

ANNUAL REPORT

Most efficient and empowering
gambling jurisdiction of choice

2024 / 25



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PART A



GENERAL INFORMATION

1.1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME OF THE PUBLIC ENTITY

Eastern Cape Gambling Board

Registered Office Address	ECGB Building , Quenera Park , Quenera Drive Beacon Bay, East London, 5241
Postal Address	PO Box 15355, Beacon Bay, East London, 5205
Contact Telephone Number	+27 43 702 8300
Email	communications@ecgb.org.za
Website	www.ecgb.org.za
External Auditors	Auditor-General of South Africa, Eastern Cape, Infinity Office Park, 14 St Helena Road, Beacon Bay, 5241 PO Box 13252, Vincent , 5217
Bankers Information	Standard Bank of South Africa PO Box 7037, East London, 5200
Board Secretariat	Ms T Dumalisile

1.2 LIST OF ABBREVIATIONS & ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
CATHSETA	Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSI	Corporate Social Investment
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DPASA	Department of Public Service and Administration
ECD	Early Childhood Development
ECGB	Eastern Cape Gambling Board
EME	Exempted Medium Enterprises
EMR	Essential Minimum Requirements
FICA	Financial Intelligence Centre Act
GGR	Gross Gaming Revenue
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
HRM	Human Resource Management
ISO	Independent Site Operator
IT	Information Technology
ICT	Information and Communications Technology
LPMs	Limited Payout Machines
MEC	Member of the Executive Council
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
RFP	Request for Proposal
RO	Route Operator
SCM	Supply Chain Management
SITE A	3 to 5 Machines Site
SITE B	20 to 40 Machines Site
SITE C	6 to 15 Machines Site
SITE D	21 to 40 Machines Site
SLA	Service Level Agreement

1.3 STRATEGIC OVERVIEW

VISION

The best, most efficient and empowering gaming regulator.

MISSION

We commit to promoting a socially responsible industry through regulation, licensing and law enforcement.

We will ensure that the Eastern Cape gaming industry is conducted honestly and competitively with maximum contribution to society.

We will achieve this by providing excellent service to our stakeholders and through facilitating and broadening access to socio-economic benefits to the communities within which we operate.

VALUES

VALUE	BEHAVIOURAL DEMONSTRATION
Consultation	Keeping stakeholders informed by involving them in decision-making processes on issues which affect them
Friendliness	Encouraging friendly working relationships and a friendly environment
Teamwork	People working together towards achieving common goals and targets
Respect	Equal treatment of staff, honesty on organisational issues and non-disclosure of confidential information
Service Delivery	Timely and quality professional service to all our stakeholders
Honesty	Providing open feedback to staff and stakeholders on all issues
Empowerment	Providing training and development to employees and through procurement of services from B-BBEE suppliers and SMMEs
Community Development	Giving back to our communities

1.4 LEGISLATIVE MANDATES

SCHEDULE

IN TERMS OF THE PFMA

The Eastern Cape Gambling Board falls under Schedule 3, Part C of the Public Finance Management Act, 1999 (as amended).

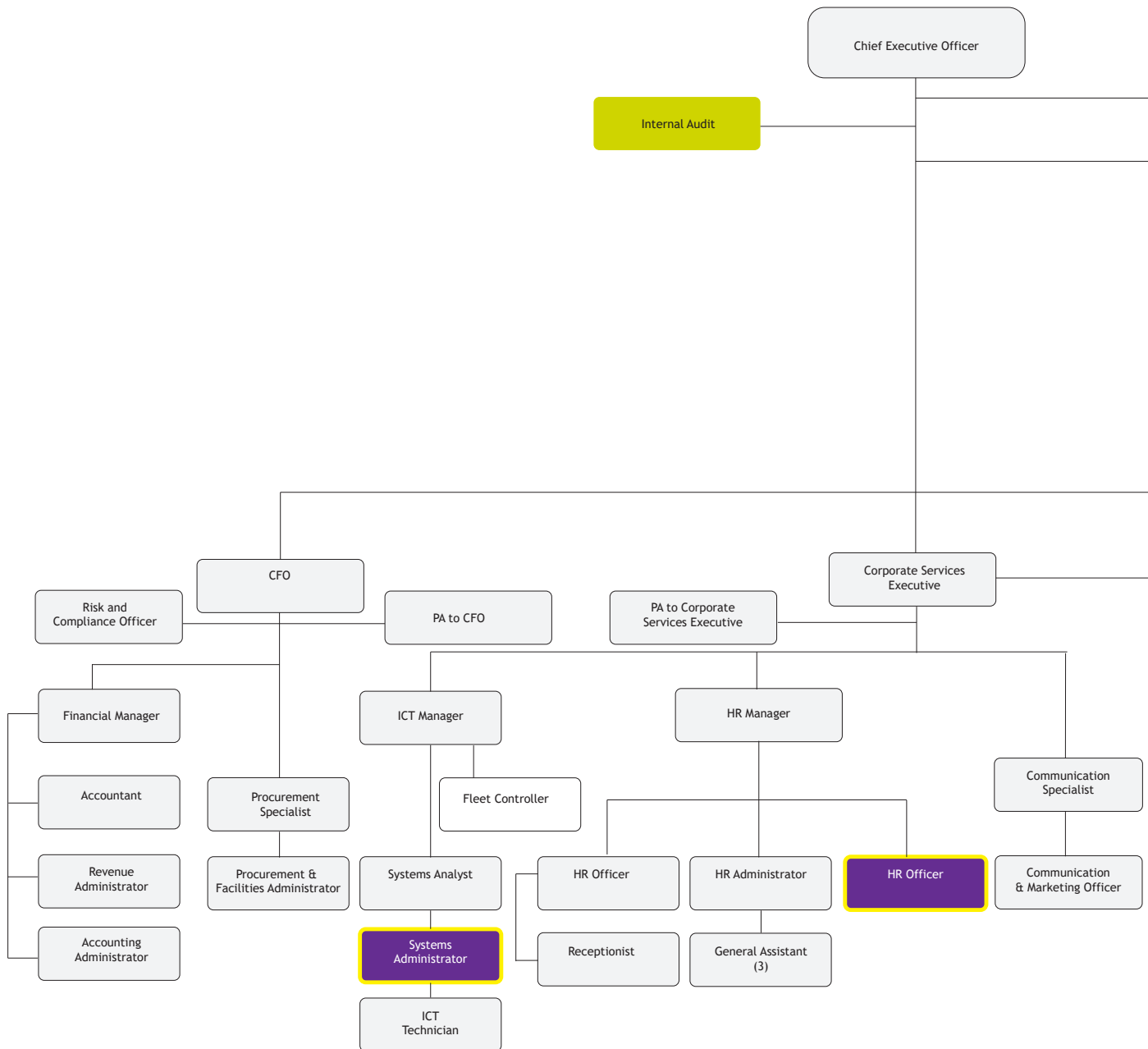
SPECIFIC CONSTITUTIONAL AND OTHER LEGISLATIVE, FUNCTIONAL AND POLICY MANDATES:

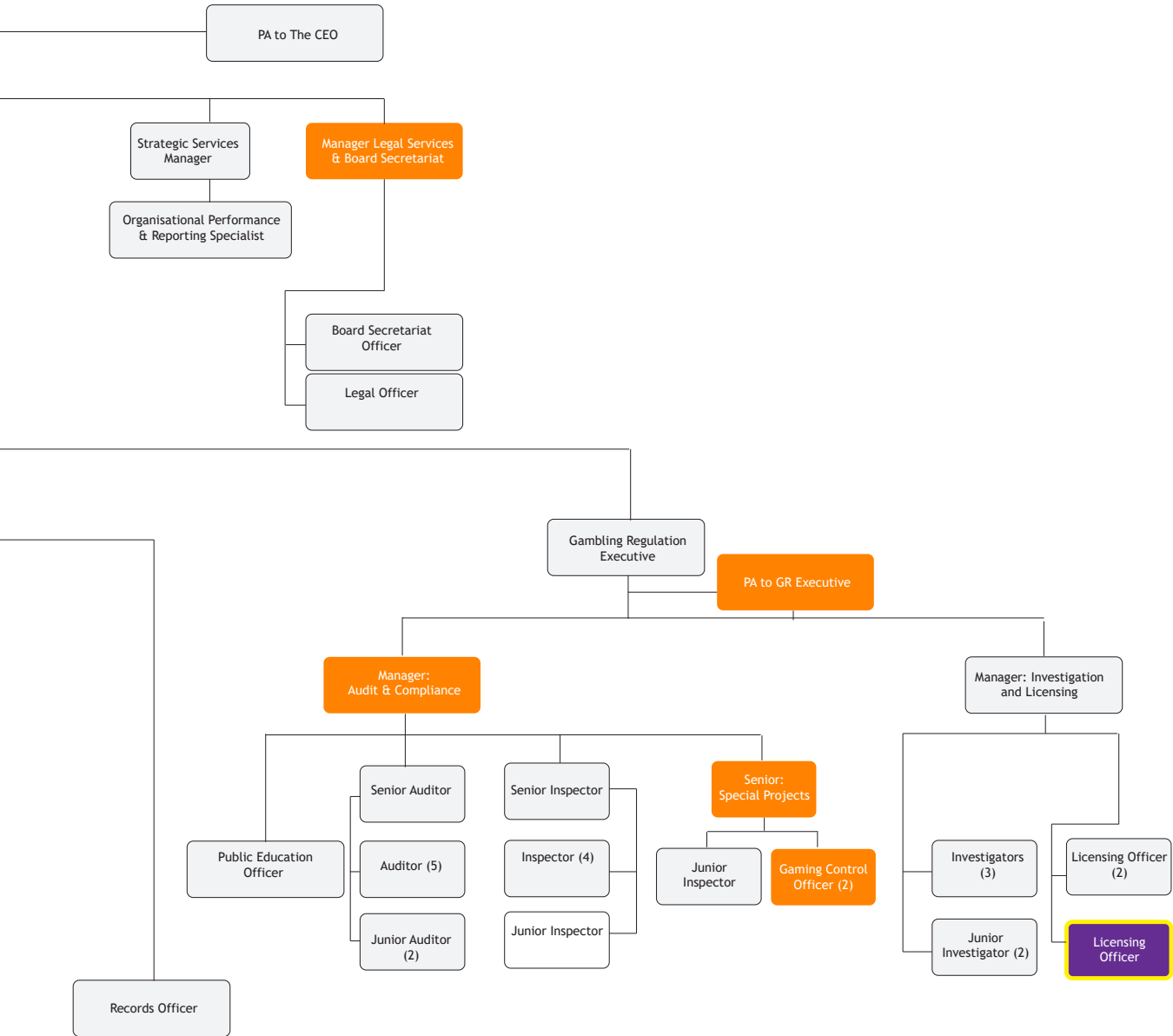
- Eastern Cape Gambling Act, 1997 (as amended)
- National Gambling Act, 2004 (as amended)
- Promotion of Access to Information Act, 2000 (as amended)
- Protection of Personal Information Act, 2013
- Promotion of Administrative Justice Act, 2000 (as amended)
- Preferential Procurement Policy Framework Act, 2000 (as amended)
- Public Finance Management Act, 1999 (as amended) (PFMA) and Treasury Regulations
- Broad-Based Black Economic Empowerment Act, 2003 (as amended)
- Employment Equity Act, 1998 (as amended)
- King IV Report on Corporate Governance for South Africa, 2016
- Skills Development Levies Act, 1999 (as amended)
- Basic Conditions of Employment Act, 1997 (as amended)
- Labour Relations Act, 1995 (as amended)
- Treasury Framework for Strategic Plan and Annual Performance Plans
- Policy Framework for the Government-Wide Monitoring and Evaluation System

It is the responsibility of the Board to oversee gambling and betting activities in the Province, and advising the MEC for Economic Development, Environmental Affairs and Tourism.

1.5 ORGANISATIONAL STRUCTURE

at 31 March 2025







ECGB met 80% of its targets, collected R187m, created 3,673 jobs, and promoted responsible gambling to over 1 million people.

1.6 FOREWORD BY THE CHAIRPERSON

The Eastern Cape Gambling Board (ECGB) has an overriding responsibility of regulating all gambling activities, as well as protecting punters and informing the public about legal and illegal gambling in terms of the Eastern Cape Gambling Act (Act 5 of 1997), as amended.

The ECGB's Five-Year Strategic Plan has specific outcomes which contribute towards the achievement of the seven national priorities of government outcomes, as outlined in the NDP Five-Year Implementation Plan, and aligned to seven provincial strategic priorities. As such, the Board has a responsibility to ensure that the work of the ECGB is geared towards achieving these priorities, both provincially and nationally.

Notwithstanding a challenging operating environment due to the downward economic trajectory of the country, we embrace the challenges of ensuring that all gambling and betting operations throughout the province are conducted in a fiscally and socially responsible manner, whilst contributing to overall socio-economic upliftment of all communities throughout the province.

The constrained fiscal environment limited the ECGB's capacity to perform against the significant growth of the industry. Consequently, opportunities continue to be sought for added efficiencies in processes, including in the area of risk-based and technology-assisted regulation, as well as in various revenue enhancement strategies.

Despite the negative impact of the downward economic trajectory bedeviling the country, however, the entity managed to achieve the

following operational activities and milestones:

Achieved 80% of all planned key performance targets for the year. We will continue to focus on organisational performance and reporting on the achievement of planned targets, while maintaining a clean audit.

Revenue collection is one of the entity's core mandates and an important measure of industry performance. During the 2024/25 financial year, a total of R187 million was collected on behalf of the Eastern Cape Treasury and duly distributed to the provincial fiscus.

The industry's compliance maturity, as measured by the innovative compliance barometer, has ranged from 90%-100%, resulting in the entity meeting its target of achieving compliance Level 4.



The ECGB Collected

R187 MILLION

for the Eastern Cape Provincial Fiscus.

economic growth and job creation in the Eastern Cape province through stringent regulation of the industry. To this end, a total number of 3 673 sustainable job opportunities were created cumulatively as at 31 March 2025.

SMMEs in the province benefitted from R563,5 million in total procurement spend by licensees going towards local suppliers.

Licensed gambling operators contributed R34.7 million collectively throughout the reporting period to implement socio-economic development and empowerment programmes in the province's most impoverished areas.

Responsible gambling behaviour remains a strong focus area for the ECGB. To this end, the entity conducted effective responsible gambling campaigns during the year under review. A total of 1 023 000 people was reached through responsible gambling campaigns, according to feedback from an investigation that was carried out regarding people who had heard, seen or read messages about responsible gambling in Zone 3 (Chris Hani and part of Amathole and Joe Gqabi Municipalities).

The entity supported licensed operators by taking decisive steps to stamp out illegal gambling activities throughout the province. During the year under review, numerous illegal gambling operations were closed and illegal gambling devices seized.

On the governance front, the Board is firmly committed to the principles of good corporate governance and will continue to insist on the implementation of the sound business practices expected of a stable and functional organisation. The Board takes exceptionally seriously its responsibility to effectively and continuously monitor management's progress regarding the achievement of its targets.

Stringent quarterly reviews enabled early intervention measures to be implemented timeously throughout the auditing cycle. This, coupled with an entity-wide commitment to compliance to policies, both internal and external, will continue to stand us in good stead to deliver on our mandate in the months and years ahead.

There was continued emphasis during the year under review on conducting research, as well as on developing and embracing a knowledge management culture. A survey that was commissioned in Zone 3 (Chris Hani District Municipality and parts of Amathole and Joe Gqabi District Municipalities) to receive feedback from 850 500 people who had heard, read or seen messages



CREATED 3,673 JOBS AND REACHED

1,023,000

people through responsible-gambling awareness awareness campaigns.

about excessive and illegal gambling during the 2024/25 financial year, found that approximately 1 023 000 individuals had seen, heard, or read messages about responsible gambling. This represents a significant achievement for the ECGB, reflecting a wide reach across Zone 3 and demonstrating the gambling board's effectiveness in raising awareness and educating the public on responsible gambling practices.

To the gambling operators and licensees whom we regulate, I express my deepest gratitude for the space and time you afforded the ECGB to conduct its business. This has ensured ongoing improvement and continued accountability in relation to the standards that we set for the industry.

On behalf of the Board, I would like to acknowledge and express my appreciation for the sterling work of the CEO, his management team and all ECGB staff during the 2024/25 financial year.

I also extend my sincere thanks to the Board and its committees for helping to foster an environment that has allowed both management and the Board the space to carry out our respective responsibilities. In addition, we extend our appreciation to the Honourable MEC of DEDEAT and his management team for their guidance in terms of the duties and responsibilities entrusted to us.

CHAIRPERSON OF THE BOARD

MS T. MACKIE



1.7 CHIEF EXECUTIVE OFFICER'S OVERVIEW

R563.5 million
was spent
on local
suppliers by
licensees

The Eastern Cape Gambling Board vigorously pursued its mandate of creating a competitive, optimally functioning regulatory system, ensuring maximum revenue collection, protecting duly licensed operators from illegal competitors, promoting responsible gambling and protecting the public interest.

In keeping with provincial guidelines, the entity has also effected further streamlining of its operations, with a view to further strengthening internal efficiencies and enhancing its growing stature as a lean, high-performance value-based organisation.

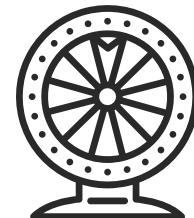
Despite a challenging operating environment due to the underperforming economy, we embrace the challenges of ensuring that all gambling and betting operations throughout the province are conducted in a fiscally and socially responsible manner, whilst contributing to overall socio-economic upliftment of all communities throughout the province. To this end, I am pleased to report that the entity discharged its responsibilities diligently and efficiently during the period under review.

The overall performance of the ECGB and its key outputs during the reporting period, particularly relating to services rendered directly to the public and other stakeholders, can be summarised as follows:

The entity continued during 2024/25 to play a major role in driving economic growth and job creation in the Eastern Cape province through stringent regulation of the industry. To this end, a total number of 3 673 sustainable job opportunities were created cumulatively as at 31 March 2025.

Level 4 organisational maturity was achieved, in terms of which an independent organisational maturity assessment was conducted by the independent service provider and an overall score of 3.85 on the maturity assessment was attained. Although ECGB aimed to achieve a Level 5 maturity for the 2024/25 financial year, the current level (Level 4) remains highly positive and reflective of an advanced stage of organisational maturity.

The entity collected R187 million in gambling tax revenue from all licensed gambling operators in the province and this was disbursed to the Provincial Revenue Fund. The revenue collection for the year was R22.1 million, which is 10.6% below target due to economic reasons that were not foreseen at the time of projecting the target.



Closed 44 illegal gambling sites, seized 98 devices; preventing leakage of

R24.3 MILLION

As empowered by the Eastern Cape Gambling Act, the ECGB provided the following successful regulatory services to the industry during the reporting period:

Seventy-three (73) licence applications for various gambling licences were investigated for issuing to suitable and qualifying applicants. The total of 73 applications for licenses is made up of various applications for bookmaker licences (7), amendment of licence conditions (29), transfer of licence to another person (6), removal of business to other premises (9), acquisition of a financial (and controlling) interest (9), addition of premises to a bookmaker licence (1), gambling machine site licences (10), Provincial Manufacturer Licence (1) and a national manufacturer licence (1).

Fourteen (14) gambling licences were awarded to qualifying applicants and comprise the following categories or types of licenses:

Five (5) bookmaker gambling licenses (key licenses);

Five (5) Type A gambling machine site licences; and

Four (4) Type C gambling machine site licences.

One (1) public hearing was held to ensure transparency in the process of awarding licences. The public hearing held was for a gambling machine site licence application, with consideration also being given to various applications for amendment of licence conditions, transfer of licence to other persons, removal of business to other premises, addition of premises to a totalisator licence, acquisition of a financial interest in a licence holder, gambling machine site licences and a bookmaker licence.

The gambling industry in the province achieved a Level 4 compliance maturity rating or level, ranging from 90%-100%, as measured by the compliance barometer assessment tool. This level is an acceptable or compliant zone in terms of the compliance barometer maturity levels.

One hundred and fifty-three (153) revenue compliance systems audits were conducted at several licensed operators in the province to ensure compliance with the relevant legislation, rules and conditions of license.

One hundred and forty (140) inspections at licensed operators in the province were conducted in line with the requirements of the Eastern Cape Gambling and Betting Act (Act 5 of 1997).

Eight hundred and eighty-six (886) applications for employee registration were processed during the 2024/25 financial year for the period ending 31 March 2025.

SMMEs in the province benefitted from R563.5 million in total procurement spend by licensees of total spend going towards local suppliers.

Fifteen (15) sweeps (operations) were carried out which sought to eradicate illegal gambling, including protecting the public from nefarious trends related to illegal gambling, and licensed gambling operators from illegal competition. The sweeps that were conducted in all five zones of the province saw:

forty-four (44) illegal gambling site operations identified and closed,

forty-three (43) cases opened with SAPS and owners or managers of illegal sites arrested, and ninety-eight (98) illegal gambling machines / devices confiscated.

The estimated value of gross gaming revenue (GGR) lost annual from illegal gambling amounted to R24.3 million and the value of machines or devices confiscated amounted to R490 000.

As a recognition of excellence, the ECGB received two awards from the South African Responsible Gambling Foundation, at the Foundation's 20-year celebrations held at Emperor's Palace in November 2024. These awards were:

"The Best Emerging Responsible Gambling Programme".

"The Best Responsible Gambling Regulator Messaging and Marketing Campaign".

The ECGB further prioritised stakeholder engagement and collaborative work with other public sector institutions, as well as strategic and social partners, and this was pursued through the implementation of the following initiatives:

Ten (10) lamp post advertisements (mini billboards) along the R72 Expressway in Buffalo City Metropolitan Municipality (BCMM), and adverts on the back of ten (10) Mayibuye transit buses. These lamp post advertisements were part of a multi-media campaign that was intended to promote awareness regarding responsible gambling and illegal gambling.

Five (5) Billboards in Zone 3 (Chris Hani district) were deployed to raise awareness about responsible gambling, the free helpline, and illegal gambling.

One (1) survey was commissioned in Zone 3, which is Chris Hani District and parts of Amathole and Joe Gqabi District Municipalities, to receive feedback from 850 500 people who had heard, read or seen messages about excessive and illegal gambling during the 2024/25 financial year, and the research

found that approximately 1 023 000 individuals have seen, heard, or read messages about responsible gambling. This represents a significant achievement for the ECGB, reflecting a wide reach across Zone 3 and demonstrating the gambling board's effectiveness in raising awareness and educating the public on responsible gambling practices.

Seventeen (17) successful awareness sessions and responsible gambling campaigns were conducted on the Minimisation of Harmful Effects of Excessive and Irresponsible Gambling as well as on illegal gambling, with 647 people attending workshops. These awareness and responsible gambling campaigns were conducted for educators of Sarah Baartman, OR Tambo, Amathole and Chris Hani Districts from ten schools, Ikhala College (Nonesi and Queenstown campuses), Walter Sisulu University (Mthatha, Queenstown, East London and Butterworth campuses).

Eight (8) interaction sessions were conducted with law enforcement agencies and law enforcement agency clusters, during which training on legislative and technical aspects of illegal gambling was offered.

Ten (10) staff engagement and wellness sessions were held with all staff members on various issues affecting their welfare.

One (1) seminar was conducted on the research into the Socio-Economic and Environmental Impact of Limited Payout Machines (LPM) and Bookmaker licenses in the Eastern Cape. Research studies are conducted annually by the ECGB and the sharing of the research report is ensured through research seminars to provide feedback to relevant stakeholders while ensuring implementation of

the findings. A licensee engagement session was held in March 2025, during which the findings from the LPM and Bookmaker study were shared and discussed with the licensees.

Three thousand three hundred and seventy-four (3374) young people have been reached through the Taking Risks Wisely school programme, which the ECGB in collaboration with the South African Responsible Gambling Foundation (NRGF) implemented in eight (8) schools in the province. The Taking Risks Wisely programme was driven under the theme "Managing risks responsibly by avoiding impulsive behaviour".

Four (4) key CSI projects of the ECGB were implemented in the poorest wards and communities in terms of the provincial Anti-Poverty Strategy and CSI policy of the ECGB in order to benefit the under-privileged from the poorest wards in the province. Beneficiaries were four schools based in the poorest wards of the province. The investment benefitted one thousand five hundred and seventy (1570) Grades R-12 learners regarding the teaching, learning and mastery of mathematics, science, and technology outcomes.

Seven (7) Designated and Vulnerable Groups projects were implemented. The ECGB has an obligation as a public sector institution to implement programmes seeking to support designated and vulnerable groups, as well as to attain affirmative action/transformation targets for economic empowerment and socio-economic transformation of designated/vulnerable groups which includes children, youth, elderly, disabled persons and women.

Thirty-nine (39) print, general events and social media platforms were utilised to communicate and profile the work of the ECGB in the various local and district municipalities of the province. Social media campaigns successfully reached 300 762 people regarding excessive and irresponsible gambling messages and illegal gambling through the social media platforms (Facebook, LinkedIn, Instagram and You Tube).

Two (2) research studies were commissioned, one on "Impact Assessment of CSI Projects Implemented by the Gambling Industry in the Eastern Cape Province" and the other study "Impact of Covid-19 on the Eastern Cape Gambling Sector in the Eastern Cape Province". The overall findings reveal that:

Impact of Covid-19 on the Eastern Cape Gambling Sector in the Eastern Cape Province: The Eastern Cape industry has had change thrust upon it. Prior to Covid-19 and the regulations and lockdowns that followed, the industry was in a pattern of slow decline; however, this decline was manageable



Achieved Level 4 maturity with a

3.85 RATING

and did not appear to present serious structural fractures between modes or within the Eastern Cape industry by and large. However, it is clear that structure of industry was shifting with rising real revenues being generated by bookmakers and sports betters (real GGR for bookmakers prior to Covid-19 rose 38.7%) was rising, with that of casinos falling. However, casinos were still the dominant force in the industry. Covid-19 and the subsequent lockdowns and regulations took what was a mild shift in modal dominance playing out over several years and effectively supercharged this transition. This is evident from the inflection point analysis conducted: there was clear industry structure prior to Covid, a clear transition period, and a clear newly established industry.

Impact Assessment on CSI Projects Implemented by the Gambling Industry in the Eastern Cape Province: The CSI initiatives implemented by the gambling industry as a whole have made a meaningful contribution to impoverished areas in the Eastern Cape and it is clear that a centralised CSI fund may enhance the impact that has been made to date. This may potentially result in more significant and sustainable projects, provided the planning and implementation pertaining to such a concept is carefully considered and aligned with the needs of local communities. Furthermore, the successful establishment of such a fund would require careful attention to governance, transparency, and regulatory compliance, as well as active collaboration with licensees to ensure that resources are distributed equitably and effectively. If these elements are addressed, the centralised fund could serve as a powerful tool for addressing socio-economic challenges in the region, fostering long-term development, and driving positive change for vulnerable communities across the Eastern Cape.

Strengthening of corporate governance and organisational performance was achieved through the following:

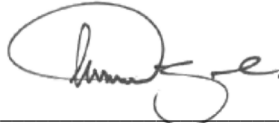
- » Ongoing institutionalisation of enterprise risk management and monitoring and evaluation of the risk register for 2024/25.
- » Sustaining of clean audit outcomes on both financial information and predetermined objectives.
- » Facilitation of training and capacity building of ECGB employees to equip them to respond to new challenges of innovation and regulatory requirements.
- » Effective organisational performance reporting

and feedback sessions.

- »
- » Ten (10) unemployed graduates and student interns were recruited on internship and learnership programmes for experiential learning and training for a period of 18 months and two years respectively from universities and local TVET colleges and have been placed in the various divisions in accordance with their areas of study.
- » Various interventions of training and capacity building programmes were facilitated where the ECGB employees have been equipped to respond to new challenges of innovation and regulatory requirements.
- » Two (2) ICT Disaster Recovery testing sessions were conducted to ensure management of risk on all ICT related functions and systems, thereby avoiding loss of critical and key information of the organization.
- » One (01) emergency evacuation drill was conducted at ECGB offices to test the response time by the employees and the effectiveness of the alert siren/bell system.
- » Fourteen (14) Internal Audits were performed on various activities within the organisation to test the effectiveness of internal control processes.

I would like to express my gratitude and appreciation to the MEC for Economic Development and Environmental Affairs for his policy direction, the Board of ECGB for their inspired leadership, and the management team which made the discharge of the ECGB's mandate tenable.

I also extend my gratitude to the staff of ECGB for their resilience despite the challenges they have faced. Lastly, I am thankful to the licensees for their continued support in the endeavour to build a sustainable, responsible and empowering gaming industry.



MR REUBEN MABUTHO ZWANE
CHIEF EXECUTIVE OFFICER



1.8 STATEMENT OF RESPONSIBILITY

AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

- » All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- » The Annual Report is 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 Annual Financial Statements (Part F) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) applicable to the public entity.
- » The accounting authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information. The accounting authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, compliance with the PFMA and the Annual Financial Statements.
- » The Auditor-General is engaged to express an independent opinion on the Annual Financial Statements.

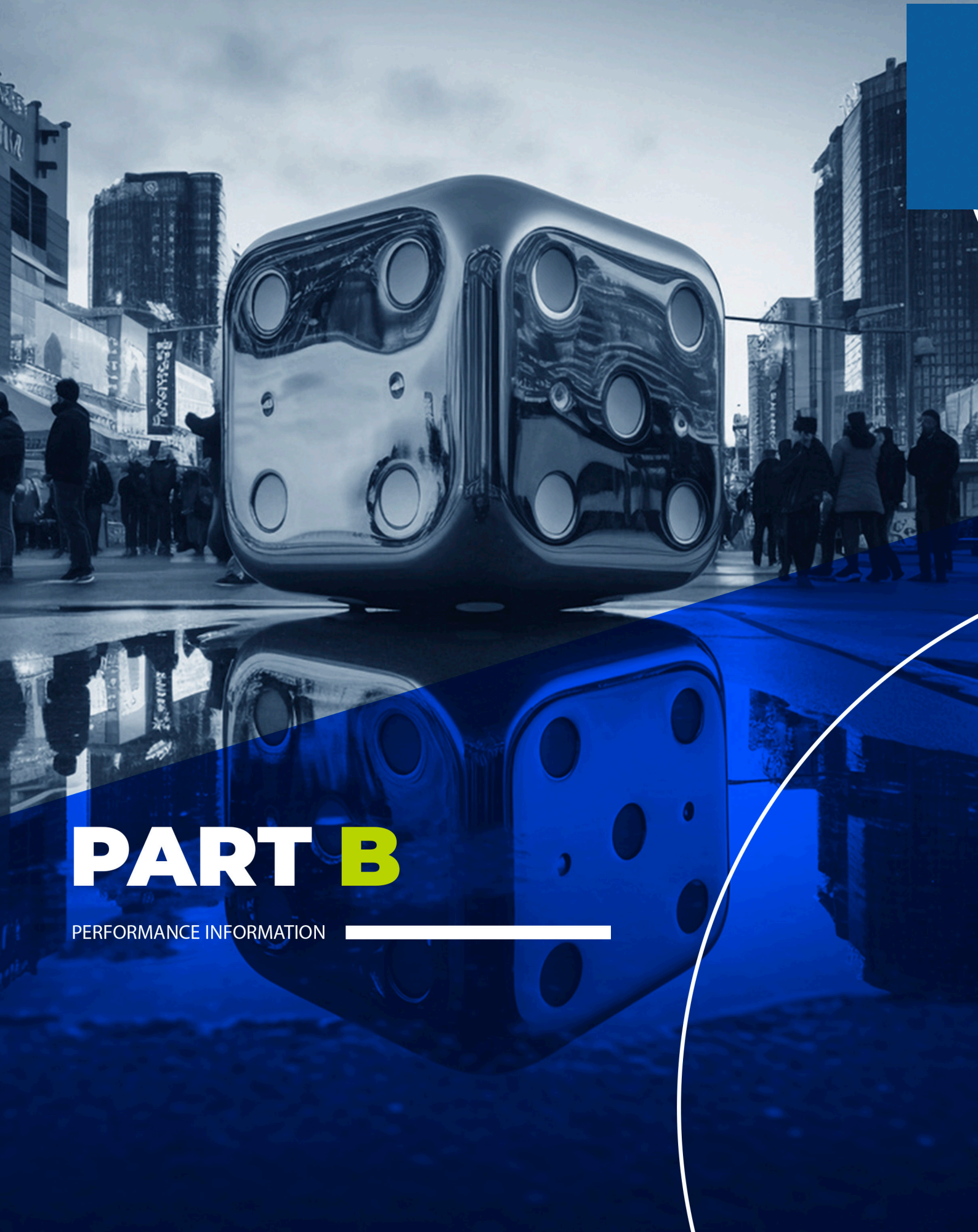
In our opinion, this Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2025.



Chief Executive Officer
Mr R.M. Zwane
31 August 2025



Chairperson of the Board
Ms T. Mackie
31 August 2025



PART **B**

PERFORMANCE INFORMATION

2.1 AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide limited assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the report on other legal and regulatory requirements section of the Auditor's report.

Please refer to Part F for the complete AGSA report.



2.2 OVERVIEW OF PERFORMANCE

2.2.1 SERVICE DELIVERY ENVIRONMENT

The entity discharged its responsibilities diligently and efficiently, and vigorously pursued its mandate of creating

a competitive, optimally functioning regulatory system, ensuring maximum revenue collection, protecting duly licensed operators from illegal competitors, promoting responsible gambling and protecting the public interest. In keeping with provincial guidelines, the entity has also effected further streamlining of its operations, including digitising many of its processes, with a view to further strengthening internal efficiencies and enhancing its growing stature as a lean, high-performance value-based organisation.

Notwithstanding a challenging operating environment, we embrace the demand of ensuring that all gambling and betting operations throughout the province are conducted in a fiscally and socially responsible manner, whilst contributing to overall socio-economic upliftment of all communities throughout the province.

During the 2024/25 financial year, the following context informed the operations and activities of the ECGB:

Continued investigations and information gathering which further strengthened the entity's relationship with the Criminal Justice Cluster in the province, facilitating sweeps on illegal gambling as well as court action in this regard.

Monitoring of developments in the gambling industry to inform risk identification and assessments by the Board.

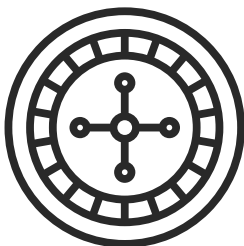
Strategic engagements with the gambling industry and other provincial stakeholders for effective regulation.

Informing consumers and the public about legal and illegal gambling activities and continuing the implementation of responsible gambling campaigns in terms of ECGB's Responsible Gambling and Public Education Strategy.

Developing and refining the entity's responsibility to contribute meaningfully to socio-economic development in the Eastern Cape.

Continued efforts regarding research and development functions to support the policy objectives of the entity.

Significant developments per budget programme were identified, including the way they impacted either on the demand for the entity's services or on its ability to deliver those services. The entity's overall performance and its key outputs during the reporting period, particularly relating to services rendered directly to the industry, public and other stakeholders, are summarised in the following paragraph, referred to as overall performance.



**AWARDED
14 LICENCES**
INCLUDING BOOKMAKER AND MACHINE SITE

2.2.1.1 OVERALL PERFORMANCE

An overview of the performance of the entity is provided below. Significant developments per budget programme are identified, including the way they impacted either on the demand for the entity's services or on its ability to deliver those services.

The entity collected R187 million in gambling tax revenue from all licensed gambling operators in the province and disbursed this to the Provincial

Revenue Fund. R22 million was under-collected (10.6% below target). The under-collection of revenue was mainly attributable to the effects of the downward economic slide resulting in reduced disposable income for punters.

Seventy-three (73) licence applications for various gambling licences were investigated for issuing to suitable and qualifying applicants. The total of 73 applications investigated for licenses is made up of applications for:

- » twenty-nine (29) amendment of licence conditions;
- » ten (10) gambling machine site licences;
- » nine (9) removal of business to other premises;
- » six (6) transfer of licence to other persons;
- » nine (9) acquisitions of a financial interest in a licensee;
- » one (1) provincial manufacturer licence;
- » one (1) national manufacturer licence;
- » seven (7) bookmaker licences;
- » one (1) addition of premises to a bookmaker licence.

Fourteen (14) key gambling and non-key gambling licences were awarded to qualifying applicants and comprise the following categories or types of licenses:

- » Five (5) bookmaker gambling licenses (key license);
- » Five (5) Type A gambling machine site licences; and
- » Four (4) Type C gambling machine site licences.

One (1) public hearing was held to ensure transparency in the process of awarding licences. The public hearing held was for a gambling machine site licence application and various applications for amendment of licence conditions, transfer of licence to other persons, removal of business to other premises, addition of premises to a totalisator licence, acquisition of a financial interest in a licence holder, gambling machine site licences and a bookmaker licence were considered.

One hundred and fifty-three (153) revenue audits, compliance audits and systems audits were conducted at several licensed operators in the province to ensure compliance with the relevant legislation, rules and conditions of license, and to verify the completeness and accuracy of gaming

revenue reported by all operators in the province.

One hundred and forty (140) inspections were conducted at licensed operators in the province in line with the requirements of the Eastern Cape Gambling and Betting Act (Act 5 of 1997).

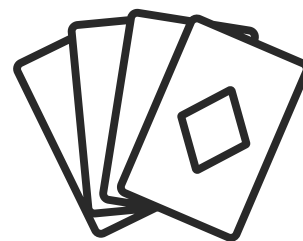
Eight hundred and eighty-six (886) applications for employee registration were processed during the 2024/25 financial year.

Fifteen (15) sweeps (operations) were carried out which sought to eradicate illegal gambling, including protecting the public from nefarious trends related to illegal gambling and licensed gambling operators from illegal competition. The sweeps that were conducted in all five zones of the province saw:

forty-four (44) illegal gambling site operations identified and closed, forty-three (43) cases opened with SAPS and owners or managers of illegal sites arrested, ninety-eight (98) illegal gambling machines/devices confiscated.

The estimated value of GGR lost annual from illegal gambling amounted to R24.3 million and the value of machines or devices confiscated amounted to R490 000.

The industry in the province achieved a Level 4 compliance maturity rating ranging from 90%-100%, as measured by the compliance barometer. This level is an acceptable or compliant level (zone) in terms of the compliance barometer maturity levels. Figure 1 below shows the overall picture of the compliance level of the licensees per each category of the licensees for the period under review.



**CONDUCTED 15 SWEEPS, CLOSED 44 ILLEGAL SITES,
CONFISCATED 98 DEVICES, PREVENTING LEAKAGE OF**

R24.3 MILLION

Figure 1: Barometer dashboard on compliance level of licensees

COMPLIANCE DASHBOARD ON INDUSTRY MATURITY FOR 2024-25 FINANCIAL YEAR			
DETAILS	%	LEVEL	DATA ANALYSIS NARRATION
Casino	91,5%	4	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has prima facie complied and attained Level 4 in terms of the GICMIF.
Bingo	97,5%	4	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has prima facie complied and attained Level 4 in terms of the GICMIF.
Route Operator	98,6%	4	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has prima facie complied and attained Level 4 in terms of the GICMIF.
Bookmakers	89,6%	3	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has complied and attained Level 3 in terms of the GICMIF, with certain areas of concern requiring urgent attention.
Tote	88,4%	3	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has complied and attained Level 3 in terms of the GICMIF, with certain areas of concern requiring urgent attention.
Type B	93,2%	4	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has prima facie complied and attained Level 4 in terms of the GICMIF.
Type C	88,0%	3	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has complied and attained Level 3 in terms of the GICMIF, with certain areas of concern requiring urgent attention.
Type D	81,4%	3	Based on the procedures performed to test this Licence Type's compliance and the overall score, this Licence Type has complied and attained Level 3 in terms of the GICMIF, with certain areas of concern requiring urgent attention.
Industry Overall	91,0%	4	On average the overall industry's maturity is at level 4 in the province for the period under review.

DESCRIPTION OF LEVELS OF MATURITY	
LEVEL 4	THE COMPLIANCE LEVEL IS 90% OR MORE.
LEVEL 3	THE COMPLIANCE LEVEL IS BETWEEN 80% AND 90%.
LEVEL 2	THE COMPLIANCE LEVEL IS BETWEEN 70% AND 80%.
LEVEL 1	THE COMPLIANCE LEVEL IS BELOW 70%.

SMMEs in the Eastern Cape province benefitted from R563.5 million in total procurement spend by licensees, which equates to 61% of the operators' total spend going towards local suppliers.

The gaming industry in the province is also expected and compelled through their licence conditions to invest in communities through their own CSI and SED projects as part of building a cohesive social compact with communities and various stakeholders where they operate, guided by the Anti-Poverty Strategy of the province and the CSI Framework of the Gaming Industry. By the end of the 2024/25 financial year, the gaming industry had invested in various municipalities in the province a combined amount of R34,7 million towards CSI/SED initiatives in line with the CSI framework of the Eastern Cape Gambling Board.

The entity continued during 2024/25 to play a major role in driving economic growth and job creation in the Eastern Cape province through stringent regulation of the industry. To this end, a total number of 3 673 sustainable job opportunities were created cumulatively as at 31 March 2025. Table 1 below indicates the total number of sustainable job opportunities created by the industry cumulatively, various type of licensees, and the total number of persons employed as a result of licences issued in terms of the designated groups.

Table 1: Total number of sustainable jobs created by the industry cumulatively

TYPE OF LICENSEES	GAMBLING TOTAL	NON- GAMBLING TOTAL	FEMALES		YOUTH		DISABLED				NON-PDI	
			NON- GAMBLING	GAMBLING	NON- GAMBLING	GAMBLING	NON- GAMBLING	GAMBLING	NON- GAMBLING	GAMBLING	NON- GAMBLING	GAMBLING
Casinos	580	575	325	310	242	254	3	2	547	526	28	54
Bookmakers	173	80	55	169	49	138	1	0	75	167	5	6
Route Operator & Site operators	794	465	192	309	83	303	5	0	245	726	220	68
Bingos	434	290	184	174	179	115	2	0	282	425	8	9
Totalisator	11	0	0	9	0	0	0	0	0	11	0	0
Certificate of Suitability	58	50	18	7	0	0	0	2	50	55	0	3
Manufacturers	15	8	5	4	2	2	0	0	7	15	1	0
ISO	75	65	43	48	19	37	0	0	59	64	6	11
TOTAL	2140	1533	822	1030	574	849	11	4	1265	1989	268	151

Four (4) key CSI projects of the ECGB were implemented in the poorest wards and communities in terms of the provincial Anti-Poverty Strategy and CSI policy of the ECGB in order to benefit the under-privileged from the poorest wards in the province. Beneficiaries were four schools situated in the poorest wards of the province as follows:

- » **Nomonde Primary School** in Chris Hani District (ward 27) - 286 learners.
- » **Nolitha Primary School** in Chris Hani District (ward 29) - 709 learners.
- » **Joe Slovo Freedom Senior Secondary School** in Chris Hani District (ward 29) - 251 learners.
- » **Dolophini Senior Secondary School** in Chris Hani District (ward 20) - 324 learners.

The ECGB CSI investment in 2024/25 benefitted one thousand five hundred and seventy (1570) Grades R-12 learners regarding the teaching, learning and mastery of mathematics, science, and technology outcomes.

In a collaboration initiative with external stakeholders mobilised by ECGB, a CSI investment with a value of R400 000 was made by the private business Cookhouse Wind Farm Community Trust, supporting mobile Mathematics, Science and Technology kits which were delivered to the beneficiary schools, viz:

- » Cookhouse Senior Secondary School
- » Johnson Nqonqoza Primary School
- » Ntabenkonyana Secondary School
- » Pearston Secondary School

The kits, including mobile cabinets and containers for Mathematics, Science and Technology, are aimed at supporting learners to improve in Mathematics, Science and Technology learning areas.

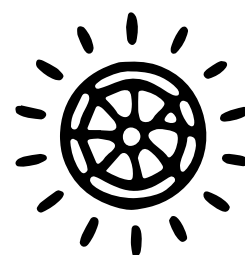
One (1) survey was commissioned in Zone 3 to receive feedback from 850 500 people

who had heard, read or seen messages about excessive and illegal gambling during the 2024/25 financial year. The research found that approximately 1 023 000 individuals had seen, heard, or read messages about responsible gambling. This represents a significant achievement for the ECGB, reflecting a wide reach across Zone 3 and demonstrating the gambling board's effectiveness in raising awareness and educating the public on responsible gambling practices. Results of the survey revealed the following:

- » High Awareness, Low Behavioural Change: high awareness of Responsible Gambling (RG) messages among Zone 3 community. However, there has been little or no significant change in gambling behaviours despite widespread knowledge of the messages.
- » High Levels of Familiarity with ECGB Channels for messaging dissemination preference of future channels of dissemination on radio and social media: the effectiveness of media channels varied, with radio and outdoor advertising (billboards and mobile vehicles) being identified as the most preferred platforms for disseminating responsible gambling messages; younger respondents (below 40 years of age) preferred social media, while the older respondents (above 50 years of age) preferred radio. Printed materials (e.g., posters, brochures) had less impact compared to audio-visual media, and respondents often indicated that they did not pay significant attention to these forms of communication unless they were in direct proximity to gambling venues.
- » Demographic variability in message resonance: Age, education level, and employment status appeared to influence the degree to which responsible gambling messages resonated.

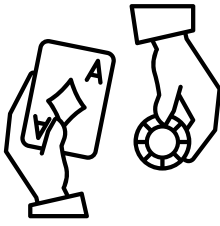
Younger individuals, particularly those aged between 18 and 35, demonstrated a higher engagement with online platforms, though this demographic also showed a higher propensity for risky gambling behaviour, such as sports betting and online gambling. People with higher levels of education and those employed in professional settings responded as more likely to seek help or engage meaningfully with responsible gambling content. Conversely, those in more rural or economically disadvantaged areas, such as in Khowa and Cala (Sakhisizwe) as well as in Rosemead (Inxuba Yethemba), tended to be less engaged with the messages, often citing lack of access to information and low literacy levels. Resonance with responsible gambling messages was reported as very high, and this was due to the size (short) nature of messages.

- » Vulnerable groups: The survey shows that younger people (18-24) engaging in gambling are less responsive to responsible gambling messages compared to older generations. This suggests a need for responsible gambling campaigns to tailor their messages and communication methods to younger audiences, leveraging digital channels and gamified solutions that resonate with their lifestyle.
- » Gambling is a source of fun, harmless and



EDUCATIONAL SUPPORT INITIATIVES

FOUR SCHOOLS BENEFITED FROM KITS CONTAINING MOBILE CABINETS AND CONTAINERS FOR MATHEMATICS, SCIENCE, AND TECHNOLOGY (MST):



CSI IMPACT ASSESSMENT

CENTRALISING CSI EFFORTS CAN ENHANCE TRANSPARENCY, SCALE, AND COORDINATION. LICENSEES VALUED CENTRALIZED STRATEGIES FOR BROADER IMPACT BUT NOTED CONCERNS

unlimited: Among youths, (18-35), gambling is seen as a social activity and unlimited fun, and messages about harm were received with scepticism or indifference. This was particularly prevalent in the entire Zone 3 amongst this age group, where gambling appeared to be culturally ingrained or at best, seen to overcome economic hardship. There were also significant differences in how individuals from different racial and socio-economic groups responded to responsible gambling messaging. For example, in more affluent urban areas (Komani and surrounding areas), there was a greater understanding of gambling-related harm, and people were more likely to engage with responsible gambling initiatives, whereas in rural zones, gambling was often viewed as a relatively harmless activity, leading to less proactive engagement with messaging.

- » Collaboration opportunities: Stakeholders see more opportunities for working together going forward, including regulatory authorities, licensees, supporting agencies and the community. This suggests that community involvement and direct engagement are critical to the success of responsible gambling initiatives. Community-based approaches create a sense of ownership and relevance that institutional campaigns may lack.

One (1) impact assessment study on CSI projects implemented by the gambling industry was conducted in the Eastern Cape Province by the ECGB.

The study findings reveal that:

- » the industry appreciates that centralising CSI initiatives will assist in broadening CSI initiatives, improving transparency, enhancing training and collaborating for large-scale projects. These findings highlight the effectiveness of CSI initiatives in addressing community needs while identifying areas for improvement;
- » the industry indicates that centralising CSI initiatives will result in positive community upliftment with clear and appreciated outcomes, while also providing direct, real impact to beneficiaries and communities;
- » the industry is also concerned about the administrative burden and documentation challenges requiring substantial effort and time, limited human resources to adequately monitor and evaluate projects, and governance concerns with centralised fund management, including risk of inefficiencies;
- » the study recommends that the ECGB redefine the gambling industry's CSI mandate, providing a strategic framework to guide, assess and align its initiatives with long-term socio-economic development and national goals; and
- » the study also recommends that a hybrid centralised fund be established to allow licensees to contribute to broader regional projects while continuing to implement independent CSI initiatives within their immediate communities.

One (1) research study was conducted on the Impact of Covid-19 on the Eastern Cape Gambling Sector in the Eastern Cape province. The study findings reveal that:

- » the negative effect of Covid-19 was almost 3 times the magnitude of the effect of the 2008 financial crisis, which is often regarded as the worst financial crisis in history;
- » the impact of Covid-19 on the gambling industry is reflected in the industry's revenues, employment and taxes;
- » the initial shock of Covid-19 resulted in a 99.4% decrease in revenue or a R632 million loss in revenue;
- » when compared to the national industry, the Eastern Cape lost 33,7% of expected revenues

versus the national loss of 12%; and

- » the casino industry has seen a drop in employment of 70.7% because of the Covid-19 pandemic. Bingos are not far behind with a decline of 61.3%, bookmakers lost almost half their staff with a decline of 47.2% and LPMs managed to keep two-thirds of staff, losing only 34,5%.

One (1) seminar was conducted on the research on the Socio-Economic and Environmental Impact of Limited Payout Machines (LPM) and Bookmaker licenses in the Eastern Cape. Research studies are conducted annually by the ECGB and the sharing of the research report is ensured through research seminars to provide feedback to relevant stakeholders while ensuring implementation of the findings. A licensee engagement session was held in March 2025 wherein the findings from the LPM and Bookmaker study were shared and discussed with the licensees. The seminar was based on the following key research findings:

- » Overall findings indicate that LPMs and Bookmakers contribute significantly to the economy and the research has highlighted the presence of gaps in both LPMs and bookmakers across the province.
- » There is potential to introduce additional gambling machines/establishments; however, the negative economic, social and environmental impacts of LPMs and bookmakers should be addressed and strict regulations implemented including regularly monitoring of establishments to ensure compliance.
- » Awareness campaigns educating people on responsible gambling and structures available to provide support to gamblers with addiction problems should be widely and regularly conducted in the province.

Eight (8) schools were targeted for implementing the Taking Risks Wisely programme under the theme "Managing Risks Responsibly by Avoiding Impulsive Behaviour". A total of three thousand three hundred and seventy-four (3374) young people were reached through these in-school sessions on Taking Risks Wisely as well as Responsible Gambling campaigns.

Seventeen (17) sessions and workshops on responsible gambling and illegal gambling were conducted in collaboration with the South African Responsible Gambling Foundation (SARGF), during which six hundred and forty-seven (647) people were workshopped on problem gambling, excessive

gambling, and how to deal with the phenomenon at home, at the workplace, and in the communities at large. These awareness and responsible gambling campaigns were conducted for educators of Sarah Baartman, OR Tambo, Amathole and Chris Hani Districts from ten schools, Ikhala College (Nonesi and Queenstown Campuses), Walter Sisulu University (Mthatha, Queenstown, East London and Butterworth campuses).

Twenty-one (21) responsible gambling month and general events on responsible gambling were utilised to profile the work of the ECGB. These events included the promotion of responsible gambling and educating communities about the dangers of excessive and illegal gambling, including ways to mitigate the harmful effects of excessive gambling and have reached four hundred and forty (440) people.

Lamp post advertisements (mini billboards) and back of transit buses in the Buffalo City Metropolitan Municipality (BCMM) and Chris Hani district containing messages that promoted awareness regarding responsible gambling and illegal gambling. This was pursued through the implementation of:

- » Ten (10) lamp post advertisements (mini billboards) along the R72 Expressway in BCMM, East London, adverts on the back of ten (10) Mayibuye transit buses. These lamp post advertisements were part of a multi-media campaign that was intended to promote awareness regarding responsible gambling and illegal gambling.
- » Five (5) billboards in Zone 3 (Chris Hani district) were deployed to raise awareness about responsible gambling, the free helpline, and illegal gambling.

Thirty-nine (39) electronic, print, social media platforms and general events were utilised to communicate and profile the work of the ECGB in the various local and district municipalities of the province wherein the profiled events were undertaken by the implementation of the following:

- » Electronic platforms - as part of a strategic effort to position the ECGB as a proactive regulator and public educator, electronic platforms were used to provide awareness on the prevalence of gambling and to highlight ECGB activities in promoting responsible gambling practices. The ECGB utilised various radio stations to provide insight on the rise of gambling as identified on various social media platforms.

Listeners were provided with the gambling toll-free number 0800 006 008 to seek help and assistance regarding the gambling addiction. On three (3) radio stations, namely Umhlobo Wenene FM, Mdantsane FM and Vukani FM, advertisements were successfully broadcast and interviews conducted in which audio messages of responsible gambling and the dangers of excessive gambling were shared.

- » Print platforms - various print platforms such as Daily Dispatch newspaper, Gaming for Africa Infoline, Grocott's Mail, The Rep newspaper, Africa Gaming news, and Municipal Focus Magazine were utilised to profile ECGB's key milestones, including a decade of clean audits, youth empowerment sessions, and amateur Boxing tournaments, reaching a combined total of over 550 000 readers.
- » Social media platforms - social media campaigns regarding excessive and irresponsible gambling messages and illegal gambling successfully reached 300 762 people through the social media platforms (Facebook, LinkedIn, Instagram and You Tube). Various videos, posters and images were used to profile the work of the ECGB while also promoting responsible gambling.
- » General events platforms - the ECGB leveraged on various events, including activations to educate the public on the dangers of excessive gambling and to promote responsible gambling practices as part of its roadshow campaigns. The ECGB hosted two major campaigns: a Human Rights Day event in Kariega, and a Golf Day in East London partnered with the Automotive Industry Development Centre (AIDC-EC). In these public awareness campaigns a diverse audience, including community members, stakeholders, and high-net-worth individuals were engaged on promoting responsible gambling. These campaigns included participating in the Music in the Snow Festival in Hogsback and the Provincial Women's Day event in Misgund, thus strengthening the ECGB's visibility and messaging.

Seven (07) Designated and Vulnerable Groups projects were implemented: The ECGB has an obligation as a public sector institution to implement programmes seeking to support



designated and vulnerable groups. In addition to this is the attainment of affirmative action/transformation targets for economic empowerment and socio-economic transformation of designated/vulnerable groups which includes children, youth, elderly, disabled persons and women. Designated and Vulnerable Groups projects implemented in 2024/25 included the following:

- » Youth support and Empowerment Session - in partnership with Mpucuko Sports Development (MSD) and in collaboration with other stakeholders, a session on youth empowerment was hosted with boxers participating in the amateur boxing tournament at Mdantsane in Buffalo City Metro Municipality, focusing on life skills, personal development, and responsible gambling for young athletes. Amateur Boxing Tournaments - the ECGB partnered with Mpucuko Sports Development, an NPO for developing youth through district amateur boxing tournaments during the 2024/25 financial year. The aim of hosting these tournaments by the ECGB and MSD is to give the young stars a balance between sport, academics and personal development, and the intention is to keep youth off the streets so they may be inspired to build a better future for themselves. Four (4) amateur boxing tournaments were held in Sarah Baartman, Chris Hani, Amathole district municipalities and Nelson Mandela Bay Metro, with male and female boxers participated in the tournament.
- » Children's Support - seventy (70) children of Masizakhe Children's Home in Mdantsane NU2 were beneficiaries of ECGB support. The centre was provided with groceries including rice, maize meal and sugar beans, as well as bedding linen. The centre was identified by ECGB employees to be a recipient of the International Mandela Day activities wherein the employees of ECGB donated their time by replacing bedding, preparing children's sleeping areas, also preparing a garden by planting vegetables such as spinach, beetroot and cabbage.
- » People Living with Disabilities - in this regard ECGB, in collaboration with the Department of Social Development, invested in sewing machines, Mbhaco and Shweshwe material and beads for the eighteen (18) beneficiaries

of Masincedane centre, for the sustainability of the centre which is located at Tsomo, Chris Hani District. The centre is mainly focused on people living with disabilities.

Seven (7) Gambling Economic Opportunity awareness programmes were conducted. The sessions were conducted with the intention to inform and educate potential business entrepreneurs about economic opportunities within the provincial gambling sector during the licensing process and post licensing.

Communities, families and employees who are aware of relatives, spouses or any other persons with a gambling addiction are encouraged to call the toll-free number 0800 006 008 to seek help and assistance with regard to this addiction. These services are free and at no cost and are only meant to assist and help our communities in the province.

2.2.1.2 CHALLENGES ENCOUNTERED AND CORRECTIVE STEPS

The challenges encountered by the entity during the year under review relate to assistance required from the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) regarding the following critical matters:

- » An update was required on the awaited Provincial Legislature consideration of the Amendment Bill and comments received on the legislative review process underway to implement the indefinite gambling license regime. It is to be noted that this has a huge impact on the Draft Zone One Casino Licensing process wherein a draft RFP has been issued, and the Act requires that the final RFP be issued with a definitive or prescribed casino licence period.
- » The organisation saw an under-collection of R22.1 million in revenue which equates to 10.6%, mainly attributable to the sluggish/slump economy which is resulting in reduced disposable income for punters. The organisation explored the stimulation of other modes of gambling, specifically the sports betting space to curb the under-collection situation in the next MTEF period.

2.2.2 ORGANISATIONAL ENVIRONMENT

A significant activity that was implemented during the year under review was the rationalisation

of public entities in the Eastern Cape and one specific process has been that of the merger of ECGB and ECLB. A project structure to guide the merger processes was identified and various Board Members, CEOs and Management Officials were appointed accordingly to serve on different structures and work-streams. A board member from both ECGB and ECLB were appointed by the MEC to serve on the Joint Board Task Team (JBTT) and the two CEOs of the two public entities to lead the Joint Management Committee (JMC).

A number of officials were appointed by the CEOs of the two public entities to serve on seven different workstreams. These workstreams consisted of the relevant management members of the two entities and DEDEAT and were expected to meet at least bi-weekly. All the structures from the JMC to the JBTT are to submit written reports at the agreed time intervals at which these meetings are scheduled per the ToR. The merger process is on-going, and the first phase is anticipated to be completed by the end of 2024/25.

The organisational maturity assessment of the Eastern Cape Gambling Board was conducted to evaluate the various aspects of the organisation to determine its level of development, effectiveness and capability in achieving its goals.

The 2024/25 Organisational Maturity Assessment reaffirms the organisation's strong and stable performance, with an overall maturity rating of 3.85. While this reflects a slight decline from the previous assessment, ECGB has consistently maintained a Level 4 maturity rating, with prior assessments (2022/23-2024/25) indicating a stable and advanced stage of organisational development. In terms of the ECGB's organisational maturity framework, this suggests that the ECGB has well-established processes and actively utilises metrics and analysis to manage and improve its operations.

The performance areas identified by staff across the assessed domains included effective governance structures (i.e., ECGB's board and oversight structures), strong strategic planning and execution, risk management maturity, and proactive stakeholder engagement. However, areas for further improvement remain, particularly in enhancing technological integration, refining internal and crisis communication strategies, strengthening accountability mechanisms, and improving flexibility in performance management systems. Addressing these areas could help the ECGB progress towards its aspirational Level 5 maturity.

While achieving Level 5 remains an aspirational goal, the ECGB has consistently maintained a Level



4 maturity on the assessed variable for the past three years. This reflects a well-structured organisation capable of sustaining operational excellence. As the organisational maturity framework undergoes its scheduled revision in 2025, the ECGB has an opportunity to benchmark its performance against similar institutions, gaining valuable insights into best practices for further enhancement. ECGB could also consider assessing different new domains of maturity.

The 2024/25 assessment indicates positive staff perceptions regarding ECGB’s organisational maturity, with an overall maturity rating of 3.85 out of 5. While this represents a marginal decline from the 2023/24 maturity assessment, the results demonstrate that ECGB remains at a Level 4 maturity, which is satisfactory and indicative of strong perceived organisational performance. All assessed domains also showed a marginal decline compared to the 2023/24 assessment, except for Communication and Stakeholder Management, which increased by 0.04 points (from 3.70 to 3.74).

As indicated in the table below, it depicts a comparative analysis of outcomes per domain of the organisational maturity assessment conducted between the years 2022/23, 2023/24 and 2024/25.

DOMAIN	AVERAGE RATING 2022/23	AVERAGE RATING 2023/24	AVERAGE RATING 2024/25	LEGEND
Independence and Legal Framework	4.11	4.25	4.02	↓
Corporate Governance	4.03	4.10	3.97	↓
Processes and procedures/Systems	3.85	4.15	3.81	↓
Human Resources/Skills/Staffing	3.85	3.50	3.69	↑
Communication and Stakeholder Management	3.71	3.70	3.74	↑
Organisation and Management	4.03	4.50	3.97	↓
Performance management	3.85	4.50	3.76	↓
Overall Score	3.92	4.07	3.85	↓

Represents an improvement ↑	Represents a drop in performance ↓
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Despite ECGB’s aspirational target of Level 5 maturity, its sustained Level 4 performance highlights a commendable degree of operational excellence. As stipulated by ECGB, Level 4 is characterised as an advanced stage of maturity where the organisation has established processes and uses metrics and analysis to manage and improve those processes. It is characterised by predictive and optimised practices that are deeply integrated into how the ECGB functions. As such, this denotes highly structured and optimised practices that are deeply embedded in ECGB operations.

Overall perceptions were positive; however, certain variables/statements received comparatively lower scores, indicating opportunities for improvement, despite being characterised as “established”. The table below presents a summary of lower-rated, albeit established, variables/statements.

DIMENSION	VARIABLE / STATEMENTS ASSESSED FOR MATURITY	AVERAGE RATING	DESCRIPTION OF MATURITY LEVEL
Independence and Legal Framework	The legislation is flexible to change, including all aspects of licensing (short- and long-term).	3.27	Established
Corporate Governance	The ECGB has a flexible organisational performance framework that is able to easily adapt to changes.	3.46	Established
	ECGB holds managers to account for their actions in a manner that promotes a culture of quality in all the ECGB’s work.	2.93	Established
Processes and Procedures/ Systems (including IT)	The organisational processes are completely automated, systems are integrated and rely on the latest technology in terms of Business Intelligence.	3.12	Established

DIMENSION	VARIABLE / STATEMENTS ASSESSED FOR MATURITY	AVERAGE RATING	DESCRIPTION OF MATURITY LEVEL
	Continuous assessment and evaluation of Document and Records Management Maturity.	3.10	Established
Human Resources/ Skills/Staffing	The ECGB has developed and implemented a Resource Plan defining the number of staff, the type of competencies and other resources required to achieve success and realise its strategic goals through its staff.	3.49	Established
	The ECGB has developed and implemented a Recognition Policy to recognise individual/team behaviour, effort and accomplishments.	3.39	Established
	The ECGB has implemented a system to monitor and evaluate the return on investment and effectiveness of training and development initiatives.	3.37	Established
	The ECGB has developed and implemented an Exit Policy that ensures a positive parting experience for both parties.	3.37	Established
Communication and Stakeholder Management	The ECGB has excellent communication in the organisation, vertically and horizontally including with members of the media.	3.34	Established
	All employees are aware of the Crisis Communication Strategy of the ECGB and are aware of what they must do when there is a crisis.	3.46	Established
Performance Management/ Performance Management Architecture	The ECGB usually relies on Business Intelligence tools to report on performance and track progress of organisational initiatives.	3.46	Established
	ECGB has a flexible performance management system that is able to easily adapt to changes.	3.41	Established
	The target setting process sets meaningful performance levels, which trigger positive behaviours from employees.	3.41	Established

SOME PROPOSED INTERVENTIONS TO ADDRESS THE LOWEST RATED VARIABLES/STATEMENTS

- » The ECGB will monitor these lower-rated aspects for future assessments, to track improvements in strengthening overall organisational maturity. There will be continuous awareness sessions conducted with all staff on, among others, organisational induction, ethics assessment awareness, communication policy and social media awareness on the low rated variables/statements and all these have been incorporated into the Operational Plan for implementation by the respective divisions.
- » The organisational maturity framework of the ECGB will be revised this year 2025 as it is due to be revised every three years. This will create an opportunity to refine some of the variables /statements for better understanding by the respondents for future assessments.
- » ECGB will conduct a benchmark exercise to ascertain the organisation's maturity level by benchmarking with similar organisations.
- » On some of the variables/statements there are standalone maturity assessments created in terms of the Key Performance Indicators measured annually to feed into the organisational maturity assessment that will be conducted every two years. The KPIs created are finding expression in the APP and Operational Plan to address some of the low rated variables included, e.g. Human Resources Maturity Index; ICT Efficiency Maturity Level; Records/Document Management Efficiency Maturity Level; Enterprise Risk Management Maturity Level; Financial Management and Procurement Efficiency Maturity Level; Ethics Assessment Maturity level.

2.2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were significant key policy developments during the period under review.

- » Awaiting Provincial Legislature for a consideration of the Amendment Bill and comments received on the legislative review process underway to implement the indefinite gambling license regime. It is to be noted that this has a huge impact on the Zone One Casino Licensing process.

2.2.4 PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

This section outlines progress made against the strategic outcomes set and their impact in the entity's five-year Strategic Plan. The strategic outcomes are listed as follows:

- » Transformed and sustainable gambling industry in the province.
- » Compliant and protected gaming industry.
- » Educated, informed and responsible punters and general public.
- » Empowered communities located in areas where there is a gambling footprint as well as in impoverished areas.
- » Informed policy decision making based on research and evaluation outcomes.
- » Effective governance with an enabling workplace environment.

The targets reported on in Section 2.3 are aligned annually towards overall achievement of the strategic outcomes as summarised in the following table:

OUTCOME 1: EFFECTIVE GOVERNANCE WITH AN ENABLING WORKPLACE ENVIRONMENT

Progress made by the ECGB:

- ➊ An assessment and evaluation of the ECGB organisational maturity was conducted and an outcome of level 4 was achieved. Although ECGB aimed to achieve a Level 5 maturity assessment for the 2024/25 financial year, the current level (Level 4) remains highly positive and reflective of an advanced stage of organisational maturity.
- ➋ An Organisational Performance Reporting System has been institutionalised to measure and regulate the Board in terms of its performance and financial prudence.
- ➌ Effective organisational performance reporting and feedback according to which quarterly reports regarding organisational performance were presented to the Board, DEDEAT and Provincial Treasury, with a portfolio of evidence compiled and submitted bi-annually for review by internal audit.
- ➍ Clean audit outcomes were anticipated and maintained on both financial information and predetermined outcomes.
- ➎ Continuous institutionalisation of enterprise risk management and monitoring, and evaluation of the risk register for 2024/25.
- ➏ The Board and its sub-committees met according to an approved annual schedule and as per their terms of reference.
- ➐ Ten (10) recruited Unemployed Graduates and Student Interns on an Internship and learnership Programme for experiential learning and training for a period of 18 months and two years respectively from universities and local TVET colleges and have been placed in the various dDivisions in accordance with their area of study.
- ➑ Various interventions in terms of training and capacity building programmes were facilitated where the ECGB employees have been equipped to respond to new challenges of innovation and regulatory requirements. These included benchmarking visits to other gambling boards, licensees and laboratories, as well as attendance of international and local conferences.

OUTCOME 2: TRANSFORMED AND SUSTAINABLE GAMBLING INDUSTRY IN THE PROVINCE

Progress made by the ECGB:

- In pursuance of this strategic outcome, the ECGB followed industry best practices for issuing licences, including the following categories or types of licenses: Fourteen (14) gambling licences were awarded to qualifying applicants and comprise the following categories or types of licenses:
 - » Five (5) bookmaker gambling licenses (key licenses);
 - » Five (5) Type A gambling machine site licences; and
 - » Four (4) Type C gambling machine site licences.
- b) The entity continued during 2024/25 to play a major role in driving economic growth and job creation in the Eastern Cape province through stringent regulation of the industry. To this end, a total number of 3 673 sustainable job opportunities were created cumulatively as at 31 March 2025.
- Requests for Proposals (RFPs) on the different types of licences which the Board rolls out at different periods were widely published in the Eastern Cape using mainstream print media.;
- SMMEs in the province benefitted from R563.5 million in total procurement spend by licensees, which equates to 61% of the operator's total spend going towards local suppliers in the Eastern Cape.
- The entity continued to drive promotion of itsng the jurisdiction as a regulator of choice specifically to the online betting sector. This yielded a pipeline of bookmaker applications with two (2) commencing online operations during the 2024-25 financial year.



OUTCOME 3: EDUCATED, INFORMED AND RESPONSIBLE PUNTERS AND GENERAL PUBLIC

Progress made by the ECGB:

- In There was an intensification of the responsible gambling campaigns and awareness through print, general events and social media platforms utilised to communicate and profile the work of the ECGB on Minimisation of Harmful Effects of Excessive and Irresponsible Gambling as well as on illegal gambling and the Taking Risks Wisely School Programme.
- The ECGB commissioned an independent study to establish and evaluate the effectiveness of responsible gambling messages and platforms utilised by the ECGB. The results of the study revealed that approximately 1 023 000 people in Zone 3 have been exposed to messaging on responsible gambling.
- Eight (8) schools were targeted for implementing the Taking Risks Wisely programme under the theme "Managing Risks Responsibly by Avoiding Impulsive Behaviour". A total of three thousand three hundred and seventy-four (3374) young people were reached through these in-school sessions on Taking Risks Wisely as well as Responsible Gambling campaigns.
- A total of seventeen (17) awareness sessions and workshops on responsible gambling and illegal gambling conducted in collaboration with SARGF wherein 647 people have been workshopped on problem gambling, excessive gambling and how to deal with the phenomenon at home, at the workplace, and in the communities at large.
- These awareness and responsible gambling campaigns were conducted for eEducators of Sarah Baartman, OR Tambo, Amathole and Chris Hani Districts from ten schools, Ikhala College (Nonesi and Queenstown Campuses), Walter Sisulu University (Mthatha, Queenstown, East London and Butterworth campuses).
- Twenty-one (21) responsible gambling month and general events on responsible gambling were utilized to profile the work of the ECGB. These events included the promotion of responsible gambling and educating communities about the dangers of excessive and illegal gambling including ways to mitigate the harmful effects of excessive gambling and have reached four hundred and forty (440) people.
- Lamp pPost (mini billboards) advertisements (mini billboards) and the back of transit buses in the Buffalo City Metropolitan Municipality (BCMM) and Chris Hani districts were utilised to displaycontaining messages that promoted awareness regarding responsible gambling and illegal gambling. This was pursued through the implementation of:
 - » Ten (10) lamp post (mini billboards) advertisements (mini billboards) along the R72 Expressway in BCMM, East London, and adverts on the back of ten (10) Mayibuye transit buses. These lLamp pPost advertisements were part of a multi-media campaign that was intended to promote awareness regarding responsible gambling and illegal gambling.
 - » Five (5) bBillboards in Zone 3 (Chris Hani district) were deployed to raise awareness about responsible gambling, the free helpline, and illegal gambling.
- Thirty-nine (39) electronic, print, social media platforms and general events respectively were utilised to communicate and profile the work of the ECGB in the various local and district municipalities of the province in 2024/25.
- Communities, families and employees who are aware of relatives, spouses or any other persons with a gambling addiction are encouraged to call the toll-free number 0800 006 008 to seek help and assistance regarding this addiction. These services are free and at no cost and are only meant to assist and help our communities in the province.
- Seven (7) gGambling economic opportunity awareness sessions were conducted with the intention ofto informing and educating potential business entrepreneurs about economic opportunities within the provincial gambling sector during the licensing process and post licensing.

OUTCOME 4: EMPOWERED COMMUNITIES LOCATED IN AREAS WHERE THERE IS A GAMBLING FOOTPRINT AS WELL AS IMPOVERISHED AREAS IN THE PROVINCE.

Progress made by the ECGB:

- ➊ In pursuance of this strategic outcome, the entity contributed towards socio-economic development opportunities and other CSI-related contributions supporting designated and vulnerable groups in Eastern Cape areas identified as impoverished.
- ➋ CSI projects of the ECGB were implemented in the poorest wards and communities in terms of the provincial Anti-Poverty Strategy and CSI policy of the ECGB to benefit the under-privileged from the poorest wards in the province. CSI support of benefitted four schools that are based in the poorest wards of the province as follows:
 - » Nomonde Primary School atin Chris Hani District (ward 27) - 286 Learners.
 - » Nolitha Primary School atin Chris Hani District (ward 29) - 709 Learners.
 - » Joe Slovo Freedom Senior Secondary School inat Chris Hani District (ward 29) - 251 Learners.
 - » Dolophini Senior Secondary School atin Chris Hani District (ward 20) - 324 Learners.
- ➌ The ECGB CSI investment in 2024/25 benefitted one thousand five hundred and seventy (1570) Grades R-12 learners regarding the teaching, learning and mastery of mathematics, science, and technology outcomes.
- ➍ A collaboration with external stakeholders mobilized by the ECGB resulted in a CSI investment with a value of R400 000. This was made by the private business Cookhouse Wind Farm Community Trust supporting mobile mathematics, science, and technology kits which were delivered to the beneficiary schools, viz:
 - » Cookhouse Senior Secondary School.
 - » Johnson Nqonqoza P primary Sschool.
 - » Ntabenkonyana Secondary. School
 - » Pearston Secondary Sschool.
- ➎ Licensed gambling operators contributed R34.7 million collectively towards Corporate Social Investment (CSI) and Socio-Economic Development (SED) initiatives, in line with the CSI framework approved by the Board for the period ending 31 March 2025.
- ➏ Seven (07) Designated and Vulnerable Groups projects were implemented, the ECGB has an obligation as a public sector institution to implement programmes seeking to support designated and vulnerable groups. In addition, there is also the attainment of affirmative action/transformation targets for economic empowerment and socio-economic transformation of designated/vulnerable groups which includes children, youth, elderly, disabled persons and women. Designated and Vulnerable Groups projects implemented in 2024/25 included the following:
 - » Youth support and Empowerment Sessions - in partnership with Mpucuko Sports Development, a session on youth empowerment was hosted with boxers participating in the amateur boxing tournament at Mdantsane in Buffalo City Metro Municipality, focusing on life skills, personal development, and responsible gambling for young athletes. Amateur Boxing Tournaments - the ECGB collaborated with Mpucuko Sports Development, an NPO for developing youth through district amateur boxing tournaments during the 2024/25 financial year. Four (4) amateur boxing tournaments were held atin Sarah Baartman, Chris Hani, and Amathole district municipalities, as well as in Nelson Mandela Bay Metro. Both with males and females boxers participated in the tournament.
 - » Children's Support - seventy (70) children of Masizakhe Children's Home in Mdantsane NU2 were beneficiaries of ECGB support., T the centre was provided with groceries including rice, maize meal, and sugar beans, as well as bedding linen. The centre was identified by the ECGB employees to be a recipient of the International Mandela Day activities wherein the employees of ECGB donated their time by replacing bedding, preparing children's sleeping areas, and also preparing a garden by planting vegetables such as spinach, beetroot, and cabbage.
 - » People Living with Disabilities - in this regard ECGB in collaboration with the department of Social Development invested sewing machines, Mbhaco, and Shweshwe clothsmaterial and bBeads to the eighteen (18) beneficiaries of Masincedane centre, for sustainability of the centre, located at Tsomo, Chris Hani District. The centre is mainly focused on people living with disabilities.

OUTCOME 5: INFORMED POLICY DECISION MAKING BASED ON RESEARCH AND EVALUATION OUTCOMES

Progress made by the ECGB:

- ➊ In pursuance of this strategic outcome, a survey was commissioned in Zone 3 to receive feedback from 850 500 people who had heard, read or seen messages about excessive and illegal gambling during the 2024/25 financial year, and the research found that approximately 1 023 000 individuals have seen, heard, or read messages about responsible gambling. This represents a significant achievement for the ECGB, reflecting a wide reach across Zone 3 and demonstrating the gambling board's effectiveness in raising awareness and educating the public on responsible gambling practices.
- ➋ Impact Assessment study on CSI Projects Implemented by the Gambling Industry conducted in the Eastern Cape Province by the ECGB. Study findings are summarised as follows:
 - » The industry appreciates that centralising CSI initiatives will assist in broadening CSI initiatives, improving transparency, enhancing training and collaborating for large-scale projects., T these findings highlight the effectiveness of CSI initiatives in addressing community needs while identifying areas for improvement.
 - » The industry indicates that centralising CSI initiatives will result toin a positive community upliftment with clear and appreciated outcomes, while also providing direct, real impact on beneficiaries and communities.
 - » The industry is also concerned ofabout the administrative burden and documentation challenges requiring substantial effort and time, as well as limited human resources to adequately monitor and evaluate projects and governance concerns with centralised fund management, including risk of inefficiencies.
 - » The study recommended that the ECGB needs to redefine the gGambling industry's CSI mandate, providing a strategic framework to guide, assess and align its initiatives with long-term socio-economic development and national goals.
 - » The study also recommended that a hybrid centralised fund be established to allow licensees to contribute to broader regional projects while continuing to implement independent CSI initiatives within their immediate communities.
- ➌ A research study was conducted on the Impact of Covid-19 on the Eastern Cape Gambling Sector in the Eastern Cape Province. Study findings are summarised as follows:
 - » The negative effect of Covid-19 was almost 3 -times the magnitude of the effect of the 2008 financial crisis, which is often regarded as the worst financial crisis in history.
 - » The impact of Covid-19 on the gambling industry is reflected in the industry's revenues, employment and taxes.
 - » The initial shock of Covid-19 resulted in a 99.4% decrease in revenue or a R632 million loss in revenue.
 - » When compared to the national industry, the Eastern Cape lost 33,7% of expected revenues versus the national loss of 12%.
 - » The casino industry has seen a drop in employment of 70.7% because of the Covid-19 pandemic. Bingos are not far behind with a decline of 61.3%,; bookmakers almost lost almost half of their staff with a decline of 47.2%, andwhile LPMs managed to keep two-thirds of staff, only losing 34,5%.

OUTCOME 6: COMPLIANT AND PROTECTED GAMING INDUSTRY

Progress made by the ECGB:

- ➊ In pursuance of this strategic outcome, the industry in the province achieved a Level 4 compliance maturity rating ranging from 90%-100%, as measured by the compliance barometer. This level is an acceptable or compliant zone in terms of the compliance barometer maturity levels.
- ➋ Two hundred and ninety-three (293) Revenue, Systems, Compliance audits and inspections were conducted to maximise revenue collection, strengthen effective compliance and adherence to bid commitments, licence conditions, the Act, rules and regulations, the Financial Intelligence Centre Act (FICA) (Act 38 of 2001), and other applicable legislation prior to, and after commencement of, operations. The entity collected R187 million in gambling tax revenue from all licensed gambling operators in the province, which was 10.6%

below target. The under- collection of revenue was mainly attributable to the effects of the downward economic slide resulting in reduced disposable income for punters.

- ➔ Non-compliance notices were issued, with interest and penalties imposed where applicable.
- ➔ Seventy-three (73) licence applications for various gambling licences were investigated for issuing to suitable and qualifying applicants. The total of 73 applications for licenses is made up of various applications for bookmaker licences (7), amendment of licence conditions (29), transfer of licence to another person (6), removal of business to other premises (9), acquisition of a financial (and controlling) interest (9), addition of premises to a bookmaker licence (1), gambling machine site licences (10), pProvincial mManufacturer lLicence (1) and a national manufacturer licence (1).
- ➔ Fifteen (15) sSweeps/gambling raids were carried out across all five zones in the province to search for and eradicate illegal gambling operations. These sweeps, which were conducted in collaboration with the South African Police Service, resulted in:
 - » Forty-four (44) illegal gambling site operations identified and closed,
 - » Forty-three (43) cases opened with SAPS and owners or managers of illegal sites arrested,
 - » Ninety-eight (98) illegal gambling machines / devices confiscated.
- ➔ The estimated value of GGR lost from illegal gambling operations amounted to R24.1 million and the value of machines or devices confiscated amounted to R490 000.
- ➔ One (1) public hearing was held to ensure transparency in the process of awarding licences. The public hearing held was for a gambling machine site licence application and also considered various applications for amendment of licence conditions, transfer of licence to other persons, removal of business to other premises, addition of premises to a totalisator licence, acquisition of a financial interest in a licence holder, gambling machine site licences and a bookmaker licence.
- ➔ Eight hundred and eighty-six (886) applications for employee registration were processed during the 2024/25 financial year.

2.3 PERFORMANCE INFORMATION BY PROGRAMME

2.3.1 BUDGET PROGRAMME 1: CORPORATE SERVICES MANAGEMENT AND ADMINISTRATION

2.3.1.1 PURPOSE OF THE PROGRAMME

The purpose of this programme is to provide corporate administrative and management support services to the organisation and the budget programme, including the Board, to ensure that the ECGB mandate is executed, achieved, and reported upon accordingly. Utilisation of different platforms to ensure the communication, marketing, and profiling of the ECGB as an efficient and effective gaming regulator were prioritised.

2.3.1.2 SUB-PROGRAMMES

The following are budget sub-programmes of Corporate Services Management and Administration:

- » Office of the Chief Executive Officer
- » Strategic Management Services
- » Legal Services and Board Secretariat
- » Financial Management
- » Human Resources Management and Development
- » Information Management and Technology
- » Communications Services

The Operational Performance Plan of the entity includes indicators and targets for all sub-programmes. However, the performance indicators reported on below are only the selected key performance indicators included in the entity's Annual Performance Plan.

2.3.1.3 STRATEGIC OUTCOMES

The following strategic outcomes guide the performance of the Budget Programme to achieve the desired outcomes:

- » Compliant and protected gambling industry.
- » Empowered communities located in areas where there is a gambling footprint as well as in impoverished areas, including supporting Covid-19 initiatives in the province.
- » Effective governance with an enabling workplace environment.

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

PURPOSE OF THE SUB-PROGRAMME: FINANCIAL MANAGEMENT SERVICES									
To administer the ECGB's revenue and expenditure to conduct all financial dealings efficiently and effectively.									
OUTCOME	OUTPUTS	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2024/25	REASONS FOR DEVIATIONS	
Compliant and protected gambling industry	Taxes and fees collected from licensed operators License certificates issued to operate	Revenue collected and disbursed to fiscus	R189.5 million	R184 million	R209 million	R187 million	-R22 million	The under-collection is mainly attributable to the effects of an economy that is not growing as well as a move to online and remote gaming platforms.	

PURPOSE OF THE SUB-PROGRAMME: STRATEGIC MANAGEMENT SERVICES

- To manage the ECGB strategic planning process in line with Treasury requirements and monitor and evaluate organisational performance against agreed targets.
- To facilitate the empowerment of local communities and contribute to the Eastern Cape government's Poverty Eradication Programme and Anti-Poverty Strategy.
- To mainstream vulnerable and designated groups, which are the youth, people with disabilities, women and the elderly within the province, including other emerging vulnerable groups identified by the Department of Planning, Monitoring and Evaluation (DPME).
- To strengthen and support the socio-economic development projects of the Board and those established in terms of licence conditions so that they are sustainable and add value to the lives of the people of the Eastern Cape.

PURPOSE OF THE SUB-PROGRAMME: FINANCIAL MANAGEMENT SERVICES								
To administer the ECGB's revenue and expenditure to conduct all financial dealings efficiently and effectively.								
Empowered communities located in areas where there is a gambling footprint as well as impoverished areas, including supporting Covid-19 initiatives in the province	Maths, Science and Technology kits Interactive eLearning material towards 4IR Evaluation reports on demonstrating desired outcomes	Number of key CSI projects implemented	4	4	4	4	No deviation	None

PURPOSE OF THE SUB-PROGRAMME: OFFICE OF THE CEO								
To provide leadership, overall strategic oversight, and an administrative function to ensure the efficiency of the ECGB. In addition, to implement risk assurance management systems and services to improve corporate governance requirements within the entity.								
Effective governance within an enabling workplace environment	Organisational Maturity Framework Report on assessment of the organisation's maturity	Organisational Maturity Index	Level 3 Organisational Maturity	Level 4 Organisational Maturity	Level 5 Organisational Maturity	Level 4 Organisational Maturity	Level 1 Organisational Maturity	The respondents aggregated Organisational Maturity assessment landed at lower level of maturity than anticipated.

The following budget sub-programmes of Corporate Services Management and Administration do not have measurable key performance indicators that find expression in the Annual Performance Plan; rather, they have activity-based reporting indicators that find expression in the Operational Plan.

PURPOSE OF THE SUB-PROGRAMME: LEGAL SERVICES AND BOARD SECRETARIAT								
To ensure legal and secretariat support to the Board and CEO and to provide sound legal support and advice to ECGB personnel.								

PURPOSE OF THE SUB-PROGRAMME: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT								
To ensure that all matters relating to human capital management and development are implemented effectively and efficiently. In addition, to ensure that the ECGB becomes an employer of choice.								

PURPOSE OF THE SUB-PROGRAMME: INFORMATION MANAGEMENT AND TECHNOLOGY

- ➔ To provide end-user and internal system support and to ensure the effective running of all IT-related matters within the ECGB.

PURPOSE OF THE SUB-PROGRAMME: COMMUNICATION SERVICES

- ➔ To implement the ECGB Act and other statutory legislation through conducting responsible gambling campaigns and public education and utilisation of different platforms to ensure the protection of punters, consumers and general citizenry from uncontrolled and excessive gambling practices. Furthermore, to market and profile the ECGB as an efficient and effective gaming regulator and development entity.

2.3.1.5 LINKING PERFORMANCE WITH BUDGETS PER SUB-PROGRAMME OF BUDGET PROGRAMME 1

PROGRAMME 1: FINANCIAL PERFORMANCE BY SUB-PROGRAMME						
SUB-PROGRAMME	2024/25			2023/24		
	ADJUSTED BUDGET R'000	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE R'000	ADJUSTED BUDGET R'000	ACTUAL EXPENDITURE	(OVER)/ UNDER EXPENDITURE R'000
Office of the CEO	13 614	13 812	(198)	9 604	9 631	(27)
Strategic Management Services	5 977	5 831	146	6 421	6 468	(48)
Legal Services and Board Secretariat	8 483	9 870	(1387)	6 640	6 512	128
Financial Management Services	15 743	15 692	51	11 791	12 360	(568)
Human Resources Management and Development	10 376	10 024	352	7 694	7 667	27
Information Management and Technology	8 039	7 803	235	5 504	5 474	30
Communication and Marketing	3 243	3 094	150	0	0	0
TOTAL EXPENDITURE	65 475	66 125	- 651	47 654	48 112	- 459
% UNDER/OVER EXPENDITURE			-0.99%			-0.95%

2.3.1.6 STRATEGIES TO OVERCOME AREAS OF UNDER-PERFORMANCE BY BUDGET PROGRAMME 1

The under-performance against the planned performance indicator revenue collection during the financial year of reporting is mainly attributable to the effects of an economy that is not growing, resulting in reduced disposable income for punters. In addition to this, nationally and globally punters have moved to digital and online gaming platforms, meaning that the land-based gambling modes are no longer attractive.

Mainly, the strategy to focus is on stimulating other modes of gambling, specifically the online sports betting space as it has shown significant growth in the year and these patterns are similar to those observed nationally.

In regard to the land-based operations, casinos are the only sector that showed marginal growth, with the two best performing casinos operating from Gqeberha and Mbizana, both coastal areas. Management is monitoring the situation closely and regrettably, there's very little the entity can do to improve the situation in regard to the land-based operations.

In terms of the under-performance against the planned Organisational Maturity Index/level, the respondents aggregated Organisational Maturity assessment landed at lower level of maturity than anticipated. A structured and focused action plan will be developed and awareness and/or training sessions will be conducted with all ECGB employees to strengthen the areas needing attention. Future action plans will be implemented in 2025/26 financial year.

2.3.2 BUDGET PROGRAMME 2: GAMBLING REGULATION AND CONSUMER PROTECTION

2.3.2.1 PURPOSE OF THE PROGRAMME

The purpose of this programme is to implement the ECGA and other statutory mandates through conducting investigations, licensing, compliance, revenue and gaming control and law enforcement, protecting consumers, including public interest activities such as educating consumers and the public about responsible gambling and mitigation of excessive and uncontrolled gambling.

2.3.2.2 SUB-PROGRAMMES

The following are budget sub-programmes of Gambling Regulation and Consumer Protection:

- » Investigation and Licensing Administration
- » Law Enforcement and Gaming Control
- » Audit and Compliance Services
- » Responsible Gambling and Public Education

2.3.2.3 STRATEGIC OUTCOMES

The following strategic outcomes guide the performance of Budget Programme 2 to achieve the desired outcomes:

- » Transformed and sustainable gambling industry in the province.
- » Compliant and protected gambling industry.
- » Educated, informed and responsible punters and general public.

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

PURPOSE OF THE SUB-PROGRAMME: INVESTIGATION AND LICENSING ADMINISTRATION

To implement the Eastern Cape Gambling Act (ECGA) and other statutory mandates through conducting investigations in order to award licenses to suitably qualified applicants by the Board of the ECGB. Furthermore, to provide information on economic opportunities associated with the gambling industry, including types of licenses to be rolled out by the ECGB, to potential entrepreneurs and investors, business organisations and local economic development agencies within the province.

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2024/25	REASONS FOR DEVIATIONS
Transformed and sustainable gambling industry in the province	License certificate to operate gambling site	Number of key gambling licences issued	6	2	01	05	04	The over-achievement is due to an increase in demand wherein bookmaker licenses have been issued because of the introduction of zero-rating of sports betting and online betting in the Eastern Cape province.
	Reports on the awareness sessions conducted	Number of gambling economic opportunities	5	8	5	7	2	The over-achievement on awareness sessions for economic opportunities in the gambling sector was due to demand being higher than anticipated.
	Number of persons who attended economic opportunities session	awareness sessions conducted						

PURPOSE OF THE SUB-PROGRAMME: LAW ENFORCEMENT AND GAMING CONTROL

To implement the ECGA and other statutory legislation through conducting compliance inspections to eliminate non-compliance through law enforcement and gaming control. In addition, the sub-programme provides investigative leadership with respect to detection, investigations, and prevention of illegal gambling, as well as working closely with law enforcement agencies in the province.

Compliant and protected gambling industry	Reports on illegal operations identified	Number of Sweeps conducted	10	15	15	15	No deviation	None
	Reports on the closure of illegal gambling sites							
	Number of confiscated illegal gambling devices and equipment							

PURPOSE OF THE SUB-PROGRAMME: AUDIT AND COMPLIANCE SERVICES

To implement the ECGA and other statutory legislation through conducting compliance, systems and revenue audits to ensure revenue collected is correct, devices are not easily manipulated, are performed, and bid commitments, conditions of licenses are adhered to and fulfilled.

Compliant and protected gambling industry	Reports on revenue audits for verification of taxes and fees	Number of revenue audits conducted	68	70	79	79	No deviation	None
	Reports on compliance audits conducted	Gambling industry compliance maturity level	Compliance Level 4	Compliance Level 4	Compliance Level 4			

PURPOSE OF THE SUB-PROGRAMME: RESPONSIBLE GAMBLING AND PUBLIC EDUCATION

To implement the ECGA and other statutory legislation through conducting responsible gambling campaigns and public education, and the utilisation of different platforms to ensure the protection of punters, consumers and general citizenry from uncontrolled and excessive gambling practices. In addition, to market and profile the ECGB as an efficient and effective gaming regulator and development entity.

Educated, informed and responsible punters and general public	Confirmation reports regarding messages of responsible gambling	Number of people provided with feedback about excessive and irresponsible gambling messages	938 403 people provided feedback	964 354 people provided feedback	850 500 people provided feedback	1 023 000 people provided feedback	172 500 people provided feedback	The survey conducted on number of people provided with feedback about excessive and irresponsible gambling messages reached people more than anticipated.

2.3.2.5 LINKING PERFORMANCE WITH BUDGETS PER SUB-PROGRAMME OF BUDGET PROGRAMME 2

PROGRAMME 2: FINANCIAL PERFORMANCE BY SUB-PROGRAMME						
SUB-PROGRAMME	2024/25			2023/24		
	ADJUSTED BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000
Investigation and Licensing Administration	13 578	12 965	613	11 584	11 594	- 11
Law Enforcement and Gaming Control	7 062	6 942	121	6 747	6 742	5
Audit and Compliance Services	8 223	8 274	(50)	6 617	6 594	23
Responsible Gambling and Public Education	3 039	3 049	(10)	4 828	4 814	14
TOTAL EXPENDITURE	31 903	31 229	673	29 775	29 744	32
% UNDER/(OVER) EXPENDITURE			2.11%			0.11%

2.3.2.6 STRATEGIES TO OVERCOME AREAS OF UNDER-PERFORMANCE BY BUDGET PROGRAMME 2

There were no areas of under-performance on the planned performance indicators during the financial year of reporting.

BUDGET PROGRAMME 3: KNOWLEDGE AND INFORMATION MANAGEMENT

2.3.3.1 PURPOSE OF THE PROGRAMME

The purpose of this programme is to build a strong foundation of valid and reliable empirical research and programme evaluations to inform operational and policy advisory decision making.

2.3.3.2 SUB-PROGRAMMES

The following are budget sub-programmes of Knowledge and Information Management:

- ➔ Empirical Research
- ➔ Monitoring and Evaluation

2.3.3.3 STRATEGIC OUTCOMES

The following strategic outcomes guide the performance of Budget Programme 3 to achieve the desired outcomes:

- ➔ Informed policy decision making based on research and evaluation outcomes

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

PURPOSE OF THE SUB-PROGRAMME: EMPIRICAL RESEARCH								
To build a strong foundation of valid and reliable empirical research to inform operational, policy advisory and public interest activities, as well as to conduct ad hoc surveys to examine levels of information, attitudes, behaviour, and social changes within the gaming industry in the Eastern Cape and the ECGB itself.								
OUTCOME	OUTPUTS	OUTPUT INDICATOR	ACTUAL ACHIEVEMENT 2022/23	ACTUAL ACHIEVEMENT 2023/24	PLANNED ANNUAL TARGET 2024/25	ACTUAL ACHIEVEMENT 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2024/25	REASONS FOR DEVIATIONS
Informed policy decision making based on research and evaluation outcomes	Bid specification Bid evaluation report tender issued SLA Board's resolutions on findings and recommendations Checklist on the implementation of research findings and recommendations	Empirical research studies commissioned	1	1	2	2	No deviation	None

The following budget sub-programme of Knowledge and Information Management does not have measurable key performance indicators that find expression in the Annual Performance Plan; rather, they have activity-based reporting indicators that find expression in the Operational Plan.

PURPOSE OF THE BUDGET SUB-PROGRAMME: MONITORING AND EVALUATION

To assess, evaluate and verify the impact of the socio-economic development initiatives and/or any other implemented programmes/projects to inform policy, decision making and direction of the organisation. Monitoring and Evaluation processes assist the organisation to identify what is working and what is not and to make informed decisions on how to improve the implemented programmes and/or projects.

2.3.3.5 LINKING PERFORMANCE WITH BUDGETS PER SUB-PROGRAMME OF BUDGET PROGRAMME 3

PROGRAMME 3: FINANCIAL PERFORMANCE BY SUB-PROGRAMME						
SUB-PROGRAMME	2024/25			2023/24		
	ADJUSTED BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000
Empirical Research	1 006	952	54	510	387	123
Monitoring and Evaluation	148	0	148	0	0	0
Total Expenditure	1 154	952	202	510	387	123
% UNDER/(OVER) EXPENDITURE			17.46%			31.77%

2.3.3.6 STRATEGIES TO OVERCOME AREAS OF UNDER-PERFORMANCE BY BUDGET PROGRAMME 3

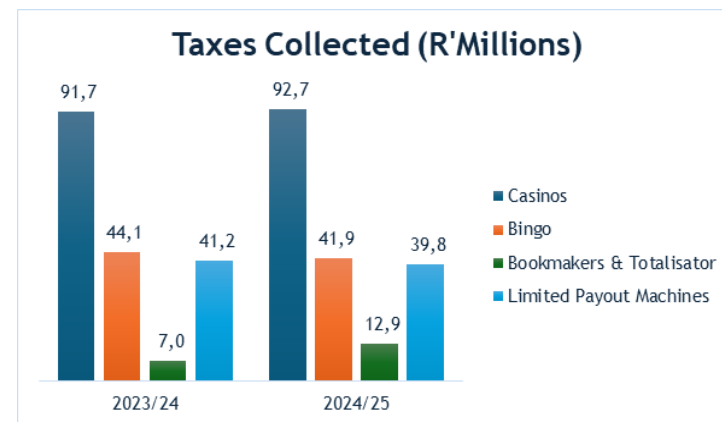
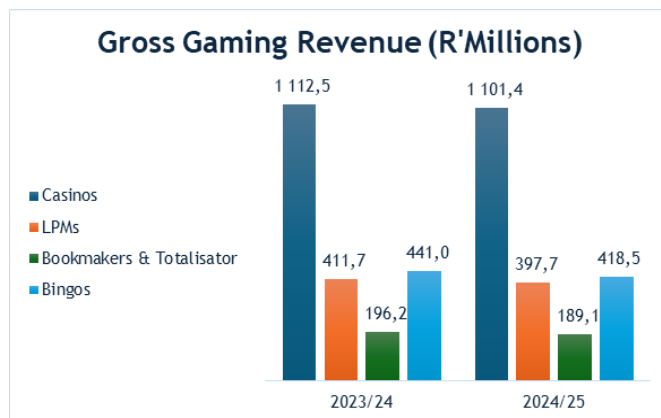
There were no areas of under-performance on the planned performance indicators during the financial year of reporting.

2.4 SUMMARY OF REVENUE COLLECTION

	2020/21	2021/22	2022/23	2023/24	2024/25
REVENUE TO FISCUS	R'000	R'000	R'000	R'000	R'000
Casinos	43,863	73,230	89,205	91,720	92,654
Bookmakers and Totalisator	7,757	8,865	8,955	7,032	13,045
Bingo	25424	38,971	47,673	44,103	41,851
Limited Payout Machines	25093	39,221	43,111	41,217	39,764
TOTAL TAXES	102,137	160,287	188,944	184,071	187,314

2.4.1 GROSS GAMING REVENUE AND TAX STATISTICS 2023/24 VS 2024/25

The following is a graphical depiction of revenue performance per gaming category:



2.5 CAPITAL INVESTMENT

INFRASTRUCTURE PROJECTS	2023/24			2024/25		
	ADJUSTED BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000	BUDGET R'000	ACTUAL EXPENDITURE R'000	(OVER)/ UNDER EXPENDITURE R'000
BUILDING AND OTHER FIXTURES - PHASE 2	6 623	2 024*	4 599	4 599	4 196	403

*The investments are made up of the building alterations, furniture and fixtures, and other components disclosed within note 6 of the AFS.



PART C

GOVERNANCE

3.1 INTRODUCTION

Principles of corporate governance embody processes and systems by which public entities are directed, controlled, and held to account. In addition to legislative requirements stipulated in the public entity’s enabling legislation, i.e., the Eastern Cape Gambling Act, 1997 (as amended) (“ECGA”), as well as the Public Finance Management Act, 1999 (as amended) (“PFMA”) and other relevant legislations, principles of corporate governance and codes such as the King IV Report, applicable to public entities, are also applied and adhered to.

The Eastern Cape Legislature, the Executive, and the Accounting Authority of the ECGB are responsible for corporate governance.

3.2 PORTFOLIO COMMITTEES

The Portfolio Committee on Economic Development, Environmental Affairs and Tourism exercises oversight over the service delivery performance of the Department of Economic Development, Environmental Affairs and Tourism (the Department). As such, it reviews the non-financial information contained in the Annual Reports of the ECGB through the Department and is concerned with service delivery and enhancing economic growth.

Reports submitted to the Portfolio Committee during the year under review are reflected below:

REPORTS SUBMITTED TO THE PORTFOLIO COMMITTEE		
NO	DATE	
1	6 September 2024	Consideration of the Appropriation Bill.
2	7 November 2024	Presentation of 2023/24 Annual Reports and 2024/25 six-month oversight report.

3.3 EXECUTIVE AUTHORITY

The Executive Authority as Shareholder is accountable to the Executive Council of the Eastern Cape Provincial Government for the exercise of this power and performance of the Board. The Executive Authority responsibilities include oversight of the performance of the Board.

The Executive Authority has the power to appoint and dismiss the Board of a public entity. The Executive Authority must also ensure that the appropriate mix of executive and non-executive members is appointed and that members have the necessary skills to guide the public entity.

Reports submitted to the Executive Authority during the year under review are reflected below:

REPORTS SUBMITTED TO THE EXECUTIVE AUTHORITY		
NO	DATE	
1	20 April 2024	2024-25 Fourth Quarter Financial and Performance Report
2	20 July 2024	2024-25 First Quarter Financial and Performance Report
3	31 August 2024	2024-25 Annual Report, including the Annual Financial Statements
4	30 September 2024	2024-25 Annual Budget and Budget Adjustments 2024-25
5	20 October 2024	2024-25 Second Quarter Financial and Performance Report
6	31 October 2024	2024-25 Six Months Oversight Report and Six Months Performance Information Report
8	19 January 2025	2024-25 Third Quarter Financial and Performance Report
9	31 January 2025	2025/25-2027/28 Annual Performance Plan

3.4 THE ACCOUNTING AUTHORITY

THE ROLE OF THE BOARD

In terms of the enabling legislation of the ECGB, the Board is mandated to oversee gambling and betting activities in the Eastern Cape province and to advise the responsible MEC on gambling and related matters.

BOARD CHARTER

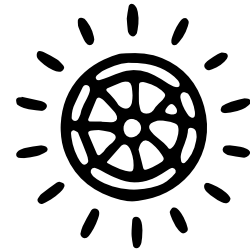
The Board has a Charter setting out its responsibilities which are disclosed herein. The Charter confirms, amongst other matters:

- » the Board's responsibility for the adoption of strategic plans;
- » the monitoring of operational performance and management;
- » the determination of policy processes to ensure the integrity of the public entity's risk management and internal controls; and
- » the communication policy, orientation and evaluation of Board members.

The Board Charter ensures that Board members are responsible for the full and effective control of the Board, which assumes responsibility for the following:

- » Monitoring the strategic management of the organisation and the implementation of its plans and strategies;
- » Ensuring a comprehensive, active system of policies and procedures;
- » Ensuring ethical behaviour;
- » Reserving specific powers for the Board, where considered appropriate and/or necessary;
- » Acting responsibly towards stakeholders; and
- » Ensuring compliance with corporate governance principles and relevant legislation.

The Board Charter recognises that the two key and distinct tasks associated with the conduct of the Board's affairs are the running of the affairs of the organisation and the executive responsibility for the conduct of the organisation's business.



ETHICAL OVERSIGHT

THE BOARD UPHOLDS KING IV GOVERNANCE, ETHICAL LEADERSHIP, COMPLIANCE, RISK MANAGEMENT, AND CORPORATE GOVERNANCE OVERSIGHT

The Board conducts its business in accordance with the principles of good corporate governance, the ECGA, the PFMA and all relevant pieces of legislation. The Board Charter sets out the specific responsibilities to be discharged by Board members collectively, as well as individual roles as expected.

In line with the requirements of King IV, the Board sets the tone in leading by example, being ethical and effective and ensuring that the organisation's ethics are monitored, assessed and managed effectively. To this end, the Board has established ethical norms in the organisational culture, relevant codes of conduct and policies.

COMPOSITION OF THE BOARD

The Board consists of eight non-executive members as well as one executive member in an ex officio capacity. The tenure of the current Board commenced in the 2021-22 financial year, following the end of term for the previous Board in March 2021. Ms Traci Mackie-Huisman is the current Chairperson of the Board.

NAME	DESIGNATION	DATE APPOINTED	QUALIFICATIONS	AREA OF EXPERTISE	OTHER COMMITTEES	NO. OF MEETINGS ATTENDED
Ms T Mackie-Huisman	Chairperson	March 2019	Bachelor of Journalism and Media Studies Master's in Communication Studies	Tourism	N/A	15/15
Ms V Vika	Deputy Chairperson	May 2021	Bachelor of Journalism and Media Studies; Management Development Certificate; Executive Development Certificate	Socio-Economic Development	Human Resources and Remuneration Compliance, Licensing and Transformation	15/15
Adv. J Buchner	Member	May 2021	B Juris LLB; LLM	Law Legal Practitioner	Compliance, Licensing and Transformation; Human Resources and Remuneration	14/15
Mr M Zokoza	Member	November 2021	Bachelor of Arts; BCom: Tourism Management; Master of Arts: Development Studies.	Economic Development, Environmental Affairs and Tourism	Compliance, Licensing and Transformation; Finance	14/15
Mr Q Mafuya	Member	November 2021	B Proc; LLB; Certificate in Corporate Governance; Certificate in Budgeting in Public Sector; Corporate Governance	Community Representative	Finance; Human Resources and Remuneration	15/15
Mr MN de Beer	Member	November 2021	BCom Accountancy; BCom (Hon) Accountancy; Internal Audit Quality Assessor	Accounting, Chartered Accountant	Finance, Audit and Risk	14/15
Dr N Ncede	Member	December 2023	National Diploma Office Management & Technology B.Tech in Business Admin; M.Tech Business Admin; PhD in Public Administration; Certificate in Monitoring and Evaluation in the Public Sector	Strategic Planning, Monitoring and Evaluation Financial Management Audit and Risk Policy Development	None	12/15
Ms B Jozana-Msayi	Member	December 2023	B Compt Accounting Science; Post Graduate Diploma in Public Management; Master of Philosophy in Development Finance; Certificate Public Sector Risk management	Finance Economic Development Compliance norms and standards	None	11/15
Mr M Zwane	Ex Officio Member	December 2009	MA Business Administration	Chief Executive Officer	N/A	15/15

COMMITTEES OF THE BOARD

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Finance Committee	4	3	Mr MN de Beer (Chairperson) Mr Q Mafuya Mr M Zokoza
Compliance, Licensing and Transformation Committee	5	3	Adv. J Buchner (Chairperson) Ms V Vika Mr M Zokoza
Human Resources and Remuneration Committee	4	4	Ms V Vika (Chairperson) Adv. J Buchner Mr Mafuya Mr M Mondj***
Audit and Risk Committee	4	5	Mr M Mbedhli (Chairperson) Ms T Cumming *** Mr MN de Beer Ms T Mnqeta *** Mr M Wesj***

*** Denotes Committee members who are not Board members.

REMUNERATION OF BOARD MEMBERS

- » The Board Remuneration Policy was approved by the MEC for Economic Development, Environmental Affairs and Tourism (DEDEAT) on 18 June 2013, and is the standing policy for payment of Board members.
- » Representatives of provincial departments appointed as Board members in terms of Sections 5(1) (e), 5 (1) (f) and 5 (1) (g) of the ECGA, do not receive remuneration.
- » Section 6 of the Remuneration Policy stipulates the amounts for travel and subsistence for Board members. In respect thereof, the National Treasury Instruction on Cost Containment further guides the provision of travel and subsistence to members.
- » Extraordinary Board fees: The Board Remuneration Policy provides that there may be circumstances that warrant payment to Board members of "extraordinary Board fees" (e.g., preparation time for consideration of licence applications which may not exceed one day per application). These fees are recovered from licence application deposits.

BOARD REMUNERATION IS PAYABLE AS FOLLOWS:

- » Chairperson – R12 000 per day and R12 000 monthly retainer fee
- » Deputy Chairperson – R10 000 per day
- » Ordinary Board member – R8 500 per day
- » Committee Chairperson – R4 500 per day
- » Committee Member – R3 800 per day
- » Committee members appointed as representatives of the respective provincial departments are not paid for meetings, except in exceptional circumstances.
- » Ad-hoc meetings – R1500 per hour

Refer to Note 25 of Part F of this report (the Annual Financial Statements), which provides the amounts paid to each Board member in terms of the Board Remuneration Policy for the past two financial years.



3.5 RISK MANAGEMENT

Good governance is the means of ensuring due and adequate control over the strategy and direction of any organisation. Principle 11 of the King IV Report on Corporate Governance for South Africa (2016) states that: “The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.”

The above is augmented by the policy statement on Section 3.1 of ECGB Enterprise Risk Management Policy (2022) which states that: “The Board of Directors recognises that it has a responsibility to manage risks effectively in order to control its assets and liabilities, protect its employees and community against potential losses, minimise uncertainty in achieving its goals and objectives and maximise the opportunities to achieve its vision.”

The ECGB Board has committed that enterprise risk management “ERM” will be and is an integral part of corporate governance and should be incorporated in the organisational processes as part of the overall framework to deliver continuous improvement.

The Audit and Risk Committee “ARC” assists the Board and management by providing independent oversight on enterprise risk management, ensuring alignment with the organisational strategic objectives and regulatory compliance.

Management of the ECGB is entrusted with commitment to integrate, design, implement, evaluate and improve Enterprise Risk Management strategies, policies, and frameworks that will bring about an ERM enabled environment.

The risk register aligned to the performance management system is a key monitoring tool and inventory of the organisation’s risks. It is reviewed on a quarterly basis and mitigation strategies are monitored throughout the year. Progress against mitigation action plans is noted in the risk register and reported to the Audit and Risk Committee and the Board by Management on a quarterly basis.

RISK REGISTER:

The table below was used to assist management in quantifying the adequacy and effectiveness of existing controls mitigating or reducing the impact of identified risks, in order to determine the residual risk exposure:

DESCRIPTION	CRITERIA	RATING
Most Effective	Risk exposure is effectively controlled and managed.	6%
Effective	Some of the risk exposure is effectively controlled and managed.	63%
Partially Effective	There is room for some improvement.	28%
Not Effective	Control measures are ineffective.	3%

The action plans for improving or changing risk mitigation measures were rolled out within the specified timeframes. It is worth noting that a process of tracking progress made with risk interventions was followed. Such a process provides a trail of information that may have proven to be necessary at some future stage. Because risk is often a process of perception, misunderstandings can arise where no records are kept.

The organisation has adopted an approach of implementing a rating process through a poll system by the Management Committee (Manco) and as such, movement in inherent and residual rating wherein the following Dashboard depicts the ECGB’s prioritised strategic risks with inherent trend and residual-risk trend by year end as at 31 March 2025:

TREND	TREND MEANING	COLOUR CODING OF DASHBOARD
	Unchanged	Green - Low Risk
	Improved	Yellow - Medium Risk
	Regressed	Red - High Risk

STRATEGIC RISKS DASHBOARD AS AT 31 MARCH 2025						
RISK NO.	STRATEGIC OUTCOME	RISK NAME	INHERENT RATING	TREND	RESIDUAL RATING	TREND
SR1	Good corporate governance with an enabling work-place environment.	Inadequate Stakeholder buy-in to the Planned merger between Eastern Cape Liquor Board and ECGB	20		15	
SR2	Compliant and protected gaming industry.	Proliferation of illegal gambling	20		15	
SR3	Good corporate governance with an enabling work-place environment.	Business continuity disruptions and loss of information	20		15	
SR4	Transformed and Sustainable Gambling Industry in the Province.	Litigation against licensing, transformation and other regulatory decisions of the Board	20		10	
SR5	Transformed and Sustainable Gambling Industry in the Province.	Lack of interest or reduced investment in the province as a result of fixed term license regime and lack of zero-rated sports betting	16		16	
SR6	Good corporate governance with an enabling work-place environment.	Inability to retain and attract appropriate skills impacting on a capable and motivated workforce	16		8	
SR7	Compliant and protected gaming industry.	Failure to prevent and detect non-compliance by licensees and registrants	16		8	
SR8	Educated, Informed and Responsible Punters and General Public.	Prevalence of irresponsible gambling	16		8	
SR9	Empowered communities located in areas where there is a gambling footprint, as well as impoverished areas.	Failure to achieve the desired CSI impact on indigent communities	16		8	
SR10	Transformed and Sustainable Gambling Industry in the Province.	Over-concentration of licenses in a geographic area	16		8	

RISK MATURITY

The ECGB developed a risk maturity framework and risk maturity assessment tool to provide a guide on the model and methodology adopted by the entity in measuring maturity of the extent of risk management in the organisation.

The enterprise risk maturity framework and risk maturity assessment tool are instruments in improving enterprise risk management (ERM) practices and communication in the organisation.

The goal of risk management maturity is to serve as a benchmarking and educational tool for improving ERM practices and communication through the organisation. Incorporating elements of existing best practice frameworks and ERM models, the RMM categorises programmes into one of five levels of maturity:

MATURITY LEVEL				
RISK-NAÏVE	RISK-AWARE	RISK-DEFINED	RISK-MANAGED	RISK-ENABLED
1	2	3	4	5
Very little to compliance with the requirements and best practice.	Management acknowledges the intent.	Standardised processes are in place and supported by training.	Processes are monitored and measured. Key Risk Indicators are in place.	Processes are refined to most appropriate practice based on continuous improvement.
The institution acknowledges the need but there are no standardised processes.	Practices are inconsistent or left to individuals.	No routine monitoring or overview practices in place.	Limited use of automation to support risk management processes.	Benchmarking and modelling against other organisations take place.
				Automated tools are integrated in the process.

Profiling issues adopted by the ECGB that best differentiate maturity levels are called attributes. For each attribute there are key drivers which summarise the Maturity Model. The full Maturity Model attributes measure an ERM process and help set goals for improvement. The ECGB adopted the following attributes:

- » Risk Governance
- » ERM process management
- » Root cause discipline
- » Risk Monitoring and Reporting
- » Risk Optimisation

In the 2024/25 financial year, the ECGB conducted a risk maturity assessment through an employee perspective survey. The survey generated a response rate of 63% with forty-three(43) employees responding out of a total of 68 employees, an improvement on the 21% response rate from 2023/24 reporting cycle. Results per attribute and the total level of risk maturity are depicted below in comparison with the previous year:

ATTRIBUTES	AVERAGE RATING 2024/25	AVERAGE RATING 2023/24	AVERAGE RATING 2022/23
1. Risk Governance	4,13	3,77	3,96
2. ERM process management	4,11	3,78	4,15
3. Root cause discipline	4,15	3,7	4,02
4. Risk Monitoring and Reporting	4,47	3,9	3,78
5. Risk Optimisation	3,98	3,65	3,89
TOTAL (MATURITY LEVEL)	4,17	3,76	3,96

3.6 INTERNAL AUDIT AND AUDIT COMMITTEES

Internal audit is responsible for the examination and evaluation of the adequacy and effectiveness of the ECGB's systems of internal control.

Specifically, internal audit:

- » reviewed the reliability and integrity of the financial and operating information, and
- » reviewed the systems established to ensure compliance with policies and appropriate legislation and to determine whether the ECGB complies with these requirements.

3.7 REPORT OF THE AUDIT AND RISK COMMITTEE

RESPONSIBILITY

The Audit and Risk Committee (ARC) has complied with its responsibilities arising from the Public Finance Management Act, Treasury Regulations and all other relevant prescripts. The Committee has adopted appropriate formal terms of reference to its Audit and Risk Committee Charter, has regulated its affairs in compliance with this Charter, and has discharged all of its responsibilities as contained therein.

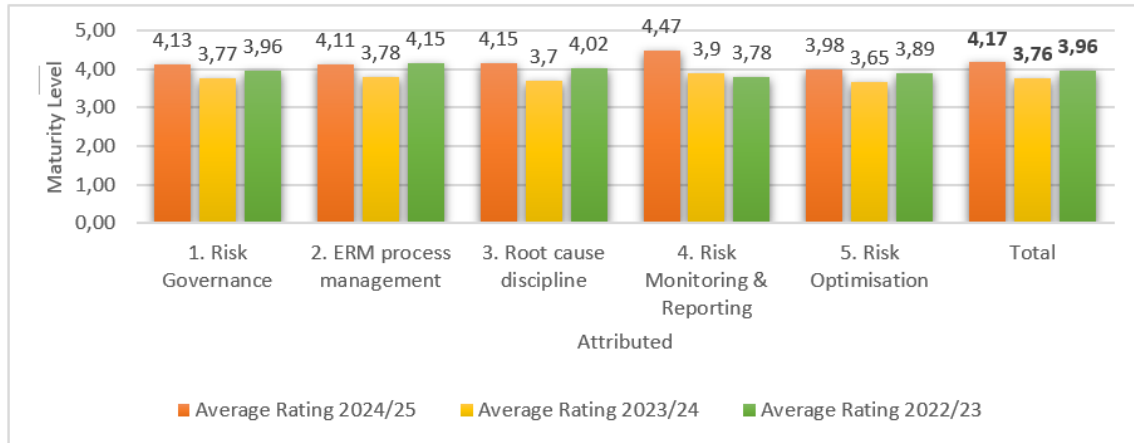
KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is a statutory committee specially appointed to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control including risk management, the audit process and the Board's process for monitoring compliance with laws and regulations as well as ethics. The Committee performs an advisory role and is accountable to the Board.

The Committee meets separately with the auditors to discuss matters that it or the auditors believe should be discussed without management. The Committee also reviews proposed audit approaches, the audit plan, the staffing and organisation of the function, and meets with internal auditors and management on a periodic basis to discuss any matters of concern that may arise.

INTERNAL CONTROL ENVIRONMENT

The Audit and Risk Committee concludes that the internal control environment was effective for the year under review. No findings indicating significant control weaknesses, including material financial loss, fraud, corruption or error were reported to the Audit and Risk Committee during the year ended 31 March 2025. The Committee is satisfied with the controls and activities that were in place for combined assurance.



The following internal audit projects were completed during the year under review:

- » 2023/24 Quarter 4 Performance and Annual Report review
- » 2023/24 Annual Financial Statements review
- » 2024/25 Quarters 1, 2 and 3 Performance Report Review
- » Supply Chain Management Review and three competitive bid review reports
- » Human Resources Management and Payroll review
- » 2023/24 Integrated performance management process
- » 2025/26 Draft Annual Performance Plan Review
- » 2025/26 Strategic Risk Assessment Report
- » General Financial Controls Review
- » Revenue Review
- » Governance Review
- » IT application controls

FOLLOW UP REVIEWS WERE CONDUCTED ON:

- » Vulnerability assessment

In addition, the following documents were revised by the internal audit and approved by the Committee during the 2024/25 year:

Audit and Risk Committee Charter (final approval by the Board); and

- » Internal Audit Charter and Methodology.

The Audit and Risk Committee concludes that the internal audit function was effective for the year under review.

Internal audit facilitated management's risk assessment, and the committee reviewed the strategic risk register quarterly in order to make recommendations to the board. ICT governance was reviewed on a quarterly basis by the committee.

IN-YEAR MANAGEMENT AND QUARTERLY REPORTS

The entity has been reporting on a quarterly basis to DEDEAT and to the Treasury as required by the PFMA, and the ARC reviews performance reports submitted in this regard. Furthermore, management prepares a complete set of financial statements in compliance with Generally Recognised Accounting Practice (GRAP) standards on a quarterly basis. The Audit and Risk Committee concludes that the finance function and Chief Financial Officer were effective for the year under review.

AUDITOR-GENERAL'S REPORT AND IMPLEMENTATION OF PREVIOUS YEAR'S AUDIT FINDINGS

There were no material findings during the external audit for the year ended 31 March 2024; however the committee has reviewed the status of quarterly key controls and the audit action plan for immaterial matters raised and is addressing internal control deficiencies. The external auditors are standing invitees to the committee meetings and there has been communication throughout the year. The Committee is satisfied that the Auditor-General is independent of the entity.

The Audit and Risk Committee reviewed the Annual Report including the Annual Financial Statements in May 2025. No significant areas of concern were identified, and the Committee recommended them to the Board for approval to submit to the Auditor-General for audit.

The Audit and Risk Committee concurs with the conclusion of the Auditor-General of South Africa on the Annual Financial Statements. The Committee is of the opinion that the audited Annual Financial Statements be accepted as a fair representation of the entity's financial position, financial performance, and cash flows, read together with the report of the Auditor-General.



MR M MBEDHLI

Chairperson of the Audit and Risk Committee

31 August 2025

Information on the Audit and Risk Committee

The table below discloses relevant information on the Audit and Risk Committee members for the year ended 31 March 2025:

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	NUMBER OF MEETINGS ATTENDED
Mr M Mbedhli	BTech (Internal Auditing), Member of the Institute of Internal Auditors	External	N/A	1 October 2017	4 of 5
Ms T Mnqeta	BCom, Member of the Institute of Risk Management	External	N/A	1 October 2017	5 of 5
Ms T Cumming	BCom (Hons), CA(SA)	External	N/A	12 November 2020	5 of 5
Mr MN de Beer	BCom (Hons), CA(SA)	External	N/A	22 November 2021	4 of 5
Mr M Wesi	Master's in Information Technology in ICT Management	External	N/A	15 February 2024	5 of 5

3.8 COMPLIANCE WITH LAWS AND REGULATIONS

In executing its responsibilities, the ECGB complies with the following legislation:

- » Constitution of the Republic of South Africa, 1996 (as amended). The ECGB ensures that the Bill of Rights is observed in all dealings with its stakeholders and employees
- » National Gambling Act, 2004 (as amended)
- » Eastern Cape Gambling Act, 1997 (as amended) and Gambling Regulations thereof
- » Public Finance Management Act, 1997 (as amended) and Treasury Regulations
- » Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (as amended)
- » Preferential Procurement Policy Framework Act, 2000 (as amended)
- » Broad-Based Black Economic Empowerment Act, 2003 (as amended)
- » Labour Relations Act, 1995 (as amended)
- » Basic Conditions of Employment Act, 1997 (as amended)
- » Employment Equity Act, 1998 (as amended)
- » Skills Development Levies Act, 1999 (as amended)
- » Promotion of Access to Information Act, 2000 (as amended)
- » Promotion of Administrative Justice Act, 2000 (as amended)
- » National Archives and Records Service of South Africa Act, 1996 (as amended)
- » Income Tax Act, 1962 (as amended)
- » Financial Intelligence Centre Act, 2001 (as amended)
- » Electronic Communications and Transactions Act, 2002 (as amended)
- » Protection of Personal Information Act, 2013
- » Occupational Health and Safety Act, 1993 (as amended)
- » Compensation for Occupational Injuries and Diseases Act, 1993 (as amended)
- » Unemployment Insurance Act, 2001 (as amended)

Over and above the aforementioned pieces of legislation, the entity has developed its own policies and plans to guide and regulate its operational functionality. These include, among others:

- » Delegation of Authority Policy
- » Supply Chain Management Policy
- » Asset Management Policy within the Finance Policy
- » Human Resources Policy
- » Fraud Prevention Policy
- » Enterprise Risk Management Framework
- » Performance Management Policy
- » Disaster Management Policy
- » Travel and Subsistence Policy
- » Corporate Governance of Information Communications and Technology Policy
- » Information Technology Security Policy
- » Finance Policy
- » Cost Containment Policy



3.9 FRAUD AND CORRUPTION

The entity's approved Fraud Prevention Policy is reviewed at least every three years by the Audit and Risk Committee as well as by the Board. The policy was reviewed in March 2023. It seeks to define the term fraud and to provide employees with steps to follow should they suspect fraudulent activities. The policy sets out the reporting lines to be followed should an employee need to report possible fraudulent activity.

The entity also makes use of an independently managed Fraud Hotline (number 0800 333 818) for any employee or member of the public who may wish to report fraudulent activity anonymously.

3.10 MINIMISING CONFLICT OF INTEREST

The entity manages conflict of interest by including a standing agenda item for all Board and committee meetings, including meetings related to internal supply chain and HR recruitment, in which members are required to state any conflicts of interest. Staff and Board members are required biannually to disclose any interests in companies or other entities. Staff and Board members are also required to declare any gifts, donations or sponsorships received from licensees and suppliers of the entity.



3.11 CODE OF CONDUCT

The Code of Conduct consists of statutory principles which inform the general code of conduct and ethics of all members of the ECGB Board and its employees, as laid down in the ECGA. The Code of Conduct is reviewed at least every three years in line with best practice.

- » The Code is applied with due consideration to the following entrenched provisions:
- » All members of the Board are required to declare any conflict of interest as provided for in the ECGA.
- » Employees may not have a controlling or any financial interest in any gaming activity.
- » Board members and employees shall not participate in any gaming or betting in the province except in the performance of their duties in terms of the ECGA.
- » Board members and employees and their families may not accept any donation, reward or other benefit directly or indirectly from an applicant or licence holder, except within the recognised exceptions permitted by the Act.

3.12 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

While no health, safety or environmental issues were reported during the year under review, the Health and Safety Policy was adhered to during the financial year. Emergency evacuation drills were held to assess the state of readiness of employees in case of an emergency.

A health and safety plan was approved and implemented during the building renovations undertaken during the year. One evacuation drill was conducted in the financial year.

3.13 SOCIAL RESPONSIBILITY

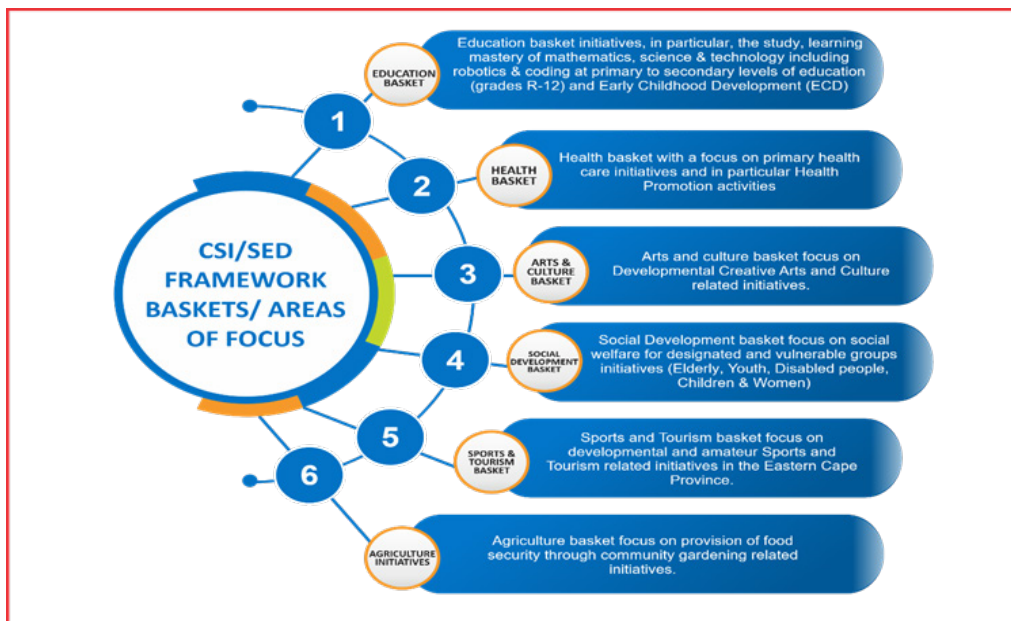
In pursuance of the strategic outcome “Empowered communities located in areas where there is a gambling footprint as well as impoverished areas in the Province”, the entity contributed R699 405 towards socio-economic development opportunities, and other CSI-related contributions supported designated and vulnerable groups in Eastern Cape areas identified as impoverished.

There were four (4) key CSI projects of the ECGB that were implemented in the poorest wards and communities in terms of the provincial Anti-Poverty Strategy and CSI policy of the ECGB to benefit the under-privileged from the poorest wards in the province and beneficiaries of the ECGB CSI projects were four schools based in the poorest wards and communities of the province as follows:

- » **Nomonde Primary School** in Chris Hani District (ward 27) - 286 Learners.
- » **Nolitha Primary School** in Chris Hani District (ward 29) - 709 Learners.
- » **Joe Slovo Freedom Senior Secondary School** in Chris Hani District (ward 29) - 251 Learners.
- » **Dolophini Senior Secondary School** in Chris Hani District (ward 20) - 324 Learners.

The investment benefitted 1570 learners in the mastery of mathematics, science, and technology outcomes for Grades R-12. Figure 2 below depicts the CSI Framework Focus Areas for contributions or projects implemented by the ECGB and licensees in various impoverished communities in the Eastern Cape.

Figure 2: CSI Framework Focus Areas



The pictures below depict the CSI projects of the ECGB that were implemented in the poorest wards and communities of the Eastern Cape province:



Licensed gambling operators in the province are expected and compelled through their licence conditions to invest in communities through their own CSI and SED projects as part of building a cohesive social compact with communities and various stakeholders where they operate, guided by the Anti-Poverty Strategy of the province and the CSI Framework of the Gaming Industry. By the end of the 2024/25 financial year, the gaming industry had invested in various municipalities in the province a combined amount of R34,7 towards CSI/SED initiatives in line with the CSI framework of the Eastern Cape Gambling Board.

LICENSEE CATEGORY	EDUCATION BASKET	HEALTH BASKET	ARTS AND CULTURE BASKET	SOCIAL DEVELOPMENT BASKET	SPORTS AND TOURISM BASKET	AGRICULTURAL RELATED	TOTAL
Casino	R23 685 108	R0	R0	R398 958	R1 423 330	R0	R25 507 396
Bingo	R2 576 938	R300 000	R269 147	R1 281 211	R1 829 770	R0	R6 257 066
ISO	R0	R0	R0	R40 000	R10 000	R0	R50 000
Bookmaking and Betting	R68 760	R34 191	R20 000	R36 611	R153 920	R0	R313 482
LPM	R101 122	R18 870	R301 392	R523 206	R58 356	R32 249	R1 035 196
Route Operator	R372 951	R36 000	R415 433	R630 166	R127 701	R7 160	R1 589 411
TOTAL CSI SPEND	R26 804 879	R389 061	R1 005 972	R2 910 153	R3 603 078	R39 409	R34 752 551

The ECGB has an obligation as a public sector institution to implement programmes seeking to support designated and vulnerable groups. In addition, it is required that affirmative

action/transformation targets are attained for economic empowerment and socio-economic transformation of designated/vulnerable groups which include youth, elderly, disabled persons and women.

In this regard, the ECGB collaborated with Mpucuko Sports Development (MSD), an NPO for developing youth through district amateur boxing tournaments during the 2024/25 financial year.

The aim of hosting these tournaments by the ECGB and MSD is to give the young stars a balance between sport, academics, and personal development. The programme intends to keep youth off the streets so they may be inspired to build a better future for themselves. During the 2024/25, amateur boxing tournaments were held at Sarah Baartman, Chris Hani and Amathole district municipalities, as well as Nelson Mandela Bay Metro. Both with male and female boxers participated in the tournament.



Furthermore, seven (7) Designated and Vulnerable Groups projects were implemented. The ECGB has an obligation as a public sector institution to implement programmes seeking to support designated and vulnerable groups. In addition, it is required that affirmative action/transformation targets are attained for economic empowerment and socio-economic transformation of designated/vulnerable groups which include children, youth, elderly, disabled persons and women. Designated and Vulnerable Groups projects implemented in 2024/25 included the following:

- » Youth Support and Empowerment Session - further to the boxing tournament hosted during the year under review, one (1) empowerment session with youth who participated from the amateur boxing tournament in the districts municipalities was hosted at Mdantsane in Buffalo City Metro Municipality with various stakeholders who were mobilised to take part in the session. All these stakeholders shared with the young stars (the boxers) programmes from within their institutions/departments that are beneficial to the youth and informed them on economic and independent empowerment as an alternative to boxing. These programmes focused on life skills, personal development, and responsible gambling for young athletes.
- » Children’s Support - seventy (70) children of Masizakhe Children’s Home in Mdantsane NU2 were beneficiaries of ECGB support. The centre was provided with groceries including rice, maize meal, and sugar beans as well as bedding linen. The centre was identified by the ECGB employees to be a recipient of the International Mandela Day activities wherein the employees of ECGB donated their time by replacing bedding, and preparing children’s sleeping areas. They also prepared a garden by planting vegetables such as spinach, beetroot and cabbage.
- » People Living with Disabilities - in this regard ECGB in collaboration with the department of Social Development provided sewing machines, Mbhaco and Shweshwe material and beads to the eighteen (18) beneficiaries of Masincedane centre, for sustainability of the centre, located at Tsomo, Chris Hani District. The centre is mainly focused on people living with disabilities.

3.14 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in compliance with the requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

THE ENTITY HAS APPLIED THE RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1-8) WITH REGARD TO THE FOLLOWING:		
CRITERIA	RESPONSE YES/NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	<p>The ECGB is empowered in terms of Section 53(1)(c) of the National Gambling Act, 2004 (as amended), to impose reasonable and justifiable conditions on a licence to, inter alia, address black economic empowerment ("BEE"). In addition, it may apply the Codes to determine qualification criteria for the issuing of a licence in terms of section 10(1) of the B-BBEE Act.</p> <p>The ECGB in its RFP accordingly requires that a minimum percentage of the shareholding of the holder of a licence must be held by local PDIs as a reasonable and justifiable condition to meaningfully empower PDIs who are local inhabitants ("the Local PDI Requirement") in terms of Section 33(1) (k) of the ECGA.</p> <p>A research study was commissioned during the year to establish whether there was a rationale for the implementation of unique PDI requirements by the ECGB. At year end, the study was still in progress.</p>
Developing and implementing a preferential procurement policy?	Yes	<p>All procurement is conducted in line with the approved Supply Chain Management Policy of the Board, which includes the preferential procurement regulations in terms of the Preferential Procurement Policy Framework Act, 2000 (as amended). In this regard, new preferential procurement regulations and related Treasury Instructions were issued as from 16 January 2023, and preferential points are awarded for all procurement exceeding R2000 based on the specific goals set by the entity.</p>

3.15 RESPONSIBLE GAMBLING AND PUBLIC EDUCATION

Problem gambling is characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, other individuals or the community.

One of the ECGB's strategic outcomes is to seek to ensure educated, informed and responsible punters and general public which can be attained by investing more energy, time, and resources on harm minimisation as a result of excessive and irresponsible gambling as well as the institutionalisation of a culture of responsible gambling in the province.

In the intensification of Responsible Gambling campaigns during the financial year under review, the ECGB commissioned an independent study to establish and evaluate the effectiveness of responsible gambling messages and platforms utilised by the ECGB. The results of the study revealed that approximately one million and twenty-three thousand (1 023 000) people in Zone 3 have been exposed to messaging on responsible gambling.

A series of campaigns, information sessions, road shows and mediated workshops on responsible gambling and illegal gambling were conducted/implemented during the period under review which sought to:

- » inform, empower, and enhance understanding of problem gambling and excessive gambling

and how to deal with the phenomenon at home, at the workplace, and in the communities at large;

- » raise awareness and literacy while reducing stigma and shame associated with gambling harm to a selected target of employees from the various stakeholders in the province;
- » highlight the referral and support services that are available when problem gambling is identified at home and in the communities; and
- » raise awareness with regard to illegal gambling that is currently plaguing the province.

A number of stakeholders have been engaged and are working collaboratively with the South African Responsible Gambling Foundation (SARGF) on the understanding of problem gambling, excessive gambling and how to deal with the phenomenon at home, at the workplace, and in the communities at large.

The table below depicts a total of forty-six (46) campaigns, information sessions, road shows and mediated workshops on responsible gambling and illegal gambling that were conducted in collaboration with various stakeholders, and wherein four thousand four hundred and sixty-one (4461) people have been reached. The table below outlines the breakdown of the numbers reached from the sessions conducted.

NO.	THEMES / TOPICS	NUMBER OF SESSIONS CONDUCTED	NUMBER OF PEOPLE REACHED	EQUITY DEMOGRAPHICS	
				MALES	FEMALES
1.	Focused Responsible Gambling Awareness Workshops	17	647	205	442
2.	Taking Risk Wisely Schools Programme	8	3374	1223	2151
3.	Responsible Gambling Month events and General Events on Responsible Gambling	21	440	185	255
TOTAL REACHED		46	4461	1613	2848

It has emerged from these campaigns, sessions and workshops that there is a high risk of pathological gamblers if problem gambling and/or excessive gambling is not addressed. While strides have been made towards advancing responsible gambling through public education and ensuring the industry’s accountability for the well-being of both players and society at large, the impact that illegal gambling is making on excessive and irresponsible gamblers remains a thorny issue in society.

Gambling industry players are committed to maintaining a gaming environment that is safe, transparent, and enjoyable for all; however the growing prevalence of illegal gambling dilutes all the efforts made. Illegal gambling poses a high risk as it is linked to other organised crime and punters are compromised.

While educating people about the dangers of excessive and/or irresponsible gambling, it is pivotal to also tap into the impact that illegal gambling is having in advancing the numbers of pathological gamblers, particularly because there is no protection in illegal gambling establishments. It then means that public education needs to be conducted, focusing on both responsible gambling as well as raising awareness about illegal gambling.





PART D

HUMAN RESOURCE MANAGEMENT



4.1 INTRODUCTION

OVERVIEW OF HUMAN RESOURCES (HR) MATTERS AT THE PUBLIC ENTITY

The Eastern Cape Gambling Board aims to be an employer of choice and has designed a Human Resources Management (HRM) Strategy with this in mind.

The overall purpose of HR is to ensure that all matters relating to Human Capital Management and Development are implemented effectively and efficiently. The entity's ability to implement its strategic intent rests on its management and employees, particularly how they are led/managed and capacitated within the right climate to deliver and grow into a high-performance culture. Human resource management plays a pivotal role in this process.

The Human Resource Management division provides the following services:

- » Training and development
- » Talent management and organisational development
- » Recruitment and selection
- » Employee benefits, rewards and payroll management
- » Policy development
- » Occupational health and safety
- » Employee wellness
- » Legal compliance
- » Employee relations
- » Employment equity
- » Individual performance management
- » Fleet Management

HR PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE PRIORITIES

The following were the HR priorities during the year under review:

- » Implementation of the reviewed organisational structure to ensure alignment with the new organisational strategy and implementation of the reviewed structure.
- » Improve maturity of HR through the implementation of identified priorities.
- » Ensure employee retention through implementing the succession planning programme.

- » Effectively manage employment relations within the organisation.
- » Enhance employee wellness through identified wellness programmes.
- » Promote implementation of organisational development programmes.
- » Enhance human capital development for all employees.
- » Review the HR policies.

People are the organisation's most valuable resource and their management and development is critical to meeting planned organisational objectives.

WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

Training and development initiatives, including the bursary scheme, are in place to ensure that the current workforce is efficient and to enhance personal development. Furthermore, the succession planning programme has been developed to ensure that the necessary skills are in place to guarantee availability of experienced and capable employees to assume those roles when they become available. The organisation offers competitive salaries and benefits. Its policies allow for professional growth and employee wellness. Career advancement programmes are also in place to allow progression of internal employees.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The Integrated Performance Management System ensures that the organisation's strategic objectives are translated into operational and performance objectives that are cascaded to every level (from top to bottom throughout the organisation) and which inform the manner in which both the institution and its employees function.

Performance management is an ongoing and continuous process rather than an event whereby all employees are required to sign annual performance contracts and are evaluated on a quarterly basis. Excellent performance is recognised.

EMPLOYEE WELLNESS PROGRAMMES

The entity continued to implement its Employee Assistance Programme throughout the year. The service provides 24-hour counselling and advisory services to all employees of the Board and their immediate families, whenever required.

The organisation developed a Wellness Plan which guides the facilitation of wellness interventions and sessions such as the annual staff Wellness Day, as well as educational sessions on selected wellness topics. Some focused awareness sessions on men's and women's health were held.

POLICY DEVELOPMENT

The HR Department ensures that policies are up to date. A total of five policies were reviewed and two were in the process of being reviewed.

ACHIEVEMENTS DURING THE YEAR

A change management programme was implemented. The programme focuses on assisting the organisation to deal with changes brought by the organisational structure review, improving the organisational culture and assisting in the automation process. Sessions to empower management on leading change were held and a staff session was also held.

Filling of two vacancies took place and eight graduate interns and two student interns were placed on the internship programme.

Regarding skills development, the Annual Training Plan with training programmes for all staff members was developed. Functional training programmes were undertaken in various programmes.

An Internship Plan that guides the intake of interns during the year was developed and a total of seven interns were placed on the internship programme by end of March 2024.

A job evaluation process for all new and old positions was conducted to ensure implementation of the reviewed organisational structure.

CHALLENGES FACED BY THE PUBLIC ENTITY

Lack of sufficient office space remains a challenge which the organisation is working on.

FUTURE HR PLANS / GOALS

- » The implementation of the reviewed Organisational Structure
- » Continuation of implementation of a change management programme which assists in effective management of changes in the organisation and enhances the organisational culture.
- » Selected HR policies will be reviewed in the 2024/25 financial year to ensure alignment with the overall organisational strategy.
- » Development of a Competency Framework for the organisation.
- » The Human Resource Strategy will be reviewed, and a Change Management Strategy will be developed.
- » The implementation of the organisation-wide succession plan to ensure that a pool of employees is ready for vacancies that may occur.
- » The ethics programme will be strengthened through conducting regular awareness sessions.

4.2 HUMAN RESOURCE OVERSIGHT STATISTICS

Table 1: Total personnel cost by programme
In addition, figures relate to actual payments made during the financial year.

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY R'000	TOTAL PERSONNEL EXPENDITURE R'000	PERSONNEL COST AS A % OF TOTAL EXPENDITURE	NO. OF STAFF	AVERAGE PERSONNEL COST PER EMPLOYEE
Programme 1 : Corporate Services Management (and Capital Expenditure)	66 125	35 054	53%	30	1 168
Programme 2 : Gambling Regulation and Consumer Protection	31 229	22 680	73%	26	872
Programme 3 : Research and Public Education	952	0	0%	0	0
TOTAL	98 307	57 733	59%	56	1 031

*Personnel expenditure excludes organisational recruitment costs, casual and temporary labourers, and intern stipends.

Table 2: Personnel cost by salary band (excluding performance bonus below)

LEVEL	PERSONNEL EXPENDITURE R'000	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Executive / Senior Management	12 068	21%	4	3 017
Management	10 354	18%	5	2 071
Specialists and Professional Qualified	6 579	11%	5	1 316
Skilled	23 940	41%	32	748
Semi-Skilled	3 803	7%	7	543
Unskilled	990	2%	3	330
TOTAL	57 733	100%	56	1 031

Table 3: Performance bonus paid*

LEVEL	PERFORMANCE BONUS R'000	OTHER PERSONNEL COSTS R'000	% PERFORMANCE BONUS PAID
Executive / Senior Management	1 354	12 068	11.2%
Management	1 122	10 354	10.8%
Specialists & Professional Qualified	725	6 579	11.0%
Skilled	1 642	23 940	6.9%
Semi-Skilled	232	3 803	6.1%
Unskilled	30	990	3.0%
TOTAL	5 105	57 733	8.8%

*Bonus paid during the year related to performance of the 2023-24 financial year.

Table 4: Training and development costs (local)

PROGRAMME	Personnel Expenditure R'000	Training Expenditure R'000	Training Expenditure as a % of Personnel Cost	No. of Employees Trained	Avg Training Cost per Employee
Programme: Corporate Services Management and Administration	35 054	704	2%	40	17.6
Programme: Gambling Regulation and Consumer Protection	22 680	236	1%	26	9.1
Programme 3 : Research and Public Education	0	0	-	0	-
TOTAL	57 733	940	2%	66	14.2

*Number of people trained include the interns

Table 5: Employment and vacancies

POSITIONS VACANT	2023/24	2022/23 APPROVED POSTS	2023/24 NO. OF EMPLOYEES	2023/24 APPROVED POSTS	% OF VACANCIES
Manager: Audit & Compliance	0	1	0	1	1,8%
Manager: Legal Services & Board Secretariat	0	1	0	1	1,8%
PA – Executive Manager Compliance and Licensing	1	1	0	1	1,8%
Gaming Control Officer	0	2	0	2	3,6%

Table 6 :

LEVEL	2023/24 NO. OF EMPLOYEES	2024/25 APPROVED POSTS	2024/25 NO. OF EMPLOYEES	2024/25 VACANCIES	% OF VACANCIES
Executive / Senior Management	4	4	4	0	0%
Management	6	7	5	2	3,6%
Professionally Qualified / Specialists	5	5	5	0	0%
Skilled	29	34	32	2	3,6%
Semi-Skilled	8	8	7	1	1,8%
Unskilled	3	3	3	0	0%
TOTAL	55	61	58	5	0%

Table : 7

SALARY BAND	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Executive / Senior Management	0	0	4
Management	1	1	5
Professionally Qualified / Specialists	0	0	5
Skilled	3	1	32
Semi-Skilled	0	0	7
Unskilled	0	0	3
TOTAL	4	2	56

Table 8 : Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF
Death	0	0%
Resignation	2	3.6%
Dismissal	1	1,8%
Retirement	0	0%
Ill health	0	0%
Expiry of Contract	0	0%
Promotion*	0	0%
Other	0	0%
TOTAL	3	5.3%

Table 9 : Labour Relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written Warning	0
Dismissal	0

EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

During the year under review, the entity continued to implement its Employment Equity (EE) Plan. Not all employment equity targets have been achieved in the filling of vacancies. An Employment Equity report is submitted annually to the Department of Labour as required by the Employment Equity Act (Act 55 of 1998).

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive / Senior Management	2	2	0	0	0	0	0	0
Management (incl. Professionally Qualified / Specialists)	3	4	0	0	1	0	0	0
Skilled	15	15	0	1	0	0	2	2
Semi-Skilled	1	1	0	0	0	0	0	0
Unskilled	0	1	0	0	0	0	0	0
TOTAL	21	23	0	1	1	0	2	2

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Executive/Senior Management	2	2	0	0	0	0	0	0
Management (incl. Professionally Qualified/ Specialists)	6	7	0	0	0	0	0	0
Skilled	14	14	1	1	0	0	0	1
Semi-Skilled	7	7	0	0	0	0	0	0
Unskilled	2	2	0	0	0	0	0	0
TOTAL	31	32	1	1	0	0	0	1

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Executive/Senior Management	0	0	0	0
Management (incl. Professionally Qualified/ Specialists)	0	0	0	0
Skilled	0	1	0	0
Semi-Skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	1	0	0



PART E

PFMA COMPLIANCE



4.1 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

IRREGULAR EXPENDITURE RECONCILIATION OF IRREGULAR EXPENDITURE

	2024/25	2023/24
DESCRIPTION	R'000	R'000
None identified	-	-

FRUITLESS AND WASTEFUL EXPENDITURE RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

	2024/25	2023/24
DESCRIPTION	R'000	R'000
None identified	-	-

ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) AND (III) DETAILS OF MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

	2024/25	2023/24
MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	R'000	R'000
None identified	-	-

4.2 LATE AND/OR NON-PAYMENT OF SUPPLIERS

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE
		R'000
Valid invoices received	2519	35 048
Invoices paid within 30 days or agreed period	-	-
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

4.3 SUPPLY CHAIN MANAGEMENT

PROCUREMENT BY OTHER MEANS

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Newspaper subscriptions	Arena Holdings	Single source	N/a	11
Bookmaker system access	Turfsport (Pty) Ltd	Single source	N/a	3
Supply and delivery of bulletproofs	IC Security Products (PTY) Ltd	Less than three quotes	N/a	38
Interior designer	Elize Beltrame Interiors	Less than three quotes	N/a	131
Layout and alignment of Finance Policy	Green Dot Media	Less than three quotes	N/a	2
Design, layout and printing of Annual Report	Openform Studio CC	Less than three quotes	N/a	62
Big Data and Artificial Intelligence on Finance training	Fachs Business Consulting & Training	Less than three quotes	N/a	20
Supply and delivery of sewing equipment and material	Linesimo (PTY) Ltd	Less than three quotes	N/a	60
Salary trends report	21st Century Pay Solutions	Less than three quotes	N/a	12
Job evaluation and grading of Manager: Legal and Board secretariat position	Work Dynamics (PTY) Ltd	Less than three quotes	N/a	6
TOTAL				635

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Inclusion of team performance management process and incentive in IPMS policy	21st Century Pay Solutions	Less than three quotes	N/a	291
TOTAL				635

CONTRACT VARIATIONS AND EXPANSIONS

PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE R'000	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE) R'000	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION R'000
Alterations to ECGB offices (Phase 2)	Various consultants	Variation	N/A	645	0	424
TOTAL						424





PART F

FINANCIAL STATEMENTS

EASTERN CAPE GAMBLING BOARD **AUDIT REPORT**

FOR THE YEAR ENDED 31 MARCH 2025

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON EASTERN CAPE GAMBLING BOARD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- » I have reviewed the financial statements of the Eastern Cape Gambling Board set out on pages 95 to 129 , which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of actual and budget amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

CONCLUSION

- » Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of the Eastern Cape Gambling Board as at 31 March 2025 and its financial performance and cashflows for the year then ended in accordance with the South African Standards of GenerallyRecognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

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

- » My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements. The standard requires me to conclude on whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires me to comply with relevant ethical requirements.

- » A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. I am required to perform procedures, primarily consisting of making inquiries of management and others within the auditee, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.
- » The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Report on the annual performance report

- » 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.
- » I selected the following material performance indicators related Gambling Regulation and Consumer Protection presented in the annual performance report for the year ended 31 March 2025. 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.
 - Number of key gambling licences issued
 - Number of gambling economic opportunities awareness sessions conducted
 - Number of sweeps conducted
 - Number of revenue audits conducted
 - Gambling industry compliance maturity level
 - Number of people provided with feedback about excessive and irresponsible gambling messages
- » 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.
- » 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.
- » I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion .
- » I did not identify any material findings on the reported performance information for the selected indicators.

OTHER MATTER

- » I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

- » The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements.

REPORT ON COMPLIANCE WITH LEGISLATION

- » 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.
- » I performed procedures to test compliance with selected requirements in key legislation in accordance with the AGSA findings engagement methodology. This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
- » 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.
- » I did not identify any material non-compliance with the selected legislative requirements.

INTERNAL CONTROL DEFICIENCIES

- » I considered internal control relevant to my engagement on the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- » I did not identify any significant deficiencies in internal control.

PROFESSIONAL ETHICS AND QUALITY CONTROL

- » 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 engagements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
- » In accordance with the International Standard on Quality Management 1, the AGSA maintains a comprehensive system of quality management that includes documented policies and procedures on compliance with ethical requirements and professional standards.

Auditor General
East London

30 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

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(4)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
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(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	Section1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 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)

BOARD OF DIRECTORS' RESPONSIBILITIES & APPROVAL

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

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

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

The board of directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

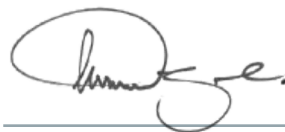
The board of directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The board of directors have reviewed the entity's cash flow forecast for the 12 months to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial statements set out on page 70, which have been prepared on the going concern basis, were approved by the board on 31 May 2025 and were signed on its behalf by:



T MACKIE-HUISMAN
BOARD CHAIRPERSON



R M ZWANE
CHIEF EXECUTIVE OFFICER

STATEMENT OF THE FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025	2024
ASSETS	NOTES	R	R
Current assets			
Cash and cash equivalents	2	13 704 095	26 800 827
Prepayments	3	594 782	308 090
Statutory receivables for distribution from non-exchange transactions	4	14 732 133	15 531 918
Statutory receivables from exchange transactions	5	534 010	470 447
Other receivables from non-exchange transactions	6	5 133 115	1 188 733
		34 698 135	44 300 015
Non-current assets			
Property- plant and equipment	7	31 959 203	27 208 215
Intangible assets	8	3 757 655	4 474 423
TOTAL ASSETS		70 414 993	75 982 653
LIABILITIES			
Current liabilities			
Collections for distributions from non-exchange transactions	9	15 318 551	15 413 249
Trade and other payables from exchange transactions	10	11 734 546	10 853 613
Employee benefits	11	7 508 629	7 267 729
Finance lease obligation	12	143 992	131 654
		34 705 718	33 666 245
Non-current liabilities			
Employee benefits	11	1 493 472	1 344 943
Finance lease obligation	12	119 993	2 600
TOTAL LIABILITIES		36 319 183	35 013 788
NET ASSETS		34 095 810	40 968 865
Net assets			
Accumulated surplus		34 095 810	40 968 865
TOTAL NET ASSETS		34 095 810	40 968 865

STATEMENT OF THE FINANCIAL PERFORMANCE

AS AT 31 MARCH 2025

REVENUE	NOTES	2025	2024
		R	R
Revenue from exchange transactions	13	17 277 977	11 989 114
Revenue from non-exchange transactions	13	70 382 000	70 725 000
		87 659 977	82 714 114
EXPENDITURE			
Administrative expenditure	14	14 780 326	12 330 971
Corporate social investment	15	390 787	699 405
Consumer protection and public education	16	895 056	1 356 890
Depreciation and impairment of PPE	7	2 794 278	2 702 005
Amortisation of intangible assets	8	1 593 413	1 036 169
Employee costs	17	62 915 503	56 885 758
Legal costs		4 091 999	1 559 407
Marketing and research costs	18	1 879 221	1 698 514
Other operating expenditure	19	8 078 689	7 237 629
Statutory audit fees	20	888 966	848 635
TOTAL EXPENDITURE		98 308 238	86 355 383
NET REVENUE / (EXPENDITURE)		(10 648 261)	(3 641 269)
Finance income	21	3 712 946	3 790 062
Surplus on disposal of PPE	22	62 260	178 849
TOTAL OTHER INCOME		3 775 206	3 968 911
(DEFICIT) / SURPLUS FOR THE YEAR		(6 873 055)	327 642

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

NOTE	ACCUMULATED SURPLUS	TOTAL
	R	R
Balance as at 1 April 2023	40 641 223	40 641 223
Surplus for the year	327 642	327 642
BALANCE AS AT 1 APRIL 2024	40 968 865	40 968 865
Deficit for the year	(6 873 055)	(6 873 055)
BALANCE AS AT 31 MARCH 2025	34 095 810	34 095 810

CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	NOTES	2025 R	2024 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Gambling fees and taxes		189 580 027	190 120 294
DEDEAT grant		70 382 000	70 725 000
Receipts from rendering of services		13 270 032	10 813 404
Interest received from Debtors	21	41 350	234 102
		273 273 410	271 892 800
Payments			
Gambling fees and taxes paid to the Province		188 104 510	184 321 510
Payment to employees and on behalf of employees		62 526 074	55 530 915
Payment to suppliers and other payments		31 181 231	31 345 243
		281 811 815	271 197 667
NET CASH FLOWS FROM OPERATING ACTIVITIES	22	(8 538 406)	695 132
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	21	3 671 596	3 555 960
Proceeds from sale of property, plant and equipment	22	224 153	547 077
Purchase of property, plant and equipment		(7 419 177)	(4 543 729)
Purchase of intangible assets	8	(876 645)	(972 398)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(4 400 073)	(1 413 089)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(158 253)	(387 132)
NET CASH FROM FINANCING ACTIVITIES		(158 253)	(387 132)
Net increase in cash and cash equivalents		(13 096 732)	(1 105 090)
Cash and cash equivalents at beginning of the year		26 800 827	27 905 917
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2	13 704 095	26 800 827

STATEMENT OF COMPARISON

OF ACTUAL AND BUDGET AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2025

	NOTE	APPROVED BUDGET	FINAL ADJUSTED BUDGET	ACTUAL AMOUNTS	DIFFERENCE: FINAL BUDGET AND ACTUAL	VARIANCE
		R	R	R	R	%
REVENUE						
Revenue from exchange transactions		17 163 523	17 277 977	17 277 977	0	0,0%
Revenue from non-exchange transactions		70 382 000	70 382 000	70 382 000	(0)	(0,0%)
2023-24 Surplus fund roll-over		-	11 069 170	11 069 170	(0)	
TOTAL REVENUE		87 545 523	98 729 147	98 729 147	0	0,0%
EXPENDITURE						
Administrative expenditure		11 425 261	14 275 261	14 780 326	505 065	3,5%
Corporate social investment	34	636 181	436 181	390 787	(45 394)	(10,4%)
Consumer protection and public education		1 578 162	978 162	895 056	(83 106)	(8,5%)
Depreciation and impairment of PPE		1 784 483	2 744 483	2 794 278	49 795	1,8%
Amortisation of intangible assets		1 396 360	1 596 360	1 593 413	(2 947)	(0,2%)
Employee costs		61 422 483	64 972 483	62 915 503	(2 056 980)	-3%
Legal costs	34	2 086 886	2 709 834	4 091 999	1 382 165	51,0%
Marketing and research costs		1 408 919	1 828 821	1 879 221	50 400	2,8%
Other operating expenditure		7 367 805	8 127 805	8 078 689	(49 116)	(0,6%)
Statutory audit fees		800 087	863 087	888 966	25 879	3%
TOTAL EXPENDITURE		89 906 626	98 532 476	98 308 238	(224 238)	(0,2%)
SURPLUS/DEFICIT		(2 361 103)	196 671	420 909	224 238	114,0%
BASIS DIFFERENCES						
Operating activities						
2023-24 Surplus fund roll-over		-	-	(11 069 170)	(11 069 170)	0,0%
		89 906 626	98 532 476	98 308 238	(224 238)	(0,2%)
Investing activities						
Finance income		3 696 499	3 712 946	3 712 946	(0)	0,0%
Surplus on disposal of PPE		-	62 260	62 260	-	100,0%
		3 696 499	3 650 686	3 775 206	(0)	(0,0%)
SURPLUS / (DEFICIT) FOR THE YEAR		1 335 396	3 847 357	(6 873 055)	(10 844 932)	(281,9%)
CAPITAL EXPENDITURE		4 516 238	8 312 719	8 583 805	271 085	3,3%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2025

1.1 REPORTING ENTITY

These Annual Financial Statements are for the Eastern Cape Gambling Board. The financial statements encompass the reporting entity as specified in the Public Finance Management Act (Act No. 1 of 1999, as amended). Reporting oversight comprises:

- » Eastern Cape Provincial Legislature
- » Eastern Cape Provincial Treasury
- » Eastern Cape Department of Economic Development, Environmental Affairs and Tourism

1.2 BASIS OF PREPARATION

The Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) for the Accrual Basis of Accounting including any interpretations, guidelines and directives issued by the Accounting Standards Board (ASB).

As detailed in Note 29, the Annual Financial Statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period, and are consistent with the previous period except where changes resulted from the adoption of new GRAP standards and interpretations.

The Annual Financial Statements are presented in South African Rands and are rounded to the nearest Rand.

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

REFERENCE	EFFECTIVE DATE	NATURE OF CHANGE	EXPECTED IMPACT
GRAP 104 Financial Instruments (Revised)	1-Apr-25	<p>The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.</p> <p>The most significant changes to the Standard affect:</p> <ul style="list-style-type: none"> • Financial guarantee contracts issued • Loan commitments issued • Classification of financial assets • Amortised cost of financial assets • Impairment of financial assets • Disclosures. 	The entity expects to implement the changes in the 2025/26 financial year. The impact of the changes is currently being assessed.
IGRAP 22 on Foreign Currency Transactions and Advance Consideration	1-Apr-25	This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or revenue (or part of it).	The entity does not deal in foreign currency transactions which would fall into the scope of the interpretation. Consequently, the interpretation is not expected to have an impact on the preparation of the annual financial statements once it becomes effective.

A SUMMARY OF THE SIGNIFICANT ACCOUNTING POLICIES IS DISCLOSED BELOW.

1.2.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, or for administrative purposes, and are expected to be used during more than one period. Since they are not used to generate a commercial return, and since no assets are used to directly generate cashflow but rather to support the execution of the ECGB mandate, they are designated as non-cash generating units at initial recognition.

Property, plant and equipment are initially measured at cost and are subsequently carried at historical cost less accumulated depreciation. Depreciation is calculated on the straight-line method to write off the cost of assets to their residual values over their anticipated useful lives as follows:

ITEM	AVERAGE USEFUL LIFE
Buildings	50 years
Fixtures and fittings	10 years
Motor vehicles	5 years
Furniture and equipment:	
• Office furniture	10 years
• Office and operating equipment	5 years
• Sundry assets	5 years
Computer equipment	3 years
Cellphones leased	2 years

Land is not depreciated as it is deemed to have an indefinite useful life.

The useful lives as well as residual values are assessed annually for any indication that the previous expectations have changed, and depreciation methods are reviewed annually. Condition assessments and any indicators of a change in use are assessed annually. Vehicle values are compared to current trade-in values to determine the reasonability of previous estimates of residual values.

Depreciation is recognised even if the fair value of the asset exceeds its carrying amount, as long as the asset's residual value does not exceed its carrying amount. The depreciable amount of an asset is determined after deducting its residual value. The residual value of an asset may increase to an amount equal to or greater than the asset's carrying amount. If it does, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the assets and are recognised in surplus.

Property, plant and equipment are reviewed for impairment losses in accordance with the Standard of GRAP on Impairment of Non-cash-generating Assets, specifically considering events which indicate that the carrying amount may not be recoverable. An impairment loss is recognised in respect of the amount by which the carrying amount of the asset exceeds its recoverable service amount, which is the higher of an asset's net selling price (fair value less costs to sell) and its value in use (the present value of the asset's remaining service potential). An impairment loss or reversal of an impairment loss is recognised as an expense/income in the statement of financial performance as incurred.

Property, plant and equipment is derecognised when the asset is disposed of, or when there are no further economic benefits or service potential expected from the continued use of the asset. The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in surplus.

1.2.2 INTANGIBLE ASSETS

An asset is identified as an intangible asset when:

- » it is capable of being separated or divided from the entity and then sold, transferred or used on its own or together with a related asset,
- » it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- » it is probable that the expected future economic benefit or service potential that is attributable to the asset will flow to the entity; and
- » the cost or fair value of the asset can be measured reliably.

Intangible assets are initially measured at cost and carried at cost less accumulated amortisation and any impairment losses in accordance with the Standard of GRAP on Impairment of Non-

cash-generating Assets. Intangible assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, or if the asset is not yet ready for use, the asset's recoverable amount is estimated. The impairment recognised in the surplus is the excess of the carrying value over the recoverable amount.

Software is amortised on a straight-line basis over its anticipated useful life. Generally, costs associated with developing computer software programmes are recognised as an expense as incurred. However, costs that are clearly associated with an identifiable and unique product, which will be controlled by the entity and have a probable benefit exceeding the cost beyond one year, are recognised as intangible assets.

Expenditure which enhances and extends the benefits of computer software programmes beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

The useful life of the intangible assets has been assessed as follows:

ITEM		AVERAGE USEFUL LIFE
COMPUTER SOFTWARE		3 YEARS
Internally generated software	Subsistence and Travel (S&T) System	3 years
	Electronic document management system (EDMS)	5 years
	Gambling Regulation System (GRS)	6 years

Internally generated software represents proprietary systems where a maintenance contract for the systems is in place. As a result of these maintenance contracts, the estimated useful life has been assessed as 3,5 and 6 years respectively.

Intangible assets are derecognised when the asset is disposed of, or when there are no further economic benefits or service potential expected from the continued use of the asset. The gain or loss arising from the disposal of an intangible asset is determined as the difference between the disposal proceeds and the carrying value and is recognised in surplus.

1.2.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Board's Statement of Financial Position when the entity becomes party to the contractual provisions of the instrument.

Financial instruments at amortised cost are non-derivative financial assets and financial liabilities with fixed or determinable payments excluding those that have been designated as fair value at initial recognition or those that are held for trading.

Financial instruments at fair value comprise those financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

IMPAIRMENT OF FINANCIAL ASSETS

The entity assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability is that they will enter bankruptcy or other financial re-organisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. When impaired, the carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

The entity has the following types of financial assets:

OTHER RECEIVABLES

Other receivables are categorised as financial instruments at amortised cost and are initially recognised at fair value plus direct transaction costs and subsequently carried at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments.

CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The entity categorises cash and cash equivalents as at fair value which is considered to be equivalent to its carrying amount.

INVESTIGATION DEPOSITS

Included in the Cash and cash equivalents balances are amount held as Investigation deposits. These deposits are paid to the entity by prospective licence applicants against which the entity will recover reasonable costs incurred in the investigation and processing of an application. Any surplus balance will at the conclusion of the licencing process, be refunded back to the applicant.

The entity has the following types of financial liabilities carried at amortised cost:

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 in the normal operating cycle of the business, if longer). 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. Short-term payables are not discounted where the initial credit period received is consistent with terms used in the public sector (30 days).

13th cheque - refer 1.2.9 below
 Finance lease - refer 1.2.10 below

DERECOGNITION OF FINANCIAL INSTRUMENTS

The Board derecognises a financial asset (or group of financial assets) when:

- » the contractual rights to the cash flows arising from the financial asset have expired; or
- » the entity transfers the financial asset, including substantially all the risks and rewards of ownership; or
- » it transfers the contractual rights to receive the cash flows of the financial asset, but assumes a corresponding obligation to pay the cash flows to one or more recipients, and consequently transfers substantially all the risks and benefits associated with the asset; or
- » no future economic benefits are expected.

A financial liability (or group of financial liabilities) is derecognised when and only when the liability is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled, is waived or expires.

1.2.4 STATUTORY RECEIVABLES

Statutory receivables arise in terms of the taxes, fees, interest and penalties as described in notes 1.2.7 and 1.2.8 below. These amounts are levied on licensed operators in terms of the Eastern Cape Gambling and Betting Act (Act 5 of 1997, as amended) and its associated regulations. They are initially measured at their transaction amount (cost method) as specified in schedule III of the Act and regulation 135, and subsequently carried at the initial carrying amount, plus interest at the prescribed rate of 2% per month, less repayments and impairments.

The Board assesses at each reporting date whether there are any indications that individually material receivables are impaired, or that groups of similar, individually immaterial receivables within each sector are impaired. Evidence of impairment may include indications that the debtors or group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability is that they will enter bankruptcy or other financial re-organisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Board measures the impairment loss as the difference between the discounted estimated

future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. Consequently, where the effect of the time value of money is material, the estimated future cash flows are discounted using the risk free interest rate published by the South African Reserve Bank, adjusted where applicable for any receivable-specific risks.

Statutory receivables are derecognised when the asset is disposed of when the entity no longer has the rights to the future economic benefits or service potential, or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the disposal or retirement of a statutory receivable is determined as the difference between the sales proceeds and the carrying value and is recognised in surplus.

1.2.5 POST EMPLOYMENT BENEFITS

The policy of the Board is to provide retirement benefits through an established fund governed by the Pension Fund Act (Act 24 of 1956, as amended).

The provident fund is a defined contribution fund which does not require an actuarial valuation. Contributions to the provident fund are charged to surplus or deficit in the year to which they relate. The Board has no obligation to fund post-retirement medical benefits, consequently no liability is recognised.

1.2.6 PROVISIONS AND CONTINGENCIES

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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.

PERFORMANCE BONUS

The entity's performance management policy provides for the payment of performance bonuses to employees who achieve defined levels of performance for the reporting period.

At reporting date the entity recognises a provision to the extent that a present obligation exists, there is probability of an outflow of cash and a reliable estimate of the performance bonuses payable can be made.

At reporting date, the probability of an outflow is assessed based on historical performance by employees. An estimate of the probable future outflows is based on an employee's total cost to company and the historical performance achieved.

Individual performance assessments are concluded after the reporting date, consequently an uncertainty exists about the performance outcomes of each employee. In addition, the performance bonus is payable upon approval by the Board, an uncertainty also exists about the timing of the outflow of economic resources.

CONTINGENT ASSETS AND CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises 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; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 33.

1.2.7 REVENUE**REVENUE FROM EXCHANGE TRANSACTIONS:**

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities

extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Exchange revenue comprises principally of:

- » fees charged for services rendered (i.e. annual admin fees);
- » recoveries of expenses incurred in the production of revenue;
- » finance income;
- » sundry income

Revenue from exchange transactions is recognised on an accrual basis using the following methods to determine stage of completion:

- » Fees charged for services rendered are recognised when they become due in terms of the Eastern Cape Gambling and Betting Act (Act 5 of 1997, as amended). These fees are invoiced annually in December of the preceding year, and are due in January for the financial year ending 31st March.
- » Recoveries of expenses incurred in the production of revenue are accrued on completion of services rendered.
- » Recoveries of legal expenses incurred in litigation claims are accrued when a judgement is issued by the relevant court and the recoverable amount can be reliably estimated.
- » Revenue from exchange transactions is measured at fair value on the date it accrues.

REVENUE FROM NON-EXCHANGE TRANSACTIONS (TAXES AND TRANSFERS)

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

Revenue from non-exchange transactions comprises the grant funding received from the provincial government.

Revenue relating to operational expenditure is recognised in the period in which the transfer agreement becomes binding and is measured at fair value as at the date of recognition.

Gambling taxes and fees collected on behalf of the Provincial Treasury

The Board acts as an agent to the Provincial Revenue Fund and all gambling taxes and part of the fees collected are paid over at the end of each month as prescribed by the Eastern Cape Gambling Act, Act no. 5 of 2007 and the service level agreement entered into with the Executive Authority. Amounts are remitted to DEDEAT which

is the Executive Authority, refer note 26 for further details and reconciliation of amounts due at end of the reporting period.

These gambling taxes and fees are not recognised as revenue as they are collected on behalf of the state. However, an asset and liability is recognised when taxes and fees become receivable from a licensee and payable to the state. Receivables and payables for collection and distribution to the state are initially measured at the legislated amount and carried at amortised cost.

The Board does not receive any separable amount of revenue as compensation for the collection and distribution of taxes and fees, as it is established to oversee all gambling and betting activities in the Province, and funding is appropriated in order to enable it to perform all the various functions under the Act.

Refer to disclosure note 9 for the balances recognised from non-exchange transactions.

1.2.8 EMPLOYEE BENEFITS

Employee benefits are short-term 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 contributions to defined contribution plans;
- » short-term compensated absences (such as paid annual leave and paid sick leave); and
- » bonus, incentive and performance related payments.

When an employee has rendered the services 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:

- » as an expense; and
- » as a liability (accrued expense), after deducting any amount already paid. The following short term employee benefits are recognised:

13TH CHEQUE

The employees of the Board are entitled to a 13th cheque if the Board achieves greater than 80% of its annual performance plan targets. The 13th cheque accrues on a pro-rata basis as services are rendered by the employees, and management's assessment is that the required level of performance has or will be achieved.

PERFORMANCE BONUS

The entity's integrated performance management policy provides for the payment of performance bonuses to employees who achieve defined levels of performance for the reporting period.

At reporting date the entity recognises a provision to the extent that a present obligation exists, there is probability of an outflow of cash and a reliable estimate of the performance bonuses payable can be made.

At reporting date, the probability of an outflow is assessed based on historical performance by employees. An estimate of the probable future outflows is based on an employee's total cost to company and the historical performance achieved.

LEAVE PROVISION

The employees of the entity are entitled to 22 working days per annum as leave gratuity. The policy adopted by the Board is that all its employees should take leave during the year, failing which they will forfeit their leave days on the 30th of June each year. Employees are allowed to book leave in advance for a future period, up to six months. Only leave not booked by the 30th of June is forfeited. The leave days are recognised as they accrue to employees. The liability is based on the total amount of leave days due to each employee at year end multiplied by each employee's respective daily rate of remuneration which is calculated from the respective employee's gross annual remuneration package.

At reporting date, uncertainty exists as to whether leave will be taken or forfeited by employees. Due to this uncertainty, the liability is recognised as a provision rather than an accrual.

LONG SERVICE AWARDS

Long service awards are provided to employees who achieve certain pre determined milestones of service within the Board. The expected costs of these benefits are accrued over the period of employment.

The Board's obligation in respect of this benefit is valued internally annually and the corresponding liability is raised. The liability is recognised as the present value of the defined benefit obligation at the reporting date.

The Board recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- » current service cost;
- » interest cost;
- » past service cost;

» the effect of any curtailments or settlements;

The Board uses the Projected Unit Credit Method to determine the present value of its long service awards obligation and the related current service cost, and where applicable, past service cost.

1.2.10 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

FINANCE LEASES - LESSEE

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate. Where finance charges are material the minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability over the lease term.

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

OPERATING LEASES - LESSEE

Leases where the lessor retains the risk and reward of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight line basis over the period of the lease.

1.2.11 PREPAYMENTS

Prepayments for goods or services are avoided and arise only where required by the contractual arrangements with the supplier. Prepayments are recognised as expenses in surplus or deficit as the entity consumes the associated services or receives the goods.

1.2.12 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

1.2.13 IRREGULAR EXPENDITURE

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the Annual Financial Statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant expenditure item, be disclosed as such in the note to the Annual Financial Statements and updated accordingly in the irregular expenditure register.

1.2.14 TAXATION

No provision for taxation has been made as the Eastern Cape Gambling Board is exempt in terms of Section 10 (1)(cA)(1) of the Income Tax Act (Act 58 of 1962).

1.2.15 RELATED PARTIES

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the provincial sphere of government are considered to be related parties.

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

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

1.2.16 BUDGET INFORMATION

Comparison of budget and actual amounts for the fiscal period ended: 31 March 2025 are presented in a separate additional financial statement: Statement of Comparison of Actual and Budget Amounts. The entity presents both the approved and the final budget amounts. Differences (variances) between the actual amounts and budget amounts are also presented. Explanations for variances of 10% or R1million or more are disclosed in the notes to the financial statements. These variances are considered material due to their likely impact on the decisions of users, particularly the Provincial Treasury requires explanations for variances within a specified threshold. The financial statements and budget are both prepared on the accrual basis.

1.2.17 ACCOUNTING ESTIMATES AND JUDGEMENTS

Management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. The determination of estimates requires the exercise of judgement based on various assumptions and other factors including historical experience. Actual results in the future may vary from the estimates. Judgements and estimates are principally made in the following areas:

- » The calculation of residual value per asset and the estimation of the remaining useful lives of each item of property, plant and equipment and intangible assets (refer note 1.2.1, note 7, note 8 and 1.2.2 respectively).
- » The estimation of the level of performance of staff in providing for performance bonuses at year end (refer note 11). Due to budget limitations on the overall bonus pool the amounts provided for are however not subject to material estimation uncertainty.
- » Assessment and classification of finance

and operating leases based on the risks and rewards of ownership (refer note 1.2.10, note 12 and note 23).

- » The assessment of impairment of items of property, plant and equipment, in respect of determining their recoverable amounts.
- » In assessing whether there is observable data indicating a measurable decrease in the estimated future cash flows that would require an impairment to receivables from exchange and non-exchange transactions and statutory receivables.

1.2.18 COMMITMENTS

Commitments are not recognised but are disclosed in the notes only when required by the reporting framework.

Items are classified as commitments where the entity contractually commits itself to future transactions that will normally result in the outflow of resources embodying economic benefits.

Commitments are disclosed as required by the reporting framework only for approved and contracted capital commitments, where the expenditure has been approved and awarded at the reporting date.

Commitments that are approved but not yet contracted, where the expenditure has been approved but has yet to be awarded or is awaiting finalisation at the reporting date are not disclosed.

The entity discloses capital commitments in accordance with GRAP 17 and 31, as well as operating lease commitments in accordance with GRAP 13.

1.2.19 EVENTS AFTER REPORTING DATE

Events between the reporting date and the date when the financial statements are authorised for issue, both favourable and unfavourable, which could materially impact on the fair presentation of the Annual Financial Statements have been duly considered.

2. CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS CONSIST OF:	2025 R	2024 R
Bank balances	10 348 988	24 575 627
Cash on hand	5 000	5 000
	10 353 988	24 580 627
Investigation deposits	3 350 107	2 220 200
	13 704 095	26 800 827
Cash and cash equivalents held by the entity that are ringfenced for license investigations	3 350 107	2 220 200

At the end of investigation and licensing process, the unused balance of these amounts will be refunded to the licence applicant and thus will also be included in Trade and other payables from exchange transaction

Investigation deposits received are disclosed in note 10.

3. PREPAYMENTS

Business licences	524 371	239 690
Other prepaid expenditure	70 411	68 400
	594 782	308 090

4. STATUTORY RECEIVABLES FOR DISTRIBUTION FROM NON-EXCHANGE TRANSACTIONS

Government taxes and levies from non-exchange transactions	14 732 133	15 531 918
Less: Impairment allowance of statutory receivables for distribution		
	14 732 133	15 531 918

Taxes and levies are gambling taxes accrued for March 2025 that were not yet received at year-end.

Analysis of statutory receivables that are past due that have not been impaired:		
90 days and older	246 070	278 520
60 - 90 days	-	166 482
30 - 60 days	-	42 346
TOTAL	246 070	487 348

5. STATUTORY RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	534 010	470 447
	534 010	470 447

Trade debtors - Age analysis

120 days and older		
90 days	318 499	239 013
60 days	1 300	4 300
30 days		
Current	214 211	227 134
TOTAL	534 010	470 447

Amounts past due, but not impaired (greater than 30 days ageing)	319 799	243 313
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The statutory receivables are in respect of annual license fees which are governed by the Eastern Cape Gambling Act. There are processes underway to recover the outstanding balance and the debtors in question showed commitment and ability to settle the overdue balances. Due to this reason, the balances have not been impaired.

6. OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Deposits	16 831	16 831
Sundry debtors	5 116 284	1 171 901
	5 133 115	1 188 732

Sundry debtors at year-end relates primarily to a refund due from Department of Labour for an Injury on duty claim as well as a refund due from SARS.

7. PROPERTY- PLANT AND EQUIPMENT

	2025			2024		
	COST (R)	ACCUMULATED DEPRECIATION AND IMPAIRMENT (R)	CARRYING VALUE (R)	COST (R)	ACCUMULATED DEPRECIATION AND IMPAIRMENT (R)	CARRYING VALUE (R)
Buildings	24 768 739	2 154 233	22 614 506	20 572 341	1 923 395	18 648 947
Cell phones leased	626 596	541 870	84 725	577 297	415 060	162 236
Computer equipment	7 984 015	5 096 592	2 887 422	7 274 598	4 853 196	2 421 402
Fixtures and fittings	3 225 886	2 060 732	1 165 154	3 089 614	1 770 463	1 319 151
Furniture and equipment	3 062 524	1 734 398	1 328 125	2 451 159	1 537 689	913 469
Land	1 070 750	-	1 070 750	1 070 750	-	1 070 750
Motor vehicles	4 072 070	1 263 548	2 808 521	3 594 584	922 324	2 672 260
	44 810 579	12 851 373	31 959 203	38 630 344	11 422 127	27 208 215

Reconciliation of property, plant and equipment - 31 March 2025

	OPENING BALANCE (R)	ADDITIONS (R)	DISPOSALS (R)	DEPRECIATION (R)	IMPAIRMENT (R)	TOTAL (R)
Buildings	18 648 947	4 196 397	-	230 838	-	22 614 506
Cell phones leased	162 236	66 498	-	140 032	3 977	84 725
Computer equipment	2 421 402	1 837 473	79 894	1 285 816	5 743	2 887 423
Fixtures and fittings	1 319 151	136 272	-	290 269	-	1 165 154
Furniture and equipment	913 469	611 365	-	196 709	-	1 328 125
Land	1 070 750	-	-	-	-	1 070 750
Motor vehicles	2 672 260	859 154	81 999	640 894	-	2 808 521
	27 208 215	7 707 160	161 893	2 784 557	9 721	31 959 203

- Land and Buildings comprise of Erf7360- Beacon Bay- measuring 2376 m2- purchased in 2002 together with an office building. The additions for the year of R4 196 397 (2024: R2 024 904) represent the construction costs to finalise the building extension project during the financial year.
- Due to budget constraints (budgets available are earmarked for specific projects) certain fully depreciated items are still in use- as sufficient funding was not available to replace them at the end of their estimated useful lives. This relates primarily to 13 items of computer equipment and 198 items of furniture and equipment with a historical acquisition cost of R531 940 and R802 742 respectively- included in the balances reflected above.
- None of the property- plant and equipment have been pledged as guarantee for liabilities.
- Included in Note 19 is expenditure incurred to repair and maintain items of property- plant and equipment totalling R82 119, (2024: R121 857).
- Indicators of any possible change in useful life or residual values were considered and assessed by management including inspection and assessment of the condition of assets at year-end- no indications of impairment were present apart from the damaged computer equipment and cellphones leased impaired above.
- Computer equipment reflected above includes 16 leased iPads with a carrying value of R252 706 as at year-end.

Reconciliation of property, plant and equipment - 31 March 2024

	OPENING BALANCE (R)	ADDITIONS (R)	DISPOSALS (R)	DEPRECIATION (R)	IMPAIRMENT (R)	TOTAL (R)
Buildings	16 823 136	2 024 904	-	199 093	-	18 648 947
Cell phones leased	398 362	20 801	16 881	239 032	1 014	162 236
Computer equipment	3 104 198	719 121	8 519	1 383 153	10 245	2 421 402
Fixtures and fittings	1 579 750	17 865	-	278 464		1 319 151
Furniture and equipment	752 561	325 245	-	164 337		913 469
Land	1 070 750	-	-	-		1 070 750
Motor vehicles	1 985 164	1 456 592	342 829	426 667		2 672 260
TOTAL	25 713 921	4 564 529	368 229	2 690 745	11 260	27 208 216

8. INTANGIBLE ASSETS

Summary	2025			2024		
	COST (R)	ACCUMULATED AMORTISATION (R)	CARRYING VALUE (R)	COST (R)	ACCUMULATED AMORTISATION (R)	CARRYING VALUE (R)
Computer software	1 379 594	1 329 411	50 183	1 379 594	515 927	863 667
Internally generated software	7 503 785	3 796 310	3 707 472	6 627 140	3 016 382	3 610 756
TOTAL	8 883 379	5 125 721	3 757 655	8 006 734	3 532 309	4 474 423

Reconciliation of intangible assets - 31 March 2025

	OPENING BALANCE (R)	ADDITIONS (R)	DISPOSALS (R)	TRANSFERS (R)	AMORTISATION (R)	TOTAL (R)
Computer software	863 667		-	-	813 483	50 183
Internally generated software	3 610 756	876 645	-	-	779 930	3 707 472
TOTAL	4 474 423	876 645	-	-	1 593 413	3 757 655

Details of intangible assets

A register containing the information on intangible assets is available for inspection at the registered office of the entity.

Reconciliation of intangible assets - 31 March 2024

	OPENING BALANCE (R)	ADDITIONS (R)	DISPOSALS (R)	TRANSFERS (R)	AMORTISATION (R)	TOTAL (R)
Computer software	360 578	759 329	-	-	256 239	863 667
Internally generated software	4 177 616	213 069	-	-	779 930	3 610 756
TOTAL	4 538 194	972 398	-	-	1 036 169	4 474 423

Pledged as security

None of the intangible assets have been pledged as guarantee for liabilities.

9. COLLECTIONS FOR DISTRIBUTION FROM NON-EXCHANGE TRANSACTIONS

Taxes and levies	15 318 551	15 413 249
TOTAL	15 318 551	15 413 249

Taxes and levies for distribution are gambling taxes accrued for March 2025 that were received from licensees and distributed to the provincial revenue fund after year-end.

10. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Accruals	4 296 617	3 945 256
Investigation deposit accounts	3 350 107	2 220 200
Creditors	4 087 822	4 688 157
TOTAL	11 734 546	10 853 613

No creditors are overdue and relate to goods and services received on or before 31 March 2025.

11. EMPLOYEE BENEFITS

Current employee benefits

Performance bonus provision opening balance	4 400 772	3 818 390
Provision used during the year	(4 400 772)	(3 818 390)
Over/ (Under) provision	-	-
Provision for the year	4 097 471	4 400 772
TOTAL	4 097 471	4 400 772
Leave provision opening balance	2 677 666	1 968 206
Leave accrued during the year	4 618 137	4 440 519
Leave used during the year	(3 850 593)	(3 541 057)
Leave paid out during the year	(121 397)	(190 002)
TOTAL	3 323 813	2 677 666
Current portion of provision for long service awards	87 344	189 295
CURRENT EMPLOYEE BENEFITS CLOSING BALANCE	7 508 629	7 267 729

Non-current employee benefits

Provision for long service award opening balance	1 534 238	1 471 233
Provision used during the year	(207 000)	(156 000)
Provision for the year	253 578	219 004
Provision for long service award closing balance	1 580 816	1 534 237
Less: current portion	(87 344)	(189 295)
TOTAL	1 493 472	1 344 943

LONG SERVICE AWARD

The provision for long service award is raised in terms of the long service award policy. The current portion relates only to employees who qualify for a long service award in the next twelve months. The non-current portion relates to those who may qualify in future. In estimating the provision, management has taken into consideration the probability of staff leaving the employ of the entity before they are eligible for an award. In addition, with respect to employees who are on non-permanent contracts, the historical pattern of those contracts getting renewed has been taken into account in determining the probability they may become eligible for the long service award.

The Board offers employees Long Service Awards for every five (5) years of unbroken service completed, from five years of service to thirty (30) years of service, inclusive.

The table below the long service award policy of the entity:

YEARS OF SERVICE	FINANCIAL AWARD
5	5,000
10	13,000
15	22,000
20	35,000
25	35,000
30	35,000

VALUATION OF ASSETS

The long service awards liability for the entity is provided for. However, no dedicated assets have been set aside to meet this liability. The obligation is settled using resources that are available during the reporting period it becomes due and payable.

Key assumptions used

	2025	2024
Discount rate	7,5%	8%
Staff turnover	3,64%	3,79%

Net expense recognised in surplus

Current service costs	158 795	178 470
Interest costs	152 783	106 699
Reversals/Settlements	-264 996	-222 165
TOTAL	46 582	63 004

SENSITIVITY ANALYSIS

The estimate of the long service award is dependent on the assumptions used. The tables below outline firstly how the accrued liability as at 31 March 2025 is impacted by changes in the assumptions used, mainly the staff turnover rate, and secondly how the income statement expenses (interest and service cost) are impacted by changes in assumptions.

A decrease in the staff turnover rate would result in a higher obligation being payable in future as more staff are retained and become eligible for the long service bonus. The reverse change in the staff turnover rate will have the opposite impact, that is, the future obligation would decrease as fewer employees will be eligible for the long service award.

	+10% STAFF TURNOVER RATE	VALUATION ASSUMPTION	- 10% STAFF TURNOVER RATE
Total Accrued Liability	1 575 061	1 580 816	1 586 570
Current service costs	158 217	158 795	159 373
Interest costs	152 227	152 783	153 339

PERFORMANCE BONUS

The provision for performance bonus relates to the payment of bonuses to the entity's employees based on the assessment of performance for the financial period ended 31 March 2025. The provision is based on historic data namely, past performance by employees and the outflow is considered to be probable. The settlement of the provision is dependent on key factors such as the performance of employees as well as the timing of the approval of the board of directors.

LEAVE PAY

The provision for leave pay is based on the total amount of leave days due to each employee at reporting date multiplied by each employee's daily rate of remuneration. At reporting date, an uncertainty exists as to whether the leave will be taken or be forfeited by employees.

12. FINANCE LEASE OBLIGATION

Minimum lease payments due	2025 R	2024 R
- within one year	143 992	131 654
- later than one year but not later than five years	119 993	2 600
TOTAL	263 985	134 254
Current liabilities	143 992	131 654
Non-current liabilities	119 993	2 600

- ➊ Mobile devices were acquired through cellular airtime agreements which are for a two-year lease term after which ownership of the device is retained by the Board.
- ➋ The contract does not distinguish between subscription and equipment lease repayment amounts or specify an interest rate.
- ➌ Mobile devices were capitalised at their fair value when purchased on a standalone basis, as this was lower than the present value of total subscriptions payable. All contracts have fixed subscriptions over the lease term and no arrangements have been entered into for contingent rent.
- ➍ There was no default during the period and no terms have been renegotiated.

13. REVENUE

Revenue from exchange transactions:

The amounts included in revenue arising from exchange of services are as follows:

	2025 R	2024 R
Fees	11 193 615	10 520 605
Recoveries	2 316 558	1 333 973
Sundry income	3 767 804	134 536
TOTAL	17 277 977	11 989 114

Revenue from non-exchange transactions

The amount included in revenue arising from non-exchange transactions is as follows:

Unconditional government funding Department of Economic Development, Environmental Affairs and Tourism	70 382 000	70 725 000
TOTAL	70 382 000	70 725 000

14. ADMINISTRATIVE EXPENDITURE

Bank charges		60 236	55 958
Board members - fees		1 446 125	1 109 850
Board members - travel and subsistence		375 437	512 041
Internal audit fees		1 052 491	1 055 913
Consultation fees		1 857 210	1 264 146
Evaluation and hearings		1 434 050	451 737
Inspection, investigation, compliance and audit costs		1 383 938	1 222 949
Stationery and printing		225 940	255 320
Training and development	24	3 562 271	3 679 078
Travelling and subsistence		2 043 045	1 366 368
Stakeholder events		1 339 583	1 357 611
TOTAL		14 780 326	12 330 971

Evaluation and hearings costs reflected above are recovered from investigation deposit accounts as reflected in Note 10.

15. CORPORATE SOCIAL INVESTMENT

The Board has supported various schools and projects in the year under review including focus on the Education Basket as per the CSI Policy, investing in learner support material for mathematics and science from Grade R - 7. The total direct amount spent on Corporate Social Investment is R390 787 (2024: R699 405).

16. CONSUMER PROTECTION AND PUBLIC EDUCATION

The Board undertook various responsible gambling and public education activities amounting to R895 056 (2024: R1 356 890). Rollout of responsible gambling campaigns in the province was conducted using print, radio, social and other electronic media, as well as event platforms, billboards and awareness sessions.

17. EMPLOYEE COSTS

	2025 R	2024 R
Basic salary	49 730 779	44 153 095
Casual and temporary labour	6 440	5 973
Funeral benefit	9 378	8 921
Insurance	173 573	192 516
Medical aid - company contributions	2 080 943	1 877 938
Pension	4 461 850	4 110 793
Performance awards	4 801 937	4 911 713
Recruitment costs	-	-
Other non pensionable allowances	132 255	305 658
Unemployment Insurance Fund	809 781	688 312
Skills development levy	124 544	119 471
TOTAL	62 915 503	56 885 758

Senior management remuneration (included in the figures above):

Remuneration of the Chief Executive Officer - R.M. Zwane

Allowances	123 150	120 000
Bonus*	454 906	625 309
Fund contributions	512 953	481 533
Salary	3 596 215	3 258 398
13th cheque**	325 682	301 557
Long service award	-	35 000
TOTAL	5 012 905	4 786 797

Remuneration of the Chief Financial Officer - Z. Mqoboli

Allowances	-	245 327
Bonus*	253 828	348 909
Fund contributions	280 795	262 138
Salary	2 080 693	1 918 545
13th cheque**	181 724	-
TOTAL	2 797 039	2 774 919

Remuneration of the Executive Manager: Compliance & Licensing - B. L. Jaxa

	2025 R	2024 R
Allowances	108 000	108 000
Bonus*	276 358	379 879
Fund contributions	332 253	311 119
Salary	2 121 256	1 925 811
13th cheque**	197 854	183 198
TOTAL	3 035 720	2 908 007

Remuneration of the Executive Manager: Corporate services - Y. Roboji (appointed February 2024)

Allowances	270 720	40 000
Bonus*	223 845	-
Fund contributions	47 847	7 810
Salary	1 794 906	278 840
13th cheque**	-	-
TOTAL	2 337 318	326 650
TOTAL SENIOR MANAGEMENT REMUNERATION	13 182 983	10 796 373

- ➊ The amount shown as bonuses above relates to the provision recognised in terms of the Policy on the Integrated Performance Management System.
- ➋ The amount disclosed reflects the actual payment made to the incumbent during the reporting period. Whereas the amount recognised in deficit relates to the accrual raised during the reporting period.

18. MARKETING AND RESEARCH COSTS

The costs for marketing and research include the following:

	2025 R	2024 R
Advertising, subscriptions and publications	523 440	772 650
Research and public education	1 355 781	925 864
TOTAL	1 879 221	1 698 514

19. OTHER OPERATING EXPENDITURE

Canteen and catering	71 379	72 251
Communication costs	780 419	716 997
Computer consumables	77 915	91 996
Courier and delivery charges	2 314	1 678
Consumables	391 045	107 043
Fuel, oil and licenses	442 079	604 143
Insurance premiums	541 020	425 298
Software support	254 616	79 503
Maintenance and repairs	172 174	217 830
Municipal services	807 521	683 058
Rentals in respect of operating leases - plant, machinery and equipment	88 584	99 328
Security services	740 662	415 075
Software annual license fees	3 584 437	3 627 851
Staff wellness programme	122 128	95 578
Uniforms and crockery	2 396	-
TOTAL	8 078 689	7 237 629

20. STATUTORY AUDIT FEES

	2025 R	2024 R
STATUTORY AUDIT - AUDITOR-GENERAL	888 966	848 635

21. FINANCE INCOME

Interest revenue

Bank	3 671 596	3 555 960
Statutory receivables	41 350	234 102
TOTAL	3 712 946	3 790 062

22. CASH GENERATED FROM OPERATIONS

Surplus	(6 873 055)	327 642
Adjustments for:		
Amortisation of intangible assets	1 593 414	1 036 170
Depreciation and impairment of PPE	2 794 278	2 702 005
Interest income	(3 671 596)	(3 555 960)
Cash (surplus) / deficit on disposal of assets (refer below)	(62 260)	(178 849)
Changes in working capital:		
Increase in collections for distribution, trade and other payables and employee benefits	1 175 664	2 361 644
(Increase) / Decrease in statutory, other receivables and prepayments	(3 494 852)	(1 997 520)
(INCREASE) / DECREASE IN STATUTORY, OTHER RECEIVABLES AND PREPAYMENTS	(8 538 406)	695 132

Disposal of property, plant and equipment

Proceeds received	(224 153)	(547 077)
Carrying value of disposals	161 894	368 229
Cash (surplus) / deficit on assets disposed during the year	(62 260)	(178 849)
(SURPLUS) ON DISPOSAL OF PPE	(62 260)	(178 849)

23. OPERATING LEASE COMMITMENTS

Minimum lease payments due

- within one year	203 292	-
- later than one year and not later than five years	254 109	389 634
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	457 401	389 634

Leasing arrangements

- ➡ - Two photocopy machines for a period of 36 months ending in February 2027 and with a minimum monthly charge of R16 941 which remains constant. The machines will be returned to the lessor at the end of the period. The lessor is required to provide maintenance and insurance for the equipment during the period of the agreement and retains the risks and rewards of ownership.

24. TRAINING AND DEVELOPMENT COSTS

	2025 R	2024 R
Local travel		
Car hire	24 014	34 723
Daily allowance	37 571	88 077
Training	799 758	678 905
Travel and accommodation	78 982	243 272
Overseas travel		
Car hire	-	-
Daily allowance	248 218	284 511
Training	113 110	119 545
Travel and accommodation	1 420 710	1 186 851
Conferences		
Car hire	71 700	23 109
Daily allowance	66 605	58 158
Training / Conference costs	300 975	269 132
Travel and accommodation	318 643	370 241
Bursary		
Registration fees and books	74 258	211 816
Board Members Training	7 726	110 738
14	3 562 271	3 679 078

25. BOARD AND COMMITTEE MEMBERS EMOLUMENTS

	BOARD FEES	EXPENSES / ALLOWANCES	SUB COMMITTEES	OTHER	TOTAL
	R	R	R	R	R
31 March 2025					
For services as Board and committee members	872 900	-	328 175	85 000	1446 125
31 March 2024					
For services as Board and committee members	633 550	-	200 550	275 750	1 109 850

Detailed Board members emoluments: 31 March 2025

	BOARD FEES	RETAINER	BOARD COMMITTEE FEES	TRAINING OVERSEAS & LOCAL	TOTAL
	R	R	R	R	R
Board members					
T Huisman	210 600	144 000		21250	375 850
V Vika	194 100		46 000	42 500	282 600
J Buchner	148 350		37 700		186 050
N Mafuya	177 300		41 800	21 250	240 350
M N De Beer	142 500		46 000	8 500	198 750
	872,900	144 000	173 200	93 500	1 283 600

Audit committee members (who are not Board members)

	BOARD FEES	RETAINER	BOARD COMMITTEE FEES	TRAINING OVERSEAS & LOCAL	TOTAL
	R	R	R	R	R
Board members					
T Mngqeta	-	-	51 150		51 150
T Cumming	-	-	30 850	8 500	39 350
M Wesi			19 000		19 000
M. Mbedhli (Chairperson)	-	-	-	-	-
	-	-	101 000	8 500	109 500

Other committee members (who are not Board members)

	BOARD FEES	RETAINER	BOARD COMMITTEE FEES	TRAINING OVERSEAS & LOCAL	TOTAL
	R	R	R	R	R
Board members					
M Mondli	-	-	53 025	-	53 025
	872 900	144 000	327 225	102 000	1 446 125

In 2024/25 R 41 460 (2024: R34 361) of the Board members fees reflected in this note were recovered against investigation deposits in the license application process and are included in Recoveries revenue in Note 13.

Detailed Board member emoluments: 31 March 2024

Board members	BOARD FEES	RETAINER	BOARD COMMITTEE FEES	TRAINING OVERSEAS & LOCAL	TOTAL
	R	R	R	R	R
T Huisman	149 000	144 000	3 800	38 250	335 050
V Vika	137 250		37 000	38 250	212 500
J Buchner	116 750		33 200	4 250	154 200
N Mafuya	114 750		34 200	25 500	174 450
M N De Beer	115 800		38 700	12 750	167 250
	633 550	144 000	146 900	119 000	1 043 450

Audit committee members (who are not Board members)	BOARD FEES	RETAINER	BOARD COMMITTEE FEES	TRAINING OVERSEAS & LOCAL	TOTAL
	R	R	R	R	R
T Mnqeta	-	-	27 050	4 250	31 300
T Cumming	-	-	22 800	8 500	31 300
M Wesi			3 800	-	3 800
M Mbedhli (Chairperson)	-	-	-	-	-
	-	-	53 650	12 750	66 400
	633 550	144 000	200 550	131 750	1 109 850

26. RELATED PARTIES

Relationships

a) DEDEAT:

The ECGB is a Schedule 3C Public Entity falling under DEDEAT. The latter serves as the Executive Authority of the ECGB. The ECGB receives a grant from the DEDEAT for its operations as disclosed in Note 13, collects gambling taxes and fees on DEDEAT's behalf and pays them over monthly.

	NOTES	2025 R	2024 R
Unconditional grant received	13	70 382 000	70 725 000

b) Key management personnel

Refer Note 25 and Note 17 for details of Board members and Senior Management remuneration respectively.

COLLECTIONS FOR DISTRIBUTION	NOTES	2025 R	2024 R
Opening balance		15 413 249	14 882 928
Taxes and levies billed on behalf of DEDEAT/Provincial Revenue Fund		188 009 813	184 851 831
Taxes and levies paid over to DEDEAT/Provincial Revenue Fund		(188 104 510)	(184 321 511)
Outstanding collections for distribution at year end	9	15 318 552	15 413 249
STATUTORY RECEIVABLES			
Amounts Billed from licensees not yet received nor paid over at year-end		(606 360)	(50 695)
Amounts payable to Four Racing (refer note 35)*		19 941	169 364
OUTSTANDING RECEIVABLES AT YEAR END	4	14 732 133	15 531 918

*The balances owed to Four Racing are included for reconciliation purposes only, the entity is not a related party.

27. RISK MANAGEMENT

Liquidity risk: The Board manages liquidity risk through an ongoing review of future commitments. Cash flow forecasts are prepared and monitored. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not material.

Maturity analysis of non-derivative financial liabilities

		2025	2024
	NOTES	R	R
Contractual maturities due			
- within one year	28	27 197 089	26 398 516
- in second year	28	119 993	2 600
		27 317 082	26 401 116

The amounts above are made up of the items disclosed in note 28 below under financial liabilities.

Credit Risk:

Credit risk consists mainly of cash deposits, cash equivalents and other receivables. The Board only deposits cash with major banks with high credit standards and therefore has no concentration of credit risks. Other receivables relate primarily to timing of refunds that may be contractually due over the year-end, or outstanding staff debt. These are both assessed as having low credit risk due to the ongoing contractual terms and employment contracts. As at 31 March 2025, other receivables were not impaired.

If counterparties have independent credit ratings, these ratings are used. Otherwise, if there is no independent rating, credit quality is assessed based primarily on past experience or other factors. The entity's maximum exposure to credit risk is equal to the cost amount of the financial assets at balance sheet date and is summarised below:

	2025	2024
	R	R
Cash and cash equivalents	13 704 095	26 800 827
Other receivables from exchange transactions	5 133 115	1 188 733

Interest rate risk

The entity's interest-bearing assets are included under cash and cash equivalents. As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates due to short term nature of interest bearing assets.

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

Interest charged on trade debtors in arrears is linked to the South African prime interest rate.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on financial instruments exposure to interest rates at reporting date. The sensitivity analysis shows reasonable expected changes in the interest rate, either an increase or decrease in the interest percentage. The equal but opposite percentage adjustment to the interest rate would result in an equal but opposite effect on surplus and therefore has not been separately disclosed below. The disclosure only indicates the effect of the change in interest rate on surplus."

Estimated increase in interest rates

	2025	2024
	R	R
Cash and cash equivalents	13 704 095	26 800 827
1% thereof	137 041	268 008

28. FINANCIAL INSTRUMENTS

31 March 2025

Financial assets

	AMORTISED COST	FAIR VALUE
	R	R
Cash and cash equivalents		13 704 095
Other receivables from exchange transactions	5 133 115	

FINANCIAL LIABILITIES

Payable on collection for distributions	(15 318 551)
Trade and other payables from exchange transactions	(11 734 546)
Finance lease obligation	(263 985)

31 March 2024

Financial assets

	AMORTISED COST	FAIR VALUE
	R	R
Cash and cash equivalents		26 800 827
Other receivables from exchange transactions	1 188 733	

FINANCIAL LIABILITIES

Payable on collection for distributions	(15 413 249)
Trade and other payables from exchange transactions	(10 853 613)
Finance lease obligation	(134 254)

29. GOING CONCERN

The entity receives an annual grant and prepares budget on the basis of such grant. The entity is not able to generate sufficient cash flow from its own revenue to cover its operations. As such the entity is dependent for its continued operation in the foreseeable future on continued Government Grant funding. Management has determined that such funding is reasonably expected to continue in the foreseeable future.

The Eastern Cape Provincial government commenced with a project to rationalise provincial public entities. As part of this project, there are plans to merge the ECGB with the Eastern Cape Liquor Board. At reporting date, the date of the merger was unknown. However, it is intended that both entities will be merged as going concerns.

Due to the above, management has assessed the entity as a going concern for the foreseeable future and has prepared the annual financial statements on the going concern basis.

30. EVENTS AFTER REPORTING DATE

Management has reviewed the events between 31 March 2025 and the date of issue by the Accounting Authority to the Executive Authority. No events occurred during this time frame which provides further information on the amounts disclosed as at 31 March 2025, except for the information included in Note 33.

31. TAXATION

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

32. COMMITMENTS

Capital commitments

Approved and Contracted for:
Property, plant and equipment
Intangible assets

2025	2024
R	R
710 983	5 378 527
-	3 300 954
710 983	8 679 481

33. CONTINGENCIES

CONTINGENT LIABILITIES

Civil litigation proceedings (Restated)

The Board is a defendant in three civil litigation proceedings at year-end involving parties who are challenging the regulatory decisions of the Board. Should the Board not be successful in these proceedings, the likely estimate for the applicant's legal costs are as reflected. Any further costs or settlement amount in excess of this cannot be reliably estimated pending the outcome of the matters. The cases are before the courts and the timing of the judgements is unknown, consequently the timing of any possible cash outflows is unknown at reporting date.

These court cases are challenging the regulatory decisions of the Board.

2025	2024
R	R
2 400 000	2 400 000

CONTINGENT LIABILITIES

Request to retain surplus funds

In terms of National Treasury Instruction 12 of 2020/21, the Board has surplus funds on hand at 31 March 2024. A request to retain these funds has been submitted to Provincial Treasury. They allow the rollover of capital commitments (refer note 32) based on past practice and in terms of Provincial Instruction 3 of 2013/14. Accordingly, pending their decision, the Board has not raised a liability for the surrender of surplus funds calculated as disclosed alongside.

2025	2024
R	R
-	8 679 481

A judgement was handed down in a litigation matter that the entity was involved in in the prior year. The matter was incorrectly included in the disclosed contingent liabilities in the prior year for an amount of R1,500,000. The prior year comparative for civil litigation proceedings has been adjusted to exclude this matter.

34. BUDGET VERSUS ACTUAL

The budget disclosed in the comparison of budget to actual amounts covers the period 01 April 2024 to 31 March 2025 and is for the ECGB entity only. The budget is prepared on the same/comparable basis as the Annual Financial Statements, being the accrual basis of accounting. Expenses in the budget are classified in the same manner as for the Financial Statements.

Material budget variances

Corporate social investment

Maths and Science kits were procured at a cheaper price than previous years and were below the budgeted amount.

R	R
(45 394)	-10,4%
1 382 165	51%

Legal costs

The entity is undergoing a re-licensing process for two of its existing key licenses, the development of the request for proposals and the process that follows required additional legal advice from the external panel. This was in addition to existing matters that the panel is dealing with and has significantly increased the legal expenses beyond what was budgeted.

35. PRINCIPAL-AGENT ARRANGEMENTS

Refer to note 26 for details of the taxes collected and paid to the Provincial Revenue Fund through DEDEAT. In addition to this a portion of bookmaker taxes are required to be paid to East Cape Racing as prescribed in schedule III, part B of the Act. The balance at year-end in this regard is included in Trade payables.

4Racing

Opening balance
Taxes and levies billed to bookmakers
Taxes and levies paid over to 4Racing
Amounts impaired

Outstanding payable at year end

2025	2024
R	R
169 364	182 496
770 428	5 951 854
(919 851)	(5 964 986)
-	-
19 941	169 364

36. B-BBEE PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

37. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is defined as expenditure which is made in vain and would have been avoided had reasonable care been exercised. There was no irregular, fruitless and wasteful expenditure during the year under review.

38. CORRECTION OF PRIOR PERIOD ERROR

During the financial year, the entity corrected a prior year immaterial misstatement on the individual cash receipts and payments from operating activities.


The error resulted from a misclassification of certain receipts and payments while preparing the cash flow, due to the calculation method used. The calculation method was corrected in the current year and applied retrospectively to the comparative figures.

The impact of correcting the error for the comparative figures is as follows:

CASH FLOWS FROM OPERATING ACTIVITIES	PREVIOUSLY STATED	RESTATEMENT	RESTATED
Receipts			
Gambling fees and taxes	190 021 479	98 815	190 120 294
Receipts from rendering of services	11 730 920	(917 516)	10 813 404
Payments			
Payment to employees and on behalf of employees	55 252 477	278 438	55 530 915
Payment to suppliers and other payments	32 442 382	(1 097 139)	31 345 243



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