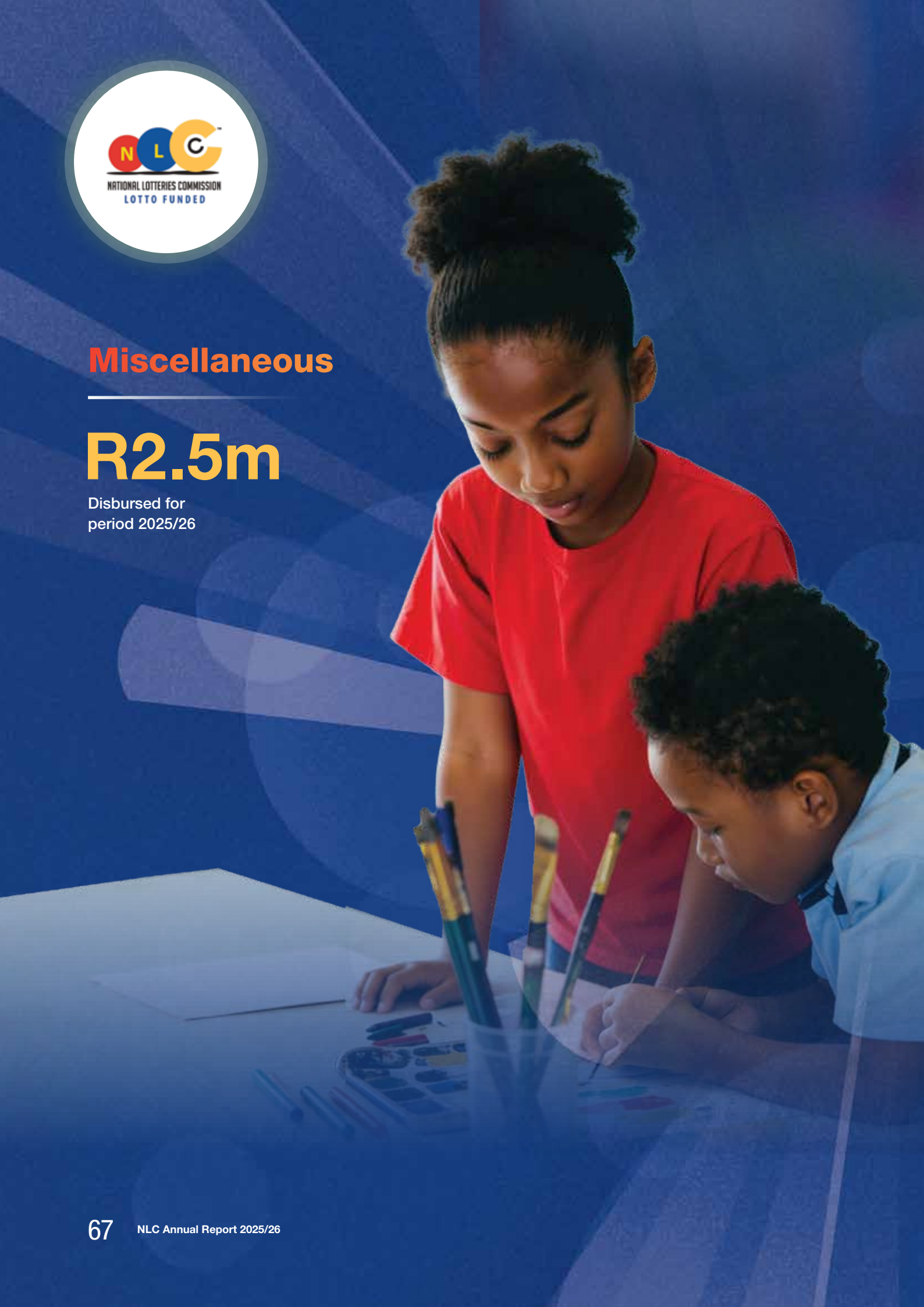
Alignment with NDP 2030

- Ensures "no one goes hungry".
- Supports nutrition, health & sustainable livelihoods.

Why Funding Matters

- Upholds constitutional right to sufficient food.
- Better nutrition boosts learning, productivity & health outcomes.
- Strengthens community livelihoods and local food systems.
- Enhances resilience to climate shocks & price volatility.

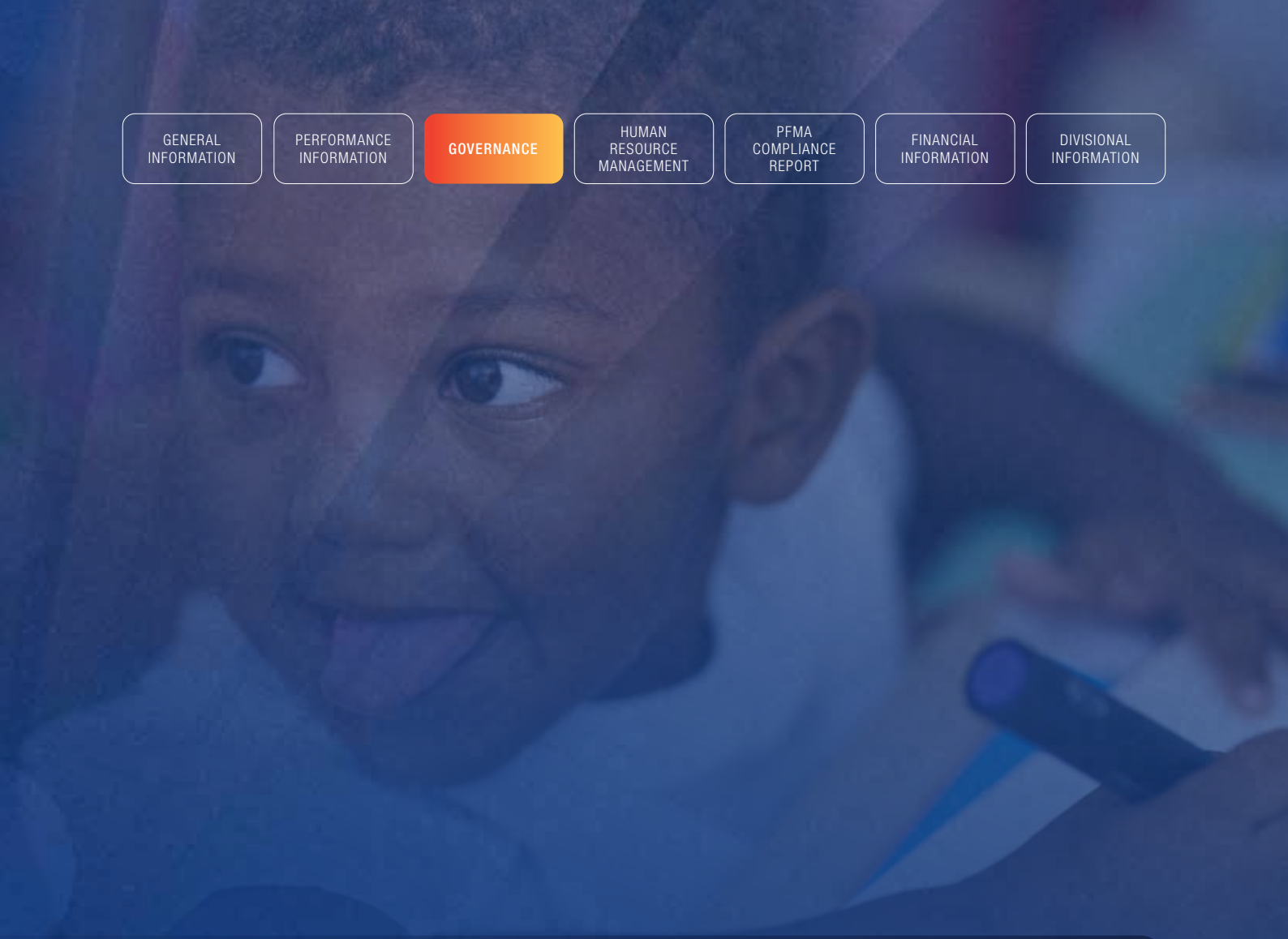




Miscellaneous

R2.5m

Disbursed for
period 2025/26



PART C

Governance

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Bridging Eras:

Stability, Integrity and Digital Transformation

The 2025/26 financial year represents a defining bridge between the NLC's complex history and its modern, purpose-driven future. We have decisively stabilised the entity by entrenching uncompromising integrity at every level - closing the chapter on historical maladministration through consequence management and embedding ethical governance into our DNA.

Bridging Eras: Stability, Integrity and Digital Transformation



1. Board Profiles



N. Barney Pityana
GCOB FKC MASSAf

Chairperson of the Board and Non-Executive Director

Appointed 1 September 2022

Prof Nyameko Barney Pityana is an admitted attorney, a theologian, a notable human rights academic and an activist. He served as the founding independent non-Executive Chairperson of Uthingo, the licensed lottery operator in South Africa, (1998-2005). An ordained Anglican priest, in 2011 he was made a Provincial Canon of the Anglican Church of Southern Africa. Prof Pityana was appointed Chairperson of the South African Human Rights Commission (1995-2001), and a member of the African Commission on Human and Peoples' Rights (1997-2003). In both capacities he was instrumental in the establishment of the National Institutions Coordinating Council that brought together national human rights institutions with the support of the Office of the UN High Commissioner for Human Rights. He has contributed to the United Nations human rights and development programmes as an expert and consultant over many years. He also served as Director of the Geneva-based World Council of Churches' Programme to Combat Racism for five years. He served as a member of the founding Board of the Global Reporting Initiative (1997-2002), the international standard setting body for sustainability, accountability and good corporate governance.

Prof Pityana has been active in higher education policy and management in Africa, including South Africa. In this capacity he served in the Executive Committee of the International Council for Distance and eLearning (ICDE) for four years. He was elected the founding President of the African Council on Distance Education (ACDE) in 2002, in the Executive of the Association of Commonwealth Universities, and he was the keynote speaker at the World Conference on Higher Education convened by UNESCO in Paris in 2000. In South Africa he has served as Chair of Higher Education South Africa (HESA). On policy issues, Pityana served on the Council on Higher Education (CHE) Task Team on an extended Curriculum, and as an independent Assessor on the Mangosuthu University of Technology, as Evaluator of Teaching and Learning in Higher Education of the Teaching and Learning Quality Unit, and, currently, Independent Assessor on the Vaal University of Technology. He is also a retired Principal and Vice Chancellor of the University of South Africa (Unisa). He left office in December 2010 having served 9 years in that office. He has since served in honorary positions as the Deputy President of the Academy of Science of South Africa (ASSAf) (2017-2021), and as the General Secretary of the Network of African Academies of Science (NASAC) (2016-2021).

Pityana has degrees in Law from the University of South Africa, and Theology from King's College London and the University of Cape Town, where he obtained a PhD in Religious Studies. He trained for the Anglican ministry in Oxford and served in parishes in the Church of England before moving to Geneva in 1988. He has published extensively in theology and human rights law, as well as in higher education management and leadership and Open Distance Learning. His current interests are in the exploration of Public Morality in Politics and in corporate governance.

In 2006 President Thabo Mbeki awarded him the Grand Counselor of the Baobab (GCOB) in that year's Presidential Honours List. He has honorary degrees and fellowships from several international institutions including the Commonwealth of Learning, King's College London and of STIAS; DD *honoris causa* from Trinity College, Hartford; LLD *honoris causa* from Athabasca University in Canada, University of Buenos Aires, and from Rhodes University, Grahamstown. He is emeritus professor of law at the University of South Africa, and an Honorary Visiting Professor in Philosophy in the Allan Gray Centre for Ethical Leadership at Rhodes University Grahamstown. In 2021 he accepted an appointment as the Honorary Professor in the Centre for Advanced Critical Studies in Higher Education Transformation at the Nelson Mandela University in Gqeberha. Until 2021 he was a member of the Council of the University of the Witwatersrand in Johannesburg and served in various committees of Council. He is a Member of the Academy of Science of South Africa (MASSAf).

Among others, he serves on the Board of the Thabo Mbeki Foundation, and as a Trustee of the Archbishop Tutu Intellectual Property Trust. In 2021 he was appointed Deputy Chairperson of the Refugee Appeals Authority of South Africa. In 2022 he was appointed non-executive Chairperson of the National Lotteries Commission.



Ms Precious Mvulane

Non-Executive Director

Appointed 23 March 2022
CA(SA)

Ms. Mvulane is a Chartered Accountant CA(SA) and a Registered Auditor (IRBA). She has over 18 years experience in different finance roles, i.e. auditor (internal and external) in the private and public sectors. She has also been involved with governance structures for the past 12 years and sits on 10 boards as an audit committee member, of which she chairs five. One of these boards is the IRBA (her own professional body) and IBASA. Over the past seven years, she has trained over 1 500 entrepreneurs and 200 non-profit organisational leaders. Her clients include Absa, Standard Bank, SAB Kickstart, National Gazelles – ATNS, the Hope Factory (SAICA ED programme), UPD, BP South Africa, Accenture and Clicks Group.



Mr. Lionel October

Non-Executive Director

Appointed 1 May 2023

Mr. October was appointed the Director-General (DG) of the Department of Trade, Industry and Competition (The dtic) in South Africa from 2011 to 30 April 2021. He is one of the longest serving Directors-General, received the Best Performing Director-General Award in 2015, and during his tenure, The dtic received numerous Best Performing Department Awards.

Prior to joining public service, Mr October worked in the trade union movement for 10 years, serving as the General Secretary of the South African Clothing and Textile Workers Union (SACTWU), and as a senior commissioner at the Commission for Conciliation, Mediation and Arbitration (CCMA).

Lastly, Mr October holds a MSc Degree in Economics (Development) from the University of London, as well as a Law Degree and BA Honours in Development Studies from the University of the Western Cape.



Mr. Tembinkosi Bonakele

Non-Executive Director

Appointed 1 May 2023

Mr. Bonakele is a seasoned professional in competition law and policy, as well as organisational development and strategy. Following a notable tenure at the Competition Commission of South Africa, serving 18 years, with the last nine years as Commissioner and CEO, he transitioned to consultancy work. His expertise extends to various sectors of the South African economy, particularly in product markets and competitiveness.

Mr. Bonakele holds qualifications in law and business administration, with an MBA to his credit. Under his leadership, the Competition Commission achieved significant milestones, becoming one of South Africa's top-performing public institutions and gaining global recognition as one of the leading competition agencies. His management expertise has been instrumental in these accomplishments, earning him several leadership awards, while the Commission itself earned numerous performance awards during his tenure.

With extensive experience in the public sector and a wealth of insights and data across industries, Mr Bonakele offers invaluable expertise in public policy and competition law. His consultancy services provide strategic guidance to organisations seeking to direct complex regulatory landscapes and enhance their competitive edge.

Board Profiles cont.



Ms. Irene Ramafola
Non-Executive Director

Appointed 1 May 2023)

Ms Ramafola is a qualified Chartered Accountant CA(SA) with over 15 years working experience and over 10 years public sector experience. She started her career at PricewaterhouseCoopers (PwC), within the Financial Services division. She then moved on to a management role at the Auditor-General South Africa, overseeing statutory audits. She was subsequently head hunted at the Department of Economic Development for a Chief Financial Officer role where she successfully managed a R1 billion budget, obtaining the department's first and subsequent clean audit awards.

She is currently a Chief Financial Officer of the Department of Trade, Industry and Competition (the dtic), overseeing a budget of R10 billion.



Ms. Beryl Ferguson
Non-Executive Director

Appointed 23 March 2022

Ms Ferguson is a seasoned leader and entrepreneur with over 30 years experience. Her leadership credentials are impeccable and without question, from Chairing the Council of the University of the Western Cape to serving and chairing both the Wentworth Foundation and the South African National Biodiversity Institute, amongst others.

She has been privileged to serve in academia through UWC; Provincial and National Governments; in various NGOs/NPOs like the WHEAT Trust, Zip Zap Circus, and most recently MOTSA. She holds Diplomas in both Business Management and Business Economics. She also holds various certificates through both the IODSA and the Johannesburg School of Finance.



Composition of the Board

Prof NB Pityana

Designation: Chairperson
Date appointed: 01-09-2022
Date resigned: N/A
Qualifications:
Admitted Attorney (non-practising)
B Proc.
LLM (labour law)
Hons BD
PHD Religious studies.
CertTH (Oxon)

Area of Expertise
Human Rights
Regulation
Corporate Governance
Regulatory Compliance
Academia

Board Directorships
Thabo Mbeki Foundation

Other Committees or Task Teams
NA

No. of Meetings attended (18)
18

Ms Precious Mvulane

Designation: Member
Date appointed: 23-03-2022
Date resigned: N/A
Qualifications:
CA(SA)
Area of Expertise
Chartered Accountant
Finance Governance and Risk Management

Board Directorships
IRBA, TPF, GAD Consulting Services

Other Committees or Task Teams
Audit Committee member at FSCA, OPFA, Risk Management at DSD

No. of Meetings attended (18)
17

Ms Irene Ramafola

Designation: Shareholder Representative / Audit and Risk Member
Date appointed: 1-05-2023
Date resigned: N/A
Qualifications:
Chartered Accountant
BCom Honours (Accounting)
Certificate in the Theory of Accounting
Bachelor of Commerce
Area of Expertise
Financial and Management Accounting
Regulatory Compliance
Internal and External Audit
Risk Management
Financial Reporting
Corporate Governance

Board Directorships
Non-Executive Board Member: South African National Accreditation System
Other Committees or Task Teams, Chairperson of Audit Committee: Tshwane Automotive Special Economic Zone
Audit Committee Member: South African National Accreditation
Ad Hoc Incentive Review Committee of the dtic

No. of Meetings attended (18)
18

Ms Beryl Ferguson

Designation: Member
Date appointed: 23-03-2022
Date resigned: N/A
Qualifications
Dip Business Management
Dip Business Economics
Area of Expertise
HR, Overall Management
Transformation
Other Committees or Task Teams
SANBI – Deputy Chair
PFECT – Chairperson
MOT – Chairperson
No. of Meetings attended (18)
18

Mr Tembinkosi Bonakele

Designation: Member
Date appointed: 1-05-2023
Date resigned: N/A
Qualifications:
B Juris
LLB
MBA

Area of Expertise
Law
Business
Public Affairs
Regulation and Economics

Board Directorships
SEDA
SEFA
PETRO SA
SFF
Igas business partners
GOGOGOGO
NHFC

Other Committees or Task Teams
University of Fort Hare Council
WSU Council

No. of Meetings attended (18)
17

Mr Lionel October

Designation: Member
Date appointed: 1-05-2023
Date resigned: N/A
Qualifications
B Juris (Law) and Honours
MSc. Economics

Area of Expertise
Development Economics
Law
Public Policy
Corporate Governance
Programme & Project Governance and Management
Strategy

Other Committees or Task Teams
Industrial Zones Programme
Tshwane Automotive SEZ (TASEZ)

No. of Meetings attended (18)
17

Independent Members

Dr Prittish Dala

Designation: Independent Audit Member

Date appointed: 01-09-2022

Date resigned: N/A

Qualifications:

PhD (Information Technology)

Master's (Information Technology)

BSc Hons (Computer Science)

Bachelor of Information Technology

Chartered Director South Africa CD(SA)

Certified Information Systems Auditor (CISA)

Certified Information Security Manager (CISM)

Certified Information Systems Security Professional (CISSP)

Lead Auditor ISO 27001 (LA ISO 27001)

Certified in the Governance of Enterprise Information Technology (CGEIT)

Certified in Risk and Information Systems Control (CRISC)

Certified Ethical Hacker (CEH)

Computer Hacking Forensic Investigator (CHFI)

Area of Expertise:

Information Technology, Cyber Security, Privacy, Large Scale Digital Transformation (Business, Application, Technology, Data, Security), Project Governance and Management, Information Technology Audit, Internal and External Audit, Risk Management, Corporate Governance and ICT Governance, Strategy, Compliance, Forensics and Research.

Board Directorships:

FASSET (Finance and Accounting Services Sector Education and Training Authority)

SAWS (South African Weather Services)

Other Committees or Task Teams:

Audit and Risk Committee

ICT Steering Committee

Ms Lynne Tromp

Designation: Independent Finance and Audit Member

Date appointed: 12-07-2023

Date resigned: N/A

Qualifications:

CA(SA)

MBA

BTech Internal Auditing

CFE

CRM (Prof.)

Certified Ethics Officer

LLB

Area of Expertise:

External Audit

Internal Audit

Risk Management

Forensics

Compliance

Governance

Other Committees or Task Teams:

Audit and Risk Committee

Dr Mosia Mojaki

Designation: Independent Human Capital Management Memberr

Date appointed: 01-04-2020

Date resigned: N/A

Qualifications:

PhD - Leadership in Performance and Change.

MA; Honours and BA in Industrial Psychology

Area of Expertise:

Strategy Development and Facilitation, Individual, Team & Organisational Development.

Development & Execution of HR Strategy, Organisational Development, Integrated Talent Management, Learning, Training & Development, Labour Relations & Salary Negotiations, HR Reward Services and Diversity & Sustainable Inclusion

Ms Charlene Louw

Designation: Independent Member

Date appointed: 12-07-2023

Date resigned: N/A

Qualifications:

LLB

Admitted Attorney of the High Court

Executive Development Programme

Municipal Finance Management

Area of Expertise:

Regulation

Governance

Compliance

Human Capital Management

Board Directorships:

National Arts Council

Companies Tribunal

MerSETA

Centre for Community Law

University of KwaZulu-Natal

Other Committees or Task Teams:

Audit and Risk Committee



* The above attendance solely focused on quarterly Board meetings and special Board meeting and excludes strategic sessions, workshops, trainings, stakeholder engagement sessions held by the Board i.e. National Indaba November 2025.

Capacity	Surname	Initials	Title	Employee of Govt or its entities Y/N	Date of appointment	Period served during the FY202425		Number of Board / RFP Adjudication Committee Meetings Attended"
						Start date	End date	RFP Meetings (15)
Chairperson	Pityana	NB	Mr	N	01/09/2022	1/4/25	31/3/26	15
Member	Ramafola	I	Ms	Y	01/05/2023	1/4/25	31/3/26	15
Member	Mvulane	P	Ms	N	23/03/2022	1/4/25	31/3/26	15
Member	October	L	Mr	N	01/05/2023	1/4/25	31/3/26	15
Member	Bonakele	T	Mr	N	01/05/2023	1/4/25	31/3/26	15
Member	Ferguson	B	Ms	N	23/03/2022	1/4/25	31/3/26	15

*The above RFP meetings were meant for the adjudication of the temporary licence conducted by the Board from 1 April 2025 to 14 April 2025. Meeting between the Minister & the Board Adjudication Committee report for the temporary licence. Two workshops were held in November 2025 & February 2026 for the State Equity for the 4th licence.



8 April 2025	1.	Annual Performance Plan FY202526 and Strategic Plan Amendments were approved by the Minister.
29 April 2025	2.	Non-Financial Performance Information Report Quarter 4 was approved.
	3.	Internal Audit - Non-Financial Performance Report – Quarter 4 was approved.
	4.	The Enterprise Risk Management Report Quarter 4 was noted.
	5.	The Enterprise Risk Management Plan 2025/26 was approved.
	6.	Anti-Bribery and Fraud Prevention Plan 2025/26 was approved.
	7.	The Strategic Risk Register 2025/26 was approved.
	8.	The Status Report: AGSA Material Irregularities Findings was approved.
	9.	The Status Report: Unauthorised, Irregular, Fruitless and Wasteful Expenditure was approved.
	10.	The ICT and Modernisation Management Report – Quarter 4 was noted.
	11.	The Internal Audit and Advisory Services Report Quarter 4 was noted.
	12.	The Legal Services and Organisational Compliance Report Quarter 4 was noted.
	13.	The Financial Management Report Quarter 4 was approved.
	14.	The Supply Chain Report Quarter 4 was approved.
	15.	NLPT Trust Administration and Management Account Reports Quarter 4 was approved.
	16.	The Board noted the Quarter 4 Regulatory Compliance Report including the: National Lottery Licensing Monitoring Matrix. Sports Pools Licence Monitoring Matrix.
	17.	The Board noted the Enquiries and Complaints Report Q4 FY2025/26.
	18.	The Fourth Quarter Update: Ithuba Holdings RFP (Pty) Ltd Business Plan was approved.
	19.	The Legal Services and Organisational Compliance Report Quarter 4 was noted.
	20.	The Ethics Report Quarter 4 was noted.
	21.	Employment Equity Q4 was noted.
	22.	The Occupational Health and Safety Report Q4 was noted.
	23.	The Learning and Development Report Q4 was noted.
	24.	The Procurement and Enterprise Development Report Q4 was noted.
	25.	The Environmental Report Q4 was noted.
	26.	The Facilities Report Q4 was noted.
	27.	The Security Report Q4 was noted.
	28.	The Whistleblowing Status Report Q4 was noted.
	29.	The Stakeholder Relations/ Engagement Report Q4 was noted.
	30.	The Ethics and Morality Management Plan 2025/26 was approved.
	31.	The Operations Report Quarter 4 was noted.
	32.	The Business Development Report Quarter 4 was noted.
	33.	The Small Grants Evaluation Report was noted.
	34.	The Early Childhood Development Evaluation Report was noted.
	35.	The Board Distributing Agencies Report Quarter 4 was noted.
	36.	The Quarter 4 Human Capital Management (HCM) Report was noted.
29 April 2025	37.	The Board approved the additional 0.5% which makes it to 6.5% salary increase for FY2025/26 as a final offer.

16 May 2025	38.	The Reparations Committee proposed that the Board acknowledge the report and that the Committee investigate the outstanding issues raised above. The updated information would then be redistributed to the Board for further review and decision-making in the next meeting. The Board accepted this proposal.
	39.	The Board approved the ongoing work on the funding model while considering the comments made during the meeting.
	40.	The Board approved the recommendation to appoint Ms. Tshabalala as CIO, with Mr. Diyosiba as a second option, should Ms Tshabalala decline the offer
	41.	The Board agreed to extend the deadline for performance assessments until the end of July 2025. This decision was made considering issues related to Adobe licences, which have affected the assessment process. The Board acknowledged the importance of conducting thorough consultations before finalising the performance management structure.
	42.	The Board approved the extension of the NLDTF Trustees until December 2026 to cover the audit period and ensure continuity.
30 May 2025	43.	Submission 2025: The going concern assessment was noted.
	44.	Submission: Annual Review of Useful Lives was approved.
	45.	The Submission: Capitalisation of Intangible Asset – Thuthuka was approved.
	46.	The Submission: Management Assurance on AFS & APR was noted.
	47.	The Annual Performance Report 2024/25 was approved.
	48.	The NLPT Draft Annual Financial Statements were approved.
	49.	The NLDTF Draft Annual Financial Statements were approved.
	50.	The Group NLC Draft Annual Financial Statements were approved.
13 June 2025	51.	The Board in terms of Section 7.5 of the Research Based Funding Policy approved the assistance of the affected areas at OR Tambo and Amathole District by providing the following; i. Dignity Packs ii. Warm-plated food at the centres iii. Blankets and mattresses iv. Drinking water v. Clothes and vi. Non-perishable food parcels vii. Provision of basic health care through a Non-Profit entity that is legally registered to do so for people who are at the centres
19 June 2025	52.	NLC Organisational Structure was approved by the Board
17 July 2025	53.	Western Cape – Weather conditions The Board approved the allocation of R14.6 million for the Western Cape emergency response, adopting the steering committee-led strategy and the new voucher-based delivery system.
	54.	Research Based Funding Concepts: HIV Programme The Board agreed to defer the Research Based Funding Concepts Presentation to the First Quarter Board Meeting, scheduled for 30 July 2025.
30 July 2025	55.	The Q1 Status of the organisation report was noted.
	56.	The Delegations of Authority 2025/25 was approved.
	57.	The Non-Financial Performance Report And Internal Audit Report On Non-Financial Performance for Q1 was approved.
	58.	The Quarter 1 Enterprise Risk Management Report was approved.
	59.	The Quarter 1 ICT and Modernisation Report was noted.
	60.	The Quarter 1 Legal and Organisational Compliance Report was noted.

61.	The Status of the AGSA material irregularity findings was approved.
62.	The Unauthorised fruitless and wasteful expenditure was approved.
63.	The Board approved the FY202425 Annual Financial Statements and AG Management report for (NLPT, NLDTF, NLC).
64.	The Quarter 1 Regulatory Compliance Report was approved.
65.	The Quarter 1 Ithuba Holdings Business Plan of FY2025/26 was noted.
66.	Ithuba Annual Financial Statements FY2024/25 was noted.
67.	Legal Services Report Q1 of FY2025/26 was noted.
68.	The Legal Services Policy was deferred.
69.	The Quarter 1 Finance Report was approved.
70.	The Quarter 1 Supply Chain Management Report was approved.
71.	The Board was advised to note the NLTP Trust Administration and Management Accounts Report, with a full update to be provided to the Board and Committees at the Q2 meeting. The reconciliation is near completion, and an update will be sent to the Commissioner accordingly
72.	FY202425 Audited Annual Financial Statements were approved.
73.	The Payroll Policy was approved.
74.	The Asset Management Policy was approved.
75.	The Quarter 1 Ethics Report was noted.
76.	The Quarter 1 Employment Equity Report was noted.
77.	The Quarter Occupational Health and Safety Report was noted.
78.	The Quarter 1 Learning and Development Report was noted.
79.	The Quarter 1 Procurement and Enterprise Development Report was noted.
80.	The Quarter 1 Environment Report was noted.
81.	The Quarter 1 Facilities Report was noted.
82.	The Quarter 1 Whistle blowing Report was noted.
83.	The Quarter 1 Stakeholder Relations Report was noted.
84.	The Quarter 1 Operations Report was noted.
85.	The Postmortem report on 202324 call for applications was noted.
86.	The Quarter 1 Board Distribution Agencies Report was noted.
87.	The Quarter 1 Business Development Report was noted.
88.	Research-Based Funding Concepts: HIV Programme The Board approved the Research-Based funding concept of R70 million to be allocated to HIV programmes.
89.	The Board resolved to approve three structures: i. ICT Structure ii. Facilities Structure iii. Stakeholder & Marketing Management structure

	90.	The Board approved the exclusion of the internal appeal clause from the Disciplinary policy
	91.	The Board approved the request to deviate from the Leave Policy and Working Hours Policy to pay qualifying Distribution Agency members leave days forfeited during the 2024/25 financial year
30 July 2025 (In-committee)	92.	The NLC/PSA Settlements Terms were approved.
	93.	The Short-Term Incentives Bonus Submission was approved.
	94.	The Short-Term Incentives Policy amendment of clause 8.4.2 was approved.
	95.	The Request to commence recruitment for the Fourth Licence NLPT Trustees was approved.
	96.	The Memo to the Board on the IVS Notice was noted.
	97.	The Quarter 1 Forensic Investigation Report was noted.
13 August 2025	98.	The NLC Non-Executive Director Renumeration 2025/26 was approved.
	99.	The Legal Services Policy was approved.
25 August 2025	100	It was noted that the submission of the Board Evaluation Report 2024/25 would be shared with the Board on 29 August 2025 via round robin for approval, subject to the inputs of the Board being incorporated.
	101	It was noted that the submission for Dr Dala's contract extension by 10 months would be shared with the Board via round robin for approval, subject to the inputs of the Board being incorporated
09 September 2025	102.	The Delegation of Authority Framework was approved.
	103.	The Retention of Surplus to National Treasury for the 2024/25 FY was approved.
	104.	The Board approved ITHUBA's submission for game enhancement, new games, and updated rules and procedures: • Lotto, Lotto Plus 1 and Lotto Plus 2 (Including updated draw procedures) • Daily Lotto and Daily Lotto Plus (Including updated draw procedures) • Powerball and Powerball Plus
	105.	The Board approved ITHUBA's submission for game rules and regulations in line with Clause 24.2 and Schedule 6 of the Temporary Licence for the following games: • Sportstake 4 • Sportstake Cricket
	106.	The Board approved ITHUBA's submission for draw procedures in line with Clause 18.2 and Schedule 6 of the Temporary Licence for the following games: • Sportstake 4 • Sportstake Cricket
18 September 2025	107.	The Board approved the NLC Annual Report 2024/25 FY.
16 October 2025	108.	The Special Board and Distributing Agencies Engagement was noted.
	109.	The Distribution Agencies' quarterly reporting to Board & Structure Reports of the reports from the three funding sectors was noted.
30 October 2025	110.	The Overview of the Organisational Performance Information Report for Q2 of FY202425 report was approved.
	111.	The Mid-Terms Review 2025/26 APP was approved.
	112.	The Enterprise Risk Management Report was approved.
	113.	The Enterprise Risk Management Framework & The Non-Compliant Grantee Policy were approved.
	114.	The Finance Management Report was approved.

14 November 2025	115.	The Materiality Framework was approved.
	116.	The BARC reports (overview) presented by Acting Chairperson Ms. Ramafola for approval, were approved by the Board and all submitted for noting were noted.
	117.	The Draft Budget was approved.
	118.	The Quarter 2 Finance Management Report was approved
	119.	The Mid-Term Budget Review 2025/26 was approved.
	120.	The NLC National Indaba Submission was approved.
	121.	Contract renewal for RFP Project Manager was deferred.
	122.	Shortlisting and Interviews for Fourth Licence NLTP Trustees were noted, and the Board noted a formal submission will be presented to outline the process in detail.
	123.	Reparations Updates were approved.
	124.	The request for the approval of the New National Lottery and Sport Pools Logo for the Fourth Licence was approved.
	125.	The Board Charter was approved
	126.	The Board Audit Terms of Reference was approved
	127.	The Finance Committee Terms of Reference were approved.
	128.	The Supply Chain Management Policy was approved.
	129.	The Travel and Accommodation Policy was approved.
	130.	The Fleet Management Policy was approved.
	131.	Board Regulatory Compliance and Legal Committee Terms of Reference were approved.
	132.	The Ithuba Holdings RFP (Pty) Ltd Business Plan (01 June 2025 – 31 May 2026) Guaranteed Jackpot Funding was approved.
	133.	The EAZiWIN games and their rules be approved, subject to the removal of all 'slot machine' references, with the Neon Link game excluded until redesigned.
	134.	The virtual sports games are not approved due to their similarity to gambling products, unclear rules and reliance on the Random Number Generator (RNG) system certified for foreign gambling markets rather than for Ithuba.
	135.	The Board considered approving Ithuba's request for website updates that may temporarily render the e-commerce platform unavailable, with the NLC to monitor the downtime and assist players who may inquire.
	136.	Sizekhaya's Submission to the Board on Game Rules and Regulations with the Technical Baseline Document for the Fourth Licence was approved.
	137.	The Debt Management and Recovery Policy were approved.
	138.	The Contract Management Policy was approved.
	139.	The Board expressed satisfaction with the Draft Strategic Plan 2026 - 2035, noting that all inputs had been incorporated, and Board members were encouraged to continue submitting additional inputs.
	140.	The Human Capital Management Terms of Reference was approved.
	141.	The extension on the Condonation on performance contracting and assessments 2025/26 FY was approved.
	142.	The Social and Ethics Committee Terms of Reference was approved.
	143.	The Social Media Policy was deferred for further refinement.

09 December 2025 (Legislative Review)	144.	The Board resolved that the Board hereby adopts the report in its entirety and instructs that the Minister be formally advised of the Board's conclusions and recommendations.
	145.	The request for approval to remunerate the independent chairperson for the ICT Steering Committee was approved.
	146.	The Truncated Problem Statement was approved.
	147.	The Executive Summary of the Draft Policy Document – Regulations was noted
	148.	The Draft Policy Document (Regulations) was approved.
	149.	The Executive Summary of the Consolidated Draft Policy was deferred for further consideration
	150.	The Draft Consolidated Policy Document was deferred for further consideration.
29 January & 11 February 2026	151.	Contract of Employment Renewal for RFP Manager – approved.
	152.	Lerumo Properties Settlement Proposal was approved.
	153.	Procurement status update on the RFP Process was noted.
	154.	Quarter 3: Corporate Governance Report was approved.
	155.	Quarter 3: Status Report on the Implementation of all Recommendations from Forensic Reports/Disciplinary Process, Consequence Management & Other Related Matters was noted.
	156.	Quarter 3: Status of the Organisation Report from the Commissioner was noted.
	157.	Quarter 3: NLPT Management Report was noted.
	158.	Quarter 3: NLPT Trust Governance Report was noted.
	159.	Quarter 3: Non-Financial Performance Report was approved.
	160.	Quarter 3: Internal Audit Non-Financial Performance Report was noted.
	161.	2026/27 Annual Performance Plan was approved.
	162.	Strategic Plan 2026/27 was approved.
	163.	Internal Audit Smart Report on 2026/27 Annual Performance Plan was approved.
	164.	NLC Strategic Risk Register 2026/27 was approved.
	165.	The Materiality Framework was approved.
	166.	The Network Policy was approved.
	167.	Access Control and User Maintenance Policy was approved.
	168.	Data Management Policy was approved.
	169.	Quarter 3: ERM Risk Management Report was approved.
	170.	Quarter 3: Finance Management Report was approved.
	171.	Quarter 3: Review Report: Unauthorised, Irregular, Fruitless and Wasteful Expenditure was approved.
	172.	Status Report on Disputed Audit Findings were noted.
	173.	Quarter 3: Status Report: AGSA Material Irregularities Findings were noted.
	174.	Quarter 3: ICT and Modernisation Management Report was noted.
	175.	Quarter 3: ICT Steering Committee Report (Steering Com) was noted.
	176.	Quarter 3: Legal Services Report and Organisational Compliance was noted.
	177.	Quarter 3: Internal Audit and Advisory Services Report was noted.
	178.	Final Draft 2026/27 NLC Internal Audit Plan was noted.
	179.	Internal Audit Methodology 2026/27 FY was noted.

180.	NLC Internal Audit Charter was noted.
181.	2026/27 Strategic Risk Appetite and Tolerance Framework was approved.
182.	Third Quarter Financial Management Report was noted.
183.	Draft 2026/27 MTEF Budget was approved.
184.	Investment Feedback Report was approved.
185.	Condonation of Irregular Expenditure was approved.
186.	Third Quarter Supply Chain Management Report was noted.
187.	Third Quarter Regulatory Compliance Report Temporary Licence National Lottery & Sports Pools Licence Monitoring Matrix was noted.
188.	Fourth Licence Transition Plan Progress Report was noted.
189.	Third Quarter Update: Ithuba Holdings Business Plan 2025/26 FY was approved.
190.	Third Quarter Enquiries and Complaints Report was noted.
191.	Third Quarter Ithuba Holdings Supplier Development Plan Report was approved.
192.	Quarter 3: Human Capital Management Report was noted.
193.	Research Based Funding Proposal Cricket South Africa was approved.
194.	Third Quarter Distributing Agency Report was noted.
195.	Third Quarter Operations Report was noted.
196.	Third Quarter Business Development Report was noted.
197.	Social Media Policy was approved.
198.	The Third Quarter Ethics Report was noted 1. Ethics Survey Report – 2025-26 2. ISO 14001 - Environmental Management System (EMS) Assessment Report
199.	Third Quarter Employment Equity Report was noted.
200.	Third Quarter Health & Safety Report was noted.
201.	Third Quarter Learning and Development Report was noted.
202.	Third Quarter Procurement Report and Enterprise Development Report was noted.
203.	Third Quarter Environmental Report was noted.
204.	Third Quarter Facilities Report was noted.
205.	Third Quarter Security Report was noted.
206.	Third Quarter Whistle Blowing Status Report was noted.
207.	Third Quarter Stakeholder Relations/ Engagements Report was noted.
27 February 2026 208.	Lerumo Final Settlement Proposal was approved.
12 March 2026 209.	The Board approved the Guardians of Hope Research Based Funding Concept, considering all concerns raised during the meeting in the implementation phase
210.	The Presentation on Research-Based Funding Reports–Rural Development was noted
211.	The Presentation on Research Based Funding Reports – Schools Programme was noted.
212.	The Revised APP 2026/27 was approved.
213.	The Performance Management Policy was approved.



2. NLC Corporate Governance Framework

2.1. Introduction

The NLC's corporate governance framework embodies the Lotteries Act No. 57 of 1997 as amended, the Public Finance Management Act as a Schedule 3A, the Companies Act, and the principles contained in King IV, as well as the NLC policies which contain the best practice, processes and systems that enable the NLC to execute its governance responsibilities, whilst supporting accountability.

2.2. Portfolio Committees

The NLC continues to account to the parliamentary portfolio committee and responds to parliamentary questions as and when needed on matters of clarity pertaining to the organisation.

3. Executive Authority

The Minister of Trade and Industry, in his capacity as the Executive Authority of the NLC, exercises oversight in accordance with provisions of the PFMA. The NLC complied with all reporting requirements of the PFMA and Treasury Regulations Compliance Schedule through the submission of quarterly reports, management accounts, income and expenditure statements with projections, the AFS, budget of estimated revenue and expenditure, strategic and annual performance plans, a fraud prevention plan and a risk management plan within the stipulated periods as indicated under the PFMA and Treasury Regulations Compliance Schedule.

Parliament, through the Portfolio Committee on Trade and Industry (Portfolio Committee), exercises oversight of the service delivery performance and commitments made in terms of the NLC's strategy and APP. The NLC continues to respond to Parliamentary Questions.

The Board through the Chairperson holds briefing sessions with the Minister on a regular basis tp provide updates on matters of governance and material issues which affects the NLC in exercising its mandate.

4. The Accounting Authority/Board

4.1. Introduction

The Board of NLC is governed by the Board Charter. The charter was last reviewed in January 2025, which outlines the Board's functions, powers, and responsibilities. The Board Charter is reviewed annually.

4.2. The role of the Board is as follows:

Over and above the responsibility for setting the strategic direction of the NLC, finance and performance objectives, the Board has applied the principles of openness and transparency in fulfilling its statutory duties to:

Duty	Outcomes
Advise the Minister on issuing of the licence to conduct the National Lottery	Fourth National Lottery Licence Request for Proposal: Strategy and proposed RFP Document for publishing submitted in line with Section 13(2) (a) of the Lotteries Act requirements
Advise the Minister on the efficacy of legislation pertaining to lotteries and ancillary matters	Advise the Minister of Trade, Industry and Competition on the Efficacy of Legislation: Legislative Review: • On any matters relating to the National Lottery and other lotteries or any other matter on which the Minister requires the advice of The Board: • Sale of National Lottery tickets as an essential service. • Submission on approval for Multi-year Funding submitted in line with Lotteries Act requirements. • Re-configuration of NLC distributing agencies.
Ensure that the National Lottery and sports pools are conducted with all due propriety.	• Oversight of the National Lottery Participants Trust. • Approval of related policies and strategies. • Monitoring of implementation of policies.
Administer and invest the money paid to the NLDTF in accordance with the Lotteries Act.	Approval of Investment Policy.
Ensure that net proceeds of the National Lottery are as large as possible.	• Approval of game design from the Operator. Monitoring financial dimensions of National Lottery Operations. • Approval of Investment Policy. • Approval of Revenue maximisation strategy. • Education and Awareness on Society Lotteries and other lotteries.
Perform such additional duties in respect of lotteries as the Minister may assign to the Board	All Board duties performed in line with legislative prescripts. There were no additional duties assigned by the Minister.
Administer the NLDTF and hold it in trust.	Approval and implementation of Regulations relating to funds for worthy causes and appropriate budget, as well as site monitoring and evaluation of NLDTF funded projects.



Duty	Outcomes
Monitor, regulate and police lotteries incidental to exempt entertainment, private lotteries and society lotteries	Approval of related policies and strategies. Monitoring of illegal lotteries and curbing of the same. MoUs with relevant gambling authorities.
Duty	**Outcomes**
Make such arrangements as may be specified in the licence for the protection of prize monies and sums for distribution.	Oversight of the National Lottery Participants Trust.
Duty	**Outcomes**
Advise the Minister on any matter relating to the National Lottery and other lotteries or any other topic on which the Minister requires the advice of the Board.	Advise the Minister of Trade, Industry and Competition on the Efficacy of Legislation: Legislative Review: • Advice to the Minister on any matter relating to the National Lottery and other lotteries or any other matter on which the Minister requires the advice of The Board: Sale of National Lottery tickets as an essential service. • Advice relating to the fourth National lottery
Duty	**Outcomes**
Advise the Minister on percentages of money to be allocated.	• Legislative review recommendations submitted. • Percentages of monies allocated and maintained.

4.3. Committees

4.3.1. Human Capital and Nominations Committee (HCNC)

During the year under review the Human Capital and Nominations Committee undergo an extensive exercise in ensuring that the Human Capital Policies are reviewed and in line with the labour practice prescripts. Stakeholder engagements were held by the Committee in this regard this include trade unions and staff. Furthermore, the Committee facilitated capacitation of the Executives to ensure the organisation can deliver its mandate. Under remunerations, for the year reported the Committee signed a multi year wage agreement with the unions for the next 3 financial years, details to be reported under the Human Capital section of this report.

Committee	No. of meetings held	No. of meetings attended	Name of members
HCNC	6	6	Ms. Beryl Ferguson
		6	Dr. Mojaki Mosia
		6	Mr. Lionel October
		6	Mr. Tembinkosi Bonakele

4.3.2. Social and Ethics Committee (S&E)

Restoration of ethical culture has been identified as one of the NLCs main priorities to rebrand and prevent the injustices of the past from recurrence. The Board of NLC in April 2023 adopted a resolution that the Social and Ethics Committee be a stand-alone Committee to fulfil the provisions of Section 72(4) of the Companies Act and ensure oversight and monitoring of the NLC organisational culture and ethics management strategies implemented. The Committee continues to review the Code of Conduct, the Declaration of Interest Forms, monitoring the whistleblowing reporting, enterprise development and stakeholder engagement plan as part of its mandate to ensure rresponsible corporate citizenship, sustainable development and stakeholder relationships. The Organisational Core values were reviewed include but not limited to Integrity and Accountability.

Committee	No. of meetings held	No. of meetings attended	Name of members
S&E	4	4	Ms. Beryl Ferguson
		3	Dr. Mosia Mojaki
		4	Prof. Barney Pityana
		3	Mr. Lionel October

4.3.3. Board Distribution Committee (BD)

The Committee has an independent oversight role on all policy matters related to Grant Funding Operations, Business Development and Distributing Agencies, and shall consider and make recommendations to the Board for consideration and final approval. The matter of concern for the year: there was an underspent on the number of applications which were declined primarily due to non-compliance.

Adjudication commenced in August 2025 following the operationalisation of the Distributing Agency. At the end of the 2025/26 financial year, a total of 1 226 applications had been adjudicated, comprising 233 approvals, 843 declines, and 150 requests for additional information. This represents approximately 39% of the total applications received, with the remaining applications carried over into the 2026/27 financial year for finalisation. The adjudication outcomes have provided valuable insights into areas of non-compliance within the civil sector. In response, the National Lotteries Commission will implement targeted capacity-building initiatives aimed at strengthening applicant compliance, improving the quality of submissions, and enhancing overall access to funding opportunities.

Committee	No. of meetings held	No. of meetings attended	Name of members
BD	5	5	Mr Lionel October
		5	Ms Precious Mvulane
		5	Prof Barney Pityana
		5	Mr T Bonakele

4.3.5. Board Regulatory Compliance and Legal Committee

Committee has an independent role with accountability to the Board on all policy matters related to the regulation of the National Lottery and Sports Pools, society and other lotteries, organisational compliance, and litigation of the NLC.

The Committee on a quarterly basis ensures that;

- The National Lottery and Sports Pools operations are conducted in accordance with the Act and the Licences;
- National Lottery and sports pools Operator maximises revenue generated from ticket sales to fund worthy good causes.
- There is enforcement action taken against illegal lotteries and the protection of National Lottery, sports pools, society and other lotteries players.
- Provider oversight of the overall NLC litigation matters and monitor issues of organisational compliance within the NLC.

During the year under review the Committee reviewed the litigation and regulatory compliance policies, monitored the progress report against the approved 2024/25 operator's business plan and lastly the monitoring of the legal services and litigation matters against the NLC.

Committee	No. of meetings held	No. of meetings attended	Name of members
BLRC	4	4	Mr Tembinkosi Bonakele
		4	Prof Barney Pityana
		3	Ms Precious Mvulane
		4	Ms Beryl Ferguson

4.3.6. Finance Committee

The Committee ensures that management develops and maintains procurement policies and processes that are fair, equitable, transparent, competitive, cost-effective and subject to legislation regulating procurement processes.

Monitor that priority is given to the procurement of goods and services to relevant groups of people as outlined in the Supply Chain Management policy and the DOA (Delegation of Authority). The Committee is further responsible for overseeing the formulation and updating of the Company's investment strategy, which strategy will be in line with the Company's investment policy and make recommendations to the Board for approval thereof.

Lastly, monitor tax matters, financial, business and commercial risks and recommendation of the Annual Financial Statements and budget to the Board for approval.

Committee	No. of meetings held	No. of meetings attended	Name of members
FC	6	6	Ms Irene Ramafola
		6	Ms Lynne Tromp
		5	Ms Beryl Ferguson
		6	Mr Tembinkosi Bonakele

4.3.7. Reparations Committee

The Reparations Committee was established by the Board to provide oversight and strategic guidance for the NLC Reparations Initiative, including the development of the reparations framework, consideration of independent advice and assurance, and the recommendation of reparative measures to the Board.

Following extensive legal, governance and assurance reviews, the scope of the initiative was refined to focus on qualifying current and former employees affected by historical institutional failures. The Committee successfully fulfilled its mandate during the year, with Board decisions on reparative measures finalised and implementation transitioning to normal operational and governance processes.

Committee	No. of meetings held	No. of meetings attended	Name of members
RP	6	6	Ms Beryl Ferguson
		5	Dr Mosia Mojaki
		5	Mr Lionel October

4.4. Remuneration of Board members

Board members are remunerated in line with the NLC approved remuneration policy for the Board of Directors. These include Board Meeting attendance and preparation fees, RFP fees and travel expenses.

- Ms Irene Ramafola is a Shareholder Representative who is not remunerated.
- The below table depicts the amount paid to each director

*Ms Louw, Ms Tromp and Dr P Dala are independent members of the Board Audit and Risk Committee

*Dr Dala is also a member of the ICT Steering Committee

*Dr S Mojaki is an independent member of the Human Capital Committee and Social and Ethics Committee

**Ms I Ramafola is the Minister's representative appointed in April 2023



Members	Board meeting fees	Other Claims	Cell phone allowance	RFP Meetings	Total 2026	2025 TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
Prof B Pityana	866	-	54	278	1 198	1 444
Ms B Ferguson	557	7	40	228	832	1 146
Ms. P Mvulane	647	-	44	220	911	1 152
Mr L October	424	-	48	217	689	977
Mr T Bonakele	489	5	48	222	763	870
Dr P Dala*	308	-	44	-	352	531
Ms L Tromp*	168	-	20	-	188	288
Ms C Louw*	187	-	24	-	211	207
Dr S Mojaki*	229	2	0	-	231	283
Ms I Ramafola**	-	-	-	-	-	
Total	**3 874**	**15**	**322**	**1 165**	**5 376**	**6 898**







“The support from the National Lotteries Commission of South Africa has been instrumental in growing Gymnastics South Africa. The funding enabled us to invest in development and high-performance programmes, while also building organisational and technical capacity. It helped create development pathways for gymnasts, coaches, and administrators ensuring sustainable growth of the sport.”

KHUMBULANI KONCO
CEO, GYMNASTICS SOUTH AFRICA

NLC ESG Components



Governance:

- Implementation of Board Resolutions
- Review and implementation of Organisational Policies
- ISO 37001: ABMS Certification
- Internal Control Self-Assessment (ICSA)
- Implementation Combined Assurance Framework



Environment

- Impact and Aspect Assessment
- ISO 14001 Implementation
- Environmental Management Legislative Compliance
- Emergency Response Planning
- Waste and Assets Disposal
- Energy and Resource Utilisation

Social:

- Number of CSI Beneficiaries
- Operator CSI Programme
- ESD Number of Beneficiaries
- Jobs Created or Retained
- Research-Based Funding Programmes
- Disaster and Emergency Response
- Bursary Programme

The NLC is implementing the Environmental, Social and Governance (ESG) Strategy. The considerations of ESG do not exist in isolation within an organisation and therefore ESG integrates these considerations under the oversight of the Board Social and Ethics Committee (BSEC) to demonstrate the positive impact that the National Lotteries Commission (NLC) has on communities locally and globally. The ESG Strategy seeks to inform efforts taken by the NLC towards ESG through reporting, business practices, policies and procedures, investments, board activities, stakeholder engagements and inter-departmental relations within the public service. The NLC acknowledges that its existence, and related operations, has a potential impact on the natural environment, socio-economic environment that it operates within and governance practices it adopts to serve communities. The NLC is committed to mitigate possible negative impacts and risks; and redress past socio-economic inequalities and promote future equality, whilst maintaining good governance practices that establish the NLC as a good corporate citizen.

5. Risk Management

The National Lotteries Commission (NLC) is committed to a process of ERM that is aligned to the Public-Sector Risk Management Framework as well as best practices. It is acknowledged and accepted that the implementation of risk management within the NLC is a legislative requirement as per Section 51 of the PFMA. The risk management practices of the NLC goes beyond a call of compliance, as risk management is regarded as integral part of decision making and advancing the mandate.

The ERM Framework specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner. The standards further address the specific responsibilities and accountabilities for the ERM process and the reporting of risks and incidences at various levels within the NLC. As the field of ERM is dynamic, this framework document is expected to change from time to time.



MR MOLEMO MOGOLANE
CHIEF RISK OFFICER

The below risk management enabling documents were reviewed and/or developed during the year under review:

#	Risk Management	Ethics Management	Anti-Bribery, Fraud and Corruption	Business Continuity Management	Non-Compliance Grantee Management
1	Risk Management Policy	Code of Ethics	Anti-Bribery, Fraud and Corruption	BCM Policy	Non-Compliant Grantee Policy
2	Risk Management Framework	ESG Framework	Whistleblowing Policy	BCM Framework	Non-Compliant Grantee Charter

The risk assessments were conducted for the year under review and the following risk registers are in place:

#	Strategic Level	Operational Level
1	NLC-NLDTF Strategic Risk Register	Operational Risk Registers
2	NLPT Risk Register	Anti-bribery, Corruption and Fraud Risk Register
3	Licence Operator Risk Register	Project Risk Register
4	-	Ethics Risk Register

The above risk registers are analysed, monitored and reported to the NLC Governance Structures. On a quarterly basis the risk reports are presented to the Board Audit and Risk Committee.

The NLC strategic Risk Profile is as follows:

#	Outcomes	Key Risks	Residual Rating	Rating Rationale
1	Enhanced measures to regulate lotteries and sports pools	Regulatory Compliance Oversight	Low	There has been significant improvement in the control environment, and the below are noted During the year under review percentage compliance of lottery schemes compliant with the lotteries Act is 86% against the target of 80%. The target was exceeded due to the positive response to the sanctions by the lottery scheme operators Inspections and KYC assessments were conducted. This included pre-approval inspections and full compliance inspections, 4 KYC assessment were conducted Corrective and Consequence Management for unlawful lotteries schemes have been implemented.
2		Regulatory Enforcement Powers	Medium	The risk remains medium, there is a long-standing Court Case and judgement is pending which will be followed by a response plan to other schemes with similar matters. The Lotteries Regulations Review Project commenced during the year under review, recommended amendments have been submitted and discussed in several engagements with the dtic, it is envisaged that once the amendments are enacted the risk will be moderated due to enhanced enforcement powers
3	Manage transition from the Third to the Fourth National Lottery and Sports Pools Operator	Fourth Operator Licence (Appointment and Transmissions)	High	The risk remains high due to risk contributors to transitioning from 3rd to 4th licence, the transition plan is monitored closely to ensure stabilisation and achievement of compliance, revenue and business continuity objectives. The risk is further aggravated by licence award litigation
4	Building a capable, ethical and developmental state through impactful funding	Grant Funding and Funded Projects Implementation	High	There has been significant improvement in the control environment: The Distribution Agency appointment was concluded during the year under review which led to expedited adjudication of application Implementation of Thuthuka system with APIs which helped to identify and prevent fraudulent grant applications Below is the risk downside which called for retaining the risk as high: • Most NPOs are non-compliant with the sector requirements. This led to a high applications decline rate • High decline rate impacting on grant funding mandate and resulting and a low number of organisations funded, • The grant funding budget/allocation not adequately utilised due to grantee breach of grant agreements resulting in withdrawals and cancellations of grants, and having huge non-compliant applications • The ability to create jobs is also hindered by not having adequate compliant projects to fund, which also contributed to the jobs creation target not being met

#	Outcomes	Key Risks	Residual Rating	Rating Rationale
5	NLC restored governance and integrity with zero tolerance for fraud and corruption.	Fraud and Unethical Conduct	Medium	There has been huge improvement in the management of the risk, the below are noted: • Full Implementation of ISO 37001-Anti-Bribery Management System, its audit review and resolving of all findings raised. • Ethics training and ethics survey recommendations implemented. • Conclusion of Lifestyle Audits • Initiation of consequence management referrals from SIU, Forensic Unit, Loss Control Committee, Declaration of Interest Validation and Lifestyle review omission and discrepancy reports • Implementation of the fraud prevention plan
6	Implementation of the Digital Transformation Strategy	Cybersecurity	High	Control environment has improved and the below are noted: • COBIT 19 Assessment conducted, and recommendations are being implemented • ISO 27001 Information Security Management Systems (ISMS) conducted, • System penetration tests conducted • Procurement of Cybersecurity Insurance Policy completed Risk downside for retaining the risk as high: • DRP is an area of development • Cloud Strategy is an area of development
7	Implementation of the digital transformation strategy	ICT Strategy and Modernisation	Moderate	The below improvements in the control environment are noted, though there is significant number of audit findings that need to be resolved: • The Thuthuka System has been fully implemented. • ICT roadmap and value creation mapped • All ICT policies are adequately reviewed and up to date • Governance in the procurement of systems have been improved with business cases for solutions being reviewed by the ICT Steering Committee
8	Effective response and litigation management	Legal and Litigation	High	The risk is maintained as high, and the below are reported: • The legal services policies and SOPs have been implemented • Litigation management capacity through panel of attorneys has brough diverse capacity to respond to various cases that differ in nature • Litigation risk is aggravated by the 4th licence litigation, litigation from grantees and service providers. • Adequate liability insurance cover is in place and it includes, Directors and Officers Liability, Employer Practice Liability and Public Liability

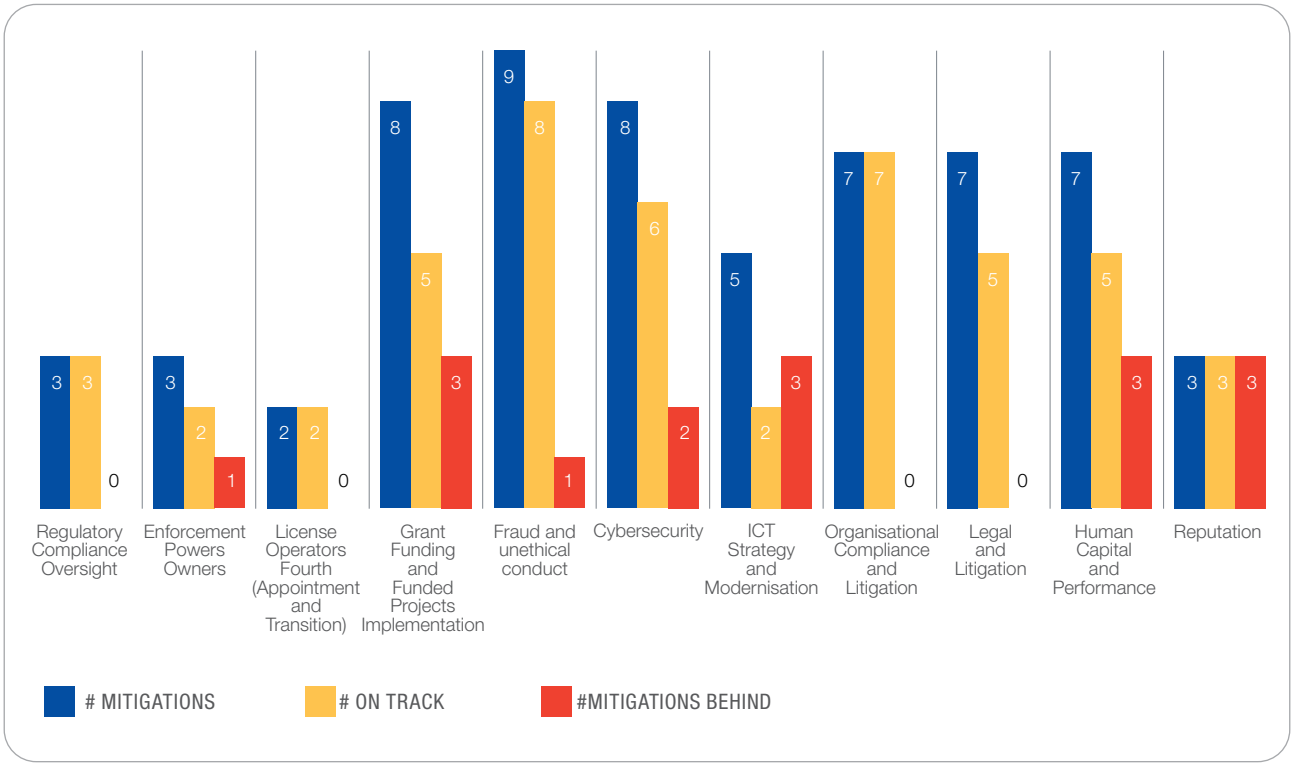
#	Outcomes	Key Risks	Residual Rating	Rating Rationale
9	Effective organisational compliance	Organisational Compliance	Medium	Significant progress recorded in the control environment: • Organisation Compliance Policy and Universe are implemented • Compliance Assessments conducted and Compliance Risk Treatment Plans are developed and implemented • Combined Assurance Forum was established in the year under review, • There has been traction in resolving internal and external audit findings • The Loss Control Committee and Non-Compliance Committee has enabled PFMA compliance in the areas of fruitless and irregular expenditure and recovery of losses
10	Cultivating a skilled, ethical, and motivated team through organisational culture renewal	Human Capital and Performance	Medium	Control environment improved and the below are noted: • Implementation of Organisational Renewal programme • Implementation of Performance Policy with 100% compliance to the contracting and assessments requirements • Implementation of Workplace Skills Development Plan • Employment Equity Compliance • Staff turnover rate is within the risk tolerance level Implementation of the new structure is an area of development due to delays in the finalisation of the placement policy, Succession Planning is an area of development and it should be addressed once the placements are completed.
11	Enhanced Stakeholder, Community and Customer Engagement for improved partnership and impact	Reputation	Moderate	Control environment improved and PR and Media Engagement Strategy implemented and achieved the below: • Elevated the NLC brand nationally. • Strengthened public understanding of governance reforms. • Reinforced the NLC's regulatory oversight role. • Improved public perception and trust



6. Mitigation Status

The chart below depicts the status of the implementation of strategic risk mitigations.

Mitigations Tracker



The Below are noted:

- Establishment of DR Site to support BCM is behind due to SLA with IDC finalisation (Cybersecurity Risk)
- Anti-bribery management system ISO 37001 Certification is behind due to non responsiveness of Certification Bodies to the RFQ issued; however the appointment was only made in Q4, it is envisaged that the certification will be obtained in Q1 of the new financial year (Fraud and Unethical Conduct Risk)
- Finalisation of 2024-25 grant application adjudication and opening of 2025-26 call are behind, this is attributed to system issues, delayed DA appointments and non-compliance in the sector (Grant Funding Risk)



6.1.2. Mitigations Status

The graph above depicts the strategic risk heatmap.

Graph 2: **Heatmap (Residual risk)**



Residual Risk Heatmap

Based on the analysis and residual risk assessment outcome: Grant funding is maintained at a high due to adjudication and performance relating to the disbursing of funds within the regulated period. Human Capital is moderated from a high to a medium due to progress made in the implementation of the structure and performance compliance culture. Reputation, Regulatory compliance Fraud and Bribery are medium, while Cybersecurity remains high.

Fraud Prevention Plan

The NLC Lunched its Fraud Prevention Plan in November 2024 in line with Fraud Awareness week initiatives. Furthermore, the NLC has implemented ISO 37001 Anti-Bribery Management System (ABMS), during the year under review. The compliance baseline was established and grew to 73% in the last quarter of the financial year. The NLC is pursuing an ISO 37001 Anti-Bribery Management System Certification for the financial year 2026/27

The components of the NLC Fraud Prevention Plan.



Tone at the top statement by the Commissioner: Jodi Scholtz

1. "Integrity is one of our core values at the NLC. We are committed to operating lawfully, ethically and with integrity in every aspect of our business. We acknowledge that the NLC has previously been the victim of corrupt practices but we are cleaning up the legacy of the past! This requires an unwavering commitment to ethics from our people, business partners and stakeholders to ensure that we remain firmly on our new path of accountability, transparency, and good governance. We are rebuilding our processes, policies, controls and procedures, and filling key roles with skilled ethical professionals.
2. With the new management team and our robust enhanced compliance programme, built in accordance with the ISO37001 Standard, I have every confidence that we have all the right ingredients to eradicate corruption at the NLC.
3. We expect all staff and suppliers to comply with anti-bribery and corruption laws and will not hesitate to take severe and appropriate action against staff and business partners who fail to do so."
4. Lifestyle audits continued to progress, with Phases 2 and 3 fully completed (220 disclosures), while Phase 4 was substantially progressed with 46 of 51 disclosures submitted (90%), and a further 19 new employees were allocated to the service provider under Phase 5.

7. Whistleblowing

The NLC has a Whistleblowing Policy and NLC employees use the following channels to report suspected incidents of fraud and corruption:

- A dedicated Free Call number which is **0800 2121 29**
- One unique e-mail address which is **nlcsa@tip-offs.com**
- Tip-offs Anonymous website which is **nlcsa.tip-offs.com**
- Report to Management or Forensic wing of Internal Audit Department.

The reports are prepared, and they include only objectively presented information that is in direct relation to the scope of any investigation undertaken for the verification of the alleged facts. All reports provided to the NLC are designed in a way that elimination of any element that could identify the employee making a disclosure. This means that the employee will remain anonymous if they have chosen to use this option.

7.1. Declaration of Interest

The NLC is committed to doing ethical business. NLC employees are expected to perform their duties conscientiously, honestly and in the best interests of the NLC. NLC employees shall always conduct themselves in a manner that enhances the reputation of the NLC and avoid putting themselves in any position that could lead to perceived or actual conflicts of interest, circumstance or duty.

a) Annual Declarations on interest

The first quarter of the financial year is regarded as declaration of interest season. All employees and members of the NLC Governance structures shall declare their business and financial interests. Such interest shall be validated against the Companies and Intellectual Properties Commission (CIPC) and other organisations. The declared interest shall be evaluated to establish any conflict with the employee or member duties. 100% annual declaration of interest was achieved during the year under review.

b) Gifts Declarations

Gifts from suppliers, grantees and other NLC stakeholders are managed in line with the principles articulated in the NLC Code of Ethics. Employees shall complete the declaration forms which are to be reviewed and approved line managers ahead of submitting to the ERM Department where a gift register is maintained and reported to EXCO and the Board.

c) Permission for doing work outside the NLC.

Before an employee undertakes or accepts remunerative and/or non-remunerative work outside the NLC, permission to do work outside the NLC must be completed and considered for approval, assuming the below requirements are met:

- NLC resources will not be used to execute the outside work;
- Confidential information of the NLC will not be used to advance outside work;
- Performance of the employee requesting permission must not be compromised by outside work;
- Employees contracted hours to the NLC should not be compromised by the outside work; and
- The outside organisation must not be in competition and conflict with the NLC.
- Permission is granted for 12 months, and employee must reapply to continue ahead of expiry date. NLC reserves the right to revoke the permission should any of the above conditions be breached.

d) Grantees Conflict of Interests

Grantees complete declarations of interest and articulate in their applications how they ensure good governance and manage conflicts of interest. Such declarations shall be evaluated to establish conflict exposure with stakeholders including their professional service providers to prevent the risk of money laundering.

7.2. Non-Compliant Grantee Management

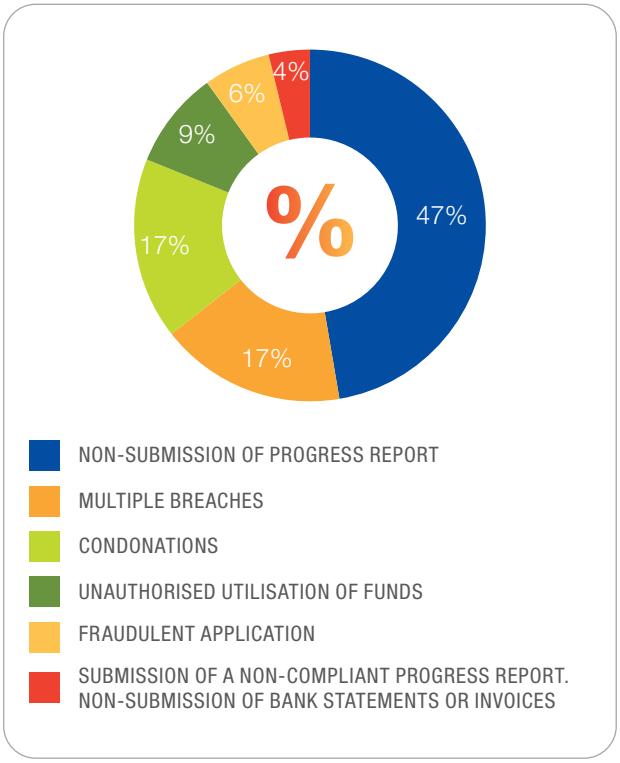
The Compliant Grantee Management Programme is implemented in compliance with Section 33 of the Lotteries Act, which calls for prohibition, reduction and withdrawal of grant in the event:

- Is utilised or is likely to be utilised in an unauthorised manner that does not comply with the purpose or conditions stipulated in the grant;
- Is utilised or is likely to be utilised for an unlawful purpose; or
- Was applied for in a misleading or fraudulent manner,
- The execution of the mandate is through the non-compliant grantee which has the below responsibilities:
- Place the grantee on the non-compliant grantee list only after ensuring that a proper process was followed in declaring them non-compliant.
- Strictly deal with each matter on its merits.
- Delist the non-compliant grantees and/or member/ Director once satisfied with the remedies applied;
- Refer the matter for further investigation to the Forensic Department.
- Refer the matter for recovery of funds to the Legal Services Division.
- After a decision to list has been made by the NCGC, communication notifying the grantee about their non-compliant status will be sent directly to the organisation by the province.
- Consider requests for condonation of unauthorised deviations.

In the year under review, 503 referrals we received and significant number of grantees were listed for non-submission of compliant progress report which is a material breach of the grant agreement. The organisations that had their condonation requests for unauthorised deviation is 45. The deviations are largely because prioritisation of funds especially where the grantee has multiple sources of funding.

Non-Compliant Grantee listing stats

The graph below depicts number of referrals received and listed referrals:



Some is response to damages from natural causes and the need to maintain the facilities. Multiple breaches include a combination of non-submission reports, fraud, unauthorised utilisation of funds or non-implementation of the project and not accounting for funds received.

7.3. Business Continuity Management

The NLC refers to good global practices in business continuity management. According to the Business Continuity Institute's Good Practice Guideline (GPG) Edition 7.0 and ISO 22301: Business Continuity Management System (BCMS), practical BCM programme development and implementation should cover various areas defined in the Business Continuity Management System (BCMS) to ensure that the benefits of BCM are realised.

Professional practice Compliance

See Figure 1: BCM System Structure

Table below depicts compliance with BCM Professional Practice

Professional Practice (PP)	Components	Control Effectiveness	Status As of Quarter Four
PP1: Policy and Programme Management	BCM Policy, BCM Operational Framework, BCM Governance	The Disaster Recovery Policy and Business Continuity Policy have both been reviewed and updated.	Good
PP2: Embedding	Training and Awareness	BCM Awareness was conducted during the ERM roadshows at provincial offices. BCP Training for Risk and Compliance Champions has been successfully conducted.	Good
PP3: Analysis	Business Impact Analysis	The risk remains high due to risk contributors to transitioning from 3rd to 4th licence. The transition plan is monitored closely to ensure stabilisation and achievement of compliance, revenue and business continuity objectives. The risk is further aggravated by licence award litigation	Good
PP4: Design	Selecting BC Strategies	BC Strategies are incorporated in the BCPs for Head Office and all Provincial Offices. The development of these BCPs is complete.	Satisfactory
PP5: Implementation	Response plans/ Strategy Implementation of BCP.	Response strategies are incorporated in the BCP. The Emergency Response Plan (ERP) document has been drafted and is currently undergoing internal review. The Disaster Recovery Plan (DRP) is under review; in the interim, reliance is on the Back-up Policy.	Major Improvement Needed
PP6: Validation	Exercising, Testing and Maintenance of BCP	Testing and validation for Head Office has been completed. Though the HO BCP was tested, the ICT environment is not testing ready due to inadequacy in the DR site	Satisfactory

7.4 Internal Control Unit

The Board, as the designated Accounting Authority under the PFMA, is tasked with ensuring sound financial management, compliance with legislative requirements, and the maintenance of effective internal controls. It provides this through several measures, some of which are detailed under governance section. Management has the responsibility to design, implement and continually review internal controls to provide assurance on the effectiveness, efficiency of operations, and reliability of financial reporting, safeguarding, and maintaining accountability for the assets of the organisation. These controls are monitored throughout the NLC by management and employees, with the necessary delegation of duties. The internal audit performs independent reviews on the effectiveness of these controls as part of its annual internal audit plan and the audit reports are presented to the Audit and Risk Committee. Therefore, internal controls are integral with all key governance processes. This report highlights how the Board has discharged this task of an effective internal control system, which expect the Board to provide reasonable assurance that:

- Assets are safeguarded;
- Financial and other information is reliable;
- Laws, directions, and policies are being complied with; and
- Errors and fraud are prevented.

The foundation for the NLC's internal control system, rests on the board attitude and actions towards organisation's values, governance structure, and leadership's commitment to integrity and accountability.

8. Internal Audit

Strategic Role and Purpose of Internal Audit

The Internal Audit and Advisory Services Division is a key component of the National Lotteries Commission's (NLC) governance and accountability framework. The Internal Audit Function (IAF) provides independent and objective assurance and advisory services over governance, risk management and internal control processes in accordance with the Public Finance Management Act (PFMA), applicable Treasury Regulations and the Institute of Internal Auditors' Global Internal Audit Standards.

The IAF is led by the Chief Audit Executive (CAE) and operates in terms of the Internal Audit Charter approved by Board Audit and Risk Committee. The Charter defines the mandate, authority, organisational position and reporting arrangements of Internal Audit.

Key activities and objectives of the internal audit function

Purpose and mandate

The purpose of the IAF is to support the NLC in achieving its constitutional, legislative and strategic objectives through reliable, independent assurance and trusted advisory services. Internal Audit evaluates and promotes the effectiveness of governance, risk management and internal controls across the organisation.

The CAE reports functionally to the Board Audit and Risk Committee (BARC) and administratively to the Commissioner. These reporting arrangements are designed to preserve the organisational independence of the IAF. The Internal Audit Charter was reviewed during 2025/26, aligned to the Global Internal Audit Standards, tabled at EXCO and approved by BARC.

Strategy

Internal Audit operates in accordance with an approved three-year Internal Audit Strategy aligned to the NLC's strategic priorities and risk profile. Its vision is to be a trusted, credible and professional cornerstone of the NLC, proactively embracing innovation while upholding objectivity. The strategy focuses on effective delivery of the risk-based audit plan, professional capacity, technology and data analytics, quality assurance, stakeholder engagement, combined assurance and continuous improvement.

Charter, methodology and internal audit plans

The Internal Audit Charter and Methodology were reviewed during the year and aligned to the Global Internal Audit Standards and subsequently approved by BARC. The rolling three-year risk-based Internal Audit Plan and 2025/2026 annual coverage plan were developed through risk assessment and stakeholder consultation and approved by BARC.

Independence and objectivity

The IAF operated independently and objectively throughout the reporting period. There were no reported impairments to the organisational independence of Internal Audit.

The CAE maintained direct access to BARC and reported on independence, audit performance, significant matters, resource requirements and implementation of corrective actions. Internal auditors are required to disclose actual or perceived conflicts of interest and safeguards are applied where necessary.

Internal audit modality

The NLC operates a co-sourced Internal Audit model. A permanent in-house team retains responsibility for the Internal Audit mandate, planning, execution oversight, quality and reporting, and is supplemented by external specialist capacity where additional or scarce skills are required. During 2025/26, co-sourced assignments were undertaken through approved procurement arrangements with specialist service providers, including Rakoma, Masakhane, Nexia SAB&T, Valore Consulting, R Kalidass, Chapu CA and GM Solutions.



Staffing

The approved Internal Audit and Advisory Services structure comprises specialist capability across Internal Audit and Advisory, IT Audit and Advisory, and Forensic Investigation and Quality Assurance. The approved structure reflected 24 positions, of which 22 were filled and two were vacant. Recruitment and targeted sourcing continued for specialist vacancies, including scarce IT audit and data analytics capacity.

Approved positions	Filled	Vacant	Funded	Unfunded
24	22	2	24	0

The function's skills mix includes internal auditing, performance auditing, information systems auditing, data analytics, forensic investigation and quality assurance. Professional certifications represented across the team include CIA, CISA, CFE and IAT, among others. Training and development continued during the year through professional conferences, data analytics training, Global Internal Audit Standards workshops, GRAP training and role-specific development.

During the 2025/26 financial year, expenditure attributable to the core Internal Audit and Advisory Services activities amounted to R31.33 million. To provide greater transparency over the nature of expenditure within the wider Division, forensic investigation expenditure of R10.59 million and expenditure relating to SIU investigations of R23.27 million are separately identified.

Total expenditure of the Internal Audit and Advisory Services Division amounted to R65.19 million for the year.

The core Internal Audit expenditure includes employee-related expenditure, co-sourced assurance services, travel and other operating costs. Employee-related expenditure represented the principal component of the in-house Internal Audit cost base, while the co-sourced model continued to provide access to specialist capacity where required.

Quality Assurance and Improvement Programme

A Quality Assurance and Improvement Programme (QAIP) is in place and includes ongoing quality monitoring, periodic internal assessments, stakeholder feedback and external assessment activity. A periodic internal assessment was completed during Q4 of 2025/26.

The most recent full External Quality Assessment was conducted in August 2019, with an independent follow-up review in 2021 confirming overall conformance and closure of key improvement actions. In preparation for assessment against the new Global Internal Audit Standards, an independent External Quality Assurance Readiness Assessment was completed on 24 March 2026. The assessment concluded that the NLC Internal Audit Division Generally Conforms to the Global Internal Audit Standards. The next full External Quality Assessment is planned for Q2 of 2026/27.

BARC oversees the performance and quality of the IAF through quarterly reporting and the QAIP. Stakeholder feedback was also incorporated into the 2026 readiness assessment, including feedback from BARC members, management and the Internal Audit team. The assessment recognised the value of the function while identifying opportunities for continued improvement, including technology, analytics and professional development.



MR VINCENT JONES
CHIEF AUDIT EXECUTIVE

Stakeholder Relationships

Internal Audit maintains structured relationships with BARC, the Commissioner and Executive Management, process owners, Risk Management, AGSA and other assurance providers. These relationships support risk-based planning, timely communication of significant matters, follow-up of corrective actions and coordinated assurance coverage. The Forensic Investigation component also engages relevant investigative and law-enforcement stakeholders in support of the NLC's integrity objectives.

Combined Assurance

Internal Audit contributes to the NLC's combined assurance process through coordination with AGSA, Risk Management, management and other assurance providers. Inputs from assurance providers were considered in the Internal Audit Plan. An assurance map was developed and incorporated into the approved plan, and a Combined Assurance Forum was established. Internal Audit continues to assess opportunities for appropriate reliance while retaining responsibility for evaluating the adequacy of assurance coverage and reporting assurance gaps to BARC.

Value-Add

During 2025/26, Internal Audit continued to strengthen its contribution to governance and organisational performance. Key accomplishments included 98% implementation of the approved annual Internal Audit Plan, expansion of continuous auditing and data analytics, alignment of the Charter and Methodology to the Global Internal Audit Standards, strengthening specialist capacity, finalisation of the procurement process for the TeamMate Internal Audit and Risk Management tool, and an independent readiness assessment outcome of Generally Conforms.

Limitations

No limitation was reported that impaired the independence of the IAF or prevented it from executing its mandate. Temporary specialist capacity constraints, particularly within IT Audit, were mitigated through recruitment and co-sourcing.

Summary of work done by the IAF in the reporting period

Planned and completed audits

The approved/revised 2025/26 Internal Audit Plan comprised 49 projects, of which 48 were fully completed, representing 98% implementation. On the basis of the year-end classification, the outstanding project related to the advisory COBIT 2019 Maturity Assessment: the detailed assessments were completed, while the consolidated report remained subject to management validation and governance tabling at year-end.

Service category	Planned	Completed	% Completed
Assurance and follow-up services	48	48	100%
Advisory services	1	0 fully finalised*	0%*
Total	**49**	**48**	**98%**

*The detailed COBIT 2019 assessments were completed; however, the consolidated advisory report was pending final management validation and governance tabling at 31 March 2026.

Ad-hoc projects

Three ad-hoc projects were initiated during 2025/26 and all three were completed (100%). These related to a quality review of pre-adjudication mandatory documents, employee leave and bonus payments.

Audits rolled over

Two ICT assurance assignments were formally deferred to Q1 of 2026/27: the Post-Implementation Review of Grant Management System Modules 1 to 7 and the Cyber Security Review, including penetration testing and vulnerability management. The deferred coverage was incorporated into Quarter 1 of the 2026/27 Internal Audit Plan and appropriately approved by BARC during the financial year.



Status of Audit Findings Addressed

Internal Audit conducts regular follow-up reviews to assess management's implementation of agreed corrective actions arising from Internal Audit and Auditor-General South Africa (AGSA) findings. The outcomes of these reviews, including progress in addressing findings and matters requiring further management attention, are reported to the Board Audit and Risk Committee (BARC).

As at 31 March 2026, 71 of 233 IAF findings had been addressed, representing approximately 31% of findings tracked. A further 70 findings (30%) were not yet due for implementation, while 92 findings (39%) were classified as not addressed.

In respect of AGSA findings, 38 of 61 findings had been addressed, representing approximately 62%, while 5 findings (8%) were not yet due for implementation and 18 findings (30%) were classified as not addressed.

Internal Audit continues to perform follow-up reviews and reports progress on the implementation of corrective actions to BARC.

	Number of Findings	Total Addressed	Not Yet Due	Total Not Addressed	No. of Recurring Findings
IAF Findings	233	71	70	92	26
AGSA Findings	61	38	5	18	13
Forensic Reports	Of the 365 forensic investigation recommendations issued, 245 (67%) were fully implemented, 38 (10%) partially implemented, and 82 (22%) remained outstanding as at the end of Q4.				

Mr Vincent Jones
Chief Audit Executive

NLC's Journey with the Special Investigating Unit

2020
SIU Proclamation

- SIU investigation initiated under Proclamation R32 of 2020

2023/24
Supporting Investigations

- 229 SIU information requests responded to
- Ongoing evidence and documentation provided

2024/25
Strengthening Cooperation

- 256 SIU requests responded to
- Continued institutional support
- Internal review of governance controls

2025/26
Accelerating Accountability

- 152 SIU requests responded to
- R222.3 million in matters referred to the SIU
  - R146.7m new matters
  - R75.6m expanded investigations
- SIU-related expenditure reached R91.7 million (cumulative)

Institutional Reform

- Thuthuka Grant Management System implemented
- Research-Based Funding Policy approved
- Lifestyle Audit Policy introduced
- Expanded lifestyle audits
- Stronger project monitoring
- Improved segregation of duties
- Enhanced grant validation and verification

Consequence Management

- 17 officials subjected to accountability processes
- 8 Dismissals
- 8 Resignations
- 1 Retirement

Implementation of Recommendations

- 8 recommendations tracked
  - 6 SIU
  - 2 NPA
- Improvements included:
- Stronger funding controls
- Better project oversight
- Lifestyle audits
- Grant management improvements
- Support for law-enforcement processes



TODAY
Rebuilding Public Trust
Integrity
Transparency
Accountability

9. Internal Audit and Audit Committees

Statutory mandate of the Audit Committee;

Public Finance Management Act no 1 of 1999 (PFMA):

In terms of Section 51 (1) a (i) & (ii), an accounting authority for a public entity, must ensure that that public entity has and maintains

a. Effective, efficient and transparent systems of financial and risk management and internal control.

b. A system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of Sections 76 and 77.

The Committee mandate is specified within Treasury Regulations 27.1.1 to 27.1.13.

Treasury Regulations Section 27.1.8 states that the Audit Committee must, amongst others, review the following:

a. the effectiveness of the internal control systems;

b. the effectiveness of the internal audit function;

c. the risk areas of the institution's operations to be covered in the scope of internal and external audits;

d. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;

e. any accounting and auditing concerns identified because of internal and external audits;

f. the institution's compliance with legal and regulatory provisions; and

g. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and

h. where relevant, the independence and objectivity of the auditors.

Section 5 of the Lotteries Act and Section 94 of the Companies Act empowers the Board to establish an Audit Committee.

Key activities of the Audit Committee for FY2025/26 were as follows;

Task	Frequency	Status	Action
Review Audit Committee Charter and recommend to the Board for approval FY2025/26	Annually	Complied	Approved in Q4 of FY2024/25 and amended in Q2 of FY2025/26
Approve Audit Committee Annual Work Plan 2025/26	Annually	Complied	Workplan reviewed in quarter 4 of 2024/25.
Review the performance of the Committee and its members and report back to the Board 2024/25	Annually	Complied	Done on Q2 of FY2025/26
Approve previous year Audited Annual Financial Statements (1st and 2nd draft) FY2024/25	Bi-Annually	Complied	Approved 1st draft on Q1 of FY2025/26 and final on Q2 of FY2025/26
Approval of Annual Budgets FY2025/26	Bi-Annually	Complied	Approved in Q3 of FY2024/25 i.e. 30 Jan 2025
Approval of previous year Annual Report FY2024/25	Annually	Complied	Approved in second quarter of FY2025/26 i.e. September 2025
Review the actual revenue and expenditure on a quarterly basis	Quarterly	Complied	This function is under Finance Committee and is being adhered to as per the committee terms of reference and workplan under Finance report which is subsequently approved by the Board.
Review of delegation of authority matrix	Annually	Complied	Reviewed and approved in August 2025

Task	Frequency	Status	Action
Review of 2025/26 Annual Performance Plan/APP/Strategic Risk Register	Annually	Complied	Reviewed on 30 January 2025
Approval of policies (Finance, SCM, ICT, Internal Audi, Enterprise Risk Management & Compliance)	As and when required or every 3 years		90% of organisational policies including ones mentioned herein were approved in years 2024 and 2025. Continuous compliance is being monitored. The last review was done in January 2026 for ICT policies.
Review and Approve the Internal Audit Charter and Plan	Annually	Complied	Internal Audit plan and Charter for FY2025/26 was approved in Q4 of FY2024/25. Mid-term review of the FY2025/26 of the Internal Audit plan was done in Q2 of FY2025/26
Monitor and evaluate the performance of the Internal Audit function	Quarterly	Complied	Internal Audit report to BARC on a quarterly basis regarding progress made against Internal Audit Plan & Forensic Methodology.
Review Risk Management Strategy	Annually	Complied	ERM Risk Management Strategy FY2025/26 was approved by ARC in quarter 3 of FY2024/25
Assessment of Risk Registers	Quarterly	Complied	Report on assessment of Risk Register presented to ARC on quarterly basis in a form of an Enterprise Risk Management report
Review combined assurance model, progress, and risk reports	Quarterly	Complied	ERM and Internal Audit Reports on combined assurance are presented quarterly to ARC.
Review of ICT governance and monitor the implementation of the ICT strategy	Quarterly		The ICT Governance Framework is in the approval process. The ICT Strategy will be developed as part of the Enterprise Architecture (EA) project. The EA tender is currently at the evaluation phase through the SCM process.
Review Compliance Risk Register	Quarterly	Complied	ERM and the Organisational Compliance Risk Register are presented to ARC on quarterly basis
Recommend for approval of the 2025/26 AGSA engagement letter and audit strategy	Annually	Complied	ARC approved and recommended strategy and engagement letters in quarter 4 of 2025/26
Review and approve the annual external audit plan	Annually	Complied	ARC approved external audit strategy in quarter 1
Assess the quality, effectiveness, and performance of the internal and external audit process	Annually	Complied	The Internal Audit External Quality assurance independent readiness assessment was completed and obtained a rating of General conformance.
Review Auditors' Report	Annually	Complied	ARC to review Auditors Report in quarter 2 of each financial year.
Investigation Reports	Quarterly	Complied	Forensic Investigations Report presented quarterly to ARC.

The tabled below discloses relevant information on the Audit & Risk Committee members:

Name	Qualifications	Internal or external	Employee of organ state?	Date appointed	Date Resigned	Private/ business interests declared at every meeting	No. of Ordinary meetings attended	No. of special meetings attended
Ms. Precious Mvulane (Chairperson)	CA(SA)	Non-Executive Director	N/A	24 March 2022	NA	Yes	3	6
Ms. Irene Ramafola	CA(SA)	Non-Executive Director	Yes	29 April 2023	NA	Yes	4	6
Ms. Lynne Tromp	CA(SA), MBA, BTech Internal Auditing, CFE, CRM (Prof.), Certified Ethics Officer	External Member	N/A	12 July 2023	NA	Yes	4	6
Ms. Charlene Louw	LLB. Admitted Attorney of the High Court. Executive Development Programme. Municipal Finance Management. MBA. 21st Century Soft Skills certificate.	External Member	N/A	12 July 2023	NA	Yes	4	6
Dr.Prittish Dala	PhD (Information Technology), Masters (Information Technology), BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM),Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH) and Computer Hacking Forensic Investigator (CHFI).	External Member	N/A	1 September 2022	NA	Yes	4	6

*These meetings exclude workshops.

10. Compliance with Laws and Regulations

In accordance with Section 51(1)(h) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("the PFMA") read together with Section 10(1)(l) of the Lotteries Act, with the Accounting Authority of a public entity being enjoined to ensure that the entity complies, and continues to comply, with all applicable provisions of the PFMA and any other legislation relevant to its operations.

This statutory imperative place the responsibility for compliance squarely within the governance purview of the Board of the National Lotteries Commission ("the NLC"), thereby affirming its overarching accountability for corporate governance, regulatory adherence, and institutional integrity. In the discharge of this mandate, the Board operates within a structured governance framework that provides for effective oversight, while simultaneously enabling appropriately defined delegation of authority supported by clear mandates, limits, and accountability lines.

The Board acknowledges that regulatory compliance constitutes a foundational pillar of good governance, institutional sustainability, and public accountability. Accordingly, the NLC is required to conduct its affairs strictly in accordance with all applicable legislative and regulatory requirements, supported by appropriate policies, governance frameworks, and control mechanisms designed to entrench a sustained culture of compliance across the organisation.

Central to the governance architecture is the Board Audit and Risk Committee, which is mandated to oversee organisational compliance at an acceptable and auditable standard. The Committee ensures that instances of non-compliance are promptly identified, escalated, and addressed through appropriate corrective measures, supported by sound governance and business-aligned recommendations.

In further strengthening the compliance environment, the NLC has institutionalised an Organisational Compliance Function, which plays a critical role in the implementation and operationalisation of the Compliance Management Framework. This function is responsible for facilitating continuous compliance monitoring, coordinating regulatory alignment initiatives, and embedding a culture of compliance across the institution. A key aspect of its mandate includes the execution of compliance awareness and education sessions, aimed at reinforcing regulatory understanding and promoting behavioural compliance across all divisions.

The Organisational Compliance Function further participates in and supports the NLC's Combined Assurance Model, which operates as part of a structured lines-of-defence framework. Within this architecture, it functions alongside other assurance providers to ensure coordinated, risk-informed oversight of compliance obligations, thereby strengthening the overall assurance environment of the NLC.

Compliance monitoring activities are undertaken on a continuous and structured basis, including quarterly assessments coordinated by the Compliance Function. In this regard, Divisional Liaisons, where the relevant legislation applies, are required to document and maintain controls and processes demonstrating how compliance with applicable Acts contained within the NLC's Regulatory Universe and various Compliance Risk Management Plans (CRMPs) are achieved and sustained.

These controls are subject to verification through a combination of methods, including the review of supporting documentation (such as policies, reports, registers, and compliance matrices), as well as structured engagements and enquiries with relevant Divisional Heads. This process ensures both the correctness and operational validity of reported compliance mechanisms.

Furthermore, internal policies developed within the NLC are subjected to rigorous review and alignment processes through the relevant governance structures, including oversight by the Board, to ensure consistency with applicable legislative and regulatory frameworks. This serves to prevent any conflict between internal governance instruments and external legal obligations.

During the period under review, organisational processes and operational frameworks were continuously assessed and refined to ensure compliance with applicable legislation across key functional areas, including grant funding administration, lottery regulation and enforcement, human resources management, financial governance, and information and communication technology systems.

Particular emphasis was placed on compliance with the Lotteries Act, the PFMA, POPIA, PAJA and PAIA while also ensuring adherence to other relevant and applicable statutory and regulatory instruments.

Accordingly, the NLC affirms its continued commitment to maintaining robust compliance systems and reinforcing a culture of regulatory adherence, supported by structured oversight, continuous monitoring, and an integrated assurance framework.

11. Fraud and unethical conduct

The organisation holds a zero-tolerance policy toward any acts of fraud, corruption, and related misconduct. The Board has reviewed and approved the Code of Conduct Policy as well as the Lifestyle Audit Policy with an intention to promote ethical culture and compliance. NLC supports openness and transparency through a set of organisational values, a clearly communicated whistleblowing policy and channels thereof, and protecting the rights of whistle-blowers in terms of legislation. In the year under review the NLC has implemented ISO 37001 ABMS, the system was audited, and all audit findings were raised. The Certification Body has been appointed to conduct Certification Audit.

11.1. King IV Code™ Disclosures for the Year Ended 31 March 2026

The National Lottery Commission (NLC) is committed to alignment with the corporate governance principles contained in the King IV Report on Corporate Governance for South Africa (2016) (King IV Report) and the achievement of the 17 Principles contained in the King IV Code of Corporate Governance and Report. The NLC and the Board of Directors are focused and committed in achieving the associated good governance outcomes.

The NLC continuously reviews its corporate governance practices to assess the status of compliance and degree of alignment to each of the 17 Principles. The NLC's application of each of the principles towards the achievement of the governance outcomes is summarised in the disclosure compliance table below. King V was promulgated in October 2025, the new disclosure requirements will be implemented in FY202627"

The Board takes ultimate responsibility for good governance in the NLC and has delegated some of its responsibilities to various structures within the NLC.

These include the:

- Audit and Risk Committee,
- Finance Committee,
- Human Capital, and Nominations Committee,
- Social and Ethics Committee,
- Regulatory Compliance and Legal Committee,
- Board Distribution Agency Committee,
- Board Review Committee,
- Reparations Committee and
- Members of the Executive Management team.

All Delegations of Power are in writing and are reviewed and approved by the Board on an annual basis. All delegations of authority are in terms of the National Lotteries Act, the PFMA, Treasury Regulations and best practices. All Board Committees function in terms of a comprehensive written terms of reference or charters. The Board and Board Committees operate in terms of Annual Work Plans.

Principle	Compliance Status
Principle 1: The Board should lead ethically and effectively.	The NLC Board's conduct is governed by the Constitution of the Republic of South Africa, the Public Finance Management Act, the Lotteries Act, the Terms of Reference, and the NLC Code of Conduct policy. This is over and above the fact that the Board subscribes to the principles advocated in among others, the King Report on Corporate Governance for South Africa, 2016. It shall be noted that King V was released in October 2025 and training thereof were held in December 2025 to enhance compliance requirements as of the new Financial Year commencing on April 2026.The NLC will report on 12 principles as opposed to 16.
Principle 2: The Board should govern the NLC's ethics in a way that supports the establishment of an ethical culture.	The NLC conducted a fraud awareness in November 2025, and the Board and Audit Committee participated. The Board through the Social and Ethics Committee oversees fraud-related activities, health and safety, employment equity, B-BBEE compliance and Ethics.
Principle 3: The Board should ensure that the NLC is and is seen to be a responsible corporate citizen.	The NLC is a responsible corporate citizen based on its mandate related to grant funding to civil societies for good causes. Core sectors are Charities, Sport and Arts and Culture as well as the proactive funding. The NLC continues to improve control mechanisms to ensure that the grants reach those who are most deserving. The Board adopted a Thuthuka Modernisation system to introduce a more efficient approach in the distribution of grants to the society. Furthermore, to improve compliance to ensure that the grants reach the most deserving individuals at large. Workshops have been conducted with stakeholders as part of enhancing improvement of compliance by applicants. In this vein, the NLC hosted a National Indaba in November 2025. The Board Distribution Committee continues to oversee status of applications for grants and research-based funding projects. This committee is comprised of the Distributing Agencies who are entrusted to conduct the adjudications as per the Lotteries Act.
Principle 4: The Board should appreciate that the NLC's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process.	The NLC Board developed and adopted a corporate plan for FY2025/26 and a strategic plan for a 5-year period with the aim of setting the organisational targets, appreciate organisational risks and opportunities and sustainability in alignment with the mandate. The plan was adopted by the Minister of the dtic in April 2025.

Principle	Compliance Status
Principle 5: The Board should ensure that the reports issued by the NLC enable its stakeholders to make informed assessments of the NLC's performance and its short-, medium-, and long-term prospects.	Reporting is governed by the PFMA and National Treasury Regulations. All external reports are first reviewed by the Executive Team and Committees of the Board for accuracy, usefulness, timeliness and completeness before they are tabled before the Board for approval and for release to the Shareholder (The dtic), Parliamentary Portfolio Committee, Auditor-General and other third parties.
Principle 6: The Board should serve as the focal point and custodian of corporate governance in NLC.	The NLC Board is the custodian of corporate governance and is ultimately responsible for corporate governance. Board actions are governed by the Board Terms of Reference, National Treasury Guidelines & Practice Notes and Corporate Governance best practices, including the King IV Report on Corporate Governance for South Africa.
Principle 7: The Board should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Minister of the dtic appointed a new Board onn 30 April 2023 and the composition of the new Board satisfies the diversity balance in terms of gender, race and skills in alignment with the recommendation of King IV Report. The Minister has recently undertaken a recruitment process for the filling of two vacancies within the Board following the notice of resignation of the current Chairperson, Professor Barney Pityana. The skill composition was also addressed as part of the advertisement requirements.
Principle 8: The Board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of duties.	The business of the NLC is managed by the direction of the Board, which has the authority to exercise all the powers and perform any of the functions of the NLC, except to the extent that the Lotteries Act provides otherwise. The Board acknowledges its authority and responsibility to control, manage and direct its own affairs. The Board further delegates some of its powers, duties and functions to the Commissioner of the NLC, Board Committees, and holders of certain specific positions or bodies. The Board has approved delegations of power, which comprehensively set out the powers it has delegated to Board Committees and other structures and functionaries. This document is reviewed annually, and the last review was in August 2025.
Principle 9: The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	In terms of the Annual Work Plans, the Board and Board Committees are evaluated on their performance on an annual basis. The Performance Evaluation ensures that the Board and Board Committees identifies areas that requires improvement, and that there is effectiveness in how their duties are discharged. NB: the performance evaluation of the Board for the year FY2024/25 was completed in the and adopted by Board in August 2025 the findings thereof are being implemented and monitored.
Principle 10: The Board should ensure that the appointment of, and delegation to, Management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board has reviewed and approved the Delegation of Authority Policy to enable appropriate delegation of authority and responsibility to the executive team and function. The Board delegates authority to the executive team to manage the day-to-day business and affairs of the business, but maintains overall responsibility for governance leadership of the NLC.
Principle 11: The Board should govern risk in a way that supports NLC in setting and achieving its strategic objectives.	Risk oversight is a primary Board responsibility, and the Board develops and continuously improves practices to establish a well-defined and effective risk management oversight function. The Board, through the Audit & Risk Committee, plays a critical role in influencing Management's processes and procedure for monitoring risks and clearly defines which risks the full Board should discuss regularly, and risks that are generally be delegated to a Board Committees. Management maintains a register of all enterprise-wide risks, which are mapped for the oversight of the Board and Board committees, particularly the Audit and Risk Committee.
Principle 12: The Board should govern technology and information in a way that supports the NLC setting and achieving its strategic objectives.	Information and Technology Governance is an integral part of the overall governance structures of the NLC, and directors take an active role in information and technology strategy and governance through the Audit and Risk Committee.
Principle 13: The Board should govern compliance with applicable laws and adopt, non-binding rules, codes and standards in a way that supports the NLC being ethical and a good corporate citizen.	The NLC Board and Committees sufficiently familiarise themselves with the content of applicable laws and regulations, this includes regular training to keep abreast of regulatory changes. The Legal and Regulatory Compliance Committee assists the Board and the business in ensuring that the NLC complies with all the relevant laws and regulations, by monitoring and issuing compliance reports.

Principle	Compliance Status
Principle 14: The Board should ensure that the NLC remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short-, medium-, and long-term.	The NLC reviewed the performance management policy as well as the Short-Term Incentive policy to address audit findings. A rigorous review will be done in the first quarter of FY2025/26 followed by extensive consultations with staff.
Principle 15: The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the NLC's external reports.	The Board Audit and Risk Committee has adopted a Combined Assurance Model for Internal Audit which assists in assessing the integrity of information supplied by the divisions in terms of integrated reporting. This includes but is not limited to monitoring and evaluation reports of the organisation, Annual Report, financial statements, as well as grant funding.
Principle 16: In the execution of its governance role and responsibilities, the Board should adopt a stakeholder inclusive approach.	The Board has reviewed and approved a Stakeholder framework as well as the Social Media Policy which governs all its interactions with stakeholders, internally and externally. A consolidated stakeholder engagement plan is under review.
Principle 17: The Board should ensure that responsible investment is practised by the NLC to promote good governance and the creation of value by the companies in which it invests.	The NLC has an approved Investment Policy in place. The Policy outlines the process and considerations to be taken when Investing the NLC Funds. As it stands, the matter is at the Board's attention in exploring institutions better suited for investments of its NLDTF.

On a quarterly basis the Board Committees receive reports from Management regarding the matters set out in the Committee Charters and Committee Annual Work plans. Board Committees make recommendation to Management and the Board on matters that fall within the ambit of their authority as they may consider appropriate. On a quarterly basis the Board Committees report to the Board on their activities and on how they have discharged their responsibilities.

Board Committees also make recommendations to the Board on matters that are reserved for the Board and on such others as it may consider appropriate. The Board exercises oversight over the functions and activities of all Board Committees and Management in terms of its own Work Plan.

12. Code of Conduct

This policy aims to support a consistent and fair approach to ethics and conduct management within the NLC to guide employees and other stakeholders which includes but not limited to service providers/ third parties/ partners/ associates/grantees in achieving and maintaining agreed standards of conduct, performance and behaviour.

Further aims to manage the Conflict of interest in terms of 2F, 2Gi and ii, 3A, 3B, 3C of the Lotteries Act. The policy is read in conjunction with the NLC disciplinary policy. Any misconduct shall be corrected in line with the NLC Disciplinary policy.

The NLC personnel have an express duty under the Code to:

Conform to the highest standards of honesty, integrity and impartiality when discharging their duties and responsibilities.

Ensure that all their actions are consistent with the main business of the NLC.

Act in an honest and ethical manner; and not engage in any conduct that may in any way denigrate or harm the public image of the NLC.

Each and every NLC personnel has the obligation to not only abide by the Code, but also to report violations of the Code when they become aware of them.

13. Health and Safety and Environmental Issues

Occupational Health and Safety

The National Lotteries Commission (NLC) remains committed to providing and maintaining a working environment that is safe and without risk to the health and wellbeing of employees, service providers, stakeholders and visitors, in accordance with the provisions of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993). The organisation continued to promote a proactive health and safety culture through compliance monitoring, risk management, awareness initiatives and continuous improvement of workplace safety systems.

During the 2025/26 financial year, the NLC implemented several occupational health and safety interventions aimed at strengthening compliance and enhancing employee wellbeing across all offices.

These included, emergency preparedness activities, incident reporting and investigation processes, first aid readiness, fire safety management and ongoing health and safety awareness programmes. The organisation also maintained functional Health and Safety Committees and ensured the appointment and training of Health and Safety Representatives, First Aiders and Fire Marshals in line with legislative requirements.

Baseline risk assessments and routine workplace inspections were conducted to identify hazards and implement appropriate control measures. Corrective actions arising from inspections were monitored to ensure continuous improvement and mitigation of workplace risks. Employees were encouraged to actively participate in promoting workplace safety by reporting unsafe conditions and adhering to established safety procedures and protocols.

Emergency evacuation drills and safety awareness campaigns were conducted to improve preparedness and strengthen organisational resilience in the event of emergencies.

No major occupational injuries or health-related incidents were recorded during the reporting period. The NLC remains committed to strengthening its occupational health and safety management systems and fostering a culture where health, safety and employee wellbeing remain integral to organisational performance and sustainability.

14. Company Secretary

The Company Secretary possess the necessary skills, competence and experience to adequately support the Board in fulfilling its functions. The purpose of the Company Secretariat is to provide support to the Board of the NLC to ensure that the Board discharges its duties in line with applicable laws, rules, regulations, codes, standards, and best practice. The Company Secretariat division also aims to advance awareness, understanding and to embed the practice of good corporate governance within the NLC, thereby achieving the objective of positively impacting and improving corporate governance within the NLC and its stakeholders.

The Company Secretariat is the custodian of Corporate Governance in the NLC that ensures that the Board and the NLC fulfil their statutory obligations as well as adopted best practices, in the best interest of the organisation.

As part of fulfilment of the Governance objectives as designated by Section 88 of the Companies Act, the Company Secretariat worked tirelessly in ensuring compliance controls are in place for the organisation.



MS XOLISILE NJAPHA
INTERIM COMPANY SECRETARY

The unit through the Policy Review Committee Chaired by the Company Secretariat continues to review and monitor through the organisational policy register. As it stands it is at 98% of the overall organisational policies. The unit continues to review policies in line with the applicable laws and legislation. The Unit further also reviewed the Delegations of Authority, the Code of Conduct for NLC staff and Directors and the Board Committee Terms of Reference. The Secretariat has reviewed and recommended to the Shareholders Compact, which is currently being reviewed by the shareholders.

The Unit continues to provide extensive secretariat support to the RFP 4th licence process since July 2023 to date.

The unit continues to ensure the proper record keeping of all Board committee minutes and resolutions thereof. The Board also attended the World Lotteries Conference held in Vienna in October 2025 as part of its development programme. The unit further conducted Ethics training for the Board in conjunction with the IoDSA in January 2025.

The unit as part of assurance conducted the Board committee evaluation for the year 2024/25 which was concluded in August 2025 with assistance with First Corporate Secretaries. The findings thereof continue to be monitored to ensure compliance with the governance standards.

Under conflict of interest, there were no material disclosures brought to the attention of the Secretariat nor Ethics Committee for the year under review.The matters of conflict of interests are monitored on an annual basis and in every Board/committee meeting, The Company Secretariat accounts to the Board and provides advisory on any matters of governance. As part of awareness of areas of non-compliance, the unit continues to monitor the Board's governance scorecard on a quarterly basis. This exercise helps the Board to be aware of any material risks on its oversight roles and responsibilities.

15. Social Responsibility

1. Statement of Commitment

The NLC recognises that our core mandate—regulating the National Lottery and distributing funds to worthy causes—is inherently intertwined with the social and economic well-being of South Africa. For the 2025/26 financial year, our approach to social responsibility transcended simple grant distribution; it was defined by a deliberate commitment to ethical governance, transparent impact, and alignment with the priorities of the 7th Administration. We are dedicated to driving inclusive growth, reducing poverty, and building a capable, ethical state through responsible corporate citizenship.

During the period under review, the NLC continued to serve as a vital lifeline for civil society, directing National Lottery proceeds to initiatives that uplift the most vulnerable. Guided by our newly appointed Distribution Agency (DA) members, our funding was strategically channeled into three core sectors:

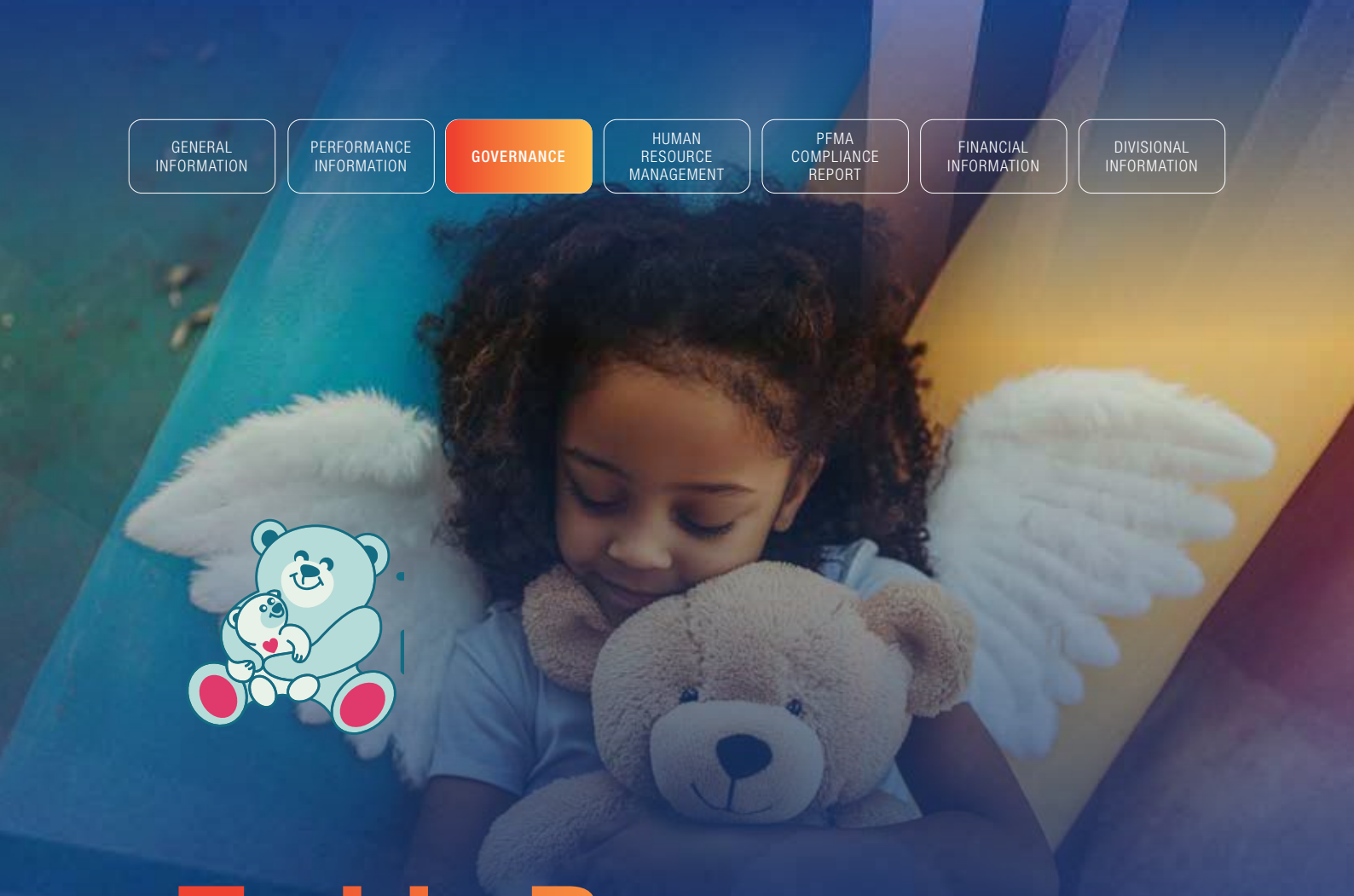
- **Charities:** Prioritising early childhood development, welfare organisations, and poverty-alleviation programmes that address the high cost of living in marginalised communities.
- **Arts, Culture, and National Heritage:** Preserving South Africa's diverse heritage while supporting the creative economy as a catalyst for youth employment and community cohesion.
- **Sport and Recreation:** Funding grassroots sports facilities and development programmes to foster social cohesion, physical well-being, and constructive youth engagement.

True social responsibility requires unassailable integrity in how public resources are managed. The 2025/26 financial year marked a turning point in the NLC's ongoing institutional renewal. Restoring public trust was our most critical social imperative.

In collaboration with the Special Investigating Unit (SIU), we aggressively pursued historical irregularities. By subjecting our entire staff to lifestyle audits and empowering a dedicated Forensic Audit function, we ensured that funds meant for the marginalised are fiercely protected.

To modernise our operations and eliminate vulnerabilities in the grant-making process, we fully integrated the Thuthuka online grant management system. This digital transformation has drastically reduced fraud, streamlined applications, and ensured that funding reaches *bona fide* beneficiaries efficiently.

The NLC remains steadfast in its mission: to act as a catalyst for social equity, safeguarding the public interest while funding a better, more inclusive future for all South Africans.



Teddy Bear Foundation

"The Lotto-funded grant transformed Teddy Bear Foundation's (TBF) GBV work, enabling TBF to reach 27 876 beneficiaries across two years. This vital support changed lives forever—survivors accessed safety, healing, and renewed hope; communities became more informed, vigilant, and resilient; and TBF strengthened its capacity to deliver sustainable, life-saving GBV interventions to those who need them most."

– Natasha Ras – Operations Manager

16. Board Audit and Risk Committee Report

We are pleased to present the report of the Board Audit and Risk Committee ("BARC" or "the Committee") of the National Lotteries Commission ("NLC") for the financial year ended 31 March 2026.

Part 1: Audit Committee Reflections – 2025/26

Chairperson's Reflections

During the 2025/26 financial year, the Committee continued to discharge its oversight responsibilities with a strong focus on governance, accountability, financial and performance reporting, risk management, internal control, internal and external audit, information and communication technology governance, compliance, consequence management and implementation of corrective actions arising from assurance activities.

The Committee maintained its independence throughout the reporting period and exercised independent judgement in considering matters presented by management, Internal Audit and Advisory Services, Enterprise Risk Management, Finance, ICT, compliance functions, other assurance providers and the Auditor-General of South Africa ("AGSA"). No hindrance, limitation or threat was identified that materially impaired the Committee's ability to execute its mandate.

The Committee applied professional scepticism throughout the year. Information placed before it was critically evaluated and, where necessary, management and assurance providers were required to provide additional evidence, explanations, revised assessments, root-cause analysis and corrective action plans before matters were accepted or recommended to the Accounting Authority.

The Committee also assessed, through its oversight activities, whether Internal Audit, management and other assurance providers maintained the ethical, professional and quality standards expected of them. Where weaknesses were identified in the quality, completeness, timeliness or evidential support of information presented, these were challenged and corrective action was required.

A standing process for declaration and management of conflicts of interest was maintained throughout Committee proceedings. No Committee member declared an actual, potential or perceived conflict of interest in relation to matters considered during the year under review and no matter required recusal or other remedial action. Lifestyle audits and related integrity reviews applicable to Board members and NLC Staff were also considered, and no risk matters relating to BARC members were identified during the reporting period.

Protection of Internal Audit Independence

The Committee continued to protect the organisational independence and objectivity of the Internal Audit and Advisory Services function and the Chief Audit Executive ("CAE").

Internal Audit formally reported on its organisational independence and confirmed that no impairments to its independence were identified during the fourth quarter. The CAE had direct access to the Committee and was able to report on internal audit, ICT audit, forensic investigations, AGSA finding resolution and related assurance matters.

The Committee reviewed the positioning and independence of the Internal Audit function and remained alert to circumstances that could create actual or perceived impairment, undue influence or victimisation of Internal Audit personnel.

No matter was reported during the year that required the Committee to intervene specifically to protect an internal auditor from undue influence or victimisation.

The Committee recognises the continued evolution of the CAE's role beyond traditional internal auditing towards broader assurance, advisory, governance, risk management, combined assurance and forensic oversight, while preserving the distinction between assurance responsibility and management's responsibility for designing and operating controls.

Strategic Focus and Counsel Provided

The Committee monitored implementation of its annual workplan, with Quarter 4 governance reporting reflecting no variance against the approved BARC workplan.

During the year the Committee considered and provided counsel on, amongst other matters:

- integrity of financial and performance information;
- implementation of AGSA and Internal Audit recommendations;
- material irregularities and legacy irregular expenditure;
- grant administration and associated control deficiencies;
- supply chain management and procurement compliance;
- ICT governance, cybersecurity and information controls;
- enterprise risk management, risk appetite and

tolerance;

- combined assurance;
- fraud, forensic investigations and consequence management;
- financial sustainability and going concern;
- annual financial statement readiness; and
- governance of the National Lottery Distribution Trust Fund and National Lotteries Participants Trust where relevant to the Committee's mandate.

The Committee consistently reported material matters, concerns and recommendations to the Accounting Authority through its formal Committee reports, recommendations and escalation processes.

The Committee's overall assessment is that its recommendations were considered by the Accounting Authority and management. However, the Committee remains concerned about the timeliness and sustainable closure of certain corrective actions, particularly where repeat findings, supply chain management matters, ICT deficiencies, and legacy matters remain unresolved.

Engagement with the Executive Authority and Other Stakeholders

During 2025, engagement with the Executive Authority on audit-related matters took place through the Board together with the BARC Chairperson, rather than through a separate full BARC meeting with the Executive Authority.

The matters discussed related to BARC included matters arising from the section 33 submission made in October 2024 under the Lotteries Act relating to withdrawals and other compliance and statutory documentation intended to support the organisation in implementing its mandate and regulatory obligations more efficiently.

Further engagement with the Executive Authority is scheduled for 2026. The planned engagement will focus, among other matters, on:

- the NLC clean-audit plan;
- standardisation of key statutory documentation;
- the status and remediation of Material Irregularities; and
- significant governance and compliance matters requiring Executive Authority awareness or support.

The Committee maintained engagement with management, Internal Audit, Risk Management, Finance, ICT, legal and compliance functions, AGSA and other assurance providers. No material limitation on access to information or relevant officials was reported. Where information initially presented was insufficient, the Committee exercised its authority to request further evidence and explanation.

The Committee also continued its engagement with AGSA regarding the approach applied to Material Irregularities, including the basis and timing of escalation, progression through the applicable process and the evidence required to demonstrate effective remediation and closure. However, due to internal and external factors, certain risks cannot be materially

reduced to an acceptable level. BARC, with AGSA, Internal Audit and management, has committed to set up processes and engage towards a clean audit outcome.

Committee Performance Evaluation

A formal evaluation of the Committee, its Chairperson and individual Committee members was undertaken for the 2025/26 reporting period using structured questionnaires.

The cumulative assessment of the Committee's performance was highly satisfactory.

The Chairperson's evaluation reflected satisfaction with the Chairperson's vision, business and financial expertise, leadership and objectivity. The broader Committee evaluation reflected strong performance across the Terms of Reference, composition, internal and external audit oversight, accounting policies and financial statements, financial-function oversight, and the core skills and attributes of Committee members.

The evaluation also identified areas requiring continued improvement, including:

- continued assessment of individual member attendance and participation;
- obtaining broader stakeholder feedback on the Committee's performance;
- strengthening the formal evaluation of Internal Audit and the CAE; and
- maintaining effective engagement with external audit and management.

The evaluation undertaken during 2025/26 was not evidenced in the material reviewed as a comprehensive 360-degree stakeholder assessment. The Committee will therefore seek to strengthen future evaluations through

broader stakeholder input, where appropriate.

The Committee will monitor implementation of the identified improvement actions during 2026/27.

Audit Committee Responsibilities

The Committee reports that it has complied with its responsibilities arising from section 51(1)(a)(ii) of the Public Finance Management Act, 1999 ("PFMA") and Treasury Regulation 27.1.

The Committee operated in accordance with its approved Terms of Reference and Audit Committee Charter and regulated its affairs in accordance with that Charter.

The 2025/26 evaluation confirmed that the Committee adopted an annual workplan aligned to its Terms of Reference. The workplan comprised 60 scheduled oversight activities, in addition to special matters relating to the annual financial statements, annual performance reporting, internal and external audit processes and statutory submissions.

Based on the annual evaluation, workplan monitoring and activities undertaken during the year, the Committee is satisfied that it substantially discharged the responsibilities assigned to it. BARC did consider accounting policies and impact of the policies and it confirmed that there were no material changes.

The Committee recognises its duty to serve the public interest and confirms that it sought to discharge this responsibility diligently, independently and objectively throughout the reporting period.

The Committee is not aware of any hindrance, limitation or threat that materially impaired its independence.

The Committee also considered developments arising from the Global Internal Audit Standards™ and supported alignment of the Internal Audit framework, Internal Audit Charter, Audit Committee Charter, Quality Assurance and Improvement Programme and related oversight arrangements with the revised Standards.

Internal Audit's External Quality Assurance readiness assessment concluded that the Internal Audit Division Generally Conforms with the Global Internal Audit Standards.

The Committee nevertheless notes that the formal external quality assessment under the revised Standards remains an important governance priority. The previous External Quality Assessment was performed in 2019 with an independent follow-up in 2021, while the next assessment is planned for 2026/27 following implementation of the revised Standards.

Part 2: Audit Committee Composition and Meeting Attendance

Composition

The Board Audit and Risk Committee comprised five members during the reporting period:

1. Ms Precious Mvulane – Chairperson;
2. Dr Prittish Dala – Independent Member;
3. Ms Irene Ramafola – Member;
4. Ms Charlene Louw – Independent Member; and
5. Ms Lynne Tromp – Independent Member.

Of the five members, 3 were external members, and 1 was an employee of organs of state/public service institutions.

Subject to confirmation of the above classification, the Committee considers itself properly constituted, with an appropriate and balanced mix of governance, financial, auditing, risk, legal, business and other relevant expertise necessary to fulfil its mandate.

During 2025/26 the Committee convened six BARC meetings, comprising four ordinary quarterly meetings and two special meetings focused on AGSA being pre and post audit where we review Audit strategy, Performance Information, Financial Statements and Annual Reports.

Four additional BARC in-committee meetings were held during the reporting cycle focuses on forensic reports by Internal Audit, consequence management and any matters which auditors require BARC attention.

Attendance was generally strong. Ms Charlene Louw, Dr Prittish Dala, Ms Irene Ramafola and Ms Lynne Tromp attended all six BARC meetings and all four in-committee meetings recorded in the evaluation report. Ms Precious Mvulane attended five of the six BARC meetings and four in-committee meetings. The Committee maintained quorum and declaration-of-interest procedures throughout its meetings.

Remuneration of Audit Committee Members

Audit Committee members were remunerated in accordance with the approved Board rate.

The approved remuneration methodology is R16 555.12 per meeting which includes preparation and an hourly fixed rate of R1 052.90 for any other ad hoc engagements

Audit Committee Report continued

The members employed by organs of state were not remunerated. Total expenditure relating to the Audit Committee for the 2025/26 reporting period was R1,012m excluding Ms Precious Mvulane; her allocation is included in the board remuneration.

Part 3: Audit Committee Focus Areas

1. Effectiveness of the Internal Control Systems

The Committee assessed the effectiveness of the NLC's system of internal control through reports from management, Internal Audit, Risk Management, AGSA, Finance, ICT, compliance functions, forensic investigations and other assurance providers.

Management maintained governance structures, policies, procedures, compliance processes, audit-resolution trackers and corrective-action mechanisms intended to support an effective

internal control environment. The Committee nevertheless observed that the effectiveness of a control environment cannot be assessed solely from the existence of policies or reported closure of findings; sustainable implementation and evidence that controls operate as intended are essential.

During 2025/26, the NLC maintained formal Internal Audit and AGSA findings-resolution trackers. These trackers recorded the corrective action, responsible executive or official, target completion date and current closure status for each finding, and progress was reported periodically to BARC for oversight. BARC used these mechanisms to monitor implementation and to challenge overdue or insufficiently evidenced closure.

Progress was made in strengthening governance structures, resolving audit findings, enhancing consequence management and implementing corrective measures.

However, the internal control environment cannot yet be regarded as fully effective.

Areas requiring continued management and Committee attention include:

- ICT and cybersecurity controls;
- grant administration and Grant Management System controls;
- supply chain management and deviation-related matters;
- data integrity and system integration;
- timely and sustainable resolution of audit findings;
- consequence management and recoveries;
- material irregularities; and
- evidence demonstrating that corrective actions are operating sustainably.

At 31 March 2026, the AGSA resolution tracker reported **41 findings resolved and 18 unresolved,** with a significant proportion of outstanding findings relating to supply chain management and ICT matters.

Repeat findings and outstanding remediation demonstrate that implementation of preventative and detective controls remains inconsistent in selected areas. Some matters cannot be addressed due to system limitations on old systems which are not planned to be used in the future.

Conclusion: The Committee considers the NLC's internal control environment to be improving but not yet fully effective. Continued executive accountability, strengthened preventative controls, evidence-based closure and sustained remediation are required.

2. Effectiveness of the Internal Audit Function

The Committee monitored the mandate, independence, objectivity, resourcing, quality, coverage and performance of the Internal Audit and Advisory Services function.

The Committee approved and monitored the Internal Audit coverage arrangements and reviewed Internal Audit reports presented throughout the reporting period.

Internal Audit reported 98% completion of the 2025/26 Internal Audit Plan and confirmed that no impairment to its organisational independence had been identified during Quarter 4.

Internal Audit coverage included financial reporting, performance information, risk management, grant management, supply chain management, assets, organisational compliance, ICT, follow-up of AGSA findings and other key risk areas.

The Committee's oversight was not limited to monitoring completion of the annual plan. During the year BARC raised specific concerns regarding the increasing number and ageing of overdue Internal Audit findings and required stronger accountability for remediation. The Committee requested a recovery plan for overdue findings, supported escalation of overdue matters to the Board and called for consequence management where agreed corrective actions remained unresolved without adequate justification.

BARC also challenged and strengthened the scope and methodology of Internal Audit work. This included requiring appropriate prioritisation of critical and high residual risks; requesting independent assurance over

irregular expenditure and consequence management; questioning the adequacy of hours allocated to the Enterprise Architecture and ICT Strategy review; requiring the post-implementation review of Thuthuka to address training, data migration, integration, security and resolution of prior findings; and requiring network-security reviews to incorporate security configuration standards and relevant policy compliance. The Committee further supported independent ERP governance assurance throughout implementation.

The Committee also monitored Internal Audit's modernisation and quality agenda, including continuous auditing, implementation of the Teammate audit and risk tool, sampling methodology, development of the annual Internal Audit opinion methodology and the Quality Assurance and Improvement Programme. In reviewing the Internal Audit Charter, BARC required clearer functional-governance provisions concerning the CAE and required that any management interference with Internal Audit be reported immediately to the BARC Chairperson.

The Committee considered significant Internal Audit findings, investigations, management responses and implementation of recommendations. It continued to emphasise that a finding should not be regarded as sustainably resolved merely because an action is reported as complete; independent validation of the design and operation of the corrective control remains necessary.

The Internal Audit Quality Assurance and Improvement Programme included an external quality-assurance readiness assessment, which concluded that the function Generally Conforms with the Global Internal Audit Standards.

The Committee's formal 2025/26 evaluation of Internal Audit was completed and recorded satisfaction with the function's performance.

Stakeholder feedback on Internal Audit services was generally positive across completed reviews, while identifying areas in which audit timing and engagement could improve.

The Committee also expects continued modernisation of the function through improved use of data analytics, technology-enabled assurance, continuous auditing approaches where appropriate, development of specialist skills and alignment of resourcing to the NLC's changing risk environment.

BARC was satisfied that the Internal Audit and Advisory Services function had sufficient capacity, skills and resources to execute its approved mandate and 2025/26 Internal Audit Plan. No material resourcing, skills or capacity constraint was identified by the Committee that prevented Internal Audit from performing its responsibilities during the year.

The Committee is satisfied with the independence and objectivity of the Internal Audit function and has not identified an impairment that prevented it from executing its mandate.

Conclusion: The Committee considers Internal Audit to have operated independently and effectively during the year, while requiring continued implementation of its Quality Assurance and Improvement Programme, modernisation agenda and completion of the planned formal External Quality Assessment.

3. Effectiveness of Risk Management

The Committee reviewed quarterly enterprise-risk-management reports, strategic and operational risk registers, risk appetite and tolerance arrangements, combined-assurance activities and the Enterprise Risk Maturity Assessment.

Through these processes, the Committee obtained assurance on identification, assessment, mitigation, escalation and monitoring of material strategic, operational, financial, compliance, fraud, ICT and other organisational risks.

The NLC achieved **five of six ERM Annual Operational Plan targets,** with year-end implementation reported at 86%.

The principal target not achieved related to ISO 37001 Anti-Bribery Management System certification, primarily because of challenges in appointing an appropriate certification body.

The Enterprise Risk Maturity Assessment concluded that the NLC had established a structured and governance-aligned ERM environment. Most thematic areas were assessed at a Managed maturity level, with no assessed area below **Level 3 – Defined.**

The Committee also considered whether assurance planning responded appropriately to material organisational risks and continued to promote stronger linkage between the risk universe, Internal Audit coverage, combined assurance and management action plans.

The Committee oversaw financial and non-financial risks that could affect the integrity of information reported externally.

Conclusion: The Committee considers the risk-management framework to be **adequate and increasingly**

Audit Committee Report continued

embedded, but further integration, standardisation, predictive risk management, evidence of mitigation effectiveness and closure of control deficiencies remain necessary.

4. Adequacy, Reliability and Accuracy of Financial and Performance Information

The Committee reviewed quarterly financial reports, management accounts, organisational performance reports, Internal Audit reviews of performance information, annual financial-statement readiness and related assurance reports.

The Committee satisfied itself regarding financial and performance information through management reporting, reconciliation processes, management representations, Internal Audit

assurance, AGSA procedures and interrogation of information presented at Committee meetings.

Management reported a healthy financial position at 31 March 2026 and did not identify going-concern concerns based on the financial position and ratios presented.

Internal Audit reviews nevertheless identified areas in which performance management and underlying controls were only partially effective, including certain aspects of performance information, annual operational planning and grant-related information.

The Committee therefore continued to emphasise credible supporting evidence, data integrity, accurate reconciliations, appropriate system controls and effective management review before information is submitted for external audit or public reporting.

The subsequent 2025/26 evaluation of the Financial Function and Chief Financial Officer, completed in July 2026, concluded that both the Financial Function and CFO's performance were **effective and satisfactory.**

The evaluation nevertheless identified improvement priorities including critical vacancies, succession planning, continuous development, proactive identification of emerging financial challenges, timely resolution of internal and external audit findings and stronger participation in Combined Assurance.

The CFO's office was reported to have achieved **80% of its Annual Operational Plan targets.**

AGSA identified material misstatements in the annual performance report submitted for audit. Management corrected those misstatements and, consequently, no material findings were ultimately reported by AGSA on the selected material performance indicators.

Conclusion: The Committee considers financial and performance reporting arrangements to be **generally adequate,** but continued strengthening of data-quality controls, management review, supporting evidence, reconciliations and systems integration is required.

5. Adequacy and Effectiveness of ICT Governance

ICT governance, information security and cybersecurity remained significant areas of Committee oversight during 2025/26.

The Committee considered the NLC's ICT governance arrangements, policies, risk reports, Internal Audit findings, remediation initiatives and management reporting relating to information systems and technology infrastructure.

Internal Audit and management reporting continued to identify exposures relating to:

- information security;
- patch management;
- disaster recovery and backup controls;
- access management;
- technology change management;
- system integration;
- Grant Management System controls; and
- cybersecurity.

ICT and cybersecurity risks were identified in the governance and risk-management processes and subjected to oversight and assurance. However, because significant residual control weaknesses remained, the Committee is **not able to conclude that the ICT control environment was fully adequate and effective during 2025/26.**

The Committee monitored progress in implementing ICT remediation and modernisation initiatives and will continue to require evidence that identified control deficiencies have been sustainably resolved.

Disaster Recovery Plan and Business Continuity Plan were not in place and periodically tested.

Conclusion: ICT remediation progressed during the year;

however, the Committee considers ICT COBIT governance assessment and the ICT control environment to **require significant and sustained improvement.** ICT remains one of the principal residual control risks requiring continued Board and executive oversight.

6. Accounting and Auditing Concerns Identified through Internal and External Audit

The Committee monitored Internal Audit and AGSA findings through formal resolution trackers and required management to address root causes rather than merely administrative closure of findings.

Several prior findings relating to grant allocations and grant accounting were reported as resolved following Internal Audit validation.

Outstanding matters nevertheless remained, particularly in relation to supply chain management deviations, irregular expenditure processes and other areas requiring sustainable corrective action.

The Committee closely monitored Material Irregularities relating to the Motheo Sports and Entertainment Foundation and the eDumbe Old Age Home matters – UBUSU and LERUMO. These matters historically related to weaknesses in grant funding, monitoring, due diligence, tranche-payment controls, delegations and consequence management.

Management reported that the majority of corrective actions associated with these Material Irregularities had been closed. Certain recovery processes remained dependent on external agencies, while AGSA indicated that the Material Irregularity matters had progressed to a further stage, even though it was not clear at reporting stage what exactly had not been implemented.

The Committee also monitored legacy irregular expenditure of approximately **R611.62 million** relating to previous financial years, which had been recommended by the Board to National Treasury for condonation and was awaiting National Treasury's response as reported in April 2026.

The Committee's emphasis remains on preventative controls, timely investigations, consequence management, recovery where appropriate, proper escalation and ensuring that lessons from historic irregularities are embedded in current control design.

Ten thousand rands in fruitless and wasteful expenditure was incurred in 2025/26, which related to traffic fines and no shows. R5 thousand of this was recovered during the financial year and the remaining R5 thousand was still to be recovered at year end.

Conclusion: Considerable remediation has occurred, but the Committee remains concerned about repeat findings, the sustainability of corrective actions and matters dependent on National Treasury, AGSA, the SIU and other external processes.

7. Compliance with Legal and Regulatory Provisions

The Committee monitored compliance with the PFMA, Treasury Regulations, Lotteries Act, procurement requirements and other applicable legislation through management, Finance, compliance, Internal Audit, SCM, Risk Management and AGSA reporting.

Finance maintained a compliance register covering statutory reporting obligations. Revenue, expenditure and PFMA compliance reporting was included in quarterly reporting to the Executive Authority, while procurement reporting was submitted to National Treasury in accordance with applicable requirements.

Notwithstanding the existence of compliance governance arrangements, deficiencies continued to arise in supply chain management, grant administration and historical irregular-expenditure processes.

In the final 2025/26 audit report, AGSA reported that effective and appropriate steps were not taken to prevent irregular expenditure as required by section 51(1)(b)(ii) of the PFMA, with the majority of irregular expenditure attributed to non-compliance with supply chain management prescripts.

AGSA also reported instances in which contracts were awarded using evaluation or adjudication criteria that were either not stipulated or differed from those contained in the original invitation for bids.

AGSA further reported that management did not adequately review and monitor compliance with applicable legislation, resulting in material instances of non-compliance.

Conclusion: The Committee considers that compliance governance arrangements are established, but effective and consistent implementation remains inadequate in identified areas, particularly expenditure management, procurement and contract management, and management monitoring of legislative compliance.

8. Quality of In-Year Management and Monthly/ Quarterly Reports

The Committee received and reviewed periodic financial, performance, Internal Audit, enterprise-risk-management, compliance, ICT, Material Irregularity, irregular expenditure and other governance reports.

The Committee confirms that the required monthly and quarterly reporting processes were maintained and that all required monthly and quarterly reports were submitted within the prescribed deadlines during the 2025/26 financial year.

The Committee reviewed relevant quarterly financial and performance information as part of its oversight responsibilities.

Its assessment was not limited to whether reports were submitted on time. The Committee considered the **quality, reliability, accuracy, completeness, usefulness and evidential support** of information presented.

The Committee's view is that the periodic reporting framework was operational and generally enabled effective oversight. However, reporting quality was not consistently optimal across all areas.

Improvements remain necessary in selected areas relating to:

- data quality;
- source evidence;
- system integration;
- reconciliation;
- management review; and
- ensuring that reports clearly identify root causes, accountable executives, corrective actions and target completion dates.

Conclusion: The Committee is satisfied that the NLC maintained the required in-year reporting process and met reporting deadlines, while the **quality of reporting remains an area requiring continued improvement in selected functions.**

9. Combined Assurance

The Committee continued to promote a coordinated Combined Assurance model aligning management, Enterprise Risk Management, compliance, Internal Audit, external assurance providers, AGSA and governance structures.

The Combined Assurance Forum was established and compliance findings were monitored through Internal Audit and Combined Assurance reporting.

The Enterprise Risk Maturity Assessment rated Combined Assurance coordination at **Level 4 – Managed**, noting documented terms of reference, structured reporting and governance visibility while recognising that coordination between assurance providers could mature further.

The 2025/26 Combined Assurance Plan was reported as having achieved its targeted **75% implementation.**

The Committee continued to require stronger alignment between assurance coverage and the organisation's principal risks, control assessments, internal and external audit findings, root causes and management remediation.

Conclusion: The Committee considers the Combined Assurance framework to be **appropriately established and maturing,** but stronger integration between assurance providers and more explicit assessment of assurance gaps, duplication and control effectiveness remain necessary.

10. Evaluation of the Annual Financial Statements

The Committee reviewed the annual financial statements of the NLC and relevant supporting entities and funds falling within its mandate.

The Committee considered:

- management's assessment of going concern;
- significant accounting judgements and disclosures;
- Internal Audit's independent review;
- compliance implications relevant to the financial statements;
- information on predetermined objectives;
- matters arising from the external audit process;
- the Auditor-General's report;
- AGSA's management report and management responses; and
- matters requiring adjustment or additional disclosure arising from audit procedures.

Internal Audit completed an independent review of the interim annual financial statements for the **NLC Group, NLDTF and NLPT** as part of the 2025/26 assurance programme.

The Committee considered the annual financial statements together with management representations, Internal Audit assurance and matters emerging from the external audit.

No material changes occurred in accounting policies and practices.

There were no significant audit adjustments that resulted to material adjustments processed to the annual financial statements following the audit.

AGSA had not identified material misstatements in the annual performance report submitted for audit. Only minor errors were corrected by management, resulting in no material performance-information findings being included in the final auditor's report.

Quality and timeliness of financial information: The Committee received quarterly financial information, management accounts, annual financial-statement readiness reporting and interim annual financial statements during the year. The Committee considers the financial reporting process generally adequate for oversight purposes, while continued improvement is required in review controls, evidence, reconciliations and resolution of audit findings.

Resolution of significant financial reporting issues: The Auditor-General ultimately expressed an **unqualified opinion** on the consolidated and separate annual financial statements. **There were still significant financial-reporting disagreements between management, Internal Audit and AGSA, which are still with AGSA technical and NT consultation.**

The Committee recommended the annual financial statements to the Accounting Authority for approval on **31 July 2026.**

The Auditor-General expressed an **unqualified audit opinion** on the consolidated and separate financial statements for the year ended 31 March 2026, concluding that they presented fairly, in all material respects, the financial position, financial performance and cash flows of the NLC Group and NLC in accordance with Standards of Generally Recognised Accounting Practice and the requirements of the PFMA.

Conclusion: The Committee is satisfied that the audited annual financial statements may be accepted and read together with the Auditor-General's report. The unqualified opinion assures the financial statements but does not remove the need to address the material compliance and internal-control matters identified by AGSA.

11. External Audit

The Committee maintained oversight of the external audit process, including AGSA's audit strategy, audit scope and approach, engagement arrangements, audit findings, management responses and progress against the prior-year audit action plan.

The Committee is satisfied with the **institutional independence and objectivity of AGSA** as the NLC's external auditor.

This assessment of independence and objectivity does not prevent the Committee from critically engaging AGSA on matters of professional judgement, methodology, communication, audit execution or the treatment of several matters including Material Irregularities approach.

During the period and subsequent finalisation of the audit, the Committee continued to engage AGSA on audit outcomes and matters requiring management attention.

The Committee also maintained oversight of unresolved matters including supply chain management deviations, irregular expenditure, sustainable closure of prior-year findings and Material Irregularities.

BARC will continue engaging AGSA on the approach to Material Irregularities, including:

- the basis for escalation;
- progression of matters through the applicable escalation process;
- communication of expectations and timelines;
- evidence required to demonstrate effective remediation; and
- the respective responsibilities of management, the Accounting Authority and assurance providers.

Conclusion: The Committee considers AGSA independent and objective and will continue constructive but appropriately challenging engagement with AGSA to support audit quality, transparency and sustainable organisational improvement.

12. Auditor-General's Report

The Committee reviewed the NLC's implementation plan addressing audit issues raised in the prior year and monitored progress against that plan throughout 2025/26.

The Committee notes that significant progress was made, including the reported resolution of a number of prior findings.

However, the Committee **is not satisfied that all prior-year matters have yet been adequately and sustainably resolved.**

At 31 March 2026, the AGSA resolution tracker recorded **41 findings as resolved and 18 as unresolved.**

Accordingly, the Committee will maintain focused oversight during 2026/27 over, amongst others:

- supply chain management and deviation findings;
- irregular-expenditure processes;
- ICT and cybersecurity control deficiencies;
- grant-management controls;
- Material Irregularities;
- sustainable closure of audit findings;
- consequence-management and recovery processes; and
- evidence that corrective actions are operating effectively and preventing recurrence.

The final Auditor-General's report dated **31 July 2026** expressed an **unqualified opinion** on the consolidated and separate annual financial statements.

No material findings were reported on the selected material performance indicators after management corrected identified material misstatements in the annual performance report.

The audit nevertheless identified material non-compliance in expenditure management and procurement and contract management.

Accordingly, the 2025/26 audit outcome was **not a clean audit,** notwithstanding the unmodified financial-statement opinion.

The Auditor-General continued to report on previously identified Material Irregularities relating to the Motheo Sports Complex and the eDumbe Old Age Home matters.

The final audit report records remedial action implemented by the NLC, including revised research based grant policies and procedures, integrity and lifestyle-review measures, enhanced grant-control checklists, forensic and SIU processes, recovery actions and implementation of the ISO 37001 Anti-Bribery Management System.

AGSA nevertheless issued further recommendations on aspects of the Material Irregularities, including action plans to ensure compliance with mandatory grant-funding requirements and appropriate training of responsible officials, with implementation and progress-reporting dates extending into 2026/27.

The Committee will continue oversight until these matters have been formally and sustainably resolved.

13. Any Issues or Matters Not Covered Above

During the year, the Committee devoted particular attention to remediation of historic governance failures and strengthening institutional controls, including Material Irregularities, forensic investigations, consequence management, recovery processes, matters referred to law-enforcement agencies, legacy irregular expenditure, implementation of the Thuthuka Grant Management System, ICT modernisation, grant-management controls and strengthening accountability mechanisms.

Management reported that during 2025/26 the Forensic Investigations Unit referred **26 cases to SAPS**, with four additional matters still requiring referral at year-end.

The Committee continued to emphasise that sustainable governance improvement requires more than administrative closure of findings. Management must demonstrate that root causes have been addressed, responsible officials have been held accountable where appropriate and preventative controls are operating effectively.

No special duties outside the Committee's approved mandate were assigned to the Committee by the Accounting Authority or Executive Authority during the reporting period.

CONCLUSION

The Committee acknowledges the progress made by the Accounting Authority, management, Internal Audit, Risk Management and other assurance providers in strengthening the NLC's governance, risk-management and control environment during the 2025/26 financial year.

There has been measurable progress in institutionalising risk management, strengthening Internal Audit, implementing Combined Assurance, resolving historic audit findings and enhancing governance and accountability processes.

The Committee further notes the unmodified audit opinion on the 2025/26 consolidated and separate annual financial statements and the absence of material findings on selected material performance indicators following management's correction of identified misstatements.

However, the Committee remains concerned about residual risks and unresolved matters, particularly in relation to ICT and cybersecurity, grant administration, supply chain management, audit remediation, legacy irregular expenditure, Material Irregularities, consequence management and the sustainability of corrective actions.

Accordingly, the Committee's overall assessment is that the NLC's governance, risk management and internal control environment continued to improve during 2025/26 but cannot yet be assessed as fully effective.

Priority attention during 2026/27 will include:

- implementation and monitoring of the clean-audit plan;
- sustainable closure of internal and external audit findings;
- strengthening the finance, procurement and ICT control environments;
- strengthening preventative controls;
- continued monitoring and resolution of Material Irregularities;
- improved data integrity and systems integration;
- completion of the Internal Audit External Quality Assessment; and
- stronger accountability for implementation of corrective actions, especially consequence management



MS. PRECIOUS MVULANE
CHAIRPERSON: BOARD AUDIT AND RISK COMMITTEE
NATIONAL LOTTERIES COMMISSION

The Committee concurs with and accepts the conclusions of the Auditor-General on the consolidated and separate annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Committee will continue to require clear accountability, measurable implementation dates, credible supporting evidence and sustainable remediation before material governance matters are regarded as closed.



Ms Precious Mvulane CA(SA)

Chairperson: Board Audit and Risk Committee National Lotteries Commission

17. B-BBEE Compliance Report

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:

Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	The NLC does not issue licences, concessions or other authorisations.
Developing and implementing a preferential procurement policy?	Yes	The NLC preferential Procurement Policy is included in the SCM Policy of the NLC.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	The NLC does not sell state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	N/A	The NLC does not have public private partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?		Grants to advise





A New Dawn:

Transparent, Omni Channel and Impact Driven

This signals a profound rebirth in how the NLC delivers meaningful, sustainable change to civil society. Having successfully restored our governance foundations, we are revitalizing our commitment to the South African public through a grant-making ecosystem that is transparent, efficient, and deeply impactful.



NLC learning and development initiatives.

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Employees

Received Formal Training

PART D

Human Resources Management

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Introduction

During the 2025/26 financial year, the Human Capital Management (HCM) function delivered a strong consolidating and transformative performance, anchored on the National Lotteries Commission's (NLC's) approved values, mission, vision and modernisation agenda. The year marked a decisive shift from stabilisation and recovery towards sustained institutional maturity, with focused interventions aimed at strengthening our governance, enhancing performance discipline, embedding a values driven culture, modernising people systems and building future ready workforce capability.

The organisation's modernisation, culture renewal and organisational redesign initiatives continued to shape the way work is structured, led and managed. In recognition of the evolving workplace and the need for agility and accountability, extensive consultation processes culminated in full Board approval of redesigned organisational and divisional structures. These structures were further reinforced through the completion of a comprehensive Job Evaluation and Grading Project, which evaluated and graded 182 job profiles by year end, significantly improving role clarity, remuneration governance and audit assurance.

Performance management discipline improved materially during the year. The organisation achieved 100% signing of performance agreements and sustained performance assessment compliance levels of approximately 98–99%. A major milestone was the successful design and go live of an automated Performance Management (Assessment) System on 31 March 2026, enhancing transparency, data integrity, monitoring and reporting across the organisation.

Significant progress was made in embedding a values driven and ethical organisational culture. The Organisational Culture Renewal Framework was developed, launched and institutionalised through structured change management initiatives, internal awareness campaigns, the appointment and training of Culture Ambassadors and the hosting of a flagship inaugural Culture Renewal Event. These initiatives played a critical role in reinforcing ethical conduct, shared values, accountability and employee engagement.

Employee wellbeing remained a strategic priority throughout the reporting period. Organisational healing, wellness and mental health interventions were implemented, supported by sustained change management efforts. Targeted wellness campaigns and employee support initiatives contributed positively to workforce morale, resilience and labour stability.

The organisation continued to invest strategically in learning, skills development and workforce readiness.



MS NATASHA WRAY
ACTING SENIOR MANAGER HUMAN CAPITAL

An integrated Skills Development Plan and Workplace Skills Plan (WSP), informed by skills audit outcomes, guided targeted upskilling and reskilling interventions. Training focused on leadership and management development, governance, forensic disciplines, information technology, risk management, ethics and emerging digital capabilities, including Microsoft Copilot enablement. Total learning and development expenditure amounted to approximately R1.25 million for the year.

The Graduate, Internship and Work Integrated Learning (WIL) Programme delivered strong outcomes, achieving 100% of the annual target of 60 placements and exceeding DPSA and B-BBEE compliance benchmarks by up to 29%. This programme continued to strengthen the organisation's talent pipeline while contributing meaningfully to youth employment, skills development and transformation objectives.

Overall, the 2025/26 financial year reflects a period of consolidation, stabilisation and institutional strengthening for Human Capital Management, laying a robust foundation for sustained organisational performance and the achievement of NLC's 2026/27 strategic priorities.



Interns 2025/26

Progress towards
the achievement of institutional impacts & outcomes

NLC's Impact Statement	A transparent, trustworthy and developmental regulator for maximum social impact		
Outcome	**Outcome Indicator**	**Five-year target**	**Progress made in the 2025/26 financial year**
Cultivating a skilled, ethical and motivated team	Improved workforce capability, stability and performance through governance reform, performance discipline, culture renewal and skills investment	A stable, ethical and high performing workforce supported by mature governance, embedded performance discipline, strong organisational culture and sustainable skills development	During the 2025/26 financial year, the Human Capital Management function achieved a strong consolidation and transformation phase, with significant gains in governance, organisational alignment, performance discipline and culture. Key milestones included Board approval of redesigned organisational structures, completion of a comprehensive job evaluation and grading project, full compliance with performance agreements and the successful implementation of an automated Performance Management System. The organisation advanced a values-driven culture through a structured Culture Renewal Framework, strengthened employee wellbeing and labour stability and maintained constructive labour relations, including a multi year cost of living agreement. Strategic investment in learning and development, graduate and internship programmes and occupational health and safety further enhanced workforce capability, compliance and resilience, laying a solid foundation for sustained institutional maturity and future performance.

The NLC strategic Risk Profile is as follows:

SR	Outcomes	Key Risks	Mitigations
10	Cultivating a skilled, ethical and motivated team through organisational culture renewal	Human Capital and Performance	1. Create Awareness on HR Policies 2. Commissioners and EXCO Staff engagements 3. Develop a new learning and development plan through consolidation of divisional skills audit outcomes 4. Implementation of the Performance Management Policy and ensure 100% compliance with the performance management cycle 5. Implement targeted Change Management initiatives 6. Implementation organisation-wide redesign and structure 7. Development and implementation of the Succession Plan

Human Resource Oversight Statistics

Personnel-related expenditure

Personnel cost by salary band

Level	Personnel Expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
	(R'000)	(%)		(R'000)
Top Management	21 963	6%	8	2 745
Senior Management	68 392	18%	53	1 290
Middle Management	76 488	21%	219	349
Skilled	98 223	27%	52	1 889
Semi-skilled	98 415	27%	108	911
Unskilled	6 568	2%	17	384
TOTAL	**370 049**	**100%**	**457**	**7 572**

The total headcount of 457 employees reflected in the Personnel Cost by Salary Band table is based on payroll records and represents all employees who received remuneration during the 2025/26 financial year. This figure includes both employees who remained employed at year-end and those who exited the organisation during the reporting period.

The headcount comprises 376 permanent, contract, and intern employees who were employed by the organisation, together with 81 employees who were paid during the financial year but subsequently exited the organisation before year-end. As the payroll-based disclosure is intended to reconcile directly to the employee costs reported in the Annual Financial Statements, all employees who received salary payments during the reporting period are included in the total headcount reflected in this table.

Performance Rewards 2025/2026

Programme/ Activity/ Objective	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total Personnel cost
Top Management	3 698	18 265	1%
Senior Management	9 131	89 092	2.5%
Professional Qualified (Middle Management)	5 311	63 081	1.4%
Semi-skilled	5 616	70 873	1.5%
Skilled	6 522	91 892	1.8%
Unskilled	444	6 124	0.1%
	30 722	339 327	8.3%
Total per report	**370 049**		
Per AFS	**370 049**		

*STI's are based on provisional numbers and do not represent actual amounts paid

Training Costs 2025/2026

Programme/ activity / objective	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg Training Cost per employee
	(R'000)	(R'000)			(R'000)
Top Management	18 265	941	5.15%	1	941,00
Senior Management	89 092	934	1.05%	14	66,71
Professional Qualified	63 081	298,00	0.47%	22	13,55
Skilled	70 873	1275	1.80%	28	45,54
Semi-skilled	91 892	1720	1.87%	49	35,10
Unskilled	6 124	90	1.47%	8	11,25
TOTAL	**339 327**	**5 258**	**1.55%**	**122**	

Employment and Vacancies 2025/2026

Programme/ activity/objective	No. of Employees	Approved Posts	Vacancies	% of vacancies	Notes
Office of the Commissioner	2	4	2	50%	36
Grant Funding (Head Office)	10	11	3	27.2%	**Vacant Positions** Executive Man GF Executive Assistant, Snr Man Grant Ops
Provincial Office (All nine)	112	134	22	16.4%	
Corporate Services(Corporate Performance & Monitoring, PMO, BDD, SMMC & Facilities)	36	56	18	32.1%	
Regulatory Compliance	16	18	2	11.1%	
ICT	13	35	22	62.9%	
Finance	25	41	16	39%	
Internal Audit & Advisory	20	22	2	9.1%	
Secretariat's Office	2	5	3	60%	
Enterprise Risk Management	3	10	7	70%	
Human Capital Management	7	13	6	46.2%	
Legal Services	4	11	7	63.6%	
Distributing Agency	10	13	3	23.1%	
TOTAL	**260**	**373**	**113**	**30.3**	

Programme/ activity/objective	2025/2026 No. of Employees	2025/2026 Approved Posts	2025/2026 No. of Employees	2025/2026 Vacancies	% of vacancies
Top Management	1	1	1	0	0
Senior Management	26	33	26	7	21.2%
Professionally qualified, experienced specialists and middle-management	54	114	54	60	52.6%
Skilled	88	117	88	29	24.8%
Semi-skilled	74	91	74	17	18.7%
Unskilled	17	17	17	0	0
TOTAL	**260**	**373**	**260**	**113**	**30.3%**

Notes:

The organisation has deliberately adopted a phased and strategically sequenced approach to recruitment and placement in respect of vacant senior management positions. As a key governance and organisational effectiveness measure, priority is being given to the appointment of executive management positions. This will ensure that incoming executives are empowered to provide leadership, oversight, and strategic direction in the recruitment, placement, and alignment of senior management personnel within their respective portfolios. By enabling executives to actively shape the composition of their leadership teams, the organisation seeks to strengthen accountability, enhance operational effectiveness, and ensure that appointments are closely aligned with organisational priorities, business requirements, and long-term strategic objectives. This approach supports the establishment of a cohesive leadership structure capable of driving the successful implementation of the organisation's mandate and transformation agenda.

The prolonged vacancy levels must be understood within the broader context of the NLC's extensive organisational review and redesign programme, a strategic transformation initiative that commenced in 2023 and was only concluded in July 2025. The finalisation of this process marked a significant milestone; however, it also necessitated a comprehensive employee placement exercise to ensure the effective implementation of the newly approved organisational structure.

A fundamental prerequisite for this exercise is the development, approval, and implementation of a Placement Policy, which provides the governance framework, principles, criteria, and procedures required to allocate employees fairly, transparently, and consistently within the redesigned structure. Until this policy is formally approved, the organisation is unable to conclude the placement process lawfully and effectively, confirm employees in their new positions, or establish the final staffing configuration of the approved structure.

The discrepancies between occupied and vacant positions are primarily the result of the NLC's ongoing organisational transition following the approval of its new organisational structure. While several positions are reflected as vacant within the new structure, this does not necessarily indicate an absence of personnel. Many of these roles are expected to be occupied by existing employees who will be formally placed, mapped, or transferred into the new structure once the placement process has been concluded.

Consequently, the current vacancy levels should not be interpreted as an indication of workforce shortages or an inability to attract talent. Rather, they reflect a deliberate and necessary sequencing of organisational change activities, where employee placement must first be concluded before large-scale recruitment can commence. Proceeding with a full recruitment drive prior to finalising placement arrangements would create a risk of duplication, inefficiency, and misalignment within the new structure. The reported vacancies therefore largely represent positions that remain subject to the completion of the placement process and the final determination of staffing requirements arising from the organisational redesign.

Employment changes

The NLC continues to prioritise internal appointments as part of its commitment to employee development, career progression, and organisational stability. In implementing the newly approved organisational structure, the organisation will first seek to place existing employees in suitable roles, where their skills, experience and potential align with the requirements of the positions. This approach supports continuity, preserves institutional knowledge, and provides employees with opportunities for growth and advancement within the organisation.

At the same time, the NLC recognises that attracting and retaining suitably skilled and motivated employees is critical to the successful implementation of the new structure and the achievement of its strategic objectives. The organisation will therefore put measures in place to strengthen its employee value proposition, including creating opportunities for career development and progression, promoting a supportive and inclusive work environment, recognising and rewarding performance, and strengthening employee engagement and retention initiatives.

Where the required skills, expertise or capacity are not available internally, the NLC will recruit suitably qualified external candidates who can contribute specialised capabilities, innovation and industry expertise while demonstrating alignment with the organisation's values, culture, and strategic direction. Through this deliberate and balanced talent management approach, the NLC seeks to maximise the potential of its existing workforce, strengthen organisational capability, and secure the critical skills required to deliver on its mandate, drive performance excellence, and ensure long-term organisational sustainability.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	17	12	3	26
Professional qualified	56	4	6	54
Skilled	83	12	7	88
Semi-skilled	79	2	7	74
Unskilled	17	0	0	17
TOTAL	**256**	**30**	**23**	**260**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	2	2.5%
Resignation	18	22.5%
Dismissal	8	10%
Retirement	0	0
Ill health	0	0
Expiry of contract	50	62.5%
Other	2	2.5%
TOTAL	**80**	**20.9%**

Attrition By Reason

The NLC has experienced a range of staff departures during the current financial year, reflecting various factors:

- **Resignations:** Employees have voluntarily left the organisation, often in pursuit of better career opportunities or professional growth.
- **Contract Expiry:** The conclusion of internship and fixed-term contracts has led to the end of employment.
- **Other:** One employee chose to accept voluntary retrenchment, ending their employment with the organisation, while another effectively terminated their contract by repudiating it.
- **Unforeseen Circumstances:** Regrettably, two (2) staff members passed away, and eight (8) were dismissed due to misconduct.

Equity Target and Employment Equity Status

The NLC has made notable progress in advancing its employment equity objectives, with a focus on addressing historical imbalances affecting designated groups and promoting fair representation across all occupational levels and categories.

Although most employment equity targets have been achieved, additional efforts are being directed toward improving the representation of males in Senior Management. Male representation currently stands at 39.3%, compared to the 43.7% target, highlighting the need for a further 4.4% increase to achieve the desired balance.

The NLC has met the Employment Equity Act's requirement of a 3% representation of people living with disabilities, achieving this target within its workforce. This milestone reflects the organisation's commitment to creating a diverse and inclusive workplace. The NLC continues to prioritise the recruitment of individuals from designated groups, supporting greater diversity and addressing underrepresentation in certain occupational categories. This commitment is aligned with both the NLC's strategic objectives and the broader aims of the Employment Equity Act.

MALE (Permanent)

Levels	MALE (Permanent)							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	8	10	0	1	2	2	1	1
Professional qualified	25	28	2	2	0	2	0	2
Skilled	38	40	2	2	1	1	1	1
Semi-skilled	24	4	0	2	0	2	0	1
Unskilled	3	3	0	0	0	0	0	0
TOTAL	**98**	**85**	**4**	**7**	**3**	**7**	**2**	**5**

MALE (Fixed-term contract)

Levels	MALE (Fixed-term contract)							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	4	0	1	0	1	3	3
Professional qualified	4	5	0	1	0	1	0	0
Skilled	2	4	0	0	0	0	0	0
Semi-skilled	34	30	0	2	0	0	0	2
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**40**	**43**	**0**	**4**	**0**	**2**	**3**	**5**

FEMALE (Permanent)

Levels	FEMALE (Permanent)							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	1	1	0	0	0	0
Senior Management	12	14	1	1	2	2	0	1
Professional qualified	21	25	1	1	0	0	2	2
Skilled	48	50	1	1	0	1	0	2
Semi-skilled	41	45	7	7	0	3	2	2
Unskilled	14	14	0	0	0	0	0	0
TOTAL	**136**	**148**	**11**	**11**	**2**	**6**	**4**	**7**

FEMALE (Fixed-term contract)

Levels	FEMALE (Fixed-term contract)							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	0	0
Professional qualified	2	2	1	1	1	1	1	1
Skilled	5	5	0	0	0	0	0	0
Semi-skilled	59	50	0	3	0	2	0	2
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**68**	**59**	**1**	**4**	**1**	**3**	**1**	**3**

Disabled Staff (Inclusive of fixed-term employees)

Levels	Disabled Staff (Inclusive of fixed-term employees)			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	1	1
Professional qualified	2	2	0	1
Skilled	2	2	0	0
Semi-skilled	2	3	2	3
Unskilled	0	1	0	1
TOTAL	**6**	**8**	**3**	**6**

Labour Relations

Misconduct and Disciplinary Action

For the period under review, eight (8) employees were dismissed for misconduct.

Nature of Disciplinary Action	Number
Verbal Warning	00
Written Warning	01
Final Written Warning	03
Dismissal	08
TOTAL	**12**

Consequence Management

Consequence management at the NLC is implemented as an integral component of the broader governance, risk, and control environment, rather than as a narrow disciplinary function. It serves to reinforce accountability across all levels of the organisation, ensure consistent application of labour legislation, and support the effective implementation of internal audit, forensic, and Auditor-General (AGSA) recommendations. In this regard, consequence management is embedded within the Combined Assurance framework, with oversight provided through the Board Audit and Risk Committee (BARC).

The NLC applies consequence management in line with applicable labour law and internal policies, ensuring that all disciplinary processes are fair, reasonable, and procedurally compliant. A progressive approach is followed, whereby remedial and corrective actions, such as coaching, guidance, and training, are prioritised where appropriate, before escalation to formal disciplinary measures. This approach recognises that audit findings or operational deviations may arise from systemic gaps, historic matters, or capacity constraints, and therefore requires management to apply judgement in determining appropriate corrective responses within a legal and organisational context.

During the 2025/26 financial year, the NLC tracked a total of 25 disciplinary matters through its formal consequence management processes. These matters resulted in a range of outcomes, including dismissals, resignations, written warnings, corrective counselling, and ongoing disciplinary or litigation processes. Specifically, the period under review recorded eight dismissals and six resignations, with additional cases resulting in corrective or remedial interventions. These outcomes reflect the NLC's commitment to enforcing accountability while also adhering to due process and the rights of employees in terms of labour legislation.

In addition to disciplinary action, consequence management extended to financial and control remediation measures. The Loss Control Committee addressed instances of fruitless and wasteful expenditure, resulting in the issuance of recovery letters and the implementation of debt recovery arrangements. Several employees settled outstanding amounts, while others entered into repayment arrangements, demonstrating the linkage between consequence management and financial governance. Importantly, in line with legal prescripts such as the Pension Funds Act, the NLC ensured that actions relating to recovery or preservation of benefits were undertaken within the confines of applicable legislation.

The NLC has implemented consequence management measures in respect of officials identified as responsible for the incurrence of irregular expenditure and who remained in the employ of the NLC. Management has taken significant steps to strengthen and expedite the consequence management process, with matters being addressed in accordance with the applicable legislative and regulatory framework and the NLC's internal policies and procedures.

At the end of the financial year, certain consequence management matters remained in progress. These matters primarily related to instances of disputed irregular expenditure that required further consultation with relevant stakeholders to obtain clarity on the applicability and appropriate application of the relevant prescripts before the consequence management processes could be finalised.

The NLC is actively concluding these consultations and the related outstanding consequence management processes.

Consequence management also formed a critical part of the implementation of audit and forensic investigation recommendations. During the reporting period, the Commissioner issued formal memoranda to relevant divisions to implement control measures and accountability actions arising from forensic reports, with progress monitored through structured reporting mechanisms. Where non-compliance with audit findings was identified, matters were escalated through the Combined Assurance process, and executives were held accountable for implementing corrective actions within defined timelines.

The integration of consequence management into performance management frameworks further strengthened accountability. Executives and senior managers are required to report on the resolution of audit findings, non-compliance with policies, and the implementation of remedial actions as part of their performance agreements. This ensures that consequence management is not limited to reactive disciplinary measures, but also supports proactive control improvement and sustained compliance.

The NLC further recognises that consequence management must be balanced with organisational culture considerations. While accountability is enforced, the organisation has emphasised the importance of applying consequence management judiciously to avoid creating a culture of fear and to support ethical behaviour and continuous improvement. This is particularly relevant in addressing historic matters, where delays between transgressions, investigations, and disciplinary processes may impact the appropriateness or feasibility of certain actions.

In conclusion, consequence management at the NLC is a structured, legally compliant, and multifaceted process that supports improved internal controls, strengthens governance, and reinforces accountability. It is aligned to the principles of fairness, consistency, and proportionality, while simultaneously contributing to the organisation's broader objective of achieving an effective and sustainable control environment.

In Memory of our NLC Colleagues 2025/26



Head Office

MR. ARINAO MUHANELWA
FINANCE SPECIALIST



Western Cape Provincial Office

MS. LYNNE CUMMINGS
MONITORING & EVALUATION OFFICER

NLC Learning & Development Bursary Programme Impact

I started working for the NLC in 2017 as an Intern and was permanently appointed in 2018 as a Web and Systems Support.

When I joined the NLC, I already held a National Diploma in Information Technology (Web and Applications), a B-Tech in Information Technology (Business Applications), and was also a Microsoft Certified Solutions Associate (MCSA). However, through the support and investment of the NLC bursary programme, I was able to further my academic and professional growth.

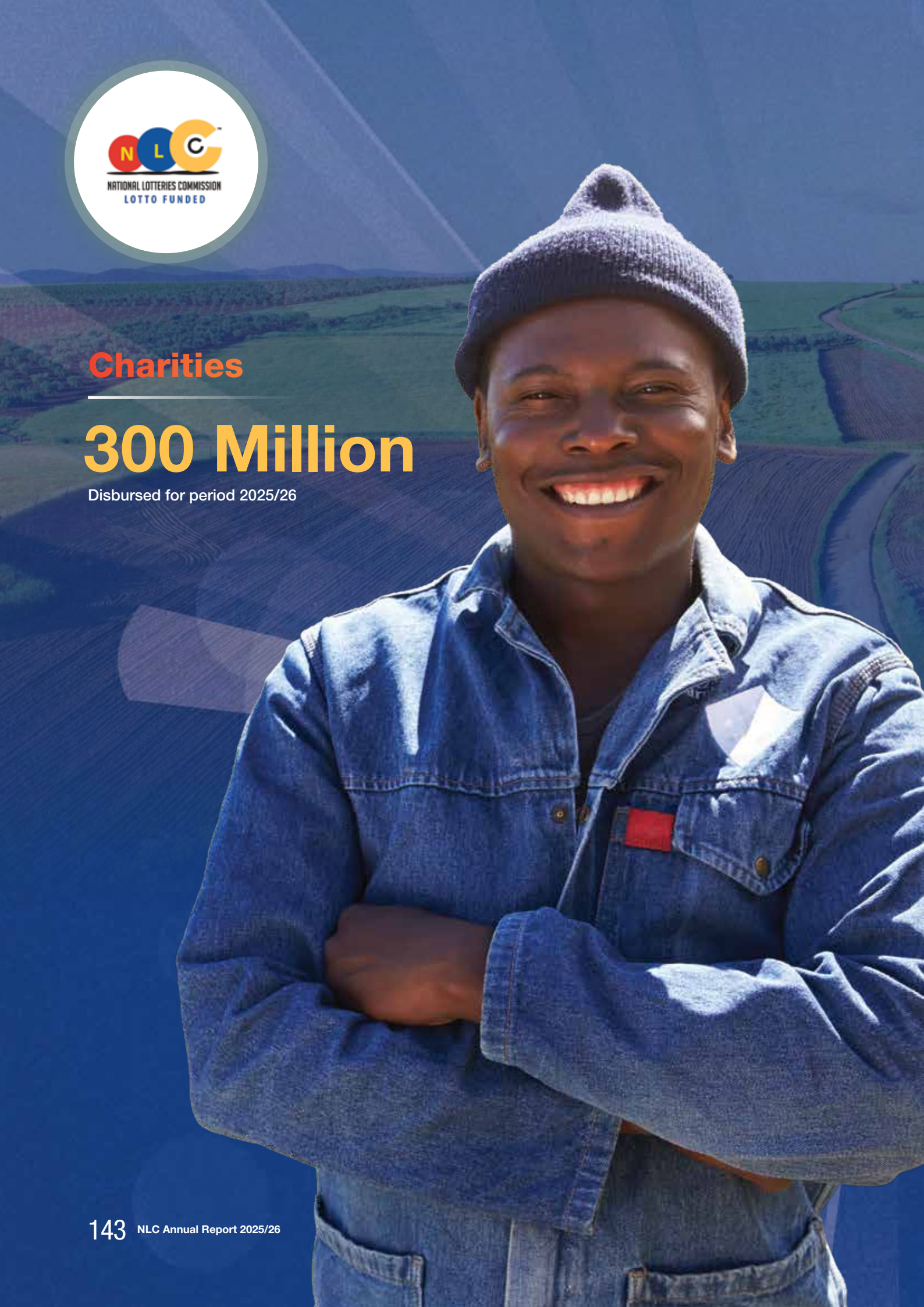
Through the NLC bursary scheme, I successfully completed a Bachelor of Honours in Business Informatics and I am currently a candidate for a Master of Business Informatics degree at the University of Johannesburg. In addition, I have continued to strengthen my technical and professional capabilities through various training programmes and industry certifications.

Looking back, I can confidently say that the NLC has played a significant role in my growth and development journey.

The organisation's commitment to employee development has empowered me to continuously improve my skills, broaden my knowledge, and advance both personally and professionally. I remain grateful for the opportunities, support, and encouragement that have enabled me to pursue excellence and contribute meaningfully within the organisation".



KGOMOTSO MASHEGO
CLOUD & ON-PREM
INFRASTRUCTURE SPECIALIST



Charities

300 Million

Disbursed for period 2025/26



PART E

PFMA Compliance Report

Irregular, Fruitless and Wasteful Expenditure and Material Losses	145
Late and/or Non-Payment of Suppliers	149
Supply Chain Management	149

1. Irregular, Fruitless and Wasteful Expenditure and Material Losses

1.1. Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2025/26	2024/25
	(R'000)	(R'000)
Opening balance	655 994	611 620
Prior Period Errors		
As Restated	655 994	611 620
Add: Irregular expenditure confirmed	5 396	44 374
Less: Irregular expenditure condoned	504	
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**660 886**	**655 994**

Reconciling notes to the annual financial statement disclosure

Description	2025/26	2024/25
	(R'000)	(R'000)
Irregular expenditure that was under assessment in 2024/2025	-	37 598
Irregular expenditure that relates to 2024/25 and identified in 2025/26	-	-
Irregular expenditure for the current year	5 396	6 776
Total	**5 396**	**44 374**

b) Details of current and previous year's irregular expenditure (under assessment, determination, and investigation)

Description	2025/26	2024/25
	(R'000)	(R'000)
*Irregular expenditure under assessment	3 780	79 053
Irregular expenditure under determination	-	504
Irregular expenditure under investigation	-	12 639
Total	**3 780**	**92 196**

* The Auditor-General has raised findings regarding non-compliance arising from grants that were approved and/or paid without all mandatory requirements having been received. The NLC has disputed the finding with National Treasury, as there are differing interpretations regarding the applicable grant allocation and payment requirements.

At this stage, the NLC is not in a position to reliably quantify the population or financial impact of the matter, as this would require a comprehensive review of the entire grant allocation population to determine which projects were approved and/or paid without all mandatory requirements being fulfilled. The review will therefore need to be completed before the extent and potential financial impact of the finding can be accurately quantified.

Irregular, fruitless and wasteful expenditure and material losses continued

c) Details of current and previous year irregular expenditure condoned

Description	2025/26	2024/25
	(R'000)	(R'000)
Irregular expenditure condoned	504	-
Total	**504**	**-**

d) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Description	2025/26	2024/25
	(R'000)	(R'000)
Numerous officials implicated. These officials have either subsequently resigned or consequence management has been actioned.	3 812	6 776
Total	**3 812**	**6 776**

e) Details of current and previous year irregular expenditure recovered

Not applicable

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Not applicable

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Not applicable

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
The NLC has taken a significant actions on the irregular expenditure concluding disciplinary measures against implicated officials.
The actions range from corrective counselling to issuance of final written warnings as well as disciplinary hearings. The NLC is continuing with instituting the necessary consequence management as investigations are finalised.

There has been a significant reduction in the amount of irregular expenditure incurred by the NLC in comparison to prior years which is attributed to the improvement in governance controls and the implementation of consequence management. This improvement reflects Management's continued commitment to promoting procurement processes that are fair, equitable, transparent, competitive and cost-effective, in accordance with the applicable legislative and regulatory framework.

Management remains committed to ensuring that all identified instances of irregular expenditure are appropriately assessed and, where accountability is established, that the necessary consequence management measures are implemented in a fair, consistent and expeditious manner.

Irregular, fruitless and wasteful expenditure and material losses continued

Non Compliance	Misconduct	Sanction	Action Taken
Overspending on contracted value	Non-application of policy prescripts for managing of contract spending	Written warnings	Officials issued with written warnings.
Incorrect application of evaluation criteria	Mandatory criteria applied in the evaluation process differed from the advertised terms of reference	Written warnings	Officials issued with written warnings.
Insufficient evidence of market assessment for a deviated process	The deviated process did not included a detailed description of the market assessment that was performed.	Written warnings	Officials issued with written warnings.

1.2. Fruitless and Wasteful Expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2025/26	2024/25
	(R'000)	(R'000)
Opening balance	21 180	20 802
Prior period errors	-	343
As Restated	**21 180**	**21 144**
Add: Fruitless and wasteful expenditure confirmed	10	35
Less: Fruitless and wasteful expenditure written off	11	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	**21 179**	**21 180**

Reconciling notes to the annual financial statement disclosure

Description	2025/26	2024/25
	(R'000)	(R'000)
Fruitless and wasteful expenditure that was under assessment in 2024/25	-	-
Fruitless and wasteful expenditure that relates to 2024/25 and identified in 2025/26	-	45
Fruitless and wasteful expenditure for the current year	10	35
Total	**10**	**80**

Irregular, fruitless and wasteful expenditure and material losses continued

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2025/26	2024/25
	(R'000)	(R'000)
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	35
Fruitless and wasteful expenditure under investigation	-	-
Total	**-**	**-**

c) Details of current and previous year fruitless and wasteful expenditure recoverable

Description	2025/26	2024/25
	(R'000)	(R'000)
Fruitless and wasteful expenditure recoverable	-	-
Total	**-**	**-**

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Not applicable

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Not applicable

1.1 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii)

a) Details of current and previous year material losses through criminal conduct

Not applicable

b) Details of other material losses

Not applicable

c) Other material losses recovered

Not applicable

d) Other material losses written off

Not applicable

2. Late and/or Non-Payment of Suppliers

Description	Number of Invoices	Consolidated Value
		(R'000)
Valid invoices received	6 303	357 635 419
Invoices paid within 30 days or agreed period	5 639	313 461 939
Invoices paid after 30 days or agreed period	337	40 244 108
Invoices older than 30 days or agreed period	3	188 001
Invoices still within 30 days or agreed period	321	3 736 189
Invoices older than 30 days or agreed period (unpaid and with dispute)	3	5 182

3. Supply Chain Management

3.1. Procurement by Other Means

No	Project Description	Name of Supplier	Contract Number	Reason for the Procurement by Other Means	Value of Contact
1	AFS Licence subscription costs	Durcharme Consulting (Pty) Ltd	N/A	Sole provider	R339 250.00
2	AFS Licence subscription costs	Durcharme Consulting (Pty) Ltd	Dev-2026-001	Sole provider	R356 212.50
3	Training for introduction to data analytics	Surtech Solution RSA	Dev-2025-001	Sole provider	R101 200.00
4	International Organisation for Standards (ISO)	SABS	Dev-2025-007-001	Sole provider	R29 210.54
5	702 Walk The Talk	Primedia Broadcasting	2025-003	Sole provider	R323 596.45
6	Specialized Sybrin Platform Training	Sybrin SA (Pty) Ltd	2025-005	Sole provider	R510 000.00
7	Quality Assessment Manual	Institute of Auditors South Africa	Dev- 2025-004	Sole provider	R10 091.25
Total					**R1 669 560.74**

The NLC has made significant progress in strengthening its procurement governance framework and has substantially reduced its reliance on procurement by other means (deviations).

In prior financial years, certain procurement processes undertaken by means of deviations were subsequently assessed as non-compliant with applicable procurement prescripts, resulting in the associated expenditure being classified as irregular expenditure.

Irregular, fruitless and wasteful expenditure and material losses continued

In response, the NLC has implemented a range of corrective and preventative measures aimed at addressing the underlying control weaknesses and reducing the risk of recurrence. These measures include the revision and strengthening of the NLC's Supply Chain Management Policy, procurement processes and operating procedures, together with enhanced governance, oversight and compliance controls over the consideration and approval of deviations.

As a result of these interventions, the NLC has significantly reduced the number of procurement processes undertaken by means of deviations. Deviations are now subject to enhanced scrutiny and are considered only where appropriately justified and permitted within the applicable legislative and regulatory framework.

The NLC will continue to strengthen procurement planning, compliance monitoring and oversight to further minimise reliance on deviations and mitigate the risk of irregular expenditure, while ensuring that operational requirements are addressed in a compliant, efficient and cost-effective manner.

3.2. Contract Variation and Expansions

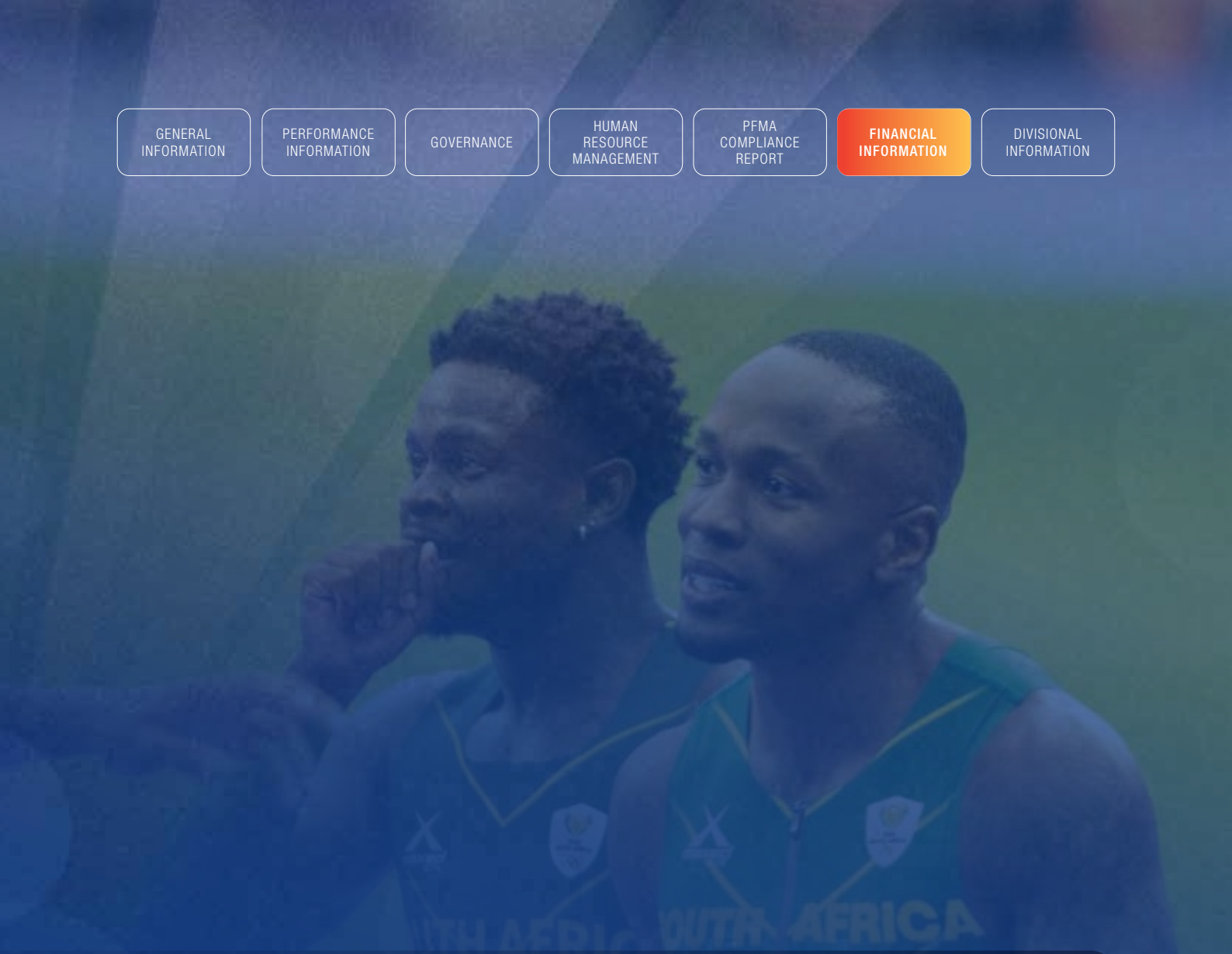
No	Project Description	Name of Supplier	Contract Number	Reason for Extension	Original Contract Value	Value of Contract Extension
1	ICT- Computer-Based Intergrated Communication Platform	Nkemba Technologies	n/a	Contiunuation of services for media engagement strategy and reputational restoration efforts	R228 985.70	R34 347.75
2	Translation Services	Makombandlela Language Practice	RFQ/2025-006-008	Adjustment to the number of words to be translated	R398 530.25	R19 416.25
3	NLC 2025 Stakeholder Indaba	Anzomode	NLC/2024-008	Inflation & increase in price due to effluxion of time	R5 878 57.89	R293 823.94
4	Production of Annual Report	Outsourced Creative	RFQ 2025-004-014	Amendments and addition of items to the report	R201 970.00	R26 000.00
5	Web based online job grading/ benchmarking system	Tremendis Learning (Pty) Ltd	RFQ-2025-006-020	An increase in number of role profiles that initially required review	R412 000.00	R123 511.50
6	GRAP 104 and Other GRAP updates	Durcharme (Pty) Ltd	RFP-2023-101	Travel of the Ducharme training team	R221 39.00	R2 392.00
7	NLC branded corporate blankets (16 days of activism)	Zandisizwe Communication CC	RFQ-2025-011-010	Alignment of product specifications to be within the organisation's corporate identity requirements	R341 205.00	R38 140.00
Total					**R7 682 661.84**	**R537 631.44**



Community Impact

1 321

Jobs created and sustained through funded projects



PART F

Financial Information

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CFO Foreword



Strength Through Stewardship

TINA MAHARAJ

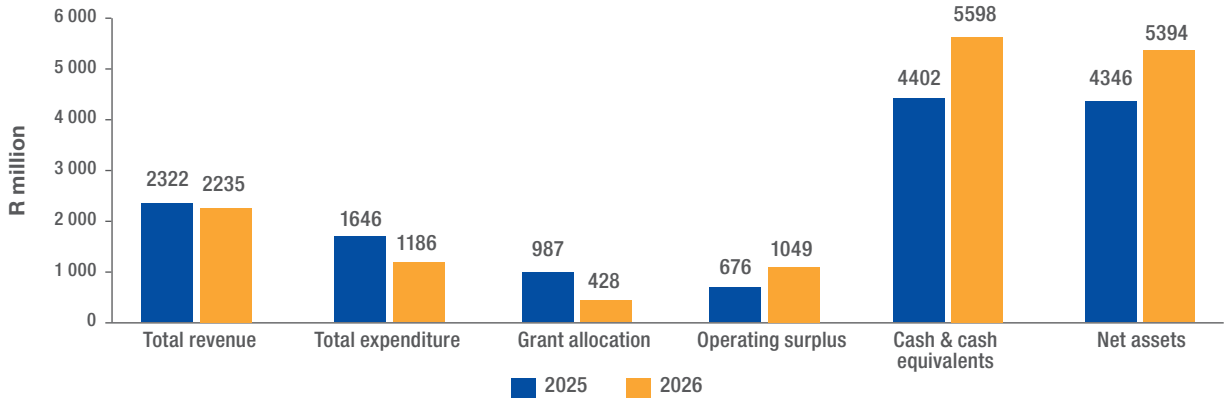
Chief Financial Officer

It is my privilege to present the financial overview of the National Lotteries Commission (NLC) Group for the financial year ended 31 March 2026. The NLC carries a unique public mandate: to regulate the lotteries environment with integrity and to administer funds raised through the National Lottery for worthy causes. Our financial stewardship must therefore do more than record numbers; it must demonstrate accountability, transparency and responsible management of public resources.

The year under review was characterised by continued stabilisation, strengthened governance and the disciplined management of resources during a period of organisational transition. The consolidated Annual Financial Statements were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), and the Annual Report has been prepared in line with the National Treasury annual reporting requirements.

NLC Group Financial Snapshot: 2025 vs 2026

Amounts in R million



KEY INSIGHTS

- **Revenue** Slightly down (2322 to 2235)
- **Expenditure** Down (1646 to 1186)
- **Grant allocation** Down (987 to 428)
- **Operating surplus** Up (676 to 1049)
- **Cash & cash equivalents** Up (4402 to 5598)
- **Net assets** Up (4345 to 5394)



"Looking ahead, the priority is clear: to convert financial resilience into visible developmental impact while maintaining strong governance."

What does a strong cash position mean?

A strong cash position means the Group can meet approved obligations, manage timing differences in the grant cycle and protect funds until they are paid to compliant beneficiaries.

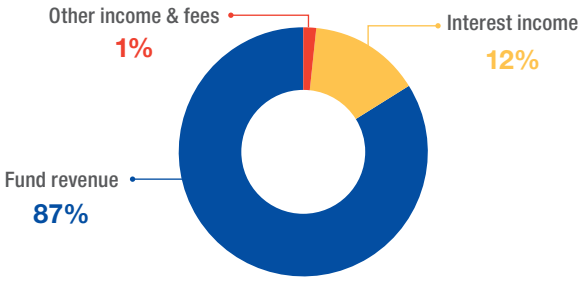
This provides stakeholders with a reliable and transparent view of the financial position, performance and cash flows of the NLC Group.

The Group received an unqualified audit opinion on its consolidated financial statements. While this confirms that the financial statements present fairly, in all material respects, the Group's financial position and performance, AGSA reported findings which require further intervention. Management recognises that stronger implementation of approved controls is required and is prioritising corrective action plans, training, consequence management and sustained monitoring to address the findings and strengthen accountability.

Group revenue remained resilient at R2.235 billion, compared with R2.322 billion in the previous year. Fund revenue, which is primarily linked to the share of ticket sales, remained the largest revenue stream. The year-on-year decrease in the share of ticket sales was mainly attributable to the lower percentage received from the operator during the temporary licence period, compared with the previous licence agreement. Interest income increased to R273.6 million, reflecting prudent cash management and the benefit of a strong liquidity position.

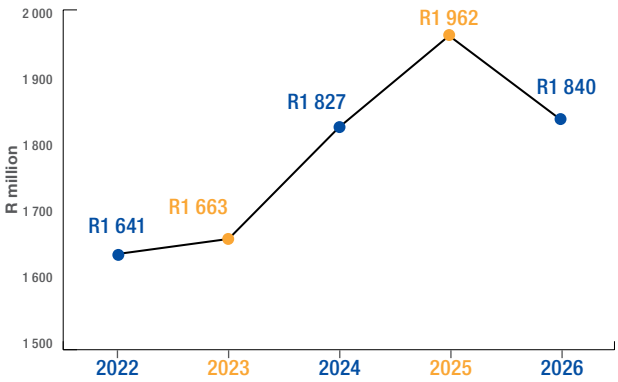
Where Group Revenue Came From in 2026

Share of total group revenue



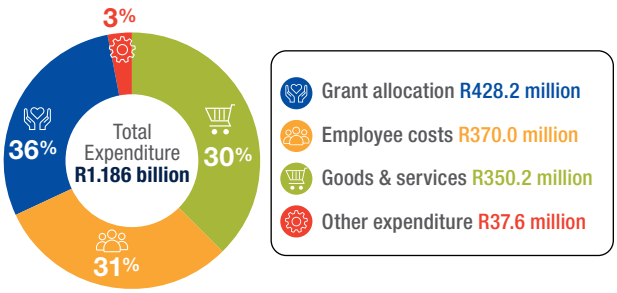
Fund revenue remains the primary source of group revenue in 2026.

Share of Ticket Sales: Five-Year Trend



2022	2023	2024	2025	2026
R1 641 million	R1 663 million	R1 827 million	R1 962 million	R1 840 million

How Group Expenditure Was Applied in 2026



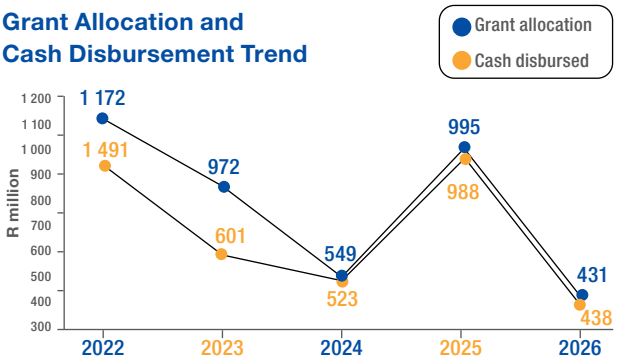
Total Group expenditure decreased to R1.186 billion from R1.646 billion in the prior year. This reduction was largely driven by lower grant allocation expenditure of R428.2 million, compared with R987.1 million in 2025. The reduction in grant expenditure recognised in the Statement of Financial Performance should not be interpreted as a reduction in developmental need, nor as a reduced commitment by the NLC to support worthy causes. South Africa's developmental needs remain significant, and the NLC continued to approve funding in line with its mandate during the year under review.

Understanding the grant funding number

The grant expenditure figure in the income statement does not show the full value of grants approved during the year. It only shows grants that met all accounting and compliance requirements for recognition and payment by 31 March 2026.

Many grants were approved but could not yet be released because beneficiaries still had to meet mandatory compliance requirements. These amounts are disclosed off-balance sheet until all conditions are met. This ensures that funds are protected and paid only when the required controls have been satisfied.

Grant Allocation and Cash Disbursement Trend



Total grant allocation 2022–2026	Total cash disbursed 2022–2026	Highest allocation: 2022	Highest cash disbursed: 2022	Lowest cash disbursed: 2026
R4.119 billion	**R4.041 billion**	**R1 172 million**	**R1 491 million**	**R438 million**

The difference between the value of grants approved and the amount recognised as grant expenditure is mainly a result of the applicable GRAP accounting policy and the mandatory compliance requirements that must be satisfied before funds can be released. In terms of the NLC's accounting policy, grant expenditure is recognised only when the conditions for payment have been met.

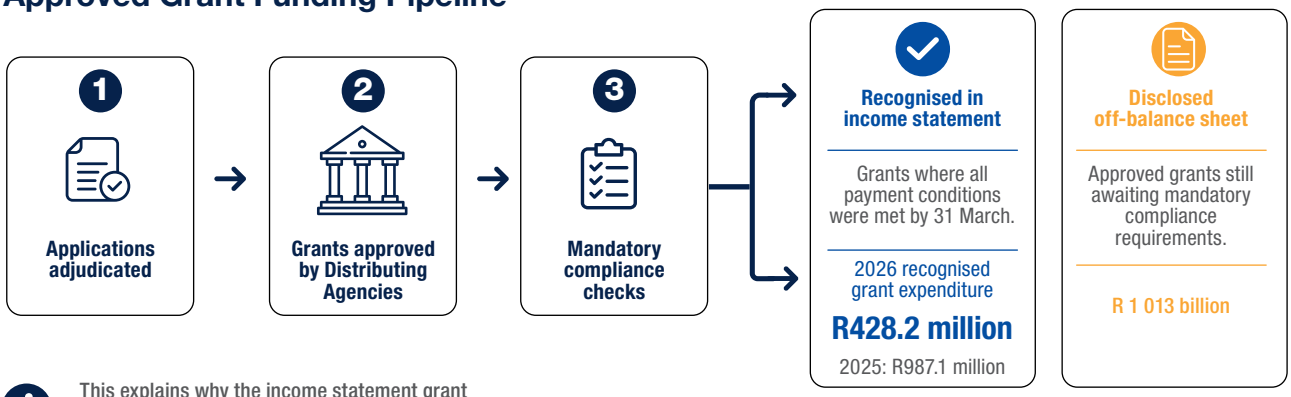
This includes, where applicable, a valid grant agreement signed by both parties, completion of the required compliance checks, approval of the compliance checklist by delegated officials, and satisfaction of all requirements prescribed by the NLC for the release of payment.

As a result, a significant portion of approved grant funding had not yet met the recognition criteria by year-end because grantees were still required to submit or finalise mandatory compliance documentation.

These approved amounts are therefore disclosed off-balance sheet as contingent liabilities/commitments, rather than being recognised as expenditure in the Statement of Financial Performance. This distinction is important: the financial statements reflect the amount that was accounting-recognised and payable at year-end, while the broader approvals pipeline reflects the NLC's continuing commitment to fund approved developmental initiatives once compliance requirements are met.

This approach strengthens accountability and protects public funds by ensuring that grant payments are released only when beneficiaries have met the required governance, compliance and reporting conditions. It is also aligned to the NLC's broader commitment to ethical financial management, transparency, and responsible stewardship of funds intended for worthy causes.

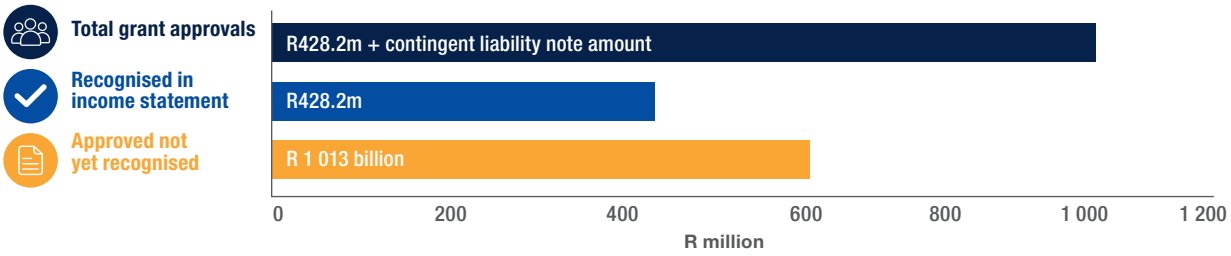
Approved Grant Funding Pipeline



This explains why the income statement grant expenditure is lower than the total value of approvals made during the year.

Total grant approvals = **Recognised grant expenditure** + **Approved grants awaiting compliance**

Grant approvals vs accounting-recognised grant expenditure (2026)



Actual off-balance sheet amount to be inserted from the contingent liability note on grants.

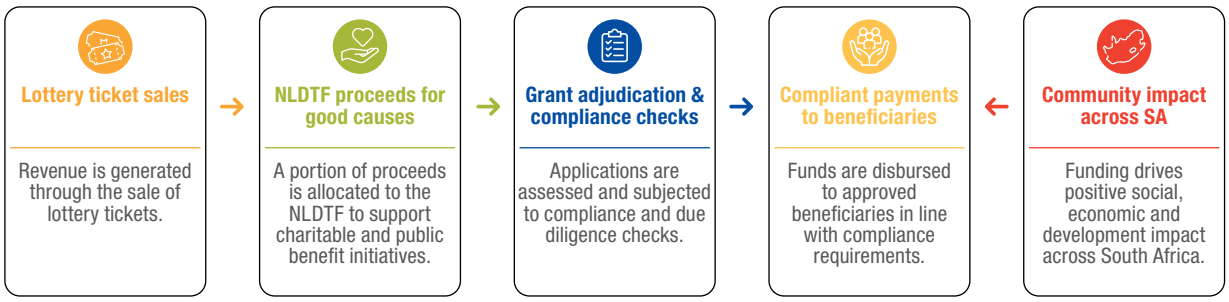
Operating costs increased during the year, mainly due to expenditure associated with the National Indaba held in November 2025, legal fees linked to ongoing litigation, and additional costs incurred to strengthen the monitoring of infrastructure projects. While these costs increased the administrative base, they also supported important governance, stakeholder engagement and oversight priorities in a year focused on rebuilding trust, improving accountability and strengthening controls.

Supply Chain Management remained a key enabler of financial governance, operational delivery and value for money. During the year, SCM supported procurement activity linked to stakeholder engagement, legal and governance priorities, infrastructure project monitoring, facilities support and the broader modernisation agenda. Goods and services expenditure was R350.1 million for the Group, compared with R287.6 million in the previous year. At the same time, the budget-versus-actual results reflect that certain planned procurements were delayed, and some processes were unsuccessful because of non-responsive bids. These outcomes reinforce the importance of stronger demand planning, clearer specifications, market analysis, responsive bid processes and disciplined contract management.

The NLC therefore continued to strengthen SCM controls as part of its wider clean administration agenda. This includes improving procurement planning, reinforcing compliance with the PFMA and Treasury Regulations, strengthening contract and supplier management, and ensuring that procurement decisions remain fair, equitable, transparent, competitive and cost-effective. In the year ahead, Finance and SCM will work more closely with business units to improve the quality and timing of demand plans, reduce avoidable procurement delays, support SMME participation where appropriate, and ensure that public resources are procured and managed in a manner that supports both service delivery and public trust.

Financial Stewardship Value Chain

From revenue generation to community impact



The Group reported an operating surplus of R1 048.6 million, compared with R676.3 million in the previous year. This surplus should be understood in context: the NLC is not established to accumulate funds for its own sake, but to ensure that funds are safeguarded and applied to approved good causes in a manner that is lawful, fair, transparent and sustainable. The higher accumulated surplus therefore reinforces the importance of accelerating compliant adjudication, strengthening grant pipeline management and ensuring that funds reach deserving beneficiaries without compromising control.

The Statement of Financial Position reflects a sound liquidity position. Net Asset are R5.394bn and R4.345bn as per audited AFS This provides financial resilience and supports the NLC's ability to meet approved obligations, manage timing differences in the grant funding cycle and respond responsibly to future funding requirements.

The NLC continued to strengthen its control environment during the year. The adoption of the revised GRAP 104 standard on financial instruments enhanced the transparency of disclosures relating to credit risk, liquidity risk and market risk. The Board-approved investment policy remains anchored in capital preservation, liquidity and the maximisation of returns within an approved risk framework. These principles are especially important given the public-interest nature of the funds administered by the NLC.

In line with King V, the financial governance agenda is not limited to compliance. It must support the governance outcomes of ethical culture, performance and value creation, conformance and prudent control, and legitimacy. For the NLC, this means that every Rand must be managed in a way that protects public trust, supports sustainable social impact and demonstrates responsible stewardship.

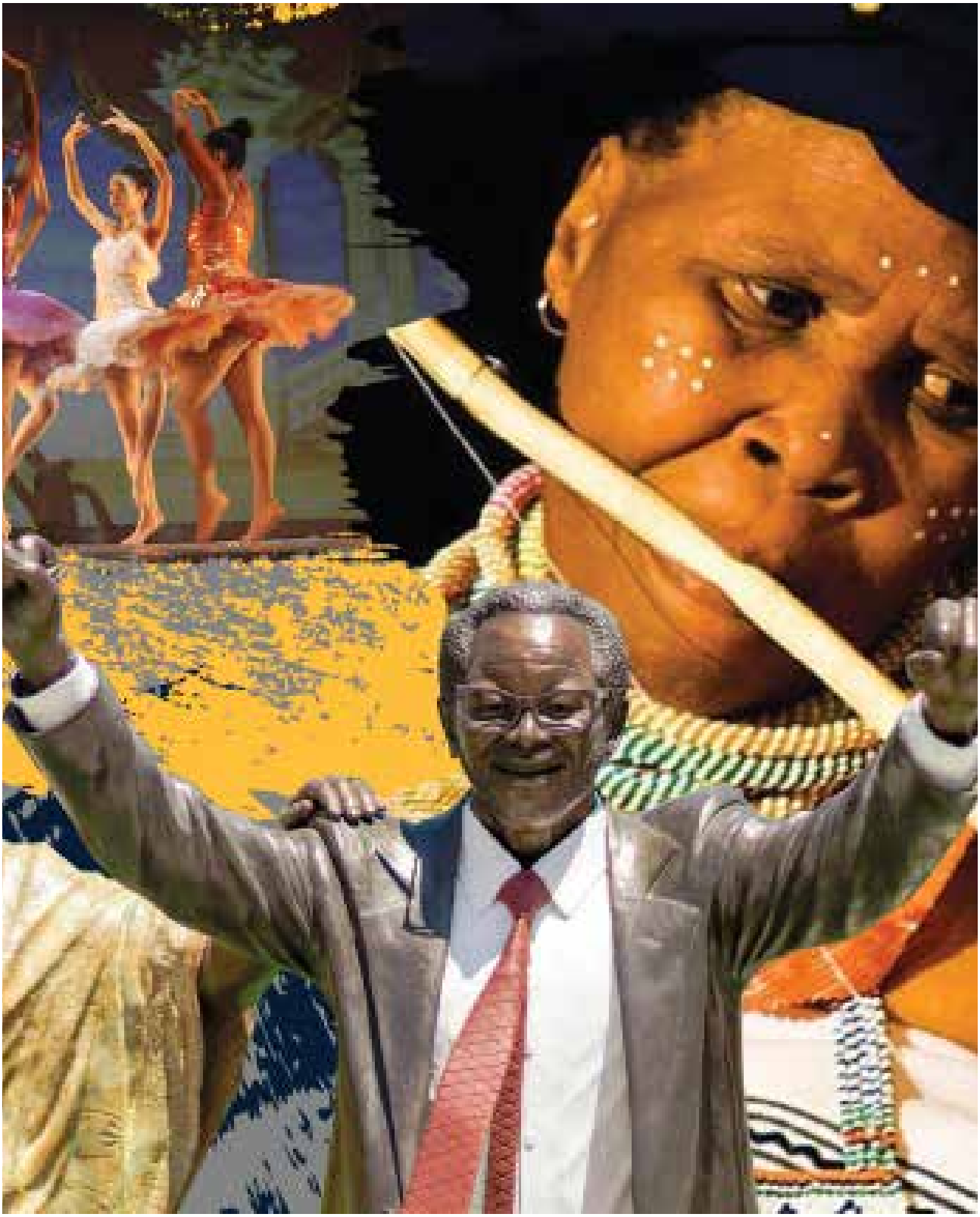
The Finance function will continue to support integrated thinking by linking financial discipline, risk management, compliance, operational performance and community impact.

Looking ahead, the priority is clear: to convert financial resilience into visible developmental impact while maintaining strong governance. This requires continued improvement in grant adjudication and payment processes, disciplined cost management, effective implementation of digital systems, stronger contract and supplier management, and a continued focus on clean administration. The Finance Division will continue to support the Board, the Commissioner and management in building an NLC that is financially sound, ethically grounded, transparent and responsive to the needs of South Africa's communities.

I extend my appreciation to the Board, the Commissioner, the Audit and Risk Committee, the Finance Committee, Executive Management, the Finance Division, Internal Audit and all assurance providers for their support and continued commitment to accountable public financial management. Most importantly, we remain mindful that behind every financial statement line item is a public purpose: ensuring that lottery funds are protected and directed to the people and communities they are intended to serve.

Ms Tina Maharaj CA(SA)

Chief Financial Officer





The National Lotteries Commission Group

For The Year Ended 31 March 2026

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Report of the Auditor-General to Parliament on National Lotteries Commission

Report on the audit of the consolidated and separate financial statements

Opinion

1. I have audited the consolidated and separate financial statements of the National Lotteries Commission and its subsidiaries (the group) set out on pages 156-197, which comprise the consolidated and separate statement of financial position as at 31 March 2026, consolidated and separate statement of financial performance, consolidated and separate statement of changes in net assets, consolidated and separate statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the National Lotteries Commission group as at 31 March 2026 and their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for Opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report..

4. I am independent of the public entity, in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the consolidated and separate financial statements

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

7. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group and 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 group and public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the consolidated and separate financial statements

8. My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs 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 consolidated and separate financial statements.

9. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report. This description, which is located at page 173, forms part of my auditor's report.

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance 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. I selected the following material performance indicators related to regulatory compliance and grant making presented in the annual performance report for the year ended 31 March 2026. I 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.

- Percentage compliance of lottery schemes with the Lotteries Act
- Develop and implement the Licence Monitoring Matrix
- Research on measures to increase the uptake of society lotteries
- Conduct research on worthy good causes that may be funded without lodging an application in terms of the Act
- Strengthened monitoring of funded projects
- Number of jobs created or retained by the NLC funded Grantees, Lottery operator and society lotteries
- Percentage of applications adjudicated within 150 days

12. I evaluated the reported performance information for the selected material performance 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. I 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 and verifiable to ensure that they are easy to understand and apply consistently and that I 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 what was 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. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

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

Other matter

16. I draw attention to the matter below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under- achievements.

Material misstatements

18. I identified preventable material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for regulatory compliance. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I 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 Public Entity's compliance with legislation.

20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Public Entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Consequence management

23. Disciplinary steps were not taken against some of the officials who had permitted irregular expenditure, as required by section 51(1)(e)(iii) of the PFMA.

Expenditure management

24. Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 29 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with supply chain management prescripts.

Procurement and contract management

25. Some of the contracts were awarded to bidders based on evaluation/adjudication criteria that were not stipulated and/ or differed from those stipulated in the original invitation for bidding as required by Treasury Regulation 16A6.3(a) and (b). This non-compliance was identified in the procurement processes for the competitive bids.

Other information in the annual report

26. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the consolidated and separate financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

27. My opinion on the consolidated and separate financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

28. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated and separate financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

29. The other information I obtained prior to the date of this auditor's report is the PFMA compliance report, minister's foreword, chairperson's foreword, commissioner's foreword, general information. The governance information, human resource management and audit committee report are expected to be made available to us after 31 July 2026.

30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

31. When I do receive and read the governance information, human resource management and audit committee report, if I conclude that there is a material misstatement therein, I am 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, I 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.

Report on the audit of the consolidated and separate financial statements continued

Internal control deficiencies

32. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

33. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.

34. Leadership did not exercise oversight responsibility regarding compliance and related internal controls.

35. Management did not review and monitor compliance with applicable legislation as material instances of non-compliance were identified.

Material irregularities

36. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

    Status of previously reported material irregularities

    Payments were made for the construction of the Motheo sport complex that was never delivered

37. On 14 April 2021 the director for grant funding projects submitted a proposal on proactive funding for construction of the Motheo sports complex in Gauteng for approval by the acting chief financial officer. On 13 May 2021 the NLDTF Quality Assurance Committee approved R9 million to be paid in three tranches. On 31 May 2021 the grant agreement was signed by both parties. On 9 June 2021 the first tranche payment of R3 000 000 was paid and on 7 February 2022 a second tranche payment of R3 000 000 was paid.

38. The approving committee did not implement adequate processes in identifying the NPO and approving grant allocation for this project. The entity was not careful in the use of financial resources to avoid unnecessary waste; they appointed an NPO without adequately confirming its capacity to carry out the project. The approval of the grant allocation was done without the necessary due diligence, and feasibility studies. The viability of the project, once the funding has been approved was not assessed. The second tranche payment was made without satisfactory progress on the first tranche, which is in contradiction of the NLC's own policy and the grant agreement.

39. These actions resulted in the resources of the NLDTF not being utilised effectively, efficiently and economically as required by section 57(b) of the PFMA and is likely to result in a material financial loss for the NLDTF as the amount can still be recovered from the grantee.

40. The NLDTF disclosed fruitless and wasteful expenditure amounting to R6 000 000 for the comparative in note 22 of the 2022-23 financial statements pertaining to this matter.

41. The accounting authority was notified of the material irregularity on 25 July 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The response was received on 21 August 2023. A determination was issued on 20 October 2023 indicating that appropriate actions are being taken.

42. Follow-ups on progress made in addressing the material irregularity on 31 January 2024, 7 June 2024, 07 February 2025,25 June 2025, and on 24 November 2025 and responses were received on 6 February 2024, 13 June 2024, 14 February 2025, 30 June 2025 and on 19 December 2025 respectively.

43. The accounting authority communicated and presented evidence that the following progress has been made on the material irregularity:

- In December 2023 the updated grant-funding policy was approved. The policy incorporates pre-adjudication site inspection to ensure that funded organisations do have the necessary capacity and systems in place to execute projects. The policy also clearly articulate tranche payment procedures. The research-based policy was reviewed and approved on 5 February 2025.
- In December 2023 the grant agreement was updated and provisions built in to mitigate risks in the event of delegating duties and responsibilities of a grantee to a third party. The standard operating procedures were updated in December 2023 to also include principles for infrastructure projects such as sustainability, environmental, green energy, grey water recycling, maintenance plans, bylaws, standards, etc.

- A moratorium on pro-active funding was instigated. The approved research-based funding policy includes measures to ensure that all allocated organisations undergo vetting and capacity testing before considered for implementation and emphasises strong strategic partnership approach. Feasibility studies for projects before allocation of funds are included in the policy. The policy also emphasises a strong strategic partnership approach. These actions were completed in December 2023.
- The NLC concluded phase 1 for 295 staff on integrity testing. A service provider has been appointed for phase 2: for integrity testing of interns and new staff on a voluntary basis. Less than 15% of staff opted not to participate in the testing during the first phase. The Board approved the Lifestyle Policy on 29 February 2024. In phase 1, lifestyle disclosures from all Board members, Executives, and Senior Managers who submitted them were reviewed. In phase 2, all other employees who submitted disclosures were reviewed during the fourth quarter of 2024-25.
- Lifestyle audits were conducted for all employees and Board members that submitted the lifestyle disclosure forms.
- Anti-bribery, corruption and fraud prevention framework is being developed. A term of reference in line with ISO 37001 and Anti-Fraud Best Practices was issued. A request for quotations closed in October 2023 and was reissued. A service provider was appointed in December 2023.
- Two criminal cases against the beneficiary of the project have been filed in terms of section 34 of Prevention and Combating of Corrupt Activities Act (PRECCA). An additional case was opened in August 2023 and cases were also logged with the DPCI.
- The SIU is in the process of investigating the NPO and other linked projects where this beneficiary was involved. The SIU investigation is still ongoing.
- One official is on suspension for gross negligence. NLC reserves its right to charge the ex-officials criminally should the results of the SIU investigations further implicate them. In October 2023 a report was finalised identifying those responsible. The four officials that were identified as being involved in this matter were placed on precautionary suspension. The following three officials resigned prior to their disciplinary hearings:
  - Chief risk officer resigned in September 2023
  - Senior manager: SCM resigned in December 2023 with effect from January 2024
  - The head: stakeholder management resigned in August 2023.
- For the one remaining official (company secretary), NLC officials have raised additional matters which merit additional charges. A further preliminary hearing was scheduled for February 2024 to set dates for the disciplinary hearing; however, the employee has served the NLC and the AGSA with a notice of motion and has further implemented CCMA proceedings. The Company Secretary resigned, and her last day was 28 February 2025.
- The NLDTF has issued two demand letters to recover the amount and has appointed lawyers to recover the funds in December 2023. As this matter is included in a proclamation to be investigated by the SIU, they will now be responsible for the recovery of the funds.
- The NLC is in the process of developing a framework to prevent bribery, corruption, and fraud.
- They issued a term of reference based on ISO 37001 and best practices for combating fraud.
- The anti-bribery system is already under development, and the NLC aims to achieve ISO 37001 certification in the coming years. The following deliverables have been achieved, including expected dates of approval:
  - Development of the anti-bribery framework by 31 March 2025
  - Development of the anti-bribery, fraud, and corruption policy. Policy approved on 31 March 2025.
  - Development and implementation of the fraud prevention plan. Policy approved on 24 April 2024.
  - Launch of the fraud prevention plan, which includes awareness of ISO37001, launched on 22 November 2024.
  - Development of a policy for politically exposed persons. Approved on 31 March 2025.
  - Review of the whistleblower policy and was approved on 31 March 2025.
  - Reporting on anti-bribery, fraud, and corruption to BARC, SEC, and the Board.

Report on the audit of the consolidated and separate financial statements continued

- Assessment of compliance with anti-bribery ISO 37001, with final certification expected by November/December 2025. The ISO 37001- Anti-bribery Management System (ABMS) has been fully implemented as at on 15 October 2025.

- The new Modernisation Grant Management system, which includes built-in preventative controls and compliance monitoring, is currently under development. Phases 1 and 2 have been completed. The finalisation of the new system is expected at the end of quarter 4, 2028-29, per the project plan.
- The Grant Infrastructure Projects SOP, approved on 12 March 2024 and was effective from 1 February 2024, establishes a strict multi-layered review and approval process to ensure that no infrastructure grant is approved or paid unless all mandatory requirements are satisfied.
- The Grant Funding Division and Finance Division have collaboratively introduced two complementary checklists to strengthen controls at critical stages of the grant process:
  - Pre-Adjudication Checklist, with an effective date of March 2025 is applied during the application assessment phase, prior to any funding allocation by the Distributing Agency with an effective date of March 2025
  - Pre-Payment Checklist: Applied by the Finance Division immediately prior to disbursing grant funds with effective of 26 November 2025.
- The SOP incorporates continuous monitoring, reporting, and verification mechanisms to ensure economical use of resources and adherence to project objectives.

44. During further progress follow-ups performed it was noted that grant agreements were signed subsequent to the implementation of the Grant Infrastructure Projects SOP and the implementation of the mentioned checklists, while not fully adhering to the controls that were implemented to prevent a re-occurrence of the material irregularity.

45. Based on this evidence, I concluded that the accounting authority is not taking appropriate actions to address the MI.

46. I notified the accounting authority in a letter dated 31 July 2026 of the following recommendations, which have to be implemented by 1 March 2027 with a progress report by 30 October 2026:

47. Appropriate action should be taken to develop and implement, without undue delay, an action plan to implement the policies and procedures applicable to grant funding. The plan should, at a minimum, include:

    (a)The implementation of mandatory application and grant agreement requirements, as prescribed in the grant funding policies and procedures.

    (b)Training for officials responsible for implementing grant funding policies and procedures.

- I will follow up on the implementation of the recommendations after the due dates.
- Payments were made for the construction of eDumbe Old Age Home that was never completed

48. A grant agreement for the construction of the eDumbe Old Age Home was signed by the beneficiary and National Lottery Distribution Trust Fund (NLDTF) on 15 September 2017 and 27 September 2017, respectively after the NLC approved the grant allocation of R23 million. Of the approved amount, R20 million was for the construction of the old-age home and R3 million was to be paid in three tranches of R1 million per year for three years. An additional amount of R3 828 441 was also approved for the completion of the project. The total amount of R3 828 441 was made up of R3 578 441, which was approved on 19 February 2019, and an amount of R250 000, which was approved on 12 March 2020. Payments of R26 828 441 were made to the beneficiary through tranches 1 to 6, which took place from 5 October 2017 to 18 March 2020. However, the contractor abandoned the project site prior to achieving practical completion. Furthermore, the project showed issues of substandard workmanship, including structural cracks, which were not identified and rectified due to a lack of oversight, and instances of vandalism.

49. The funds that were spent were not used effectively, efficiently, or economically, as the National Lotteries Commission approved a non-profit organisation (NPO) that failed to achieve the intended outcome of establishing an old-age home. Several actions contributed to the ineffective, inefficient, and uneconomical use of financial resources. These include the approval of the proactive grant without following proper due diligence and conducting feasibility studies, as well as the determination and release of tranche payments that did not align with the project's stages.

A portion of the approved funds were for items that could only be installed and purchased once the construction was finalised, yet all the funds were transferred prior to the completion of the project.

50. The project was left incomplete and without security to prevent vandalism and theft on site. After a site visit conducted by the NLDTF on 25 January 2023 there were indications that the project may not be sustainable even if completed due to the distance from the community.

51. During a site visit conducted by the AGSA on 15 May 2023 it was established that the project had not yet achieved practical completion and that there were no activities on site. The contractor has de-established and left the site.

52. There were no established processes to manage construction activities from inception to completion, which are essential for ensuring a successful project outcome. Continuous payments were made to the NPO by NLDTF without verification that these payments corresponded to actual work completed. Furthermore, the NLDTF lacked adequate processes to evaluate the feasibility of proposed projects prior to fund approval. The entity also failed to monitor all funded projects regularly, ensuring that payments were aligned with progress and services rendered. The resources of the NLDTF were not utilised economically as required by section 57(b) of the PFMA.

53. The non-compliance is likely to result in a material financial loss for the National Lottery Distribution Trust Fund, as funds were paid for the construction of an old-age home that was never completed. However, some of the funds can still be recovered from the grantee.

54. The accounting authority was notified of the material irregularity on 15 December 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The response was received on 23 February 2024 agreeing to the material irregularity.

55. Follow-ups on progress made in addressing the material irregularity were performed on 07 June 2024, 07 February 2025, 25 June 2025 and on 24 November 2025 and responses were received on 13 June 2024, 14 February 2025, 30 June 2025 and on 19 December 2025 respectively.

56. Based on the written responses from the accounting authority and supporting evidence in the response to the notification of the material irregularity and subsequent follow-up on progress, the following actions were taken to address the material irregularity:

- The accounting authority indicated that the Special Investigating Unit (SIU) already concluded their investigation on the beneficiary and were in the process of referrals to the National Prosecuting Authority (NPA) for criminal and civil charges. Some officials identified in the SIU report were suspended and disciplinary proceedings were in progress.
- The accounting authority had made a determination that approximately R11 million paid to the beneficiary was not used for intended purpose and as such SIU was considering instituting civil proceedings and a quantity surveyor was appointed to conduct value for money on the old-age home in KZN.
- A decision to place a moratorium on pro-active funding was taken by the appointed board of the NLC in April 2022. The moratorium was lifted in October 2023.
- The response from the accounting authority also indicated that the NLC was working on overhauling its internal controls, such as revising policies, grant agreements and standard operating procedures (SOP) to strengthen the control environment and prevent further material irregularities from reoccurring. This includes:
    - The grant-funding policy that was updated and approved in December 2023 to incorporate pre-adjudication site inspection to ensure that funded organisations do have the necessary capacity and systems in place to execute projects and clearly articulate tranche payment procedures.
    - The grant agreement was updated in December 2023 and provisions built into it to mitigate risks in the event of delegating duties and responsibilities of a grantee to a third party. The SOP was also updated in December 2023 to also include principles for infrastructure projects – sustainability, environmental, green energy, grey water recycling, maintenance plans, bylaws, standards, etc.

All funded projects, including pro-active / research-based projects are subjected to proactive monitoring.

Report on the audit of the consolidated and separate financial statements continued

Stringent approval processes were introduced:

- The new research-based funding (proactive funding) policy has been approved in October 2023 but was undergoing further review. The policy incorporates measures to ensure that:
  - allocated organisations undergo vetting and capacity testing before being considered to implement projects;
  - provides for a strategic partnership approach to identify credible implementers of projects following research and SCM processes; and
  - provides for feasibility studies before infrastructure projects allocations are made.
- The NLC concluded phase 1 for 295 staff on integrity testing. A service provider has been appointed for phase 2: for integrity testing of interns and new staff on voluntary basis. Less than 15% of staff opted not to participate in the testing during the first phase.
- An anti-bribery, corruption and fraud prevention framework is being developed. A term of reference in line with ISO 37001 and Anti-Fraud Best Practices was issued. The request for quotations closed in October 2023 and was reissued. A service provider was appointed in December 2023. The ISO 37001- Anti-bribery Management System (ABMS) has been fully implemented as at on 15 October 2025.
- The SIU is assisting the NLC to recover the funds. The SIU appointed a quantity surveyor to conduct value for money pertaining to the work performed by the contractor pertaining to the old-age home.
- Four employees implicated in the report are no longer part of the NLC. These include the former chief risk officer, former chief operations officer, former commissioner and a former board member as summarised below:
  - Chief risk officer – The disciplinary hearing was set down before an independent chairperson for 26 and 29 September, and 23 – 27 October 2023. In September 2023 the employee resigned from the NLC prior to a disciplinary hearing. Should he seek employment in the public service, any new employer would be required to run a disciplinary committee based on the SIU referral. On 12 December 2023, the SIU obtained an attachment order in respect of the employee's provident fund benefits.
  - Chief operations officer – The employee resigned on 27 August 2022 before the disciplinary hearing.
  - Commissioner – The employee resigned on 15 August 2022 before the disciplinary hearing.
- Board chairperson – No longer part of the board of NLC. The new board was appointed on 1 April 2023.
- The NLC is in the process of developing a framework to prevent bribery, corruption, and fraud. They issued a term of reference based on ISO 37001 and best practices for combating fraud.
- The anti-bribery system is already under development, and the NLC aims to achieve ISO 37001 certification in the coming years. The following deliverables have been achieved, including expected dates of approval:
  - Development of the anti-bribery framework by 31 March 2025
  - Development of the anti-bribery, fraud, and corruption policy. Policy approved on 31 March 2025.
  - Development and implementation of the fraud prevention plan. Policy approved on 24 April 2024.
  - Launch of the fraud prevention plan, which includes awareness of ISO37001, launched on 22 November 2024.
  - Development of a policy for politically exposed persons. Approved on 31 March 2025.
  - Review of the whistleblower policy and was approved on 31 March 2025.
  - Reporting on anti-bribery, fraud, and corruption to BARC, SEC, and the Board.
  - Assessment of compliance with anti-bribery ISO 37001, with final certification expected by November/December 2025. The ISO 37001- Anti-bribery Management System (ABMS) has been fully implemented as at 15 October 2025.
- The Board approved the Lifestyle Policy on 29 February 2024. In phase 1, lifestyle disclosures from all Board members, Executives, and Senior Managers who submitted them were reviewed. In phase 2, all other employees who submitted disclosures were reviewed during the fourth quarter of 2024-25. Lifestyle audits were conducted for all employees and Board members that submitted the lifestyle disclosure forms.

- The new Modernisation Grant Management system, which includes built-in preventative controls and compliance monitoring, is currently under development. Phases 1 and 2 have been completed. The finalisation of the new system is expected at the end of quarter 4, 2028-29, per the project plan.
- The research-based policy was reviewed and approved on 5 February 2025.
- The Grant Infrastructure Project SOP, approved on 12 March and is effective from 1 February 2024, establishes a strict multi-layered review and approval process to ensure that no infrastructure grant is approved or paid unless all mandatory requirements are satisfied.
- The Grant Funding Division and Finance Division have collaboratively introduced two complementary checklists to strengthen controls at critical stages of the grant process:
  - Pre-Adjudication Checklist, with and effective date of March 2025: Applied during the application assessment phase, prior to any funding allocation by the Distributing Agency.
  - Pre-Payment Checklist: Applied by the Finance Division immediately prior to disbursing grant funds with effective date of March 2025.
- The SOP incorporates continuous monitoring, reporting, and verification mechanisms to ensure economical use of resources and adherence to project objectives.

57. During further progress follow-ups performed it was noted that grant agreements were signed subsequent to the implementation of the Grant Infrastructure Projects SOP and the implementation of the mentioned checklists, while not fully adhering to the controls that were implemented to prevent a re-occurrence of the material irregularity.

58. Based on the assessment of the actions taken to address the material irregularity , I concluded that the accounting authority is not taking appropriate actions to address the MI

59. I notified the accounting authority in a letter dated 31 July 2026 of the following recommendations to address the material irregularity which should be implemented by 1 March 2027 with a progress report by 31 October 2026:

    Appropriate action should be taken to develop and implement, without undue delay, an action plan to implement the policies and procedures applicable to grant funding. The plan should, at a minimum, include:

    (a)The implementation of mandatory application and grant agreement requirements, as prescribed in the grant funding policies and procedures.

    (b)Training for officials responsible for implementing grant funding policies and procedures.

60. I will follow up on the implementation of the recommendations at the implementation due date.

A payment made for the provision of professional services for the completion of eDumbe Old Age Home construction that was never completed

61. The NLDTF appointed a service provider for the completion of the eDumbe Old Age Home. The construction of the eDumbe Old- Age Home was stopped in 2019. In February 2020 a service provider was appointed to provide professional services. The service provider was appointed to monitor, manage and provide assistance to the contractor already appointed for the construction of the old-age home. The amount was approved and paid to the service provider on 2 July 2021. NLDTF conducted a site visit on 23 January 2023 and indicated that even if completed there are indications of the project not being sustainable due to the distance from the community. A project verification conducted on 15 May 2023 by the AGSA confirmed that the project has not yet reached practical completion. The contractor had de-established and left the site.

62. NLDTF made a payment amounting to R13 042 000 to the service provider for the completion of the project. However, the service provider never fulfilled their responsibilities to ensure that the project is completed. The entity made a payment to the service provider without confirming that the payment made was for actual work performed. In addition, NLDTF did not ensure that all the funded projects were monitored regularly, and payments made were aligned to progress and services rendered. Therefore, the resources of the NLDTF were not utilised economically, as required by section 57(b) of the PFMA.

Report on the audit of the consolidated and separate financial statements continued

63. The non-compliance is likely to result in a material financial loss for the NLDTF, as the funds were paid to monitor, manage and provide assistance for the completion of the construction of the eDumbe Old- Age Home that was never completed. However, the amount can still be recovered from the service provider.

64. The accounting authority was notified of the material irregularity on 15 December 2023 and invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting authority responded on 23 February 2024.

65. Follow-ups on progress made in addressing the material irregularity on 7 June 2024, 07 February 2025, 25 June 2025 and on 29 November 2025, and responses were received on 13 June 2024, 14 February 2025, 30 June 2025 and on 19 December 2025 respectively.

66. Based on the written response from the accounting authority and supporting evidence in response to the notification of the material irregularity and subsequent follow-up on progress, the following actions were taken to address the MI:

- **The following steps have been taken to prevent a re-occurrence of the material irregularity:**
  - Grant funding policy was updated and approved in December 2023 to incorporate pre-adjudication site inspection to ensure that funded organisations do have the necessary capacity and systems in place to execute projects, clearly articulate tranche payment procedures.
  - The grant agreement was updated in December 2023 and provisions built in to mitigate risks in the event of delegating duties and responsibilities of a grantee to a third party. The SOP was also updated in December 2023 to also include principles for infrastructure projects – sustainability, environmental, green energy, grey water recycling, maintenance plans, bylaws, standards, etc.
  - All funded projects, including pro-active / research-based projects are now subjected to proactive monitoring.
- **Stringent approval processes were introduced:**
  - A new research-based funding (proactive funding) policy has been approved in October 2023 but is undergoing further review. A revised policy was approved by the Board on 05 February 2025. The policy incorporates measures to ensure that:
  - allocated organisations undergo vetting and capacity testing before being considered to implement projects;
  - provides for a strategic partnership approach to identify credible implementers of projects following research and SCM processes; and
  - provides for feasibility studies before infrastructure projects allocations made.
- The NLC concluded phase 1 for 295 staff on integrity testing. A service provider has been appointed for phase 2: for integrity testing of interns and new staff on voluntary basis. Less than 15% of staff opted not to participate in the testing during the first phase.
- An anti-bribery, corruption and a fraud prevention framework is being developed. A term of reference in line with ISO 37001 and Anti-Fraud Best Practices was issued. The request for quotations closed in October 2023 and was reissued. A service provider was appointed in December 2023. The ISO 37001- Anti-bribery Management System (ABMS) has been fully implemented as at on 15 October 2025.
- The NLC forensic investigated the service provider in May 2024, and the report will determine the facts, recommendations for actions if required. The investigation was commissioned by the commissioner, supported the chief audit executive to be conducted by internal audit and to investigate the allegations of:
  - The circumstances surrounding the payment and to identify the officials responsible; and
  - The appointment of the service provider to oversee, monitor and manage the contractor appointed to construct the old-age home.
- The forensic investigation was conducted and concluded on 30 June 2024.

- **The forensic investigation concluded that:**
  - All the persons who compiled the submission, recommended and approved the payments of funds are no longer employed by the NLC and therefore could not be interviewed and are no longer in a position to be subject internal disciplinary proceedings.

    The NLC awaits the outcome of the investigation currently undertaken by the SIU to determine the possibility of NLC employees having benefited from the initial grant allocated.
- A letter of demand was issued on 23 February 2023 to recover the full amount from the service provider and a summons served on 25 April 2024 for the full amount paid to the service provider. As of 30 June 2025, pleadings have been exchanged and filed. In a High Court agreement dated 3 March 2026, it was agreed that the service provider will pay the capital amount of R13 042 726 plus interest from 21 May 2024 until 31 March 2026 amounting to R2 676 914,33.
- The NLC is in the process of developing a framework to prevent bribery, corruption, and fraud. They issued a term of reference based on ISO 37001 and best practices for combating fraud.
- The anti-bribery system is already under development, and the NLC aims to achieve ISO 37001 certification in the coming years. The following deliverables have been achieved, including expected dates of approval:
  - Development of the anti-bribery framework by 31 March 2025
  - Development of the anti-bribery, fraud, and corruption policy. Policy approved on 31 March 2025.
  - Development and implementation of the fraud prevention plan. Policy approved on 24 April 2024.
  - Launch of the fraud prevention plan, which includes awareness of ISO37001, launched on 22 November 2024.
  - Development of a policy for politically exposed persons. Approved on 31 March 2025.
  - Review of the whistleblower policy and was approved on 31 March 2025.
  - Reporting on anti-bribery, fraud, and corruption to BARC, SEC, and the Board
  - Assessment of compliance with anti-bribery ISO 37001, with final certification expected by November/December 2025. The ISO 37001- Anti-bribery Management System (ABMS) has been fully implemented as at on 15 October 2025.
- The new Modernisation Grant Management system, which includes built-in preventative controls and compliance monitoring, is currently under development. Phases 1 and 2 have been completed. The finalisation of the new system is expected at the end of quarter 4, 2028/29, per the project plan.
- The research-based policy was reviewed and approved on 5 February 2025.
- The Grant Infrastructure Project SOP, approved on 12 March 2024 with an effective date of 1 February 2024, establishes a strict multi-layered review and approval process to ensure that no infrastructure grant is approved or paid unless all mandatory requirements are satisfied.
- The Grant Funding Division and Finance Division have collaboratively introduced two complementary checklists to strengthen controls at critical stages of the grant process:
  - Pre-Adjudication Checklist, with an effective date of March 2025: Applied during the application assessment phase, prior to any funding allocation by the Distributing Agency.
  - Pre-Payment Checklist: Applied by the Finance Division immediately prior to disbursing grant funds with effective date of March 2025
- The SOP incorporates continuous monitoring, reporting, and verification mechanisms to ensure economical use of resources and adherence to project objectives.

67. During further progress follow-ups performed it was noted that grant agreements were signed subsequent to the implementation of the Grant Infrastructure Projects SOP and the implementation of the mentioned checklists, while not fully adhering to the controls that were implemented to prevent a re-occurrence of the material irregularity.

68. Based on the assessment of the actions taken to address the material irregularity , I concluded that the accounting authority is not taking appropriate actions to address the material irregularity..

Report on the audit of the consolidated and separate financial statements continued

69. I notified the accounting authority in a letter dated 31 July 2026 of the following recommendations to address the material irregularity, which should be implemented by 1 March 2027 with a progress report by 31 October 2026:

    Appropriate action should be taken to develop and implement, without undue delay, an action plan to implement the policies and procedures applicable to grant funding. The plan should, at a minimum, include:

    (a)The implementation of mandatory application and grant agreement requirements, as prescribed in the grant funding policies and procedures.

    (b)Training for officials responsible for implementing grant funding policies and procedures.

70. I will follow up on the implementation of the recommendations at the implementation due date.

Other reports

71. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the consolidated and separate financial statements or my findings on the reported performance information or compliance with legislation.

72. On 6 November 2020 Proclamation No. R32 of 2020 (Proclamation) was signed by the President. Pursuant to the proclamation, the SIU conducted a search and seizure at National Lotteries Commission premises on 8 December 2020, during which many of the auditee's copies of items and information, including various files concerning funding, were seized. This was in light of an investigation being conducted on the National Lottery Distribution Trust Fund, which covers the period 1 January 2014 to 6 November 2020. The investigation was in progress as at the date of this auditor's report.

73. Two investigations are currently in progress which are being performed by the SIU and the Directorate for Priority Crime Investigation (DPCI) (also known as the Hawks) relating to grant-funding allegations levelled against beneficiaries, management and former board members. The investigation was in progress as at the date of this auditor's report.

Auditor-General

Auditor-General

Pretoria
31 July 2026

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the group and public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate 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 my 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 group and 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 consolidated and separate financial statements. I 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 group and public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a group and public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

Communication with those charged with governance

I 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 I identify during my audit.

I also provide the accounting authority with a statement that I 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 my 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 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Accounting Authority Report for the National Lotteries Commission

The National Lotteries Commission Accounting Authority presents its eighteenth annual report, which is supplementary to the audited separate and consolidated annual financial statements of the National Lotteries Commission (NLC), National Lottery Distribution Trust Fund (NLDTF) and National Lotteries Participants Trust (NLPT) for the year ended 31 March 2026.

1. Nature of the Operations

The NLC is a regulator of the National Lottery and sports pools as well as other lotteries, including society lotteries to raise funds. Ithuba RF (Pty) Ltd is a private company that currently operates the National Lottery and sports pools under a licence from the government which commenced on 1 June 2015.

The Operator pays a percentage of the revenue from national lottery ticket sales to the NLDTF in terms of the licence agreement. These proceeds are destined for good causes as stipulated in the Lotteries Act No 57 of 1997 (Lotteries Act), as amended and allocated to eligible and deserving applicants by Distributing Agencies appointed by the Minister of Trade, Industry and Competition (the dtic).

Furthermore, the NLC may, upon request by the Minister, Board or on its own initiative in consultation with the Board, conduct research on worthy good causes that may be funded without lodging an application as prescribed in terms of the Lotteries Act.

The NLC Board administers the NLDTF and NLDTF transfers the necessary running costs to the NLC. The NLC withdraws the necessary funds required from the NLDTF, based on the overall annual budget approved by the Minister of the dtic.

The National Lotteries Participants Trust (NLPT) was founded by Ithuba Holdings RF (Pty) Ltd in terms of the Licence Agreement between the dtic, NLC and the Lottery Operator. The main objective of the NLPT is to hold monies in the Trust on behalf of Ithuba for prize winners and monies for advanced plays. Independent Trustees are charged with the responsibility to ensure that monies held in the Trust are safeguarded in terms of the Trust Deed.

2. Statement of Responsibility for the Financial Statements

To the best of our knowledge and belief, we confirm the following:

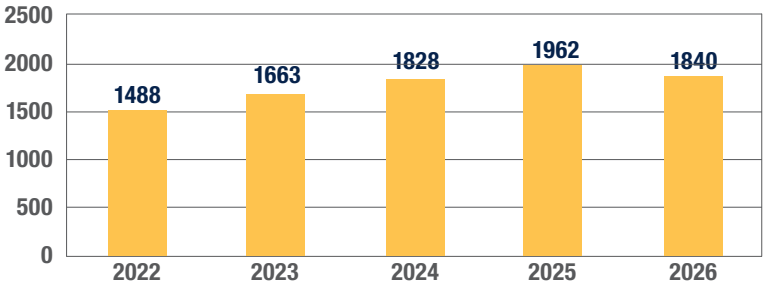
- All information and amounts disclosed in the annual report is consistent with the consolidated annual financial statements audited by the Auditor-General of South Africa. The consolidated annual financial statements are complete, accurate and free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The separate and consolidated annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice applicable.
- The accounting authority is responsible for the preparation of the separate and consolidated annual financial statements and for the judgements made in the financial statements. The accounting authority is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance to the integrity and reliability of the performance information, the human capital information and the separate and consolidated annual financial statements. The Auditor-General of South Africa is engaged to express an independent opinion on the consolidated annual financial statements. In our opinion, the consolidated and separate annual financial statements fairly reflect the financial affairs of the NLC, NLDTF and NLPT for the year ended 31 March 2026.

The accounting authority has reviewed the cash flow forecast for the year to 31 March 2027 and, in the light of this review and the current financial position, it is satisfied that the NLC has access to adequate resources to continue in operational existence for the foreseeable future.

3. Operating and Financial Review

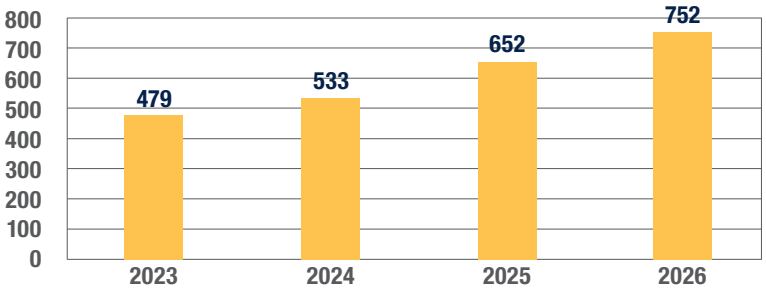
Salient Comparative Information

SHARE OF TICKET SALES GROUP (R'MILLION)



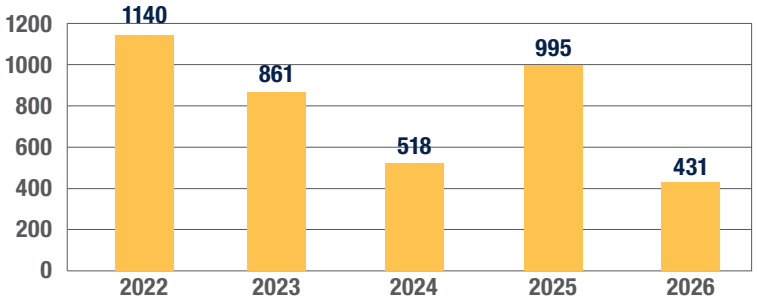
The 6.2 percent decrease in the share of ticket sales is attributable to a lower percentage of ticket sales received from Ithuba during the temporary licence agreement compared to the previous licence agreement.

NLC OPERATING COSTS (R'MILLION)



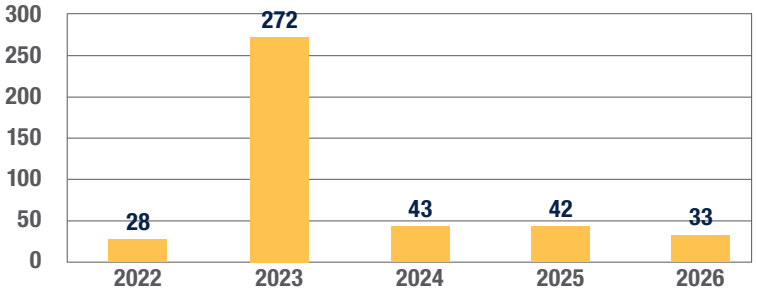
The increase in operational costs is attributable to expenditure incurred for the Indaba held in November 2025, legal fees relating to ongoing litigation, and costs incurred to supplement the monitoring of infrastructure projects.

ALLOCATION OF GRANTS (R'MILLION)



The reduction in grant expenditure is because of implementation challenges associated with the new system as well as the late start of the adjudication process. In addition, there were timing delays whilst assisting the grantees with compliance requirements.

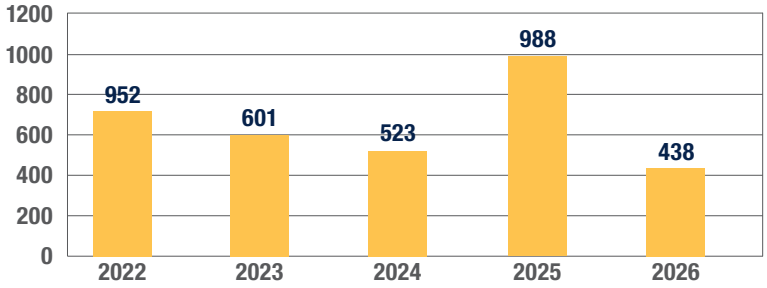
GRANT LIABILITIES (R'MILLION)



The slight increase in grant liabilities is attributable to improved turnaround times in the payment of compliant grants.

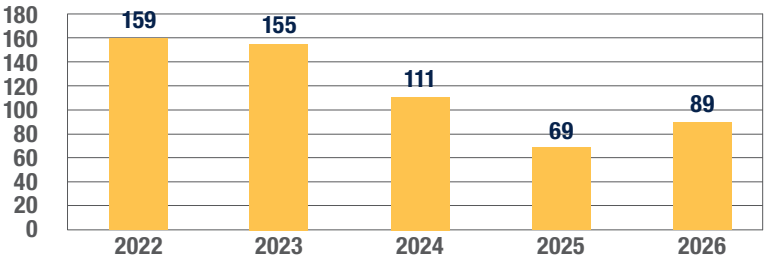
3. Operating and Financial Review continued

CASH DISBURSED (R'MILLION)



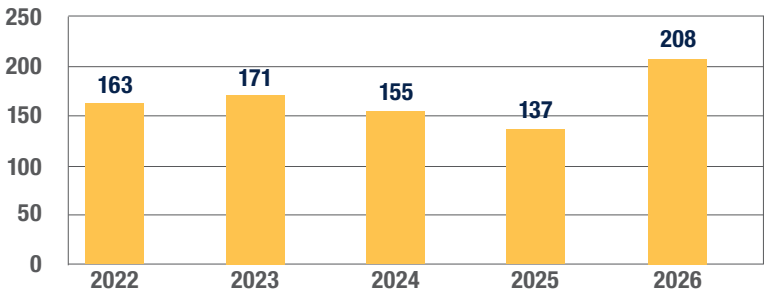
The 55.7 percent reduction in disbursements is due to the lower grants expensed during the 2026 financial year resulting from implementation challenges associated with the new system as well as the late start of the adjudication process. In addition, there were timing delays whilst assisting the grantees with compliance requirements.

EXPIRED PRIZES NOT CLAIMED AND DUE TO NLDTF (R'MILLION)



The 28.99% increase in unclaimed and expired prizes is mainly attributable to unclaimed 1st division prizes during the current year, compared to the prior year.

UNCLAIMED PRIZES - WINNERS (R'MILLION)



The increase in unclaimed prizes is due to a major jackpot that was won a few weeks before year-end and remained unclaimed.

4. Materiality Framework in Terms of Treasury Regulation 28.1.5

For purposes of 'material' (Sections 50(1), 55(2) and 66(1) of the Public Finance Management Act) and 'significant' (Section 54 (2) of the Public Finance Management Act), the Accounting Authority developed and agreed on a framework of acceptable levels of materiality and significance. Overall materiality for the year under review for consolidated annual financial statements is 0.5% of the budgeted expenditure and for financial statements for NLC, NLDTF and NLPT is 1% of budgeted operational expenditure, 0.5% of budgeted grant allocations and 1% of total assets respectively.

5. Approval of Financial Statements

The financial statements set out on pages to for the NLC, pages 179 - 201 for the NLC were approved by the Accounting Authority on 31 May 2026 and are signed on their behalf.

On behalf of the Board of the National Lotteries Commission.

N Barney Pityana

GCOB FKC MASSAf
Chairperson of the Board

**Prof Pityana retired the NLC as at 31 July 2026. This report was adopted by the Board on 20 August 2026. Therefore the current chairperson, Mr Bonaklele, hereby signs on behalf of Prof Pityana.*

National Lotteries Commission Group

General Information

Controlling Entity	Department of Trade, Industry and Competition
Financial Statements Relate to	NLC Group and NLC Company
Domicile, Legal Form and Jurisdiction	The National Lotteries Commission (NLC) was established in terms of the Lotteries Amendment Act (No. 32 of 2013) to regulate the National Lottery as well as other lotteries, including society lotteries to raise funds and promotional competitions.
Nature of Business and Principal Activities	The National Lotteries Commission is the only National Regulator for lotteries and sports pools. The NLC regulates the National Lottery Operator, Society lotteries, Private Lotteries and Lotteries Incidental to exempt entertainment. The NLC ensures that the interest of all participants in lotteries are protected and ensure that all lotteries are conducted with due propriety. The NLC police any other lottery type schemes. The NLC monitors and regulates the running of various lottery competitions, including those organised by non-profit organisations to raise funds and by companies to promote their goods and services. The National Lotteries Commission also serves as a Grant Funder, providing registered Non-Profit Organisations with funding to establish projects that improve the lives of everyday South Africans. Our grant funding focuses mainly in areas that require enough support to be able to bring growth and change within impoverished communities. The impact of our grant funding model, is designed in a manner that plays a pertinent role in changing people's lives. We as a commission are guided by a strict mandate, that governs our operations and helms the model of our grant funding.
Board Members	**Non-Executive Board Members** Prof B Pityana - Chairperson Mr L October Mr T Bonakele Ms P Mvulane Ms I Ramafola Ms B Ferguson
Commissioner	Ms Jodi Scholtz
Chief Financial Officer (CFO)	Ms Tina Maharaj
Registered Office	333 Grosvenor Street, Hatfield, Pretoria ,0083
Business Address	333 Grosvenor Street, Hatfield, Pretoria ,0083
Postal Address	Private Bag X101, Brooklyn Square, South Africa, Pretoria, 0075
Bankers	Nedbank Limited First National Bank Limited
Auditors	Auditor-General of South Africa (AGSA)

Annual financial statements

Statement of Financial Performance

for the year ended at 31 March 2026

	Note(s)	Group		Company	
		2026	Restated 2025	2026	Restated 2025
		R'000	R'000	R'000	R'000
Revenue					
Revenue from Non-exchange Transactions					
Transfers from NLDTF	1	-	-	748 190	643 436
Fund Revenue	2	1 938 599	2 039 964	-	-
Licence Fees	3	1 889	2 833	1 889	2 833
*Other Income	4	20 467	16 788	412	4 556
Revenue from Exchange Transactions					
*Other Revenue	4	86	98	86	98
Interest Income	5	273 629	262 180	1 292	1 163
Gains on Disposal of Property, Plant and Equipment	13	101	-	101	-
Total Revenue		**2 234 770**	**2 321 863**	**751 970**	**652 086**
Expenditure					
Allocation of Grants	6	428 249	986 861	-	-
Employee-Related Costs	7	370 049	337 277	370 049	337 277
Goods and Services	8	350 188	287 633	348 636	285 886
Administration Expenses	9	4 364	4 214	-	-
Bad Debts	10	-	19	-	-
Allowance for Expected Credit Losses	11	-	1 943	-	1 281
Depreciation, Amortisation and Impairment	12	33 285	27 604	33 285	27 604
Loss on Disposal of Property, Plant and Equipment	13	-	38	-	38
Total Expenditure		**1 186 135**	**1 645 590**	**751 970**	**652 087**
Operating Surplus for the Year		**1 048 635**	**676 274**	**-**	**-**
Surplus for the Year		**1 048 635**	**676 274**	**-**	**-**

* An amount of R19 thousand from the prior year was reallocated between the two accounts, refer to note 25.3

Statement of Financial Position

for the year ended at 31 March 2026

	Note(s)	Group		Company	
		2026	Restated 2025	2026	Restated 2025
		R'000	R'000	R'000	R'000
Assets					
Non-Current Assets		**115 269**	**134 463**	**115 269**	**134 463**
Property, Plant and Equipment	14	84 264	102 349	84 264	102 349
Intangible Assets	15	31 004	32 114	31 004	32 114
Current Assets		**5 672 290**	**4 504 959**	**15 904**	**30 966**
Trade and Other Receivables from Exchange Transactions	16	14 997	23 051	308	297
Trade and Other Receivables from Non-exchange Transaction	17	51 883	74 180	2 195	4 095
Prepayments and Deposits	18	7 192	6 005	7 192	5 914
Cash and Cash Equivalents	19	5 598 218	4 401 723	6 209	20 661
Total Assets		**5 787 559**	**4 639 422**	**131 173**	**165 429**
Liabilities					
Non-Current Liabilities		**28 887**	**0**	**28 887**	**0**
Deferred Income	20	27 995	0	27 995	0
Provisions	24	892	0	892	0
Current Liabilities		**364 483**	**293 868**	**102 286**	**165 429**
Deferred Income	20	3 539	472	3 539	472
Grant Liabilities	21	32 615	42 381	-	-
Provisions	24	38 356	29 002	38 356	29 002
Trade and Other Payables from Exchange Transactions	22	33 484	35 959	33 116	35 490
Trade and Other Payables from Non-exchange Transactions	23	256 489	186 054	27 276	100 466
Total Liabilities		**393 370**	**293 868**	**131 173**	**165 429**
Net Assets		**5 394 189**	**4 345 554**	**-**	**-**
Accumulated Surplus		5 394 189	4 345 554	-	-
Total Net Assets and Liabilities		**5 787 559**	**4 639 422**	**131 173**	**165 429**

Statement of Changes in Net Assets

for the year ended at 31 March 2026

Description	Accumulated Surplus / (Deficit)
Group	
	R'000
2023	
Balance at 1 April 2022	**1 964 208**
Restated Surplus/(Deficit) for the year	845 922
Surplus for the year reported in 2022/2023	845 328
Correction of Error (Note 25)	594
Restated Balance 31 March 2023	2 810 130
2024	
Balance at 1 April 2023	2 810 129
Restated Surplus/(Deficit) for the year	859 150
Surplus for the year reported in 2023/2024	828 680
Correction of Error (Note 25)	30 470
Restated Balance at 31 March 2024	**3 669 280**
2025	
Restated Surplus for the year 2024/25	**676 274**
Surplus for the year reported in 2024/25	707 289
Change in accounting policy (Note 26)	(1 943)
Correction of Error (Note 25)	(29 072)
Restated Balance as at 31 March 2025	**4 345 554**
2026	
Restated Balance at 31 March 2025	**4 345 554**
Surplus for the year reported	1 048 635
Balance at 31 March 2026	**5 394 189**
Company	
2025	
Balance as at 31 March 2024	**-**
Surplus for the year	-
Correction of Error (Note 25)	-
Balance at 31 March 2025	**-**
Surplus for the year	-
Balance at 31 March 2026	**-**

Statement of Comparison of Budget and Actual Amounts

for the year ended at 31 March 2026

Group Description	Approved Budget on Accrual Basis	Adjustments	Final Budget on Accrual Basis	Actual Amounts on comparable basis	Variance	Notes
	R'000	R'000	R'000	R'000	R'000	
FINANCIAL PERFORMANCE						
Revenue and Income						
Share of ticket sales	337 356	1 499 318	1 836 674	1 839 584	2 910	Note 1
Interest income	242 909	27 479	270 388	273 629	3 241	Note 2
Licence fees	472	1 417	1 889	1 889	(0)	Note 3
Societies and other lotteries	62	0	62	86	24	Note 4
Revenue from Participants NLPT						
Unclaimed and expired prize money	90 000	(1 186)	88 814	89 348	533	Note 5
Interest from the NLPT	7 139	1 530	8 669	9 666	997	Note 6
Other operating income	2 000	(1 403)	597	20 467	19 870	Note 7
Gains on disposal of property, Plant and equipment	-	-		101	101	Note 8
Total Revenue	679 938	1 527 156	2 207 094	2 234 770	27 677	
Expenditure						
Employee-Related Costs	(374 679)	(2 790)	(377 469)	(370 049)	7 420	Note 9
Goods and Services	(441 058)	7 090	(433 968)	(350 188)	83 780	Note 10
Administration Expenses	(4 379)	17	(4 362)	(4 364)	(2)	Note 11
Allowance for Expected Credit Losses					-	
Depreciation and Amortisation and impairment	(25 558)	(1 661)	(27 219)	(33 285)	(6 066)	Note 12
Loss on Disposal of Property, Plant and Equipment	-	-		-	-	
Total Expenditure	(845 674)	2 656	(843 018)	(757 886)	85 132	
Operating Surplus for the Year	**(165 736)**	**1 529 812**	**1 364 076**	**1 476 884**	**112 808**	
Net Allocation of Grants	**(1 050 000)**	**(314 076)**	**(1 364 076)**	**(428 249)**	**935 827**	Note 13
Allocation of Grants	(1 055 000)	(317 576)	(1 372 576)	(431 054)	941 522	
Revocations	5 000	3 500	8 500	2 805	(5 695)	
Surplus for the Year	**(1 215 736)**	**1 215 736**	**-**	**1 048 635**	**1 048 635**	
Capital Expenditure	**(68 800)**	**11 774**	**(57 026)**	**(14 302)**	**42 724**	Note 14

Statement of Comparison of Budget and Actual Amounts

for the year ended at 31 March 2026

Financial Performance: Explanation of Variances between Final Budget and Actual

Reasons for variances between Final Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Note 1: Share of Ticket Sales 2 910

The favourable sales performance was driven by multiple jackpot prizes on the main games (i.e. Lotto and Lotto Plus, PowerBall and PowerBall Plus), which increased player participation and, in turn, resulted in higher contributions to the NLDTF.

Note 2: Interest Income 3 241

The variance is due to higher than anticipated cash balances that were maintained during the period due to lower-than-anticipated recognition of grant liabilities and the movement of the cash surplus to the Reserve bank Corporation Public Deposits account.

Note 3: Licence Fees 0

No variance.

Note 4: Societies and Other Lotteries 24

The variance is immaterial.

Note 5: Unclaimed and Expired Prize Money 533

Variance in unclaimed and unexpired prize is due to 1st division prizes that were not claimed.

Note 6: Interest from the NLPT 997

Variance is immaterial.

Note 7: Other Operating Income 19 870

The variance in other income arises from the recovery of funds following the resolution of a long outstanding dispute with a supplier that had been appointed to oversee and implement a grant funding project.

Note 8: Gains on Disposal of Property, Plant and Equipment 101

The gain relates to insurance payout for assets that were lost during the financial year and revenue from disposal of redundant assets.

Note 9: Employee Costs 7 420

Employee costs reflect a favourable variance against budget primarily due to unfilled funded vacancies during the year. Positions that were budgeted for remained vacant for portions of the financial period, resulting in lower-than-anticipated salary and related expenditure.

Statement of Comparison of Budget and Actual Amounts continued

for the year ended at 31 March 2026

Note 10: Goods and Services

83 780

The underspending against budget is mainly attributable to lower-than-expected legal fees relating to the RFP processes, as ongoing legal matters were allocated court dates in the next financial year, resulting in delayed expenditure. In addition, delays in the procurement of certain services and the unsuccessful procurement of some services due to non-responsive bids contributed to reduced expenditure for the year under review.

Note 11: Administrative Expenses

-2

The variance is immaterial.

Note 12: Depreciation, Amortisation and Impairment

-6 066

The variance is due to higher impairment on assets than anticipated.

Note 13: Allocations of Grants

935 827

The variance arose from slower expenditure activity in the current year, resulting from implementation challenges associated with the new system as well as the late start of the adjudication process due to late appointment of the distributing agencies. In addition, there were timing delays whilst assisting the grantees with compliance requirements.

Note 14: Capital Acquisitions

42 724

The procurement of furniture and computer equipment was delayed to 2026/27 financial as the tenders for these are closing in the last quarter of the year.

Statement of Comparison of Budget and Actual Amounts continued

for the year ended at 31 March 2026

Company Description	Approved Budget on Accrual Basis	Adjustments	Final Budget on Accrual Basis	Actual Amounts on Comparable Basis	Variance	Notes
	R'000	R'000	R'000	R'000	R'000	
FINANCIAL PERFORMANCE						
Revenue from Non-Exchange Transactions						
Transfers from NLDTF	836 881	(3 293)	833 588	748 190	(85 398)	Note 1
Licence Fees	472	1 416	1 889	1 889	(0)	Note 2
Gains on Disposal of Property, Plant and Equipment	-	-	-	101	101	Note 3
Revenue from Exchange Transactions						
Other operating income	400	197	597	412	(185)	Note 4
Interest income	1 100	(377)	723	1 292	569	Note 5
Societies & other Lotteries	62	(0)	62	86	24	Note 6
Total Revenue	**838 916**	**(2 057)**	**836 860**	**751 970**	**(84 890)**	
Expenditure						
Employee-Related Costs	(374 679)	(2 790)	(377 469)	(370 049)	7 420	Note 7
Goods and Services	(438 679)	6 508	(432 171)	(348 636)	83 535	Note 8
Bad Debts and Impairment Losses	-	-		-	-	
Depreciation, amortisation and impairment	(25 558)	(1 661)	(27 219)	(33 285)	(6 066)	Note 9
Allowance for Expected Credit Losses	-	-	-	-	-	
Loss on disposal of assets	-	-	-	0	0	
Total Expenditure	(838 916)	2 057	(836 860)	(751 970)	84 890	
Operating Surplus for the Year	**-**	**(0)**	**-**	**(0)**	**(0)**	
Capital Expenditure	**(68 800)**	**11 774**	**(57 026)**	**(14 302)**	**42 724**	Note 10

Statement of Comparison of Budget and Actual Amounts continued

for the year ended at 31 March 2026

FINANCIAL PERFORMANCE: EXPLANATION OF VARIANCES BETWEEN FINAL BUDGET AND ACTUAL

Reasons for variances between Final Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Note 1: Transfers from NLDTF -85 398

The underspending against budget is mainly attributable to lower-than-expected legal fees relating to the RFP processes, as ongoing legal matters were allocated court dates in the next financial year, resulting in delayed expenditure. In addition, delays in the procurement of certain services and the unsuccessful procurement of some services due to non-responsive bids contributed to reduced expenditure for the year under review.

Note 2: Licence Fees 0

No variance.

Note 3: Gains on Disposal of Property, Plant and Equipment 101

The gain relates to insurance payout for assets that were lost during the financial year and revenue from disposal of redundant assets.

Note 4: Other Operating Income -185

The income is consistent with the annual budget expectations, noting that the interim financial statements cover the period ending December.

Note 5: Interest Income 569

The variance is due to higher than anticipated cash balances that were maintained during the period.

Note 6: Societies and Lotteries 24

The variance is immaterial.

Note 7: Employees Costs 7 420

Employee costs reflect a favourable variance against budget primarily due to unfilled funded vacancies during the year. Positions that were budgeted for remained vacant for portions of the financial period, resulting in lower-than-anticipated salary and related expenditure.

Note 8: Goods and Services 83 535

The underspending against budget is mainly attributable to lower-than-expected legal fees relating to the RFP processes, as ongoing legal matters were allocated court dates in the next financial year, resulting in delayed expenditure. In addition, delays in the procurement of certain services and the unsuccessful procurement of some services due to non-responsive bids contributed to reduced expenditure for the year under review.

Note 9: Depreciation, Amortisation and Impairments -6 066

The variance is due to higher impairment on assets than anticipated.

Note 10: Capital Acquisitions 42 724

The procurement of furniture and computer equipment was delayed to 2026/27 financial as the tenders for these are closing in the last quarter of the year.

Statement of Cash Flows
for the year ended 31 March 2026

	Note(s)	Group 2026	Group Restated 2025	Company 2026	Company Restated 2025
		R'000	R'000	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
Transfers and Subsidies		-	-	675 000	653 200
Cash received from Ithuba Holdings (RF) (Pty) Ltd and other parties		2 117 215	2 427 224	-	-
Interest Received		291 350	270 920	1 281	1 136
Cash Received from Beneficiaries and Other Parties		56 703	8 014	35 208	724
		2 465 268	**2 706 157**	**711 490**	**655 060**
Payments					
*Employee-Related Costs		(359 722)	(316 660)	(359 722)	(316 660)
Cash Paid to Beneficiaries and Other Parties		(542 802)	(1 400 685)	-	-
*Goods and Services		(352 260)	(277 938)	(352 229)	(277 970)
		(1 254 784)	**(1 995 284)**	**(711 951)**	**(594 630)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	28	**1 210 484**	**710 874**	**(462)**	**60 430**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment	14	(10 585)	(25 087)	(10 585)	(25 087)
Purchase of Intangible Assets	15	(3 717)	(24 246)	(3 717)	(24 246)
Proceeds on Disposal of Property, Plant and Equipment		313	169	313	169
NET CASH FLOWS UTILISED IN INVESTING ACTIVITIES		**(13 989)**	**(49 165)**	**(13 989)**	**(49 165)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**1 196 496**	**661 709**	**(14 452)**	**11 265**
Cash and Cash Equivalents at Beginning of Period	19	4 401 723	3 740 013	20 661	9 396
Cash and Cash Equivalents at End of Period	19	5 598 218	4 401 723	6 209	20 661

* The R145 thousand movement in cash between the two items is due to a prior period error as a result of the Liberty reimbursement not allocated to the employee costs, the amount was in a clearing account

Summary of Significant Accounting Policies

for the year ended at 31 March 2026

- The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented.

1. Basis of Preparation

- The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) as well as the Public Finance Management Act, Act No. 1 of 1999, as amended (PFMA). They have been prepared in accordance with the going concern principle using the historical cost basis except where otherwise stated in the accounting policies below.
- The preparation of annual financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are outlined in point 17 of the summary of significant accounting policies.

New standards, amendments and interpretations approved and not yet effective

Standard of GRAP/Nature of Impending Changes/ Expected Impact	Effective Date	Planned Date for Application by Entity
GRAP 1: Presentation of Financial Statements No impact in current year. The amendment may affect how the information is aggregated in the financial statements, applying the concept of materiality. The requirements will be applied prospectively.	To be determined by the Minister of Finance	To be determined
GRAP 103: Heritage Assets No impact, the amendment and related standard are not applicable to the NLC.	To be determined by the Minister of Finance	To be determined
GRAP 105: Transfer of Functions Between Entities Under Common NLC will apply this standard in the event of a transfer of functions. The proposed amendments/GRAP pronouncement has not yet been disclosed to the public.	To be determined by the Minister of Finance	To be determined
GRAP 106: Transfer of Functions Between Entities Not Under Common Control Not applicable to NLC.	To be determined by the Minister of Finance	To be determined
GRAP 107: Mergers N/A to NLC since the acquirer (NLC) can be identified.	To be determined by the Minister of Finance	To be determined

The NLC did not early adopt any of the above mentioned standards in the in current financial year.

Functional and presentation currency

The Annual Financial Statements are presented in South African Rand. All amounts are stated in Rand thousands (R'000), unless indicated otherwise.

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

2. Consolidation

- The separate and consolidated financial statements include the assets, liabilities and results of the operations of the controlling company and its controlled entities. The controlling entity is NLC. The NLC and its controlled entities all prepare the annual financial statements using SA GRAP. Intercompany transactions are eliminated on consolidation.
- The following factors were considered in consolidating the NLDTF and the NLPT:
- S10(c) of the Lotteries Act: Functions of Board: The board shall manage and administer the fund and hold it in trust.
- S22: Administration of the Fund:
- (1) The fund shall be administered by the board.
- (2) The fund shall be held in trust by the board for distribution of any sum paid into the fund as is allocated for expenditure referred to in Section 26(3)(b), (c), (d)) and (e) after the distribution agency has considered an application for a grant or following a recommendation of funding of worthy causes from the NLC after research conducted in terms of the Act.
- S26(1), (2) and 34: So much of the sum that is paid to the fund, as the Minister after consultation with the board deems appropriate, shall be allocated to the board in respect of the board's expenses.

2.1 Controlled Entities

- The NLDTF is a Fund which was established in terms of section 21 of the Lotteries Act No 57 of 1997, as amended. It was established to administer the distribution of funds to the respective sectors, namely Charities, Sports and Recreation, Arts, Miscellaneous and Culture and National Heritage. The National Lotteries Participants Trust (NLPT) is founded by the Ithuba Holding (RF) (Pty) Ltd (National Lottery Operator) in terms of the Trust Deed.
- The main objective of the trust is to hold all monies in trust received from Ithuba Holding by the Trust for the benefit of the winners, participants who have made an advance payment for future draws. The NLC has consolidated the NLPT since the 2018/19 financial year.
- The NLC is the regulator and NLPT is a regulated entity as it regulates the Operator, Ithuba.
- Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated. Controlled entities' accounting policies are consistent with the policies adopted by NLC.

3. Revenue Recognition

- Revenue is the gross inflow of economic benefits or service potential during the reporting year when these inflows result in an increase in net assets. Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.
- The NLC and its controlled entities distinguishes between two forms of revenue namely revenue from exchange transactions and revenue from non-exchange transactions.

3.1 Revenue from Exchange Transactions

Revenue from exchange transactions is defined as revenue in which NLC receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity or party in exchange.

3.1.1 Investment Income and Interest Income

- Investment income comprises interest received from cash and cash equivalents. Interest is accounted for on an accrual basis using the effective interest rate method.
- Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

3.1.2 Surplus on disposal of assets

- Surplus on disposal of assets is a positive difference between the proceeds from the disposal and the carrying amount.

3.1.3 Registration Fees

- Revenue is recognised when invoices for society schemes has been issued by NLC.

3.1.4 Revenue from Non Exchange Transactions

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

Revenue from non-exchange transactions is defined as revenue in which NLC receives value from another entity or party without directly giving approximately equal value in exchange or gives value to another entity or party without directly receiving approximately equal value in exchange.

3.1.5 Share of Ticket Sales

Revenue from share of national lottery and sports pools ticket sales is accounted for on the accrual basis and is measured as a percentage of ticket sales from the operator as stipulated and agreed in the in the Licence to Operate the National Lottery and the Sports Pools Licence.

3.1.6 Expired and Unclaimed Prizes

Expired and unclaimed prizes relate to prizes in constituent lotteries (not being an Instant Lottery) for which remain unclaimed for a period of 365 days following the draw in which the prize was won as stipulated in the Licence Agreement. Such monies are accounted for on an accrual basis. Payments of the funds by Ithuba Holdings (RF)(Pty) Ltd are through the intermediation of the National Lotteries Participants Trust (NLPT).

3.1.7 Interest from the National Lotteries Participants Trust

Any interest that remains in the National Lotteries Participants Trust after deduction of the National Lotteries Participants Trust costs are due to the NLDTF as stipulated in the Trust Deed of the NLPT. These monies are accounted for on an accrual basis. Payments of the funds by Ithuba Holdings (RF)(Pty) Ltd are through the intermediation of the National Lotteries Participants Trust. Interest earned on the bank accounts of the NLPT is accounted in the NLPT to the extent that it is utilised to defray the NLPT expenses.

3.1.8 Other Income

Other income comprises of recoveries of unutilised funds claimed from beneficiaries, provision for doubtful debts and miscellaneous income.

3.2 Transfer from NLDTF

Transfers from the NLDTF are initially measured at fair value on date of transfer. Transfers from the NLDTF are measured at the amount of the increase in net assets recognised by the NLC.

The NLC receives funds from the NLDTF in line with Section 34 of the Lotteries Act 57 of 1997, which requires the transfer of approved amounts from the NLDTF to the NLC to fund the NLC's operational and administrative responsibilities in terms of the Act. Income is recognised as operating costs are defrayed, the end result being the surrendering of surpluses to (or recovering of any deficit from) the NLDTF, thus not accounting for any accumulated surplus.

At the end of each reporting period, any difference between the funding received and the cumulative qualifying expenditure incurred is recognised as either:

- a liability due to the NLDTF, where cumulative funding received exceeds cumulative qualifying expenditure (representing amounts to be surrendered to the NLDTF); or
- a receivable from the NLDTF, where cumulative qualifying expenditure exceeds cumulative funding received (representing amounts recoverable from the NLDTF).
- The receivable from or payable to the NLDTF is measured at the amount expected to be recovered from, or settled with, the NLDTF, being the cumulative surplus or deficit arising from the cost-recovery funding arrangement at the reporting date.

3.3 Licence Fees

Revenue from licence fees are paid at the inception of the licence by the National Lottery Operator in order to operate the National lottery licence. The consideration received is measured at the fair value and amortised over the licence term in the Statement of Financial Performance.

3.4 Revocations

- Revocations are affected by the NLC under the following circumstances:
- Breach of Grant Agreement;
- Voluntary cancellation of the Grant Agreement by the beneficiary due to various reasons;
- Cancellation due to identification and/or determination of irregularities from the beneficiary organisation;
- Any other reasons that the Minister considers enough to warrant cancellation as set out in Section 31 of the Act; or

Summary of Significant Accounting Policies continued
for the year ended at 31 March 2026

- A revocation that is approved in the same year that the allocation was granted is off-set against the grant allocation.
- A revocation is recognised as income when a grant is revoked and is recognised at the amount of the revocation.

4. Property, Plant and Equipment

- Property, plant and equipment are tangible items that are expected to be used for more than one reporting year. Property,plant and equipment are stated at historical cost less depreciation and impairment.
- The cost of an item of property, plant and equipment is the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- 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.
- Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to NLC and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.
- Property and equipment are depreciated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:
- The depreciation charge for each period is recognised in surplus or deficit.
- The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. The effects of any changes to residual values, useful lives and depreciation methods are accounted for on a prospective basis.
- An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

Item	Useful Life	
	2026	2025
Furniture and fittings	10 to 30 years	10 to 28 years
Office equipment	3 to 21 years	3 to 19 years
Computer equipment	3 to 20 years	3 to 18 years
Network infrastructure	Shorter of the estimated life or year of the lease, 7 years for servers	Shorter of the estimated life or year of the lease, 7 years for servers
Leasehold improvements	Shorter of estimated life or year of lease	Shorter of estimated life or year of lease
Buildings	50 years	50 years
Land	Not depreciated	Not depreciated

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

5. Intangible Assets

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by NLC are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are
- The expenditure attributable to the software product during its development can be reliably measured.
- Directly attributable costs, that are capitalised as part of the software product, include the software development employee costs and overheads directly attributed to preparing the asset for use.
- Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.
- Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Item	Useful Life	
	2026	2025
Enterprise System	6 years	3 years
Grant Management System	8 years	8 years

6. Leases

6.1 Operating Leases

NLC classifies leases as operating leases where the lessor effectively retains the risks and benefits of ownership. Operating lease payments are recognised in surplus or deficit on a straight-line basis over the year of the lease.

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.
- Financial instruments recognised by the NLC comprise both financial assets and financial liabilities arising from contractual or legally enforceable arrangements.

7.1 Classification of Financial Assets

- Trade and other receivables are recognised when the NLC becomes a party to the contractual provisions of the instrument or when a legally enforceable claim arises as a result of a exchange and non-exchange transactions.
- Trade and other receivables are classified as financial assets measured at amortised cost, as they are held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and, where applicable, interest.

Trade and other receivables from non-exchange transactions

The following balances arise from non-exchange transactions and represent contractual rights to receive cash:

Advance Sales Due from Ithuba Holdings (Pty) Ltd

Advance sales due from Ithuba Holdings represent amounts receivable by the Entity in respect of advance ticket sales and related contractual arrangements. These balances arise from non-exchange transactions and are recoverable under the terms of the licence and operating agreements.

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

Ithuba Holdings (Pty) Ltd – Share of Ticket Sales

The share of ticket sales receivable from Ithuba Holdings represents revenue earned by the Entity in terms of the licence agreement for ticket sales concluded before year end but contractually due and payable after reporting date.

Unclaimed Funds – Ithuba Holdings (RF) (Pty) Ltd

These balances represent amounts recoverable by the Entity from Ithuba Holdings relating to unclaimed funds transferred or recoverable in accordance with contractual and regulatory arrangements.

Claims from Beneficiaries

Claims from beneficiaries comprise amounts recoverable from beneficiaries in respect of funding arrangements where contractual conditions have not been met or where recoveries are enforceable in terms of signed agreements.

Sundry Debtors

Sundry debtors represent miscellaneous receivables arising from exchange transactions and contractual arrangements with third parties.

Trade and Other Receivables from Exchange Transactions

The following balances arise from exchange transactions and represent contractual rights to receive cash:

Accrued Income–Interest Receivable on Current and Call Accounts

- Interest receivable represents interest earned on bank balances that has accrued at the reporting date but has not yet been received.
- The right to receive interest is contractual and arises from deposit agreements with financial institutions.

Staff Receivables–Payroll

Staff receivables arise from amounts recoverable from employees, including overpayments, debit balances in payroll clearing accounts, or excess leave taken. These balances are recoverable in terms of employment contracts and internal human resource policies.

Study Loans and Advances

Study loans and advances represent amounts recoverable from employees in terms of study assistance agreements where repayment conditions have been triggered. These balances constitute contractual rights to receive cash.

Cash and Cash Equivalents

Cash and cash equivalents are categorised as a financial asset at amortised cost and, subsequent to initial recognition, are measured at amortised cost. Cash and cash equivalents comprise cash on hand, bank balances and short term deposits with - original maturities of three months or less. Due to their short-term nature, the carrying amounts approximate their fair values.

7.2 Initial and Subsequent Measurement

Trade and other receivables and Cash and cash equivalents are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. These assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

7. 3 Derecognition

A financial asset is derecognised when the contractual rights to the cash flows expire, the receivable is settled, or the receivable is written off due to recoverability.

Financial Liabilities

- A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.
- Financial liabilities measured at amortised cost.

The NLC group has the following types of financial liabilities as reflected on the face of the balance sheet and in the notes thereto:

Type of Financial Liability Classification in Terms of GRAP 104

- *Advance Sales due to Players - Ithuba Holdings (RF) (Pty)LtFinancial liability at amortised cost
- *Unclaimed Funds - Ithuba Holdings (RF) (Pty) LtdFinancial liability at amortised cost

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

- *Unclaimed Prizes - Ithuba Holdings (RF) (Pty) LtdFinancial liability at amortised cost
- *AccrualsFinancial liability at amortised cost
- *Payroll CreditorsFinancial liability at amortised cost
- *Other CreditorsFinancial liability at amortised cost
- *Supplier payablesFinancial liability at amortised cost
- *Grant liabilitiesFinancial liability at amortised cost
- A financial liability is recognised, when the NLC becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instruments not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.
- Financial liabilities consist of Trade and other payables from exchange and non-exchange transactions as listed in the table above.
- These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Grant allocations are expensed in the Statement of financial performance in the period in which they are incurred except where stated otherwise.
- A gain or a loss is recognised in surplus or deficit when the financial liability is derecognised or through the amortisation process.
- NLC derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

8. Impairment of Financial Asset

8.1 Financial Assets Carried at Amortised Cost

- The NLC group assesses trade and other receivables and cash and cash equivalents for impairment in accordance with the expected credit loss (ECL) model prescribed by GRAP 104: Financial Instruments.
- For trade and other receivables, NLC applies the simplified approach, recognising lifetime expected credit losses at initial recognition and throughout the life of the receivables. Under this approach, NLC is not required to track changes in credit risk.
- Expected credit losses represent the present value of the difference between the contractual cash flows due in terms of the contract and the cash flows that the NLC expects to receive.

The measurement of expected credit losses reflects:

- an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;
- the time value of money, using an appropriate discount rate; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date, including historical experience, current conditions, and forward-looking information.
- The NLC group applies a provision matrix to measure expected credit losses on trade receivables, which is based on historical credit loss experience, adjusted for current and forward-looking factors specific to the debtors and the economic environment.
- Where historical information for an ageing bucket is limited or does not contain observed defaults, management applies a portfolio loss-rate floor adjusted for ageing risk.
- Impairment losses and reversals of impairment losses are recognised in surplus or deficit. The carrying amount of receivables is reduced through the use of a loss allowance.
- Receivables between the Group and Ithuba not impaired due to the low credit risk associated with these transactions. Amounts outstanding arise primarily from timing differences between the reporting date and the settlement dates stipulated in the licence agreement. Accordingly, management has assessed the expected credit loss on these balances as immaterial.
- A financial asset is considered to be in default when contractual payments are significantly overdue or where there is objective evidence that the debtor is unlikely to settle the outstanding balance in full. In assessing default, the entity considers factors such as ageing of balances, historical collection patterns, payment arrangements, financial difficulties of the debtor and other recoverability indicators.

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

Write Offs

Financial assets are written off when there is no reasonable expectation of recovery, after all reasonable recovery processes have been exhausted and the necessary approvals have been obtained in accordance with the entity's delegation framework. The write-off is recognised against the related loss allowance account and results in the derecognition of the gross carrying amount of the financial asset.

9. Contingent Assets

- Contingent assets are possible assets that arise 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 the control of the entity. A contingent asset is not recognised in the annual financial statement. However, it is disclosed where an inflow of economic benefits or service potential is probable.
- Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

10. Financial Risk Management

The Group and Company is exposed to market risk, credit risk and liquidity risk arising from its financial instruments. The Board is responsible for overseeing the management of these risks through approved risk management policies, processes and quarterly monitoring and reporting mechanisms.

10.1 Market Risk

The Company and Group's activities as a regulator do not expose it to a significant amount of market risk. The Board has an approved investment policy in place. The pillars of the policy include capital preservation, liquidity and maximisation of returns.

10.2 Credit Risk

- Credit risk arises from the following:
- Cash and cash equivalents and deposits with banks and financial institutions.
- Receivables from exchange and non-exchange transactions and committed transactions.
- To mitigate the credit risk exposure, the entity:
- Banks and invests in the financial institutions approved by the Minister of Finance.
- Invest the surplus funds in financial institutions that have a credit rating equivalent to or higher than sovereign (country) rating.
- The Company and Group also follows regulations issued by National Treasury to manage its exposure to credit risk.

10.3 Liquidity Risk

- Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet the daily demands of the operations.
- Management monitors daily balances of cash and cash equivalents as well as investment accounts to ensure that enough funds are available to meet the needs of the operation.

11. Employee Benefits

- Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.
- Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee;
- bonus incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.
- When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

11.1 Post-employment Benefits

The Provident Fund to which employees belong is a defined contribution fund, which provides retirement, death and disability benefits. The contributions are charged to the Statement of Financial Performance in the year to which they relate.

11.2 Provision for Leave Pay

The NLC accrues in full the employees' rights to annual leave entitlement in respect of past service. The undiscounted amount is expensed over the year the services are rendered. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date. The NLC remains liable to pay out an amount equal to the leave balance at current rate of remuneration. Payment of the leave is dependent on when employees resign. The NLC has an approved leave policy.

11.3 Provision for Bonus Plan

The NLC recognises a provision and an expense for bonuses in staff costs, based on a formula where there is a contractual obligation or where there is a past practice that has created a constructive obligation. Bonuses are paid based on the outcome of annual performance assessments and only paid once approval of the Board is obtained. The timing of the approval of the bonus varies from year to year. The NLC has an approved performance management policy.

12. Trade and Other Payables

- Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less from the reporting date. If not, they are presented as non-current liabilities.
- Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

13. Provisions

- Provisions are recognised when, as a result of past events, the Company has a present legal or constructive obligation of uncertain timing or amount, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.
- 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.
- A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus.

14. Contingent Liabilities

- Company and Group discloses a contingent liability when:
- It has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity; or
- **It has a present obligation that arises from past events but not recognised because:**
  - It is not probable that an outflow of resources will be required to settle an obligation; or
  - The amount of the obligation cannot be measured with sufficient reliability.

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

- A contingent liability is not recognised in the annual financial statements, however it is disclosed unless the probability of an outflow of economic benefits is remote. Contingent liabilities comprise grants allocated by the Distributing Agencies to beneficiaries on a conditional basis and the stipulated conditions have not been met as at year end.

15. Allocation of Grants

15.1 Allocation of Grants

- Grant allocations are accounted as contingent liabilities when applications for assistance from individual organisations are considered and grants are awarded by the respective Distributing Agencies. The policy applies for both application based and research based grants.
- Grant allocation expenses for the first tranche are accounted for in the statement of financial performance upon the conclusion of a valid grant agreement signed by both parties, provided that the beneficiary has met the conditions for the transfer of funds as outlined in the agreement.
- Subsequent tranches are recognised in the statement of financial performance once a valid progress report has been received and assessed, the compliance checklist has been approved by the delegated NLC officials, and all requirements prescribed by the NLC for the release of payment have been met.
- The grant allocated may be revoked in the same year that the grant is allocated or in future periods. Revocations are off-set against the grant allocation expense when a grant is revoked and is recognised at the amount of the revocation.
- Revocations are effected by the NLC under the following circumstances:

Breach of Grant Agreement

- Voluntary cancellation of the Grant Agreement by the beneficiary due to various reasons;
- Cancellation due to identification and/or determination of irregularities from the beneficiary organisation; or
- Any other reasons that the Minister of the dtic considers enough to warrant cancellation as set out in Section 31 of the Act.

16. Contractual Commitments

- A commitment is a contractual arrangement that binds the entity to incur future expenditure based on items that are still to be received. Disclosure of commitments entered into before year end are relevant for the following standards of GRAP:
- GRAP 1 on Presentation of Financial Statements (disclosure of unrecognised contractual commitments);
- GRAP 13 on Leases (disclosure of the future minimum lease payments);
- GRAP 17 on Property, Plant & Equipment (disclosure of contractual commitments for Property, Plant & Equipment); and
- GRAP 31 on Intangible Assets (disclosure of the contractual commitments for the acquisition of intangible assets).

17. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Assumptions and estimates form an integral part of financial reporting and have an impact on the amounts reported. Assumptions are based on historical experience and expectations of future outcomes and anticipated changes in the environment. Assumptions are further regularly reviewed in the light of emerging events and adjusted where required.

17.1 Grant Liabilities

- Grant allocations are accounted as contingent liabilities when applications for assistance from individual organisations are considered and grants are unconditionally awarded by the respective Distributing Agencies. The policy applies for both application based and researched based (formerly known as proactive funding) grants.
- Grant allocations expenses for the first tranche are accounted in the statement of financial performance upon the conclusion of a valid grant agreement with the conditions as outlined in the agreement for the transfer of the funds having been met by the beneficiary to the satisfaction of the NLC. Where the grant has multiple tranches, the tranches subsequent to the first tranche shall not be accounted in the statement of financial performance upon the conclusion of a valid progress report and compliance checklist approved by the delegated NLC officials.

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

- The grants are classified as financial liabilities in line with the requirements of GRAP 104 (Financial Instruments). The NLC shall recognise a grant liability in the statement of financial position for the portion of a grant allocations related to the first tranche upon the conclusion of a valid grant agreement that comply with conditions outlined in the agreement for the transfer of the funds. The portion of a liability related to subsequent tranches are classified as contingent liabilities until the terms and conditions of the grant agreement have been met, that is, a valid progress report and a compliance checklist has been authorised by delegated NLC officials.
- Disclosures are made for those organisations which were funded by the NLDTF in which Distributing Agencies may have significant interest in. Disclosures made relate to the payments, allocations in the current year and outstanding amounts outstanding at year end.

17.2 Depreciation

- Depreciation is recognised through surplus or deficit on a straight-line basis over the estimated useful life, or the lease term if shorter, of each asset or component of an item of property, plant and equipment. Land is not depreciated and major repairs and overhauls are depreciated over the remaining useful life of the related asset or to the date of the next major repair or overhaul, if shorter.
- Depreciation commences when the asset is available for use.

17.3 Expected Credit Losses – GRAP 104

- The measurement of expected credit losses (ECL) in accordance with GRAP 104: Financial Instruments requires the use of significant management judgement and estimation. This is particularly the case where credit risk is influenced by behavioural, affordability, operational and enforceability considerations, rather than solely by contractual terms or the passage of time.
- Judgement is most significant in respect of:
- Employee related receivables, where recoverability is highly dependent on employment status, the availability of - payroll deduction mechanisms, individual affordability, and the cost-effectiveness of legal recovery;
- Beneficiary recoveries, where estimation uncertainty arises from variability in beneficiaries' financial capacity, enforceability of clawback provisions, practical tracing limitations, and cost-benefit considerations of recovery action; and
- Legally complex or disputed balances, where enforceability, timing of recovery and prescription risk materially affect expected recoverability.
- The key assumptions and estimates applied in the ECL model include:
- Probability of Default (PD), representing the likelihood that a debtor will default over the life of the receivable, based on historical experience, behavioural compliance, operational status and forward-looking information;
- Loss Given Default (LGD), representing the proportion of a defaulted balance that is not expected to be recovered, informed by historical recovery experience, availability of recovery mechanisms, enforceability, and cost-benefit considerations;
- Exposure at Default (EAD), representing the gross outstanding exposure, including legally recoverable principal and accrued amounts; and
- Portfolio segmentation, whereby receivables are grouped into homogeneous portfolios with similar risk characteristics and recovery mechanisms to ensure meaningful impairment measurement.
- Where historical loss experience does not fully reflect current or emerging risks, management overlays are applied to adjust PD and/or LGD estimates. These overlays take into account forward looking economic conditions, operational - capacity constraints, changes in employment trends, and other relevant risk factors.

17.4 Contingent Liabilities

Contingent liabilities are not recognised in the financial statements, but are disclosed in the notes to the annual financial statements unless the probability of occurrence is remote.

Summary of Significant Accounting Policies continued
for the year ended at 31 March 2026

17.5 Bad Debts Written Off

Bad debts written off relate to beneficiaries where all avenues for recovery have been exhausted and the outstanding debts are considered irrecoverable.

17.6 Contingent Assets

Contingent assets are not recognised in the annual financial statements, but are disclosed in the notes to the financial statements unless the probability of occurrence is remote.

17.7 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 24 - Provisions.

18. 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.
- As a minimum, the following are regarded as related parties of the reporting entity:
- (a) A person or a close member of that person's family related to the reporting entity if that person:
- (i)Has control or joint control over the NLC;
- (ii)Has significant influence over the NLC or
- (iii) Is a member of the management of the NLDTF, NLPT or NLC.
- Related party transactions are transfers of resources, services or obligations between the NLC and a related party, regardless of whether a price is charged.

19. Irregular Expenditure

Irregular Expenditure means expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- The PFMA;
- The Treasury Regulations;
- A National Treasury Instruction, issued in terms of section 76 of the PFMA; or
- the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act
- Any legislation providing for procurement procedures.
- Irregular expenditure is recognised and disclosed in the financial statements, in accordance with the compliance reporting requirements of National Treasury Instruction 4 of 2022/2023 PFMA Compliance and reporting framework.
- When confirmed, irregular expenditure must be recorded in the notes to the annual financial statements. The amount to be recorded in the notes must be equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof.
- Where such impracticality exists, the reasons therefore must be provided in the notes. Irregular expenditure must be removed from the notes when it is either:
- (a)Condoned by the National Treasury or the relevant authority;
- (b)It is transferred to receivables for recovery; or
- (c)It is not condoned and is irrecoverable.
- A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be de-recognised when the receivable is settled or subsequently written off as irrecoverable.
- Any irregular expenditure is charged against income in the year in which it is incurred.
- Irregular expenditure is removed from the register when the relevant authority has condoned the irregular expenditure. The accounting officer or authority may remove irregular expenditure that was not condoned by the relevant authority.

20. Fruitless and Wasteful Expenditure

- Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised.
- Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Summary of Significant Accounting Policies continued

for the year ended at 31 March 2026

- 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 and classified in accordance with the nature of the expense.
- Once the determination has been completed in line with the published framework investigation and it is concluded that person is liable for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.
- Any fruitless and wasteful expenditure will be removed from the register once the loss has been recovered.
- Any unrecoverable losses may be written off by the accounting officer or accounting authority.

21. Budget Information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the financial year from 2025/04/01 to 2026/03/31. The budget for the economic entity includes all the entities approved budgets under its control. The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting year has been included in the statement of comparison of budget and actual amounts.

22. Events after the 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 NLC discloses 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.

23. Changes in Accounting Policies, Accounting Estimates and Correction of Errors

- Changes in accounting policies, accounting estimates and the correction of errors are accounted for in accordance with GRAP 3.
- Changes in accounting policies are applied retrospectively unless retrospective application is impracticable or otherwise required by a Standard of GRAP.
- Changes in accounting estimates are recognised prospectively by including the effect of the change in surplus or deficit.
- Material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after their discovery.

24. Prior Period Error

Any prior period error shall be corrected by retrospective restatement in terms of GRAP 3 and the nature of the prior period error, the amount of correction for each financial statement line item affected and the amount of the correction at the beginning of the earliest prior period shall be presented in the note for prior period error of the financial statements.

25. Deferred Income

Deferred income relates to licence fees paid by the operator at inception of the lottery licence and is amortised over the term of the licence.

26. Taxation

No provision has been made for taxation. The NLC and NLDTF are exempt from Income Tax in terms of Section 10(1)(cA) of the Income Tax Act, 1962.

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
1. Transfers from NLDTF				
*Transfer of approved NLC budget as per section 34 of the Lotteries Act	-	-	**748 190**	**643 436**
	-	-	**748 190**	**643 436**

*The prior year amounts have been adjusted. Refer to Note 25 for details of the restatement.

2. Fund Revenue				
Share of Ticket Sales	1 839 584	1 961 937	-	-
Expired and Unclaimed Prizes	89 348	69 044	-	-
Interest from the National Lotteries Participants Trust	9 666	8 984	-	-
	1 938 599	**2 039 964**	**-**	**-**
3. Licence Fees				
Recognition of Lottery Licence Fees	1 889	2 833	1 889	2 833
	1 889	**2 833**	**1 889**	**2 833**
4. Other Income				
Registration Fees	86	98	86	98
*Sundry Income	20 121	16 769	273	4 556
Allowance for Expected Credit Losses Reversal	346	-	140	-
Movement in the Provision for Doubtful Debt	-	19	-	-
Total Other Income	**20 553**	**16 886**	**498**	**4 654**

Sundry income is inclusive of funds that the NLC is recovering from beneficiaries who have breached the conditions of the grant agreement.

5. Interest Income				
Call and current accounts	256 082	256 242	1 292	1 163
Interest on CPD account	11 657	-	-	-
National Lotteries Participants Trust current accounts	5 889	5 937	-	-
	273 629	**262 180**	**1 292**	**1 163**
6. Allocation of Grants				
*Current Year Allocations	431 054	994 737	-	-
Less: Current Year Revocations	-	(6 858)	-	-
Less: Previous Year Revocations	(2 805)	(1 017)	-	-
	428 249	**986 861**	**-**	**-**

*The prior year amounts have been adjusted. Refer to Note 25 for details of the restatement.

Notes to the Annual Financial Statements continued

for the year ended at 31 March 2026

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
7. Employee Related Costs				
Salaries, Wages and Allowances	271 483	253 999	271 483	253 999
Medical Aid Fund Contribution	18 596	18 164	18 596	18 164
Defined Provident Fund Contributions	30 629	27 788	30 629	27 788
Social Security Levies (Unemployment Insurance Fund, Skills Development	3 817	3 359	3 817	3 359
Risk Benefit	12 231	10 442	12 231	10 442
Provision for Bonus	30 722	21 408	30 722	21 408
Provision for Leave Pay	2 571	2 117	2 571	2 117
	370 049	**337 277**	**370 049**	**337 277**
8. Goods and Services				
Advertising and Publicity	10 513	7 051	10 513	7 051
Audit Fees	15 115	12 219	14 142	11 120
Bank Charges	191	169	108	94
Board Member and Board Committees Fees	5 376	6 898	5 376	6 898
Computer Expenses	35 300	30 017	35 300	30 017
Conferences and Meetings	15 738	4 703	15 738	4 703
Consulting Fees	14 112	34 480	14 112	34 480
Courier and Delivery Costs	170	47	170	47
Distributing Agency Emoluments	38	908	38	908
Enterprise and Supplier Development	-	105	-	105
Insurance	1 240	885	1 148	674
Investigations	33 859	27 207	33 859	27 207
Legal Fees	99 433	66 435	99 433	66 435
Outsourcing	25 047	12 484	25 047	12 484
Printing and Stationery	522	1 582	522	1 582
Refreshments and Catering	1 561	2 947	1 561	2 947
Rental - Motor Vehicles	-	2 838	-	2 838
Rental - Office Buildings	24 105	22 401	24 105	22 401
Rental - Office Equipment	2 945	3 712	2 945	3 712
Repairs and Maintenance	4 567	1 836	4 567	1 836
Security	11 173	10 842	11 173	10 842
Staff Recruitment	842	494	842	494
Staff Training	5 258	3 157	5 258	3 157

8. Goods and Services *continued*

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Staff Welfare	2 217	1 260	2 217	1 260
Subscriptions	1 116	488	1 116	488
Sundry Expenses	4 453	2 034	4 453	2 034
Vehicle Expenses	19	1 352	19	1 352
Telephone Charges	1 221	1 293	1 221	1 293
Travel and Accommodation	26 912	20 480	26 912	20 480
Trustee Fees	404	361	-	-
Water and Electricity	6 744	6 948	6 744	6 948
	350 188	**287 633**	**348 636**	**285 886**
9. Administration Expenses				
Trust Administration Fees	4 364	4 214	-	-
	4 364	**4 214**	**-**	**-**
10. Bad Debts				
Debtors Written Off	-	19	-	-
	-	**19**	**-**	**-**
11. Allowance for Expected Credit Losses				
Impairment Loss	-	1 943	-	1 281
	-	**1 943**	**-**	**1 281**
12. Depreciation, Amortisation and Impairment				
12.1 Depreciation				
Network Infrastructure	1 730	1 835	1 730	1 835
Buildings	653	772	653	772
Computer Equipment	2 394	2 162	2 394	2 162
Furniture and Fittings	911	1 056	911	1 056
Leasehold Improvements	8 857	7 152	8 857	7 152
Office Equipment	614	1 318	614	1 318
	15 158	**14 294**	**15 158**	**14 294**
12.2 Impairment				
Property, Plant and Equipment	13 299	7 648	13 299	7 648
Intangible assets	-	-	-	-
	13 299	**7 648**	**13 299**	**7 648**

Notes to the Annual Financial Statements continued

for the year ended at 31 March 2026

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
12.3 Amortisation				
Enterprise System-Fusion	1 501	4 522	1 501	4 522
Grant Management System - Thuthuka	3 326	1 139	3 326	1 139
	4 827	**5 661**	**4 827**	**5 661**
	33 285	**27 604**	**33 285**	**27 604**
13. Profit/(Loss) of Disposal of Property, Plant and Equipment				
Gains on Disposal of Assets	101	-	101	-
(Loss) on Disposal of Property, Plant and Equipment	-	(38)	-	(38)
	101	**(38)**	**101**	**(38)**

14. Property, Plant and Equipment

Group and Company

31 March 2026

Reconciliation of Carrying Value

Description	Land	Buildings	Network Infrastructure	Computer Equipment	Furniture and Fittings	Lease-hold Assets	Office Equipment	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Carrying values at 01 April 2025	**6 704**	**48 108**	**7 672**	**7 663**	**4 648**	**24 313**	**3 241**	**102 349**
Cost	7 336	67 173	18 373	15 128	17 739	39 352	14 681	179 781
Accumulated Depreciation and Impairment Losses	(632)	(19 064)	(10 701)	(7 465)	(13 091)	(15 039)	(11 440)	(77 432)
Additions	-	868	-	8,643	736	-	338	10 585
Depreciation:	-	(653)	(1 730)	(2 394)	(911)	(8 857)	(614)	(15 158)
Carrying value of Derecognition (Disposals/Write-offs)	**-**	**-**	**-**	**(148)**	**(55)**	**-**	**(9)**	**(212)**
- Cost	-	-	-	(900)	(751)	-	(119)	(1 770)
- Accumulated Depreciation	-	-	-	752	696	-	111	1 559
Impairment Losses	-	(13 263)	-	(22)	(1)	-	(14)	(13 300)
Carrying values at 31 March 2026	**6 704**	**35 062**	**5 942**	**13 742**	**4 417**	**15 455**	**2 942**	**84 264**
Cost	7 336	68 041	18 373	22 871	17 724	39 352	14 899	188 596
Accumulated Depreciation and Impairment	(632)	(32 979)	(12 430)	(9 129)	(13 307)	(23 897)	(11 957)	(104 331)

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

14. Property, Plant and Equipment *continued*

Group and Company

31 March 2025

Restated

Reconciliation of Carrying Value

Description	Land	Buildings	Network Infrastructure	Computer Equipment	Furniture and Fittings	Lease-hold Assets	Office Equipment	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Restated Carrying values at 01 April 2024	**7 336**	**55 896**	**6 418**	**3 915**	**3 563**	**17 695**	**4 588**	**99 412**
Cost	7 336	67 173	18 066	13 557	16 359	26 675	17 261	166 427
Accumulated Depreciation and Impairment Losses	-	(11 276)	(11 648)	(9 642)	(12 796)	(8 981)	(12 673)	(67 016)
Additions	-	-	3 089	6 039	2 189	13 770	0	25 087
Depreciation:	-	(772)	(1 835)	(2 162)	(1 056)	(7 152)	(1 318)	(14 294)
Carrying value of Disposals:	**-**	**-**	**-**	**(129)**	**(49)**	**-**	**(29)**	**(207)**
- Cost	-	-	(2 782)	(4 469)	(809)	(1 093)	(2 580)	(11 733)
- Accumulated Depreciation	-	-	2 782	4 339	761	1 093	2 551	11 526
Impairment Losses	(632)	(7 016)	-	-	-	-	-	(7 648)
Restated Carrying values at 31 March 2025	**6 704**	**48 108**	**7 672**	**7 663**	**4 648**	**24 313**	**3 241**	**102 349**
Cost	7 336	67 173	18 373	15 128	17 739	39 352	14 681	179 781
Accumulated Depreciation and Impairment	(632)	(19 064)	(10 701)	(7 465)	(13 091)	(15 039)	(11 440)	(77 432)

14.1 Impairment of Property, Plant and Equipment

Three unused NLC buildings were impaired during the financial year due to vandalism. Management determined the recoverable service amount using a depreciated replacement cost (DRC) approach, adjusted to reflect the current condition of the assets.

Impairment Losses on Property, Plant and Equipment to the amount of R13,300 (2025: R7,648) has been recognised in operating surplus and are included in Impairment Losses in the Statement of Financial Performance as indicated in Note 12.

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Land	-	632	-	632
Buildings	13 263	7 016	13 263	7 016
Network Infrastructure	-	-	-	-
Computer Equipment	22	-	22	-
Furniture & Fittings	1	-	1	-
Leasehold Assets	-	-	-	-
Office Equipment	14	-	14	-
Total Impairment of Property, Plant and Equipment	**13 300**	**7 648**	**13 300**	**7 648**

14.2 Expenditure incurred to Repair and Maintain Property, Plant and Equipment

The following specific costs included in the amount of Repairs and Maintenance were incurred by Entity during the reporting period:

The increase in repairs and maintenance expenditure compared to the prior year is mainly attributable to maintenance activities undertaken at provincial office buildings.

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Buildings	**2 786**	**438**	**2 786**	**438**
- Contracted Services	2 786	438	2 786	438
Leasehold Assets	**691**	**997**	**691**	**997**
- Contracted Services	691	997	691	997
Office Equipment	**771**	**-**	**771**	**-**
- Contracted Services	771	-	771	-
Total Expenditure incurred to Repair and Maintain	**4 248**	**1 435**	**4 248**	**1 435**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

15. Intangible Assets

Group and Company

31 March 2026

Reconciliation of Carrying Value

Description	Grant Management System	Enterprise System	Total
	R'000	R'000	R'000
Carrying values at 01 April 2025	**23 107**	**9 007**	**32 114**
Cost	24 246	110 057	134 303
- Completed Assets	24 246	110 057	134 303
Accumulated Amortisation and Impairment Losses:	(1 139)	(101 050)	(102 189)
Acquisitions:	3 717	-	3 717
- At Cost	3 717	-	3 717
Amortisation:	(3 326)	(1 501)	(4 827)
Carrying Value of Disposals:	-	-	-
- Accumulated Amortisation	-	-	-
- Cost	-	-	-
Impairment Losses	-	-	-
Carrying values at 31 March 2026	**23 499**	**7 506**	**31 004**
Cost	27 963	110 057	138 021
Accumulated Amortisation and Impairment	(4 465)	(102 552)	(107 016)

15. Intangible Assets continued

Group and Company

31 March 2025

Reconciliation of Carrying Value

Description	Grant Management System	Enterprise System	Total
	R'000	R'000	R'000
Carrying values at 01 April 2024	**-**	**13 529**	**13 529**
Cost	-	110 057	110 057
Accumulated Amortisation:	-	(96 528)	(96 528)
Additions	24 246	-	24 246
Amortisation:	(1 139)	(4 522)	(5 661)
Carrying value of Disposals:	-	-	-
- Cost	-	-	-
Accumulated Amortisation:	-	-	-
Impairment Losses	-	-	-
Carrying values at 31 March 2025	**23 107**	**9 007**	**32 114**
Cost	24 246	110 057	134 303
*Accumulated Amortisation and Impairment	(1 139)	(101 050)	(102 189)

15.1 Significant Intangible Assets

The NLC utilises an enterprise system that is used for Supply Chain Management, Grant Funding and Human Capital Management.

The NLC has developed Thuthuka grant funding system for the management of the grant funding function.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

16. Trade and other Receivables from Exchange Transactions

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Accrued Income	**14 816**	**22 871**	**128**	**117**
Interest Receivable on Current and Call Accounts	14 816	22 871	128	117
Other Receivables	**180**	**180**	**180**	**180**
Staff Receivables - Payroll	92	60	92	60
Study Loans and Advances	88	120	88	120
Total	**14 997**	**23 051**	**308**	**297**
Current	14 997	23 051	308	297

17. Trade and other Receivables From Non-Exchange Transactions

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Advance Sales due from Ithuba Holdings (Pty) Ltd	-	18 600	-	-
Ithuba Holdings (Pty) Ltd - Share of Ticket Sales	42 663	43 161	-	-
Claims from Beneficiaries	**7 025**	**8 324**	**-**	**-**
Gross Amount Claimed	7 481	8 986	-	-
Expected Credit Loss Allowance	(456)	(662)	-	-
Sundry Debtors:	**2 195**	**4 095**	**2 195**	**4 095**
Gross Sundry Debtors	3 337	5 376	3 337	5 376
Expected Credit Loss Allowance	**(1 141)**	**(1 281)**	**(1 141)**	**(1 281)**
Total	**51 883**	**74 180**	**2 195**	**4 095**

Please refer to Note 31.2 for age analysis and reconciliation of the expected credit losses allowances

18. Prepayments and Deposits

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Deposits	5 844	5 844	5 844	5 844
Prepayments	1 347	161	1 347	69
	7 192	**6 005**	**7 192**	**5 914**

Deposits include amounts paid on inception of operating lease contracts entered into by the NLC for the leasing of property (refer to note 30.2 for details of operating lease commitments).

19. Cash and Cash Equivalents

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Cash at bank–call account	3 526	2 036 609	3 526	3 387
Cash at bank–current account	361 526	2 364 938	2 591	17 097
Cash-on-Hand	92	176	92	176
Corporation for Public Deposits accounts	5 233 074	-	-	-
Total Bank, Cash and Cash Equivalents	**5 598 218**	**4 401 723**	**6 209**	**20 661**

The current accounts are not pledged. The call account for the Company is pledged for a security guarantee for Eskom Holdings SOC Ltd and a security guarantee for some of leases. Some of the funds that were in the call account were moved to the CPD account during the financial year.

20. Deferred Income

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Opening Balance	472	3 306	472	3 306
Amount Charged to Statement of Financial Performance	(1 889)	(2 833)	(1 889)	(2 833)
Additions During the Year	32 950		32 950	
Closing Balance	**31 533**	**472**	**31 533**	**472**
Licence Fees Related to Lottery Licence				
Current	3 539	472	3 539	472
Non-current	27 995	0	27 995	0
Total Deferred Income	**31 533**	**472**	**31 533**	**472**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

21. Grant Liabilities

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Opening Balance	42 381	43 323	-	-
Additional Net Allocations Made During the Year	428 249	986 861	-	-
Payments Made During the Year	(438 015)	(987 803)	-	-
Closing Balance	**32 615**	**42 381**	**-**	**-**
Current	32 615	42 381	-	-
Non-Current				
Total	**32 615**	**42 381**		

The prior year amounts have been adjusted. Refer to Note 25 for details of the restatement.

Payments refers not only to payments against current year allocations but also to payments relating to commitments from previous yer.

22. Trade and other Payables from Exchange Transactions

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Accruals	20 244	19 335	19 876	18 866
Straight-lining of Operating Lease Payments	3 639	4 426	3 639	4 426
Other Creditors	2	2	2	2
Payroll Creditors	82	2	82	2
Supplier payables	9 516	12 194	9 516	12 194
Total	**33 484**	**35 959**	**33 116**	**35 490**
Current	**33 484**	**35 959**	**33 116**	**35 490**
Non-Current	**-**	**-**	**-**	**-**

The prior year amounts have been adjusted. Refer to Note 25 for details of the restatement.

23. Trade and other Payables from Non-Exchange Transactions

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Advance Sales due to Ithuba Holdings (RF) (Pty) Ltd	4 986	-	-	-
Advance Sales due to Players - Ithuba Holdings (RF)(Pty) Ltd	34 027	41 247	-	-
*National Lottery Distribution Trust Fund	-	-	27 276	100 466
Unclaimed Funds - Ithuba Holdings (RF) (Pty) Ltd	9 629	7 545	-	-
Unclaimed Prizes - Ithuba Holdings (RF) (Pty) Ltd	207 846	137 261	-	-
Total Trade and Other Payables from Non-exchange Transactions	**256 489**	**186 054**	**27 276**	**100 466**

*The amount has been restated, see note 25 for detail.

24. Provisions

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Staff Leave Pay				
Opening Balance	7 687	7 476	7 687	7 476
Additional Provisions Raised	8 087	7 687	8 087	7 687
Used during the Period	(480)	(376)	(480)	(376)
Unused Amounts Reversed	(7 207)	(7 099)	(7 207)	(7 099)
Closing balance	**8 087**	**7 687**	**8 087**	**7 687**

A provision is recognised for the estimated liability in respect of employees' accumulated leave entitlements at year-end. The provision is based on the total number of leave days due to employees multiplied by their current salary rates. The leave is expected to be utilised or paid out within the next 12 months.

Staff Bonuses				
Opening Balance	21 314	-	21 314	-
Additional Provisions Raised	29 797	21 314	29 797	21 314
Used during the Period	(21 314)	-	(21 314)	-
Unused Amounts Reversed	-	-	-	-
Closing balance	**29 797**	**21 314**	**29 797**	**21 314**

Bonuses are calculated based on the NLC short term incentive policy.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

24. Provisions continued

General Provisions

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Opening Balance	-	873	-	873
Additional Provisions Raised	1 363	-	1 363	-
Used During the Period	-	-	-	-
Unused Amounts Reversed	-	(873)	-	(873)
Closing balance	**1 363**	**-**	**1 363**	**-**
Total provisions	**39 248**	**29 002**	**39 248**	**29 002**
Current	**38 356**	**29 002**	**38 356**	**29 002**
Non Current	**892**	**-**	**892**	**-**

General provisions relate to the settlement agreements that the NLC concluded following the conclusion of the reparations process.

25. Prior period error

25.1 Prior period error - Group

- During the current financial year errors were identified relating to the prior years. The nature of the errors are as follows:
  - Management identified an error relating to the 2023/24 grant allocation population, where projects amounting to R30.47 million were recognised as grant allocation expenditure despite the grantees not having submitted all mandatory and/or supporting documents as prescribed by the application guidelines. Accordingly, these amounts should have been disclosed as contingent liabilities. Of these projects, amounts totalling R30.11 million were paid during the 2024/25 financial year and have therefore been recognised as expenditure in 2024/25.
  - It was noted that project to the amount of R594 thousand was recorded as grant liability during the 2022/23 financial year before the conditions were met. The project was then recorded as grant allocation revocation during the 2024/25 financial year. However, at the date of withdrawal, the progress report checklist had not been signed and therefore the withdrawal should have been done as part of contingent liabilities.
  - It was noted that project amounting to R1.951 million was recorded as grant expenditure despite the progress reports or grant agreement requirements not having been met to release payments and therefore should have remained as contingent liabilities during the 2024/25 financial year.
  - It was noted that projects amounting to R517.07 thousand were not recorded as revocations during the 2024/25 financial year.
- It was noted that projects amounting to R 967.861 thousand were not recorded as expenditure during the 2024/25 financial despite the grant agreement having being signed and all the requirements for recognition being met.
- During the current financial year, it was identified that an asset with a cost and accumulated depreciation of R21.32 thousand and R17.42 thousand respectively, which was disposed of in the prior financial year, was not included in the asset disposal schedule and was therefore not derecognised from property, plant and equipment at the time of disposal. As a result, property, plant and equipment and accumulated depreciation were overstated during the 2024/25 financial year.
- During the current financial year, it was identified that furniture that was derecognized in the 2024/25 financial year was derecognised at a carrying amount of R11.45 thousand more. This error also affected the transfers from NLDTF in the opposite direction.
- During the current financial year, reimbursive costs amounting to R149 thousand, relating to salaries paid by Liberty for an employee placed on temporary incapacity, were identified. These amounts were not allocated to the salaries expense account and were in a clearing account. This error also affected the transfers from NLDTF in the opposite direction.
- The financial statements have been retrospectively restated.

The impact of the errors are as follows:	2024/2025	2023/2024	2022/2023
	R'000	R'000	R'000
Increase/(Decrease) in Revocations	77	-	-
Decrease in Loss on Disposal of PPE	15	-	-
Increase/(Decrease) in Employee Costs	(149)	-	-
Increase/(Decrease) in Allocations of Grants	29 129	(30 470)	(594)
Increase/ (Decrease)in Statement of Financial Performance	29 072	(30 470)	(594)
(Increase)/Decrease in Trade and Other Payables from Exchange Transactions	149	-	-
Increase/(Decrease) in Property Plant and Equipment	(15)	0	0
(Increase)/Decrease in Grant Liabilities	(29 206)	30 470	594
Increase/(Decrease) in Net Assets	(29 072)	30 470	594

25.2 Prior Period Error - Company

- During the current financial year errors were identified relating to the prior years. The nature of the errors are as follows:
- During the current financial year, it was identified that an asset with a cost and accumulated depreciation of R21.32 thousand and R17.42 thousand respectively, which was disposed of in the prior financial year, was not included in the asset disposal schedule and was therefore not derecognised from property, plant and equipment at the time of disposal. As a result, property, plant and equipment and accumulated depreciation were overstated during the 2024/25 financial year.
- During the current financial year, it was identified that furniture that was derecognised in the 2024/25 financial year was derecognised at a carrying amount of R11.45 thousand more. This error also affected the transfers from NLDTF in the opposite direction.
- During the current financial year, reimbursive costs amounting to R149 thousand, relating to salaries paid by Liberty for an employee placed on temporary incapacity, were identified. These amounts were not allocated to the salaries expense account and were in a clearing account. This error also affected the transfers from NLDTF in the opposite direction.

The impact of the errors are as follows:	2024/2025	2023/2024
	R'000	R'000
Increase/(Decrease) in Employee Costs	(149)	-
Derease in Loss on Disposal of PPE	15	-
Increase/(Decrease) Transfers from NLDTF	134	-
Increase/ (Decrease)in Statement of Financial Performance	**-**	**-**
(Increase)/Decrease in Intangible assets	-	-
Increase/(Decrease) in Property Plant and Equipment	(15)	-
(Increase)/Decrease in Trade and other payables from exchange	149	-
Increase/(Decrease) in Trade and other payables from non exchange	(134)	-
Increase/(Decrease) in Net Assets	**-**	**-**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

25.3 Change in Classification - Group

- During the current financial year, it was identified that an amount of R19 thousand was misclassified as an exchange transaction. This was corrected, as the movement related to beneficiary claim debtors, which are non-exchange in nature.
- During the current financial year, it was identified that a payment of R144.96 thousand made to an incorrect beneficiary in the prior financial year was not recognised as a debtor at the time the error occurred. This resulted in the understatement of debtors and the understatement of grant liabilities for the period and also a movement in the statement of cash flows between cash received from beneficiaries and cash paid to beneficiaries and other parties.

The impact of the errors are as follows:

• – Revenue from Non-exchange Transactions - other income	19
• – Revenue from Exchange Transactions - other revenue	(19)
• – Increase/(Decrease) in grant liabilities	145
• – (Increase)/Decrease in Trade and other receivables from non exchange transactions	(145)

26. Change in Accounting Policy - Adoption of Revised GRAP 104

- The National Lotteries Commission (NLC) Group adopted the revised Standard of GRAP 104: Financial Instruments with effect from 1 April 2025. The revised standard replaces the previous requirements relating to the recognition, classification, measurement and impairment of financial instruments and introduces enhanced disclosure requirements.
- The revised GRAP 104 introduces changes primarily in the following areas:
- The classification and measurement of financial assets and financial liabilities, based on the entity's business model and the contractual cash flow characteristics of the instruments;
- The introduction of an expected credit loss (ECL) impairment model, which replaces the incurred loss impairment - approach and requires earlier recognition of credit losses using forward-looking information; and
- Enhanced disclosure requirements aimed at improving transparency regarding financial risks, including credit risk, liquidity risk and market risk.
- The change in accounting policy arising from the adoption of Revised GRAP 104 has been applied retrospectively, and comparative information has been restated accordingly, in line with the transitional provisions of the standard.

26.1 Impact of Adoption on the Statement of Financial Position

- The tables below summarises the impact of adopting the revised GRAP 104 on the previously reported balances of the Group and the Company as at the beginning of the comparative period.

Group

Line item	Previously reported	GRAP 104 adjustment	Restated (R'000)
Trade And Other Receivables	76 123	(1 943)	74 180
Total Financial Assets	**76 123**	**(1 943)**	**74 180**
Accumulated Surplus/(Deficit)	76 123	(1 943)	74 180

Company

Line item	Previously reported	GRAP 104 adjustment	Restated (R'000)
Trade and Other Receivables Non-Exchange - Sundry Debtors	5 376	(1 281)	4 095
Total Financial Assets	5 376	(1 281)	4 095
Trade and Other Payables From Non-Exch	101 747	(1 281)	100 466
Transfers from NLDTF	642 155	1 281	643 436
The adjustments primarily relate to the recognition of expected credit losses on trade and other receivables.			

26.2 Impact on Income Statement - Impairment of Financial Assets

Group

Description	R'000
Opening loss allowance recognised on transition (1 April 2025)	1 943
Company	
Opening loss allowance recognised on transition (1 April 2025)	1 281
The loss allowance relates primarily to trade and other receivables, including claims from beneficiaries and sundry debtors. No expected credit losses were recognised on receivables from the licensed National Lottery operator due to the absence of historical credit losses and consistent settlement patterns.	

26.3 Key Changes in Accounting Policies

Area	Previous policy	Revised policy (GRAP 104)
Impairment	Incurred-loss model	Expected credit loss (ECL) model
Recognition of losses	Recognised when a loss event occurred	Recognised on initial recognition using forward-looking information
Measurement basis	Historical loss experience	Probability-weighted ECL incorporating forward-looking data
Disclosures	Limited financial risk disclosures	Enhanced disclosures including credit risk, liquidity risk, market risk and ECL

- In applying the revised standard, the **Group and the Company**:
- applied the **simplified approach** to the measurement of expected credit losses for all trade and other receivables;
- used **historical loss experience adjusted for forward-looking information**, including macro-economic factors and enforceability of recovery mechanisms; and
- did not restate financial instruments that were **derecognised prior to the date of initial application**, in accordance with the transitional provisions of Revised GRAP 104.
- The adoption of the revised GRAP 104 did not have a material impact on the overall financial position of the Group or the Company, other than the recognition of a minor expected credit loss allowance on transition and the introduction of enhanced disclosure requirements.
- The revised standard has, however, improved the timeliness, transparency and robustness of impairment recognition and financial risk disclosure within the Annual Financial Statements.

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27. Change In Estimate

27.1 Useful life for Fusion Enterprise Resource

- During the year, management reassessed the useful life of the Fusion Enterprise Resource Planning (ERP) system in accordance with GRAP 31: Intangible Assets. The reassessment was necessitated by delays in the procurement of the replacement ERP system, which was initially expected to be concluded by March 2027.
- As a result, the useful life of the Fusion ERP system was extended by an additional three years to 31 March 2030. The change has been accounted for as a change in accounting estimate and has been applied prospectively from the date of reassessment.
- This resulted in a reduction in the annual amortisation charge for the current financial year.
- The change had no impact on prior periods. The change in estimate resulted in a decrease in amortisation expense of R3.015 million for the current financial year.
- The useful life of computer equipment, office equipment and furniture was also extended by an additional two years. The effect of the change in accounting estimate has resulted in an decrease in depreciation amounting to R 731 590 for the current and future periods.

27.2 Revision of Estimated Taxed Legal Costs

- During the current financial year, taxed legal costs previously recognised based on estimated costs are drawn for taxation were finalised. As a result of the final taxation process, the originally recognised amounts were revised downward by R815 269.
- The adjustment was accounted for prospectively as a change in accounting estimate in accordance with GRAP 3. The revision resulted in a decrease in the related asset and corresponding reversal of the associated income recognised in the statement of financial performance. The changes have affected Trade and other receivables from non-exchange transactions note 18.

	R'000
Original Estimated Amounts Recognised	1 955
Final Taxed Amounts	(1 140)
Net Downward Revision Of Estimate	815

28. Cash Generated by Operations

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Surplus for the Year	1 048 635	676 274	-	-
Adjustment for Non-cash Transactions included in Surplus:				
Depreciation, Amortisation and Impairment	33 285	27 604	33 285	27 604
Deferred income	(1 889)	(2 833)	(1 889)	(2 833)
Operating lease payments smoothing	(787)	313	(787)	313
(Profit) or Loss on sale of assets	(101)	38	(101)	38
Provision for bad debts	-	(19)	-	-
Allowance for Expected Credit Losses	-	1 943	-	1 281
Surplus/(deficit) after adjustment for non-cash items	1 079 144	703 320	30 508	26 403
Working Capital Changes				
(Increase)/Decrease in Trade and Other Receivables	29 164	(17 250)	611	(2 351)
Increase/ (Decrease) in Trade and Other Payables	68 747	2 733	(74 776)	13 365
Increase/ (Decrease) in Provisions	10 246	20 652	10 245	20 652
Increase /(Decrease)in Grant Liabilities	(9 767)	(942)	-	-
Deferred Income - Licence Fees	32 950	2 361	32 950	2 361
Cash generated by Operations	**1 210 484**	**710 874**	**(462)**	**60 430**

29. Irregular, Fruitless and Wasteful Expenditure

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Irregular Expenditure	5 396	44 374	5 396	44 374
Fruitless and Wasteful Expenditure	10	35	10	35
Closing Balance	**5 406**	**44 409**	**5 406**	**44 409**

Fruitless and wasteful expenditure relates to no-show charges and traffic fines incurred during the financial year. In terms of the NLC's approved policies, these amounts are recoverable from the employees responsible.

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(1) Amounts of material losses through criminal conduct

Irregular expenditure arose as a result of non-compliance with applicable legislative and regulatory requirements. No financial loss was incurred by the NLC as a result of the non-compliance.

(2) Disciplinary steps taken as a result

	Group		Company	
Incident Description	**2026**	**Restated 2025**	**2026**	**Restated 2025**
Irregular Expenditure	**R'000**	**R'000**	**R'000**	**R'000**
Numerous officials implicated. These officials have either subsequently resigned or consequence management has been actioned.	5 396	44 374	5 396	44 374
	5 396	44 374	5 279	44 374
Fruitless and Wasteful Expenditure				
Expenditure related to traffic fines and no show - not recovered to date	5	35	5	35
Expenditure related to traffic fines and no show - recovered	5	-	5	-
	10	35	10	35

30. Commitments for Expenditure

30.1 Capital Commitments

	Group		Company	
	2026	**Restated 2025**	**2026**	**Restated 2025**
	R'000	**R'000**	**R'000**	**R'000**
Purchase Order Commitments	1 570	12 315	1 570	12 315

30.2 Operating Lease Commitments

- Operating lease commitments arise from the lease of buildings and motor vehicles. The NLC leases buildings for its head office as well as some of its provincial offices.
- Buildings - The leases have a remaining useful life which ranged from less than one year to six years. The rental on the leased buildings escalate by inflation annually.
- Motor Vehicle - A new service provider was appointed in February 2025 for the rental of motor vehicles for a period of 5 years.
- The contract was cancelled during the current year due to service delivery.

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
The future minimum lease commitments are as follows:	R'000	R'000	R'000	R'000
Buildings				
Due Within One Year	29 202	25 717	29 202	25 717
Due Within Two To Five Years	18 179	46 550	18 179	46 550
Due More Than Five Years	-	605	-	605
	47 381	**72 872**	**47 381**	**72 872**
Motor Vehicle				
Due Within One Year	-	5 710	-	5 710
Due Within Two To Five Years	-	27 406	-	27 406
Due More Than Five Years	-	1 142	-	1 142
	-	**34 258**	**-**	**34 258**
The contract for the lease of motor vehicle was cancelled during the years				
Total Operating Lease Commitments	**47 381**	**107 130**	**47 381**	**107 130**

30.3 Operating Commitments

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Purchase Order Commitments	27 898	16 593	27 898	16 593
Contract Commitments	118 770	102 907	118 770	102 907
	146 667	**119 500**	**146 667**	**119 500**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

31.Management of Financial Risk

31.1Financial Instrument Classification

The National Lotteries Commission (NLC) recognises and measures financial instruments in accordance with GRAP 104: Financial Instruments, based on the business model for managing the instruments and the contractual cash flow characteristics.

As at 31 March 2026	Note(s)	Group			Company		
		Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilities	Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilitiesh
		R'000	R'000	R'000	R'000	R'000	R'000
Financial assets measured at amortised cost:							
Trade and other receivables from exchange transactions	16	14 997	14 997	-	308	308	-
Trade and other receivables from non-exchange transactions	17	51 883	51 883	-	2 195	2 195	-
Deposits	18	5 844	5 844		5 844	5 844	
*Cash and cash equivalents	19	5 598 218	5 598 218	-	6 209	6 209	-
Non-Financial Assets							
Other assets	14 & 15	115 269	-	115 269	115 269	-	115 269
Total Assets		**5 786 211**	**5 670 943**	**115 269**	**129 825**	**14 556**	**115 269**

*During the implementation of the revised GRAP 104: Financial Instruments, management identified that cash and cash equivalents had previously been incorrectly classified as measured at fair value. This was corrected on adoption of the revised standard, with cash and cash equivalents now appropriately classified and measured at amortised cost in accordance with GRAP 104. There was no material impact other than the disclosure classification under this note in the previous year.

	Note(s)	Company			Group		
		Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilities	Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilitiesh
		R'000	R'000	R'000	R'000	R'000	R'000
Financial liabilities at amortised cost:							
Grant Liabilities	21	32 615	32 615		-	-	-
Trade and other payables from exchange transactions	22	33 484	29 845	3 639	33 116	29 476	3 639
Trade and other payables from nonexchange transactions	23	256 489	256 489	-	-	-	-
Non-Financial Liability							
Deferred income - Licence fees	20	31 533	-	31 533	31 533	-	31 533
Trade and other payables from non-exchange transactions	23				27 276	-	27 276
Provisions	24	39 248	-	39 248	39 248	-	39 248
Total Liabilities		**393 370**	**318 949**	**74 421**	**131 173**	**29 476**	**101 697**

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for the year ended at 31 March 2026

As at 31 March 2025 Restated	Note(s)	Company			Group		
		Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilities	Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilitiesh
		R'000	R'000	R'000	R'000	R'000	R'000
Financial assets measured at amortised cost:							
Trade and other receivables from exchange transactions	16	23 051	23 051	-	297	297	-
Trade and other receivables from non-exchange transactions	17	74 180	74 180	-	4 095	4 095	-
Deposits	18	5 844	5 844		5 844	5 844	
*Cash and cash equivalents	19	4 401 723	4 401 723	-	20 661	20 661	-
Non-Financial Assets							
Other assets	14 & 15	134 463	-	134 463	134 463	-	134 463
Total Assets		**4 639 261**	**4 504,799**	**134 463**	**165 360**	**30 897**	**134 463**

	Note(s)	Company			Group		
		Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilities	Total	Financial Assets and Liabilities	Nonfinancial Assets and Liabilitiesh
		R'000	R'000	R'000	R'000	R'000	R'000
Financial liabilities at amortised cost:							
Grant Liabilities	21	42 381	42 381		-	-	-
Trade and other payables from exchange transactions	22	35 959	31 533	4 426	35 490	31 063	4 426
Trade and other payables from non-exchange transactions	23	186 054	186 054	-	-	-	-
Non-Financial Liability							
Deferred income - Licence fees	20	472	-	472	472	-	472
Trade and other payables from non-exchange transactions					100 466	-	100 466
Provisions	24	29 002	-	29 002	29 002	-	29 002
Total Liabilities		**293 868**	**259 968**	**33 900**	**165 429**	**31 063**	**134 366**

31.2 Management of Financial Risk

- Financial instruments expose the National Lotteries Commission ("the Commission") and its subsidiary (together "the Group") to various financial risks, principally credit risk, liquidity risk, and interest rate risk.
- The Commission has adopted appropriate financial risk management policies in line with GRAP 104: Financial Instruments, with oversight exercised by the Board and Audit and Risk Committee. Management monitors risk exposures on an ongoing basis and ensures that adequate controls are in place to mitigate material risks.

31.2.1 Credit Risk and Expected Credit Losses

Credit Risk Exposure and Concentration

- Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the Group or Company.
- The maximum exposure to credit risk at the reporting date is represented by the gross carrying amount of financial assets measured at amortised cost, as set out below:

Group 1: Financial instruments subject to impairment (ECL applied)

- These comprise financial assets measured at amortised cost for which a loss allowance is recognised in accordance with the expected credit loss model:
- Claims from Beneficiaries
- Sundry debtors

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for the year ended at 31 March 2026

Maximum exposure to credit risk (before impairment)	Note(s)	Group		Company	
		2026	Restated 2025	2026	Restated 2025
		R'000	R'000	R'000	R'000
Claims from Beneficiaries	17	7 025	8 324	-	-
Sundry debtors	17	2 195	4 095	2 195	4 095

These balances represent the maximum exposure to credit risk for instruments subject to impairment.

Group 2: Financial instruments not impaired

- These comprise financial assets where impairment requirements are not applied due to their nature and low credit risk. Although these instruments fall within the scope of GRAP 104, the assessment performed concluded that no expected credit loss allowance was required at reporting date.
- Cash and cash equivalents held with financial institutions
- Interest Receivable on Current and Call Accounts
- Advance Sales due from Ithuba Holdings (Pty) Ltd
- Ithuba Holdings (Pty) Ltd - Share of Ticket Sales
- Other Receivables

Maximum exposure to credit risk (before impairment)	Note(s)	Group		Company	
		2026	Restated 2025	2026	Restated 2025
		R'000	R'000	R'000	R'000
Other Receivables	16	180	180	180	180
Interest Receivable on Current and Call	16	14 816	22 871	128	117
Advance Sales due from Ithuba Holdings (Pty) Ltd	17	-	18 600	-	-
Ithuba Holdings (Pty) Ltd - Share of Ticket Sales	17	42 663	43 161	-	-
Cash and cash equivalents held with financial institutions	19	5 598 218	4 401 723	6 209	20 661

- Receivables between the NLC, Ithuba and the NLPT are not impaired due to the low credit risk associated with these transactions.
- Amounts outstanding arise primarily from timing differences between the reporting date and the settlement dates stipulated in the licence agreement. Accordingly, management has assessed the expected credit loss on these balances as immaterial.
- Credit risk relating to cash and cash equivalents arises from the possibility that the financial institutions with which deposits are held may not be able to meet their obligations when due. The NLC manages this risk by investing funds with reputable South African financial institutions and by monitoring the creditworthiness and external credit ratings of these institutions on an ongoing basis.
- The majority of cash and cash equivalent balances are held with the South African Reserve Bank, with the remaining balances held with registered South African banking institutions. Management considered the financial standing, regulatory oversight and available external credit ratings of these institutions in assessing expected credit losses.
- The South African Reserve Bank operates as the central bank of South Africa, and South Africa's sovereign rating was affirmed at Ba2 by Moody's in May 2026, with the outlook revised to positive
- Based on management's assessment of the credit risk associated with these institutions, together with the short-term nature of the deposits, cash and cash equivalents are considered to have low credit risk at reporting date and no expected credit loss has been recognised.

These balances represent the maximum exposure to credit risk, without taking collateral into account.

Credit Risk Concentration

- A significant concentration of credit risk exists in relation to:
- Ithuba Holdings (RF) (Pty) Ltd, the licensed national lottery operator
- Beneficiaries, in respect of recoverable grant funding
- Employees and other parties, in respect of sundry debtors
- Cash and cash equivalents held with financial institutions
- Claims from beneficiaries arise where grant conditions have been breached and the NLC has initiated recovery. These debts are supported by formal acknowledgement of debt and are legally enforceable.
- Sundry debtors comprise employee related r ecoveries, including traffic fines and overpayments, as well as court-awarded costs in favour of the NLC.
- Receivables from Ithuba Holdings (RF) (Pty) Ltd arise from lottery-related amounts contractually due to the Group in terms of the National Lottery licence conditions.
- Cash and cash equivalents are subject to concentration risk as a significant portion of balances are held with the South African Reserve Bank, with the remainder held with a limited number of South African banking institutions. Notwithstanding this concentration, management considers the associated credit risk to be low given the creditworthiness and regulatory environment of the counterparties.

This concentration remained consistent across reporting periods.

Collateral and Credit Enhancements

- The Group and Company did not hold any collateral or credit enhancements in respect of financial assets in either the current or prior reporting period.
- Statutory enforceability of the National Lottery framework;
- Contractual enforceability of receivables;
- Legal recovery processes; and
- Strong historical settlement patterns.

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Accordingly, no portion of the credit risk exposure is reduced by collateral.

Expected Credit Loss (ECL) Methodology – Simplified Approach

- During the 2026 financial year, the National Lotteries Commission implemented Revised GRAP 104: Financial Instruments for the first time. As part of the transition to the revised standard, the NLC adopted the simplified approach to the measurement of expected credit losses for all trade and other receivables, including claims from beneficiaries and sundry debtors.
- The implementation of Revised GRAP 104 resulted in changes to the methodology, assumptions and estimation techniques previously applied in assessing impairment of receivables, primarily through the introduction of the expected credit loss model and the use of a provision matrix based on the ageing of receivables and their respective credit risk characteristics.
- The impact of the first time adoption of Revised GRAP 104, including the changes to methodology, assumptions and estimation techniques, has been disclosed in Note 28 Changes in Accounting Policies.
- Under the simplified approach, lifetime expected credit losses are recognised from initial recognition of receivables. Comparative information for the 2025 financial year has been assessed using the revised methodology in order to ensure consistency and comparability between reporting periods.
- In assessing expected credit losses, management considered forward looking information, including prevailing macroeconomic conditions, the enforceability of legal and contractual recovery mechanisms, and the counterparty's capacity to settle outstanding obligations.

Credit Risk Quality – Ageing Analysis **Group**	**Gross**	**ECL allowance**	**Gross**	**ECL allowance**
	2026	**2026**	**2025**	**2025**
	R'000	**R'000**	**R'000**	**R'000**
0–30	61 728	44	93 690	354,39
31–60	1 219	17	45,24	-
61–90	-	-	-	-
91–120	-	-	-	-
121–180	27	4	89	33,27
181–365	457	56	26	-
>365	5 043	1 475	5 323	1 555,19
Total	**68 474**	**1 597**	**99 173**	**1 943**
Company				
0–30	994	24,15	4 251	301,94
31–60	42	2,70	45,24	-
61–90	-	-	-	-
91–120	-	-	-	-
121–180	27	4,26	89	33
181–365	26	5,03	25,95	-
>365	2 553	1 105	1 260,56	945,60
Total	**3 642**	**1 141**	**5 671**	**1 281**

- In both the current and prior reporting periods:
- receivables were predominantly short-term in nature;
- older balances mainly related to beneficiary claims and sundry debtors, where recovery processes had been initiated and debts;
- settlement behaviour remained consistent with historical experience;
- This ageing profile supports management's conclusion that credit risk did not increase materially between periods.

Impairment Outcome and Loss Allowance

Movement in Loss Allowance

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Opening loss allowance	1 943	-	1 281	-
Impairment recognised/(reversal)	(346)	1 943	(140)	1 281
Closing Loss Allowance	**1 597**	**1 943**	**1 141**	**1 281**

- During the prior reporting period, an amount of R19 thousand was written off after recovery was no longer considered probable. No write-offs were recognised during the current reporting period.
- Changes in the expected credit loss allowance during the year were mainly influenced by movements in the gross carrying amount of receivables, including new receivables recognised, settlements and derecognition of balances, changes in debtor ageing profiles and reassessments of recoverability based on historical collection trends and current economic conditions.
- Except for the write-off disclosed above in the prior year, there were no material defaults, renegotiations or other credit-impaired financial assets identified during either the current or prior reporting periods.

31.2.2 Market Risk

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.
- The Group is exposed to interest rate risk primarily in respect of cash and cash equivalents held with financial institutions at variable interest rates. These balances expose the Group to cash flow interest rate risk, as future interest income will vary with changes in market interest rates.
- The Group does not have any interest-bearing borrowings or other interest-bearing financial liabilities. Accordingly, no exposure exists to fair value interest rate risk.

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The carrying amounts of financial instruments exposed to interest rate risk at the reporting date are as follows:

As at 31 March 2026		Group			Company		
	Note(s)	Total	Financial Assets and Liabilities	Non-financial Assets and Liabilities	Total	Financial Assets and Liabilities	Non-financial Assets and Liabilities
		R'000	R'000	R'000	R'000	R'000	R'000
Financial assets measured at amortised cost:							
Cash and cash equivalents	19	5 598 218	5 598 218	0	6 209	6 209	0
Total Assets		**5 598 218**	**5 598 218**	**0**	**6 209**	**6 209**	**0**
As at 31 March 2025 Restated							
Financial assets measured at amortised cost:							
Cash and cash equivalents	19	4 401 723	4 401 723	0	20 661	20 661	0
Total Assets		**4 401 723**	**4 401 723**	**0**	**20 661**	**20 661**	**0**

The Group's exposure to interest rate risk is concentrated in short-term, highly liquid financial assets. Financial liabilities are noninterest bearing and therefore do not expose the Group to interest rate risk.

Interest Rate Risk Management

- The Group manages its exposure to interest rate risk by:
- Maintaining cash balances in short-term instruments that provide a balance between liquidity and yield;
- Monitoring prevailing market interest rates on an ongoing basis; and
- Placing funds with reputable financial institutions in accordance with approved investment policies and applicable PFMA requirements.
- The Group does not make use of derivative financial instruments or hedging strategies to manage interest rate risk.

Sensitivity Analysis

- A sensitivity analysis has been performed to illustrate the effect of a reasonably possible change in interest rates on the Group's surplus or deficit at the reporting date.
- The analysis assumes:
- A change of **100 basis points (1%)** in interest rates;
- The change is applied to floating rate financial assets at the reporting date; and
- All other variables remain constant.

Impact on Surplus or Deficit Scenario	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Increase in interest rates by 1%	55 982	44 017	62	207
Decrease in interest rates by 1%	(55 982)	(44 017)	(62)	(207)

- An increase in interest rates would result in an increase in interest income, while a decrease would have an equal and opposite effect.
- The Group's exposure to interest rate risk is considered to be limited, as it arises primarily from cash and cash equivalents which are short-term in nature. However, due to the significant cash balances held, changes in interest rates may have a material impact on investment income and are therefore continuously monitored.

31.2.3 Liquidity Risk

- Liquidity risk is the risk that the National Lotteries Commission (NLC) will not have sufficient cash resources to meet its financial obligations as they fall due. Liquidity risk is managed through continuous monitoring of cash flows, maintaining adequate cash and cash equivalents, and ensuring that liabilities are settled in accordance with contracted and statutory timeframes.
- The tables below present the contractual maturity analysis of the Group's and the Company's financial liabilities, based on undiscounted contractual cash flows, as required by Revised GRAP 104. The maturity analysis reflects the earliest period in which payment can be required, in accordance with contractual terms.
- The table below analyses the Company and Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining years at the reporting date to the contractual maturity date.

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As at 31 March 2026	Note(s)	Group		Company	
		Total	Within a Year	Total	Within a Year
		R'000	R'000	R'000	R'000
Trade and other payables from exchange transactions	22	29 845	29 845	29 476	29 476
Trade and other payables from non-exchange transactions	23	256 489	256 489	-	-
Total		**286 334**	**286 334**	**29 476**	**29 476**
As at 31 March 2025 Restated					
Trade and other payables from exchange transactions	22	31 533	31 533	31 063	31 063
Trade and other payables from non-exchange transactions	23	186 054	186 054	-	-
Total		**217 587**	**217 587**	**31 063**	**31 063**

All financial liabilities of both the Group and the Company were **contractually payable within twelve months** at the reporting date in both the **2026 and 2025 financial years**. No financial liabilities extended beyond the one year maturity band, and - the Group was not exposed to refinancing risk.

- The NLC manages liquidity risk by:
- maintaining sufficient **cash and cash equivalents** to cover short-term obligations;
- forecasting expected cash inflows and outflows on an ongoing basis; and
- aligning payment commitments, including grant disbursements, with available funding.
- At reporting date, the Group and the Company held **sufficient cash reserves** to meet all contractual obligations as they fall due.
- Accordingly, **liquidity risk remained low and stable** during both the current and prior reporting periods.

32. Related Parties - Executive Managements Emoluments Group and Company

Executives	Role	Basic Salary	Provident Fund and Risk Benefit Contributions	Travel Allowance	Cell Phone Allowance	Acting Allowances	Other Allowances	Bonus and Leave Provision	Total 2026	Balances Outstanding 2026	Total 2025 Restated
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ms. J Scholtz	Commissioner	2 509	418	-	60	-	153	880	4 021	880	3 561
*Ms. A Maharaj-Domun	Acting Chief Operations Officer	-	-	-	-	-	-	-	-	-	2 583
**Ms CS Mofet-Mubu	Acting Chief Operations Officer	360	40		-	76	5	-	481	-	-
Carrying value of Derecognition (Disposals/Write-offs)	-	-	-	(148)	(55)	-	(9)	(212)	(212)	(212)	(212)
***Mr Mzwandile Ngubane	Acting Chief Operations Officer	1 702	284	-	39	212	146	287	2 670	287	-
****Mr M Ramusi	Chief Information Officer	-	-	-	-	-	-	-	-	-	454
*****Mr A Kritzinger	Acting Chief Information Officer	356	-		5	51	4	-	416	-	2 592
*******Ms HP Tshabalala	Chief Information Officer	2 140	358	0	40	-	87	456	3 081	456	-
Ms T Nkuna	Executive: Regulatory Compliance	2 565	442	91	48	-	90	541	3 778	541	3 550
Mr L Boihang	Executive Manager: Legal	2 828	471	-	48	-	136	638	4 120	638	3 761
^Adv. M Nene	Company Secretary	-	-	-	-	-	-	-	-	-	2 879
Ms T Maharaj	Chief Financial Officer	2 994	499	-	48	-	123	715	4 378	715	4 109
Mr V Jones	Chief Audit Executive	2 092	349	-	30	-	112	528	3 111	528	2 867
Mr M Mogolane	Chief Risk Officer	1 578	283	120	30	-	75	350	2 436	350	2 255

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

32. Related Parties - Executive Managements Emoluments Group and Company continued

Executives	Role	Basic Salary	Provident Fund and Risk Benefit Contributions	Travel Allowance	Cell Phone Allowance	Acting Allowances	Other Allowances	Bonus and Leave Provision	Total 2026	Balances Outstanding 2026	Total 2025 Restated
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ms X Njapha	Interim Company Secretary	2 072	233	-	30	-	30	649	3 015	649	2 669
^^Ms Khau Moloko	Senior Manager Human Capital	2 836	398	10	2		193	0	3 439	-	2 490
^^^Mr Shalom Pila	Acting Senior Manager Human Capital	1 001	166		20	163	68	0	1 418	0	-
^^^^Ms Natasha Wray	Acting Senior Manager Human Capital	591	70	15	10	78	8	416	1 188	416	-
Total		25 624	4 011	236	410	581	1 229	5 459	37 550	5 459	33 771

*Ms. A Maharaj-Domun was acting COO during the 2024/25 financial year

**Ms CS Mofet-Mubu was acting COO from 1 April 2025 until 30 June 2025.

***Mr Mzwandile Ngubane was acting COO from July 2025.

****Mr M Ramusi's contract ended 30 April 2024.

*****Mr A Kritzinger was acting as CIO from May 2024 to 31 May 2025

*******Ms HP Tshabalala was appointed as CIO effective 1 June 2025.

^Adv. M Nene resigned effective 28 February 2025.

^^Ms Khau Moloko employment was terminated effective 31 May 2025

^^^Mr Shalom Pila was acting from April 2025 to November 2025

^^^^Ms Natasha Wray acting from December 2025

33. Related Parties - Board of Trustees Emoluments - Group

Members	Members' Fees	Travel Costs	Total 2026	Total 2025
	R'000	R'000	R'000	R'000
Mr A Mahlalutye	114	-	114	81
Adv. LT Nevondwe	176	-	176	198
Adv. E Mabuza	-	-	0	0
Ms C Abdul	114	-	114	81
Ms. T Nkuna	-	-	0	0
Total	404	0	404	360

Adv. E Mabuza is a representative of Ithuba Holdings RF (Pty) Ltd] (as an Operator) and is not remunerated.

Ms. T Nkuna was appointed as the NLC Representative from 21 February 2023. Ms. Nkuna is not remunerated.

Ms C Abdul was appointed as the third independent trustee on 01 September 2023.

34. Relates Parties - Board and Sub Committee Members Emoluments - Group and Company

Members	Board Meeting Fees	Other Claims	Cell phone Allowance	RFP Meetings	Total 2026	Balances Outstanding	Total 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Prof B Pityana	866	0	54	278	1 198	0	1 444
Ms B Ferguson	557	7	40	228	832	0	1 146
Ms. P Mvulane	647	0	44	220	911	71	1 152
Mr L October	424	0	48	217	689	0	977
Mr T Bonakele	489	5	48	222	763	42	870
Dr P Dala*	308	0	44	0	352	0	531
Ms L Tromp*	168	0	20	0	188	0	288
Ms Louw*	187	0	24	0	211	17	207
Dr S Mojaki**	229	2	-	0	231	13	283
Ms I Ramafola***	-	-	-	-	-	-	-
Total	3 874	15	322	1 165	5 376	143	6 898

*Ms Louw, Ms Tromp and Dr P Dala are independent members of the Board audit and risk committee for the NLC and the controlled entities.

**Dr S Mojaki is an independent member of the Human Capital Committee.

***Ms I Ramafola is the Ministers representative and is not remunerated.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

35. Related Parties - Distributing Agency Fees Group and Company

The distributing agency members are appointed by the Minister of dtic in terms of the Lotteries Act and they are accountable to the Board. The distributing agency is mainly responsible for considering, evaluating and adjudicating applications for grants or recommendations of funding of worthy good causes received from The Commission. The members that were responsible for adjudicating applications for grants for the year under review are listed below including their remuneration.

Members	Members' Fees/ Salary	Provident Fund and Risk Benefit Contributions	Other Allowances	Bonus and leave provision	Total 2026	Balances Outstanding	Total 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
*Ms M Letoaba	38			-	38	-	908
**Mr T Lungile	581	134	133	-	847	-	2 175
**Ms FE Lagadien	651	-	177	-	828	-	2 039
**Ms G Gaidien	380	42	4	-	427	-	1 202
***Dr T Manetsi	-	-	-	-	-	-	312
****Ms CS Mofet-Mubu	1 162	194	99	64	1 519	64	-
****Mr T Josopu	1 030	173	88	173	1 464	173	-
****Dr ZZ Nzo	1 158	194	86	234	1 672	234	-
****Ms VF Ramela	1 030	173	92	213	1 508	213	-
****Mr T Skosana	1 158	194	36	221	1 609	221	-
****Mr M Tsedu	1 030	173	35	169	1 407	169	-
****Mr G Mnisi	1 030	173	80	208	1 491	208	-
****Ms N Mgida	1 030	173	35	188	1 426	188	-
****Ms MM Nkopane	1 030	173	61	187	1 450	187	-
****Ms SF Sithole	1 030	173	69	175	1 447	175	-
Total	12 338	1 965	996	1 833	17 133	1 833	6 636

*Ms M Letoaba term ended April 2025

**Members term ended in June 2025

***Dr T Manetsi resigned in September 2024

****Members were appointed effective 1 July 2025

36. Comparison of Approved Budget and Final Budget - Group

The budget and the accounting bases are the same; both are on the accrual basis. The annual financial statements and the budget are prepared using a classification on the nature of expenses in the statement of financial performance. The approved budget covers the period from 1 April 2025 to 31 March 2026.

Description	Approved Budget	Final Budget	Adjustments	Reason for Adjustments
	R'000	R'000	R'000	
Share of ticket sales	337 356	1 836 674	1 499 318	Adjustments were made to the share of ticket sales following the appointment of a temporary licence holder. The original budget was based on projected revenue for April and May 2025; however, these projections have been revised to reflect the revenue projections under the temporary licence.
Unclaimed and expired prize money	90 000	88 814	(1 186)	The budget was adjusted due to fewer prizes expiring during the year than anticipated, the increase in online sales is contributing to this reduction in expired prizes over the years.
Interest from the Participants Trust	7 139	8 669	1 530	The increase in interest from NLPT was driven by higher balances of unclaimed prizes, due to delays by winners in claiming their prizes. Consequently, these funds remained invested for longer periods, resulting in higher interest income than anticipated.
Investments and interest received	242 909	270 388	27 479	Higher than anticipated cash balances were maintained during the period, mainly due to lower than anticipated recognition of grant liabilities. Consequently, excess funds were available for investment for longer periods, resulting in higher interest income than originally budgeted.
Licence fees	472	1 889	1 417	The adjustment in licence fees is attributable to the appointment of a temporary licence operator. The original budget was prepared on the assumption that the Ithuba licence would end in May 2025.
Sundry income	2 000	597	(1 403)	The budget was reduced due to lower anticipated recoveries on the NLDTF, as there were no positive developments in the recovery processes being pursued.
Societies and Other Lotteries	62	62	0	No adjustments to budget
Employee costs	(374 679)	(377 469)	(2 790)	The budget for employee costs was increased to accommodate interns appointed during the financial year who were not included in the initial budget.

Notes to the Annual Financial Statements continued

for the year ended at 31 March 2026

Description	Approved Budget	Final Budget	Adjustments	Reason for Adjustments
	R'000	R'000	R'000	
Allocation of grants	(1 055 000)	(1 372 576)	(317 576)	The increase in grant allocations budget is attributable to increase in share of ticket sales. Grant funding expenditure is determined as the residual portion of total revenue after accounting for the NLC's operational expenditure.
Allocation of grants	5 000	8 500	3 500	The budget was increased to accommodate the rise in withdrawals, however most of the withdrawals however are off balance sheet.
Goods and services	(441 058)	(433 968)	7 090	The budget was revised during the year to provide for additional costs relating to the Indaba, ICT operational costs, legal fees and investigations. The Indaba increased the budget by R23 million, investigations by R18 million, while ICT operational costs and legal fees increased the budget by a combined R14 million. These increases were partially offset by reductions made during the mid-year budget review to other expenditure items, including outsourced services, consulting fees and lease costs.
Depreciation and amortisation	(25 558)	(27 219)	(1 661)	The budget for depreciation and impairment was increased for potential impairment.
Loss on Disposal of Property, Plant and Equipment	-	-	-	No adjustments to budget
Administration Expenses	(4 379)	(4 362)	17	Adjustment immaterial
Capital acquisitions	(68 800)	(57 026)	11 774	The capital expenditure budget was reduced due to delays in implementing procurement for items that were initially planned and budgeted for.

37. Comparison af Approved Budget and Final Budget - Company

Description	Approved Budget	Final Budget	Adjustments	Reason for Adjustments
	R'000	R'000	R'000	
Transfers And Subsidies Received	836 881	833 588	(3 293)	The budget was revised during the year to provide for additional costs relating to the Indaba, ICT operational costs, legal fees and investigations. The Indaba increased the budget by R23 million, investigations by R18 million, while ICT operational costs and legal fees increased the budget by a combined R14 million. These increases were partially offset by reductions made during the mid-year budget review to other expenditure items, including outsourced services, consulting fees and lease costs.
Licence Fees	472	1 889	1 417	The adjustment in licence fees is attributable to the appointment of a temporary licence operator. The original budget was prepared on the assumption that the Ithuba licence would end in May 2025.
Other Operating Income	400	597	197	Budget was increased to reflect the expected income from cathsseta voluntary grant
Interest Income	1 100	723	(377)	The increase in interest from NLPT was driven by higher balances of unclaimed prizes, due to delays by winners in claiming their prizes. Consequently, these funds remained invested for longer periods, resulting in higher interest income than anticipated.
Society Lotteries	62	62	-	No adjustments to budget
Employee Costs	(374 679)	(377 469)	(2 790)	The budget for employee costs was increased to accommodate interns appointed during the financial year who were not included in the initial budget.
Goods And Services	(438 679)	(432 171)	6 508	The budget was revised during the year to provide for additional costs relating to the Indaba, ICT operational costs, legal fees and investigations. The Indaba increased the budget by R23 million, investigations by R18 million, while ICT operational costs and legal fees increased the budget by a combined R14 million. These increases were partially offset by reductions made during the mid-year budget review to other expenditure items, including outsourced services, consulting fees and lease costs.
Depreciation And Amortisation	(25 558)	(27 219)	(1 661)	The budget for depreciation and impairment was increased for potential impairment.
Loss On Disposal Of Property, Plant And Equipment	-	-	-	No adjustments to budget
Capital Acquisitions	(68 800)	(57 026)	11 774	The capital expenditure budget was reduced due to delays in implementing procurement for items that were initially planned and budgeted for.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

38. Related Party Transactions

- The NLC is a regulator of the National Lottery, other lotteries and sports pools. Ithuba Holdings (RF) (Pty) Ltd is a private company that currently operates the National Lottery under licence from the Government. The Operator pays a share of ticket sales to the NLDTF in terms of the licence agreement.
- These proceeds are destined for good causes as specified in the Lotteries Act. The NLC administers the NLDTF and accounts for all running costs. The NLC withdraws the necessary funds required from the NLDTF, based on an overall annual budget approved by the Minister of Trade and Industry and Competition.
- The National Lotteries Participants Trust (NLPT) was established by the Lottery Operator [herein Ithuba Holdings RF (Pty) Ltd] in terms of the licence agreement between the dtic, NLC and the Lottery Operator. The main objective of the NLPT is to hold monies in the Trust on behalf of Ithuba for prize winners and monies for advance plays.
- All related party transactions during the year were concluded at arm's length and on normal commercial terms.

38.1 Transactions with Related Parties

38.1.1 Controlling Entity

The NLC reports to the Department of Trade and Industry and Competition which is a controlling entity. The following transactions took place between the dtic and the NLC:

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
The National Department of Trade and Industry and Competition	-	-		-
Payments made by dtic on behalf of NLC for use of the Forensic Panel	-	183	-	183
Services in kind for employee on secondment	-	1 131	-	1 131
Reimbursement of salary for employee on secondment	702	-	702	-
Trade and Other Receivables from Non-exchange Transactions (Opening)	-	-	-	-
Trade and Other Receivables from Non-exchange Transactions (Closing)	-	-	-	-
Cash Paid to the dtic	**702**	**-**	**702**	**-**

38.1.2 Entities under Common Control - where there is Transactions

South African Bureau of Standards

The NLC concluded is in a 41-month lease with the SABS. The commitments relating to this lease included in note 30 is R5.658 million.

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Expense Relating To Rent And Utilities	1 849	2 679	1 849	2 679
Trade And Other Payables From Exchange Transactions (Opening)	170	(1 061)	170	(1 061)
Trade And Other Payables From Exchange Transactions (Closing)	(435)	(170)	(435)	(170)
- Supplier Payables	(435)	-	(435)	-
- Accruals	-	-	-	(170)
Cash Paid to the SABS	**1 584**	**1 448**	**1 584**	**1 448**

38.1.3 Entities under Common Control - No Transactions

The following entities are entities under the common control of the Department of Trade Industry and Competition. No transactions took place between the NLC and these entities except for where indicated otherwise:

- Companies and Intellectual Property Commission - -
- Companies Tribunal - -
- Competition Tribunal - -
- National Empowerment Fund - -
- Export Credit Insurance Corporation of South Africa SOC Limited - -
- National Credit Regulator - -
- National Gambling Board - -
- South African National Accreditation System - -
- National Consumer Tribunal - -
- National Consumer Commission - -
- National Metrology Institute of South Africa - -
- National Regulator for Compulsory Specifications - -
- International Trade Administration Commission - -
- Competition Commission - -
- B-BBEE Commission - -
- Industrial Development Corporation
- Take-over Regulations Panel

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

38.1.4 Entities under Common Control - Related Parties within the Relevant Spheres of Government

All National Departments and National Public entities, including Constitutional institutions are related parties as they are all accountable to Parliament. Other than departments and entities listed in 38.1.1 and 38.1.2 the NLC has transacted with the following Public Entities:

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Auditor-General of South Africa				
Expense Audit fees	15 115	12 219	14 142	11 120
Trade and Other Payables from Exchange Transactions (Opening)	1 635	1 215	1 589	1 215
Trade and Other Payables from Exchange Transactions (Closing)	(1 742)	(1 635)	(1 742)	(1 589)
- Supplier Payables	-	(15)	-	(15)
- Accruals	(1 742)	(1 620)	(1 742)	(1 575)
Cash Paid to AGSA	**15 008**	**11 799**	**13 989**	**10 746**
Special Investigating Unit				
Expense for Investigations	27 664	18 401	27 664	18 401
Trade and Other Payables from Exchange Transactions (Opening)	1 837	3 359	1 837	3 359
Trade and Other Payables from Exchange Transactions (Closing)	(8 692)	(1 837)	(8 692)	(1 837)
- Supplier Payables	(1 272)	-	(1 272)	-
- Accruals	(7 420)	(1 837)	(7 420)	(1 837)
Cash Paid to SIU	**20 810**	**19 923**	**20 810**	**19 923**
South African Broadcasting Corporation Limited				
Expense for TV licence	-	3	-	3
Trade and Other Payables from Exchange Transactions (Opening)	(3)	-	(3)	-
Trade and Other Payables from Exchange Transactions (Closing)	3	-	3	-
Cash Paid to SABC	**-**	**3**	**-**	**3**

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Telkom SA Limited				
Expense for Internet Charges	513	566	513	566
Trade and Other Payables from Exchange Transactions (Opening)	99	28	99	28
Trade and Other Payables from Exchange Transactions (Closing)	(38)	(99)	(38)	(99)
- Supplier Payables	-	-	-	-
- Accruals	(38)	(99)	(38)	(99)
Cash Paid to TELKOM	**574**	**495**	**574**	**495**
State Security Agency				
Reimbursement of Employee Costs For Seconded Employee	390	-	390	-
Trade and Other Payables from Exchange Transactions (Opening)	-	-	-	-
Trade and Other Payables from Exchange Transactions (Closing)	(390)	-	(390)	-
- Supplier Payables	-	-	-	-
- Accruals	(390)	-	(390)	-
Cash Paid to SSA	**-**	**-**	**-**	**-**
Compensation Fund				
COIDA Assessments	656	-	656	-
Trade and Other Payables from Exchange Transactions (Opening)		-		-
Trade and Other Payables from Exchange Transactions (Closing)	-645	0	(645)	-
- Supplier Payables	-	-		-
- Accruals	(645)	-	(645)	-
Cash Paid to Compensation Fund	**11**	**-**	**11**	**-**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

38.2 Transactions between the NLDTF and Other Parties

38.2.1 National Lotteries Commission (NLC)

The NLC is a controlling entity of the NLDTF. The NLDTF is administered by the NLC as stipulated in section 21 of the Lotteries Act (as amended).

	Group		Company	
	2026	Restated 2025	2026	Restated 2025
	R'000	R'000	R'000	R'000
Transfers from NLDTF	-	-	(748 190)	(643 436)
Trade and Other Payables from Non-exchange Transactions (Opening)	-	-	100 466	90 702
Trade and Other Payables from Non-exchange Transactions (Closing)	-	-	(27 276)	(100 466)
	-	**-**	**(675 000)**	**(653 200)**
38.2.2 Ithuba Holdings (Pty) Ltd				
Proceeds from Ithuba (Pty) Ltd	1 839 584	1 961 937	-	-
Trade and Other Receivables from Non-exchange Transactions (Opening)	43 161	44 982	-	-
Trade and Other Receivables from Non-exchange Transactions (Closing)	(42 663)	(43 161)	-	-
Unclaimed Prizes and Advanced Days for Ithuba (Opening)	167 454	179 884	-	-
Unclaimed Prizes and Advanced Days for Ithuba (Closing)	(256 489)	(167 454)	-	-
	1 751 047	**1 976 187**	**-**	**-**
38.2.3 National Lotteries Participants Trust (NLPT)				
Revenue from NLPT	99 014	78 028	-	-
Trade and Other Receivables from Non-exchange Transactions (Opening)	17 030	29 437	-	-
Trade and Other Receivables from Non-exchange Transactions (Closing)	(23 083)	(17 030)	-	-
Cash Proceeds from NLPT	**92 961**	**90 435**	**-**	**-**

39. Contingent Liabilities

(i) Retention of Surplus

The NLC is currently engaging with the National Treasury on the retention of surpluses by the NLC given Section 25(2) of the National Lotteries Act and Section 53(3) of the PFMA. The NLC has surpluses of R4.326 billion (calculation as guided by the National Treasury Instruction Note) at the end of 2025/26 financial year, which the NLC will request to retain as guided by the legislation.

(ii) Portion of the Grants Allocated

Grant allocations are accounted for as contingent liabilities once applications for assistance from individual organisations have been considered and grants have been awarded by the respective Distributing Agencies. The first tranche payment of a grant is recognised as a grant liability upon the conclusion of a valid grant agreement signed by both parties, provided that the beneficiary has met the conditions for the transfer of funds as stipulated in the agreement and required by the NLC. Subsequent tranches are recognised as grant liabilities once a valid progress report has been received and assessed, the compliance checklist has been approved by the delegated NLC officials, and all requirements prescribed by the NLC for the release of payment have been met. The following table indicates movements in the contingent liabilities.

	2026	2025
Opening Balance	**444 670**	**568 752**
Add: Correction of error	-	29 721
Restated Balance 31 March 2024	-	598 473
Grants approved by the distributing agencies	1 085 924	874 384
Add: Correction of error on approved grants		-
Less Transfer to financial perfomance	(431 054)	(965 608)
Less Correction of error transfer to perfomance statement		(29 129)
Less withdrawals from prior years allocations	(82 655)	(1 767)
Less Correction of error withdrawals from prior years allocations		(2 500)
Add Correction of error withdrawals from current years allocations		643
Less withdrawals from current year allocations	(3 041)	(29 826)
Closing Balance	**1 013 843**	**444 670**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

40. Contingent Assets

40.1 Court Proceedings:

Group

(i) Suspicious Transactions:

NLDTF bankers identified suspicious transactions on certain NLC beneficiaries bank accounts during the 2022/23 financial year and those accounts were subsequently placed on hold. These transactions are currently being investigated by the SIU. The total value relating to the accounts placed on hold by the bank was approximately R23.1 million.

(ii) Investigated projects

The SIU is in the process of recovering the funds disbursed to a beneficiary to build a Sport complex in Soweto. The project had not been implemented. The total amount paid to the beneficiary was R6 million and the recoverable amount is yet to be determined.

The NLC and the SIU are investigating several projects, which were not finalised at the time of this report. The NLDTF had assessed the investigations and legal reports presented at year end and there was uncertainty on the amounts and the timing of the economic benefits flowing to the NLDTF.

(iii) Preservation orders by the Asset Forfeiture Unit

The SIU has submitted 4 applications for preservation orders.

1st Application Case No. 38386/2022 issued 18 April 2023

The evidence uncovered that the cash purchases of 9 fixed properties,1 vehicle and 2 restaurant franchises can be linked to grants allocated by the NLC and which has nothing to do with the purpose of the grant. These properties were registered in the names of trusts or entities of which members of the NLC or the NPO's and/or their direct family members have a direct interest in. All the properties are currently preserved in terms of a court order granted on 4 November 2022. The details are as follows:

Assets	R'000
1. Unit 2, SS Violet, Scheme Number 369/2014, JR, Pretoria	1 080
2. Unit 1 and Unit 2, SS Celtisdal 612, Scheme Number 772/2016, Pretoria	2 694
3. Erf 5267 Midstream Estate Extension 67, JR, Pretoria	1 000
4. Erf 1037 Pecanwood Extension 11, JQ, Pretoria	3 600
5. Portion 448 of Farm 375 Rietfontein, JR, Pretoria	11 000
6. Portion 2 of Erf 1384 Bryanston, IR, Pretoria	5 000
7. Portion 29 (a portion of 24) of the farm Boschkop No 369	2 200
8. Erf 524 Bryanston	5 600
9. Erf 1194, Peach Tree, Ext 2 township	830
10. Ocean Basket franchises located at Carnival City and Mall at Carnival	535
11. BMW 420i, Licence no FD24JPGP	No amount

2nd Application Case No. 2022-054695 issued 21 December 2022	**R'000**
The evidence uncovered that the cash purchases of 5 fixed properties linked to grants allocated by the NLC and which has nothing to do with the purpose of the grants. The properties are as follows:	
12. 85 Carslwarld Road, Midrand	7 500
13. Erf 1963 Simon's Town, Cape Town	4 087
14. 398 portion 3 Montengoelu, Rustenburg	6 800
15. Plot no 29 Van der Hoff Road, Uitzicht, Pretoria	3 300
16. 981 Rietvlei View Country Estate, Pretoria	3 000
3rd application Case No. 2023-095451 issued 23 September 2023	
The evidence uncovered that the cash purchases of 4 fixed properties and 2 vehicles linked to grants allocated by the NLC which had nothing to do with the purpose of the grants. The assets in this matter are as follows:	
17. Portion 2 of Erf 144, 74171/2005, Limpopo	1 005
18. Erf 1576,168 President Steyn Street Louis Trichardt	750
19. Portion 25 Farm Brakspruit	780
20. Erf 2580 Louis Trichardt Extension 11, JQ, Pretoria	900
21. BMW G30 520d Series Sedan with registration number FY61SNGP	995
22. BMW 7 Series Sedan M760 Li xDrive with registration number YKC623W	2 811
The SIU also preserved a Rolls Royce which was bought in 2016 with R4 574 185.13 stolen NLC funds. However, this vehicle was sold onto an innocent third party within a couple of months after it was bought, and the vehicle was returned to the lawful owner.	
4th application Case No. 2024-075087 issued 24 July 2024	
The evidence uncovered that the cash purchases of the following properties were linked to grants allocated by the NLC which had nothing to do with the purpose of the grants. The assets in this matter are as follows:	
23. Erf 607 Lakefield ext 22, Ekurhuleni Metro, Johannesburg	2 642
24. Erf 210 Sable Hills, Waterfront Estate, Pretoria	750
25. Erf 46 Ironsyde Agricultural Holdings, Midvaal	450
26. Erf 3129 Louis Trichard Ext 9, Limpopo	1 950
27. Toyotal Hilux,License FG52NDGP	448

The investigation has not yet determined the recoverable amounts on the attached assets.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

(iii) Preservation orders by the Special Tribunal

Special Tribunal issued Preservation Orders between 14 February 2022 and March 2026

Properties identified in preservation orders are as follows:

1. The property Erf 815, Louis Trichadt, Limpopo Province in case no LP03/2025 issued 28 March 2025	No amounts
2. Portion 4 , Farm Paardeplaats 378, Limpopo in case no GP22/2024 issued 25 June 2024	No amounts
3. Portion 15, farm Zandrivierspoort 851, Limpopo in case LP02/2025 issued 28 March 2025	No amounts
4. Erf 537. 446 Lowley street, Waterkloof in case no GP05/2023 issued 24 Feb 2025	No amounts
5. Erf 120 Sliverwoods Country Estate in case GP17/2025 issued 10 April 2025	No amounts
6. Erf 11822, Kimberly, Northern Cape in case no NC01/2025 issued 28 March 2025	No amounts
7. Erf 281, Beverly Ext, Johannesburg in case no NC01/2025 issued 28 March 2025	No amounts
8. Erf 3283, Brynston Ext, Johannesburg in case no NC01/2025 issued 28 March 2025	No amounts
9. Erf 95 Mnandi Agricultural Holdings, Pretoria in case no GP16/2025 issued 31 March 2025	No amounts
10. Erf 62 Wonderboom Agricultural Holdings in case no GP/05/2022 issued 15 June 2022	No amounts
11. Erf 6046, Midstream Meadows in case no issued GP09/2025 23 April 2025	No amounts
12. Mercedes Benz , license no. KD57TDGP in case no 2025/GP04 issued 19 March 2025	No amounts
13. BMW 5 series DZ69XLGP in case no GP10/2025 issued 27 March 2025	No amounts
14. Porsche Cayene GTS FD87PWGP in case no GP10/2025 issued 27 March 2025	No amounts
15. Toyota Land Cruiser BA03RLGP in case number GP10/2025 issued 27 March 2025	No amounts
16. Canon Trailer JH860HGP in case number GP10/2025 issued 27 March 2025	No amounts
17. Tata JN21JTGP in case number GP10/2025 issued 27 March 2025	No amounts
18. Mercedes C200 , Reg VVX686W, license no. DT73BD in case no GP13/2025 issued 15 April 2025	No amounts

Recoveries from Pension Fund of Former Employees

Special Tribunal managed to freeze pension funds of the two former employees and a bank account of an associated company valued at R6.8 million.

Preservation Order 10 May 2025 - Special Tribunal Case No. GP20/2025

The investigation uncovered misappropriation of R24.98 million grant relating to that was intended for 2016 Olympics roadshow send-off campaign. The funds were used to purchase 2 properties and a high value special/heavy duty vehicle. The assets in this matter are as follows:

19. Erf 899, Section 6 Mont Blanc, Heuwelsig Estate, Celtisdal x20, Centuion	R1.1 million
20. Section 12 , Heuwilsig Office Park, Celtisdal Ext20, Centurion	R650 000
21. Special Vehicle, Powerstar drill/borer/cleaner, Registration no. WXL921W	R1.7 million

The remaining R21.53 million were used for purchase of cars, live stock and personal expenses and transfer made to linked former NLC official.

Special tribunal Case No. LP04/2025 issued 8 April 2025

The Special Tribunal ruled in favour of freezing immovable property described as holding 95 Mnandi agricultural holdings.

Special tribunal Case No. GP04/2025 issued 26 August 2025

The Special Tribunal ruled in favour of freezing of a Mercedes Benz E200 with engine number 27492030789001.

Special tribunal Case No. GP09/2025 issued 3 December 2025

An interdict was granted against the bank account of the second respondent under this case, freezing an amount of R2 777 866.09 together with any interest accrued thereon, on the basis that the funds constituted proceeds from the sale of a vacant stand purchased using funds originating from the SA Youth Movement.

Special tribunal Case No. KN01/2025 issued 4 December 2025

The Special Tribunal ruled in favour of freezing of the following properties

ERF 1568, Pinetown Ext 32;
Section 75, SS181/1981 Redfern;
Section 29, SS103/2012 Tree Tops.
ERF 1568 Pinetown, Ext 32;
Section 29, SS103/2012 Tree Top;
Section 75, SS181/1981 Redfern;
Toyota Hilux 2018 GD62.4D;
Toyota Hilux 2019 DC2.8GD 6RB;
Toyota Quantum Hiace 2.5 Sesfikile;
Toyota Quantum 2.5 D Sesfikile 16s.

Special tribunal Case No. GP30/2025 issued 18 December 2025

The Special Tribunal ruled in favour of freezing Erf 227 Hesteapark Extension 8, as the property is alleged to have been purchased using funds originating from a grant awarded to the Southern African Youth Movement.

Special tribunal Case No. GP08/2025 issued 20 February 2026

Special Tribunal declared an award of a R14 million grant issued by the National Lotteries Commission (NLC) to Madumelani Community Project NPO invalid and unlawful. The order sets the grant aside entirely and holds the individuals involved personally liable for repaying the money to the state.

Special tribunal Case No. MP01/2026 issued 15 April 2026

The Special Tribunal ruled in favour of freezing Erf 608 Soshanguve M Township and ERF 7539 The Orchards Extension 51 both linked to funding granted to Malusi We Sizwe Non-Profit Company (NPC).

Notes to the Annual Financial Statements continued

for the year ended at 31 March 2026

Group and Company

(i) Recovery of Cost:

Costs were awarded in favour of the NLC in the Alfa and Omega Youth Outreach//National Lotteries Commission and another matter. At reporting date, the taxation process had not yet commenced and no bill of costs had been prepared to enable a reliable estimate of the potential recovery.

Costs were awarded in favour of the NLC in the Amabuyaze (Pty) Ltd//National Lotteries Commission and Another matter. At reporting date, the taxation process had not yet commenced and no bill of costs had been prepared to enable a reliable estimate of the potential recovery.

Costs were awarded in favour of the NLC in the Gugulethu Yako//National Lotteries Commission & 3 Others matter. At reporting date, the taxation process had not yet commenced and no bill of costs had been prepared to enable a reliable estimate of the potential recovery.

Costs were awarded in favour of the NLC in the Ithuba Lottery (RF) (Pty) Ltd//Minister of Trade, Industry and Competition & 8 Others matter. At reporting date, the taxation process had not yet commenced and no bill of costs had been prepared to enable a reliable estimate of the potential recovery.

41. Taxation

Group

- The NLC and NLDTF are exempt from Income Tax in terms of Section 10(1)(cA) of the Income Tax Act, 1962.
- The NLPT is a registered tax payer in terms of Section 67 of the Income Tax Act no. 58 of 1962 as amended. The Trust's tax reference number is 2332466172. There is no tax payable by the trust.

Company and Group

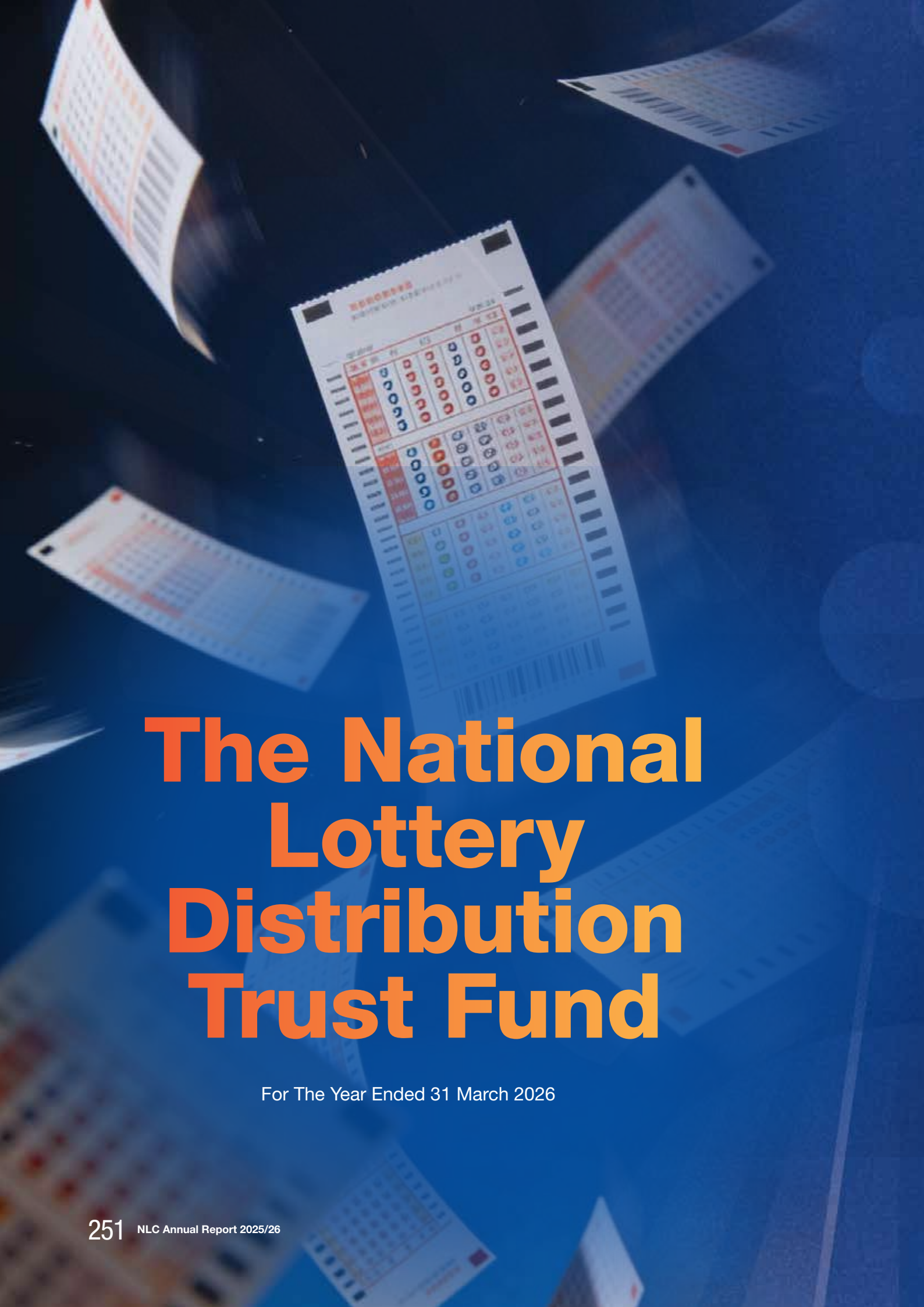
- The NLC is exempt from income tax in terms of Section 10(1)(cA) of the Income Tax Act, 1962.

42. Going Concern Assessment

- Management assessed the NLC's ability to continue operating as a going concern by considering the Group's available cash resources, approved budgets, projected cash flows and key financial indicators for the foreseeable future.
- The assessment considered, amongst other factors, Group's the liquidity ratio of 15.6 (prior year: 15.3), which indicates that the NLC continues to maintain sufficient current assets to settle its short-term obligations as they fall due, notwithstanding the slight decrease from the previous year.
- The Group's solvency ratio remained strong at 93.2% (prior year: 93.6%), demonstrating that the majority of the NLC's assets continue to be financed through net assets rather than liabilities, thereby supporting long-term financial sustainability and indicating low financial risk.
- Furthermore, the operating expenditure to revenue ratio improved from 71% in the prior year to 53% in the current year, reflecting improved expenditure management and operational efficiency relative to revenue generated during the year.
- During the reporting period, the NLC successfully defended 15 litigation matters. Although no monetary value has been attributed to these outcomes, the favourable resolution of these matters reduced litigation-related uncertainty and was considered as a positive factor in management's going concern assessment.
- Based on the assessment performed, management concluded that the Commission has adequate financial resources to continue operating for the foreseeable future. Accordingly, the annual financial statements have been prepared on the going concern basis.

43. Events after the Reporting Date

- Management has not identified any material events subsequent to the reporting date that require adjustment to, or disclosure in, the annual financial statements.



The National Lottery Distribution Trust Fund

For The Year Ended 31 March 2026

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National Lotteries Distribution Trust Fund

General Information

Controlling Entity	National Lotteries Commission (NLC) which falls under the Department of Trade, Industry and Competition (dtic)
Financial Statements Relate to	National Lottery Distribution Trust Fund (NLDTF)
Legal Form	NLDTF is established in terms of the Lotteries Act No 57 of 1997 as amended
Nature of Business and Principal Activities	NLDTF's mandate is to distribute grants to worthy causes in the manner prescribed in the Lotteries Act No 57 of 1997 as amended.
Board Members	**Non-Executive Board Members** The Minister does not appoint a separate Board for the NLDTF. The Board Members of the National Lotteries Commission provide oversight on NLDTF.
Commissioner	Ms Jodi Lynn Scholtz
Chief Financial Officer (CFO)	Ms Tina Maharaj
Registered Office	Block D, 333 Grosvenor Street, Hatfield, Pretoria, 0083
Business Address	Block D, 333 Grosvenor Street, Hatfield, Pretoria, 0083
Postal Address	Private Bag X101, Brooklyn Square, South Africa, Pretoria, 0075
Bankers	First Rand Limited
Auditors	Auditor-General of South Africa (AGSA)

Accounting Authority Report for the National Lottery Distribution Trust Fund

The National Lotteries Commission Accounting Authority presents 31 March 2026 annual financial statements of the National Lottery Distribution Trust Fund (NLDTF).

1. Nature of Operations

- The NLC is a regulator of the National Lottery as well as other lotteries, including society lotteries to raise funds. Ithuba RF (Pty) Ltd (the Operator) is a private company that currently operates the National Lottery and sports pools under a licence from the government which commenced on 1 June 2015.
- The Operator pays a percentage of the revenue from national lottery ticket sales to the NLDTF in terms of the Licence Agreement. These proceeds are destined for good causes as stipulated in the Lotteries Act No. 57 of 1997 (Lotteries Act), as amended and allocated to eligible and deserving applicants by Distributing Agencies appointed by the Minister of Trade, Industry and Competition (the dtic).
- Furthermore, the NLC may, upon request by the Minister, Board or on its own initiative in consultation with the Board, conduct research on worthy causes that may be funded without lodging an application as prescribed in terms of the Lotteries Act.
- The NLC Board administers the NLDTF and NLDTF transfers the necessary running costs to the NLC. The NLC withdraws the necessary funds required from the NLDTF, based on the overall annual budget approved by the Minister of the dtic.

2. Statement of Responsibility for the Financial Statements

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the annual financial statements is consistent with the annual financial statements audited by the Auditor General of South Africa. The annual financial statements are complete, accurate and free from any omissions.
- The annual financial statements have been prepared in accordance with the guidelines as issued by National Treasury.
- The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice applicable.
- The accounting authority is responsible for the preparation of the separate and consolidated annual financial statements and for the judgements made in the financial statements. The accounting authority is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance to the integrity and reliability of the performance information, the human capital information and the separate and consolidated annual financial statements.
- The AGSA is engaged to express an independent opinion on the annual financial statements. In our opinion, annual financial statements fairly reflect the financial affairs of the NLDTF for the period ended 31 March 2026.

3. Materiality Framework in Terms of Treasury Regulation 28.1.5

For purposes of 'material' (sections 50(1), 55(2) and 66(1) of the Public Finance Management Act) and 'significant' (Section 54 (2) of the Public Finance Management Act), the Accounting Authority developed and agreed on a framework of acceptable levels of materiality and significance. Overall materiality for the year under review for consolidated annual financial statements is 0.5% of the budgeted expenditure and for financial statements for NLC, NLDTF and NLPT is 1% of budgeted operational expenditure, 0.5% of budgeted grant allocations and 1% of total assets respectively.

4. Approval of Financial Statements

- The financial statements set out on pages 260-275 for the NLDTF were approved by the Accounting Authority on 31 July 2026 and are signed on their behalf by.
- On behalf of the Board of the National Lotteries Commission.



N Barney Pityana

GCOB FKC MASSAf
Chairperson of the Board

**Prof Pityana retired the NLC as at 31 July 2026. This report was adopted by the Board on 20 August 2026. Therefore the current chairperson, Mr Bonaklele, hereby signs on behalf of Prof Pityana.*

Report of the Auditor-General to Parliament on National Lottery Distribution Trust Fund

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of National Lottery Distribution Trust Fund as set out on pages 248 - 271, 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 my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of National Lottery Distribution Trust Fund as at 31 March 2026 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

Allocation of grants

3. Allocation of grants expenditure was not recognised as required by GRAP 1, Presentation of financial statements. Grant allocation expenses were recorded for grants allocated to beneficiaries, despite the conditions outlined in the grant agreements not being met. Consequently, allocation of grants and grant liabilities were overstated by R5 526 671, while contingent liabilities were understated by the same amount. This also had an impact on the surplus for the period and accumulated surplus.

Context for opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
5. I am 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 my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

7. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of 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.
8. 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.

Responsibilities of the auditor-general for the audit of the financial statements

9. My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs 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.

10. A further description of my 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 248 - 271, forms part of my auditor's report.

Report on the annual performance report

11. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I 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.

12. The public entity's performance information was reported in the annual performance report of the National Lotteries Commission. I audited the performance information reported during the audit of the National Lotteries Commission and included the audit outcomes in the auditor's report for the National Lotteries Commission group.

Report on compliance with legislation

13. In accordance with the PAA and the general notice issued in terms thereof, I 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 Public Entity's compliance with legislation.

14. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

15. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the Public Entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

16. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance report and annual reports

17. The financial statements submitted for audit were not prepared in accordance with the prescribed reporting financial reporting framework, as required by section 55(1)(b) of the PFMA.

    Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Expenditure management

18. I was unable to obtain sufficient appropriate audit evidence that the resources of the National Lottery Distribution Trust Fund were utilised economically, as required by section 57(b) of the PFMA.

Other information in the annual report

19. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements and the auditor's report.

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

21. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. The other information I obtained prior to the date of this auditor's report is the PFMA compliance report, minister's foreword, chairperson's foreword, commissioner's foreword, general information. The governance information, human resource management and audit committee report are expected to be made available to us after 31 July 2026.

23. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

24. When I do receive and read the governance information, human resource management and audit committee report, if I conclude that there is a material misstatement therein, I am 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, I 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

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

26. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the material findings on compliance with legislation included in this report.

27. Management did not review and monitor compliance with applicable legislation as material instances of non-compliance were identified.

28. Leadership did not exercise oversight responsibility regarding financial reporting, compliance and related internal controls.

29. Management did not implement adequate controls and adequate review processes over daily and monthly processing of transactions as material misstatements were identified in the annual financial statements.

Other reports

30. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported compliance with legislation.

31. On 6 November 2020 Proclamation No. R32 of 2020 (Proclamation) was signed by the President. Pursuant to the proclamation, the SIU conducted a search and seizure at National Lotteries Commission premises on 8 December 2020, during which many of the auditee's copies of items and information, including various files concerning funding, were seized. This was in light of an investigation being conducted on the National Lottery Distribution Trust Fund, which covers the period 1 January 2014 to 6 November 2020. The investigation was in progress as at the date of this auditor's report.

32. Two investigations are currently in progress which are being performed by the SIU and the Directorate for Priority Crime Investigation (DPCI) (also known as the Hawks) relating to grant-funding allegations levelled against beneficiaries, management and former board members. The investigation was in progress as at the date of this auditor's report.

Auditor-General

Auditor-General

Pretoria
31 July 2026

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Auditor-general's responsibility for the audit

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Professional judgement and professional scepticism

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

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I 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 my 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. I 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I 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 I identify during my audit.

I also provide the accounting authority with a statement that I 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 my 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 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Annual financial statements

Statement of Financial Performance

for the year ended at 31 March 2026

	Note(s)	2026	Restated 2025
		R'000	R'000
REVENUE			
Revenue from Non-exchange Transactions		1 958 654	2 052 197
Fund Revenue	1	1 938 599	2 039 964
Other Income	3	20 055	12 232
Revenue from Exchange Transactions		266 447	255 079
Investment and interest income	2	266 447	255 079
Total Revenue		**2 225 101**	**2 307 276**
EXPENDITURE		**1 176 465**	**1 631 002**
Allocation of Grants	4	428 249	986 861
Transfers to the NLC	5	748 190	643 436
Operating Expenses	6	27	23
Bad debts	7	-	19
Allowance for Expected Credit Losses	8	-	662
Total Expenditure		**1 176 465**	**1 631 002**
SURPLUS FOR THE YEAR		**1 048 636**	**676 274**

Statement of Financial Position
for the year ended at 31 March 2026

	Note(s)	2026	Restated 2025
		R'000	R'000
ASSETS			
Current Assets		**5 426 804**	**4 387 935**
Trade and Other Receivables from Exchange Transactions	9	13 325	21 693
Trade and Other Receivables from Non-Exchange Transactions	10	100 047	168 981
Cash and Cash Equivalents	11	5 313 432	4 197 261
Total Assets		**5 426 804**	**4 387 935**
LIABILITIES			
Current Liabilities		**32 614**	**42 381**
Grant Liabilities	12	32 614	42 381
Total Liabilities		**32 614**	**42 381**
NET ASSETS		**5 394 190**	**4 345 554**
Accumulated Surplus		5 394 190	4 345 554
Total Net Assets and Liabilities		**5 426 804**	**4 387 935**

Statement of Changes in Net Assets

for the year ended at 31 March 2026

Description	Accumulated Surplus / (Deficit)
	R'000
2023	
Balance at 1 April 2022	**1 964 208**
Restated Surplus/(Deficit) for the year	845 922
Surplus for the year reported in 2022/2023	845 328
Correction of Error (Note – 14.1)	594
Restated Balance 31 March 2023	2 810 130
2024	
Restated Surplus/(Deficit) for the year	859 150
Surplus for the year reported in 2023/2024	828 680
Correction of Error (Note 14.1)	30 470
Restated Balance at 31 March 2024	**3 669 280**
2025	
Restated Balance 31 March 2024	**3 669 280**
Restated Surplus for the year 2024/25	676 274
Surplus for the year reported in 2024/25	707 289
Change in accounting policy (Note 15)	(1,943)
Correction of Error (Note 14.1)	(29,072)
Restated Balance as at 31 March 2025	**4 345 554**
2026	
Restated Balance at 31 March 2025	**4 345 554**
Surplus for the year reported in 2025/26	**1 048 636**
Balance at 31 March 2026	**5 394 190**

Statement of Cash Flows
for the year ended 31 March 2026

	Note(s)	2026	Restated 2025
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Cash received from Ithuba (RF)(Pty) Ltd and NLPT		1 933 044	2 054 193
Interest Received		274 815	254 658
*Cash Received from Beneficiaries and Other Parties		21 354	7 290
		2 229 213	**2 316 141**
Payments			
*Cash Paid to Beneficiaries and Other Parties		(1 113 043)	(1 641 026)
		(1 113 043)	**(1 641 026)**
NET CASH FLOWS FROM OPERATING ACTIVITIES	15	**1 116 170**	**675 115**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1 116 170	675 114
Cash and Cash Equivalents at Beginning of Period	11	4 197 261	3 522 147
Cash and Cash Equivalents at End of Period	11	**5 313 432**	**4 197 261**

*There has been a reclassification of R144 thousand between the two items, see note 15 error for more information.

Statement of Comparison of Budget and Actual Amounts

for the year ended at 31 March 2026

Description	Approved Budget	Adjustments	Final Budget on Accrual Basis	Actual Amounts on comparable basis	Variance	Notes
	R'000	R'000	R'000	R'000	R'000	
Revenue						
Share of ticket sales	337 356	1 499 318	1 836 674	1 839 584	2 910	Note 1
Interest income	235 148	28 383	263 531	266 447	2 916	Note 2
Revenue from Participants Trust						
Revenue from NLPT- Interest	7 139	1 530	8 669	9 666	997	Note 3
Revenue from NLPT- Unclaimed and expired prize monies	90 000	(1 186)	88 814	89 348	533	Note 4
Other operating income (Sundry income)	1 600	(1 600)	-	20 055	20 055	Note 5
Total Revenue	**671 243**	**1 526 446**	**2 197 689**	**2 225 101**	**27 412**	
Expenditure						
Transfers to NLC	(836 881)	3 293	(833 588)	(748 190)	85 398	Note 6
Other expenses	(97)	73	(24)	(27)	(2)	Note 7
Allowance for expected credit losses	-	-	-	-	-	
Total Expenditure	**(836 978)**	**3 365**	**(833 613)**	**(748 217)**	**85 396**	
Net Allocation of Grants	**(1 050 000)**	**(314 076)**	**(1 364 076)**	**(428 249)**	**935 827**	
Allocation of Grants	(1 055 000)	(317 576)	(1 372 576)	(431 054)	941 522	Note 8
Revocations	5 000	3 500	8 500	2 805	(5 695)	Note 9
Surplus / (Deficit) for the year	**(1 215 735)**	**1 215 735**	**(0)**	**1 048 636**	**1 048 636**	

Statement of Comparison of Budget and Actual Amounts continued

for the year ended at 31 March 2026

Financial Performance: Explanation of Variances between Final Budget and Actual

Reasons for variances between Final Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Note 1: Share of Ticket Sales 2 910

The favourable sale's performance was driven by multiple jackpot prizes on the main games (i.e. Lotto and Lotto Plus, PowerBall and PowerBall Plus), which increased player participation and, in turn, resulted in higher contributions to the NLDTF.

Note 2: Interest Income 2 916

The variance is due to higher than anticipated cash balances that were maintained during the period due to lower-than-anticipated recognition of grant liabilities and the movement of the cash surplus to the Reserve bank Corporation Public Deposits account.

Note 3: Revenue from NLPT - Interest 997

The variance is due to higher than anticipated cash balances that were maintained during the period than anticipated.

Note 4: Revenue from NLPT - Unclaimed and Expired Prize Monies 533

Variance in unclaimed and unexpired prize is due to 1st division Prizes that were not claimed.

Note 5: Other Operating Income 20 055

The variance in other income arises from the recovery of funds following the resolution of a long outstanding dispute with a supplier that had been appointed to oversee and implement a grant funding project.

Note 6: Transfers to NLC 85 398

The variance is due to underspending by NLC on its approved budget.

Note 7: Other Expenses (2)

Variance is immaterial.

Note 8: Allocations of Grants 941 522

The variance arose from slower expenditure activity in the current year, resulting from implementation challenges associated with the new system as well as the late start of the adjudication process due to late appointment of the distributing agencies. In addition, there were timing delays whilst assisting the grantees with compliance requirements.

Note 9: Revocations (5 695)

The variance for withdrawals is due to is due to fewer withdrawals made after the grants were transferred to the income statement, most withdrawals during the year were performed while the grants were still at the contingent liability stage.

Accounting Policies

for the year ended at 31 March 2026

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

1. Basis of Preparation

- The Annual Financial Statements have been prepared in accordance with South African Generally Recognised Accounting Practice (GRAP) as well as the Public Finance Management Act, Act No. 1 of 1999, as amended (PFMA). They have been prepared in accordance with the going concern principle using the historical cost basis except where otherwise stated in the accounting policies below.
- The preparation of financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are outlined in point 9 of the summary of significant accounting policies.

New standards, amendments and interpretations approved and not yet effective

Standard of GRAP / Nature of Impending Changes / Expected Impact	Effective Date	Planned Date for Application by Entity
GRAP 1: Presentation of Financial Statements No impact in current year. The amendment may affect how the information is aggregated in the financial statements, applying the concept of materiality. The requirements will be applied prospectively.	To be determined by the Minister of Finance	To be determined
GRAP 103: Heritage Assets No impact, the amendment and related standard are not applicable to the NLDTF.	To be determined by the Minister of Finance	To be determined
GRAP 105: Transfer of Functions Between Entities Under Common Control NLDTF will apply this standard in the event of a transfer of functions. The proposed amendments/GRAP pronouncement has not yet been disclosed to the public.	To be determined by the Minister of Finance	To be determined
GRAP 106: Transfer of Functions Between Entities Not Under Common Control Not applicable to NLDTF.	To be determined by the Minister of Finance	To be determined
GRAP 107: Mergers N/A to NLDTF since the acquirer (NLC) can be identified.	To be determined by the Minister of Finance	To be determined

Functional and Presentation Currency

The Annual Financial Statements are presented in South African Rands. All amounts are stated in Rands thousands (R'000), unless indicated otherwise.

Accounting Policies continued
for the year ended at 31 March 2026

2. Revenue Recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when these inflows result in an increase in net assets. Revenue is recognised when it is probable that future economic benefits will flow to the enterprise and these benefits can be measured reliably.

The NLDTF distinguishes between two forms of revenue namely revenue from exchange transactions and revenue from non-exchange transactions.

2.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is defined as fund revenue in which NLDTF receives value from another entity or party without directly giving approximately equal value in exchange or gives value to another entity or party without directly receiving approximately equal value in exchange.

2.1 Share of Ticket Sales

Revenue from the share of national lottery and sports pools ticket sales is accounted for on the accrual basis and is measured as a percentage of ticket sales from the Operator as stipulated and agreed in the Licence to Operate the National Lottery and the Sports Pools Licence.

2.2 Expired and Unclaimed Prizes

Expired and unclaimed prizes relate to prizes in constituent lotteries (not being an Instant Lottery) for which remain unclaimed for a period of 365 days following the draw in which the prize was won as stipulated in the Licence Agreement. Such monies are accounted for on an accrual basis. Payments of the funds by Ithuba Holdings (RF)(Pty)Ltd are through the intermediation of the National Lotteries Participants Trust (NLPT).

2.3 Interest from the National Lotteries Participants Trust

Any interest that remain in the National Lotteries Participants Trust after deduction of the National Lotteries Participants Trust costs are due to the NLDTF as stipulated in the Trust Deed of the NLPT. These monies are accounted for on an accrual basis. Payments of the funds by Ithuba Holdings (RF)(Pty) Ltd are through the intermediation of the National Lotteries Participants Trust. Interest earned on the bank accounts of the NLPT is accounted in the NLPT to the extent that it is utilised to defray the NLPT expenses.

2.1.4 Other Income

Other income comprises of recoveries of unutilised funds claimed from beneficiaries, Allowance for expected credit losses reversal and miscellaneous income.

2.2 Revenue from Exchange Transactions

Revenue from exchange transactions is defined as revenue in which NLDTF receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity or party in exchange.

2.4 Investment and Interest Income

Investment income comprises interest received from cash and cash equivalents. Interest is accounted for on an accrual basis using the effective interest rate method.

3. 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. Financial instruments are recognised in the Statement of Financial Position when, and only when, the NLDTF becomes a party to the contractual provisions of the instrument.

Financial instruments recognised by the NLDTF comprise both financial assets and financial liabilities arising from contractual or legally enforceable arrangements.

Accounting Policies continued
for the year ended at 31 March 2026

3.1 Classification of Financial Assets

Trade and other receivables are recognised when the NLDTF becomes a party to the contractual provisions of the instrument or when a legally enforceable claim arises as a result of a exchange and non-exchange transactions.

Trade and other receivables are classified as financial assets measured at amortised cost, as they are held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and, where applicable, interest.

Trade and Other Receivables from Non-Exchange Transactions

The following balances arise from non-exchange transactions and represent contractual rights to receive cash:

Ithuba Holdings (Pty) Ltd – Share of Ticket Sales

The share of ticket sales receivable from Ithuba Holdings represents revenue earned by the Entity in terms of the licence agreement for ticket sales concluded before year end but contractually due and payable after reporting date.

Expired and unclaimed prizes - National Lotteries Participants Trust

The balance relates to prizes that were won by participants in the National Lottery but not claimed within 365 days of the draw and contractually due to the NLDTF.

Claims from Beneficiaries

Claims from beneficiaries comprise amounts recoverable from beneficiaries in respect of funding arrangements where contractual conditions have not been met or where recoveries are enforceable in terms of signed agreements.

Interest Receivable from National Lotteries Participants Trust

The balance relates to interest earned on NLPT bank accounts which is due to the NLDTF after the NLPT has covered its approved operational expenditure and the remaining interest is contractually payable to the NLDTF.

Trade and other receivables from exchange transactions

The following balances arise from exchange transactions and represent contractual rights to receive cash:

Accrued income – Interest Receivable on Current and Call Accounts

Interest receivable represents interest earned on bank balances that has accrued at the reporting date but has not yet been received. The right to receive interest is contractual and arises from deposit agreements with financial institutions.

Cash and Cash Equivalents

Cash and cash equivalents are categorised as a financial asset at amortised cost and, subsequent to initial recognition, are measured at amortised cost.Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with original maturities of three months or less. Due to their short-term nature, the carrying amounts approximate their fair values.

3.2 Initial and Subsequent Measurement

Trade and other receivables and Cash and cash equivalents are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. These assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

Accounting Policies continued
for the year ended at 31 March 2026

3.3 Derecognition

A financial asset is derecognised when the contractual rights to the cash flows expire, the receivable is settled, or the receivable is written off due to recoverability.

Financial Liabilities

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

Financial liabilities measured at amortised cost.

The NLDTF has the following types of financial liabilities as reflected on the face of the balance sheet and in the notes thereto:

Type of Financial Liability	Classification in Terms of GRAP 104
*Grant liabilities	Financial liability at amortised cost

A financial liability is recognised, when the NLDTF becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instruments not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.

Grant allocations are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise.

A gain or a loss is recognised in surplus or deficit when the financial liability is derecognised or through the amortisation process.

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

4. Impairment of Assets

4.1 Financial Assets Carried at Amortised Cost

The NLDTF assesses trade and other receivables and cash and cash equivalents for impairment in accordance with the expected credit loss (ECL) model prescribed by GRAP 104: Financial Instruments.

For trade and other receivables, NLDTF applies the simplified approach, recognising lifetime expected credit losses at initial recognition and throughout the life of the receivables. Under this approach, NLDTF is not required to track changes in credit risk.

Expected credit losses represent the present value of the difference between the contractual cash flows due in terms of the contract and the cash flows that the NLDTF expects to receive.

The measurement of expected credit losses reflects:

an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;

the time value of money, using an appropriate discount rate; and

reasonable and supportable information that is available without undue cost or effort at the reporting date, including historical experience, current conditions, and forward-looking information.

The NLDTF applies a provision matrix to measure expected credit losses on trade receivables, which is based on historical credit loss experience, adjusted for current and forward-looking factors specific to the debtors and the economic environment.

Accounting Policies continued
for the year ended at 31 March 2026

Where historical information for an ageing bucket is limited or does not contain observed defaults, management applies a portfolio loss-rate floor adjusted for ageing risk.

Impairment losses and reversals of impairment losses are recognised in surplus or deficit. The carrying amount of receivables is reduced through the use of a loss allowance.

Receivables between the NLDTF, Ithuba and the NLPT are not impaired due to the low credit risk associated with these transactions.

Accordingly, management has assessed the expected credit loss on these balances as immaterial.

A financial asset is considered to be in default when contractual payments are significantly overdue or where there is objective evidence that the debtor is unlikely to settle the outstanding balance in full. In assessing default, the entity considers factors such as ageing of balances, historical collection patterns, payment arrangements, financial difficulties of the debtor and other recoverability indicators.

Write Offs

Financial assets are written off when there is no reasonable expectation of recovery, after all reasonable recovery processes have been exhausted and the necessary approvals have been obtained in accordance with the entity's delegation framework. The write-off is recognised against the related loss allowance account and results in the derecognition of the gross carrying amount of the financial asset.

4.2 Impairment of Other Non-Financial Assets

Assets, including intangible assets, that are subject to amortisation, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such indicators include continued deficites, changes in technology, market, economic, legal and operating environments.

An impairment deficit is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is measured using the higher of the fair value less costs to sell and the value-in-use. Value-in-use is the present value of projected cash flows covering the remaining useful life of the asset. An impairment charge is recognised as a deficit in surplus or deficit immediately.

Cash-generating assets are assets managed with the objective of generating a commercial return. Non-cash-generating assets are assets other than cash-generating assets. Therefore, NLDTF classifies assets as non-cash generating assets.

5. Financial Risk Management

The NLDTF is exposed to market risk, credit risk and liquidity risk arising from its financial instruments. The Board is responsible for overseeing the management of these risks through approved risk management policies, processes and quarterly monitoring and reporting mechanisms.

5.1 Market Risk

The NLDTF's activities do not expose it to a significant amount of market risk. Therefore no formal policies have been developed to guard against market risk.

5.2 Credit Risk

Credit risk arises from the following:

Cash and cash equivalents and deposits with banks and financial institutions. Receivables from exchange and non-exchange transactions and committed transactions.

To mitigate the credit risk exposure, the entity:

Accounting Policies continued
for the year ended at 31 March 2026

Banks and invests in the financial instituitions approved by the Minister of Finance.

Invest the surplus funds in financial instituitions that have a credit rating equivalent to or higher than soverign (country) rating.

Complies with the relevant regulations and practice notes issued by National Treasury.

5.3 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet the daily demands of the operations.

Management monitors daily balances of cash and cash equivalents as well as investment accounts to ensure that enough funds are available to meet the needs of operations.

6. Contingent Liabilities

NLDTF discloses a contingent liability when:

- it has a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- it has a present obligation that arises from past events but not recognised because it is not probable that an outflow of resources will be required to settle an obligation or
- the amount of the obligation cannot be measured with sufficient reliability.
- A contingent liability is disclosed in the notes to the financial statements unless the probability of an outflow of economic benefits is remote.

7. Allocation of Grants

7.1 Allocation of Grants

Grant allocations are accounted as contingent liabilities when applications for assistance from individual organisations are considered and grants are awarded by the respective Distributing Agencies. The policy applies for both application based and research based grants.

Grant allocation expenses for the first tranche are accounted for in the statement of financial performance upon the conclusion of a valid grant agreement signed by both parties, provided that the beneficiary has met the conditions for the transfer of funds as outlined in the agreement.

Subsequent tranches are recognised in the statement of financial performance once a valid progress report has been received and assessed, the compliance checklist has been approved by the delegated NLC officials, and all requirements prescribed by the NLC for the release of payment have been met.

The grant allocated may be revoked in the same year that the grant is allocated or in future periods. Revocations are off-set against the grant allocation expense when a grant is revoked and is recognised at the amount of the revocation.

Revocations are effected by the NLC under the following circumstances:

Breach of Grant Agreement

- Voluntary cancellation of the Grant Agreement by the beneficiary due to various reasons;
- Cancellation due to identification and/or determination of irregularities from the beneficiary organisation; or
- Any other reasons that the Minister of the dtic considers enough to warrant cancellation as set out in Section 31 of the Act.

8. Comparison of the Approved Budget and Actual Amounts

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives. The approved budget covers the financial year from 1 April 2025 to 31 March 2026. The annual financial

Accounting Policies continued
for the year ended at 31 March 2026

statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the statement of comparison of budget and actual amounts.

9. Critical Accounting Estimates and Judgements in Applying Accounting Policies

Assumptions and estimates form an integral part of financial reporting and have an impact on the amounts reported. Assumptions are based on historical experience and expectations of future outcomes and anticipated changes in the environment. Assumptions are further regularly reviewed in the light of emerging events and adjusted where required.

9.1 Contingent Liability

Contingent liabilities are not recognised in the financial statements, but are disclosed in the notes to the financial statements unless the probability of occurrence is remote.

9.5 Expected Credit Losses – GRAP 104

The measurement of expected credit losses (ECL) in accordance with GRAP 104: Financial Instruments requires the use of significant management judgement and estimation. This is particularly the case where credit risk is influenced by behavioural, affordability, operational and enforceability considerations, rather than solely by contractual terms or the passage of time.

Judgement is most significant in respect of:

- Employee-related receivables, where recoverability is highly dependent on employment status, the availability of payroll deduction mechanisms, individual affordability, and the cost-effectiveness of legal recovery;
- Beneficiary recoveries, where estimation uncertainty arises from variability in beneficiaries' financial capacity, enforceability of clawback provisions, practical tracing limitations, and cost-benefit considerations of recovery action; and
- Legally complex or disputed balances, where enforceability, timing of recovery and prescription risk materially affect expected recoverability.

The key assumptions and estimates applied in the ECL model include:

- Probability of Default (PD), representing the likelihood that a debtor will default over the life of the receivable, based on historical experience, behavioural compliance, operational status and forward-looking information;
- Loss Given Default (LGD), representing the proportion of a defaulted balance that is not expected to be recovered, informed by historical recovery experience, availability of recovery mechanisms, enforceability, and cost-benefit considerations;
- Exposure at Default (EAD), representing the gross outstanding exposure, including legally recoverable principal and accrued amounts; and
- Portfolio segmentation, whereby receivables are grouped into homogeneous portfolios with similar risk characteristics and recovery mechanisms to ensure meaningful impairment measurement.
- Where historical loss experience does not fully reflect current or emerging risks, management overlays are applied to adjust PD and/or LGD estimates. These overlays take into account forward-looking economic conditions, operational capacity constraints, changes in employment trends, and other relevant risk factors.

9.6 Bad Debts Written Off

Bad debts written off relate to beneficiaries where all avenues for recovery have been exhausted and the outstanding debts are considered irrecoverable.

9.7 Contingent Assets

Contingent assets are possible assets that arise from past events, and whose existence will be confirmed only by the

Accounting Policies continued
for the year ended at 31 March 2026

occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset is not recognised in the financial statement; however, it is disclosed where an inflow of economic benefits or service potential is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

10. Irregular Expenditure

Irregular Expenditure means expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation, including:

- The PFMA,
- The Treasury Regulations;
- A National Treasury Instruction, issued in terms of Section 76 of the PFMA; or
- Any legislation providing for procurement procedures

When confirmed, irregular expenditure must be recorded in the notes to the financial statements. The amount to be recorded in the notes must be equal to the value of the irregular expenditure incurred unless it is impracticable to determine the value thereof. Where such impracticality exists, the reasons therefore must be provided in the notes. Irregular expenditure must be removed from the notes when it is either.

(a) condoned by the National Treasury or the relevant authority;

(b) it is transferred to receivables for recovery; or

(c) it is not condoned and is irrecoverable. A receivable related to irregular expenditure is measured at the amount that is expected to be recovered and must be de-recognised when the receivable is settled or subsequently written off as irrecoverable.

Any irregular expenditure is charged against expenditure in the year in which it is incurred. The Board of NLC may remove irregular expenditure that was not condoned by the relevant authority.

11. Fruitless and Wasteful Expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc. (as applicable).

Any fruitless and wasteful expenditure is charged against expenditure in the year in which it is incurred.

Any fruitless and wasteful expenditure will be removed from the register once the loss has been recovered.

Any unrecoverable losses may be written off by the accounting officer or accounting authority.

12. 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.

Accounting Policies continued
for the year ended at 31 March 2026

As a minimum, the following are regarded as related parties of the reporting entity:

(a) A person or a close member of that person's family related to the reporting entity if that person:

(i) has control or joint control over the NLDTF;

(ii) has significant influence over the NLDTF or

Related party transactions are transfers of resources, services or obligations between the NLDTF and a related party, regardless of whether a price is charged.

13. 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 adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

14. Prior Period Errors

Any prior period error shall be corrected by retrospective restatement in terms of GRAP 3 and the nature of the previous period error, the amount of correction for each financial statement line item affected and the amount of the correction at the beginning of the earliest prior period shall be presented in the note for prior period error of the financial statements.

15. Changes in Accounting Policies and Accounting Estimates

Changes in accounting policies, accounting estimates and the correction of errors are accounted for in accordance with GRAP 3.

Changes in accounting policies are applied retrospectively unless retrospective application is impracticable or otherwise required by a Standard of GRAP.

Changes in accounting estimates are recognised prospectively by including the effect of the change in surplus or deficit.

16. Taxation

No provision has been made for taxation.NLDTF is exempt from Income Tax in terms of Section 10(1)(cA) of the Income Tax Act, 1962.

17. Transfer to NLC

The NLDTF transfers funds to the NLC in line with Section 34 of the Lotteries Act 57 of 1997, which requires the transfer of approved amounts from the NLDTF to the NLC to fund the Commission's operational and administrative responsibilities in terms of the Act.

Transfers to NLC are initially measured at fair value on date of transfer. Transfers to NLC are measured at the amount of the increase in net assets recognised by the NLDTF.

At each reporting date, the cumulative difference between funding paid from the NLDTF; and qualifying operational and administrative expenditure incurred is recognised as either:

- a receivable from the NLDTF, where qualifying expenditure exceeds the funding recognised, representing amounts recoverable from future transfers; or
- a payable to the NLDTF, where funding recognised exceeds qualifying expenditure, representing amounts to be surrendered to the NLDTF.

The receivable from or payable to the NLDTF is measured at the amount expected to be recovered from or settled with the NLDTF, based on the cumulative surplus or deficit arising from the cost-recovery funding arrangement at the reporting date.

	2026	Restated 2025
	R'000	R'000
1. FUND REVENUE		
Share of Ticket Sales	1 839 584	1,961,937
Expired and Unclaimed Prizes	89 348	69,044
Interest from the National Lotteries Participants Trust	9 666	8,984
Total Fund Revenue	**1 938 599**	**2 039 964**
2. INVESTMENT AND INTEREST INCOME		
Interest from Call and Current Accounts	254 860	255 079
Interest on CPD Account	11 587	-
Total Interest Earned	**266 447**	**255 079**
3. OTHER INCOME		
Other Income from Non-Exchange Transactions		
Allowance for Expected Credit Losses Reversal	207	-
Sundry Income*	19 849	12 213
Movement in the Provision for Doubtful Debt	-	19
Other Income from Non-Exchange Transactions	**20 055**	**12 232**
** Sundry income mainly consists of money recovered from beneficiaries*		
4. ALLOCATION OF GRANTS		
Current Year Allocations	431 054	994 737
Previous Year Revocations	(2 805)	(1 017)
Current Year Revocations	-	(6 858)
	428 249	**986 861**

2025 allocations and revocations amount were restated due to prior period error on the recognition criteria of grant allocations. Refer to note 14 for details.

Notes to the Annual Financial Statements continued

for the year ended at 31 March 2026

	2026	Restated 2025
	R'000	R'000
5. TRANSFERS TO THE NLC		
Transfer from NLDTF to the NLC to fund operational costs as per section 34 of the Lotteries Act	748 190	643 436
Total Fund Revenue	**748 190**	**643 436**
2025 transfer to NLC amount has been restated, refer to prior period error note 14.		
6. OPERATING EXPENSES		
Bank Charges *	27	23
**The bank charges are related to charges incurred on the current bank account*		
7. BAD DEBTS		
Debtors written off*	-	19
	-	**19**
**The bad debts written off relates to long outstanding unutilised grants claimed from beneficiaries.*		
8. ALLOWANCE FOR EXPECTED CREDIT LOSSES		
Impairment loss	-	662
	-	**662**
9. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Accrued Income	**13 325**	**21 693**
Interest Receivable on Current and Call Accounts	13 325	21 693
	13 325	**21 693**
Current	13 325	21 693
	13 325	**21 693**

No receivables from exchange transactions were pledged as security.

	2026	Restated 2025
	R'000	R'000
10. TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Share of ticket sales- Ithuba Holdings (RF) Pty (Ltd)	42 663	43 161
Expired and unclaimed prizes - National Lotteries Participants Trust	20 279	15 048
Interest Receivable from National Lotteries Participants Trust	2 804	1 981
Accounts receivable: NLC	27 276	100 466
Claims from Beneficiaries	**7 025**	**8 324**
Gross Amount Recovered	7 481	8 986
Expected Credit Loss Allowance - Claim from Beneficiaries	(456)	(662)
	100 047	**168 981**

Detailed age analysis is on Note 13.2.2
No receivables from non exchange transactions were pledged as security.

11. CASH AND CASH EQUIVALENTS		
Cash at Bank – Call Account	-	2 033 222
Cash at bank – Current Account	80 357	2 164 040
Corporation for Public Deposits accounts	5 233 074	-
	5 313 432	**4 197 261**

None of the cash balances are pledged as security. The funds in the call account were moved to the CPD account during the financial year.

12. GRANT LIABILITIES		
Opening Balance	42 381	43 323
Additional Grant Allocations made During the Year (refer to note 4)	431 054	994 737
Payments made During the Year	(438 016)	(987 803)
Revocations from Previous Years (refer to note 4)	(2 805)	(1 017)
Revocations from Current Year (refer to note 4)	-	(6 858)
	32 614	**42 381**

The opening balance of grant liabilities in 2025 and comparative figures restated. Refer to prior period error note 14 for details.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

13. Management of Financial Risk

13.1 Financial Instrument Classification

The National Lottery Distribution Trust Fund recognises and measures financial instruments in accordance with GRAP 104: Financial Instruments, based on the business model for managing the instruments and the contractual cash flow characteristics.

As at 31 March 2026	Note(s)	Total	Financial Assets and Liabilities
		R'000	R'000
Financial Assets Measured at Amortised Cost:			
Trade and other receivables from exchange transactions	9	13 325	13 325
Trade and other receivables from non- exchange transactions	10	100 047	100 047
*Cash and cash equivalents	11	5 313 432	5 313 432
Total Assets		**5 426 804**	**5 426 804**

*During the implementation of the revised GRAP 104: Financial Instruments, management identified that cash and cash equivalents had previously been incorrectly classified as measured at fair value. This was corrected on adoption of the revised standard, with cash and cash equivalents now appropriately classified and measured at amortised cost in accordance with GRAP 104. There was no material impact other than the disclosure classification under this note in the previous year.

Financial Liability			
Grant Liabilities	12	32 614	32 614
Total Liabilities		**32 614**	**32 614**

As at 31 March 2025 Restated	Note(s)	Total	Financial Assets and Liabilities
		R'000	R'000
Financial Instruments at Amortised Cost:			
Unlisted:			
Trade and other receivables from exchange transactions	9	21 693	21 693
Trade and other receivables from non- exchange transactions	10	168 981	168 981
Cash and cash equivalents	11	4 197 261	4 197 261
Total Assets		**4 387 935**	**4 387 935**
Financial Liability			
Grant Liabilities	12	42 381	42 381
Total Liabilities		**42 381**	**42 381**

13.2 Management of Financial Risk

Financial instruments expose the National Lottery Distribution Trust Fund to various financial risks, principally credit risk, liquidity risk, and interest rate risk.

National Lottery Distribution Trust Fund has adopted appropriate financial risk management policies in line with GRAP 104: Financial Instruments, with oversight exercised by the Board and Audit and Risk Committee. Management monitors risk exposures on an ongoing basis and ensures that adequate controls are in place to mitigate material risks.

13.2.1 Credit Risk and Expected Credit Losses

13.2.1.1 Credit Risk Exposure and Concentration

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the NLDTF.

The maximum exposure to credit risk at the reporting date is represented by the gross amount of financial assets measured at amortised cost, as set out below:

Group 1: Financial Instruments Subject to Impairment (ECL applied)

These comprise financial assets measured at amortised cost for which a loss allowance is recognised in accordance with the expected credit loss model:

Claims from beneficiaries

	Note(s)	2026	Restated 2025
		R'000	R'000
Maximum Exposure to Credit Risk			
Claims from Beneficiaries	10	7 481	8 986

- These balances represent the maximum exposure to credit risk for instruments subject to impairment.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

Group 2: Financial Instruments Not Impaired

These comprise financial assets where impairment requirements are not applied due to their nature and low credit risk. Although these instruments fall within the scope of GRAP 104, the assessment performed concluded that no expected credit loss allowance was required at reporting date.

- Cash and cash equivalents held with financial institutions
- Interest Receivable on Current and Call Accounts
- Accounts receivable: NLC
- Expired and unclaimed prizes - National Lotteries Participants Trust
- Interest Receivable from National Lotteries Participants Trust
- Share of ticket sales- Ithuba Holdings (RF) Pty (Ltd)

		2026	Restated 2025
		R'000	R'000
Maximum Exposure to Credit Risk			
Cash and cash equivalents held with financial institutions	11	5 313 432	4 197 261
Interest Receivable on Current and Call Accounts	9	13 325	21 693
Accounts receivable: NLC	10	27 276	100 466
Expired and unclaimed prizes - National Lotteries Participants Trust	10	20 279	15 048
Interest Receivable from National Lotteries Participants Trust	10	2 804	1 981
Share of ticket sales- Ithuba Holdings (RF) Pty (Ltd)	10	42 663	43 161

Receivables between the NLDTF, NLC, Ithuba and the NLPT are not impaired due to the low credit risk associated with these transactions. Amounts outstanding arise primarily from timing differences between the reporting date and the settlement dates stipulated in the licence agreement. Accordingly, management has assessed the expected credit loss on these balances as immaterial.

Credit risk relating to cash and cash equivalents arises from the possibility that the financial institutions with which deposits are held may not be able to meet their obligations when due. The NLDTF manages this risk by investing funds with reputable South African financial institutions and by monitoring the creditworthiness and external credit ratings of these institutions on an ongoing basis.

The majority of cash and cash equivalent balances are held with the South African Reserve Bank, with the remaining balances held with registered South African banking institutions. Management considered the financial standing, regulatory oversight and available external credit ratings of these institutions in assessing expected credit losses.

The South African Reserve Bank operates as the central bank of South Africa, and South Africa's sovereign rating was affirmed at Ba2 by Moody's in May 2026, with the outlook revised to positive.

Based on management's assessment of the credit risk associated with these institutions, together with the short-term nature of the deposits, cash and cash equivalents are considered to have low credit risk at reporting date and no expected credit loss has been recognised.

These balances represent the maximum exposure to credit risk, without taking collateral into account.

Credit Risk Concentration

- A significant concentration of credit risk exists in relation to:
- Ithuba Holdings (RF) (Pty) Ltd, the licensed national lottery operator
- Beneficiaries, in respect of recoverable grant funding
- Expired and unclaimed prize and interest due to the NLDTF from NLPT
- Cash and cash equivalents held with financial institutions

Claims from beneficiaries arise where grant conditions have been breached and the NLC has initiated recovery. These debts are supported by formal acknowledgement of debt and are legally enforceable.

Receivables from Ithuba Holdings (RF) (Pty) Ltd arise from lottery-related amounts contractually payable to the NLC in terms of the National Lottery licence conditions. Expired and unclaimed prize relates to prizes that are unclaimed after 365 days, the licence agreement makes provision that these be payable to NLDTF through NLPT.

Cash and cash equivalents are subject to concentration risk as a significant portion of balances are held with the South African Reserve Bank, with the remainder held with a limited number of South African banking institutions. Notwithstanding this concentration, management considers the associated credit risk to be low given the creditworthiness and regulatory environment of the counterparties.

This concentration remained consistent across reporting periods.

13.2.1.2 Collateral and Credit Enhancements

The NLDTF did not hold any collateral or credit enhancements in respect of financial assets in either the current or prior reporting period.

- Credit risk is mitigated through:
- Statutory enforceability of the National Lottery framework;
- Contractual enforceability of receivables;
- Legal recovery processes; and
- Strong historical settlement patterns.
- Accordingly, **no portion of the credit risk exposure is reduced by collateral.**

13.2.1.3 Expected Credit Loss (ECL) Methodology – Simplified Approach

During the 2026 financial year, the NLDTF implemented Revised GRAP 104: Financial Instruments for the first time. As part of the transition to the revised standard, the NLDTF adopted the simplified approach to the measurement of expected credit losses for all trade and other receivables, including claims from beneficiaries.

The implementation of Revised GRAP 104 resulted in changes to the methodology, assumptions and estimation techniques previously applied in assessing impairment of receivables, primarily through the introduction of the expected credit loss model and the use of a provision matrix based on the ageing of receivables and their respective credit risk characteristics. The impact of the first time adoption of Revised GRAP 104, including the changes to methodology, assumptions and estimation techniques, has been disclosed in note 15 changes in accounting policies.

Under the simplified approach, lifetime expected credit losses are recognised from initial recognition of receivables. Comparative information for the 2025 financial year has been assessed using the revised methodology in order to ensure consistency and comparability between reporting periods.

In assessing expected credit losses, management considered forward looking information, including prevailing macroeconomic conditions, the enforceability of legal and contractual recovery mechanisms, and the counterparty's capacity to settle outstanding obligations.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

13.2.1.4 Credit Risk Quality – Ageing Analysis

	Gross 2026	ECL allowance 2026	Gross Restated 2025	ECL allowance 2025
	R'000	R'000	R'000	R'000
0–30	67 562	20	78 736	52
31–60	16 068	14	8 071	-
61–90	-	-	-	-
91–120	-	-	-	-
121–180	-	-	-	-
181–365	431	51	-	-
>365	2 491	370	4 062	610
Total	**86 552**	**456**	**90 870**	**662**

In both the current and prior reporting periods:

- receivables were predominantly shortterm in nature;
- older balances mainly related to beneficiary claims where recovery processes had been initiated and debts acknowledged; and
- settlement behaviour remained consistent with historical experience.

This ageing profile supports management's conclusion that credit risk did not increase materially between periods.

13.2.1.5 Impairment Outcome and Loss Allowance

	2026	Restated 2025
	R'000	R'000
Movement in Loss Allowance		
Opening loss allowance	662	-
Impairment recognised/(reversal)	(207)	662
Closing Loss Allowance	**455**	**662**

During the prior reporting period, an amount of R19 thousand was written off after recovery was no longer considered probable. No write-offs were recognised during the current reporting period.

Except for the write-off disclosed above in the prior year, there were no material defaults, renegotiations or other credit-impaired financial assets identified during either the current or prior reporting periods.

13.2.2 Market Risk

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.
- The NLDTF is exposed to interest rate risk primarily in respect of cash and cash equivalents held with financial institutions at variable interest rates. These balances expose the NLDTF to cash flow interest rate risk, as future interest income will vary with changes in market interest rates.
- The NLDTF does not have any interest-bearing borrowings or other interest-bearing financial liabilities. Accordingly, no exposure exists to fair value interest rate risk.
- The carrying amounts of financial instruments exposed to interest rate risk at the reporting date are as follows:

As at 2026	Note(s)	Total	Financial Assets and Liabilities	Non-financial Assets and Liabilities
		R'000	R'000	R'000
Financial Assets Measured at Amortised Cost:				
Cash and cash equivalents	11	5 313 432	5 313 432	-
Total Assets		**5 313 432**	**5 313 432**	**-**
As at 2025 Restated				
Financial Assets at Amortised Cost:				
Cash and cash equivalents	11	4 197 261	4 197 261	-
Total Assets		**4 197 261**	**4 197 261**	**-**

The NLDTF's exposure to interest rate risk is concentrated in short-term, highly liquid financial assets. Financial liabilities are non-interest bearing and therefore do not expose the NLDTF to interest rate risk.

13.2.2.1 Interest Rate Risk Management

- The NLDTF manages its exposure to interest rate risk by:
- Maintaining cash balances in short-term instruments that provide a balance between liquidity and yield;
- Monitoring prevailing market interest rates on an ongoing basis; and
- Placing funds with reputable financial institutions in accordance with approved investment policies and applicable PFMA requirements.
- The Group does not make use of derivative financial instruments or hedging strategies to manage interest rate risk.

13.2.2.2 Sensitivity Analysis

A sensitivity analysis has been performed to illustrate the effect of a reasonably possible change in interest rates on the NLDTF's surplus or deficit at the reporting date.

- The analysis assumes:
- A change of **100 basis points (1%)** in interest rates;
- The change is applied to floating rate financial assets at the reporting date; and
- All other variables remain constant.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

Impact on Surplus or Deficit	2026	Restated 2025
	R'000	R'000
Scenario		
Increase in interest rates by 1%	53 134	41 973
Decrease in interest rates by 1%	(53 134)	(41 973)

An increase in interest rates would result in an increase in interest income, while a decrease would have an equal and opposite effect.

The NLDTF's exposure to interest rate risk is considered to be limited, as it arises primarily from cash and cash equivalents which are short term in nature. However, due to the significant cash balances held, changes in interest rates may have a material impact on investment income and are therefore continuously monitored.

13.2.3 Liquidity Risk

Liquidity risk is the risk that the NLDTF will not have sufficient cash resources to meet its financial obligations as they fall due. Liquidity risk is managed through continuous monitoring of cash flows, maintaining adequate cash and cash equivalents, and ensuring that liabilities are settled in accordance with contracted and statutory timeframes. Ithuba provides forecasts of sales, which inform the decision making process with regard to awarding grants to beneficiaries.

The tables below present the contractual maturity analysis of the NLDTF's financial liabilities, based on undiscounted contractual cash flows, as required by Revised GRAP 104. The maturity analysis reflects the earliest period in which payment can be required, in accordance with contractual terms.

The table below analyses the NLDTF's non-derivative financial liabilities into relevant maturity groupings based on the remaining years at the reporting date to the contractual maturity date.

As at 31 March 2026	Note(s)	Total	Within a year
		R'000	R'000
Grant Liabilities	12	32 614	32 614
Total		**32 614**	**32 614**
As at 31 March 2025 Restated			
Grant Liabilities	12	42 381	42 381
Total		**42 381**	**42 381**

All financial liabilities of NLDTF were contractually payable within twelve months at the reporting date in both 2026 and 2025 financial years. No financial liabilities extended beyond the one-year maturity band, and the NLDTF was not exposed to refinancing risk.

The NLDTF manages liquidity risk by:

- maintaining sufficient cash and cash equivalents to cover short-term obligations;
- forecasting expected cash inflows and outflows on an ongoing basis; and
- aligning payment commitments, including grant disbursements, with available funding.

At reporting date, the NLDTF held sufficient cash reserves to meet all contractual obligations as they fall due. Accordingly, liquidity risk remained low and stable during both the current and prior reporting periods.

14. Prior Period Error

During the current financial year, management identified errors relating to prior financial years. The nature and impact of the errors are included below.

- Management identified an error in relation to the 2023/2024 grant allocations population where projects amounting to R30.47 million were recognised as grant allocation expenses, despite the grantees having not submitted all mandatory documents and/or supporting documents as prescribed by the application guidelines, therefore, these should have been recorded as contingent liabilities. Projects to the value of R30.11 million were paid during the 2024/25 financial year and have therefore been recognised as expenditure in 2024/25.
- It was noted that projects to the amount of R594 000 was recorded as grant liability in 2022/23 financial year before the conditions were met. The project was then recorded as grant allocation revocation in 2024/25 financial year. However, at the date of withdrawal, the progress report checklist had not been signed and therefore the withdrawal should have been done as part of contingent liabilities.
- It was noted that a project amounting to R1.951 million was recorded as grant expenditure despite the progress reports or grant agreement requirements not having been met to release payments and therefore should have remained as contingent liabilities in 2024/25 financial year.
- It was noted that projects amounting to R 967.861 thousand were not recorded as expenditure during the 2024/25 financial despite the grant agreement having being signed and all the requirements for recognition being met.
- It was noted that projects amounting to R517.07 thousand were not recorded as revocations during the 2024/25 financial year.
- The NLC company, made adjustments to prior year figures, the impact of the changes to the NLDTF financial statements is included below. Refer to the Group financial Statements for the detailed impact to the NLC Group.

The financial statements have been retrospectively restated.

14.1 Errors from Normal Operations

The impact of the errors are as follows:	2024/25	2023/24	2022/23
	R'000	R'000	R'000
-Increase/(Decrease) in Net Allocations of Grants	29 129	(30 470)	(594)
-Increase/(Decrease) in Revocations	77	-	-
-Increase/(Decrease) in Sundry Income	-	-	-
-Increase/(Decrease) in transfers to NLC	(134)	-	-
-(Increase)/ Decrease in Statement of Financial Performance	**29 072**	**(30 470)**	**(594)**
-Increase/(Decrease) in Grant Liabilities	(29 206)	30 470	594
-(Increase)/Decrease in Trade And Other Receivables from Non Exchange Transactions - Nldtf Recoveries		-	-
-Increase/(Decrease)In Trade and Other Receivables from Non Exchange Transactions	134	-	-
-Increase/(Decrease) in Net Assets	**(29 072)**	**30 470**	**594**

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

14.2 Classification Error

During the current financial year, it was identified that a payment of R144.96 thousand made to an incorrect beneficiary in the prior financial year was not recognised as a debtor at the time the error occurred. This resulted in the understatement of debtors and the understatement of grant liabilities for the period and also a movement in thestatement of cash flows between cash received from beneficiaries and cash paid to beneficiaries and other parties.

The impact of the errors are as follows:	2024/25	2023/24
	R'000	R'000
-Increase/(Decrease) in grant liabilities	(145)	-
-Increase/(Decrease) in Trade and other receivables from nonexchange transactions	145	-
-(Increase)/Decrease in Statement of Financial Performance	**-**	**-**

15. Change in Accounting Policy - Adoption of Revised GRAP 104

The NLDTF adopted the revised Standard of GRAP 104: Financial Instruments with effect from 1 April 2025. The revised standard replaces the previous requirements relating to the recognition, classification, measurement and impairment of financial instruments and introduces enhanced disclosure requirements.

The revised GRAP 104 introduces changes primarily in the following areas:

- the classification and measurement of financial assets and financial liabilities, based on the entity's business model and the contractual cash flow characteristics of the instruments;
- the introduction of an expected credit loss (ECL) impairment model, which replaces the incurred -loss impairment approach and requires earlier recognition of credit losses using forward-looking information; and
- enhanced disclosure requirements aimed at improving transparency regarding financial risks, including credit risk, liquidity risk and market risk.
- The change in accounting policy arising from the adoption of Revised GRAP 104 has been applied retrospectively, and comparative information has been restated accordingly, in line with the transitional provisions of the standard.

15.1 Impact of Adoption on the Statement of Financial Position

The tables below summarise the impact of adopting the revised GRAP 104 on the previously reported balances

Line item	Previously Reported Restated	GRAP 104 Adjustment	Restated
	R'000	R'000	R'000
Claims from Beneficiaries	8 986	(662)	8 324
Accounts Receivable: NLC	101 747	(1 281)	100 466
Total Financial Assets	110 733	(1 943)	108 790
Accumulated surplus/(deficit), adjusted for prior period error	4 347 499	(1 943)	4 345 554

The accumulated surplus previously reported was R 4 345 505 and has been restated to the amount disclosed in terms of prior period corrections in note 14.

The adjustments primarily relate to the recognition of expected credit losses on trade and other receivables, while the classification and measurement of other financial assets and liabilities remained largely unchanged.

15.2 Impact on Statement of Financial Performance

Line item	Previously Reported	GRAP 104 Adjustment	Restated
	R'000	R'000	R'000
Opening loss allowance recognised on transition (1 April 2025)	-	662	662
Transfers to NLC	642 155	1 281	643 436
	642 155	**1 943**	**644 098**

The loss allowance relates primarily to trade and other receivables, including claims from beneficiaries . No expected credit losses were recognised on receivables from Ithuba and NLPT due to the absence of historical credit losses and consistent settlement patterns.

15.3 Key Changes in Accounting Policies

Area	Previous Policy	Revised Policy (GRAP 104)
Impairment	Incurred-loss model	Expected credit loss (ECL) model
Recognition of losses	Recognised when a loss event occurred	Recognised on initial recognition using forward-looking information
Measurement basis	Historical loss experience	Probability-weighted ECL incorporating forward-looking data
Disclosures	Limited financial risk disclosures	Enhanced disclosures including credit risk, liquidity risk, market risk and ECL

In applying the revised standard, the NLDTF

- applied the simplified approach to the measurement of expected credit losses for all trade and other receivables;
- used historical loss experience adjusted for forward-looking information, including macro-economic factors and enforceability of recovery mechanisms; and
- did not restate financial instruments that were derecognised prior to the date of initial application, in accordance with the transitional provisions of Revised GRAP 104.

The adoption of the revised GRAP 104 did not have a material impact on the overall financial position of the NLDTF, other than the recognition of a minor expected credit loss allowance on transition and the introduction of enhanced disclosure requirements.

The revised standard has, however, improved the timeliness, transparency and robustness of impairment recognition and financial risk disclosure within the Annual Financial Statements.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

16. Cash Generated by Operations

	2026	Restated 2025
	R'000	R'000
Surplus for the year	1 048 636	676 274
Adjustment for Non-cash Transactions included in Surplus:		
Provision for Bad Debts	-	(19)
Allowance for Expected Credit Losses	-	662
Surplus/(deficit) after adjustment for non-cash items	1 048 636	676 917
Working capital changes		
(Increase)/Decrease in Trade and other Receivables	77 302	(861)
Increase/(Decrease) in Grant Liabilities	(9 768)	(942)
Cash Generated by Operations	**1 116 170**	**675 114**

17. Related Party Transactions

The NLC is a regulator of the National Lottery, other lotteries and sports pools. Ithuba Holdings (RF)(Pty) Ltd (Lottery Operator) is a private company that currently operates the National Lottery under licence from the Government. The Lottery Operator pays a share of ticket sales to the NLDTF in terms of the licence agreement. These proceeds are destined for good causes as stipulated in the Lotteries Act.

The NLC administers the NLDTF and accounts for all running costs. The NLC withdraws the necessary funds required from the NLDTF, based on an overall annual budget approved by the Minister of the dtic. The National Lotteries Participants Trust (NLPT) was established by the Lottery Operator in terms of the licence agreement between the Lottery Operator, the dtic and the NLC. The main objective of the NLPT is to hold monies in the Trust on behalf of Ithuba (RF) (Pty) Ltd for prize winners and monies for advance plays.

17.1 Transactions between the NLDTF and Other Parties

17.1.1 National Lotteries Commission (NLC)

The NLC is a controlling entity of the NLDTF. The NLDTF is administered by the NLC as stipulated in section 21 of the Lotteries Act (as amended).

	2026	Restated 2025
	R'000	R'000
Transfers to NLC	748 190	643 436
Trade and Other Receivables from Non-exchange Transactions (Opening)	(100 466)	(90 702)
Trade and Other Receivables from Non-exchange Transactions (Closing)	27 276	100 466
	675 000	**653 200**

17.1.2 Ithuba Holdings (Pty) Ltd

	2026	Restated 2025
	R'000	R'000
Revenue from Ithuba Holdings (Pty) Ltd	1 839 584	1 961 937
Trade and Other Receivables from Non-exchange Transactions (Opening)	43 161	44 982
Trade and Other Receivables from Non-exchange Transactions (Closing)	(42 663)	(43 161)
Cash Proceeds	**1 840 082**	**1 963 758**

17.1.3 Entity under common control

	2026	Restated 2025
	R'000	R'000
National Lotteries Participants Trust (NLPT)		
Revenue from NLPT	99 014	78 028
Trade and Other Receivables from Non-exchange Transactions (Opening)	17 030	29 437
Trade and Other Receivables from Non-exchange Transactions (Closing)	(23 083)	(17 030)
Cash Proceeds	**92 961**	**90 435**

17.2 Distributing Agency

The distributing agency members are appointed by the Minister of the dtic in terms of the Lotteries Act and they are accountable to the Board. The distributing agency is mainly responsible for considering, evaluating and adjudicating applications for grants or recommendations of funding of worthy good causes received by the NLC.

The members that were responsible for adjudicating applications for grants for the year under review are listed below.

The members are remunerated by NLC from the grant received from NLDTF and therefore their remuneration can be found in the group consolidated financial statements.

Mr T Josopu
Ms N Mgida
Mr G Mnisi
Ms CS Mofet-Mubu
Ms MM Nkopane
Dr ZZ Nzo
Ms VF Ramela
Mr T Skosana
Ms SF Sithole
Mr M Tsedu

Notes to the Annual Financial Statements continued
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17.3 Board and Sub-committees

The NLDTF is administered by the Board. The Board and its sub-committees make decisions that affect the NLDTF. The Board and its subcommittee members are remunerated by the NLC from the grant received from NLDTF and therefore the remuneration information can be found in the group consolidated financial statements. The members responsible for the year under review are as follows.

Prof B Pityana

Ms B Ferguson

Ms. P Mvulane

Mr L October

Mr T Bonakele

Dr P Dala*

Ms L Tromp*

Ms Louw*

Ms I Ramafola**

*Ms Louw, Ms Tromp and Dr P Dala are independent members of the Board Audit and Risk Committee for the NLC and the controlled entities.

**Ms I Ramafola is the Ministers representative and is not remunerated.

17.4 Members of Management

The appointment of senior executive officials of the NLC is made by the commissioner in consultation with the Board. The Commissioner is appointed by the Board in consultation with the Minister. The Senior executives of the Commission are also responsible for the decisions of the NLDTF and they are remunerated from the grants transferred from NLDTF to NLC. The remuneration is disclosed in the group consolidated financial statements.

Name	Position
Ms. J Scholtz	Commissioner
Mr V Jones	Chief Audit Executive
Mr M Mogolane	Chief Risk Officer
Ms T Maharaj	Chief Financial Officer
Mr. MC Ngubane	Acting Executive: Grant Funding
Ms HP Tshabalala	Chief Information Officer
Ms T Nkuna	Executive: Regulatory Compliance
Adv. L Boihang	Executive Manager: Legal
Ms X Njapha	Acting Company Secretary
Ms Natasha Wray	Acting Senior Manager Human Capital

17.5 Entities Under Common Control - Related Parties within the Relevant Spheres of Government

All National Departments and National Public entities, including Constitutional institutions are related parties as they are all accountable to Parliament. The AGSA is paid by NLC.

18. Taxation

The National Lottery Distribution Trust Fund is exempted from Income Tax in terms of Section 10(1)(cA) of the Income Tax Act, 1962.

19. Events after the Reporting Date

Management has not identified any material events subsequent to the reporting date that require adjustment to, or disclosure in, the annual financial statements.

20. Comparative Figures

The comparative figures were restated as a result of the effect of Prior Period Errors (Note 14) and change in accounting policy (Note 15).

21. Going Concern Assessment

Management assessed the NLDTF's ability to continue operating as a going concern by considering key financial indicators, available cash resources and approved budgets for the foreseeable future. The assessment considered, among other factors, the liquidity ratio of 166.4 (prior year: 103.6), which indicates that the NLDTF has sufficient current assets to meet its short-term obligations as they fall due.

The solvency ratio remained strong at 99.4% (prior year: 99.0%), demonstrating that the NLDTF's assets continue to be substantially financed through net assets rather than liabilities, thereby indicating long-term financial sustainability and low financial risk.

In addition, the operating expenditure to revenue ratio improved from 71% in the prior year to 53% in the current year, reflecting improved operational efficiency and expenditure management relative to revenue generated.

Based on the assessment performed, management concluded that NLDTF has adequate financial resources to continue operating for the foreseeable future and accordingly the annual financial statements have been prepared on the going concern basis.

22. Irregular Expenditure and Fruitless and Wasteful Expenditure

	2026	Restated 2025
	R'000	R'000
Irregular expenditure	-	-
Fruitless and wasteful expenditure	-	-
	-	**-**

No expenditure was identified during the year.

(1) Disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

Incident description

Fruitless and wasteful expenditure	-	-
Irregular expenditure	-	-
	-	**-**

There is no irregular and fruitless and wasteful expenditure identified.

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

23. Contingent Assets

(i) Suspicious Transactions

NLDTF bankers identified suspicious transactions on certain NLC beneficiaries bank accounts during the 2022/23 financial year and those accounts were subsequently placed on hold. These transactions are currently being investigated by the SIU. The total value relating to the accounts placed on hold by the bank was approximately R23.1 million.

(ii) Investigated Projects

The SIU is in the process of recovering the funds disbursed to a beneficiary to build a Sport complex in Soweto. The project had not been implemented. The total amount paid to the beneficiary was R6 million and the recoverable amount is yet to be determined.

The NLC and the SIU are investigating several projects, which were not finalised at the time of this report. The NLDTF had assessed the investigations and legal reports presented at year end and there was uncertainty on the amounts and the timing of the economic benefits flowing to the NLDTF.

(iii) Preservation Orders by the Asset Forfeiture Unit

The SIU has submitted 4 applications for preservation orders.

1st Application Case No. 38386/2022 issued 18 April 2023

The evidence uncovered that the cash purchases of 9 fixed properties,1 vehicle and 2 restaurant franchises can be linked to grants allocated by the NLC and which has nothing to do with the purpose of the grant. These properties were registered in the names of trusts or entities of which members of the NLC or the NPO's and/or their direct family members have a direct interest in. All the properties are currently preserved in terms of a court order granted on 4 November 2022. The details are as follows:

Assets	Cost of asset
	R'000
1. Unit 2, SS Violet, Scheme Number 369/2014, JR, Pretoria	1 080
2. Unit 1 and Unit 2, SS Celtisdal 612, Scheme Number 772/2016, Pretoria	2 694
3. Erf 5267 Midstream Estate Extension 67, JR, Pretoria	1 000
4. Erf 1037 Pecanwood Extension 11, JQ, Pretoria	3 600
5. Portion 448 of Farm 375 Rietfontein, JR, Pretoria	11 000
6. Portion 2 of Erf 1384 Bryanston, IR, Pretoria	5 000
7. Portion 29 (a portion of 24) of the farm Boschkop No 369	2 200
8. Erf 524 Bryanston	5 600
9. Erf 1194, Peach Tree, Ext 2 township	830
10. Ocean Basket franchises located at Carnival City and Mall at Carnival	535
11. BMW 420i, License no FD24JPGP	

2nd Application Case No. 2022-054695 issued 21 December 2022

The evidence uncovered that the cash purchases of 5 fixed properties linked to grants allocated by the NLC and which has nothing to do with the purpose of the grants. The properties are as follows:

Assets	Cost of asset
	R'000
12. 85 Carslwarld road, Midrand	7 500
13. Erf 1963 Simon's Town, Cape Town	4 087
14. 398 portion 3 Montengoelu, Rustenburg	6 800
15. Plot no 29 Van der Hoff Road, Uitzicht, Pretoria	3 300
16. 981 Rietvlei View Country Estate, Pretoria	3 000

3rd application Case No. 2023-095451 issued 23 September 2023

The evidence uncovered that the cash purchases of 4 fixed properties and 2 vehicles linked to grants allocated by the NLC which had nothing to do with the purpose of the grants. The assets in this matter are as follows:

Assets	Cost of asset
	R'000
17. Portion 2 of Erf 144, 74171/2005, Limpopo	1 005
18. Erf 1576,168 President Steyn Street Louis Trichardt	750
19. Portion 25 Farm Brakspruit	780
20. Erf 2580 Louis Trichardt Extension 11, JQ, Pretoria	900
21. BMW G30 520d Series Sedan with registration number FY61SNGP	995
22. BMW 7 Series Sedan M760 Li xDrive with registration number YKC623W	2 811

The SIU also preserved a Rolls-Royce which was bought in 2016 using R4 574 185.13 in stolen NLC funds. However, the vehicle was sold to an innocent third party within a few months of its purchase, and was subsequently returned to the lawful owner.

4th application Case No. 2024-075087 issued 24 July 2024

The evidence uncovered that the cash purchases of the following properties were linked to grants allocated by the NLC which had nothing to do with the purpose of the grants. The assets in this matter are as follows:

Assets	Cost of asset
	R'000
23. Erf 697 Lakefield ext 22, Ekurhuleni Metro, Johannesburg	2 642
24. Erf 210 Sable Hills, Waterfront Estate, Pretoria	750
25. Erf 46 Ironsyde Agricultural Holdings, Midvaal	450
26. Erf 3129 Louis Trichard Ext 9, Limpopo	1 950
27. Toyotal Hilux, Licence FG52NDGP	448

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

(iii) Preservation orders by the Special Tribunal

Special Tribunal issued Preservation Orders between 14 February 2022 and March 2026

Properties identified in preservation orders are as follows:

Assets	Cost of asset
	R'000
1. The property Erf 815, Louis Trichadt, Limpopo Province in case no LP03/2025 issued 15 April 2025	No amount
2. Portion 4 , Farm Paardeplaats 378, Limpopo in case no GP22/2024 issued 25 June 2024	No amount
3. Portion 15, farm Zandrivierspoort 851, Limpopo in case LP02/2025 issued15 April 2025	No amount
4. Erf 537. 446 Lowley street, Waterkloof in case no GP05/2023 issued 24 Feb 2025	No amount
5. Erf 120 Sliverwoods Country Estate in case GP17/2025 issued 10 April 2025	No amount
6. Erf 11822, Kimberly, Northern Cape in case no NC01/2025 issued 28 March 2025	No amount
7. Erf 281, Beverly Ext, Johannesburg in case no NC01/2025 issued 28 March 2025	No amount
8. Erf 3283, Brynston Ext, Johannesburg in case no NC01/2025 issued 28 March 2025	No amount
9. Erf 95 Mnandi Agricultural Holdings, Pretoria in case no GP16/2025 issued 31 March 2025	No amount
10. Erf 62 Wonderboom Agricultural Holdings in case no GP/05/2022 issued 15 June 2022	No amount
11. Erf 6046, Midstream Meadows in case no issued GP09/2025 23 April 2025	No amount
12. Mercedes Benz , licence no. KD57TDGP in case no 2025/GP04 issued 19 March 2025	No amount
13. BMW 5 series DZ69XLGP in case no GP10/2025 issued 27 March 2025	No amount
14. Porsche Cayene GTS FD87PWGP in case no GP10/2025 issued 27 March 2025	No amount
15. Toyota Land Cruiser BA03RLGP in case number GP10/2025 issued 27 March 2025	No amount
16. Canon Trailer JH860HGP in case number GP10/2025 issued 27 March 2025	No amount
17. Tata JN21JTGP in case number GP10/2025 issued 27 March 2025	No amount
18. Mercedes C200, Reg VVX686W, license no. DT73BD in case no GP13/2025 issued 15 April 2025	No amount

Recoveries from Pension Fund of Former Employees

Special Tribunal managed to freeze pension funds of the three former employees and a bank account of an associated company valued at R6.8 million.

Special tribunal Case no GP20/2025 issued 10 April 2025

The investigation uncovered misappropriation of R24.98 million grant relating to that was intended for 2016 Rio Olympics "Roadshow send-off campaign". The funds were used to purchase 2 properties and a high value special/ heavy duty vehicle. The assets in this matter are as follows:

Assets	Cost of asset
	R'000
19. Erf 899, Section 6 Mont Blanc, Heuwelsig Estate, Celtisdal x20, Centuion in case no GP20/2025 issued 05 April 2025	1 100
20. Section 12 , Heuwilsig Office Park, Celtisdal Ext20, Centurion in case no GP20/2025 issued 05 April 2025	650
21. Special Vehicle, Powerstar drill/borer/cleaner, Registration no. WXL921W in case number GP20/2025 issued 05 April 2025	1 700

The remaining R21.53 million were used for purchase of cars, live stock and personal expenses and transfer made to linked former NLC official.

Special tribunal Case no LP04/2025 issued 8 April 2025

The Special Tribunal ruled in favour of freezing immovable property described as holding 95 Mnandi agricultural holdings.

Special tribunal Case no GP04/2025 issued 26 August 2025

The Special Tribunal ruled in favour of freezing of a Mercedes Benz E200 with engine number 27492030789001.

Special tribunal Case no GP09/2025 issued 3 December 2025

An interdict was granted against the bank account of the second respondent under this case, freezing an amount of R2 777 866.09 together with any interest accrued thereon, on the basis that the funds constituted proceeds from the sale of a vacant stand purchased using funds originating from the SA Youth Movement.

Special tribunal Case no KN01/2025 issued 4 December 2025

The Special Tribunal ruled in favour of freezing of the following properties

ERF 1568, Pinetown Ext 32;
Section 75, SS181/1981 Redfern;
Section 29, SS103/2012 Tree Tops.
ERF 1568 Pinetown, Ext 32;
Section 29, SS103/2012 Tree Top;
Section 75, SS181/1981 Redfern;
Toyota Hilux 2018 GD62.4D;
Toyota Hilux 2019 DC2.8GD 6RB;
Toyota Quantum Hiace 2.5 Sesfikile;
Toyota Quantum 2.5 D Sesfikile 16s.

Special tribunal Case no GP30/2025 issued 18 December 2025

The Special Tribunal ruled in favour of freezing Erf 227 Hesteapark Extension 8, as the property is alleged to have been purchased using funds originating from a grant awarded to the Southern African Youth Movement.

Special tribunal Case no GP08/2025 issued 20 February 2026

Special Tribunal declared an award of a R14 million grant issued by the National Lotteries Commission (NLC) to Madumelani Community Project NPO invalid and unlawful. The order sets the grant aside entirely and holds the individuals involved personally liable for repaying the money to the state.

Special tribunal Case no MP01/2026 issued 15 April 2026

The Special Tribunal ruled in favour of freezing Erf 608 Soshanguve M Township and ERF 7539 The Orchards Extension 51 both linked to funding granted to Malusi We Sizwe Non-Profit Company (NPC).

Notes to the Annual Financial Statements continued
for the year ended at 31 March 2026

24. Contingent Liabilities

24.1 Legal Cases

The NLDTF through the NLC is party to legal proceedings and appropriate provisions are made when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The NLC had assessed the legal reports presented at year end and the probalities of settling the obligations were remote, the disclosure of the related amounts are not required.

24.2 Retention of Surplus

The NLC is currently engaging with the National Treasury on the retention of surpluses by the NLC given Section 25(2 of the National Lotteries Act and Section 53(3) of the PFMA. The NLC has surpluses of R4.326 billion (calculation as guided by the National Treasury Instruction Note) at the end of 2025/26 financial year, which the NLC will request to retain as guided by the legislation.

24.3 Portion of the Grants Allocated

Grant allocations are accounted for as contingent liabilities once applications for assistance from individual organisations have been considered and grants have been awarded by the respective distributing agencies.

The first tranche payment of a grant is recognised as a grant liability upon the conclusion of a valid grant agreement signed by both parties, provided that the beneficiary has met the conditions for the transfer of funds as stipulated in the agreement and required by the NLC.

Subsequent tranches are recognised as grant liabilities once a valid progress report has been received and assessed, the compliance checklist has been approved by the delegated NLC officials, and all requirements prescribed by the NLC for the release of payment have been met. The following table indicates movements in the contingent liabilities.

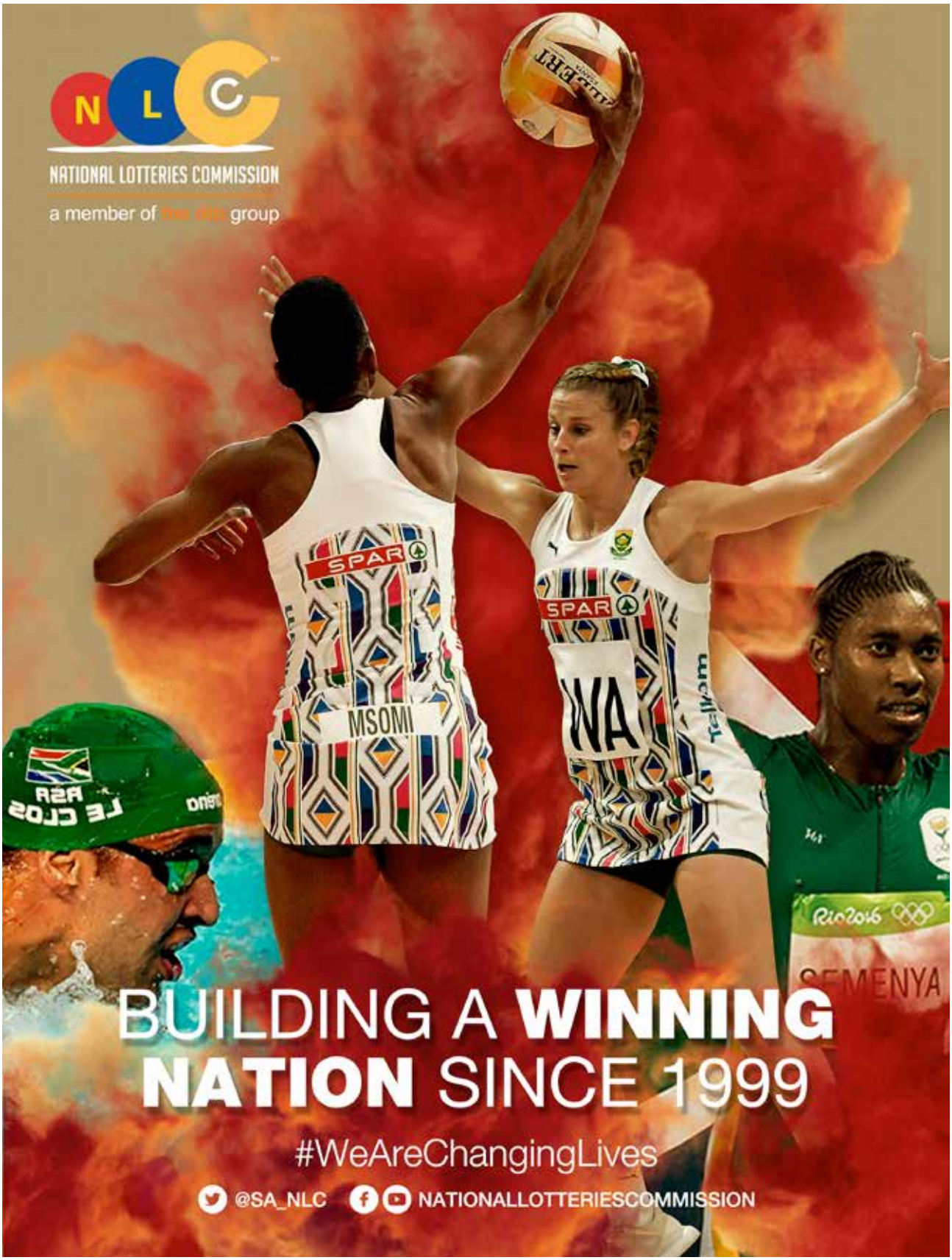
	2026	Restated 2025
	R'000	R'000
Opening Balance	**444 670**	**568 752**
Add: Correction of error		29 721
Restated Balance 31 March 2024		**598 473**
Grants approved by the distributing agencies	1 085 924	874 384
Add: Correction of error on approved grants		(0)
Less Transfer to financial perfomance	(431 054)	(965 608)
Less Correction of error transfer to perfomance statement		(29 129)
Less withdrawals from prior years allocations	(82 655)	(1 767)
Less Correction of error withdrawals from prior years allocations		(2 500)
Add Correction of error withdrawals from current years allocations		643
Less withdrawals from current year allocations	(3 041)	(29 826)
Closing Balance	**1 013 843**	**444 670**

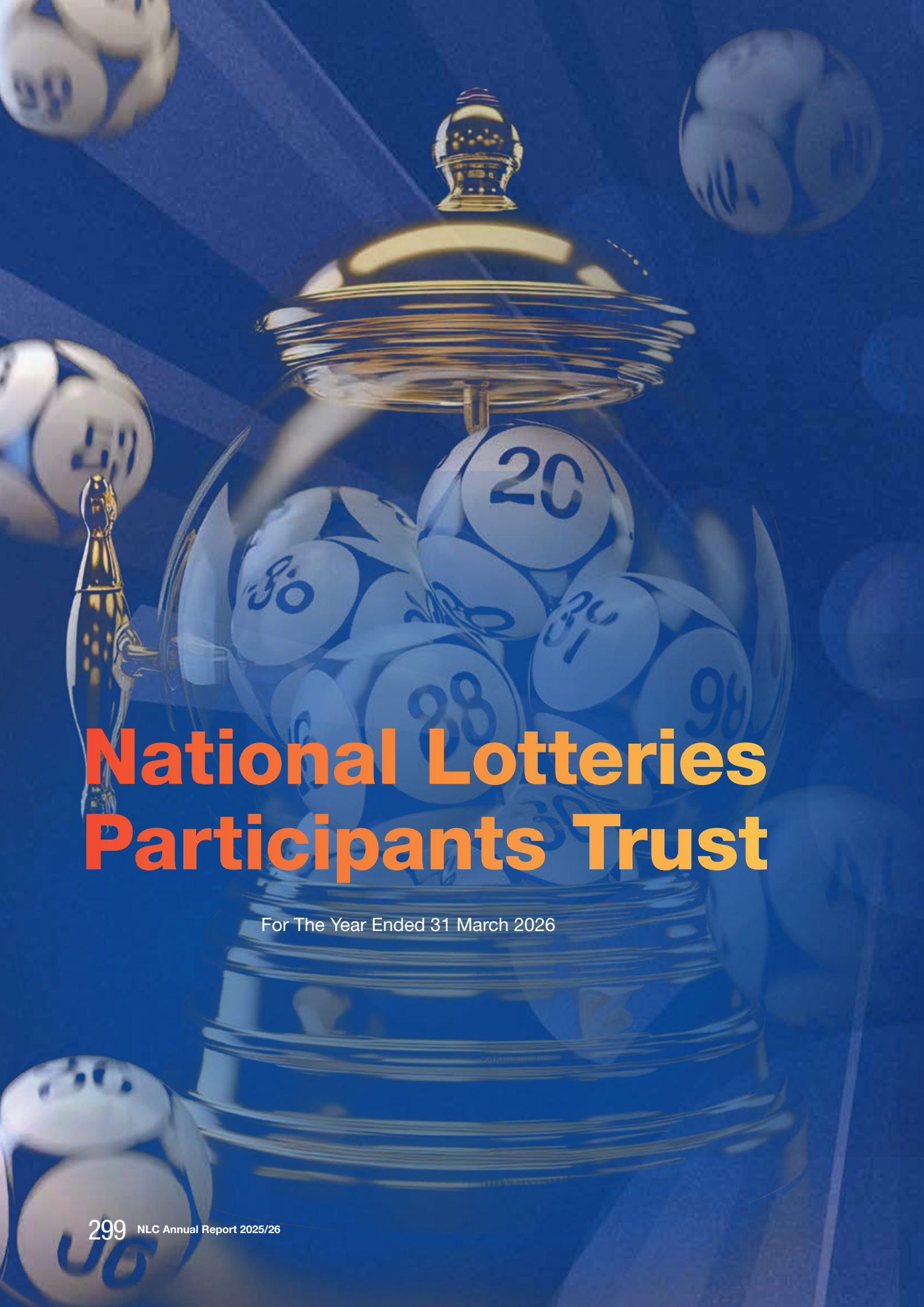
Prior year figures have been restated due to an error with the application of the accounting treatment on grants.

25. Comparison of Approved Budget and Final Budget

The budget and the accounting bases are the same; both are on the accrual basis. The annual financial statements and the budget are prepared using a classification on the nature of expenses in the statement of financial performance. The approved budget covers the period from 1 April 2025 to 31 March 2026.

Description	Approved Budget	Adjustments	Final budget on Accrual Basis	Reason for Adjustments
	R'000	R'000	R'000	
Share of ticket sales	337 356	1 499 318	1 836 674	Adjustments were made to the share of ticket sales following the appointment of a temporary licence holder. The original budget was based on projected revenue for April and May 2025; however, these projections have been revised to reflect the revenue projections under the temporary licence.
Interest income	235 148	28 383	263 531	Higher-than-anticipated cash balances were maintained during the period, mainly due to lower than anticipated recognition of grant liabilities. Consequently, excess funds were available for investment for longer periods, resulting in higher interest income than originally budgeted.
Revenue from NLPT-Interest	7 139	1 530	8 669	The increase in interest from NLPT was driven by higher balances of unclaimed prizes, due to delays by winners in claiming their prizes. Consequently, these funds remained invested for longer periods, resulting in higher interest income than anticipated.
Revenue from NLPT-Unclaimed and expired prize monies	90 000	(1 186)	88 814	The budget was adjusted downward due to fewer prizes expiring during the year than initially anticipated. This trend is largely attributable to increased online sales, which have improved prize claim rates and reduced the volume of unclaimed prizes over time.
Other operating income (Sundry income)	1 600	(1 600)	-	Budget was reduced as there were no expected recoveries during the year.
Transfers to NLC	(836 881)	3 293	(833 588)	The budget was increased due to increase in operational costs of NLC.
Other expenses	(97)	73	(24)	Budget was reduced less expenditure than expected in the first half of the financial year.
Allocation of Grants	(1 055 000)	(317 576)	(1 372 576)	The increase in grant allocations budget is attributable to increase in share of ticket sales. Grant funding expenditure is determined as the residual portion of total revenue after accounting for the NLC's operational expenditure.
Revocations	5 000	3 500	8 500	The budget was increased to accommodate the rise in withdrawals, however most of the withdrawals however are off balance sheet.


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National Lotteries Participants Trust

For The Year Ended 31 March 2026

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National Lotteries Participants Trust
IT001513/2015(T)

Trustees' Report for the National Lotteries Participants Trust for the year ended 31 March 2026

The trustees have pleasure in submitting their report on the annual financial statements of the National Lotteries Participants Trust (NLPT) for the year ended 31 March 2026.

1. Nature of the Trust

The trust was incorporated by Ithuba Holdings (RF) (Pty) Ltd (the Operator/Licensee) on 29 May 2015 and will terminate in terms of Clause 7 of the Replacement Trust Deed. The trust is constituted, for the benefit of the beneficiaries, subject to the terms and conditions of the trust deed, to hold and safeguard all monies received for their benefit. The beneficiaries are the National Lottery Winners, the licensee, Ithuba Holdings (RF) (Pty) Ltd, National Lottery Players and the National Lottery Distribution Trust Fund (NLDTF) administered by the National Lotteries Commission (NLC), being the Regulator. The operations of the fund are administered by Nedgroup Trust (Pty) Ltd.

2. Statement of Responsibility for the annual financial statements

- **To the best of our knowledge, we confirm the following:**
- The annual financial statements are complete, accurate and free from any omissions.
- The report has been prepared in accordance with the guidelines as issued by National Treasury.
- The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) applicable to the NLPT.
- The trustees, are responsible for the preparation of the annual financial statements and for the judgements made in the annual financial statements. The trustees are responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance to the integrity and reliability of the annual financial statements.
- The trustees are responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance to the integrity and reliability of the annual financial statements.
- In our opinion, the annual financial statements fairly reflect the financial affairs of the National Lotteries Participants Trust for the financial year ended 31 March 2026.

3. Audit Opinion

The Auditor-General South Africa (AGSA) is engaged to express an independent opinion on the annual financial statements.

4. Materiality Framework in Terms of Treasury Regulation 28.1.5

The Public Finance Management Act (PFMA) provides for 'material' (Section 50(1), 55(2), and 66(1)) and significant (Section 54(2)) transactions and events; the Accounting Authority has developed and agreed on a framework of acceptable levels of materiality and significance to relate the PFMA provisions to the operations of the NLPT.

5. Approval of annual financial statements

The annual financial statements set out on pages 305 - 313 for the NLPT were approved by the Board of Trustees for audit submission on 9 July 2026.

These annual financial statements were signed on their behalf by:



_____

Lufuno Tokyo Nevondwe

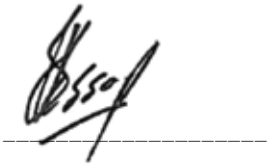
Chairperson of the Board: NLPT

Practitioner's Compilation Report

We have compiled the annual financial statements of the National Lotteries Participants Trust, under the administration of Nedgroup Trust (Pty) Ltd as set out on pages 3 to 15, based on information provided by the trustees and administrators. These annual financial statements comprise the Statement of Financial Position of the National Lotteries Participants Trust as at 31 March 2026, the related Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts for the year then ended as well at the notes to the annual financial statements.

We are the compilers of the annual financial statements and the internal controls are monitored throughout the financial year by the trustees, the Regulator, the Licensee and the administrators to ensure the trust maintains the highest ethical standards and that the trust's business is conducted in a manner that in all reasonable circumstances is above reproach.

The compiler confirms the validity, accuracy and completeness of the financial information and that the annual financial statements are prepared in accordance with Generally Recognised Accounting Practice.



Bilal Essop

Nedgroup Trust (Pty) Ltd

9 July 2026

Report of the Auditor-General to Parliament on National Lotteries Participants Trust

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the National Lotteries Participants Trust set out on pages 296 -309, which comprise the statement of financial position as at 31 March 2026, statement of financial performance, statement of changes in net assets, the statement of cash flows 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 my opinion, the financial statements present fairly, in all material respects, the financial position of the National Lotteries Participants Trust as at 31 March 2026 and financial performance and cash flows for the year then ended in accordance with Standards of Recognised Accounting Practice (Standards of GRAP) and the requirements of the general notice issued in terms of the Public Audit Act of South Africa Act 25 of 2004 (PAA).

Basis for Opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the Trust 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 my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified 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 Standards of GRAP and the requirements of the general notice issued in terms of the PAA and for such internal control as the Trust determines is necessary to enable the preparation of the 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 Trust'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 Trust or to cease operations or has no realistic alternative but to do so.

Responsibilities of the auditor- general for the audit of the financial statements

8. My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs 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 my 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 3, forms part of my auditor's report.

Internal control deficiencies

10. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.

11. I did not identify any significant deficiencies in internal control.

Auditor-General

Auditor-General

Pretoria
31 July 2026

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

Auditor-general's responsibility for the audit

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements for the Trust.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I 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 my 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 Trust'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. I 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 Trust to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a Trust 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

I 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 I identify during my audit.

I also provide the accounting authority with a statement that I 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 my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Annual financial statements

Statement of Financial Performance
as at 31 March 2026

	Note(s)	Trust 31 March 2026	Trust 31 March 2025
		R'000	R'000
REVENUE			
Revenue from exchange transactions			
Interest received	5	5 889	5 937
EXPENDITURE		**(5 889)**	**(5 937)**
Goods and services	6	(1 525)	(1 723)
Administration expenses	7	(4 364)	(4 214)
Surplus for the year		**-**	**-**

Statement of Financial Position
as at 31 March 2026

	Note(s)	Trust 31 March 2026	Trust 31 March 2025
		R'000	R'000
ASSETS			
Current Assets			
Trade and other receivables - from exchange transactions	1.1	1 364	1 061
Trade and other receivables - from non-exchange transactions	1.2	_	18 600
Prepayments	2	_	92
Cash and cash equivalents	3	278 578	183 800
Total Assets		**279 942**	**203 553**
LIABILITIES			
Current Liabilities			
Trade and other payables - from exchange transactions	4.1	370	469
Trade and other payables - from non-exchange transactions	4.2	279 571	203 083
Total Liabilities		**279 941**	**203 552**
Net Assets			
Initial Donation: Ithuba Holdings (RF) (Pty) Ltd		1	1
Total Net Assets and Liabilities		**279 942**	**203 553**

Statement of Changes in Net Assets
for the year 31 March 2026

	Accumulated Surplus
	R'000
REVENUE	
Balance as at 31 March 2024	1
Surplus for the year ended 31 March 2025	-
Balance as at 31 March 2024	1
Surplus for the year ended 31 March 2025	-
Balance as at 31 March 2026	**1**

Statement of Cash Flows
for the year ended 31 March 2026

	Note(s)	Trust 31 March 2026	Trust 31 March 2025
		R'000	R'000
Cash flow from operating activities			
Cash Receipts			
Cash received from Ithuba Holdings (RF) (Pty) Ltd		277 132	463 467
Interest received		15 253	15 125
		292 385	**478 592**
Cash Payments			
Cash paid to NLDTF, Ithuba Holdings (RF) (Pty) Ltd and other parties		(197 607)	(503 262)
Net cash generated from/(utilised in) operating activities	8.1	**94 778**	**(24 670)**
Net increase/(decrease) in cash and cash equivalents		94 778	(24 670)
Cash and cash equivalents at the beginning of the year	3	183 800	208 470
Cash and cash equivalents at the end of the year	3	278 578	183 800

Statement of Comparison of Budget and Actual Amounts

for the year ended 31 March 2026

Budget on an Accrual Basis

	Approved Budget	Adjustments	Final Budget	Actual Amounts on Comparable Basis	Difference: Final Budget and Actual
	R'000	R'000	R'000	R'000	R'000
Revenue and income					
Interest Received	6 661	(527)	6 134	5 889	(245)
Total revenue and income	**6 661**	**(527)**	**6 134**	**5 889**	**(245)**
Expenses					
Goods and services	(2 282)	510	(1 772)	(1 525)	247
Administrative expenses	(4 379)	17	(4 362)	(4 364)	(2)
Total expenditure	**(6 661)**	**527**	**(6 134)**	**(5 889)**	**245**
Surplus/(Deficit) for the period	**-**	**-**	**-**	**-**	**-**

The approved budget is prepared on an accrual basis and presented by economic classification. The approved budget covers the financial year from 01 April 2025 to 31 March 2026. 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 has been included in the statement of comparison of budget and actual amounts.

Account	Explanation of difference	Amount
		R'000
Interest received	The budget was adjusted downwards due to revised forecasts of cash and balances as well as updated assumptions relating to interest rates and trust expenditure based on anticipated market conditions for the remainder of the financial year. The interest received is limited to the trust expenditure.	(245)
Goods and services	The approved budget was adjusted downwards due to anticipated trust expenses. Actual expenditure resulted in a favourable variance compared to the final budget. The underspend arose primarily from lower-than-anticipated expenditure during the year. This was mainly due to the trustees' decision not to attend certain Board Audit and Risk Committee (BARC) and Finance Committe (FinCom) meetings, which resulted in reduced meeting costs. In addition, no directors' insurance coverage was in place from September 2025 to March 2026, which further contributed to the underspend.	247
Administrative expenses	Administrative expenses were adjusted downwards which was mainly due to updated cost projections, including provision for the annual Consumer Price Index (CPI)-based increase and other minor administrative cost refinements. Actual administrative expenditure resulted in an unfavourable variance compared to the final budget. Expenditure was largely in line with the final budget, and the variance relates to normal operational fluctuations during the year and the implementation of the annual CPI based increase, which was applied from September as planned.	(2)

Summary of Significant Accounting Policies

as at 31 March 2026

The principal accounting policies applied in the preparation of these separate annual financial statements are set out below. These policies have been consistently applied to all the years presented.

1. Basis of Preparation

- The separate annual financial statements have been prepared in accordance with GRAP. They have been prepared in accordance with the going concern principle using the historical cost basis except where otherwise stated in the accounting policies below.
- The preparation of annual financial statements in conformity with GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying National Lotteries Participants Trust's accounting policies.
- All monetary information and figures presented in these annual financial statements are stated in thousands of Rands (R' 000), unless otherwise indicated NLPT did not adopt any of the above. It is not expected that the above standards, amendments and interpretations will have any material impact on the NLPT's annual financial statements on initial application where applicable.

New standards, amendments and interpretations approved and not yet effective

Standard	Scope and potential impact	Effective date
GRAP 1: Presentation of financial statements	No impact in current year. It will affect how the information is aggregated in the financial statements, applying the concept of materiality. The requirements will be applied prospectively	To be determined by the Minister of Finance
GRAP 103: Heritage Assets	No impact, the standard is not applicable to the NLPT.	To be determined by the Minister of Finance
GRAP 105: Transfer of Functions Between Entities Under Common Control	NLPT will apply this standard in the event of a transfer of functions. The proposed amendments/ GRAP pronouncement has not yet been disclosed to the public.	To be determined by the Minister of Finance
GRAP 106: Transfer of Functions Between Entities Not Under Common Control	Not applicable to NLPT	To be determined by the Minister of Finance
GRAP 107: Mergers	N/A to NLPT since the acquirer (NLPT) can be identified.	To be determined by the Minister of Finance

2. Revenue recognition

- Revenue is the gross inflow of economic benefits or service potential during the reporting period when these inflows result in an increase in net assets.
- Revenue is recognised when it is probable that future economic benefits will flow to the trust and these benefits can be measured reliably.
- The NLPT distinguishes between two forms of revenue namely: revenue from exchange transactions and revenue from non-exchange transactions.

Summary of Significant Accounting Policies continued
as at 31 March 2026

2.1. Interest received

- Interest received comprises interest received from cash and cash equivalents. Interest is accounted for on an accrual basis using the effective interest rate method. Interest received is recognised to the extent of expenses incurred.

3. Irregular Expenditure and Fruitless and wasteful expenditure

- All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the period that the expenditure is incurred and classified in accordance with the nature of the expense. Upon investigation, if a person is found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.
- Irregular expenditure is recognised and disclosed in the financial statements, in accordance with the compliance reporting requirements of National Treasury Instruction 4 of 2022/2023 PFMA Compliance and reporting framework.

4. 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.
- Financial instruments are recognised in the Statement of Financial Position when the National Lotteries Commission (NLC) becomes a party to the contractual provisions of the instrument.
- Financial instruments recognised by the NLPT comprise both financial assets and financial liabilities arising from contractual or legally enforceable arrangements.

4.1. Classification of Financial Assets

- Trade and other receivables are recognised when the NLPT becomes a party to the contractual provisions of the instrument or when a legally enforceable claim arises as a result of a exchange and non-exchange transactions.
- Trade and other receivables are classified as financial assets measured at amortised cost, as they are held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and, where applicable, interest.

Trade and other receivables from non-exchange transactions

- The following balances arise from non - exchange transactions and represent contractual rights to receive cash:

Advanced Sales - Players and Ithuba Holdings (RF)(Pty) Ltd

- Advance sales due to Ithuba Holdings represent amounts receivable by the trust in respect of advance ticket sales and related contractual arrangements.
- These balances arise from non-exchange transactions and are recoverable under the terms of the licence and operating agreements.

Trade and other receivables from exchange transactions

- The following balances arise from exchange transactions and represent contractual rights to receive cash:

Accrued income – interest receivable on current and call accounts

- Interest receivable represents interest earned on bank balances that has accrued at the reporting date but has not yet been received. The right to receive interest is contractual and arises from deposit agreements with financial institutions.

Cash and Cash Equivalents

Cash and cash equivalents are categorised as a financial asset at amortised cost and, subsequent to initial recognition, are measured at amortised cost. Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with original maturities of three months or less. Due to their short-term nature, the carrying amounts approximate their fair values.

4.2 Default in Financial Assets

A financial asset is considered to be in default when contractual payments are significantly overdue or where there is objective evidence that the debtor is unlikely to settle the outstanding balance in full. In assessing default, the trust considers factors such as ageing of balances, historical collection patterns, payment arrangements, financial difficulties of the debtor and other recoverability indicators.

4.3 Initial and subsequent measurement

Trade and other receivables and cash and cash equivalents are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. These assets are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

4.4 Derecognition

A financial asset is derecognised when the contractual rights to the cash flows expire, the receivable is settled, or the receivable is written off due to recoverability.

4.5 Financial liabilities

- A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.
- The following main categories of financial liabilities and the classification determining how they are measured exist:
- Financial liabilities measured at amortised cost

4.6 Type of financial liability

Type of financial liability	Classification in terms of GRAP 104
Advanced sales due to Ithuba Holdings (RF) (Pty) Ltd - Players	Financial liability at amortised cost
Advanced sales due to Ithuba Holdings (RF) (Pty) Ltd	Financial liability at amortised cost
National Lotteries Distribution Trust Fund - Interest	Financial liability at amortised cost
National Lotteries Distribution Trust Fund - Expired Prize Fund	Financial liability at amortised cost
Unclaimed Funds - Ithuba Holdings (RF) (Pty) Ltd	Financial liability at amortised cost
Unclaimed Funds and Unexpired Prize Monies - Winners	Financial liability at amortised cost
Accruals	Financial liability at amortised cost

A financial liability is recognised, when the NLPT becomes a party to the contractual provisions of the instrument, and is initially measured at fair value. In the case of financial instruments not subsequently measured at fair value, transaction costs that is directly attributable to the acquisition or issue of the financial instruments are added or deducted from the fair value, as appropriate on initial recognition.

Summary of Significant Accounting Policies continued
as at 31 March 2026

Financial liabilities consist of Trade and other payables from exchange and nonexchange transactions. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

A gain or a loss is recognised in surplus or deficit when the financial liability is derecognised or through the amortisation process.

5. 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 viceversa, or an entity that is subject to common control, or joint control.

As a minimum, the following are regarded as related parties of the Trust:

- Ithuba Holdings (RF) (Pty) Ltd
- The National Lotteries Distribution Trust Fund (NLDTF)
- The National Lotteries Commission (NLC)
- Mr A Mahlalutye
- Adv. LT Nevondwe
- Adv. E Mabuza
- Ms C Abdoll
- Ms T Nkuna

Related party transactions are transfers of resources or obligations between the NLPT and a related party, regardless of whether a price is charged.

6. Taxation

The NLPT is a registered taxpayer in terms of Section 67 of the Income Tax Act no. 58 of 1962 as amended. The Trust's tax reference number is 2332466172. There is no tax payable by the trust.

7. Critical Accounting Estimates And Judgements In Applying Accounting Policies

The preparation of the financial statements in accordance with GRAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, as well as related disclosures. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Application of Expected Credit Losses under Revised GRAP 104

During the 2026 financial year, the National Lotteries Participants Trust (NLPT) applied Revised GRAP 104 and assessed the applicability of expected credit loss (ECL) requirements using the simplified approach. NLPT's financial assets comprise cash and cash equivalents, receivables on current and call accounts, and short-term statutory and contractual settlement balances.

These balances do not arise from trade or commercial credit arrangements and are considered to be low credit risk. Management exercised significant judgement in concluding that the likelihood of default is remote, based on the statutory nature of the receivables, strong historical settlement patterns, enforceable contractual and legal recovery mechanisms, and the holding of cash with reputable financial institutions.

Accordingly, no expected credit loss has been recognised in the current or prior reporting periods, and comparative information has been assessed on a consistent basis.

Notes to the Annual Financial Statements

for the year ended at 31 March 2026

		Period ended 31 March 2026	Year ended 31 March 2025
		R'000	R'000
1.	**Trade and other receivables**		
1.1	**Trade and other receivables - from exchange transactions**		
	Interest Accrued	1 364	1 061
		1 364	**1 061**
1.2	**Trade and other receivables - from non-exchange transactions**		
	Advanced sales due from Ithuba Holdings (RF) (Pty) Ltd	-	18 600
		-	**18 600**
2.	**Prepayments**		
	Insurance – Directors and Public Officers Indemnity Insurance	-	92
		-	**92**
3.	**Cash and cash equivalents**		
	Nedbank Private Wealth (Pty) Ltd - Advanced and Online Play account	39 014	22 647
	Nedbank Private Wealth (Pty) Ltd - Expired account*	13 022	15 062
	Nedbank Private Wealth (Pty) Ltd - Interest account	1 810	1 298
	Nedbank Private Wealth (Pty) Ltd - Prize Money account	224 732	144 793
		278 578	**183 800**
	None of the accounts are pledged as security. *Expired Funds represent prize monies that remain unclaimed after the prescribed period of 365 days. These funds, together with any related interest earned, are held and payable to the NLDTF.		
4.	**Trade and other payables**		
4.1	**Trade and other payables - from exchange transactions Accruals**		
	Administration fees	370	423
	Audit fees	-	46
		370	**469**
4.2	**Trade and other payables - from non-exchange transactions**		
	Advanced sales due to Ithuba Holdings (RF) (Pty) Ltd - Players	34 027	41 247
	Advanced sales due to Ithuba Holdings (RF) (Pty) Ltd	4 986	_
	Transfers to NLDTF	23 083	17 030

Notes to the Annual Financial Statements continued
as at 31 March 2026

		Note(s)	Period ended 31 March 2026	Year ended 31 March 2025
			R'000	R'000
	Unclaimed funds - Ithuba Holdings (RF) (Pty) Ltd		9 629	7 545
	Unclaimed funds and Unexpired Prize Monies - Winners		207 846	137 261
			279 571	**203 083**
5.	**Interest income**			
	Current accounts		5 889	5 937
			5 889	**5 937**
6.	**Goods and services**			
	Audit fees		973	1 099
	Bank charges		56	53
	Professional indemnity fees		92	211
	Trustees fees	10	404	360
7.	**Administration expenses**			
	Administration fees		4 364	4 214
			4 364	**4 214**
8.	**Cash flow information**			
8.1	**Cash generated by/(utilised from) operations**			
	Surplus/(Deficit) as per the Statement of Financial Performance		-	-
			-	**-**
	Working Capital Changes			
	Decrease/(Increase) in Trade and other receivables		18 389	(11 406
	Increase/(Decrease) in Trade and other payables		76 389	(13 264)
	Net cash generated from/(utilised in) operating activities		**94 778**	**(24 670)**

9. Management of Financial Risk

The National Lotteries Participants Trust's trustees monitor and manage the financial risks relating to the Trust through quarterly reports.

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 and investment return. Market risk that could impact on future cash flows and hence the value of a financial instrument arises from:

Interest rate risk: Interest rate risk is managed through continuous monitoring of market interest rates and the investment of surplus funds with approved financial institutions in short-term call accounts.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Liquidity risk is the risk that NLPT will encounter difficulty in meeting obligations associated with financial liabilities due to insufficient cash being available to meet commitments as and when they become due.

To assist in the analysis of the financial risks that National Lotteries Participant Trust is exposed to, the statement of financial position has been divided into the following categories:

- Financial assets and liabilities;
- Non-financial assets and liabilities.

	Note(s)	Total	Financial Assets and Liabilities	Non-Financial Assets and Liabilities
As at 31 March 2026		R'000	R'000	R'000
Financial assets at amortised cost:				
Unlisted:				
- Trade and other receivables from exchange transactions	1.1	1 364	1 364	-
- Cash and cash equivalents *	3	278 578	278 578	-

During the implementation of the revised GRAP 104: Financial Instruments, management identified that cash and cash equivalents had previously been incorrectly classified as measured at fair value. This was corrected on adoption of the revised standard, with cash and cash equivalents now appropriately classified and measured at amortised cost in accordance with GRAP 104. There was no material impact other than the disclosure classification under this note in the previous year.

Non - Financial Asset				
Prepayments	2	-	-	-
Total Assets		**279 942**	**279 942**	**-**
Financial liabilities at amortised cost:				
Trade and other payables - from exchange transactions	4.1	370	370	-
Trade and other payables - from non-exchange transactions	4.2	279 571	279 571	-
Total liabilities		**279 941**	**279 941**	**-**

As at 31 March 2026				
Financial assets at amortised cost:				
Unlisted:				
- Trade and other receivables from exchange transactions	1.1	1 061	1 061	-
- Trade and other receivables from non-exchange transactions	1.2	18 600	18 600	
- Cash and cash equivalents *	3	183 800	183 800	-
Non - Financial Asset				
Prepayments	2	92	-	92
Total Assets		**203 553**	**203 461**	**92**
Financial liabilities at amortised cost:				
Trade and other payables - from exchange transactions	4.1	469	469	-
Trade and other payables - from non-exchange transactions	4.2	203 083	203 083	-
Total liabilities		**203 552**	**203 552**	**-**

Notes to the Annual Financial Statements continued
as at 31 March 2026

9.1 Financial assets and liabilities

The NLPT is exposed to financial risk through the following financial assets and liabilities:

	Note(s)	31 March 2026	31 March 2025
		R'000	R'000
Financial assets at amortised cost:			
Unlisted:			
- Trade and other receivables from exchange transactions	1.1	1 364	1 061
- Trade and other receivables from non-exchange transactions	1.2	-	18 600
Financial assets at fair value:			
- Cash and cash equivalents	3	278 578	183 800
Total financial assets		**279 942**	**203 461**
Financial liabilities at amortised cost:			
Trade and other payables - from exchange transactions	4.1	370	469
Trade and other payables - from non-exchange transactions	4.2	279 571	203 083
Total financial liabilities		**279 941**	**203 552**

Management of Financial Risk (continued

9.1.1. Market risk

(a) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.
The trust does not have any interest-bearing borrowings or other interest-bearing financial liabilities.Accordingly,no exposure exists to fair value interest rate risk.
The carrying amounts of financial instruments exposed to interest rate risk at the reporting date are as follows:

	Note(s)	Carrying a mount	Fixed	Floating	Non-interest bearing
		R'000	R'000	R'000	R'000
As at 31 March 2026					
Financial assets at amortised cost:					
Cash and cash equivalents	3	278 578	-	278 578	-
Total financial assets		**278 578**	**-**	**278 578**	**-**
As at 31 March 2025					
Financial assets at amortised cost:					
Cash and cash equivalents	3	183 800	-	183 800	-
Total financial assets		**183 800**	**-**	**183 800**	**-**

The trust's exposure to interest rate risk is concentrated in short-term, highly liquid financial assets.
Financial liabilities are non-interest bearing and therefore do not expose the trust to interest rate risk.

9.1.1.1 Interest rate risk

The trust manages its exposure to interest rate risk by:

- Maintaining cash balances in short-term instruments that provide a balance between liquidity and yield;
- Monitoring prevailing market interest rates on an ongoing basis; and
- Placing funds with reputable financial institutions in accordance with approved investment policies.

The trust does not make use of derivative financial instruments or hedging strategies to manage interest rate risk.

9.1.1.2 Sensitivity analysis

A sensitivity analysis has been performed to illustrate the effect of a reasonably possible change in interest rates on the trust's surplus or deficit at the reporting date.

The analysis assumes:

- A change of **100 basis points (1%)** in interest rates;
- The change is applied to floating rate financial assets at the reporting date; and
- All other variables remain constant.

Impact on surplus or deficit Scenario	31 March 2026	31 March 2025 Restated
	R'000	R'000
Increase by interest rate by 1%	2 786	1 838
Decrease by interest rate by 1%	(2 786)	(1 838)

An increase in interest rates would result in an increase in interest income, while a decrease would have an equal and opposite effect.
The trust's exposure to interest rate risk is considered to be limited, as it arises primarily from cash and cash equivalents which are short term in nature. However, due to the significant cash balances held, changes in interest rates may have a material impact on investment income and are therefore continuously monitored.

9.1.2 Credit Risk and Expected Credit Losses

9.1.2.1 Credit Risk Exposure and Concentration

Credit risk is the risk that a counterparty will fail to meet its contractual obligations, resulting in a financial loss to the NLPT.
The maximum exposure to credit risk at the reporting date is represented by the carrying amount of financial assets measured at amortised cost, as set out below:

Group 1: Financial instruments not subject to impairment requirements

These comprise financial assets where impairment requirements are not applied due to their nature and low credit risk:

Cash and cash equivalents held with financial institutions

Receivable on Current and Call Accounts

Notes to the Annual Financial Statements continued
as at 31 March 2026

	31 March 2026	31 March 2025 Restated
	R'000	R'000
Maximum exposure to credit risk (without impairment)		
Cash and cash equivalents held with financial institutions	278 578	183 800
Interest Accrued	1 364	1 061
Advanced Sales due to Players and due to Ithuba Holdings (RF)(Pty) Ltd: Advanced sales	-	18 600
	279 942	**203 461**

These balances represent the maximum exposure to credit risk, without taking collateral into account.

9.1.2.2 Collateral and Credit Enhancements

The NLPT did not hold any collateral or other credit enhancements in respect of its financial assets during the current or prior reporting periods.

Given the statutory nature of the Trust's operations, its exposure to credit risk is limited and is mitigated through:

- the statutory enforceability of the National Lottery legislative framework;
- contractual enforceability of settlement balances arising from regulated arrangements;
- established legal recovery mechanisms; and
- strong historical settlement patterns.

Accordingly, no portion of the Trust's credit risk exposure is reduced by collateral or credit enhancements.

9.1.2.3 Expected Credit Loss (ECL) Methodology

During the 2026 financial year, the NLPT implemented Revised GRAP 104: Financial Instruments for the first time. As part of the transition to the revised standard, the Trust adopted the simplified approach to the measurement of expected credit losses for all trade and other receivables, including claims from Interest Accrued and Advanced sales due from Ithuba Holdings (RF) (Pty) Ltd.

NLPT's financial assets subject to credit risk comprise cash and cash equivalents held with financial institutions, receivables on current and call accounts, and short-term statutory and contractual settlement balances arising from arrangements governed by the National Lottery legislative framework and agreements with the licensed lottery operator. These receivables do not arise from trade or commercial credit arrangements and are not subject to ageing or credit terms similar to trade receivables.

Based on the nature, origin and risk characteristics of these balances, management determined that the financial assets are low credit risk and that the likelihood of default is remote. Settlement of receivable balances is supported by the statutory enforceability of the National Lottery framework, contractual obligations, and a history of consistent and timely settlement. Accordingly, the Trust concluded that the application of an expected credit loss provision, including the use of a provision matrix, would not result in a material impairment.

As permitted by Revised GRAP 104, no expected credit loss has been recognised on the Trust's financial assets during the current or prior reporting periods.

Judgement Applied

Significant judgement was applied in assessing the credit risk characteristics of the Trust's receivables and determining that the recognition of expected credit losses is not required. In making this assessment, management considered:

- The statutory nature of the Trust's receivables;
- The absence of exposure to external counterparties or commercial debtors;
- Strong historical settlement patterns;
- The enforceability of legal and contractual recovery mechanisms; and
- The holding of cash balances with reputable financial institutions.

Comparative information for the 2025 financial year was assessed on a consistent basis, and no impairment was required in either period.

9.1.2.4 Credit Risk Quality – Ageing Analysis

	2026 Gross	2026 ECL allowance	2025 Gross	2025 ECL allowance
	R'000	R'000	R'000	R'000
0 – 30 days	1 364	-	19 753	-
31 – 60 days		-	-	-
61 – 90 days		-	-	-
91 – 120 days		-	-	-
Over 120 days		-	-	-
Total	**1 364**	**-**	**19 753**	**-**

9.1.3 Liquidity risk

Liquidity risk is the risk that the National Lotteries Participants Trust (NLPT) will not have sufficient cash resources to meet its financial obligations as they fall due. Liquidity risk is managed through continuous monitoring of cash flows, maintaining adequate cash and cash equivalents, and ensuring that liabilities are settled in accordance with contracted and statutory timeframes.

The table below analyses the NLPT's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Notes to the Annual Financial Statements continued
as at 31 March 2026

	Note(s)	Total	Within a year
As at 31 March 2026			
Trade and other payables - from exchange transactions	4.1	370	370
Trade and other payables - from non-exchange transactions	4.2	279 571	279 571
Total Assets		**279 941**	**279 941**
As at 31 March 2025			
Trade and other payables - from exchange transactions	4.1	469	469
Trade and other payables - from non-exchange transactions	4.2	203 083	203 083
Total Assets		**203 552**	**203 552**

All financial liabilities of NLPT were contractually payable within twelve months at the reporting date in both the 2026 and 2025 financial years. No financial liabilities extended beyond the one-year maturity band, and the trust was not exposed to refinancing risk.

The NLPT manages liquidity risk by:

- maintaining sufficient cash and cash equivalents to cover short-term obligations;
- forecasting expected cash inflows and outflows on an ongoing basis; and
- aligning payment commitments, including grant disbursements, with available funding.

At reporting date, the trust held sufficient cash reserves to meet all contractual obligations as they fall due. Accordingly, liquidity risk remained low and stable during both the current and prior reporting periods.

10. Trustees' Emoluments

Members	Members' Fees	Travel Costs	Total 31 March 2026	Total 2025
	R'000	R'000	R'000	R'000
Ms C Abdoll*	114	-	114	81
Adv. E Mabuza**	-	-	-	-
Mr A Mahlalutye	114	-	114	81
Adv. LT Nevondwe (Chairperson)	176	-	176	198
Ms T Nkuna***	-	-	-	-
Total	**404**	**-**	**404**	**360**

*Ms C Abdoll was appointed as the third independent trustee on 01 September 2023.
**Adv. E Mabuza is a representative of Ithuba Holdings (RF) (Pty) Ltd (as an Operator) and is not remunerated.
***Ms T Nkuna was appointed as the NLC Representative from 21 February 2023. Ms Nkuna is not remunerated.

11. Related Party Transactions

The NLPT was established by the Lottery Operator, Ithuba Holdings (RF) (Pty) Ltd, in terms of the licence agreement concluded between the Lottery Operator, the Department of Trade, Industry and Competition (dtic), and the NLC.

Key management is defined as individuals with the authority and responsibility for planning, directing and controlling the activities of the NLPT. All trustees are regarded as key management. Close family members of key management personnel are considered to be those family members who may be expected to influence, or be influenced by, key management individuals in their dealings with the NLPT. An entity is related to the trust if members' of the entity's key management have significant influence in the trust. Other related party transactions are also disclosed in terms of disclosure requirements. Qualitative and quantitative materiality is considered in the disclosure of these transactions.

Winners and players are beneficiaries of the trust, but are not subject to control by and exercise no control over the NLPT.

	Note(s)	Year ended 31 March 2026	Year ended 31 March 2025
		R'000	R'000
Transactions between NLPT and other parties			
Ithuba Holdings (RF) (Pty) Ltd			
- Trade and other receivables from exchange transactions	1.2	-	18 600
- Trade and other receivables from non-exchange transactions	4.2	48 642	48 792
National Lottery Distribution Trust Fund			
– Trade and other payables from non-exchange transactions	4.2	23 083	17 030

Controlling Entity

The NLDTF is administered by the NLC as stipulated in Section 21 of the Lotteries Act (as amended). In consultation with the AGSA in 2018, it was agreed that the NLPT should be consolidated into the annual financial statements of the NLC.

Entities under common control - Related parties within the relevant spheres of government

All National Departments and National Public entities, including Constitutional institutions are related parties as they are all accountable to Parliament. NLPT has transacted with the following Public Entities:

AGSA			
- Audit Fee expense		973	1 099

12. Going Concern

Cash flow projections indicate that trustees will be able to settle obligations as they become due.

In terms of Clause 7.1.1 of the Replacement Trust Deed, the Deed shall be effective from date of signature and shall endure until the date on which the NLC and licensee agree in writing that the Trust shall be dissolved. Ithuba's last draw will be 31 May 2026. The trust will dissolve upon agreement between the NLC and the licencee.

Upon termination of the trust, all unclaimed funds will be transferred to the new Trust. The dissolution of the NLPT will not result in a change in valuation of any financial instruments reported.

Annual Financial Statements continued
as at 31 March 2026

13. Contingent Liability

No contingent liability exists for the year under review.

14. Material losses, Irregular and Fruitless and Wasteful expenditure

No irregular expenditure, fruitless and wasteful expenditure, or material losses were incurred during the year.

15. Events after the reporting date

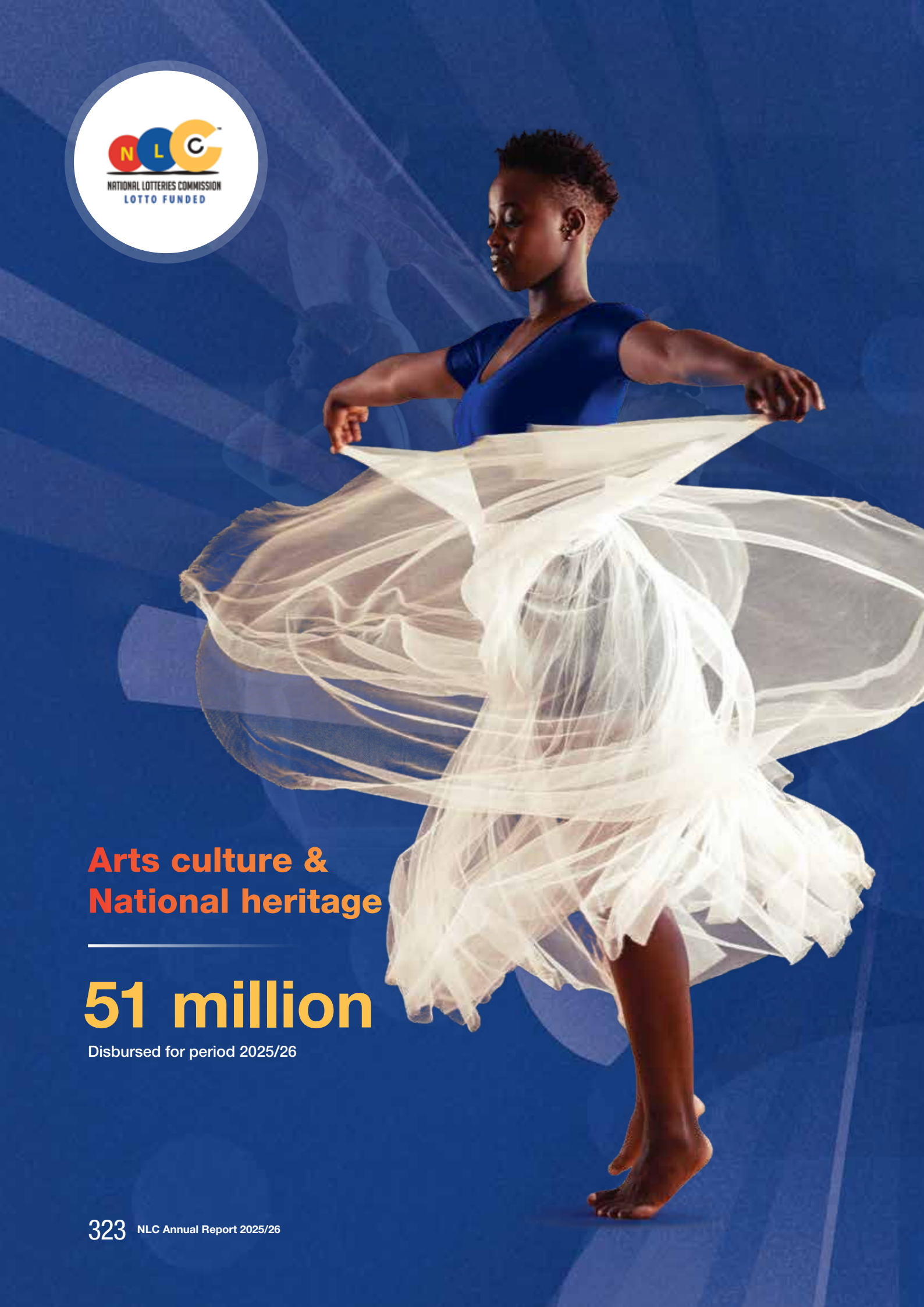
Management is not aware of any matter or circumstance arising since the end of the financial period, that may need to be adjusted for or disclosed in the annual financial statements.

Upon termination of the trust, all unclaimed funds will be transferred to the new Trust. The dissolution of the NLPT will not result in a change in valuation of any financial instruments reported.

Schedule of Abbreviations used in the Annual Financial Statements

for the year ended 31 March 2026

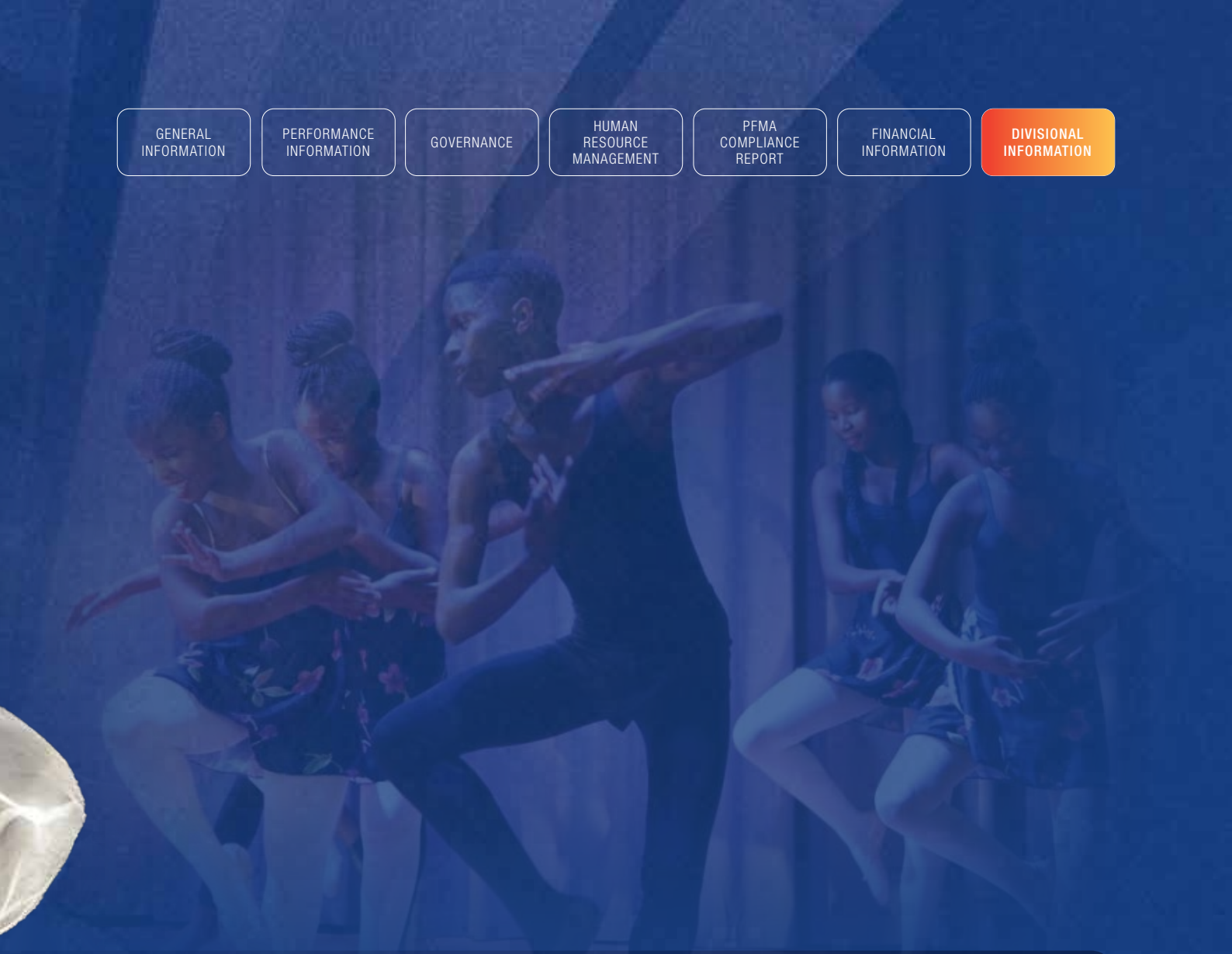
Abbreviation	Description
AGSA	Auditor-General of South Africa
BARC	Board Audit and Risk Committee
CPI	Consumer Price Index
dtic	Department of Trade, Industry and Competition
FinCom	Finance Committee
GRAP	Standards of Generally Recognised Accounting Practice
NLDTF	National Lottery Distribution Trust Fund
NLC	National Lotteries Commission
NLPT	National Lotteries Participants Trust
PFMA	Public Finance Management Act



Arts culture & National heritage

51 million

Disbursed for period 2025/26



PART G

Divisional Information

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MS TINTSWALO NKUNA

Executive Manager-
Regulatory Compliance

"The National Lottery in South Africa plays a big role in uplifting our communities through the non-profit organisations that are funded by money from the National Lottery."

1. Regulatory Compliance

Regulating Lotteries and Sports Pools

The purpose of the Regulatory Compliance Division is to execute the regulatory mandate of the NLC, through regulation, compliance and performance monitoring of lotteries and sports pools, as well enforcement of Lotteries Act against unlawful lotteries. The types of lotteries regulated by the NLC include:

- the National Lottery and Sports Pools–through the issued Licence Agreement
- society lotteries–registered with the NLC and allowed for non-profit entities to raise funds by selling tickets of their approved lottery schemes to the public
- private lotteries which are –
  - lotteries conducted for and by members of a social or sporting club which is not connected with any form of gambling
  - lotteries conducted for and by persons all of whom work or reside in the same premises

Regulatory Compliance aims to ensure adherence by Operators with requirements of the Lotteries Act and its regulations; Licence Agreements; registration conditions; and monitoring other lotteries which are self-regulating. This responsibility is aimed at ensuring that the NLC achieves its strategic theme of strengthening regulatory monitoring.

Player protection is fundamental in implementing the regulatory mandate, together with ensuring that Operators conduct lotteries and sports pools with the utmost integrity.

The National Lottery and Sports Pools have remained resilient due to their ability to adapt to external challenges, such as illegal lotteries and increased competition from gambling-type activities that appear to players as lotteries. A notable trend is the growing dependency and use of technology for ticket sales. Tickets are available through traditional terminals at retailers; play channels such as commercial banks; mobile Apps; website and USSD code. These play channels make up more than 60% of ticket sales.

Salient results on the National Lottery and Sports Pools performance for the financial year include the following:

- Total Ticket sales for the year amounted to R7,5 billion,
- NLDTF contributions for the period amounted to R1,8 billion
- Prizes won by players at R3,7 billion
- Marketing spend in promoting games, as a Licence target was reached at R258 million.

The NLC is required to ensure that those charged with operating the National Lottery and Sports Pools are appointed with care and qualify as fit and proper persons. This is one of the key objectives of the evaluation and adjudication of Applications for the Fourth National Lottery and Sports Pools Licence. It is against this backdrop that the NLC develops strategies to regulate the lotteries and sports pools environment.

The regulatory mandate of the NLC continued to be implemented to ensure that lotteries and sports pools were conducted with their integrity. With the changing landscape of lotteries and gambling, impacted by technology enhancements and new product development aimed at attracting new players and competing with existing lotteries, it was prudent that the NLC continued to identify matters that impact the regulatory mandate of creating a safe and sustainable lotteries and sports pools sector, while protecting players and maximising revenue to ensure a sustainable fund for good causes.

The lotteries sector faced increased competition from foreign lotteries and other lottery-type offerings being marketed to the public. Online gaming is providing more options for consumers. However, it is also threatening the revenue generated by traditional lottery operators. The proliferation of online operators also poses threats to the restrictive legislated environment.

The global lottery industry is coming to grips with the rapid changes resulting from online gaming and the use of technology. Within this context, the NLC is expected to regulate the lotteries and sports pools industry and curb the scourge of illegal lotteries. The NLC is further expected to advise the Minister on the issuing of the licence to conduct the National Lottery and Sports Pools, while ensuring the National Lottery and Sports Pools are conducted with all due propriety, that the interests of every player in the National Lottery are adequately protected and that the net proceeds of the National Lottery are as large as possible.

Regulatory Response to the Legitimate Needs of Stakeholders

Key stakeholders of the NLC's regulatory function include lottery players, operators and other regulators, both in gaming and areas related to the protection of consumers and their rights. The NLC strives to provide an enabling environment for licensed and registered operators to conduct their affairs without a heavy regulatory burden to comply with.

To this end, the NLC engages regularly with the National Lottery and Sports Pools Operator to ensure that regulatory requirements are streamlined, and that its operations are conducted efficiently while adhering to regulatory compliance requirements.

The NLC has put in place measures to increase the uptake of society and other lotteries as a means of fundraising for NPOs. These measures include education and awareness on types of lotteries that can be organised for fundraising purposes for non-profit entities, compliance seminars were conducted with entities interested in operating lotteries, and to create awareness and understanding of requirements of the Lotteries Act to ease the regulatory burden.

The approved participants protection strategy, which aims to ensure the achievement of the NLC's legislated mandate to protect the interests of lottery participants, continues to be implemented. Objectives of the participants protection strategy, implemented through workshops conducted across the country, include:

- Identifying best practice in respect of participants protection in the lotteries sector.
- Enabling the NLC to make responsible play an integral part of its regulatory mandate and, in so doing, minimise harm to society.
- Stating clear rules for the National Lottery and sports pools operator, society and other lottery operators relating to:
    - Ensuring that interests of players and vulnerable groups are protected.
    - Ensuring that the Lotteries Act and its Regulations, together with requirements of the licences (for National Lottery and sports pools) are strictly adhered to.
    - Providing the public with accurate information to enable informed choices to be made about the National Lottery, sports pools, society and other lotteries.

Promoting a positive reputation for the National Lottery, sports pools, society and other lotteries, accurately reflecting their integrity as regulated lotteries and lottery scheme operators.

Overview of Regulatory Compliance Activities Achieved

The work of Regulatory Compliance focused on confirming that operators of lotteries and sports pools were adhering to legislative, licence and registration requirements. To this end, the following compliance reviews were conducted:

- Monitoring of all lotteries and sports pools to ensure they are conducted with integrity.
- Requests for regulatory approvals were attended to timeously. Where submitted information was inadequate to grant such approvals, operators were engaged and guidance provided on submission of the information required.
- All enquiries and complaints were attended to by providing complete and accurate information and guidance.
- Protecting lottery and sports pool players' interests and ensuring that prizes won are paid in full and on time, against valid prize claims.
- Verifying that operators of lotteries and sports pools adhered to regulatory requirements and other legislative provisions, such as the protection of personal information.
- Monitoring the operators' processes to ensure that business continuity and cyber security measures were put in place.
- Promoting education and awareness on the Lotteries Act to create awareness on the harmful effects of gaming.
- Considering and approving innovative ways proposed by lottery and sports pools operators to ensure the success of their operations while adhering to regulatory requirements.

Regulatory Value Chain

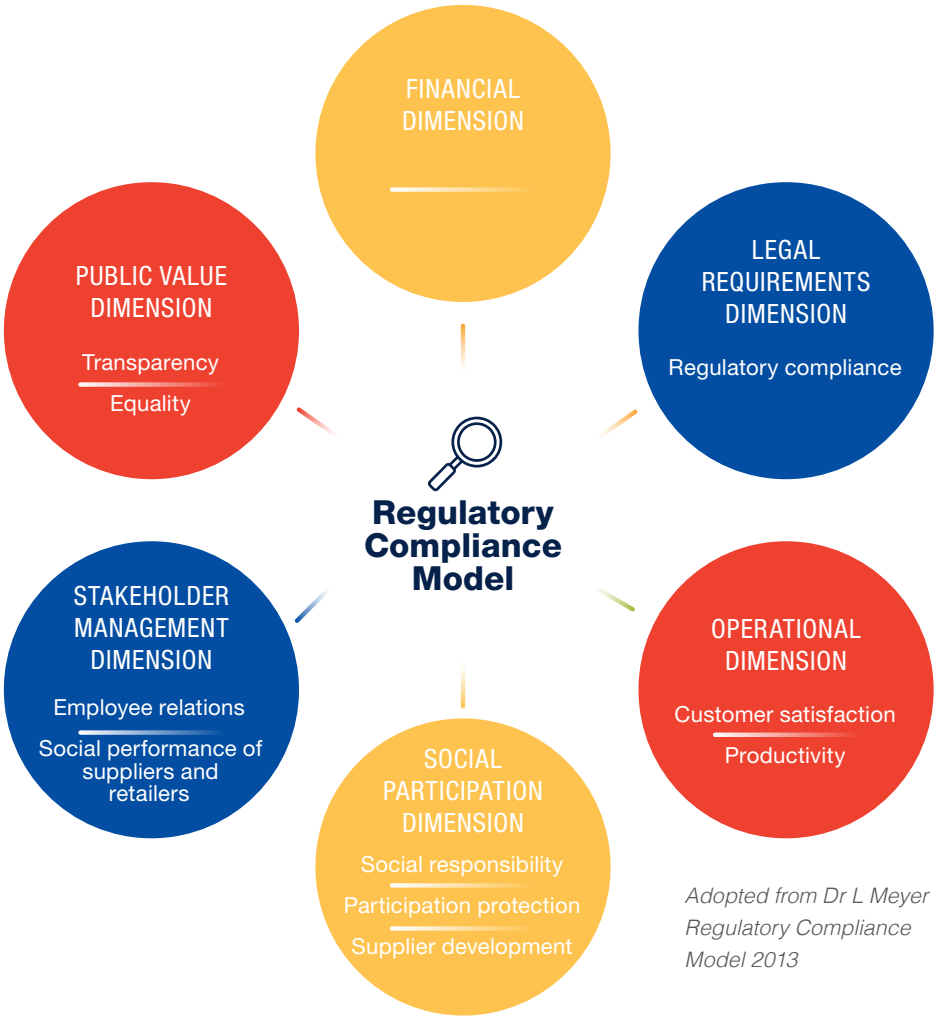
The NLC's regulatory compliance value chain is based on the core regulatory activities of a well-functioning lotteries and sports pools regulator.




sport and recreation
NLC

Regulatory Compliance Model

The regulatory mandate continued to be one of the NLC's strategic priorities, focusing on regulating and monitoring the compliance and performance of operators with the Lotteries Act, and licences and registration requirements. The NLC ensured optimum and balanced regulation of lotteries and sports pools operators by implementing the regulatory compliance model depicted below:



Adopted from Dr L Meyer Regulatory Compliance Model 2013

In accordance with the directive to ensure that the NLC is positioned and recognised as an effective regulator, the following continued to be implemented:

- Developing a strategy that will influence the direction of the legislation by advising the Minister on matters relating to lotteries and sports pools.
- Introducing programmes that give effect to of the consumer protection requirements of the Lotteries Act, which stipulates that the Commission must ensure that the interests of participants in the National Lottery are adequately protected.
- Identify innovative ways to combat illegal lotteries.
- Exploring opportunities in private lotteries as contemplated in the Lotteries Act to enhance the fundraising capabilities of non-profit organisations.
- Conducting informed research on the uptake of the Society Lottery and exploring ways to increase the uptake to assist the fundraising efforts of the NPO sector.

Regulating the National Lottery and Sports Pools Operator

Proceeds from the National Lottery and sports pools are used to fund good causes and operations of the NLC. Therefore, the sustainability of the National Lottery and sports pools remains critical in the support of community initiatives undertaken by the civil society sector. The main objective of the regulatory function is to ensure that the integrity and reputation of the National Lottery and sports pools is maintained. The protection of lottery participants further remains top of the agenda to ensure that the operator adheres to the Act and Licence agreements.

Regulatory Activities

As part of regulatory compliance objectives, the following reviews were conducted to verify compliance with and performance against the licence agreements and the Act:

Vetting persons that operate or are associated with operating the National Lottery and Sports Pools

All directors and employees of the operator, (including the incumbent fourth licence operator) were vetted, together with retailers who sell National Lottery and sports pools tickets. The NLC ensured that key contractors that conduct business with the operator were vetted to maintain the integrity of the National Lottery and sports pools and player protection. The fit and proper assessment as required by Section 13(3) was conducted on those persons charged with the management of the National Lottery and sports pools. All persons involved were found to be fit and proper.

Providing regulatory approvals and ministerial advice

The NLC received proposals from the operator for new games or changes to existing games and business processes, the introduction of alternate play channels and amendments to game rules and prize payout structures. These proposals were assessed and considered for approval as required by the Act and the Licence agreements.

The operator submitted various proposals during the year under review, and the necessary approvals were granted where appropriate, once compliance with the Act and Licence agreements were verified.

In line with Section 13, the Minister, after consulting with the Board awarded the 4th Licence to operate the National Lottery and Sports Pools to commence on 01 June 2026. In line with Section 13B, the NLC awarded a temporary licence for a 12-month period, which commenced on 01 June 2025 until 31 May 2026 to the current operator.

Ensuring player protection

Protecting players' interests is central to the regulatory mandate. The following were some of the regulatory activities performed to protect players:

- Ensuring that lotteries and sports pools operators pay prizes promptly by conducting regular reviews of payments to prize winners.
- Protecting players against possible fraud by ensuring that operators implement appropriate security measures to verify the identity of winners who claim prizes.
- Conducting compliance reviews to ensure that operators protect the identity of winners, in compliance with the licence requirements.
- Approving and monitoring descriptions and procedures for key processes such as marketing of lottery and sports pools games, draws and prize payments.
- Ensuring that clear information is available to players, including information on games available, how to play and claim prizes.
- Handling complaints and enquiries from players relating to the conduct of lotteries and sports pools, together with gambling and consumer-related matters, which are referred to the respective regulators.
- Ensuring that there are controls in place to protect players against excessive play by putting in place play limits for all games.
- Ensuring that there are controls in place to protect against under age play.
- Conducting education and awareness throughout the country to educate lottery players on their rights and obligations, as well as the potential harm associated with gaming and illegal lotteries.

Safeguarding the fairness of the National Lottery and Sports Pools draws

Through inspections, compliance reviews, systems testing and verification, the NLC has ensured that draws were conducted in a secure and transparent manner, and the draw results were accurately recorded and published. Approved procedures govern how the National Lottery and sports pools draws are carried out, and every draw was overseen by independent auditors who provide assurance that game draws were carried out in compliance with approved procedures.

Monitoring of the Central Gaming System through the Independent Verification System

The technological landscape in South Africa is rapidly evolving. High mobile phone penetration, particularly the widespread use of smartphones, is reshaping how organisations interact with the public.

The NLC monitors the reliability, security and efficiency of the National Lottery and sports pools' central gaming system, network of terminals and all the play channels to ensure that every National Lottery and sports pools ticket bought is correctly recorded and included in the relevant draw. The independent verification system allows the NLC to verify that ticket sales, prize payouts and the number of winners and prize values are accurate after each draw. The system enables the NLC to confirm whether funds due to NLDTF were completely accounted for and paid on time.

Monitoring fund movement in the National Lottery Participants Trust ("NLPT"/"Trust")

Unclaimed prizes and funds for tickets bought in advance are required to be kept securely in the (NLPT). The Trust is registered in line with relevant legislation, with trustees appointed and charged with the oversight of the trust funds, for the benefit of the prize winners in the National Lottery and Sports Pools. The operator is required to make payments into the NLPT for prizes won but not claimed and funds for tickets bought in advance. This is done to safeguard players' funds. Compliance reviews are conducted weekly to verify that the transfer of funds is conducted in compliance with the Licence and the Trust deed. Management accounts prepared quarterly and considered by the Trustees. Annual financial statements are prepared and independently audited with an opinion expressed on the fair presentation of the financial position of the NLPT.

Monitoring of payments to the National Lottery Distribution Trust Fund ("NLDTF")

The NLC ensured that the proportion of National Lottery and sports pools ticket sales that were due to the NLDTF, as well as any other prescribed payments, were transferred from the operator to the NLDTF in accordance with Licence requirements, so as to ensure continued funding of good causes as required in the Act.

Society Lottery Guidelines Distributed

9 063

Supporting compliance and awareness among non-profit organisations across all provinces.

Monitoring the protection of players funds and prizes won

During the period under review, the following compliance reviews were conducted to ensure the safeguarding of players' funds:

The correct prize allocations have been made and paid across all games.

In line with approved game rules and prize structures, compliance reviews were conducted to ensure that the correct prizes were allocated for all games.

The safeguarding of players funds.

Funds for players who bought tickets in advance were monitored to ensure that they were transferred into the Participants Trust Fund for safekeeping.

The safeguarding of prizes won but not claimed.

The operator is required to transfer funds for prizes won but not claimed, into the Participants Trust Fund, to secure future prize claims.

Prizes won but not claimed after 365 days of the draw date.

Prizes won but not claimed 365 days after a draw, are considered to be expired and are transferred to the NLDTF.

Protecting the integrity of the National Lottery and Sports Pools

- Published draw results and prizes won on the National Lottery website and other media platforms are done to verify the integrity of the National Lottery and sports pools Trademarks, copyright, and National Lottery and sports pools logos were monitored in all publications to verify that they correctly appear on all National Lottery and sports pools materials available to the public.
- This ensures that players can tell the difference between the National Lottery, sports pools and other gaming products available in the market. Retailer inspections were conducted to ensure that retailers comply with regulatory requirements.

Monitoring the implementation of social responsibility programmes, B-BBEE, supplier development initiatives, localisation and economic empowerment requirements

- The Act and the Licence agreement stipulates that the operator will initiate and support opportunities for social and economic empowerment, affirmative action, employment equity and representation, training and skills development, promotion of small businesses and job creation, advancement of women in business, as well as winners counselling and financial advice.
- The operator is further required to show commitment to and comply with all B-BBEE legislation and ensure localisation of its procurement of goods and services to the extent that it is reasonably possible, without having a detrimental effect on the running of the National Lottery and sports pools. The Operator has maintained optimum compliance to the required thresholds and targets.

Ensuring compliance and enforcement

Research on the Uptake of Society Lotteries

A study was initiated to build a deeper understanding of how society lotteries are being utilised as a fundraising mechanism, the efficiency and effectiveness of their implementation, and the extent of public participation and interest in such lotteries.

The primary purpose of this project was to examine the uptake of society lotteries by conducting an analysis of society lottery data from 2018/19 to 2024/25, assessing the value chain to identify areas for improvement and benchmarking the NLC's society lottery scheme against international and continental models. The study further aimed to examine the interest of public in participating in society lotteries and propose strategies to enhance participation in society lotteries.

One of the main purposes of the society lotteries is to promote the sustainability of NPOs in South Africa. Therefore, when assessing the impact and effectiveness of said schemes, it is important to assess the extent to which the running of society lotteries is being leveraged by NPOs as a fundraising mechanism, i.e. by measuring the uptake of society lotteries amongst NPOs. This section presents an overview of society lotteries activity recorded between the 2018/19 and 2024/25 financial years. It provides insight into the volume of applications received and approved, as well as the overall number of registered and active societies (NPOs) within the NLC database. Furthermore, insight into the factors that may be preventing NPOs from registering to run society lotteries is provided.

Society Applications Received and Approved

From an overall perspective, despite nearly 9 700 NPOs being registered on the NLC grant database, only 207 are registered as societies (as of 2024-25). This illustrates that a very small proportion of eligible organisations appear to be making use of society lotteries as a fundraising mechanism, indicating an opportunity for growth.

Society applications received and approved (2018/19–2024/25)

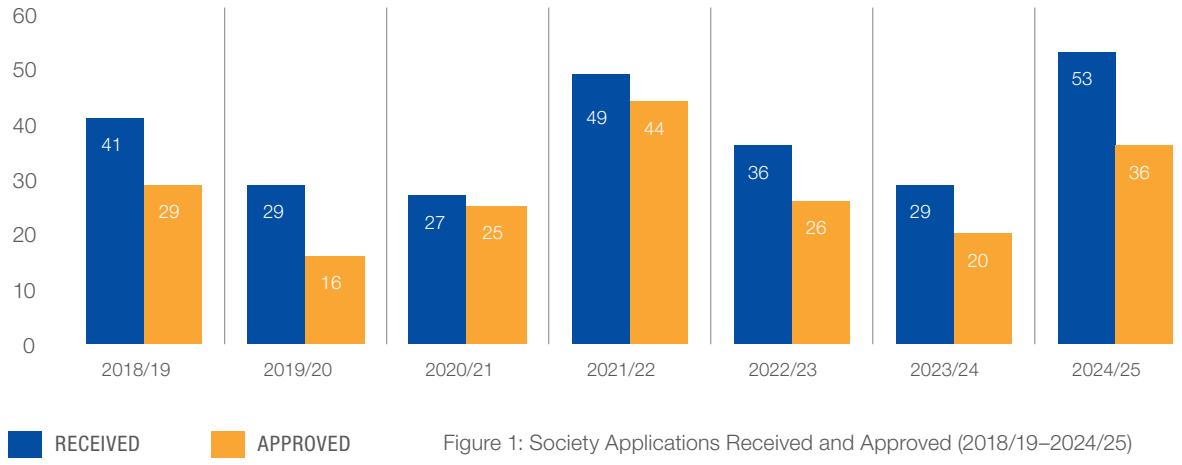


Figure 1: Society Applications Received and Approved (2018/19–2024/25)

As can be seen above, while the number of applications received per year fluctuated over the six-year period. Volumes of applications received by the NLC from NPOs to register as societies were generally lower, reaching a maximum of 53 applications. The approvals rate for society applications fluctuated, with the lowest approvals rate being noted in 2019/20 and the highest being noted in 2020/21.

Beyond the registration of societies, the following figure presents the number of society lottery applications received and approved by the NLC between the 2018/19 and 2024/25 financial years.

Society lottery applications received and approved (2018/19–2024/25)

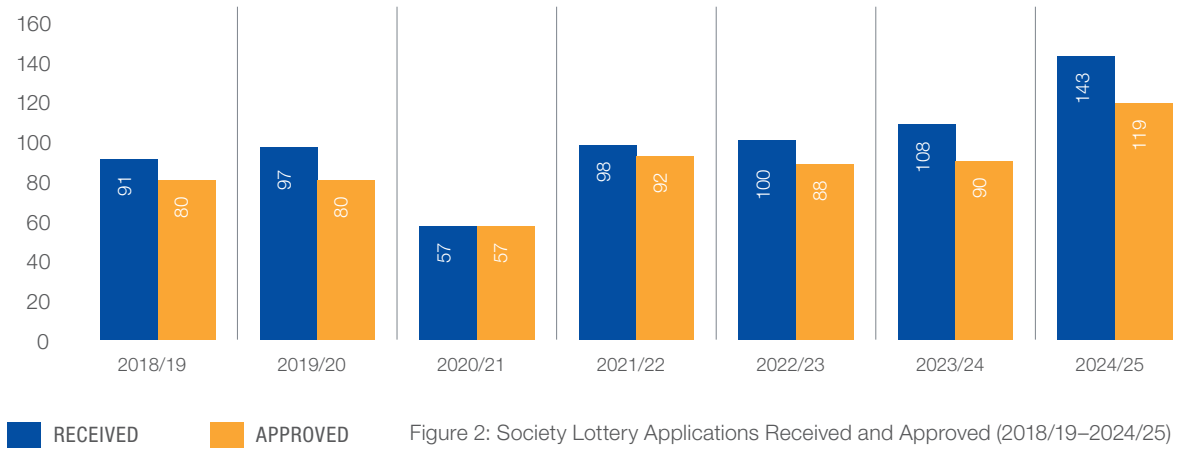


Figure 2: Society Lottery Applications Received and Approved (2018/19–2024/25)

- As illustrated, the number of applications received from societies to run a society lottery remained relatively stable across the period, averaging close to 100 society lotteries received annually. A dip in applications received was noted in 2020/21, which aligns with the period most affected by COVID-19 restrictions, which likely disrupted fundraising activities. The relatively stable influx of applications for the running of society lotteries may indicate ongoing engagement among already registered societies and their continued use of society lotteries as a fundraising mechanism.
- Despite this, considering the number of NPOs in the NLC's grant database, the uptake of society lotteries, as measured through the number of applications received for the running of society lotteries, appears to remain relatively low. To further understand the factors which may be contributing to this, unregistered NPOs were surveyed to identify reasons for non-participation in the society lotteries. These results are explored in the section that follows.
- To provide further insight into the amounts being raised by societies, an analysis of the actual amounts raised by organisations that had run society lotteries between 2018/19 and 2023/24 was compared to the amounts that these organisations anticipated raising. This is illustrated in the figure below.

Anticipated vs actual revenue (2018/19 to 2023/24)

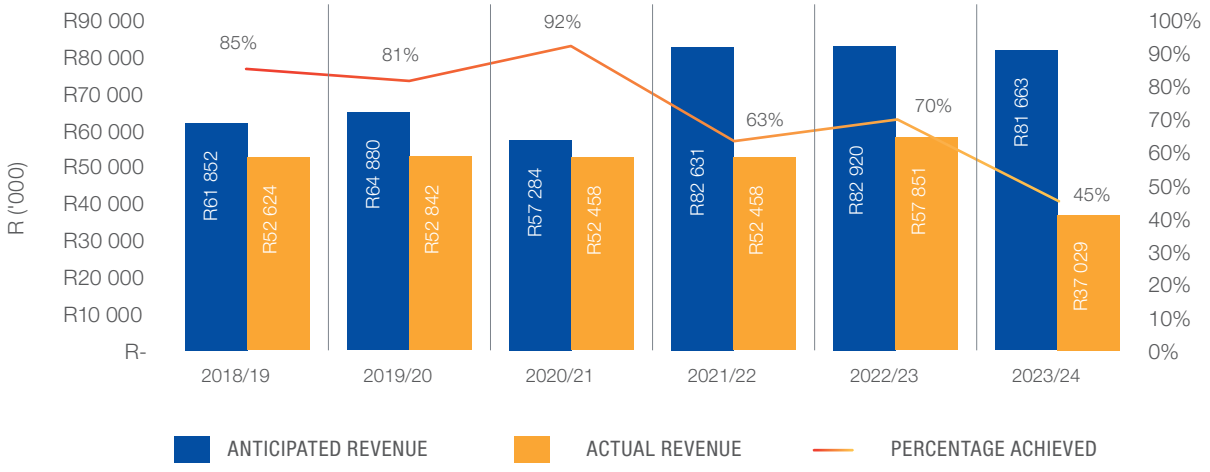


Figure 3: Anticipated vs Actual Revenue (2018/19 to 2023/24)

- As can be seen above, while the number of applications received per year fluctuated over the six-year period, volumes of applications received by the NLC from NPOs to register as societies were generally lower, reaching a maximum of 53 applications. The approvals rate for society applications fluctuated, with the lowest approvals rate being noted in 2019/20 and the highest being noted in 2020/21.
- Beyond the registration of societies, the following figure presents the number of society lottery applications received and approved by the NLC between the 2018/19 and 2024/25 financial years.
- As can be seen, across all the years assessed, the actual revenue raised through society lotteries was lower than the revenue societies had anticipated to raise. The biggest discrepancy was noted in 2023/24, where only 45% of the anticipated revenue was raised through the society lotteries that were run. This indicates that organisations are generally not earning as much as they would have anticipated through the society lotteries being run, which in turn, may be limiting the ability of the society lotteries to contribute to the sustainability of said organisation.

Positive Practices and Opportunities for Improvement

- The following diagrams annotates key positive practices and opportunities for improvement on the current operating models for both the NLC and NPOs. These models provide the foundation for identifying opportunities that inform the development of the "To-Be" models presented in the subsequent section.
- Green annotations represent the positive practices identified within the current system–elements that are functioning effectively and should be retained in the future ("To-Be") models. Red annotations indicate the operational challenges that hinder efficiency, accessibility, or compliance. Both sets of annotations are further described in the tables below, which provide short explanations of each item and identify corresponding recommendations for improvement.

The table below provides detail on the identified positive practices.

Table 1: Operating Models Positive Practices

#	Positive Practices	Description
1	Focus on Accountability and Transparency	The NLC's formal processes (registrations, approvals, auditing) provide a good foundation for transparency and reduce the risk of abuse or mismanagement.
2	Availability and Willingness to Assist	Stakeholders report that NLC officials are willing to clarify uncertainties and support stakeholders in the submission of their applications
3	High Interest Once Awareness Is Created	Among NPOs that are aware of society lotteries, interest in participating is very high, with 89% indicating significant or extensive willingness to take part. This shows that once awareness exists, the concept resonates strongly with organisations and has strong potential for wider uptake.
4	Society Lotteries Planned in Advance	NPOs undertake a structured planning process to plan the details of the society lottery scheme they wish to run prior to completing the application.
5	Use of Online Systems and Tracking Tools	Many NPOs use digital tools such as CRM platforms, Excel dashboards, or online systems for marketing, ticket sales, and record-keeping, reflecting a clear shift toward more efficient, technology-driven management of society lotteries.
6	Partnerships and Sponsorships	NPOs that partner with sponsors or local businesses (e.g., for prize donors) appear to run more successful lotteries because of their overheads being reduced.
7	Building relationships with Supporters Through Transparency	Frequent and clear communication with ticket buyers, newsletters, and post-draw updates help maintain credibility and recurring participation, including publishing of results.
8	Improved Understanding Through Participation	NPOs note that familiarity with the process grows after each cycle, resulting in fewer errors and better compliance over time.
9	Having a dedicated Internal Individual Responsible for Managing the Society Lottery Process	NPOs that appoint a specific staff member or volunteer to oversee their society lottery – handling registration, communication with the NLC, and record-keeping – tend to be more compliant and consistent. This internal accountability improves coordination, ensures deadlines are met, and reduces errors or missed requirements.

The table below provides further detail on the key opportunities for improvement identified, including an overview of the proposed recommendations in response to these opportunities for improvement.

Table 2: Operating Model Opportunities for Improvement and Recommendations

#	Opportunity for Improvement	Description	Recommendations
10	Limited awareness and education	many NPOs and members of the public remain unaware of the NLC's role, the requirements of the Lotteries Act, and the opportunity to register as a society. This limits uptake and contributes to unintentional non-compliance.	A
11	Limited npo understanding of requirements	many NPOs lack clarity on the end-to-end process, compliance obligations, and record-keeping standards, resulting in incomplete or incorrect applications.	A
12	Excessive paperwork and manual processes	the current application and reporting procedures rely heavily on manual forms and document submissions. This creates inefficiencies, data duplication, and frustration among applicants and NLC staff.	B & C
13	Lengthy turn-around times	applications, approvals, and correspondence often take longer than expected, leading to missed fundraising windows and discouraging participation. This is sometimes due to the availability of NLC representatives in various districts or the back-and-forth processes on the application.	B,C & D
14	Regulatory constraints	compliance requirements and processes are at times challenging for small or emerging NPOs, limiting participation.	E & F
15	High running costs	expenses for marketing, and fees can outweigh proceeds, discouraging participation.	G
16	Drop-off after approval	some NPOs register but never run a lottery or stop after one round due to capacity or cost challenges.	G
17	Limited marketing and promotional capacity	many NPOs lack the skills, funding, or access to effective marketing channels, which limit ticket sales and overall visibility. Although most organisations report using social media as their main platform to promote society lotteries, aligning with where the public typically encounters such information, public awareness remains low, suggesting that current marketing efforts are not achieving the intended reach or impact.	G
18	Awareness and public participation	awareness remains the primary obstacle to wider participation in society lotteries. Many members of the public are unaware that society lotteries exist. This highlights a need for NPOs to strengthen outreach, communication, and ease of participation.	G & H

Recommendations

A. Increase the number of targeted workshops, awareness initiatives, and education campaigns. This is supported by international best practices, where it was noted that in Ghana, partners are onboarded onto the portal through a training process to promote familiarity with the requirements.

B. Introduce a digital system that maintains a database of societies and lotteries, using automated functions to enhance efficiency. The implementation of technology in the process is supported by international best practices where digital processes are being adopted.

C. Introduce an online application system that connects directly to the NLC's digital database, creating an integrated platform where NPOs can manage their profiles, submit applications, and track progress in real time.

D. Employ NLC representatives at provincial or municipal levels to assist with awareness, education, applications, and screening in their local regions.

E. Implement a tiered framework where NPOs of different sizes, capacities, and fundraising goals are subject to proportionate requirements. This is supported by international best practices such as the tiered system seen in the UK, where there are fewer requirements for smaller lotteries and more comprehensive requirements for larger scale activities.

F. Conduct a review of regulations to determine if updates are required to ensure alignment with the modern NPO environment, allowing greater flexibility in areas such as time frames, prize caps, and eligibility criteria.

G. Create a knowledge-share collective network where NPOs can share best practices, share capabilities and collaborate. This includes other societies, fund-raising entities and sponsor partners.

H. Establish an NLC-hosted website that showcases and promotes approved society lotteries, following international best practice.

The proposed "To-Be" models outline a set of interventions designed to strengthen the overall functioning of the Society Lotteries system. These enhancements aim to streamline processes, improve communication, expand awareness, and provide more accessible support to NPOs throughout the society lottery value chain.

Society lotteries Conducted

Persistent high unemployment and poverty levels have deepened economic hardships, thereby reducing disposable income and potentially decreasing public participation in lotteries and sports pools.

The Act permits NPOs to raise funds through conducting society lotteries. Interested NPOs are required to register with the NLC. On registration, a society (NPO) is eligible to submit a lottery scheme to the NLC for registration and approval. The Act allows an NPO to operate up to six schemes in a year, raising a maximum of R2 million per scheme. A society may request to be granted an exemption to increase the number of lottery schemes, the total value of prizes and funds to be raised.

The Act further authorises the NLC to conduct inspections to determine that society lotteries were undertaken in compliance with the Act and its Regulations. The summary of society lottery activities conducted during the year is indicated below:

Society lotteries	2025-26	2024-25
Number of societies registered	27	30
Number of schemes registered	111	123
Number of compliance inspections conducted	27	12
Number of draw inspections conducted	14	25
Number of pre-approval inspections conducted	36	31
Number of exemptions granted	5	4
Number of compliance seminars held	47	65
Number of lottery returns assessed	118	85

The summary of funds raised through society lottery schemes is reflected below:

Month	2025-26	2024-25
April	R8 205 755.00	R2 977 680.00
May	R2 990 290.00	R42 343 910.00
June	R2 062 870.00	R2 281 800.00
July	R3 271 900.00	R192 420.00
August	R3 561 060.00	R93 850.00
September	R1 859 450.00	R3 640 157.00
October	R2 452 030.00	R713 650.00
November	R1 483 290.00	R1 263 160.00
December	R1 769 390.00	R4 037 100.00
January	R6 208 606.00	R1 263 230.00
February	R7 093 600.00	R3 029 508.00
March	R39 448 505.00	R34 839 990.00
Total	**R80 406 746,00**	***R96 676 455.00**

The focus for the new financial year will be to continue creating awareness on society lotteries and assisting NPOs who wish to conduct such schemes to comply with the Act.

Illegal lotteries

In implementing the regulatory mandate to enforce provisions of the Act, the NLC identified lottery schemes that were promoted to the public. This was done to identify lottery schemes that may be in contravention of the Act, whilst ensuring the protection of participants in such schemes. Legal analysis was conducted on such lottery schemes to ascertain whether such schemes are permissible in terms of the Act. If such lotteries are conducted in contravention of the Act, they are rendered illegal and enforcement action is taken.

Society lotteries that were non-compliant with the Act were identified. The NLC was successful in having such schemes declared illegal as they were contrary to the Act. These schemes were subsequently discontinued.

Competitions that were run as promotional competitions, but not in compliance with requirements of the Consumer Protection Act, were identified as illegal lotteries and the companies were instructed to discontinue their competitions. The enforcement of provisions of the Act ensured the achievement of the regulatory mandate to protect lottery participants.

Below is a table summarising the number of investigations conducted for the year:

Lottery schemes investigated	2025-26	2024-25
Illegal lotteries investigated and closed	**128**	216
Promotional competitions investigated and closed	**483**	486
Lottery schemes under investigation	**10**	12

Fourth Lottery Licence Transition

The Fourth Licence to Operate the National Lottery and Sports Pools was awarded to Sizekhaya Holdings (RF) (Pty) Ltd ("Sizekhaya") on 28 May 2025. This followed robust process which commenced with the RFP (Request for Proposal) published by the dtic Minister in 2023, calling upon interested and qualifying bidders to submit their bids for the 4th licence. Upon submission of the Bids on 3 February 2024, bid evaluation and adjudication led by NLC Board followed, which culminated in the announcement of Sizekhaya as the winning bidder on 28 May 2025 with the licence commencement date being 1June 2026.

Sizekhaya will be taking over from Ithuba Holdings (RF) (Pty) Ltd, who was also awarded a Temporary licence to operate the National Lottery and Sports pools from 1 June 2025 until 31 May 2026, after expiry of the third lincence, as extended until 31 May 2025.

Since the award date Sizekhaya commenced implementing the Licence Transition Plan, which mapped out detailed targets to be achieved before the commencement date and to ensure that transition, and continuity from the Temporary Licence to the Fourth Licence is smooth and hassle free for the National Lottery players and all relevant stakeholders. All critical operational, compliance, and governance requirements to ensure a seamless transition and uninterrupted service to the public are explored in the transition plan which its implementation is overseen by the NLC.

Key deliverables implemented during transition:

- ✔ All the required licence fees and necessary guarantees were paid The core Central Gaming System (CGS) has been developed, with relevant back-up and disaster recovery put in place. The Independent Verification System (IVS) has also been developed and implemented. Relevant testing is ongoing.
- ✔ Play Channels inclusive of retailer terminals and B2B (banks, etc) channels have been robustly rolled out
- ✔ Key regulatory documentation to be approved by the Board submitted, and approved
- ✔ Game Portfolio with game rules and regulations, as required in the licence has been developed and approved, and ready for deployment. These include the re-introduction of physical Scratchcards games.
- ✔ Drawing Equipment have been ordered and relevant certifications and approvals were obtained, and ready for deployment. This includes the re-introduction of mechanical draw machines.
- ✔ Revised branding and marketing material developed and approved, and ready for deployment
- ✔ Head Office and Regional Offices have been set up to facilitate access in all the provinces.
- ✔ Staff recruitment is ongoing to ensure optimal staff complement is achieved
- ✔ Responsible gaming policies, processes and controls developed and ready for deployment.

The launch of the National Lottery and Sports Pools is planned for 21 May 2026, and the Fourth National Lottery Operator (Sizekhaya) appears to be operationally ready to deliver the National Lottery and Sports Pools on the Commencement Date.

2. ICT Overview

During the 2025/2026 financial year, the ICT Division advanced from implementation to operational consolidation of the NLC 4.0 Modernisation Programme, with a focus on governance maturity, system stabilisation, and benefit realisation. The integration of ICT and Modernisation portfolios was fully embedded, enabling improved financial control, coordinated planning, and strengthened oversight through established governance structures.

The Thuthuka System achieved full deployment, with Modules 1 to 7 implemented, tested, and signed off by business owners. Go-live certification processes were completed, with audit verification in progress. The system now delivers an end-to-end digital grant management capability, including automated compliance checks, external integrations (e.g. CIPC,DSD SARS, banking), enhanced adjudication workflows, and improved monitoring and reporting. This has strengthened control, auditability, and transparency, while improving processing efficiency.

ICT governance and compliance were further strengthened through the remediation of key audit findings and the introduction of specialised governance capacity. The adoption of COBIT 2019 and ISO-aligned practices continued to mature, improving control effectiveness and audit readiness.

A key milestone was achieved in information governance, with the approval of the Records Management Policy, Framework, and File Plan by the National Archives and Records Service of South Africa, ensuring compliance with legislative requirements and alignment to ISO 15489. This was supported by the approval and implementation of critical ICT policies, reinforcing POPIA compliance and overall regulatory alignment.

Infrastructure modernisation progressed through the additional bandwidth, expanded cloud adoption, and enhanced cybersecurity capabilities, improving system resilience, security, and scalability.

Key initiatives, including Enterprise Architecture, ERP, Data Warehouse, and Regulatory Systems, progressed through planning and procurement phases, positioning the organisation for further integration and data-driven operations.

Despite ongoing capacity and demand pressures, these were managed through targeted interventions and strengthened governance. The year reflects a clear shift toward optimisation, positioning the NLC to realise the full benefits of digital transformation in 2026/2027.



MS POPPY TSHABALALA
CHIEF INFORMATION OFFICER



Digital Modernisation of the Grant Process

The National Lotteries Commission (NLC) continues to advance its digital transformation agenda through the ongoing enhancement of the Thuthuka Grants Management System, a key pillar of the organisation's modernisation programme. The platform has transformed the grant funding lifecycle through automated, rules-driven processes that strengthen governance, transparency, accountability, and operational efficiency.

Thuthuka has significantly improved grantee compliance and funding assurance through automated validation, verification, workflow, and approval controls. These capabilities reduce the risk of fraud, misrepresentation, and the misappropriation of grant funding, while providing a more controlled, auditable, and evidence-based funding environment.

A key enabler of this strengthened control framework is the platform's integration with external authorities through secure Application Programming Interfaces (APIs). These integrations enable the automated verification of applicant and grantee information against authoritative data sources, including the Department of Social Development (DSD), the Companies and Intellectual Property Commission (CIPC), banking institutions, and other strategic partners. This interoperability improves data integrity, reduces manual processing, and supports funding decisions based on verified information.

Automation and enhanced data management have streamlined application processing, adjudication, grant agreement administration, and funding disbursement, improving turnaround times and process consistency. The availability of high-quality data has also strengthened analytical and reporting capabilities, providing deeper insight into applicant behaviour, compliance status, funding trends, and programme performance, thereby supporting improved decision-making, risk management, and service delivery.

To promote equitable access to funding opportunities, the NLC expanded zero-rated access to the Thutukha platform through MTN, leveraging its extensive national network footprint to improve connectivity for applicants in rural, remote, and underserved communities. By removing data cost barriers, the NLC has broadened access to grant funding services and strengthened participation in the funding process.

3. Grant Funding and Operating Model

The Grant Funding Division serves as a central execution arm in delivering the mandate of the National Lotteries Commission (NLC) to distribute funds in support of social development initiatives across South Africa. The Division is responsible for ensuring that funding is allocated in a manner that is equitable, transparent, and efficient, thereby contributing to social cohesion, economic inclusion, and sustainable community impact.

Equitable distribution of funds remains a strategic priority. The Division recognises that achieving this objective requires not only efficient processing of applications, but also a data-driven understanding of geographic and sectoral needs, ensuring that funding reaches underserved communities where it is most needed and can have the greatest developmental impact.

During the reporting period, the Division strengthened its operational delivery through enhanced stakeholder engagement, targeted communication initiatives, and coordinated marketing interventions. These efforts improved accessibility to funding opportunities, strengthened stakeholder confidence, and reinforced the credibility and visibility of the NLC across all provinces.



MZWANDILE NGUBANE
ACTING CHIEF OPERATIONS OFFICER

Operational Performance Against Targets

For the year under review, the Division achieved key operational milestones aligned to its Annual Performance Plan (APP), including:

- Adjudicating 88% of compliant applications within 150 days
- Successful hosting of the NLC Stakeholder Indaba
- 189 education and awareness workshops conducted nationally
- 101 grant-funded projects were profiled nationally
- Approval and execution of the Communication, Marketing and PR action plan

These achievements contributed to strengthening stakeholder engagement, improving service delivery, and enhancing institutional alignment with strategic objectives.

Another key milestone was achieved in Quarter 3 with the successful hosting of the NLC Indaba (25–27 November 2025), which convened multi-sectoral stakeholders and resulted in the adoption of key resolutions. This momentum was sustained into Quarter 4 through the launch of the Post Indaba Stakeholder Engagement (PISE) programme in March 2026, with further provincial rollouts planned for the 2026/27 financial year.

Performance against the Annual Operational Plan (AOP) reflects partial achievement during the reporting period. Of the ten planned targets, four were achieved, while six were not achieved, resulting in an overall performance level of 40%.

The underperformance was primarily attributable to operational bottlenecks within the Grant Agreement processes, specifically relating to delays in the 30-day notification period, the 30-day turnaround time for the return of signed Grant Agreements, and the 10-day notification to Finance for payment processing. These constraints impacted the timely progression of approved applications into contracting and disbursement stages.

Remedial actions are currently being implemented, with both ICT Division and Grant Funding Division actively addressing system and process inefficiencies to improve turnaround times and strengthen overall process flow.

3.1. Processing of applications

The 2025/26 financial year commenced with strong momentum following the closure of the 2024/25 Call for Applications on 19 December 2025, which attracted over 3 137 applications nationally.

A key milestone in strengthening the integrity and efficiency of grant funding operations was the continued implementation of the Thuthuka Grant Management System under the Modernisation 4.0 programme. The system has enhanced compliance verification, improved process controls, and strengthened assurance mechanisms, ensuring that funding is directed to qualifying organisations aligned with the NLC mandate.

The appointment and induction of ten distributing agency members in July 2025 enabled the timely resumption of adjudication processes in August 2025. By the end of the reporting period, a total of 1 061 applications (compliant and non-compliant) had been adjudicated, reflecting improved operational throughput and strengthened adjudication capacity.

Notwithstanding this progress, the Division observed that a significant proportion of applications were declined due to non-compliance with mandatory requirements, misalignment with funding criteria, and governance-related deficiencies. In response, targeted measures have been initiated to strengthen application readiness and compliance levels across the sector. These include enhanced Education and Awareness programmes, targeted capacity-building interventions for applicant organisations, and the planned introduction of an open registration and compliance platform under the Thuthuka enhancement process. These interventions are aimed at improving the quality of applications, reducing administrative declines, and strengthening the overall efficiency and impact of the grant funding value chain.

3.2. Operating Model – Application based Funding

The NLC's Application-Based Funding Model serves as the primary operational framework for the allocation of grant funding, in accordance with Section 2A(4) of the Lotteries Act. The model is designed to ensure that funding is administered in a manner that is strategic, transparent, and responsive to the needs of communities.

At its core, the model is founded on the principle of leveraging NLC resources to create sustainable opportunities that empower communities to unlock their full potential, whilst strengthening integrity and accountabilit

Figure 1: Grant Funding Model – Application based

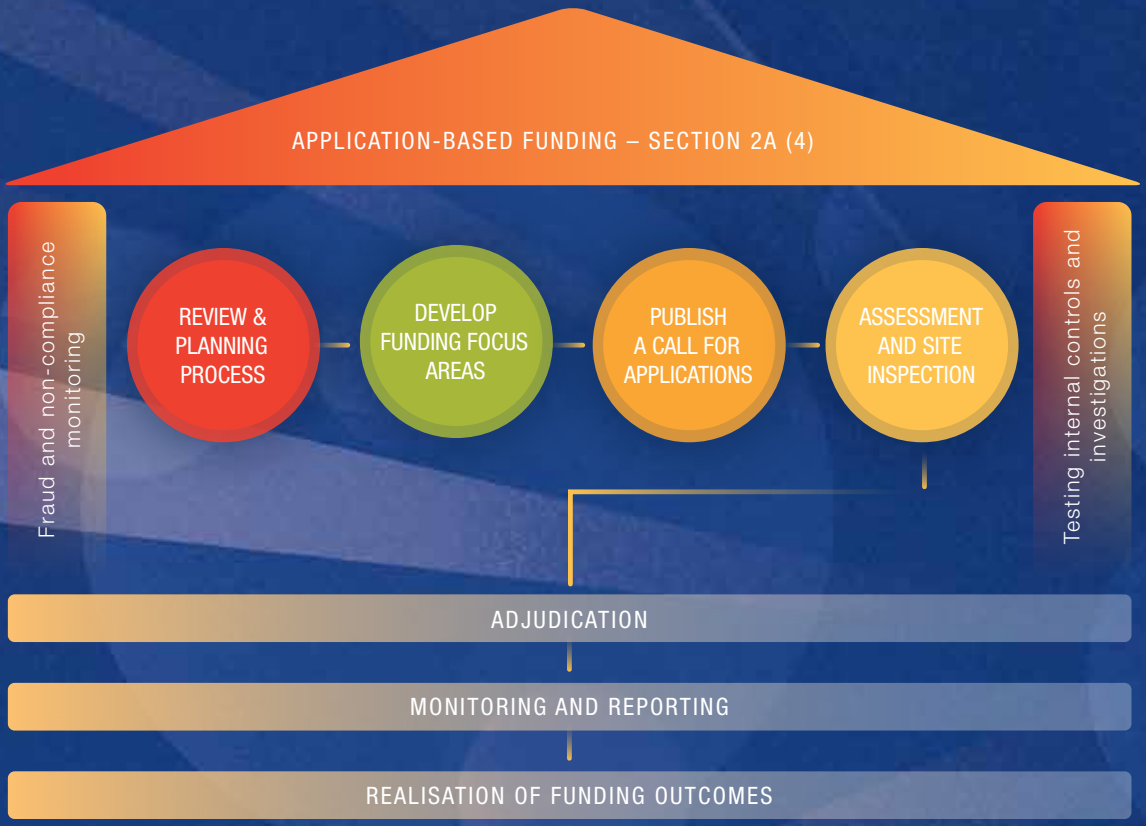


Figure 1 illustrates the Application-Based Funding Model, which serves as the NLC's core operational framework for the allocation of grant funding in accordance with Section 2A(4) of the Lotteries Act. The model is anchored in a responsive funding approach, ensuring that all processes are aligned to the strategic objective of allocating funds to areas of greatest need and impact.

At the strategic level, the model is driven by a structured review and planning process, which informs funding priorities, eligibility criteria, and overall readiness for each funding cycle. This is followed by the development of clearly defined funding focus areas, ensuring alignment with national developmental priorities and the NLC's mandate. Funding opportunities are then made accessible through the publication of Calls for Applications, supported by clear guidelines and application procedures. Submitted applications are subsequently subjected to rigorous compliance assessment, strategic alignment checks, and adjudication by the relevant Distributing Agencies.

To strengthen governance, integrity, and accountability across the funding lifecycle, the model is supported by key assurance mechanisms, including pre-funding site inspections, risk and compliance management, and independent internal audit oversight. These controls are designed to ensure that funding decisions are transparent, evidence-based, and aligned with regulatory requirements.

The model is further underpinned by continuous monitoring and evaluation, structured reporting, and a strong focus on the realisation of funding outcomes. Together, these elements ensure that funded initiatives deliver measurable impact, comply with grant conditions, and contribute meaningfully to social and economic development.

Overall, the Application-Based Funding Model represents an integrated, end-to-end framework that aligns strategy, operations, governance, and performance management to deliver effective, accountable, and impact-driven funding outcomes.

3.3. Modernisation 4.0 - Thuthuka implementation Update

The continued implementation of the Thuthuka Grant Management System remains central to the Division's transformation agenda and long-term operational efficiency.

Progress has been made in embedding the system across the grant funding value chain, with officials adapting to new processes and controls. The system has strengthened verification integrity, improved compliance within the sector, and enhanced the overall governance of grant funding. As expected in a transformation of this scale, certain functionalities are still being refined. These transitional challenges resulted in intermittent delays, particularly in the processing of grant agreements, which impacted turnaround times during the reporting period.

The Division, in collaboration with ICT, is actively addressing these challenges through Phase 2 system enhancements, aimed at improving system stability, enhancing user experience, and strengthening end-to-end operational efficiency.

3.4. Stakeholder Marketing Management and Communication

During the 2025/26 financial year, the NLC strengthened its stakeholder engagement, marketing, and communication efforts to enhance transparency, improve public awareness, and increase accessibility to funding opportunities.

Key achievements included:

- Profiling and documenting 101 success stories from NLC-funded projects, showcasing socio-economic impact and strengthening public accountability.
- Conducting 189 education and awareness workshops nationwide, reaching over 10 315 stakeholders and improving understanding of funding processes and compliance requirements.
- Hosting the NLC Stakeholder Indaba in November 2025 under the theme "Effective Regulation and Funding through Digitisation," which brought together multi-sectoral stakeholders and resulted in key resolutions.
- Launching the Post-Indaba Stakeholder Engagement (PISE) programme in March 2026 to provide feedback on resolutions and facilitate continued stakeholder dialogue at provincial level.
- Expanding digital communication initiatives to improve access to information and enhance stakeholder engagement.
- In addition, the NLC strengthened strategic partnerships and collaborations across government, civil society, and the private sector. A total of 82 stakeholder engagements were conducted, supporting improved alignment, system integration, and enhanced compliance across the grant funding ecosystem.
- The implementation of key system integrations (including APIs with government and verification institutions) has further strengthened the integrity of the application process, reduced manual intervention, and improved the reliability of compliance checks.

Status Of API.MOU.MOA 2025/2026 Financial Year

API / Integration	Status	Business/Operational Impact	Technical/Collaboration Impact
DSD API	Implemented	Confirms NPO registration and compliance position early in the value chain. Reduces manual checking and stops invalid organisations from progressing.	Technical - Requires stable real-time or near-real-time sync between DSD and Thuthuka. Any delays or duplicate records can create false non-compliance and rework. Collaboration–NPO compliance
CIPC API	Implemented	Verifies company registration details and directors. Prevents applicants with invalid company details from moving forward.	Must match company registration numbers, legal names, and director information correctly. Poor matching creates director approval issues.
DHA API	Implemented	Verifies identity details of directors or individuals. Reduces fraud and fake identity submissions.	It depends on clean Identity number input and strong error handling. Incorrect data formatting can cause false failures.
Bank Account Verification/ Standard AVS	Implemented	Confirms bank account ownership before payments or approval. Reduces payment fraud and incorrect banking details.	Usually validates account-holder alignment only at a basic level. Limited depth means some risks remain.
SAFPS API	Implemented	Flags known fraud-linked persons or entities. Helps stop suspicious applicants before approval or payment.	Needs correct interpretation of result types such as perpetrator, victim, or protective registration. Weak logic can cause incorrect blocking.
DBE/DOE API	Implemented	Supports verification for schools or education-related applicants and projects. Helps validate whether the institution exists and is legitimate.	Technical - Requires correct institution reference mapping and sector-specific validation logic. Collaboration–Assist the department stakeholders on how to apply for NLC funding and be compliant
RMB/Payment-side Bank Integration	Implemented	Supports banking and payment-side controls in the finance process. Helps improve payment processing confidence.	Must align with finance workflow, payment schedules, and verification controls. Weak integration can cause payment delays.
NCG/Risk Register Integration	Implemented	Flags applicants or entities linked to non-compliance or risk cases. Helps stop risky applications from progressing without review.	Requires correct linking between NCG records and applicant profiles. Poor matching can result in missed flags or false positives.
Geo-location/GPS Integration	Implemented	Supports project location verification and site visit planning. Helps confirm where the project is being implemented.	Depends on good capture of coordinates and mapping consistency. Weak capture can make site verification unreliable.
National House of Traditional and Khoisan Leaders (NHTKL)	Implemented	ICT Integration, Provincial teams, NLC Operations, Regulatory Compliance Divisions	Nothing needs to change, NHTKL remains an important partner to reach rural communities, especially in poverty nodal areas
Chemical Industries Education and Training Authority (CHIETA)	Implemented	Regulatory Compliance, SMMC, ICT Integration Ongoing collaboration with CHIETA centres and NLC provincial offices	Ongoing collaboration with CHIETA by ICT integration and NLC provincial offices

3.5. Restoration of the NLC Brand Reputation

The NLC has faced significant reputational challenges in recent years, arising from allegations of corruption, governance weaknesses, and negative media coverage. These factors have contributed to a decline in public trust and stakeholder confidence.

During the reporting period, the organisation continued to implement targeted interventions to restore its reputation, strengthen transparency, and rebuild stakeholder confidence.

The Stakeholder Management, Marketing and Communication Unit adopted a proactive approach to media engagement, positioning the NLC to communicate its progress, respond to public concerns, and reinforce its commitment to accountability and ethical governance.This included securing approximately 40 media engagements involving the Board, Executive, and Senior Management - the highest level of media participation recorded in recent years.

Positive progress has been observed in the tone and nature of media engagements, shifting from predominantly investigative scrutiny to more balanced and information-driven coverage. This reflects growing confidence in the organisation's efforts to strengthen governance and improve operational performance.

Key focus areas for ongoing brand restoration include:

- Strengthening operational performance and service delivery
- Promoting a culture of accountability and consequence management
- Integrating anti-fraud and anti-corruption initiatives in stakeholder communication
- Enhancing stakeholder engagement on governance, compliance, and organisational values
- Implementing a targeted public relations programme focused on leadership credibility, operational excellence, accountability, and future transformation

These efforts, together with broader organisational reforms, are expected to support the gradual restoration of trust and reinforce the NLC's position as a credible and impactful public entity.

The table below outlines NLC media engagements for the period from 1 April 2025 – 31 March 2026:

Platform	Interviewee	Topic	Date
Newsroom Afrika	NLC Board Chairperson, Prof Barney Pityana	National lottery licence award faces legal challenges	23 June 2025
Newsroom Afrika	NLC Board Chairperson, Prof Barney Pityana	Prof Pityana clarifies NLC's role in Lottery operator appointments – Newsroom Afrika DStv 405	29 June 2025
Power FM, Breakfast Show	NLC Board Chairperson, Prof Barney Pityana	Governance - The Governance - NLC's role in the Lottery Operator appointment	03 July 2025
ENCA TV Channel 403	NLC Board Chairperson- Prof Barney Pityana	NLC Governance - Board Strategic Planning Session	06 August 2025
Newsroom Afrika	NLC Commissioner- Ms. Jodi Scholtz	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	20 August 2025
SA FM (SABC Radio) The Morning Brief Show	NLC Commissioner- Ms. Jodi Scholtz	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	20 August 2025
Power 98.7 FM	NLC Board Chairperson- Prof Barney Pityana	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	21 August 2025
SABC TV Channel 404	NLC Board Chairperson- Prof Barney Pityana	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	26 August 2025
ENCA Channel 403	NLC Board Chairperson- Prof Barney Pityana	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	26 August 2025

Platform	Interviewee	Topic	Date
Newzroom Channel 405	NLC Board Chairperson- Prof Barney Pityana	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	26 August 2026
SA FM (SABC Radio)	NLC Board Chairperson – Prof Barney Pityana	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	27 August 2025
Talk Radio 702	NLC Board Chairperson- Prof Barney Pityana	NLC response pertaining to the reckless and misleading allegations on social media against Lottery Powerball Manipulation	27 August 2025
SABC 2 Morning Live	NLC Board Chairperson Professor Barney Pityana NLC Board Chairperson, Ms. Jodi Scholtz	National Indaba	26 November 2026
Radio 2000 (SABC Radio)	NLC Commissioner, Ms. Jodi Scholtz Acting COO, Mr. Mzandile Ngubane Executive Manager: Regulatory Compliance, Ms. Tintswalo Nkuna	National Indaba	26 November 2025
Radio 702	NLC Commissioner, Ms. Jodi Scholtz	National Indaba	26 November 2025
Ligwalagwala FM	Acting COO, Mr. Mzwandile Ngubane	National Indaba	26 November 2025
Munghana Lonene FM	Limpopo Provincial Assistant Manager, Ms. Faith Chauke	National Indaba	26 November 2025
Lesedi FM	Acting Free State Provincial Manager, Mr. Montsho Pheeha	National Indaba	26 November 2025
Phalaphala FM	Head: SMMC, Mr. Rudzani Tshigemane	National Indaba	26 November 2025
uKhozi FM	Acting KZN Provincial Manager, Mr. Khumbulani Njilo	National Indaba	26 November 2025
Thobela FM	Limpopo Provincial Manager, Mr. Mike Legodi	National Indaba	27 November 2025
Umhlobo FM	EC Provincial Manager, Mr. Mzikayise Mani	National Indaba	27 November 2025
Motsweding FM	North West Provincial Manager, Mr. Keorapetse Sofeleng	National Indaba	27 November 2025
Power FM	NLC Board Chairperson Professor Barney Pityana	National Indaba	27 November 2025
Radio NFM 98.1, Springbok Community radio station	Northern Cape Provincial Manager, Mr. Clive Moses	Online Grant Management System	09 December 2025
eNCA DSTV 403	NLC Commissioner, Ms. Jodi Scholtz	Reparative Measures Process for NLC Whistle Blowers and Community Projects	10 December 2025

Platform	Interviewee	Topic	Date
SA FM (SABC Radio)	NLC Commissioner, Ms. Jodi Scholtz	Reparative Measures Process for NLC Whistle Blowers and Community Projects	11 December 2025
Lotus FM	NLC Commissioner, Ms. Jodi Scholtz	Reparative Measures Process for NLC Whistle Blowers and Community Projects	11 December 2025
Phalaphala FM	Head: SMMC, Mr. Rudzani Tshigemane	Reparative Measures Process for NLC Whistle Blowers and Community Projects	12 December 2025
Newsroom Africa 405	NLC Commissioner, Ms. Jodi Scholtz	Reparative Measures Process for NLC Whistle Blowers and Community Projects	13 December 2025
Nqubeko FM: The Voice of uThukela Community Radio	Acting KZN Provincial Manager, Mr. Khumbulani Njilo	National Indaba	17 December 2025
SAFM	NLC Commissioner, Ms Jodi Scholtz	NLC Funding Strengthens NPO Sector with 1 303 Jobs and Expanded Oversight	25 February 2026
Ngquswa FM Community Radio	Mr. Mzikayise Mani, EC Provincial Manager	NLC Education and Awareness Programme	03 March 2026
Bay FM Community Radio	Mr. Mzikayise Mani, EC Provincial Manager	NLC Education and Awareness Programme	10 March 2026
Univen FM Community Radio	Head: SMMC, Mr. Rudzani Tshigemane	NLC's dual mandate: regulating lotteries and funding for impact	16 March 2026
Makhado FM Community Radio	Head: SMMC, Mr. Rudzani Tshigemane	NLC's dual mandate: regulating lotteries and funding for impact	16 March 2026
Jozi FM	Head: SMMC, Mr. Rudzani Tshigemane	NLC's dual mandate: regulating lotteries and funding for impact	17 March 2026
Barberton Community Radio	NLC Board Chairperson, Professor Barney Pityana	NLC Board and Exec Management Project Site Visit to Gugulethu St Benedict Home for the Aged	19 March 2026
Barberton Community Radio	Acting COO, Mr. Mzwandile Ngubane	NLC Board and Exec Management Project Site Visit to Gugulethu St Benedict Home for the Aged	19 March 2026
Makhado FM	Head: SMMC, Mr. Rudzani Tshigemane	NLC Board and Exec Management Project Site Visit to Gugulethu St Benedict Home for the Aged	

3.6. Education & Awarenesss Overview

The role and functions of the National Lotteries Commission (NLC), as defined in the Lotteries Act, Act No. 32 of 2013 (Lotteries Amendment Act, 2013, as amended), is the regulation of the National Lottery and other Lotteries and the administration of the National Lottery Distribution Trust Fund (NLDTF). In addition, the NLC is obliged to support, both directly and indirectly, the electoral mandate of national government and the goals of the National Development Plan, including addressing unemployment and alleviating poverty.

According to Section 2A of the Lotteries Amendment Act of 2013, the NLC shall:

- Promote public knowledge and awareness by developing and implementing educational and informational measures to educate the public on lotteries and the provisions of the Act.
- Educate the public by explaining the processes, requirements, and qualifications relating to grant applications in terms of the Act.











Performance Highlights 2025/26

As outlined in the 2025/26 Annual Performance Plan (APP), the NLC was expected to deliver 120 interactive stakeholder engagements/workshops on its mandate, in alignment with its objective to reposition the organisation as both regulator and funder. During the reporting period, a total of 189 education and awareness campaigns were successfully delivered. These workshops focused on the registration of NPOs/NPCs on the Thuthuka System and emphasised the importance of compliance with the new application requirements.

The programme commenced in April 2026 and was rolled out across all provinces, targeting districts identified by NLC provincial offices.

Workshops and reach

The following statistics for 2025/26 financial year:

Quarter	Target Per Quater	Total Number Achieved	Number of People Reached
Q1	40	50	2337
Q2	40	70	2840
Q3	20	35	1698
Q4	20	34	3440
TOTAL	**120**	**189**	**10315**

A new era of Evidence-Based Funding

The paradigm of grant allocations at the NLC has undergone a fundamental shift. The focus has moved from simply disbursing funds to ensuring that every Rand invested creates measurable, long-term socio-economic value. Central to this transformation is the NLC's embrace of a research-informed, evidence-based funding model.

1. The Transition to an Evidence-Based Funding Model

Historically, grant funding models relied heavily on reactive allocation. To maximise the impact of public funds, the NLC is actively transitioning to a proactive, Evidence-Based Funding Model. This structural shift ensures that distributions are no longer guided merely by the volume of applications received, but by rigorous, empirical research.

By embedding empirical research into the core of our funding strategy, the NLC:

- Shifts from Output to Outcome: Focuses on the definitive, long-term socio-economic changes triggered by funding, rather than just monitoring the disbursement of the grant.
- Optimises Resource Distribution: Eliminates guesswork by directing funding toward verified systemic interventions, thereby reducing duplication and maximizing societal return on investment.
- Enhances Accountability: Establishes a transparent baseline of data that may justify why specific interventions are prioritised during adjudication.

2. Utilising Research to Align with Community Priorities

To ensure that grant funding resonates with the actual needs of citizens, by ensuring that the funding focus areas are underpinned by research, the NLC effectively maps out deep-seated vulnerabilities across various communities.

- Targeted Alignment: Rather than applying a blanket funding approach, it is envisaged that research will further allow the NLC to tailor interventions specifically to district disparities, ensuring funding matches community-identified priorities.
- Demographic Inclusivity: Needs assessments further actively identify under-represented and marginalised groups, ensuring that funding allocations intentionally uplift vulnerable demographics in alignment with national development priorities.

3. Impact Tracking and Measurable Developmental Outcomes

A critical component of our evidence-based framework is the institutionalisation of robust Impact tracking. Research does not end once a grant is awarded; it forms the continuous thread that monitors project lifecycles.

- Rigorous Monitoring & Evaluation (M&E): The NLC establishes clear, empirical key performance indicators (KPIs) for beneficiaries, tracking progress from project inception to completion.
- Data-Driven Feedback Loops: Impact tracking provides vital data on what interventions work best. These insights are continuously fed back into our research pipeline, refining future funding criteria and ensuring sustainable, generational development outcomes.

3.7. Research-based Funding

In line with the National Development Plan, the Board of the NLC has determined strategic funding priorities that directly support the nation's broad social and economic transformation agenda.

During 2025-26, the NLC made substantial pro-active investments in innovative, high-impact programmes across four strategic funding priorities:

- Rural Development and Food Security
- Vulnerable Youth
- Holistic Education and Family Cohesion
- Combating Gender-Based Violence (GBV)

Investing in these strategic programmes allows the NLC to demonstrate impact by linking programme outcomes to national development goals; and to maximise the value of grant funding through coherently addressing systemic challenges of unemployment and inequality through local economic and community development interventions.

Rural Development and Food Security

The NLC has funded two programmes in this priority area, both focused on small farmer support and development, with one incorporating a community-based homestead food garden component. The Siyazisiza Trust, based in KwaZulu-Natal, has initiated the "Transforming Local Food Systems to Increase Health, Resilience and Food Security" programme across KwaZulu-Natal, Mpumalanga and the Eastern Cape. The first phase comprises the Agri-Network Development Programme (supporting rural Black smallholder farmers with mentorship, technical support, resources and knowledge-sharing, as well as production planning and market linkages); the Homegrown Health and Food Security Programme (addressing food security for vulnerable households through homestead food gardens); and the Zululand Agri-Support Centre (a food hub for produce processing and market linkages). Phase Two will establish Agri-Support Centres in the other two provinces. Rooted in sustainable agroecology principles and targeting women and young farmers, the programme seeks to enhance food security, transform food systems, and support small farmers in accessing sustainable agricultural value chains. Grant value: <R24 million.

The Green Development Foundation will implement an Integrated Youth Agriculture and Smallholder Market Access Programme in the Vhembe District of rural Limpopo, addressing food insecurity, poverty and unemployment through structured agricultural enterprise development and market integration. The programme will build the productive capacities of smallholder farmers to become agricultural entrepreneurs, and will establish a community-based aggregation packhouse for agroprocessing and a sustainable farm-to-market ecosystem, creating durable infrastructure for the farming community beyond the funding cycle. Grant value: <R62 million.

Vulnerable Youth

The NLC has invested in youth development through the internationally recognised Safe Hub programme and through sponsoring youth in the unique venture of precious metals and goldsmithing via the Platinum Incubator, located in Rustenburg, North West Province.

Safe Hub

The Safe Hub programme will be implemented by Amandla Social Enterprises, an internationally recognised NPO committed to addressing social inequality through innovative, evidence-based youth development models. Amandla pioneered the Safe Hub model-a structured, place-based environment where young people access care, resources and opportunities to thrive.

The programme supports the development of healthy, educated and future-ready citizens by providing access to services, support and opportunities through a holistic, place-based model centred on the Safe Hub precinct in Khayelitsha, Cape Town. It includes upgrading the existing facility to the same standard as other Safe Hubs nationally, enabling expanded services including Early Childhood Development, After-School Programmes, the Youth Café and the Collective Impact Programme. Grant value: >R32 million.



Platinum Incubator

South Africa has a critical shortage of certified goldsmiths - only approximately 60 nationally-despite the jewellery sector's high value and strong global demand. Closing this gap requires targeted artisan development that links trade-tested skills to real economic opportunity.

The Platinum Incubator (TPI), based in Rustenburg, North West Province, will implement a Goldsmith Artisan Development Programme for 40 candidates from deep rural settlements. Participants will obtain an accredited, internationally recognised NQF Level 4 Occupational Goldsmith qualification, including trade testing and incubation support to enter the jewellery manufacturing value chain as artisans, employees or entrepreneurs. The programme also stimulates local beneficiation of Platinum Group Metals, strengthening the economic base of the region.

The initiative aligns directly with the NLC's mandate on sustainable economic development, poverty alleviation, and inclusive participation for historically disadvantaged groups and youth. TPI's incubation model ensures long-term sustainability through mentorship, shared infrastructure, and market linkages, with continued post-programme support through SETA partnerships and commercial revenue.

Tackling the Scourge of Gender-Based Violence

South Africa is one of the most dangerous places in the world to be a woman, with a femicide rate five times the global average. The Gender-Based Violence and Femicide National Strategic Plan (GBVF-NSP) provides the multi-sectoral framework guiding the national response, with the goal of realising a South Africa free from gender-based violence and femicide. It encompasses government at all levels, civil society, the private sector and academic institutions, and is built around six pillars: (i) Accountability, Coordination and Leadership; (ii) Prevention and Rebuilding Social Cohesion; (iii) Justice, Safety and Protection; (iv) Response, Care, Support and Healing; (v) Economic Power; and (vi) Research and Information Management.

Under Pillar 2 (Prevention and Rebuilding Social Cohesion), the NLC-funded programme implemented by the National Institute for Community Development and Management (NICDAM) will deploy community workers (ambassadors) into communities to raise awareness, advocate for women and children, and offer support. These ambassadors are trained by NICDAM and supervised by qualified social workers (unemployed graduates) who can refer survivors to appropriate services. The programme operates in SAPS-identified "hot spot" areas with high GBVF prevalence.

The programme increases access to support services for GBVF survivors while providing social and economic opportunities. It offers psychosocial support from qualified social workers in hot spot areas, organises GBVF awareness events and community dialogues, and raises public awareness to shift attitudes toward violence against women and children. Social workers receive structured supervision, mentorship and skills training to ensure quality and ethical care. Approximately 55 000 individuals will benefit from the intervention. Grant value: >R34 million.

Holistic Education and Family Cohesion

Guardians of Hope

The Guardians of Hope Children's Home is a well-established residential care facility for orphaned, abandoned and special needs children in East London, Eastern Cape - one of the few such safe havens in the area.

The home provides 24-hour residential care for children, many of whom have experienced abandonment and trauma and require urgent protection. Most children arrive through social workers, hospitals or law enforcement when they can no longer safely remain in their family environment.

The home ensures each child has a secure, stable and nurturing environment where their basic needs are met, and where consistent care, professional support and protection offer a pathway toward healing and hope. The grant will sustain operations, benefiting not only the children but the broader community that depends on Guardians of Hope. Grant value: >R16 million.



Other RBF Programmes

HIV/AIDS Funding Crisis

The abrupt termination of USAID funding for HIV programmes, announced by the Trump administration in February 2025, had a devastating effect on South Africa's HIV sector. To bridge the gap while the Ministry of Health pursued alternative funding, the NLC committed R100 million to key HIV programmes.

The South African National AIDS Council (SANAC) was supported to roll out its "Close the Gap – Start and Stay on HIV Treatment" campaign, targeting re-engagement or initiation of 1.1 million individuals on ART, with improved adherence and retention rates. Grant value: <R40 million.

Three organisations working with key populations (OUT LGBTQI Wellness, Anova Institute and Wits RHI) received grants of R10 million each.

The Treatment Action Campaign (TAC) will continue its highly impactful Ritshidze community-led monitoring programme (grant value: R25 million); and HIVSA will continue rolling out the Children and Families in the HIV Epidemic (CAFHE) programme in North West and Limpopo Provinces, delivering lifesaving care and treatment services to HIV-exposed infants of teenage mothers, pregnant and breastfeeding women and girls, and children of HIV-positive caregivers. Grant value: >R30 million.



Cricket South Africa

Cricket South Africa (CSA) is hosting the 2027 ICC Men's Cricket World Cup across eight South African stadiums in October and November 2027. To meet ICC certification requirements by October 2026, CSA requires funding for stadium infrastructure upgrades as well as specialised field-of-play equipment for all venues.

The economic case is compelling: the event is projected to contribute R21.2 billion to GDP, support approximately 29 300 jobs, and reach over 1.6 billion viewers globally. Beyond the World Cup itself, the upgraded stadiums will generate long-term returns through international cricket, the SA20 tournament, concerts and community events-securing employment at stadium level and funding for provincial cricket development. Notably, an equivalent amount in World Cup proceeds will be ring-fenced for grassroots and community legacy projects nationwide, directly linked to the NLC's investment and ensuring transparency and accountability in post-event spending. Grant value: >R65 million.



Emergency Funding

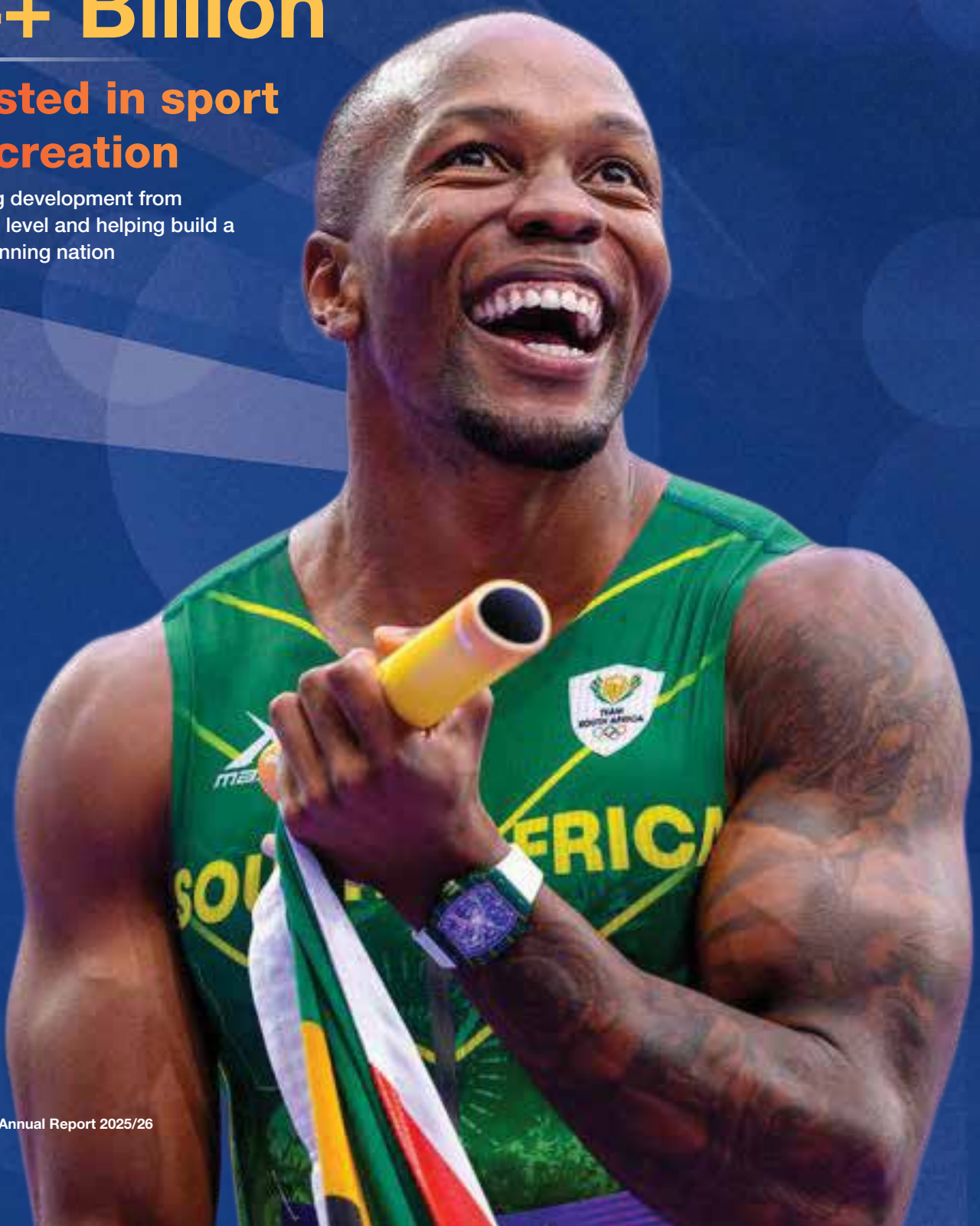
During 2025-26, the Board approved emergency disaster response funding for floods declared in the Eastern Cape, Western Cape, Mpumalanga and Limpopo provinces. Through the NLC's Panel of Humanitarian Service Providers, a total of >R59 million was invested to support affected communities with emergency aid including food parcels, vouchers, clothing and equipment.

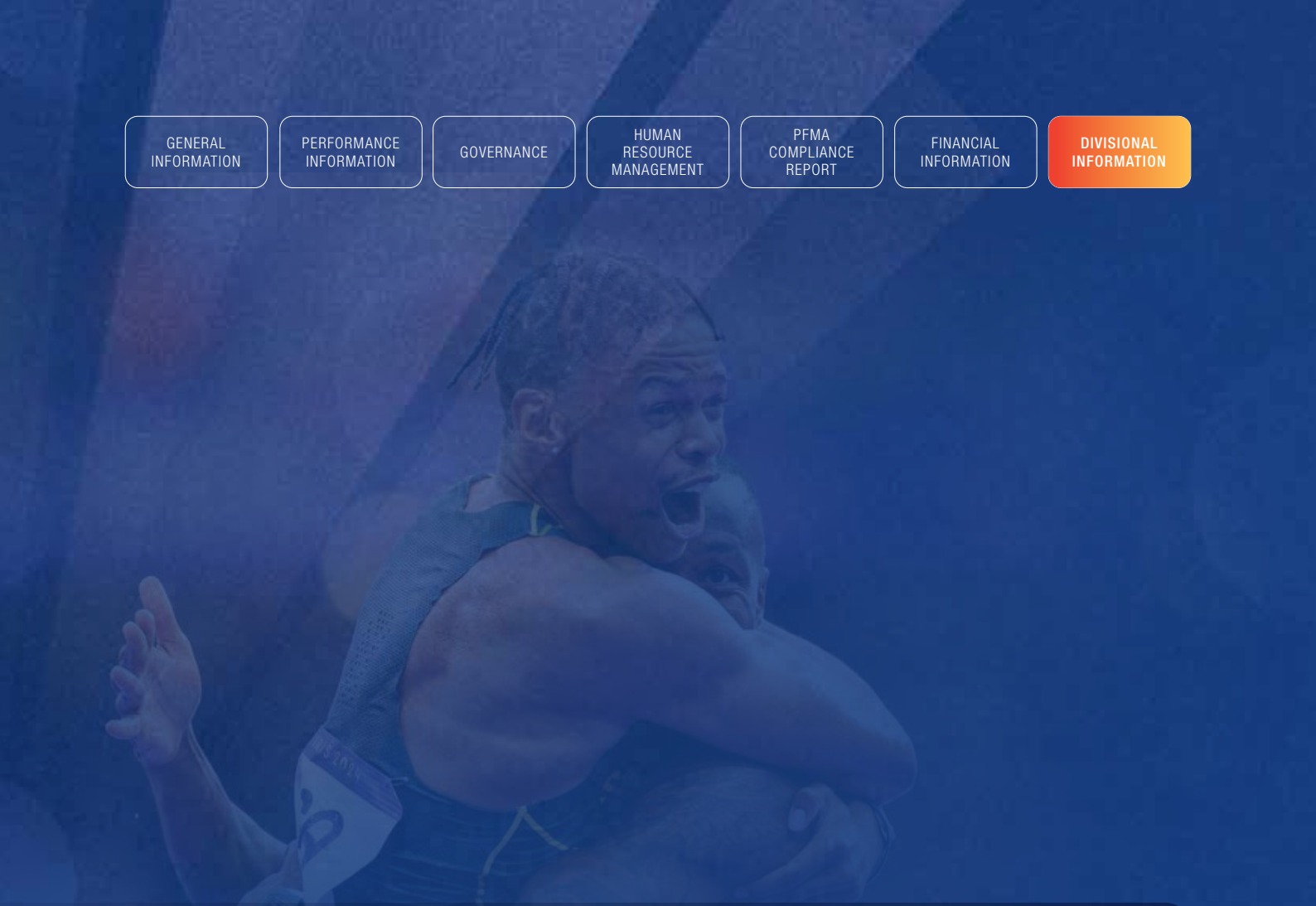
NATIONAL LOTTERIES COMMISSION
LOTTO FUNDED

R4+ Billion

Invested in sport & recreation

Supporting development from grassroots level and helping build a healthy, winning nation





Our Impact

Behind every grant is a story of impact, showing how NLC funding is helping organisations change lives and strengthen communities across South Africa.

Our Impact

Support to the Muscular Dystrophy Foundation of South Africa, MDFSA

Muscular Dystrophy Foundation Of South Africa (MDFSA) is an old organisation that turned 50 this year, started as a volunteering group for children living with muscular dystrophy. The organisation assists families affected and their families by providing access to international information regarding specific dystrophies, hosting informative workshops about muscular dystrophy, providing referrals to health facilities and professional counsellors, assisting with specialised disability equipment, if funding is available, and creating public awareness on muscular dystrophy issues and disability. MDFSA continues to be a beacon of hope in provinces such as Gauteng, KwaZulu-Natal, and Western Cape where social workers directly provide counselling to members.

Muscular dystrophy is a group of diseases that causes muscles to become weaker and lose mass over time. The condition is caused by changes in the genes that make proteins needed to form healthy muscles. For this current project, about 2 000 members have been affiliated with MDFSA. All thanks to NLC funding, currently MDFSA provides genetic testing for its beneficiaries since there is no cure for this disease, and the cost is R10 000 per person which can only be done by Ampath and Inveta in the United States of America. Additionally, the funding assists with organisational operational work and paying salaries and day-to-day operations. “On an annual basis, we are able to do at least twenty tests because of its high cost, and we hope that in the next ten years there will be medicines and other treatments that can help manage the symptoms and slow the course of muscular dystrophy”, says Sarie.

For sustainability, MDFSA depends on fundraising, and for the future, the organisation wishes to reach more people living with muscular dystrophy and continue to instill hope to families that cannot provide for their beloved ones.



Herd Trust SA – Saving Elephants, Empowering Communities



Herd Trust South Africa, founded in 2019, is the country’s first elephant orphanage, caring for baby elephants displaced by human-elephant conflict. The organisation not only rescues and rehabilitates orphaned calves but also integrates them into an existing herd known as the Jabulani Herd, which includes 16 elephants rescued from Zimbabwe since 2002. Led by a team of experts and supported by local community members trained as elephant carers, Herd Trust provides long-term care by offering food, medical attention, and emotional support to the elephants. The Trust also focuses on land rehabilitation, as elephants consume large amounts of grass.

To ensure a sustainable food source, they grow bana grass near the orphanage, which is harvested daily. Grass leftovers are recycled for compost and erosion control. Thanks to funding from the NLC, the organisation expanded its conservation efforts. This funding made it possible for land restoration, dam construction, and the purchase of essential equipment such as a tractor and grader. Additionally, 21 local community members (14 women and 7 men) were employed for road infrastructure and environmental projects, uplifting livelihoods and promoting skill development.

Herd Trust also promotes eco-tourism and creates sustainable products like items made from elephant dung. Their conservation model supports not just wildlife but also surrounding game lodges and communities.

Uniquely, the Trust combines wildlife conservation with community empowerment by teaching locals to build erosion-control hollows using natural materials, demonstrating a powerful blend of environmental stewardship and social impact.

C'nky Siwela Flute Institute – Changing Lives Through the Power of Music



In a quiet corner of South Africa, a powerful movement is growing—one that uses music not just as art, but as a tool for empowerment, education, and social change. The Centre for Students and Flute Initiative (CSFI), founded by a passionate flautist and teacher, is transforming the lives of children and youth through music education and performance.

Inspired by a scholarship he received from ACOSA and mentorship from the Tsalapeng Music Foundation, the founder began his journey in 2001. Realising the flute's rarity in South African music history, he made it his mission to teach and promote the instrument. Supported by UNISA and Tsalapeng since 2013, CSFI has grown into a platform that not only nurtures musical talent but also encourages critical thinking and activism—particularly in preventing gender-based violence.

Despite challenges like the high cost of instruments, CSFI pushes forward with bridge courses for aspiring musicians. Funding from the National Lotteries Commission (NLC), National Arts Council (NAC), and Department of Sports, Arts & Culture has made significant strides possible. A grant of R846,000 allowed them to host their biggest event in December: a 40-student orchestra performing at the "Evolution of the Music Industry" festival in Hammanskraal.

Workshops, masterclasses, and international collaborations, including performances in Turkey, have expanded CSFI's reach. Their artists now feature on national radio, and new partnerships continue to grow.

For CSFI, music is more than melody—it's a movement shaping a brighter, more inclusive future.

NLC Funding Makes it Possible for GECO to Empower Communities Through GBV Awareness & Support

With the funding from the NLC, Glen Elgin Community Organisation (GECO) has made significant strides in the fight against Gender-Based Violence (GBV) in the Grabouw, Rooidakke, Siyanyanzela, Xholanaledi, and Elgin Farms communities. Through funding, GECO launched its Gender-Based Violence (GBV) awareness and intervention programme, running from August 2024 to August 2025.

This project focuses on raising awareness, offering psychosocial support, and building the capacity of both individuals and communities to combat GBV. With a vision of holistic community empowerment, GECO aims to equip beneficiaries with the knowledge and resilience to overcome social challenges like poverty, HIV/AIDS, and unemployment.

A key success this organisation was the acquisition of a much-needed organisational vehicle, which has enabled GECO to provide dignified and effective social work interventions, court support, and safe transportation for abused women and children to shelters. In the past, the lack of transport severely hindered these essential services.

To date, 1 500 beneficiaries have been supported—three times the targeted 500. While no permanent jobs were created, the funding helped cover salaries of existing social work staff and allowed six volunteers to assist with the project implementation.



GECO's future goals include establishing the infrastructure, expanding mobile GBV services, and advocating for improved practitioner benefits. With a growing network of stakeholders and ongoing community engagement, GECO is building a sustainable path forward—ensuring safety, dignity, and healing for all survivors.

NATIONAL LOTTERIES COMMISSION
LOTTO FUNDED

20+

Genetic tests each year

made possible through NLC-supported services for people living with muscular dystrophy.





Grant Payments

NLC grant payments turn funding into meaningful support for organisations delivering positive change in communities across South Africa.

Grant Payments

M61585-Golden Youth Club	133,500.00	Arts	GP	10 April 2025
M56691-Dimbaza Society For The Aged	141,400.00	Charities	EC	10 April 2025
M56991-Coalition of Anglican Children's Homes	108,000.00	Charities	GP	10 April 2025
M57075-Childline Gauteng NPC	100,000.00	Charities	GP	10 April 2025
M57462-Amina Marula Foundation NPC	100,000.00	Charities	GP	10 April 2025
M58513-Sbonelo Edu-Care	131,500.00	Charities	GP	10 April 2025
M58763-NG Welfare Gauteng	234,178.00	Charities	GP	10 April 2025
M56675-Mlotshwa Creche	57,792.00	Charities	KZN	10 April 2025
M58610-Footgolf South African Association	651,860.00	Sports	GP	10 April 2025
M62377-South African Sports Confederation and Olympic Committee	11,818,200.00	Sports	GP	10 April 2025
M61003-Cape Town Philharmonic Orchestra NPC	654,968.00	Arts	WC	24 April 2025
M61143-Safe - Cities	270,266.00	Arts	WC	24 April 2025
M61526-Jikela Studios	326,500.00	Arts	WC	24 April 2025
M60323-Vukufunde Primary School	200,000.00	Arts	KZN	24 April 2025
M61310-Glued To The Arts	145,500.00	Arts	GP	24 April 2025
M61273-University of KwaZulu - Natal Foundation	600,000.00	Arts	KZN	24 April 2025
M57437-Community Philharmonic Orchestra NPC	242,023.60	Arts	WC	24 April 2025
M57153-Leano La Bophelo Projects-18134	706,208.00	Arts	NW	24 April 2025
M56837-Beyond Expectation Environment Project	228,500.00	Arts	WC	24 April 2025
M61397-Suidoosterfees NPC	135,000.00	Arts	WC	24 April 2025
M59666-The Institute for Music and Indigeneous Arts Development	461,500.00	Arts	WC	24 April 2025
M61299-Christelik- Maatskaplike Raad Brits	851,375.00	Charities	NW	24 April 2025
M61240-Community Based Initiatives-26032	781,850.00	Charities	NW	24 April 2025
M58154-ACVV Paarl Vallei	133,800.00	Charities	WC	24 April 2025
M56128-Hitapfuneka Drop in Centre	276,000.00	Charities	LP	24 April 2025
M56263-Mapapila Creche	59,200.00	Charities	LP	24 April 2025
M56287-Vukheta Day Care Centre	76,066.60	Charities	LP	24 April 2025
M56366-Amukelo Roadhouse Disable Centre	108,500.00	Charities	LP	24 April 2025
M56390-Nghezimani Day Care Centre	219,340.00	Charities	LP	24 April 2025
M56525-MHINGA KULANI DAY CARE CENTRE	100,000.00	Charities	LP	24 April 2025
M56547-Shifaxani Day Care Centre	43,100.00	Charities	LP	24 April 2025
M56687-Hanyani Day Care Centre	48,730.00	Charities	LP	24 April 2025
M57178-Nyavani Home Based Care	176,000.00	Charities	LP	24 April 2025
M59633-Setshabelo- Thabeng	231,361.00	Charities	NW	24 April 2025
M59742-Rustenburg Child And Family Welfare-18017	1,541,482.00	Charities	NW	24 April 2025
M57482-ACVV Khayalethu Child amd Youth Care Centre	600,988.00	Charities	EC	24 April 2025
M56438-Tshwane Blind Care and Support	450,900.00	Charities	GP	24 April 2025
M57901-Aryan Benevolent Home Council	548,239.00	Charities	KZN	24 April 2025
M59426-Christelik-Maatskaplike Raad Van Uitenhage	653,781.00	Charities	EC	24 April 2025
M56781-Pietermaritzburg and District Council for the care of aged	800,000.00	Charities	KZN	24 April 2025
M57433-Lomanyaneng Community Aids Project - 9388	190,230.00	Charities	NW	24 April 2025
M59488-Kindersorg Suid-Afruka:Heidelberg	552,915.00	Charities	WC	24 April 2025
M56285-Xitiyisa Community Project	230,485.00	Charities	LP	24 April 2025
M56370-Nseketelo Early Learning Centre- 17062	74,247.00	Charities	LP	24 April 2025
M57587-Ekuzwaneni Primary School	103,000.00	Misc	KZN	24 April 2025
M61837-Itsoseng Secondary School	50,438.00	Sports	NW	24 April 2025
M59035-Mantopi Primary School	70,400.00	Sports	LP	24 April 2025

M61337-Good Hope Local Football Association	184,015.00	Sports	WC	24 April 2025
M60167-Cebolesizwe Combined Primary School	210,000.00	Sports	KZN	24 April 2025
M59028-Nqonqweni Primary School	76,000.00	Sports	EC	24 April 2025
M59096-Dikgorwaneng Primary School-10484	77,030.00	Sports	NW	24 April 2025
M60002-Molelwaneng Primary School-20157	108,000.00	Sports	NW	24 April 2025
M59182-Borothamadi Primary School	96,000.00	Sports	NW	24 April 2025
M57165-Maragane Primary School	55,000.00	Sports	LP	24 April 2025
M57434-Kideology Children Performing Arts and Theatre Development	264,884.00	Arts	GP	12 May 2025
M57847-Light of Nation Youth Projects	296,960.00	Arts	GP	12 May 2025
M61172-Motswako Arts Technology and Sports Institute	474,600.00	Arts	GP	12 May 2025
M56752-Zululand Youth Empowerment	219,768.00	Arts	KZN	12 May 2025
M61119-The Isaac and Jessie Kaplan Jewish Museum	310,290.00	Arts	WC	12 May 2025
M61272-THE CAPE TOWN CARNIVAL TRUST	860,400.00	Arts	WC	12 May 2025
M56508-Sinoncedo Treatment and Aftercare Centre	61,280.00	Charities	EC	12 May 2025
M56520-Harvest Educare/Pre School Centre	63,317.00	Charities	EC	12 May 2025
M58110-Virginia Society for the Prevention of Cruelty to Animals	1,012,200.00	Charities	FS	12 May 2025
M59125-Child Welfare South Africa: Fouriesburg	940,155.00	Charities	FS	12 May 2025
M56612-Child Welfare Tshwane	508,391.00	Charities	GP	12 May 2025
M57049-Iketleng Day Care	142,807.00	Charities	GP	12 May 2025
M57634-Zamokuhle Day Care and Pre-School	64,310.00	Charities	GP	12 May 2025
M58025-Tsoga Mosadi	175,800.00	Charities	GP	12 May 2025
M56673-Ithembalihle	81,362.00	Charities	KZN	12 May 2025
M56131-Vutlhari Environment and Health Organisation	254,542.00	Charities	LP	12 May 2025
M56142-Thari ya Sechaba Day Care Centre	213,797.00	Charities	LP	12 May 2025
M57742-Eerste Treetjies Bewaarskool en Gemeemska Sentrum	100,000.00	Charities	NC	12 May 2025
M57807-Tsantsabane Alcohol and Drug Services - 5170	842,130.00	Charities	NC	12 May 2025
M59207-Olorato Day Care	182,454.00	Charities	NC	12 May 2025
M59356-Waters Care Centre	49,000.00	Charities	NC	12 May 2025
M56288-Mapuloni Educare Centre	62,450.00	Charities	LP	12 May 2025
M56459-Ntlakuso Zava Old Age Care Centre	100,000.00	Charities	LP	12 May 2025
M56614-Modisa ke Morena Creche	57,400.00	Charities	LP	12 May 2025
M59779-Ntlukuhla SPS	50,000.00	Sports	EC	12 May 2025
M61574-Gelukwaarts Farm School	181,800.00	Sports	FS	12 May 2025
M59134-Matlou Memorial Primary School	71,000.00	Sports	LP	12 May 2025
M59678-Matsikinyane Primary School	148,650.00	Sports	LP	12 May 2025
M58978-Mapalane Primary School	60,000.00	Sports	MP	12 May 2025
M59068-Makgahlishe Primary School	40,000.00	Sports	MP	12 May 2025
M61617-South African Disabled Golf Association	1,089,706.00	Sports	WC	12 May 2025
M61166-The Lalela Project Trust	188,438.70	Arts	WC	20 May 2025
M61633-Dancescape South Africa	103,013.00	Arts	WC	20 May 2025
M61734-West Coast Fossil Park Trust	1,000,000.00	Arts	WC	20 May 2025
M61754-Art and Ubuntu Trust	747,300.00	Arts	WC	20 May 2025
M60500-Moribo Arts Projects - 9573	69,205.00	Arts	NW	20 May 2025
M60059-Young Artists Unite	112,800.00	Arts	NW	20 May 2025
M57087-Zolani Home Edu-Care	180,282.00	Charities	MP	20 May 2025

M57038-Khumbhekani Victim Empowerment	392,622.00	Charities	LP	20 May 2025
M57119-Ngwanakgari Creche	131,597.00	Charities	LP	20 May 2025
M61029-Harvester Reformational Church NC	350,000.00	Charities	NC	20 May 2025
M56817-South African Riding For The Disabled Association: Cape Town Branch	735,032.00	Charities	WC	20 May 2025
M56320-Wizz Kids Pre-School	131,400.00	Charities	LP	20 May 2025
M61145-Association of and for Persons with Disabilities: Benede Oranje - 8983	2,000,000.00	Charities	NC	20 May 2025
M61862-Net vir Pret	343,000.00	Charities	WC	20 May 2025
M57999-Mphanama Primary School	60,000.00	Sports	LP	20 May 2025
M57988-Selaelo Primary School	70,000.00	Sports	LP	20 May 2025
M60999-Bridges for Music NPC	392,000.00	Arts	WC	05 June 2025
M61581-Twelelopele Ka Lekgotla La Botaki Le Setso	538,876.00	Arts	NW	05 June 2025
M57809-The African Arts, Culture, Education and Sports Trust	334,980.00	Arts	WC	05 June 2025
M59839-RX RADIO SA	103,840.00	Arts	WC	05 June 2025
M60067-Mpumalanga Comes Alive	358,000.00	Arts	MP	05 June 2025
M59970-Phaphamang Bakgatla Crime Prevention and Skills Development	1,158,428.00	Charities	NW	05 June 2025
M57111-Lambhu Cheleni Creche	386,200.00	Charities	LP	05 June 2025
M57706-Huis Delarey Tuise Vir Bejaardes	810,030.00	Charities	NW	05 June 2025
M56249-The Little Lambs Christian Daycare Association	63,450.00	Charities	WC	05 June 2025
M57580-Lithemba Children and Youth Care	97,942.00	Charities	WC	05 June 2025
M59112-Mafemani Nxumalo Secondary School	76,765.00	Sports	MP	05 June 2025
M59276-Madzanga Primary School	90,000.00	Sports	MP	05 June 2025
M59985-Pensele Primary School	138,840.00	Sports	MP	05 June 2025
M60165-Mahubahuba Primary School	94,500.00	Sports	MP	05 June 2025
M59569-Nkokheli Development	126,500.00	Arts	GP	12 June 2025
M56334-Maison De La Dance Project	342,000.00	Arts	GP	12 June 2025
M56401-Isthuli-Sasengweni Arts & Craft Organisation	200,500.00	Arts	GP	12 June 2025
M56439-Khanyisa Greater Heidelberg Arts and Culture Association	85,500.00	Arts	GP	12 June 2025
M56610-Stone of Hope Development Facilitators	200,000.00	Arts	GP	12 June 2025
M56616-I-Afrika Theatre Education	228,000.00	Arts	GP	12 June 2025
M57840-Imbewu Performing Arts	132,500.00	Arts	GP	12 June 2025
M61329-Kuns Van Suikerbosrand	273,540.00	Arts	GP	12 June 2025
M61811-The Viva Foundation of South Africa	560,610.00	Arts	GP	12 June 2025
M56517-Isigqi Arts Development NPC	204,000.00	Arts	KZN	12 June 2025
M58129-Nje's Promo and Entertainment NPC	126,000.00	Arts	KZN	12 June 2025
M58985-Usiba Youth Development	131,400.00	Arts	KZN	12 June 2025
M59711-Siyaziqhenya Ngesintu Youth Development Organisation	100,000.00	Arts	KZN	12 June 2025
M61580-Isiko LikaZulu	126,800.00	Arts	KZN	12 June 2025
M60141-God First in Peace Foundation Multipurpose Centre	76,140.00	Arts	FS	12 June 2025
M59968-BOKANG AFRIKA	144,480.00	Arts	GP	12 June 2025
M58467-KUMKAN Enofefe Foundation	253,000.00	Arts	GP	12 June 2025
M57200-Dannhauser Active Rural Woman Ensemble	152,960.00	Arts	KZN	12 June 2025
M59688-Kuwane Foundation	349,440.00	Charities	EC	12 June 2025
M60133-Thand' usana Babies Safe Home	430,347.00	Charities	EC	12 June 2025
M59817-Kusile Mzantsi Community Development	545,514.00	Charities	EC	12 June 2025

M57572-The Topsy Foundation NPC	914,593.00	Charities	GP	12 June 2025
M57792-Pietermaritzburg Benevolent Society	462,879.00	Charities	KZN	12 June 2025
M58398-Child Welfare South Africa Free State	841,072.00	Charities	FS	12 June 2025
M57785-Get Informed Youth Development Centre	383,000.00	Charities	GP	12 June 2025
M57873-The Family Life Centre: Families South Africa Johannesburg	405,100.00	Charities	GP	12 June 2025
M58447-Sekwanele National Empowerment Fund For Abused Woman and Children	636,048.00	Charities	GP	12 June 2025
M56318-Upper Highway Baby Home	385,000.00	Charities	KZN	12 June 2025
M56354-Goldfields Hospice Association	897,782.00	Charities	FS	12 June 2025
M56392-Trompsburg Sentrum Vir Bejaardes	516,546.00	Charities	FS	12 June 2025
M57643-The Bloemfontein Society for the Prevention of Cruelty to Animals	1,655,500.00	Charities	FS	12 June 2025
M56463-Retina South Africa	277,409.00	Charities	GP	12 June 2025
M56814-Armed with Best Care Creche	255,200.00	Charities	GP	12 June 2025
M57084-Autism South Africa	720,000.00	Charities	GP	12 June 2025
M57605-The Society For The Prevention of Cruelty To Animals Johannesburg	537,502.00	Charities	GP	12 June 2025
M61823-Sir Pierre van Ryneveld High School	538,400.00	Sports	GP	12 June 2025
M59772-Lesedi Primary School FS	245,000.00	Sports	FS	12 June 2025
M59337-George Caltex Primary	66,548.00	Sports	KZN	12 June 2025
M59843-Athletic Free State (AFS)	627,000.00	Sports	FS	12 June 2025
M62199-Global Enviro Foundation	150,112.00	Arts	NW	17 June 2025
M61259-National Heritage Project NPC	1,733,000.00	Arts	WC	17 June 2025
M57085-Tlhalefang Day Care Centre - 17961	394,556.00	Charities	MP	17 June 2025
M57722-Schoemansdal Victim Empowerment Shelter	706,602.00	Charities	MP	17 June 2025
M57273-Vaalrivier Soup Kitchen	98,860.00	Charities	NC	17 June 2025
M61536-Western Cape Rowing	1,249,247.00	Sports	WC	17 June 2025
M59320-Ntabanhle Primary School	350,000.00	Sports	MP	17 June 2025
M59553-Khunotswane Primary School-17861	185,600.00	Sports	NW	17 June 2025
M61305-Northern Suburbs Local Footbal Association	1,035,300.00	Sports	WC	17 June 2025
M57839-Nhluvuko Enlightenment Productions	291,719.60	Arts	GP	26 June 2025
M58722-Multipurpose Art Production Youth Organisation	243,870.00	Arts	GP	26 June 2025
M61336-Siphosethusemvelo	145,300.00	Arts	GP	26 June 2025
M59130-University of the Witwatersrand Foundation Trust	613,846.20	Arts	GP	26 June 2025
M59220-Mega-Smash	133,500.00	Arts	GP	26 June 2025
M61048-Maboneng Township Arts Experience NPC	97,800.00	Arts	GP	26 June 2025
M56849-Moleboheng Creative Arts	115,172.00	Arts	GP	26 June 2025
NLC-EC-CHA-24/25-10789 - Small Projects Foundation	9,999,935.00	Charities	EC	26 June 2025
M60044-Damant Lodge Home for The Age	1,431,694.00	Charities	EC	26 June 2025
M58033-Aurora Fundraising & Special Care Centre	278,251.00	Charities	EC	26 June 2025
M56148-Mabolela Educare Centre	165,140.00	Charities	FS	26 June 2025
M57158-Atlehang Multipurpose Centre	235,262.00	Charities	FS	26 June 2025
M51000-Hope for the Hopeless Care Centre	218,000.00	Charities	GP	26 June 2025
M56260-Arts Unite	443,000.00	Charities	GP	26 June 2025
M57191-Harmony Retreat	100,000.00	Charities	KZN	26 June 2025
M60842-Upper Xongora Primary	366,000.00	Sports	EC	26 June 2025
M60736-Madubela Primary School	64,500.00	Sports	EC	26 June 2025
M61266-Middelburg High School	31,500.00	Sports	EC	26 June 2025
M58092-Soshanguve Secondary School	61,000.00	Sports	GP	26 June 2025

M59508-Elsie Ngidi Primary School	72,000.00	Sports	GP	26 June 2025
M59469-Hoerskool Overvaal	447,306.00	Sports	GP	26 June 2025
M60018-Qwalasela Public School	66,000.00	Sports	EC	26 June 2025
M59726-South African United Christmas Bands' Board	50,000.00	Arts	WC	01 July 2025
M59500-Bana Ba Lehlogonolo Gospel Choir	50,232.00	Arts	LP	01 July 2025
M59236-Vhutsila Community Creafters development	81,000.00	Arts	LP	01 July 2025
M59334-Bethal SPCA	909,125.00	Charities	MP	01 July 2025
M61770-O.W.L.Haven Shelter	437,430.00	Charities	WC	01 July 2025
M57369-The Saartjie Baartman Centre for Women and Children	884,040.00	Charities	WC	01 July 2025
M57004-THE FATHERS HEART COMMUNITY DEVELOPMENT NPC	232,129.00	Charities	WC	01 July 2025
M57631-Sebenza Arts & Crafts	250,000.00	Charities	WC	01 July 2025
M57283-Malamule Day Care	261,500.00	Charities	MP	01 July 2025
M56363-WN Mtebule Creche	212,991.00	Charities	LP	01 July 2025
M56960-Age-In-Action Western Cape	345,262.00	Charities	WC	01 July 2025
M56261-Ndindani Drop in Centre	92,890.00	Charities	LP	01 July 2025
M56375-Thabina Riverside Creche	56,373.00	Charities	LP	01 July 2025
M56929-Lehlabile Creche 20864	79,400.00	Charities	LP	01 July 2025
M56324-Ntwanano Early Learning Centre	68,486.00	Charities	LP	01 July 2025
M56419-Itshwenyeng Day Care Centre	78,659.00	Charities	LP	01 July 2025
M56537-Nkavele Day Care Centre	100,000.00	Charities	LP	01 July 2025
M56568-Mafotsha Pre School	100,000.00	Charities	LP	01 July 2025
M56904-VUN'WE EARLY LEARNING CENTRE-LP	103,725.00	Charities	LP	01 July 2025
M57197-Dioke Educare Centre	70,200.00	Charities	LP	01 July 2025
M56130-Okani Vutivi Early Learning Centre	100,000.00	Charities	LP	01 July 2025
M56710-Babangu Community Based Services	113,378.00	Charities	LP	01 July 2025
M56747-Ramalamula Child Care Centre	180,702.00	Charities	LP	01 July 2025
M56802-Rwanda Day Care Centre	100,340.00	Charities	LP	01 July 2025
M58937-Daniel Mubva Primary School	105,000.00	Sports	LP	01 July 2025
M59517-Rantjie Primary School	108,000.00	Sports	LP	01 July 2025
M60007-Dambalwashe Primary School	175,000.00	Sports	LP	01 July 2025
M59124-Reya Tsotella Community Centre - 22552	135,551.00	Arts	FS	16 July 2025
M56380-The Goje Foundation	573,000.00	Arts	GP	16 July 2025
M57010-South African International Ballet Competition	397,900.00	Arts	GP	16 July 2025
M58503-Jewish National Fund, Walter Sisulu Enironmental Centre, Mamelodi	322,941.00	Arts	GP	16 July 2025
M60945-African Footprints of Hope Organisation	189,660.00	Arts	EC	16 July 2025
M61197-Heavyweight Social Investment	212,000.00	Arts	GP	16 July 2025
M59635-Royal Z Beads	147,600.00	Arts	KZN	16 July 2025
M57408-Generation of Stars	159,400.00	Arts	GP	16 July 2025
M58988-Paw Prints Rescue and Rehoming	350,000.00	Charities	KZN	16 July 2025
M57904-Mdeni Pre-School	45,270.00	Charities	EC	16 July 2025
M59566-Vuyani Safe Haven	366,897.00	Charities	EC	16 July 2025
M56421-Ons Gryse Jeug Sentrum Vir Bejaardes, Sasolburg	272,543.00	Charities	FS	16 July 2025
M58218-Ikemeleng Drop in Centre	133,500.00	Charities	FS	16 July 2025
M58706-Northern Free State Mental Health Society	176,700.00	Charities	FS	16 July 2025
M59956-Tswellang Special School	747,272.60	Charities	FS	16 July 2025
M59390-Huis Sorgvry- Sentrum Vir Bejaardes Reitz	1,304,269.00	Charities	FS	16 July 2025

M56940-Child Welfare South Africa : Nigel	143,551.00	Charities	GP	16 July 2025
M60363-Art Design Coding Vocational Training Academy NPC	49,919.00	Misc	GP	16 July 2025
M60740-Aeroville Secondary School	30,000.00	Sports	EC	16 July 2025
M56360-Moiponi	70,501.00	Arts	LP	21 July 2025
M61703-Greater Tygerberg Partnership NPC	271,932.00	Arts	WC	21 July 2025
M61101-Masi Violin Outreach	99,675.00	Arts	WC	21 July 2025
M56974-Shikhumba Disabled Project	132,461.70	Charities	LP	21 July 2025
M57101-Mapila Community Creche	73,800.00	Charities	LP	21 July 2025
M56296-Mmanhlapile Creche	73,160.00	Charities	LP	21 July 2025
M56347-Mulamula Multipurpose Centre	100,000.00	Charities	LP	21 July 2025
M56335-Muhluri Day Care Centre	98,049.00	Charities	LP	21 July 2025
M56259-Pfumelani Vadyohari Old Age Project	232,938.00	Charities	LP	21 July 2025
M56351-Lephala Early Learning Centre	63,047.40	Charities	LP	21 July 2025
M56529-Madumelani Early Learning Centre	99,980.00	Charities	LP	21 July 2025
M56602-Vukosi Day Care Centre	74,600.00	Charities	LP	21 July 2025
M56683-Lombard Day Care Centre	30,000.00	Charities	LP	21 July 2025
M56548-Loloka Drop In Centre	92,752.00	Charities	LP	21 July 2025
M56671-Dinga Tiyani Creche	81,303.00	Charities	LP	21 July 2025
M56328-LETHABONG EARLY LEARNING CENTRE-LP	45,410.00	Charities	LP	21 July 2025
M56413-Arise and Shine Motivational Organisation	177,442.00	Charities	LP	21 July 2025
M56579-Nwiini Community Creche	31,800.00	Charities	LP	21 July 2025
M56595-Mianzwi Pre School	45,981.00	Charities	LP	21 July 2025
M56650-Mphagane Community Creche	30,000.00	Charities	LP	21 July 2025
M56694-Tlakukani Maphophe Day Crare Centre	57,074.00	Charities	LP	21 July 2025
M56900-Khakhanwa Drop in Centre	110,400.00	Charities	LP	21 July 2025
M56903-Xinavetiso JB Early Learning Centre	48,440.00	Charities	LP	21 July 2025
M59421-Animal Anti-Cruelty League - Bredasdorp	265,823.00	Charities	WC	21 July 2025
M56117-Mankale Educare Centre	160,600.00	Charities	LP	21 July 2025
M56493-Radoo Drop in Centre	148,895.00	Charities	LP	21 July 2025
M58972-Lochiel Primary School	70,000.00	Sports	MP	21 July 2025
M60154-Hokisa Primary School	265,440.00	Sports	MP	21 July 2025
M62179-Mazista Primary School	92,400.00	Sports	NW	21 July 2025
M59776-MMANTSHEBO P/S	100,000.00	Arts	FS	25 July 2025
M56248-Mzumbe Performing Artists	129,100.00	Arts	GP	25 July 2025
M57012-The Rose of Freedom	200,000.00	Arts	GP	25 July 2025
M57458-Qhubani Foundation	129,900.00	Arts	GP	25 July 2025
M57876-Society Sports, Arts, Culture And Recreation	120,900.00	Arts	GP	25 July 2025
M58249-New Era Skills Academy	50,000.00	Arts	GP	25 July 2025
M60273-Ekuphileni Youth Empowerment	196,544.00	Arts	GP	25 July 2025
M57139-ACFS Community Education And Feeding Scheme	101,486.00	Arts	GP	25 July 2025
M57678-Siyanakekela-The Place of Hope Organisation	290,910.00	Arts	GP	25 July 2025
M59398-Arts Againts covid-19 (coronavirus)	196,000.00	Arts	GP	25 July 2025
M60932-Jazz Camp for Female Instrumentalists Mamelodi	332,844.30	Charities	GP	25 July 2025
M57423-H.F.J.D.C.C. Development Association	92,669.70	Charities	GP	25 July 2025
M57680-Arise and Shine Early Childhood Development Centre	165,311.10	Charities	GP	25 July 2025
M57103-Tswera Adopt River	115,471.00	Arts	LP	30 July 2025
M56410-Phaweni Day Care Centre	300,000.00	Charities	LP	30 July 2025

M56738-Hakula Creche	64,300.00	Charities	LP	30 July 2025
M56855-Leswene Early Learing Centre	100,000.00	Charities	LP	30 July 2025
M56910-Lepulana Creche	48,253.00	Charities	LP	30 July 2025
M56988-Ben Muyexe Early Learning Centre	74,000.00	Charities	LP	30 July 2025
M57032-Sanca Limpopo Alchohol and Drug Centre	600,000.00	Charities	LP	30 July 2025
M57276-Jelly Beanz Foundation	452,200.00	Charities	WC	30 July 2025
M61155-Kimberley SPCA	1,880,240.00	Charities	NC	30 July 2025
M56571-Senecio-Support for People with Disabilities NPC	211,700.00	Charities	WC	30 July 2025
M56786-Jabulani Multi Centre	75,600.00	Charities	LP	30 July 2025
M58859-Community Cohesion	306,771.40	Charities	WC	30 July 2025
M61692-Glen Elgin Community Organisation	99,300.00	Charities	WC	30 July 2025
M57520-Together Educare Centre	97,862.00	Charities	MP	30 July 2025
M58923-Sehibidu Primary School	420,000.00	Sports	NW	30 July 2025
M59159-Ratshikwekwete Secondary School	105,000.00	Sports	LP	30 July 2025
M57632-Western Cape Cycling	430,134.00	Sports	WC	30 July 2025
M57205-Mmilige Secondary School	90,000.00	Sports	LP	30 July 2025
M57418-Tshivhale Primary School	90,000.00	Sports	LP	30 July 2025
M61940-Rygate Local Football Association	459,064.80	Sports	WC	30 July 2025
NLC-NC-24/25-696-Garage Dance Ensemble NPC	1,077,655.00	Arts	NC	22 August 2025
M62031-South African Arts & Culture Youth Forum	150,000.00	Arts	GP	11 September 2025
The SA Red Cross Air Mercy Service Trust	17,083,500.00	Charities	WC	31 October 2025
HIVSA GENERAL	10,765,936.00	Charities	GP	31 October 2025
THE Siyazisiza Trust	16,792,273.00	Charities	GP	31 October 2025
M60124-Bookhive	183,800.00	Arts	MP	04 November 2025
M59287-Hermanus Visual Art and Design Youth Project	86,400.00	Arts	WC	04 November 2025
M60856-Advance Edukos Foundation	45,050.00	Arts	WC	04 November 2025
M61269-KUNSTE ONBEPERK NPC	105,680.00	Arts	WC	04 November 2025
M61440-Princess Vlei Forum	116,524.00	Arts	WC	04 November 2025
M61572-Rise Above Precinct NPC	82,200.00	Arts	WC	04 November 2025
M61641-THE NAL`ibali TRUST	2,201,000.00	Arts	WC	04 November 2025
M61685-E'BOSCH HERITAGE PROJECT NPC	256,200.00	Arts	WC	04 November 2025
M61739-Marimba Jam Cares	312,344.00	Arts	WC	04 November 2025
M62058-Pioneer Printers	86,355.00	Arts	WC	04 November 2025
M57849-SAVF Mpumalanga	891,100.00	Charities	MP	04 November 2025
M61966-Second Chance Group - 23066	420,113.00	Charities	NC	04 November 2025
M56953-Sandla Somusa Social Development	450,940.00	Charities	MP	04 November 2025
M58552-Sigagule Nhluvuko Creche	427,804.00	Charities	MP	04 November 2025
M58267-Child Welfare South Africa: Kleinmond	449,750.00	Charities	WC	04 November 2025
M56329-NOAH'S ARK CHILDRENS HOME	943,255.80	Charities	LP	04 November 2025
M56386-Makhuva Old Age Project	105,000.00	Charities	LP	04 November 2025
M56412-Masungulo Day Care Centre-LP	83,705.00	Charities	LP	04 November 2025
M56938-Ba-phalaborwa Victim Empowerment Programme	108,420.00	Charities	LP	04 November 2025
M56950-Motswadibe Drop In Centre	103,500.00	Charities	LP	04 November 2025
M56982-Opret Advice Office	174,000.00	Charities	LP	04 November 2025
M56986-Kurisani Early Learning Centre	131,316.00	Charities	LP	04 November 2025
M57038-Khumbhekani Victim Empowerment	588,934.53	Charities	LP	04 November 2025
M58220-Mongobong Community Creche	131,760.00	Charities	LP	04 November 2025
M57596-Godisanang Orphaned and Vulnerable Children Programme	200,000.00	Charities	NW	04 November 2025

M60979-Kgatelopele Social Development Forum - 36545	651,440.00	Charities	NC	04 November 2025
M61410-ACVV De Aar	148,848.00	Charities	NC	04 November 2025
M57502-Rainbow Early Childhood Development Centre Masiphumele	111,940.00	Charities	WC	04 November 2025
M57653-Simanyene Residential Home	249,780.00	Charities	WC	04 November 2025
M58777-Animal Anti -Cruelty League-Cape Town	351,639.60	Charities	WC	04 November 2025
M59727-Masikhulisane day & After Care Centre	54,739.50	Charities	WC	04 November 2025
M60862-People's Dispensary for Sick Animals (South Africa)	1,027,398.00	Charities	WC	04 November 2025
M61115-Citrusdal Animal Rescue	143,460.00	Charities	WC	04 November 2025
M61149-Dig It Juniors NPC	104,792.00	Charities	WC	04 November 2025
M61434-The Animal Welfare Society of South Africa	105,000.00	Charities	WC	04 November 2025
M61871-Mhlanganisweni Primary School	483,000.00	Sports	LP	04 November 2025
M56868-Mohlabi Primary School	70,000.00	Sports	LP	04 November 2025
M58835-Mamodikeleng Secondary School	71,000.00	Sports	LP	04 November 2025
M60117-Mashianoke Primary School	106,500.00	Sports	LP	04 November 2025
M60243-Hitekani Primary School	91,500.00	Sports	LP	04 November 2025
M59995-Ian Mackenzi High School	109,500.00	Sports	MP	04 November 2025
M58901-Mooi-Uitsig Primary School	226,900.00	Sports	WC	04 November 2025
M60993-Western Cape Deaf sport Federation	147,000.00	Sports	WC	04 November 2025
M61361-Greater Devon Projects	81,779.70	Arts	GP	05 November 2025
M61639-Disabled Rural Woman Ensemble	211,500.00	Arts	GP	05 November 2025
M61817-Sibikwa Community Project NPC	293,718.90	Arts	GP	05 November 2025
M59511-Jubilee Youth Organisation	100,000.00	Arts	KZN	05 November 2025
M60577-Onevoice South Africa NPC	200,000.00	Arts	KZN	05 November 2025
M60980-Ukuvuna Healthcare	258,000.00	Arts	KZN	05 November 2025
M61457-Epikayizo Community Organisation	141,597.00	Arts	KZN	05 November 2025
M61510-Women First Foundation	170,700.00	Arts	KZN	05 November 2025
M61841-Ehlanzeni Primary School	163,410.00	Arts	KZN	05 November 2025
M56784-Tholulwazi Creche	409,870.00	Charities	KZN	05 November 2025
M56824-Sbhekokuhle Creche	420,720.00	Charities	KZN	05 November 2025
M56919-Sheshi Creche	410,686.00	Charities	KZN	05 November 2025
M57016-Vikelani Abantwana Creche	433,643.00	Charities	KZN	05 November 2025
M57474-Mthanti Creche	448,944.00	Charities	KZN	05 November 2025
M57844-MOUNT MORIAH EDUCARE CENTRE	144,960.00	Charities	KZN	05 November 2025
M59243-Zwelitsha Women and Children Support Centre	181,000.00	Charities	EC	05 November 2025
M56941-IZIKO EDUCARE AND COMMUNITY CENTRE	139,200.00	Charities	KZN	05 November 2025
M58907-On Eagle's Wings Multi-Purpose Centre	236,760.00	Charities	EC	05 November 2025
M57484-Great Kei Disability Multipurpose Centre	428,557.00	Charities	EC	05 November 2025
M59032-Camama Cheshire Home	694,439.00	Charities	EC	05 November 2025
M58911-Grahamstown Hospice Service	1,000,000.00	Charities	EC	05 November 2025
M59464-Cleary Estate Cheshire Home	244,250.00	Charities	EC	05 November 2025
M60299-Masimanyane Women's Support Centre	1,128,927.60	Charities	EC	05 November 2025
M60733-Revive - Empowering Emotional Change	332,220.00	Charities	EC	05 November 2025
M61682-St. Francis Hospice Association	150,000.00	Charities	EC	05 November 2025
M56217-Aids Hope	497,724.00	Charities	GP	05 November 2025
M58109-Khululeka Victim Sopport Group	109,500.00	Charities	FS	05 November 2025
M56546-The Johannesburg Childrens Home (Undenominational) NPC	110,000.00	Charities	GP	05 November 2025
M56725-Awake Day Care	170,273.00	Charities	GP	05 November 2025

M57613-The Living Link	726,259.20	Charities	GP	05 November 2025
M57792-Pietermaritzburg Benevolent Society	198,376.00	Charities	KZN	05 November 2025
M61600-The Youngspark Foundation	105,000.00	Misc	GP	05 November 2025
M61891-Safer South Africa Foundation NPC	778,200.00	Misc	GP	05 November 2025
M61104-Central Gauteng Athletics	758,880.00	Sports	GP	05 November 2025
M57878-Ulundi Local Football Association	742,190.00	Sports	KZN	05 November 2025
M59378-Clermont LFA	38,700.00	Sports	KZN	05 November 2025
M59878-Nansindlela Primary School	120,000.00	Sports	KZN	05 November 2025
M59894-Inkosi Nhlanganiso Primary School	106,500.00	Sports	KZN	05 November 2025
M58014-Ithongasi Primary School	50,000.00	Sports	KZN	05 November 2025
M58980-Siyaziqeqesha Primary School	81,000.00	Sports	KZN	05 November 2025
M61980-Sail Africa Youth Development Foundation NPC	120,000.00	Sports	KZN	05 November 2025
M60452-SOUTH AFRICAN DEAF SPORTS FEDERATION	419,000.00	Sports	GP	05 November 2025
M61943-PNIëL ERFENIS-EN KULTUURTRUST	297,000.00	Arts	WC	17 November 2025
M22963-Arkwork for Art NPC	68,000.00	Arts	EC	17 November 2025
M60108-Sibonelo Arts Production	81,426.00	Arts	GP	17 November 2025
M61177-Cantare Children's Choir	227,926.00	Arts	GP	17 November 2025
M61334-Uthingolwezintombi	150,000.00	Arts	GP	17 November 2025
M61637-Youth Bridge Trust	403,200.00	Arts	GP	17 November 2025
M57445-Rytmic Indigenious Dancers Organisation	305,000.00	Arts	KZN	17 November 2025
M59196-Siyacela Organization	159,300.00	Arts	KZN	17 November 2025
M59258-Roano	76,900.00	Arts	KZN	17 November 2025
M61072-Siyaphambili Skills and Talent Development Centre	20,000.00	Arts	KZN	17 November 2025
M56415-Warmbad Rusoord	386,321.00	Charities	LP	17 November 2025
M56499-Lethabile Day Care Centre	72,072.00	Charities	LP	17 November 2025
M56528-Rivoningo Early Childhood and Learning Centre	95,200.00	Charities	LP	17 November 2025
M56608-Shihosana Creche	74,510.00	Charities	LP	17 November 2025
M56663-Mmamina Pre School	100,000.00	Charities	LP	17 November 2025
M56695-Rixile Zava Early Learning Centre	200,000.00	Charities	LP	17 November 2025
M56818-Nsavulani Creche	339,900.00	Charities	LP	17 November 2025
M56907-Tshikonelo Home Based Care	59,940.00	Charities	LP	17 November 2025
M56926-Maunatlala Stimulation Centre	107,700.00	Charities	LP	17 November 2025
M56939-Malekutu Children`s Home	43,760.00	Charities	LP	17 November 2025
M56966-Khomanani Hlaneki Disabled Project	237,000.00	Charities	LP	17 November 2025
M56980-Matsotsosela Disability Centre	131,000.00	Charities	LP	17 November 2025
M57055-Lulekani Creche	114,268.00	Charities	LP	17 November 2025
M57121-Rapatla Place Of Care	168,870.00	Charities	LP	17 November 2025
M57136-Londanani Care Centre	164,400.00	Charities	LP	17 November 2025
M57279-ITU Stimulation Centre	49,000.00	Charities	LP	17 November 2025
M57302-Tshanzhe Drop in Centre	83,055.00	Charities	LP	17 November 2025
M57110-Thusanang Trauma Centre - 8581	398,261.00	Charities	NW	17 November 2025
M57400-Louis Swanepoel Home	455,223.00	Charities	NW	17 November 2025
M57485-Bokamoso Home Community Based Care-14702	318,570.00	Charities	NW	17 November 2025
M61065-NG Weslyn Noordwes-20151	191,833.00	Charities	NW	17 November 2025
M57726-Sonskyn Bejaardeklub and Dienssentrum	213,639.20	Charities	NC	17 November 2025
M59917-Isago Pre-School	88,777.00	Charities	NC	17 November 2025
M57581-Imfuneko Projects	66,018.00	Charities	WC	17 November 2025
M58864-Nompumelelo Educare Centre	400,000.00	Charities	WC	17 November 2025

M56783-Khulani Creche	42,358.00	Charities	EC	17 November 2025
M56200-Tsotellang Creche	191,468.40	Charities	FS	17 November 2025
M57498-Onze Rust Sentrum vir Bejaardes, Steynsrus	722,277.00	Charities	FS	17 November 2025
M58244-Reddersrus Sentrum Vir Bejaardes, Reddersburg	1,792,344.00	Charities	FS	17 November 2025
M58405-Eliza Liddell Tehuis	884,580.00	Charities	FS	17 November 2025
M58699-T&P Training and Support Councelling Agency	332,225.00	Charities	FS	17 November 2025
M58817-Bethlehem Child and Family Welfare	245,774.70	Charities	FS	17 November 2025
M57181-The Almond Tree	520,118.00	Charities	GP	17 November 2025
M57307-F.W.C. Welfare and Development Centre	935,119.00	Charities	GP	17 November 2025
M57354-Luipaardsvlei Home for the Aged/ Luipaardsvlei tehuis vir Bejaardes	1,168,895.00	Charities	GP	17 November 2025
M57463-The Down Syndrome Association Gauteng	420,642.00	Charities	GP	17 November 2025
M56780-Indumiso Creche	157,934.00	Charities	KZN	17 November 2025
M57619-Pietermaritzburg Children's Home	463,953.00	Charities	KZN	17 November 2025
M57730-Khulanathi Creche	97,169.70	Charities	KZN	17 November 2025
M57650-Childwelfare South Africa Grahamstown	460,520.00	Charities	EC	17 November 2025
M59675-Mmalisiba Secondary School	200,000.00	Sports	LP	17 November 2025
M60185-Butshwana Primary School	90,000.00	Sports	LP	17 November 2025
M58425-Hoerskool Dirkie Uys	726,275.00	Sports	WC	17 November 2025
M58728-Breede Valley School of Skills	550,000.00	Sports	WC	17 November 2025
M61040-Golf RSA NPC	1,663,100.00	Sports	WC	17 November 2025
M59585-Kitso Primary School	99,000.00	Sports	GP	17 November 2025
M59101-Lifesaving KwaZulu Natal Association	581,518.00	Sports	KZN	17 November 2025
M59318-New World Dance Theatre	407,384.00	Arts	WC	05 December 2025
M60343-Tiny Little Minds Pre- School	231,999.00	Charities	FS	05 December 2025
M58493-Phelang	868,243.00	Charities	FS	05 December 2025
M61612-Dr Sam Motsuenyane Foundation	2,108,929.00	Charities	GP	05 December 2025
M57850-Langebaan Pre-Primary Community School	483,017.00	Charities	WC	05 December 2025
M59139-Community Keepers	122,467.00	Charities	WC	05 December 2025
M58142-Siyazana Youth Development Fund	42,674.10	Charities	WC	05 December 2025
M58691-The Cart Horse Protection Association	641,865.30	Charities	WC	05 December 2025
M60751-Mpelega Pre-Primary School	682,698.60	Charities	NC	05 December 2025
M60972-Northern Cape Older Person's Forum - 8514	1,000,000.00	Charities	NC	05 December 2025
M61144-Noord Kaap Vigs Forum - 7561	158,400.00	Charities	NC	05 December 2025
M60670-Vrystaat-versorging in Aksie Tak: Vrede	348,812.00	Charities	FS	05 December 2025
M60686-Vrystaat - Versorging in Aksie - Harrismith	159,239.00	Charities	FS	05 December 2025
M60025-Calvinia Hoerskool - 36109	483,494.00	Sports	NC	05 December 2025
M58851-Boland Golf Union	252,000.00	Sports	WC	05 December 2025
M61142-Rearata Primary School	70,000.00	Sports	NC	05 December 2025
M60140-Liberty	201,600.00	Arts	KZN	15 December 2025
M57231-The Forgotten Angle Theatre Collaboration	275,400.00	Arts	MP	15 December 2025
M61085-Amy Foundation Trust	495,220.00	Arts	WC	15 December 2025
M56389-Mngqobolweni Creche	412,707.00	Charities	KZN	15 December 2025
M60325-Bokamoso Early Childhood Development - 5123	1,502,092.00	Charities	NW	15 December 2025
M57669-New Generation	465,970.00	Charities	MP	15 December 2025
M59158-The Animal Welfare Society (Port Elizabeth)	538,324.20	Charities	EC	15 December 2025
M59429-"Mt-Zion" The City of The Living God Multi-Purpose Center	265,530.00	Charities	EC	15 December 2025
M57842-Laapeng Foundation Project	702,063.00	Charities	MP	15 December 2025

M58500-Gugulethu St Benedict's Home for the Aged	697,652.10	Charities	MP	15 December 2025
M57100-Ethandweni Creche and Educare Centre	116,548.00	Charities	MP	15 December 2025
M58399-Gaboamogwe Day Care Centre - 30768	201,710.00	Charities	NC	15 December 2025
M61668-Rekopane Pre-School	106,524.90	Charities	NC	15 December 2025
M61301-ACVV Victoria Wes	898,449.90	Charities	NC	15 December 2025
M57775-Angels Of Tomorrow Community Support Center-20178	713,000.00	Charities	NW	15 December 2025
M57852-Ntshalleng Le Bana Care Centre - 11004	1,004,539.00	Charities	NW	15 December 2025
M58039-Tlhaping Early Learning Centre	346,682.00	Charities	NW	15 December 2025
M59254-Phakamani Baby Care	51,900.00	Charities	WC	15 December 2025
M59072-Morei Primary School	126,725.00	Sports	MP	15 December 2025
M59308-Chief KJ Malaza Primary School	70,000.00	Sports	MP	15 December 2025
M60869-Montshiwa Primary School	87,148.00	Sports	NC	15 December 2025
M59347-Heaven On Earth International Ministries - 9500	100,000.00	Arts	NW	19 December 2025
M59171-Salesian Institute Youth Projects	163,275.00	Arts	WC	19 December 2025
M56803-Re Gaugetswe Old Age Centre	321,300.00	Charities	LP	19 December 2025
M59896-Bubbles Day Care Centre	511,015.00	Charities	FS	19 December 2025
M57566-Social Justice Women	494,970.00	Charities	EC	19 December 2025
M59636-Tshwaraganang Creche	587,283.00	Charities	NW	19 December 2025
M57192-Reatlegile Senior Citizen Centre	172,295.00	Charities	LP	19 December 2025
M59283-Selebanyeng Creche	895,582.00	Charities	NW	19 December 2025
M60743-Care Haven Psychiatric Centre	2,838,147.00	Charities	EC	19 December 2025
M56776-Qaqamba Educare Centre	132,150.00	Charities	EC	19 December 2025
M57380-Down Syndrome Association Amathole	220,815.00	Charities	EC	19 December 2025
M57883-Ethembeni Old Age Home	475,180.00	Charities	EC	19 December 2025
M57892-Imizamo Yethu Day Care Centre	109,182.00	Charities	EC	19 December 2025
M58615-Step Ahead Early Childhood Development Centre	104,913.00	Charities	EC	19 December 2025
M58925-Siyakha Day Care Centre	93,600.00	Charities	EC	19 December 2025
M59409-Border Hospice Association	519,558.90	Charities	EC	19 December 2025
M59785-Sakhe Singamadoda Youth Programs	513,400.00	Charities	EC	19 December 2025
M59803-Phakamani Day Care Centre	103,618.00	Charities	EC	19 December 2025
M60775-Makukhanye Service Centre for the Aged	294,419.00	Charities	EC	19 December 2025
M56861-Masibulele Day Care	192,000.00	Charities	GP	19 December 2025
M57203-Sizanani Community Development Project	159,600.00	Charities	GP	19 December 2025
M57255-Child and Family Welfare Society of The Greater Boksburg	239,000.00	Charities	GP	19 December 2025
M58773-Dogtown South Africa	138,000.00	Charities	GP	19 December 2025
M57166-Inkosinathi HIV/AIDS Project	213,000.00	Charities	KZN	19 December 2025
M59974-Zenzeleni High School	109,200.00	Charities	KZN	19 December 2025
M57115-Unarine Day Care Cenrtre	106,253.00	Charities	LP	19 December 2025
M57362-Isibindi Thohoyandou	96,960.00	Charities	LP	19 December 2025
M57559-Thlothlokwen Drop in Centre	162,600.00	Charities	LP	19 December 2025
M58717-Khani Drop In Centre	101,505.00	Charities	LP	19 December 2025
M58814-Lesedi Crech	100,000.00	Charities	NW	19 December 2025
M59742-Rustenburg Child And Family Welfare-18017	1,000,000.00	Charities	NW	19 December 2025
M59559-The Mafikeng S P C A - 9939	544,526.00	Charities	NW	19 December 2025
M61935-Our Future Educare	63,355.00	Charities	NW	19 December 2025
M57561-West Coast Disability Forum	39,951.00	Charities	WC	19 December 2025
M58730-Rosedale Nursery School	78,563.40	Charities	WC	19 December 2025

M59714-Kabouterland Creche	45,000.00	Charities	WC	19 December 2025
M61098-De Grendel - A C V V - Dienstak	91,200.00	Charities	WC	19 December 2025
M57256-LifeLine Vaal Triangle	726,628.00	Charities	GP	19 December 2025
M58536-Dihatshwane Community Care Centre-18869	122,399.70	Charities	NW	19 December 2025
M61039-Badira-Mmogo Pre-School - 36579	137,785.80	Charities	NC	19 December 2025
M61026-AFRIPAW ANIMAL WELFARE	144,565.00	Charities	WC	19 December 2025
M61845-Nobantu Educare Centre	88,500.00	Charities	WC	19 December 2025
M61892-Deafblind South Africa	606,054.00	Charities	WC	19 December 2025
M58000-Magomarele Primary School	171,925.00	Misc	LP	19 December 2025
M58457-Gungubele Senior Primary School	456,250.00	Sports	EC	19 December 2025
M60639-Bhaliti Junior Primary School	98,756.00	Sports	EC	19 December 2025
M59772-Lesedi Primary School FS	105,000.00	Sports	FS	19 December 2025
M59153-Capital Park Primary School	187,652.00	Sports	GP	19 December 2025
M61355-Gauteng Cricket Board NPC	885,420.00	Sports	GP	19 December 2025
M58024-Thobezweni Primary School	90,000.00	Sports	KZN	19 December 2025
M59240-Asibambisane Primary School	61,000.00	Sports	KZN	19 December 2025
M59379-Mseleni Primary School	85,068.00	Sports	KZN	19 December 2025
M60121-Hollywood Primary School	144,580.00	Sports	KZN	19 December 2025
M59400-Vulakwenile High School	88,957.00	Sports	KZN	19 December 2025
M59981-Endlondlweni Primary School	114,000.00	Sports	KZN	19 December 2025
M60029-Mzimba Primary School	105,000.00	Sports	KZN	19 December 2025
M60075-Mowbray Primary School	123,000.00	Sports	KZN	19 December 2025
M60217-Nophungwa Primary School	106,500.00	Sports	KZN	19 December 2025
M59842-Makabongwe Primary School	92,919.00	Sports	KZN	19 December 2025
M59881-Maleleng Primary School	177,500.00	Sports	LP	19 December 2025
M60036-Ntlatsang Secondary School	129,000.00	Sports	NW	19 December 2025
M60984-Lorato Primary School	16,500.00	Sports	NW	19 December 2025
M60090-Swartland Hoerskool	1,512,177.00	Sports	WC	19 December 2025
M60988-Hermanus Waldorf School	390,894.00	Sports	WC	19 December 2025
M56619-Mogane Family Foundation NPC	86,190.00	Arts	GP	16 January 2026
M59507-Madonda Support Group	77,417.00	Arts	GP	16 January 2026
M59583-Herd Trust	1,000,000.00	Arts	GP	16 January 2026
M56590-Nkotloto Day Care Centre	142,368.00	Charities	LP	16 January 2026
M56601-Makumeke Creche	48,600.00	Charities	LP	16 January 2026
M56942-Mphapantshi Early Learning Centre	61,680.00	Charities	LP	16 January 2026
M56648-Merwe Xivono Creche	28,000.00	Charities	LP	16 January 2026
M57008-Musekwa Fhatani Day Care Centre	136,658.70	Charities	LP	16 January 2026
M58459-Thariemang E.C.D	118,141.00	Charities	NC	16 January 2026
M57313-Vrolike Vinkies Enrichment & Development Centre	116,760.00	Charities	WC	16 January 2026
M57381-Cape Flats Youth Development Programmes	140,279.40	Charities	WC	16 January 2026
M59488-Kindersorg Suid-Afruka:Heidelberg	829,372.00	Charities	WC	16 January 2026
M61262-Lerato Educare	71,790.00	Charities	WC	16 January 2026
M56138-Bakone Community Home Based Care Centre	127,000.00	Charities	GP	16 January 2026
M58231-Muscular Dystrophy Foundation of South Africa	152,850.00	Charities	GP	16 January 2026
M60362-Flora Park Comprehensive High School	336,724.00	Sports	LP	16 January 2026
M59782-Nyavani Primary School	500,000.00	Sports	LP	16 January 2026
M57560-Lemetja Secondary School	379,890.00	Sports	LP	16 January 2026
M57056-Maphutha Secondary School	70,000.00	Sports	LP	16 January 2026

M57352-Tshikhwani Primary School	90,000.00	Sports	LP	16 January 2026
M57683-Mogodumo Primary School-35244	75,000.00	Sports	LP	16 January 2026
M58394-Letlape Secondary School	168,500.00	Sports	NW	16 January 2026
M60109-Letsemeng Primary School	105,000.00	Sports	GP	16 January 2026
M58064-Port Shepstone Twinning Association	125,610.00	Arts	KZN	23 January 2026
M61763-Makaula Foundation	225,840.00	Arts	WC	23 January 2026
M61172-Motswako Arts Technology and Sports Institute	1,107,400.00	Arts	GP	23 January 2026
M58697-Project Gateway	323,200.00	Arts	KZN	23 January 2026
M58782-Emadlangeni Skills Development Academy NPC	70,117.00	Arts	KZN	23 January 2026
M61571-Vrystaat-versorging in Aksie:Parys	1,308,100.00	Charities	FS	23 January 2026
M56948-Silawa Drop in Centre	455,200.00	Charities	LP	23 January 2026
M57470-Hippo Creche	996,938.00	Charities	KZN	23 January 2026
M58253-Thuso Day Care for Children with Disabilities	235,497.00	Charities	FS	23 January 2026
M56833-Breast Health NPC	434,723.20	Charities	GP	23 January 2026
M57047-Lethabo la Bana Day Care Organisation	135,350.00	Charities	GP	23 January 2026
M57240-Nokuphila Community Services	88,012.00	Charities	GP	23 January 2026
M57609-Emfuleni Shelter For Boys	147,750.00	Charities	GP	23 January 2026
M57098-Sinamuva Creche and Pre School	89,587.50	Charities	KZN	23 January 2026
M57421-Multiple Sclerosis Society - KZN branch	227,309.00	Charities	KZN	23 January 2026
M57901-Aryan Benevolent Home Councill	234,960.00	Charities	KZN	23 January 2026
M58071-Pietermaritzburg Mental Health	1,150,353.00	Charities	KZN	23 January 2026
M59414-Cape of Good Hope Society for the Prevention of Cruelty to Animals	692,250.00	Charities	WC	23 January 2026
M59482-Cape Town Child Welfare Society	848,223.00	Charities	WC	23 January 2026
M59984-Miqlat NPC	79,787.00	Charities	WC	23 January 2026
M59745-Mmathari Early Learning Centre	100,000.00	Charities	NC	23 January 2026
M58665-Emthonjeni Wokuphila Centre For The Elderly	176,428.00	Charities	EC	23 January 2026
M60133-Thand' usana Babies Safe Home	184,434.00	Charities	EC	23 January 2026
M60204-Sinobom Community Centre	249,780.00	Charities	EC	23 January 2026
M60713-Komga Service Centre	100,000.00	Charities	EC	23 January 2026
M56971-Serofo Creche	95,863.20	Charities	LP	23 January 2026
M59688-Kuwane Foundation	149,760.00	Charities	EC	23 January 2026
M59861-SPCA Polokwane -9354	120,274.00	Charities	LP	23 January 2026
M56755-Thanda After School	188,570.00	Charities	KZN	23 January 2026
M58635-Kwazulu-Natal Society for the Blind	517,134.00	Charities	KZN	23 January 2026
M60111-Transformation of Addicts	81,690.00	Charities	FS	23 January 2026
M60336-Bontate ba Makhonthe Mens Forum	110,499.00	Charities	FS	23 January 2026
M57603-HIV and Aids Abuse Counselling for Community	111,300.00	Charities	FS	23 January 2026
M58790-Dipelang HIV/Aids Organisation	310,200.00	Charities	FS	23 January 2026
M61737-Amanzimtoti SPCA	476,100.00	Charities	KZN	23 January 2026
M60676-Notsolo P.S	119,925.00	Sports	EC	23 January 2026
M58796-South African Transplant Sports Association	1,246,870.00	Sports	GP	23 January 2026
M59516-Mbhalati Primary School	99,000.00	Sports	LP	23 January 2026
M57929-Molaka Primary School	70,000.00	Sports	LP	23 January 2026
M59513-Sandanwezwe Primary	61,000.00	Sports	KZN	23 January 2026
M60564-Lifesaving SouthAfrican	311,700.00	Sports	KZN	23 January 2026
M61253-WKF Karate South Africa	336,600.00	Sports	KZN	23 January 2026
M61468-Umlalazi Local Football Assciation	188,250.00	Sports	KZN	23 January 2026
M57916-Ikhandlela Secondary School	89,200.00	Sports	KZN	23 January 2026

M58809-Esibhoweni Primary School	90,730.00	Sports	KZN	23 January 2026
M59959-Star of the Sea Primary School	117,000.00	Sports	KZN	23 January 2026
M60167-Cebolesizwe Combined Primary School	90,000.00	Sports	KZN	23 January 2026
M61896-The South African National Dance Trust	245,200.00	Arts	WC	30 January 2026
M60400-Hlanganani Bomama 22	117,747.00	Arts	MP	30 January 2026
M60322-Jubilee KSN Youth Development	100,000.00	Arts	FS	30 January 2026
M56983-Tirha Maatjie E.L.C.	134,625.00	Charities	LP	30 January 2026
M60145-Ihlumelo Foundation	846,435.00	Charities	EC	30 January 2026
M58343-Inkanyezi Day Care Centre	239,116.50	Charities	KZN	30 January 2026
M56992-Muyexe Early Child Development Centre	97,800.00	Charities	LP	30 January 2026
M57229-Majeje Drop In Centre	82,949.40	Charities	LP	30 January 2026
M57258-Madiga Kgokaganang Drop In Centre	70,797.00	Charities	LP	30 January 2026
M58449-Nuwerus Napier Nasorg, Jeugsentrum en Padda Vissies Creche	91,854.00	Charities	WC	30 January 2026
M61004-The Emma Animal Rescue Society	551,202.00	Charities	WC	30 January 2026
M60859-Realeka Pre - School	154,405.80	Charities	NC	30 January 2026
M57588-Volksrust Rusoord	470,344.00	Charities	MP	30 January 2026
M56659-Umalusi Omuhle Drop In Centre	262,815.00	Charities	MP	30 January 2026
M56372-Jane Furse Victim Empowerment Support	111,000.00	Charities	LP	30 January 2026
M56399-Nwa-Tumberi Day Care	224,150.00	Charities	MP	30 January 2026
M57666-Bolokang Pre School	100,000.00	Charities	NC	30 January 2026
M58935-Groenwater Soup Kitchen	100,000.00	Charities	NC	30 January 2026
M58869-Childline Mpumalanga	439,684.00	Charities	MP	30 January 2026
M56811-Rirhandzu Early Learning Centre	85,465.00	Charities	LP	30 January 2026
M56859-Makombandlela Day Care Centre	243,387.00	Charities	LP	30 January 2026
M57274-Basani Drop in Centre	104,812.00	Charities	LP	30 January 2026
M58240-Bessie-Mpelegele-Ngwana Care Centre-13888	337,950.00	Charities	NW	30 January 2026
M59147-Friends of Care	197,418.00	Charities	WC	30 January 2026
M61200-Chris Hani Educare	90,262.20	Charities	WC	30 January 2026
M56149-Tsepong Day Care Centre	498,400.00	Charities	FS	30 January 2026
M56161-Makhabane Child Care Project	188,300.00	Charities	FS	30 January 2026
M57118-Kopano Home Based Care	256,393.00	Charities	FS	30 January 2026
M57716-Agape Foundation For Community Development	149,790.00	Charities	FS	30 January 2026
M58295-Hlanganani Child and Family Welfare Society	141,588.00	Charities	FS	30 January 2026
M58301-Tshepang Edu-care Centre	86,400.00	Charities	FS	30 January 2026
M58305-Child Welfare South Africa Qwa Qwa	1,000,000.00	Charities	FS	30 January 2026
M57686-Eastern Province Child and Youth Care Centre	606,399.60	Charities	EC	30 January 2026
M59426-Christelik-Maatskaplike Raad Van Uitenhage	980,671.00	Charities	EC	30 January 2026
M59819-Cheshire Home Summerstrand	640,546.00	Charities	EC	30 January 2026
M60058-Save-A-Pet	184,500.00	Charities	EC	30 January 2026
M61264-Epilepsy South Africa Eastern Cape Branch	200,000.00	Charities	EC	30 January 2026
M61712-Pebetse Primary School	279,813.00	Misc	LP	30 January 2026
M59787-Mangakane Lerate Primary School	105,000.00	Sports	LP	30 January 2026
M61533-Morgenzon Lanbou Akademie	137,460.00	Sports	MP	30 January 2026
M59253-KwaZulu Natal Rugby Union	681,600.00	Sports	KZN	30 January 2026
SASK FOUNDATION NPC	401,500.00	Arts	KZN	06 February 2026
Happiness Literary Foundation	874,538.00	Arts	KZN	06 February 2026
Marimba Education Foundation	1,086,074.50	Arts	WC	06 February 2026
M59230-Ikhethelo Oganisation	135,600.00	Arts	KZN	06 February 2026

M61118-Vusizwe Creative Arts	105,000.00	Arts	KZN	06 February 2026
M61899-Africa South Art Initiative	232,105.00	Arts	KZN	06 February 2026
M59024-Olga Entertainment NPC	144,954.00	Arts	KZN	06 February 2026
M59887-Philarsande Foundation	279,000.00	Arts	GP	06 February 2026
M61132-Endangered Wildlife Trust	175,458.00	Arts	GP	06 February 2026
Sokhula Foundation	921,616.60	Charities	MP	06 February 2026
Griqua People's Heritage NPC	1,468,464.70	Charities	NC	06 February 2026
MORETHANMEERAS NPC	643,200.00	Charities	WC	06 February 2026
YABONGA CHILDREN'S PROJECT	5,443,602.80	Charities	WC	06 February 2026
M59683-Masakhane Agricultural Farming Project	498,000.00	Charities	KZN	06 February 2026
M61894-Nzondweni Creche	577,000.00	Charities	KZN	06 February 2026
M56883-Masizame Dimbaza Day Care Centre	102,282.00	Charities	EC	06 February 2026
M56281-Usizo Healthcare Project	218,897.00	Charities	GP	06 February 2026
M59267-Uthingo Network	291,408.00	Misc	KZN	06 February 2026
Kevin Nkoane Primary School	397,797.00	Sports	NC	06 February 2026
Laerskool Sentraal Kakamas	547,520.00	Sports	NC	06 February 2026
M59210-Enkumba Primary School	61,000.00	Sports	KZN	06 February 2026
M59844-Threlfall Primary School	117,000.00	Sports	KZN	06 February 2026
M59986-Maputa Primary School	133,200.00	Sports	KZN	06 February 2026
M61066-Softball South Africa	480,000.00	Sports	GP	06 February 2026
M56411-Konkoriti Arts Academy	55,700.00	Arts	LP	17 February 2026
Nolukhanyo animal relief fund	489,821.57	Charities	EC	17 February 2026
MPUMALNGA ASSOCIATION FOR THE BLIND AND REHABILITATIONS	401,800.00	Charities	MP	17 February 2026
ZETTIE JONKER HULPSENTRUM NPC	8,390,710.95	Charities	WC	17 February 2026
South African Bone Marrow Registry	4,910,282.71	Charities	WC	17 February 2026
Mosaic Community Developments	1,048,934.93	Charities	WC	17 February 2026
M57269-Thatego Disadvantage Home Care	188,610.00	Charities	LP	17 February 2026
M57415-Caritas Gemeenskapsfokus Vryburg	329,739.00	Charities	NW	17 February 2026
M59871-Itshidileng Bagodi Organisation-7212	361,650.00	Charities	NW	17 February 2026
M57188-Vukheta Disable Project	284,170.00	Charities	LP	17 February 2026
M33975-Ukukhanya Pre School	100,000.00	Charities	MP	17 February 2026
M57674-Lereng La Sa Itsose Creche and Pre-School	79,500.00	Charities	NW	17 February 2026
M58527-Feel At Home Disability Centre-22657	322,338.00	Charities	NW	17 February 2026
M58598-Triest Training Centre	946,294.80	Charities	NW	17 February 2026
M61862-Net vir Pret	147,000.00	Charities	WC	17 February 2026
M56970-Vonela Mahlweni Day Care	113,236.50	Charities	LP	17 February 2026
M56540-Senias English Medium Pre-School	77,800.00	Charities	MP	17 February 2026
M56838-Lifeline Nelspruit	400,760.00	Charities	MP	17 February 2026
M57449-Tirisano Victim Empowerment Centre	109,650.00	Charities	MP	17 February 2026
M56930-Edinburg C Creche	79,800.00	Charities	MP	17 February 2026
M56963-Mnguni Home Based Care	213,900.00	Charities	MP	17 February 2026
M57722-Schoemansdal Victim Empowerment Shelter	302,830.00	Charities	MP	17 February 2026
M58541-Christelik-Maatskaplike Raad: Volksrust	283,888.00	Charities	MP	17 February 2026
M59051- LF May Lower/ Higher Primary School	182,250.00	Misc	EC	17 February 2026
NXALATI PRIMARY SCHOOL	500,000.00	Sports	MP	17 February 2026
Junior Primary School	1,576,890.00	Sports	NC	17 February 2026
M56874-Sefihlampyana Primary School	70,000.00	Sports	LP	17 February 2026
M56872-Mangaya Primary School	50,000.00	Sports	LP	17 February 2026

M58765-Jim Tshivhonelo Primary School	169,600.00	Sports	LP	17 February 2026
M58004-Madile Primary School	50,000.00	Sports	MP	17 February 2026
M59754-Art culture alliance foundation	285,473.00	Arts	EC	19 February 2026
M58462-Skemervreugde Sentrum Vir Bejaardes, Paul Roux	323,778.60	Charities	FS	19 February 2026
M59111-The Bethlehem Society For Prevention of Cruelty to Animals	716,900.00	Charities	FS	19 February 2026
M59184-Makgotso Catholic Pre-School	96,600.00	Charities	FS	19 February 2026
M59424-Powerful Heroes	73,350.00	Charities	FS	19 February 2026
M60679-Vrystaat-versorging in Aksie: Bloemfontein Tak	416,166.00	Charities	FS	19 February 2026
M60844-Boiteko Rea Hola Educare	88,800.00	Charities	FS	19 February 2026
M60941-Vrystaat versorging in Aksie Tak:Kroonstaad	252,343.00	Charities	FS	19 February 2026
M59003-Sinethemba Day Care Centre	30,668.00	Charities	EC	19 February 2026
M56266-Family and Marriage Society East/ Oos Rand	292,310.00	Charities	GP	19 February 2026
M59564-Parys Skool S/S	278,656.00	Sports	FS	19 February 2026
M59920-Phomolong P/S 441912069	215,821.00	Sports	FS	19 February 2026
M60669-Seemahale S/S	121,800.00	Sports	FS	19 February 2026
M56242-Lisika United Foundation	264,103.00	Arts	LP	20 February 2026
M59679-Zamokuhle Skills Development NPC	57,280.00	Arts	KZN	20 February 2026
M61532-Kwakhanya Community Based Organisation	96,599.70	Arts	KZN	20 February 2026
M61313-Durban & Coast Central Branch of the Association for the Physically challenged	475,650.00	Charities	KZN	20 February 2026
M56481-Faith Burlington Community Creche	200,000.00	Charities	MP	20 February 2026
M56331-Khomanani Drop In Centre	79,110.00	Charities	LP	20 February 2026
M56336-Alusanii Community Creche	64,000.00	Charities	LP	20 February 2026
M56503-Mongapi Creche	40,249.00	Charities	LP	20 February 2026
M56543-Mukhomi Pfunekani Drop in Centre	55,800.00	Charities	LP	20 February 2026
M57137-Bakgalaka Drop In Centre	97,157.00	Charities	LP	20 February 2026
M57334-Konanani Khomele Old Age Project	78,090.00	Charities	LP	20 February 2026
M57094-Pfukani Happy Day Care Centre	111,375.00	Charities	LP	20 February 2026
M56937-Nseketelo Drop In Centre Project	69,660.00	Charities	LP	20 February 2026
M56714-Nkatile Day Care Centre	94,839.00	Charities	LP	20 February 2026
M56987-Senotlelo sa Katlego Day care	72,940.00	Charities	MP	20 February 2026
M59624-Greytown Society for The Prevention of Cruelty to Animals	209,610.00	Charities	KZN	20 February 2026
M59063-My Ride to Ikusasa	149,760.00	Charities	FS	20 February 2026
M57627-FAMSA-Welkom (Families South Africa) Northern Free State	295,210.00	Charities	FS	20 February 2026
M58110-Virginia Society for the Prevention of Cruelty to Animals	433,800.00	Charities	FS	20 February 2026
M58327-Selina-Jo Family Service Organisation	75,846.00	Charities	FS	20 February 2026
M58539-SANCA Sasolburg Alcohol And Drug Centre	687,951.90	Charities	FS	20 February 2026
M59625-Ithuseng Centre for Disabled	237,003.00	Charities	FS	20 February 2026
M59631-Thabang Old Age Club	149,000.00	Charities	FS	20 February 2026
M59898-Ntataise Trust	413,955.00	Charities	FS	20 February 2026
M60694-Vrystaat-Versorging In Aksie Avondvrede Tehuis Vir Bejaardes	526,645.50	Charities	FS	20 February 2026
M61553-Thokoza Progressive Youth	168,700.00	Misc	GP	20 February 2026
M60210-Emthombeni Primary School	100,000.00	Sports	KZN	20 February 2026
M59830-Malusi Secondary School	105,000.00	Sports	LP	20 February 2026
M59479-Begwa Tshitumbe Primary School	173,000.00	Sports	LP	20 February 2026

M58920-SAFA Ehlanzeni	296,039.00	Sports	MP	20 February 2026
M61536-Western Cape Rowing	1,873,870.00	Sports	WC	20 February 2026
M60766-The Botanical Society of South Africa	1,896,000.00	Arts	WC	26 February 2026
M59128-SAVF Standerton	197,100.00	Charities	MP	26 February 2026
M57087-Zolani Home Edu-Care	77,263.00	Charities	MP	26 February 2026
M58103-Swartland & West Coast Society For the Prevention Of Cruelty To Animals	145,144.80	Charities	WC	26 February 2026
M57693-The Animal Welfare Society of South Africa:Stellenbosch	236,700.00	Charities	WC	26 February 2026
M58294-Senzokuhle Day Care	91,275.00	Charities	MP	26 February 2026
M57068-Namakgale Community Victim Empowerment Programme	200,000.00	Charities	LP	26 February 2026
M58525-Tshepang Care Givers Project-11321	149,756.70	Charities	NW	26 February 2026
M62198-Families South Africa Rusternburg	145,365.60	Charities	NW	26 February 2026
M57404-Thembalethu Pre School	153,369.00	Charities	MP	26 February 2026
M58386-Khulangelwati Creche	79,998.00	Charities	MP	26 February 2026
M57349-Familie-en Huweliksvereniging Boland Overberg	1,248,900.00	Charities	WC	26 February 2026
M58125-Visually Impaired Bowlers South Africa	441,280.00	Sports	WC	26 February 2026
SboNdaba Dance	2,520,335.00	Arts	WC	06 March 2026
M56998-Cherry Berry Kids Day Care	165,200.00	Charities	KZN	06 March 2026
Helderberg Hospice NPC	5,478,878.61	Charities	WC	06 March 2026
M59115-Park Care Centre/Sorgsentrum	2,956,907.00	Charities	GP	06 March 2026
M56129-Nkovukeni Creche	493,091.00	Charities	KZN	06 March 2026
M58698-Irene Homes	678,300.00	Charities	GP	06 March 2026
M58988-Paw Prints Rescue and Rehoming	150,000.00	Charities	KZN	06 March 2026
M59546-Empowering Life Youth Projects	100,000.00	Arts	GP	12 March 2026
M58807-Dikutwana Development Centre	267,916.00	Arts	LP	12 March 2026
M58568-Green Network	210,560.00	Arts	KZN	12 March 2026
M61903-Inkanyamba Development Trust	231,000.00	Arts	KZN	12 March 2026
JIREH COMMUNITY PROJECTS	1,647,487.12	Charities	WC	12 March 2026
M57225-Rainbow Pre-School	200,000.00	Charities	GP	12 March 2026
M57081-Nokubonga Day Care Centre	132,705.00	Charities	MP	12 March 2026
M61029-Harvester Reformational Church NC	150,000.00	Charities	NC	12 March 2026
M56198-Rhandzanani Drop in Centre	91,500.00	Charities	LP	12 March 2026
M56290-Tshaanda Community Creche	37,600.00	Charities	LP	12 March 2026
M56576-Devrede Drop in Centre	53,200.00	Charities	LP	12 March 2026
M56356-Qholaqhwe Advice Center	237,100.00	Charities	FS	12 March 2026
M56901-Kuhle-Konke Day Care Centre	64,600.00	Charities	KZN	12 March 2026
M56927-Snenhle Creche	60,195.90	Charities	KZN	12 March 2026
M57048-Inkanyezi Creche - 9253	69,600.00	Charities	KZN	12 March 2026
M57330-Fisani - Okuhle Creche & Pre-School	90,150.00	Charities	KZN	12 March 2026
M58675-A.H Zulu Educare Centre	109,500.00	Charities	KZN	12 March 2026
M59149-Daluxolo Day Care	123,750.00	Charities	FS	12 March 2026
M60790-Vrystaat-Versorging in Aksie Hoofbestuur	615,942.90	Charities	FS	12 March 2026
M60968-Community Welfare Services	570,311.10	Charities	FS	12 March 2026
Sport For Youth Project	153,852.40	Sports	EC	12 March 2026
M61839-ATHLETICS GAUTENG NORTH.	660,000.00	Sports	GP	12 March 2026
M59882-Siyelulama High School	84,986.00	Sports	KZN	12 March 2026
M59975-Ndwangu Primary school	105,000.00	Sports	KZN	12 March 2026

M60104-Charismatic Rhythms Community Arts Hub	48,880.00	Arts	LP	20 March 2026
M58357-Marang Child Care and Art Centre	184,651.20	Arts	NW	20 March 2026
M57513-Sithembiso Projects	92,090.00	Arts	GP	20 March 2026
M60922-Soweto Art & Craft Development	114,400.00	Arts	GP	20 March 2026
Dinaletsana Children Centre	678,509.15	Charities	NC	20 March 2026
Breede River Hospice	3,882,397.62	Charities	WC	20 March 2026
Rock of Joy NPC	855,842.50	Charities	GP	20 March 2026
CT Arts Fest NPC	1,966,008.00	Charities	WC	20 March 2026
M58472-Lucky Point Creche	86,890.00	Charities	WC	20 March 2026
M56326-Matanda Rudzambilu Community Creche	46,000.00	Charities	LP	20 March 2026
M56909-Dyondzekani Day Care Centre-26427	95,895.00	Charities	LP	20 March 2026
M57036-Mmamaboka Early Learning Centre-LP	83,100.00	Charities	LP	20 March 2026
M57909-Tlhokomelo HCBC and Drop in Center	80,660.40	Charities	NW	20 March 2026
M59322-Kutlwano Home Based Care	291,113.00	Charities	NW	20 March 2026
M57604-Ubukhobakhe Educare Centre	102,639.00	Charities	WC	20 March 2026
M60212-Association for the Physically Disabled: Eastern Cape Port Elizabeth Region	309,970.00	Charities	EC	20 March 2026
M60660-Child Welfare South Africa: Fort Beaufort	259,680.00	Charities	EC	20 March 2026
M59125-Child Welfare South Africa: Fouriesburg	402,923.00	Charities	FS	20 March 2026
M57643-The Bloemfontein Society for the Prevention of Cruelty to Animals	709,500.00	Charities	FS	20 March 2026
M58398-Child Welfare South Africa Free State	360,459.00	Charities	FS	20 March 2026
M59460-Rehauhetswe Day Care Centre	100,770.00	Charities	FS	20 March 2026
M56766-Phembisizwe Creche	57,219.00	Charities	KZN	20 March 2026
M57478-Lifeline Durban	526,864.50	Charities	KZN	20 March 2026
M56522-Siqalokuhle Creche	92,013.40	Charities	KZN	20 March 2026
M59390-Huis Sorgvry- Sentrum Vir Bejaardes Reitz	558,973.00	Charities	FS	20 March 2026
M56125-Tshwane North Outreach	217,400.00	Charities	GP	20 March 2026
M56126-Legae La Bana Home Based Care	131,000.00	Charities	GP	20 March 2026
M56159-Atlehang Day Care Centre	90,000.00	Charities	GP	20 March 2026
M56245-Stabilis Treatment Centre	200,000.00	Charities	GP	20 March 2026
M56981-Fanang Diatla Centre for Disabled	96,400.00	Charities	GP	20 March 2026
M57294-Muscular Dystrophy Foundation Gauteng	219,600.00	Charities	GP	20 March 2026
M57407-NG Welfare Meyerton/ NG Welsyn Meyerton	286,541.00	Charities	GP	20 March 2026
M57388-Thandizwe Creche & Pre-School	76,860.00	Charities	KZN	20 March 2026
SOUTH WESTERN DISTRICTS CRICKET NPC	1,802,250.00	Sports	WC	20 March 2026
M60143-Rampuru Primary School	91,500.00	Sports	LP	20 March 2026
M57296-Bambeni Secondary School	80,000.00	Sports	LP	20 March 2026
M57989-Sekhwiditsane Primary School	70,000.00	Sports	LP	20 March 2026
M59181-Muhuvhoya Primary School	106,468.00	Sports	LP	20 March 2026
M60011-Mpilo Senior Secondary School	31,500.00	Sports	LP	20 March 2026
M61325-Tladistad Primary School-6290	106,500.00	Sports	NW	20 March 2026
M60924-Cricket Free State NPC	623,922.00	Sports	FS	20 March 2026
M61574-Gelukwaarts Farm School	424,200.00	Sports	FS	20 March 2026
M60485-Gauteng Gymnastics Association	970,275.00	Sports	GP	20 March 2026
South African National Aids Council	25,400,543.65	Charities	GP	27 March 2026
The National Institute Community Development and Management Trust (NICDAM)	22,164,684.40	Charities	GP	27 March 2026
M56494-Rirhandzu Waterval Early Learning Centre	58,800.00	Charities	LP	27 March 2026

M56583-Matsakali Vuyelo Day Care Centre	56,800.00	Charities	LP	27 March 2026
M56745-Ntlhaveni Multipurpose Centre	182,535.00	Charities	LP	27 March 2026
M57119-Ngwanakgari Creche	197,396.00	Charities	LP	27 March 2026
M59141-Grinders Arisen	334,380.00	Charities	NW	27 March 2026
M60896-Arise and Shine Centre-11779	433,000.00	Charities	NW	27 March 2026
M57884-Western Cape Network on Disability	121,000.00	Charities	WC	27 March 2026
Amandla Social Enterprises	13,548,482.00	Sports	GP	27 March 2026
M59551-Ntebogang Secondary School	174,000.00	Sports	NW	27 March 2026
M60062-Imbasa Primary School	26,129.00	Sports	WC	27 March 2026
M59478-Themba Interactive Projects South Africa	508,700.40	Arts	NW	31 March 2026
The Cape Town Opera Company	3,098,899.80	Arts	WC	31 March 2026
The Sprightly Seed	2,594,508.00	Arts	WC	31 March 2026
M58137-Noponi Rural Development	248,200.00	Arts	EC	31 March 2026
M60358-Silwerjare Home for the Aged / Silwerjare Tehuis vir Bejaardes - 5949	243,000.00	Charities	NW	31 March 2026
M56378-Tshuxekani Makhushane Drop In Centre	50,542.00	Charities	LP	31 March 2026
M58198-SAVF Silverdae Ons Tuiste	257,367.90	Charities	MP	31 March 2026
M60399-Thusano Prevention Programme	179,013.00	Charities	NW	31 March 2026
M61443-Families South Africa Mafikeng	499,096.00	Charities	NW	31 March 2026
Lephore Enterprise	166,700.00	Charities	NC	31 March 2026
Kin Culture NPC	2,240,732.68	Charities	WC	31 March 2026
Heroes Academy SA	1,959,312.00	Charities	WC	31 March 2026
M57378-Zamani Day-Care Centre	102,150.00	Charities	EC	31 March 2026
M57834-Masonwabe Day care Centre	97,500.00	Charities	EC	31 March 2026
M58655-Mthombo Woyolo Old Age	122,255.00	Charities	EC	31 March 2026
M60678-Transkei Animal Welfare Initiative	446,872.41	Charities	EC	31 March 2026
M58385-Bataung Lefika La Bophelo	147,609.00	Charities	FS	31 March 2026
M56478-The Teddy Bear Clinic for Abused Children	733,072.00	Charities	GP	31 March 2026
M57149-Indumiso Creche and Pre-School	97,829.00	Charities	KZN	31 March 2026
M57499-Siphesihle ECD Centre	524,283.00	Charities	KZN	31 March 2026
M57851-Ziphozonke Creche and Pre-School	84,390.00	Charities	KZN	31 March 2026
Seodin Youth in Art Service Centre NPO	429,500.00	Misc	NC	31 March 2026
M60372-Limpopo Fencing Association	199,011.00	Sports	LP	31 March 2026
Thunderbolts Academy	2,500,100.00	Sports	WC	31 March 2026
M59774-Badminton South Africa NPC	2,805,848.00	Sports	GP	31 March 2026
	438,015,997.83			

NATIONAL LOTTERIES COMMISSION

a member of the dtic group

NLC Annual Report 2025/2026

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