

# Annual 21/22 Report 21/22

Includes financial perfomance and activities over the prior fiscal year









### General **Information**

Registered Name: The South African Responsible Gambling Foundation NPC

Registration Number: 2004/012448/08

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 $Website\ Address:\ www.responsible gambling.org.za$ 

External Auditors: SNG-Grant Thornton

Facebook: South African Responsible Gambling Foundation

Twitter: @SARGFoundation

Instagram: #southafricanresponsiblegamblingfoundation

LinkedIn: South African Responsible Gambling Foundation

WhatsApp Line: +27 (0) 76 675 0710



Combined assurance
The Foundation has adopted a combined assurance approach closely aligned with the recommended practices set out in King IV Report. The Board has delegated responsibility for governance oversight of combined assurance to the Audit and Risk Committee, which is required to ensure implementation of the combined assurance model results in fully integrated internal and external assurance activities across the business.

**King IV Principle 15**The Audit and Risk Committee has oversight over the effectiveness of the Foundation's combined assurance, in conjunction with the Internal Auditors to achieve the objectives of adequate combined assurance.

### Table of **Contents**

GENERAL INFORMATION	4
About us	5
STRATEGIC GOALS	
ORGANISATIONAL STRUCTURE	8
BOARD MEMBERS	
TREATMENT AND COUNSELLING	10
Classification by Gender	11
Classification by Age	12
Classification by Province	12
Classification by Employment	13
Education Level	14
Modes of Gambling	14
SELF-EXCLUSIONS	
SOCIAL SERVICES	
TRAINING	32
Training Performance VS Annual Operational Plan F/Y 2021/2022	33
Responsible Gambling Training 101,102,103 for Gambling Operators	33
Classification by training course	34
Classification by province	34
Responsible Gambling Training Gambling Regulators	36
Responsible Gambling Training for Public Sector	37
Responsible Gambling Training for Social Workers & Health Care Professionals	37
Responsible Gambling Training for Educators	37
Responsible Gambling Training for Religious Leaders & Faith-based Advisors	38
HUMAN RESOURCES	40
RESPONSIBLE GAMBLING PUBLIC AWARENESS	45
GOVERNANCE	47
AUDIT AND RISK COMMITTEE REPORT	50
AUDITED FINANCIAL STATEMENTS	52

### **About Us**

The South African Responsible Gambling Foundation (the Foundation) is a not-for-profit (NPC) organisation incorporated in terms of the Companies Act (Act no. 71 of 2008, as amended). The Foundation is funded by the South African gambling industry, which consists of the following sub-sectors: casino, betting, bingo, limited pay-out machine (LPM) and bookmakers. The industry funding is curbed at 0.1% of the industry's Gross Gambling Revenue (GGR) (i.e., money staked less money paid out in winnings).

Through its flagship programme, the National Responsible Gambling Programme (NRGP), the Foundation provides *free* treatment and counselling to individuals negatively affected by gambling. It also offers public awareness programmes to sensitise the public about the adverse consequences of disordered gambling on themselves and their loved ones. Over and above these programmes, we have a Social Interventions Unit that provides counselling and support to vulnerable groups, that is, children, teenagers, the elderly, and social grant recipients. In addition, our Treatment, Counselling and Social Services department is responsible for educating the industry about its social relations as it relates to responsible gambling programmes.



#### Our primary purpose and object:

To grow awareness of responsible gambling and to manage and minimise the potential harmful effects of disordered gambling.



#### **Vision**

A responsible gambling environment through accessible programmes that manage and minimise the potential harmful effects of gambling in South Africa.



#### Mission

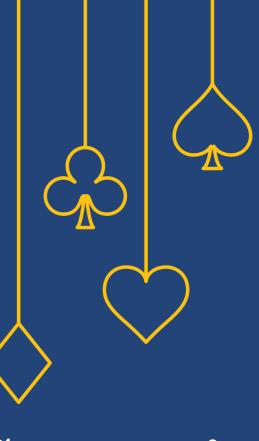
Our mission seeks to succinctly identify what the organisation does, why, and for whom – its strategic focus is in support of the public, industry, and regulators. In achieving its vision, the Foundation defines its mission as follows:

To grow awareness of responsible gambling and to ensure that the potential negative and harmful effects of gambling are managed and minimised through an integrated and wellmanaged programme of:

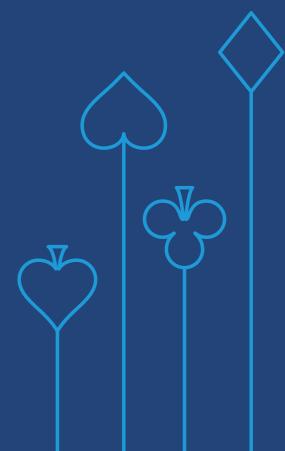
- → Disordered gambling prevention;
- → Integrated and comprehensive treatment and counselling;
- → Advocacy and stakeholder mobilisation; and
- → Research and knowledge application.

The above mission identifies the critical roles and functions of the Foundation as an implementing agent of both the regulators and industry as partners and with the general public, gambling patrons and those close to them as beneficiaries. This informs the role and functions of the Foundation, namely:

- 1) Prevention and Public Awareness that advocates and collectively addresses exposure of vulnerable groups (children, teenagers, elderly, and social grant recipients) to potential harmful effects of gambling behaviour. This includes creating awareness of early intervention.
- 2) Integrated and Comprehensive Treatment, Counselling, and Social Interventions this ensures that free and confidential expert advice and assistance is available to disordered, addicted, and relapsed gamblers and affected family members.
- 3) Industry Training and Mentorship which provides ongoing education, training and development to gambling boards, the gambling industry, managers and employees, health care workers, and a range of other industry sectors on disordered gambling and related issues and how to identify, manage and refer disordered gamblers for professional intervention.
- 4) Research and Application to increase the understanding of gambling trends, disordered gambling and the socio-economic impact of gambling in South Africa to provide appropriate interventions.



# Strategic Goals



The Foundation's strategic framework reflects a continued focus on the alignment and integration of the business of the Foundation with its mandate, vision, mission and values. Accordingly, the Foundation's planning architecture, execution and reporting cycles are progressing towards becoming a centre of excellence that effectively services the needs of all its stakeholders.

#### SG1

#### STRATEGIC GOAL

Advocacy and broad access to prevention and responsible gambling awareness interventions

#### **GOAL STATEMENT**

To minimize the potential harmful effects of problem gambling through comprehensive and integrated prevention and public awareness interventions

#### SG<sub>2</sub>

#### STRATEGIC GOAL

Integrated and comprehensive treatment, counselling, and social services interventions for those affected by disordered gambling

#### **GOAL STATEMENT**

To provide treatment and counselling services to those directly and indirectly affected by problem gambling at no cost.

### SG3

#### STRATEGIC GOAL

Integrated knowledge and application through research intelligence for evidence-based programme support

#### **GOAL STATEMENT**

To position the Foundation as a credible and authoritative voice on responsible gambling and disordered gambling trends, interventions, and solutions in South Africa and globally through research findings

### SG4

#### STRATEGIC GOAL

Develop, train, and capacitate the gambling industry and other stakeholders with the knowledge to identify and respond to incidents of problem gamblers

#### **GOAL STATEMENT**

To provide ongoing education, training and support to the regulators, gambling industry and other stakeholders on identification, mitigation, and response to problem gambling incidents

### SG5

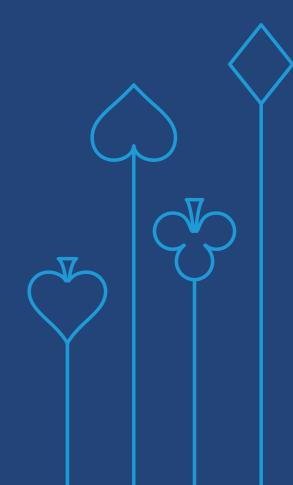
#### STRATEGIC GOAL

Sound governance and effective administration and management of resources

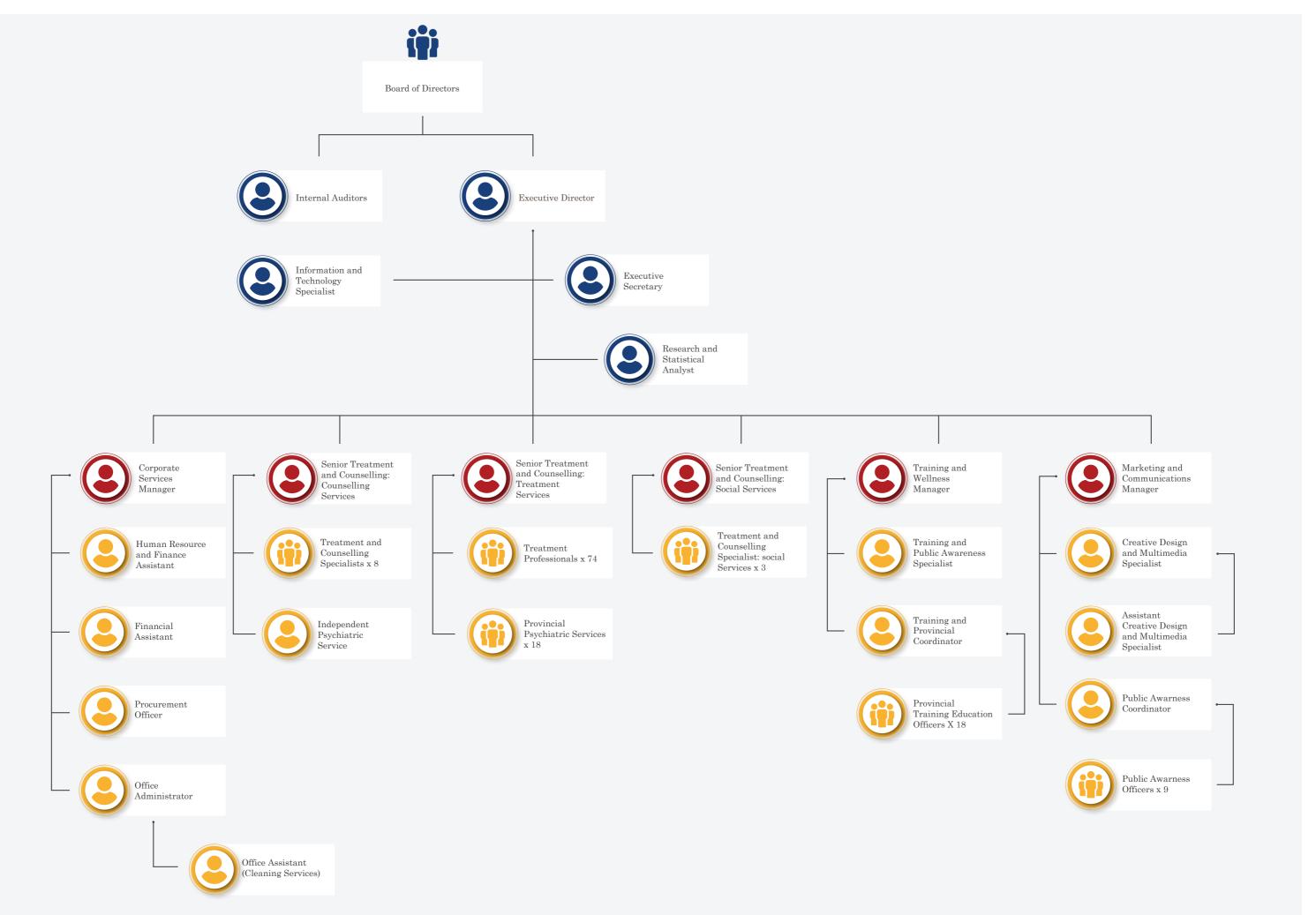
#### **GOAL STATEMENT**

To promote good corporate governance and highperforming culture and to strengthen accountability through effective planning, leading, organising, and controlling





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SARGF Annual Report 2021/22

# Abbreviations and Acronyms

AOP	Annual Operational Plan
CATHSSETA	Culture Arts Tourism Hospitality Sector Education Authority
CPD	Continuous Professional Development
EAP	Employee Assistant Programme
ED	Executive Director
GGR	Gross Gambling Revenue
HPCSA	Health Professionals Council of South Africa
HR	Human Resources
ICP	Integrated Care Programme
ICT	Information and Communications Technology
IMS	Information Management System
LPMs	Limited Pay-out Machines
NGB	National Gambling Board
NPC	Non-profit Company
NRGP	National Responsible Gambling Programme
POPI	Protection of Personal Information
PLAs	Provincial Licensing Authorities
SETA	Sector Education Training Authority
SACE	South African Council for Educators
SARGF	South African Responsible Gambling Foundation
SLA	Service Level Agreement
The Foundation	The South African Responsible Gambling Foundation
The dtic	The Department of Trade, Industry and Competition
Treatment Professionals	TPs



# Chairperson's Foreword

The path to recovery

Adv. Fana Joe Nalane Chairperson of the Board

he financial year 2021/2022 saw the beginning of the Foundation's five-year strategy. The strategy cycle comes at a time when the gambling industry started its recovery plans caused by the COVID-19 pandemic. Many lessons were learnt from the lockdown period, industry shutdown and steady reopening. As different sectors began their journey to pre-pandemic performance it was encouraging to observe the Gambling Industry's recovery during the 2021/2022 financial year.

Data and research from the National Gambling Board (NGB), show that the 2021/2022 financial year which marked the second year of the COVID-19 pandemic, saw the gambling industry rebound. Overall, Gross Gambling Revenue (GGR) totalled R34.4 billion, a figure above that of the preceding year of R23.4 billion and the year before the pandemic hit of R32.7 billion. The betting industry's performance grew exponentially in the 2020/2021 financial year and this trend continued unabated in the 2021/2022 financial year. At present, the betting industry generates 44.9% of total industry GGR, followed by the Casino (39.9%), Limited Pay-out Machines (LPM)

(10.7%) and Bingo (4.4%) sectors. This is a certainly different picture from 10 years ago when casinos held 80% of the market share of the total gambling industry. It is encouraging to see this type of growth, and trend in the Gambling sector which has a direct influence and impact on the work that the Foundation does which amongst others is to provide free confidential treatment and counselling to punters and their loved ones who may be impacted by the negative harmful effects of disordered gambling.

The Foundation continues to implement its programmes against the new strategy cycle and strategic objectives, this annual report provides a holistic view of its performance. On behalf of the Board Members, I would like to thank the Executive Director for her sterling leadership and the commitment of the Management team to ensure the Foundation grows the responsible gambling environment through accessible programmes that manage and minimise the potential harmful effects of disordered gambling.

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# The Journey **Continues**

Mrs. Sibongile Simelane-Quntana **Executive Director** 

Message

he 2021/2022 financial year was an interesting year to review Our strategic plan 2021 – 2026, has redefined the following areas: the impact the COVID-19 lockdown restrictions and the easing thereof had on gambling addiction during year two of the COVID-19 pandemic.

Through our COVID-19 business continuity plan the Foundation was able to continue to provide its programmes using a hybrid model of delivery. Department Managers had the challenging task of being agile in their programme planning and implementation, especially when setting Annual Operational Plan (AOP) targets and balancing baseline information from two previous financial years (2019/2020 &2020/2021) during a year of pandemic uncertainty.

With the onsite licenced operators not fully operational at full capacity our programme offering needed to cater for unique industry needs, especially our Responsible Gambling Industry training. I would like to thank licenced operators who contributed 0.1% of their Gross Gambling Revenue (GGR) towards the National Responsible Gambling Programme (NRGP), which enabled the Foundation to implement its responsible gambling programmes successfully.

The year under review started the Foundation's five-year strategy cycle, charting the way forward for the Foundation's Strategic Plan (2021 - 2026),

- a) A strategic framework that defines the organisation's character, including a response to the regulatory, external and industry environment and the expectations of the various
- b) An articulation of the mandate, vision, mission and values of the Foundation, considering its primary object.
- c) The strategic direction of the Foundation with a meaningful role in supporting the regulators, the industry and communities by mitigating the potential harmful effects of problem gambling in South Africa and extending its scope to neighbouring countries and the rest of Africa.
- d) A balanced and aligned set of business goals, focus areas, strategic objectives and aligned performance metrics for 5-years that seek to: enhance the efficiency and effectiveness of the Foundation and its operations and effectively leverage its limited resources to grow its reach and impact in the next 5 years and
- e) Reposition and enhance the visibility of the Foundation both nationally and internationally, as well as at the stakeholder
- f) Capacitated and redesigned institutional arrangements to give effect to the Strategy.

I would like to thank our Board, staff and strategic stakeholders for their unwavering commitment and support.

### **Board Members**



Mr Nalane, Joe Fana Chairperson



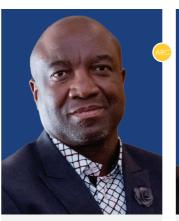
Mrs Simelane-Quntana, Sibongile Millicent Executive Director



Chairperson Audit & Risk Committee



Mr Makoko, Mokgase Gregory Chairperson HR and REMCO



Mr Marasha, Doualas Audit & Risk Committee Member



Ms. Balovi. Portia Nonhlanhla HR and REMCO Member



Audit & Risk Committee Member



Ziningi HR and REMCO Member



Mrs Malebo Mpepele

HR and REMCO Member



Mr Seseane, Obakena (Alternate to Mr Kenneth Dichabe) Audit & Risk

Committee Member

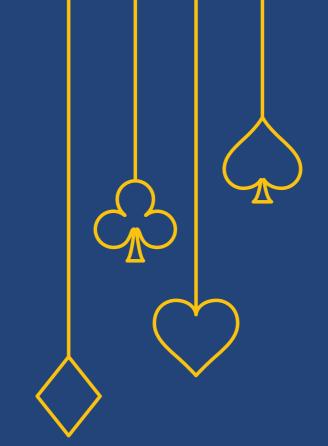
Period March 31 2021 to April 1 2022

#### Commitees:

Audit Risk Commitee

**Human Resources** 

Remmuniration Commitee



# Treatment and Counselling



- a) Strategic Goal 2: Integrated and comprehensive treatment, counselling and social services interventions for those affected by disordered gambling.
- **b) Strategic Objective:** To provide free, professional, confidential and easily accessible therapeutic, clinical and psychoeducation interventions.

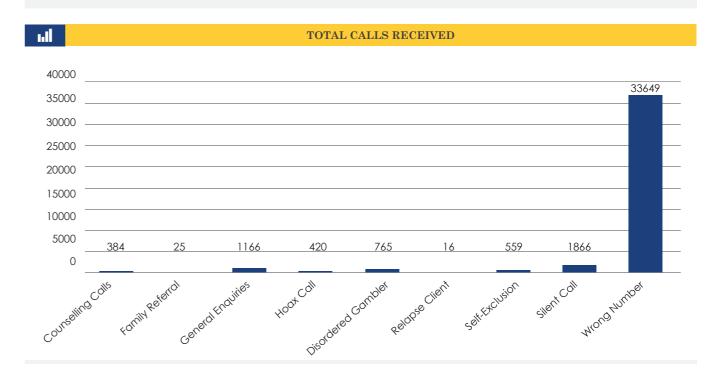
In the 2021/2022 financial year (1 April 2021 – 31 March 2022), the National Responsible Gambling Programme (NRGP) received **38 850** calls; out of the **38 850**, **37 101** were not Treatment related; these were calls from punters who either wanted their password reset or needed information about their accounts with the operators. The Foundation is seeking ways to reduce these calls as they make up 95% of all calls.

A total of 1749 of those calls were treatment related. Table 1 gives a breakdown of these calls.

TABLE 1: BREAKDOWN OF TREATMENT AND COUNSELLING CALLS			
Type of Call	Total		
Disordered Gambling Calls	765		
Self-Exclusion	559		
Telephone Counselling	384		
Relapsed	16		
Family Referrals	25		



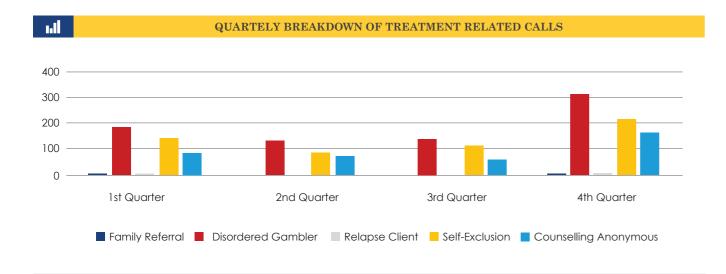
For the year under review, **384** disordered gamblers received **Telephone Counselling**, and **1365** disordered gamblers were **referred**.



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#### Classification by Employment



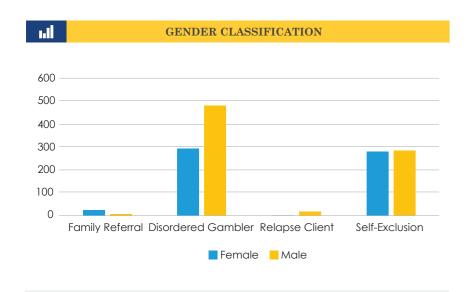
#### Classification by Gender

Out of 1365 referred, 776 were male, and 589 were female; the data shows that disordered gambling remains more prevalent among male punters.

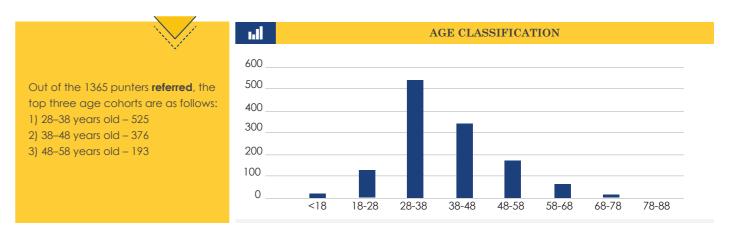
The Treatment statistics above concur with a study by Valenciano-Mendoza and Jimenez Murcia (2021), which indicates that disordered gambling is more prevalent among males than females. The study further revealed that women also experience a gambling disorder but rarely seek treatment. The statistic could mean that The study further indicated consistent evidence that male more women are not coming forward to seek treatment, or that more men participate in gambling than women.

It is generally accepted that men are risk-takers in nature, and hence they are more involved in activities based on chance, such as gambling, than women. A 2016 study by Merkouris, Thomas, Shandley, Rodda, Oldenhof and Dowling supports other studies and the above treatment statistics, as it alluded that males are typically more likely than females to be either at-risk or disordered

disordered gambling is associated with impulsivity.



#### Classification by Age



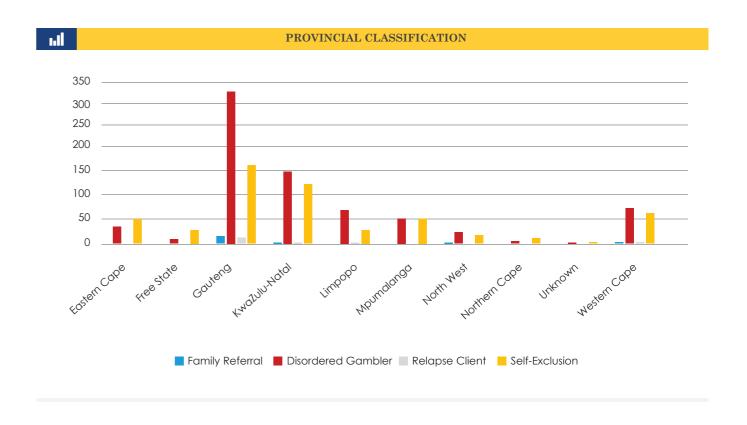
#### Classification by Province

- 1) Gauteng 525
- 2) KwaZulu-Natal 289
- 3) Western Cape 149
- 4) Mpumalanga 108
- 5) Limpopo -104

The data shows that disordered gambling remains high in Gauteng, KwaZulu-Natal and Western Cape, being the three provinces with the vast majority of economic activity and population density.

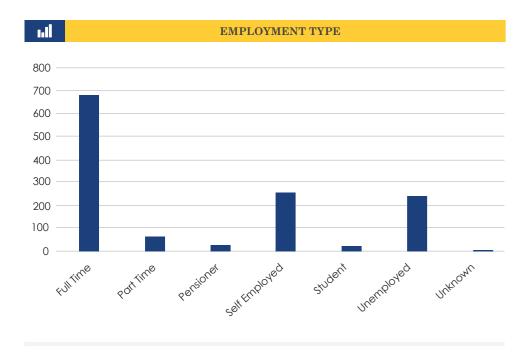
However, this does not mean that other provinces are not seeing a rise in disordered gamblers; the NRGP assisted 108 disordered gamblers from Mpumalanga, placing the province in fourth place, and 104 from Limpopo in fifth place.

According to the National Gambling Board's (NGB) 2021/2022 gambling industry Gross Gambling Revenue (GGR), the second year of the COVID-19 pandemic saw the gambling industry rebound. Overall, the GGR in 2021/2022 totalled R34.4 billion, a figure above that of the preceding year of R23.4 billion and the R32.7 billion of the year before the pandemic hit.



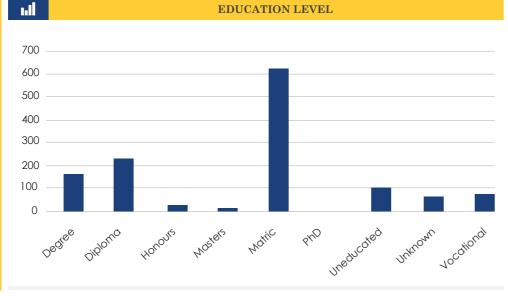
#### Classification by Employment

Of the 1365 disordered gamblers **referred**, **695** were **employed**, **257 were self-employed**, and **250** were **unemployed**. The data shows that these disordered gamblers are not gambling for leisure or social gambling, but are instead chasing losses or have made gambling an additional income stream and, in the process, become a disordered or addictive gambler. The data for the unemployed cohort shows that this cohort is either using their social grants, unemployment insurance funds or pension funds to gamble as additional income and end up chasing losses and being trapped in debt and the borrowing money cycle.



#### **Education Level**



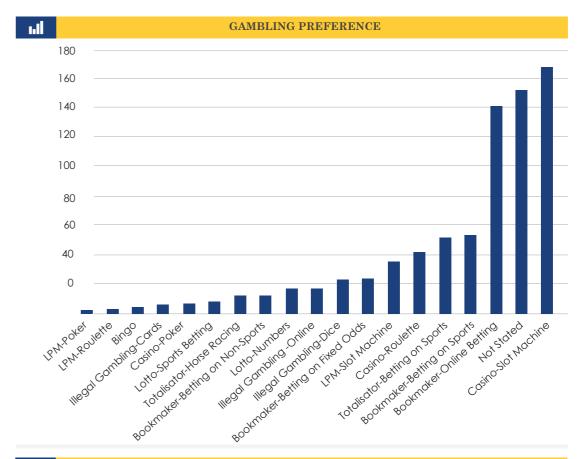


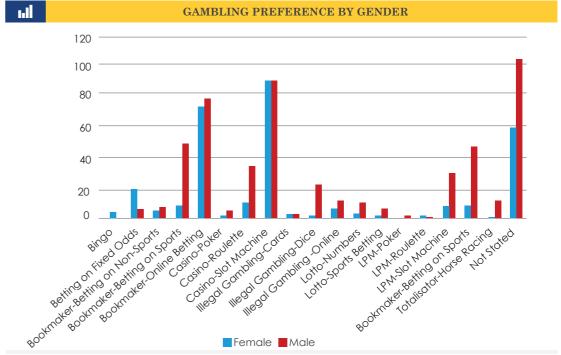
#### **Modes of Gambling**

The top three preferred modes of gambling that disordered gamblers indicated are as follows:

- 1) Casino slot machines 170, followed by
- 2) Bookmakers online betting 143, then
- 3) Bookmakers betting on sports 54

The data shows that the mode of gambling preference is interlinked with age, as previously shown in the age cohort breakdown. South Africa is a country with a majority of its population in the youth cohort and is also a sports-loving nation. With mobile and digital technology, betting has become more accessible to the youth cohort.





#### **Self-Exclusion**

#### National Gambling Act, 2004, Self-Exclusion

a) According to the National Gambling Act 2004, 14. (1) A person who wishes to be prevented from engaging in any gambling activity may register as an excluded person by submitting a notice to that effect in the prescribed manner and form at any time. (2) A person who registered as an excluded person in terms of subsection (1) may submit a notice in the prescribed manner and form to cancel registration at any time. (3) A notice filed in terms of subsection (1) or (2) takes effect on a date determined in accordance with the regulations.

b) An individual who is excluded from gambling activities cannot take part in any gambling activity for a period of six months.c) Should one's request for exclusion be granted, their name will be placed in the list of excluded persons maintained by the gambling board.

d) One will be denied access to the premises of a gambling area or venue from which he/she chose to exclude herself/himself. Noncompliance could lead to the removal of an individual from the site or eviction where necessary.

e) Trespassing may lead to the casino implementing criminal charges against excluded individuals for such conduct.

#### Request for self-exclusion upliftment:

a) The National Responsible Gambling Programme (NRGP) supports the Self-Exclusion intervention as stipulated in the Gambling Act. b) The South African Responsible Gambling Foundation (SARGF) plays a role in this Programme: Counselling and Support for the excluded individuals and their immediate family members.

c) After the six months lapses, the ban does not automatically get revoked.

d) Requests for the upliftment of the self-exclusion order will only be considered once the self-exclusion order has been in force for a period of six months and the player proves that he/she has attended counselling sessions with one of our Treatment Professionals.

#### **Self-Exclusion Session & Letter:**

 a) The Self-Exclusion counselling programme takes about three weeks.

b) The disordered gambler is required to attend one to three standard Counselling Sessions with the Treatment Professional.
c) The Treatment Professional submits a Treatment Summary report to the Senior Treatment Specialist (Counselling Services then review and issue a self-exclusion letter).

d) The letter, therefore, provides feedback on attendance, cooperation, compliance and whether the disordered gambler had insight/limited insight towards the harmful effects of disordered gambling. The disordered gambler then hands the letter over to the Gambling Boards or Gambling Operators through hand delivery, email or fax provided by SARGF.

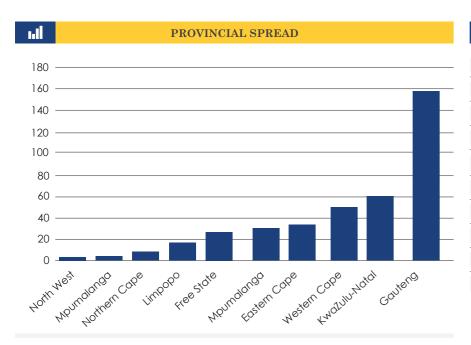
e) The letter simply serves as proof or confirmation that a disordered gambler (Self-excluded disordered gambler) has attended the outpatient counselling programme for a self-exclusion upliftment with a registered mental health practitioner; SARGF is not mandated to recommend or approve or deny the lifting of a self-exclusion, nor does it play a role in detecting whether the disordered gambler is being truthful or untruthful during their sessions.

#### **Statistics**

Below are statistics consolidated for the annual period of 2021–2022. This section will give detailed information on Provincial, Gender, Age, Session, Waiting Periods, Reasons for Self-Exclusion, Gambling during Self-Exclusion and Level of Insight for all the disordered gamblers who attended counselling sessions and thereafter received letters on their completion.

#### Provincia

The graph and table below present a provincial breakdown of the letters written during 2021–2022. The total number of letters written was 414.

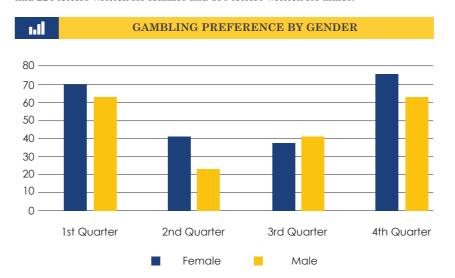


North West	3
Northen Cape	7
Limpopo	16
Free State	26
Mpumalanga	34
Eastern Cape	33
Western Cape	50
KwaZulu-Natal	87
Gauteng	158
Total	414

PROVINCIAL COUNT

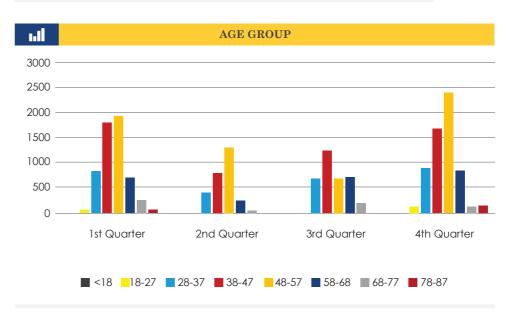
#### Gender

The graph and table below present a Gender breakdown of the letters written during the four quarters of the financial year 2021–2022. We had 224 letters written for females and 190 letters written for males.



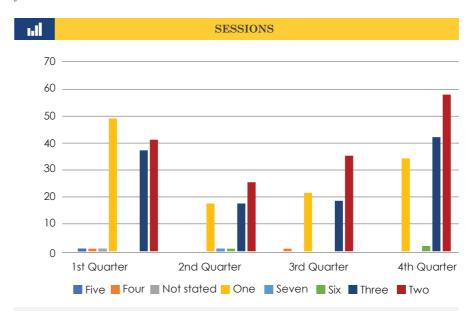


Quarter	Female	Male	Grand Total
1st Quarter	70	63	133
2nd Quarter	41	23	64
3rd Quarter	37	41	78
4th Quarter	76	63	139
Total	224	190	414



#### Sessions

The graph and table below present the Counselling Session breakdown of the letters written during the four quarters of the financial year 2021–2022.



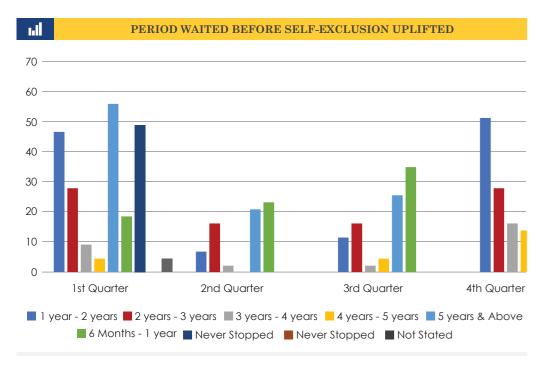
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#### COUNT OF SESSIONS

Quarter	5 Sessions	4 Sessions	Not Stated	1 Session	7 Sessions	6 Sessions	3 Sessions	2 Sessions	Grand Total
1st Quarter	1	1	1	50			38	42	133
2nd Quarter				18	1	1	18	26	64
3rd Quarter		1		22			19	36	78
4th Quarter				35		2	43	59	139
<b>Grand Total</b>	1	2	1	125	1	3	118	163	414

#### **Waiting Period**

The graph and table below present the breakdown of the letters written during the waiting period before the uplifting during the four quarters of the financial year 2021–2022. As guided by the National Gambling Act 2004, some with a gambling problem may ban themselves and uplift after six months after seeking professional treatment or counselling, depending on the extent of their gambling problem. The report's waiting period refers to when a disordered gambler applied for self-exclusion until they sought counselling to aid with the upliftment of the ban. It further gives a guide on the extent to which a disordered gambler gambled during the period they applied for self-exclusion and the upliftment period.



#### In Summary

In the 1st Quarter, 25 Self-Excluded disordered gamblers had a waiting period of 1 year to 2 years before they could apply for their upliftment, 17 Self-Excluded disordered gamblers waited for 2–3 years, while nine disordered gamblers waited for a period of 3 to 4 years before they could apply for their exclusion.

Furthermore, seven disordered gamblers waited for 4–5 years, and 29 disordered gamblers waited for 5 years and above. A total number of 26 disordered gamblers continued to gamble at other gambling establishments or/and gambling sites even though they had banned themselves. Only seven disordered gamblers had not specified how long they waited before they could uplift their ban or/and whether they continued to gamble.

In the 2nd quarter, a total number of eight Self-Excluded disordered gamblers waited for 1–2 years without gambling before they could apply for their exclusion, 12 disordered gamblers waited for a period of 2–3 years, and six Self-Excluded disordered gamblers waited for 3–4 years. For the period of 4–5 years, only one disordered gambler did not gamble until he/she could attend sessions to uplift their ban. A total of 14 disordered gamblers waited for about 5 years and above before they could attend their sessions to uplift their ban.

Those disordered gamblers who waited only for a minimum of 6-12 months amounted to 15, while those who never stopped gambling

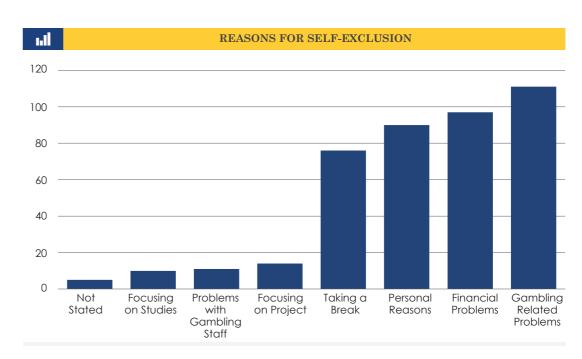
amounted to only three. Only five disordered gamblers never stated the period they waited before they could attend sessions to uplift their ban. The 3rd quarter had 25 Self-Excluded disordered gamblers who waited for about 1–2 years, 12 waited for a period of 2–3 years, while only six Self-Excluded disordered gamblers waited for a period of 3–4 years. Seven disordered gamblers waited for a period of 4–5 years without gambling before they could attend the counselling sessions to uplift their ban, 16 Self-Excluded disordered gamblers waited for a period of 5 years and above before they could attend sessions to uplift their ban. Five disordered gamblers never stopped gambling despite having banned themselves. Only two disordered gamblers never stated their waiting periods.

In the 4th quarter, 18 disordered gamblers never stated how long they had waited before they could attend sessions to uplift their ban, while 27 Self-Excluded disordered gamblers stated that they had waited for 1-2 years. A total number of 17 Self-Excluded disordered gamblers waited for about 2-3 years, 12 disordered gamblers waited for 3-4 years, while 11 Self-Excluded disordered gamblers waited for a period of 4-5 years.

Furthermore, 24 disordered gamblers waited for 5–6 years before they could attend sessions to uplift their ban, while 26 Self-Excluded disordered gamblers waited for 6 years and above.

#### **Reasons for Self-Exclusion**

The graph and table below present reasons why individuals decided to self-exclude and the breakdown of the letters written during the financial year 2021–2022.



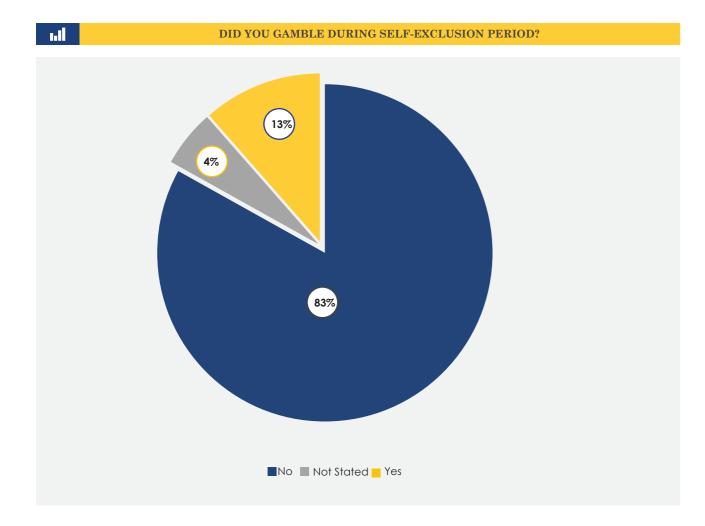
( ) | (a) SARGF Annual Report 2021/22

COUNT OF REASONS FOR SELF-EXCLUSION				
Not Stated	5			
Focusing on Studies	10			
Problems With Gambling Staff	11			
Focusing on Project	14			
Taking a Break	76			
Personal Reasons	90			
Financial Problems	97			
Gambling-Related Problems	111			
Total	414			



#### Gambled during Self-Exclusion

The graph and table below present a breakdown of the letters written during the financial year 2021–2022 on whether clients gambled during the self-exclusion period.

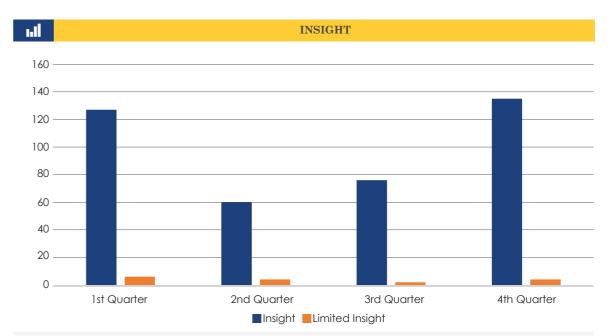


<b>m</b>	COUNT OF GAMBLED DURING SELF-EXCLUSION?		
No 341		341	
Not Stated		18	
Yes		55	
Grand Total		414	

#### **Level of Insight**

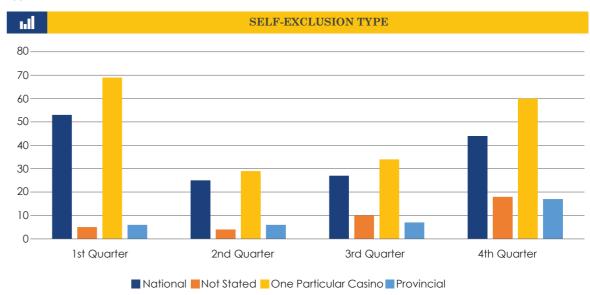
The graph and table below the present a breakdown of the letters written during the four quarters of the financial year 2021–2022 on the level of insight. The level of insight is often clinically evaluated by the Treatment Professionals during the treatment of Self-Exclusion disordered gamblers. This is done through conducting the Gambling History Questionnaire, PG-YBOCS assessment tools and provision of Psychoeducation, which then helps with evaluating the severity of the disordered gambler's gambling behaviour and which disordered gamblers have assessed the understanding of the harmful effects of gambling. Disordered gamblers who were presented with insight are those disordered gamblers who displayed knowledge of the detrimental effects of gambling clinically and who are deemed to be prepared (through Hard reduction) and ready to go back as and when the Board approves the upliftment application.

In the case of the disordered gamblers who are presented with letters that state that they have limited insight, these are disordered gamblers who would have shown concern that despite the education provided, they display a lack of understanding of the harmful effects of gambling.

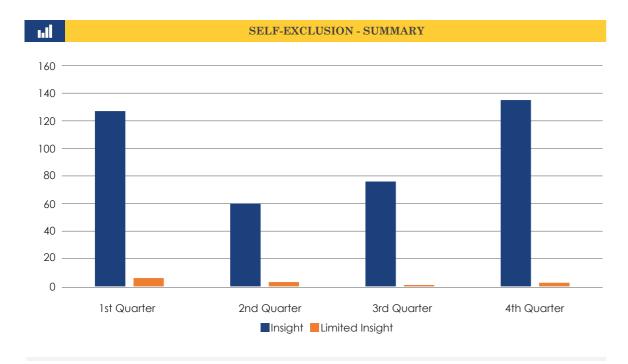


	COUNT OF INSIGHT/LIMITED INSIGHT					
Quarter	Insight	Limited Insight	Grand Total			
1st Quarter	127	6	133			
2nd Quarter	60	4	64			
3rd Quarter	78	2	78			
4th Quarter	135	4	139			
Grand Total	398	16	414			

#### Type of Self-Exclusion



	QUARTERLY BREAKDOWN SELF-EXCLUSION				
Quarter	National	Not Stated	One Particular Casino	Provincial	Grand Total
1st Quarter	53	5	69	6	133
2nd Quarter	25	4	29	6	64
3rd Quarter	27	10	34	7	78
4th Quarter	44	18	60	17	139
Grand Total	149	37	192	36	414



Despite having had 414 letters written for the annual period highlighted above, and even though these individuals self-excluded for a duration of six months and above, there are individuals who indicate that they still gambled during the self-exclusion, as presented in the table above.

The question that may stem from this is why people have access to gambling venues when they are prohibited, and the answer could be a result of the different types of self-exclusions individuals get to choose; namely, self-exclusion from just one casino, provincial self-exclusion and, finally, national self-exclusion. As indicated in the table, we also have those who did not state what type of self-exclusion they applied for.

Other reasons could include cognitive thinking processes, gambling urges and simply general information on their gambling behaviours. As part of developing the Self-Exclusion report , SARGF aims to establish these psychological reasons by adding to the Summary Report scoring of the Gambling History Questionnaire (SCI-PG). The PG-YBOCS is crucial, as it will help to evaluate the cognitive aspects behind why disordered gamblers struggle with gambling while they are still prohibited from gambling.

The report further explores the reasons why disordered gamblers apply for a self-exclusion. This helps to understand the motive why disordered gamblers want to stay away from gambling. The outcome is as follows: of the 414 individuals who were given letters and

had attended the sessions, these are the reasons why disordered gamblers self-excluded: Not Stated- 5, Focusing on Studies- 10, Problems with Gambling Staff- 11, Focusing on Project- 14, Taking a break- 76, Personal Reasons- 90, Financial Problems- 97, and Gambling-Related Problems-111.

From this, we can infer the following: Focusing on Studies includes those individuals who wanted to avoid gambling as a result of their studies; Problems with Gambling Staff means clients were likely involved in a dispute or fight within the casino and were then prohibited from gambling; Focusing on Project is similar to the reasons for Focusing on Studies but relate more to business or house building / renovation projects; Taking a Break purely means they felt they needed time away from gambling; Personal Reasons relate to those who wanted to support their family members or for other personal reasons; Financial problems refer to those who were losing money, who had debts, and/or who spent almost if not all their salary at once on gambling; and Gambling-Related Problems include those who felt they were losing control, missing work because of gambling, who were lying about their gambling behaviours to family and friends, and many other signs and symptoms of individuals who struggle with disordered gambling and gambling addiction.

Finally, another important aspect that could link with some of the points raised above is that of the waiting period before a client does an upliftment or revokes their exclusion.



() SARGF Annual Report 2021/22

### Social Services

a) Strategic Goal 2: Integrated and comprehensive treatment, counselling and social services interventions for those affected by disordered gambling.

**b)** Strategic Objectives: To provide free, professional, confidential and easily accessible therapeutic, clinical and psychoeducation interventions.

The Social Services programme is housed within the Treatment, Counselling and Social Services department. This programme arises out of a need by families impacted by disordered gambling to have a dedicated intervention. In addition, the programme is also responsible for the employee assistance programme, a new programme which was piloted in the year under review to expand on the current National Responsible Gambling Programme services and focus more on providing services to families impacted by the potential harmful effects of disordered gambling and prevention and protection of vulnerable groups.

#### Social Services deals with the following services:

- 1) Family Referrals
- 2) Group Sessions
- 3) Minor Interventions
- 4) Gambling Industry Employee Assistance Programme
- 5) Older Persons' Intervention

#### **Family Intervention Programme:**

The Family Intervention Programme was started in 2020 during the COVID-19 pandemic after experiencing an increase in the number of families faced by disordered gambling of their loved ones. The Programme provides a comprehensive approach to support the social psyche of families. The Social Services programme is a response to several challenges faced by most families, which include: Increasing debt, property loss, being manipulated and lied to, child neglect, physical and verbal abuse, and emotional abuse.

#### Objectives of the programme:

- 1) To provide treatment and counselling to family members affected by the negative consequences of disordered gambling.
- 2) To conduct an intervention that will support family members by empowering them with knowledge on coping with disordered gamblers at home.
- 3) To develop and implement an intervention programme to deal with the disordered gamblers' behaviour and the affected family dynamic.
- 4) To conduct an early intervention in the disordered gambler's treatment to increase the chance of recovery for the disordered gambler and to restore balance in the family environment.
- 5) This intervention process is part of the SARGF overall treatment programme.

It consists of three counselling sessions that are educational and disordered gambler oriented for:

- 1) family sessions
- 2) 20 referrals were received
- 3) 43 counselling sessions were attended

A scenario of what families typically go through when suffering from the problematic consequences of gambling is presented below.

In one of the family cases that the Foundation dealt with in the year under review, it was found that the spouse was addicted to gambling but was also in denial about this, so the partner contacted the toll-free counselling line for assistance. The spouse was gambling at a casino as a social gambler, and over time, it escalated to the spouse moving to online betting. During that transition, the spouse then began stealing the partner's money and the partner's business money. This led to the family being unable to meet their daily living expenses, such that they were unable to pay for the children's school fees and necessities. The spouse further reported that on some days, the family went to bed on an empty stomach because there was no food or money to buy food. This caused a strain on the family dynamic, and the partner was now considering filing for a divorce due to the adverse effects of the spouse's gambling that they were experiencing.

#### **Relapse Prevention**

- 1) Group sessions are comprised of disordered gamblers who wish to attend sessions in a group context.
- 2) It is mandatory for Self-Excluded disordered gamblers returning for the second time to join the programme.
- 3) The programme is open-ended, and a member may join at any time during their treatment period.
- 4) It is a parallel intervention where disordered gamblers may still attend individual sessions with their designated Treatment Professional while attending the relapse programme.
- 5) The programme aims to educate members about cognitive therapy and relapse prevention. There are group exercises, including evaluation at all stages of the group sessions.
- 6) They are supportive sessions that enable disordered gamblers to acquire additional support.
- 7) They are more activity based and discussion oriented.

#### **Minor and Older Persons Interventions:**

The Social Services department is a branch of the treatment and counselling department which provides support services to children and families in need.

This department offers direct care services to vulnerable groups to cope with the negative consequences of gambling.

The department offers services to children following the Children's Act (38 of 2005). It aims to give effect to certain rights of children as contained in the Constitution; set out principles relating to the care and protection of children; define parental responsibilities and rights; make further provision regarding Children's courts; to provide for the issuing of contribution orders; to make new provision for the adoption of children; provide for inter-country adoption; to give effect to the Hague Convention on inter-country adoption; to prohibit child abduction and to give effect to the Hague Convention on International Child Abduction; to provide for surrogate motherhood; to create specific new offences relating to children; and to provide for matters connected herewith.

As per the act, the minor intervention programme aims to protect minors from the harmful effects of disordered gambling by conducting awareness campaigns that educate children and guardians on the prohibition of underage gambling, illegal gambling and its consequences on minors and guardians. It further renders treatment and counselling services to minors who may have a gambling problem and those affected by the negative effects of gambling.

In the year under review, the Foundation did not record any minor intervention counselling sessions. However, the Taking Risks Wisely programme under Goal 1 provided sessions to school children to create awareness about peer pressure and other risks that they are exposed to. The Foundation used its comic book to educate children about the dangers of underage gambling.

#### Gambling advertising content

There has been a significant increase in the prevalence of gambling advertisements that may appeal to minors who are exposed to gambling advertising content and influence their behaviour as per marketing intent. Monaghan et al. (2008) assert that the effects of gambling advertisement on minors has been widely overlooked and further suggest that this needs to be considered in society. Research indicates that roughly two-thirds to three-quarters of children between the ages of 15 and 17 years old have reportedly taken part in some form of gambling activity due to exposure to gambling advertisements (Pitt et al., 2017).

Gambling adverts and marketing tactics reach teenagers in various mediums that may be difficult to control and regulate. Study statistics show that 96% of the youth were exposed to frequent gambling advertisements through television and 93% were exposed through the internet, and some were commonly exposed through billboards and newspaper publications (Monaghan et al., 2008; Derevensky et al., 2007; Felsher, Derevensky & Gupta, 2004).

The content of gambling adverts that minors are exposed to is envisioned to serve the purpose of a marketing strategy that may be intended or directed to adults as the target market and is often communicated through mediums that reach minors as well. A qualitative study on the learnings of sports betting advertisements content that minors are exposed to reveals that a significant number of children could provide extensive details on the contents of gambling advertisements that they comprehended and stored in mind (Pitt, Thomas, Bestman, Daube & Derevensky, 2017).

It is due to the extensive gambling advertising that minors are exposed to that the Foundation, as reported in Goal 1 above, has conducted the Taking Risks Wisely programme in schools to raise awareness of the Minor Intervention Counselling Services that are available to any minors who may have developed a gambling problem.

The programme also offers awareness sessions to older people about responsible gambling and equips the elderly people with skills on how to budget.

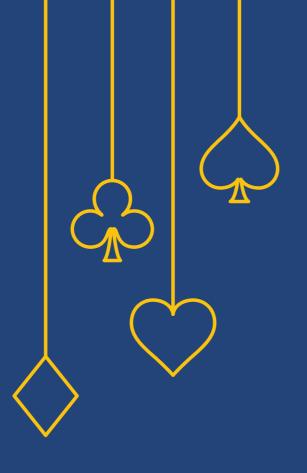
Gambling Industry Employee Assistance Programme (EAP):

- 1) The EAP is a programme that the department offers as a workplace benefit.
- 2) It provides employees with counselling services to help overcome any workplace motivators and triggers to gamble.
- 3) It offers confidential treatment to employees experiencing the negative consequences of disordered gambling.

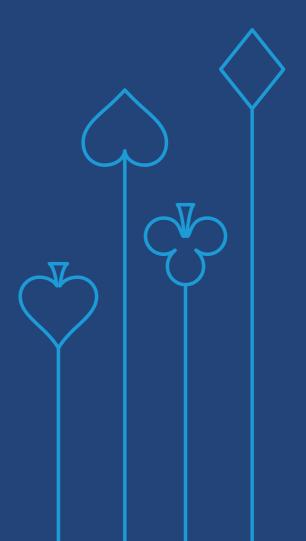
The Social Services department focuses on offering outreach programmes to communities and raising awareness of the social service that the Foundation provides, as listed above.

Social Service Annual Performance Indicators/Measures	Achieved Targets
Family referrals	Number of people referred (20)
Minor intervention	-
Group sessions	59
Old Age intervention programme	1
Employee Assistance Programme (Number of branches visited)	5
Employee Assistance Programme (Number of people assisted)	25

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# Training

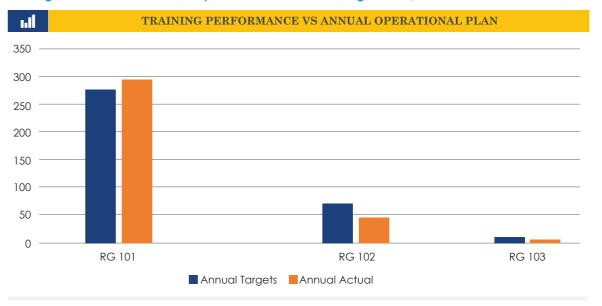


### **Training**

a) Strategic Goal 4: Develop, train and capacitate the gambling industry and other stakeholders with the knowledge to identify and respond to incidents of disordered gamblers.

**b) Strategic Objective:** Industry role players and other stakeholders are empowered to understand, identify and respond to incidents of disordered gambling.

#### Training Performance vs Annual Operational Plan Annual Targets 2021/2022



#### Responsible Gambling Training 101, 102 and 103 for Gambling Operators

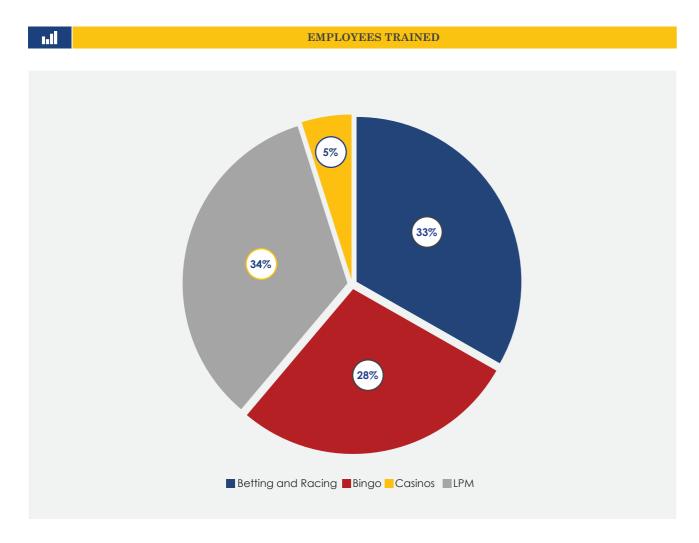
The Foundation provided training programmes to various licensed operators. In terms of the National Gambling Act, 2004 (Act No. 7 of 2004), this programme satisfies the requirement for employee training on responsible gambling. This three-part training is appropriate for anyone working in the gambling industry.

Below is an outline of the development of gambling industry employees in terms of responsible gambling:

Course Name	Learner Target Market	Value to learner
Responsible Gambling 101	Foundational training for all who work within the gambling industry	Provides an understanding of the types of gamblers and how their behaviours may negatively impact themselves and others. Awareness that gambling employees are susceptible to becoming disordered gamblers and how to prevent this. How to access free, professional assistance for gambling workers who have been negatively affected by gambler behaviour. Referral of a gambler who is distressed due to their out-of-control gambling for counselling and treatment.
Responsible Gambling 102	For Gambling Operation Supervisors and Managers	Enhances understanding of the phases of disordered gambling behaviours development and how being cognisant of these phases may assist a gambling worker in advising gamblers developing a problem, with information on treatment available.
Responsible Gambling 103	For Gambling Managers	Develops best practice skills on how to conduct a motivational interview with a disordered gambler who is ambivalent about getting professional assistance to take back control of their lives.

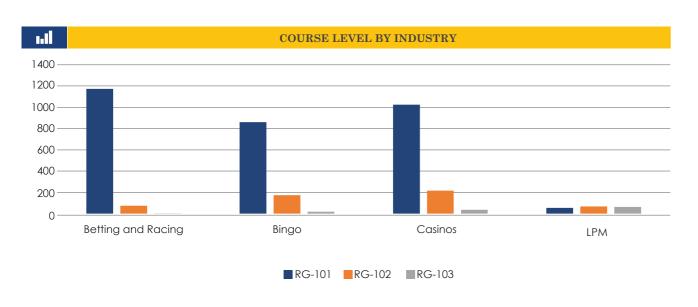
In 2021/2022, the Foundation adopted a hybrid training for virtual facilitator-led and onsite face-to-face training.

A total of **3 761** licenced operator employees were trained, with the top three training requests coming from the Casino sector, followed by the Betting and Racing sector and Bingo.



#### Classification by training course

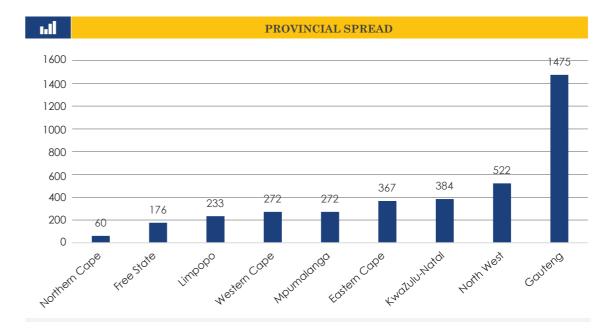
Of the three responsible gambling (RG) training courses offered to licenced operators, the most requested was RG101, with 3 111 employees trained, followed by RG102, with 531 trained, and RG103, with 199 trained.

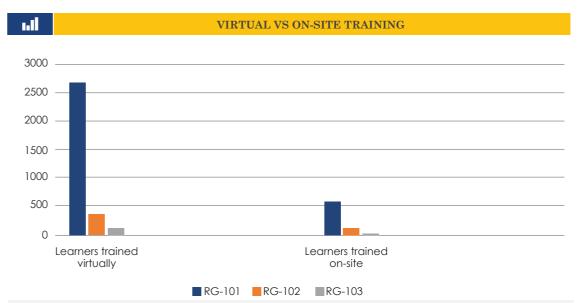


#### Classification by province

The top three provinces that requested training are as follows:

- 1) Gauteng, with 1475 licenced operator employees trained,
- 2) North West, with 522 licenced operator employees trained, and
- 3) KwaZulu-Natal, with 384 employees trained.





	Learners trained virtually	Learners trained on-site
RG 101	2655	590
RG 102	374	136
RG 103	133	9

In the year under review, the Foundation broadened the scope of its training provision to specific influencer groups within society. With the latest research showing that 61 million persons live in the country, the Foundation has identified the need to train persons who, in their daily professional lives, can engage with large groups of community members, identify persons being negatively affected by gambling and provide guidance and motivation towards receiving free professional treatment and counselling. The Foundation embarked on piloting the below training courses to market.



	Females	Males
RG for Gambling Regulators	37	32
RG for Religious Leaders	6	10
RG for Social Workers	51	15
RG for Public Sector	16	25

#### **Responsible Gambling Training for Gambling Regulators**

With the gambling industry being in a constant state of flux, Gambling Regulators in South Africa are facing challenges in ensuring that the requirements of the National Gambling Act, Act 7 of 2004 and subsequent amendments are being adhered to by gambling operators. Furthermore, with the growth of accessibility to online betting, significant developments in sports betting, and a surge in gambling advertisements, Regulators still need to ensure that operators are practising and enforcing, where required, responsible gambling behaviour.

This training motivates the role of and need for responsible gambling within gambling sector operations and how Regulators can advise on assistance available to the industry, by the SARGF, in terms of training for gambling employees and managers as well as mentoring and support for gambling employees negatively affected by gambler interactions. In addition, details of the role of exclusions and counselling and treatment available to disordered gamblers are discussed for a complete understanding of these pertinent responsible gambling topics.

In the period under review, 69 gambling regulators were trained in responsible gambling.

#### **Responsible Gambling Training for Public Sector**

Research by the Eastern Cape Gambling and Betting Board (2016), titled "Research Report on the Prevalence of Gambling and Betting amongst Head Office Staff of Provincial Government Departments", found that a quarter to one-third of the staff from the Head Offices of the Provincial Government Departments engaged in gambling activities, with up to 15% engaging in gambling activities weekly and 3.8% gambling regularly during working hours.

Although research respondents were reluctant to disclose the amount they spent on gambling, one person indicated that s/he spent up to R10 000 per month on gambling, whilst another noted that the most significant single bet placed was an amount of R4 000.

This training develops an awareness of the prevalence of gambling within the South African Public Sector Employee group, how to identify an employee who may be developing a gambling disorder and what assistance can be provided by management and from the SARGF to a Disordered Gambler Public Sector Employee. It includes the potential negative consequences of working with a disordered gambler to colleagues and the Public Sector as an employer and emphasises why a manager needs to be proactive in terms of recognising and assisting such an employee before a possible termination of employment becomes the only option.

In the period under review, 41 Public Sector employees were trained in responsible gambling.

#### Responsible Gambling Training for Social Workers & Health Care **Professionals**

Approximately 71% of the South African population obtains health care from public-sector state-funded services, and these Health Care Professionals carry the primary burden of providing mental health care interventions, inclusive of addiction identification and the linking of patients to affordable treatment and counselling. Known as a "hidden" addiction, disordered gambling may not have been studied in detail for professional qualifications.

The Responsible Gambling for Social Workers and Health Care Professionals course provides a more detailed understanding of the disorder and practical strategies for positioning within a community to influence gambling behaviours and support someone with a gambling disorder.

This training enhances an understanding of and sensitivity to the behaviours and traits of disordered gamblers and the consequences to self and significant others. It includes how to recognise this morbidity amongst the various other co-morbidities that the disordered gambler may present with. With detailed information about the types of gamblers, the phases towards the development of a gambling problem and when and how the intervention is required, the learner will be better placed in terms of being able to identify a person who may require professional assistance to take back control of their lives

In the period under review, 66 Social Workers & Health Care Professionals were trained in responsible gambling.

#### **Responsible Gambling Training for Educators**

Youth are particularly vulnerable to the normalisation of gambling through exposure to messaging. Children are at risk of problems with gambling because of developmental and cognitive immaturity, as well as a susceptibility to family and peer influences and marketing campaigns. As a result, the Responsible Gambling for Educators course was developed.

This training allows an educator to recognise pupils or students who may be gambling themselves or who live within a gamblingdisordered family or caregiver dynamic. Short- and long-term consequences upon a learner who is affected are elaborated upon, and examples of how an Educator may be able to incorporate the theme of responsible gambling into various learning subjects are provided. Referrals and how to process these are explained. Recognition of the value of the training has been acknowledged by

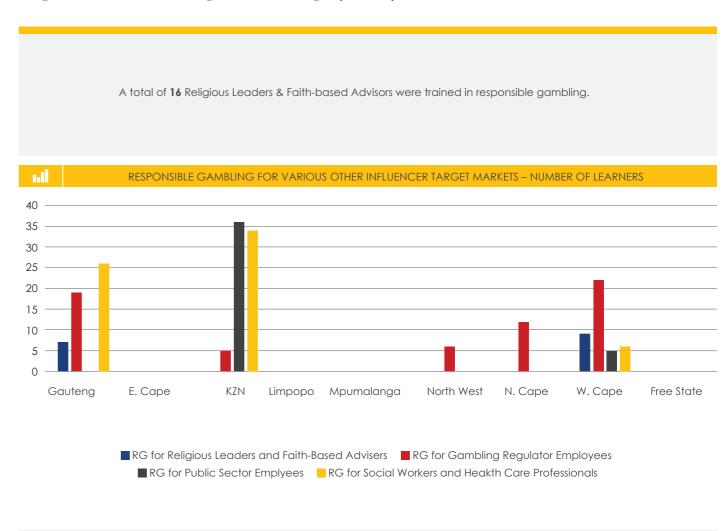
the South African Council for Educators (SACE), with 10 Continued Professional Development Points awarded to Educators who attend the virtual or on-site training.

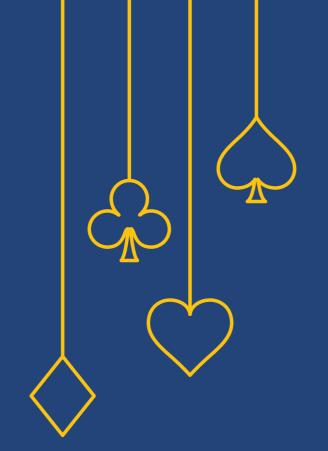
To provide a holistic integration, the Foundation's Taking Risks Wisely (TRW) school programme not only promotes responsible gambling awareness to learners and the potential harmful effects of problem gambling, but also looks at integrating programmes such as the Educator Training and Social Services minor intervention programme to ensure sustainable holistic interventions. The training course for Educators will be fully implemented in the 2022/2023

#### Responsible Gambling Training for Religious Leaders & Faith-based **Advisors**

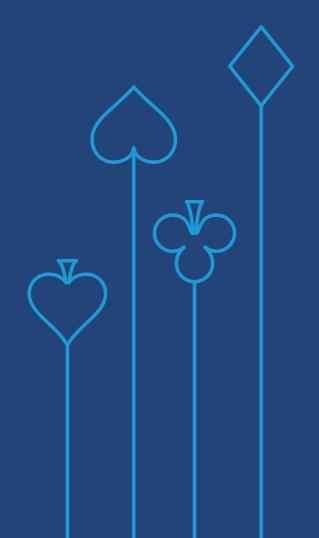
The role and contribution of religious groups and faith-based organisations in social welfare and social development are not unique to South Africa. These influencers often have a good understanding of the local context. They may be the only development-focused organisations in a remote community or have been there for the longest time. With close links to members, these leaders/advisors may affect, change and control behaviour during the period under review.

This training course guides the recognition of a congregant and their significant other, who may present for support and assistance and why this disorder must be viewed as a mental health condition that will need professional treatment and counselling. It empowers the Religious Leader and Faith-Based Advisor with the knowledge required for referral to the SARGF.





# Prevention & Public Awareness



### **Prevention & Public Awareness**

a) Strategic Goal 1: Advocacy and broad access to prevention and responsible gambling awareness interventions.

b) Strategic Objective: Creating awareness and providing information about the potential harmful effects of gambling.

The primary objective of the Foundation's prevention programme is to educate the public, potential gamblers and gamblers about responsible gambling. Essentially, this is made up of informed consumer choice. In line with this, in all of our public awareness activities, we seek to alert target audiences about the dangers of excessive and irresponsible gambling. To this end, the programme delivers training to industry employees, public awareness campaigns to schools and teachers, and general wellness initiatives to elderly

The Foundation continued with its ongoing marketing and communications plan. In addition, stakeholder engagements with provincial gambling regulators continued as outlined in the Memorandum of Agreements (MoA) on communication and public awareness collaborations to reinforce the responsible gambling message

#### Stakeholder Management

In the year under review, the Foundation reviewed and renewed standing MoAs with Provincial Regulators. This was also while taking into consideration programme changes and developments and the COVID-19 lockdown regulations.

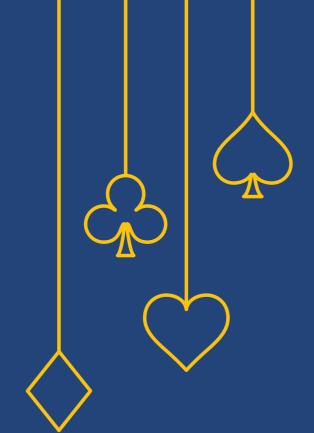
Regulator	Signed MoA	Expired/ Expiring MoA
National Gambling Board	23 March 2022	23 March 2026
Limpopo Gambling Board	5 October 2022	31 March 2023
North West Gambling Board	1 February 2018	1 February 2023
Eastern Cape Gambling Board	1 June 2016	21 June 2019
Gauteng Gambling Board	1 April 2015	30 March 2015
KwaZulu-Natal Gaming & Betting Board	1 April 2016	30 March 2021

Due to the COVID-19 lockdown, adjusted level regulations impacted the Foundation's awareness programmes regarding the number of programmes that could be implemented based on indoor and outdoor restrictions. Most programmes took a hybrid approach where lockdown regulations would allow.

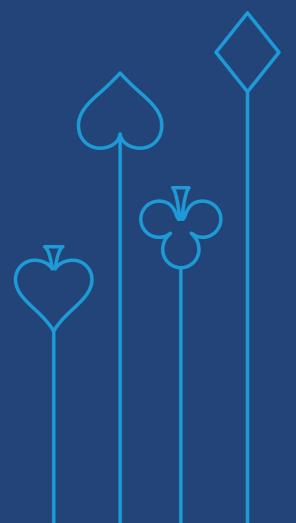
The following public awareness programmes were implemented:

- a) 8 Responsible Gambling workshops conducted
- b) 20 Taking Risks Wisely school group sessions
- c) 8 Exhibition/ punter activations

	Annual Target	Q1	Q2	Q3	Q4
Number of Responsible Gambling Workshops Conducted	2.00	1.00	1.00	8.00	N/A
Number of learner sessions conducted (TRW)	10.00	N/A	N/A	N/A (all implemented in Q4 due to lockdown restrictions)	20.00
Schools Designated as Gambling- Free Zones	2.00	N/A	N/A	N/A (all implemented in Q4 due to lockdown restrictions)	N/A School-designated signs are no longer applicable to the TRW programme
Employee Wellness Days	1.00	N/A	N/A	N/A	1.00
Number of consumer exhibitions/ shows participated in, including punter activations	2.00	1.00	1.00	6.00	2.00
Responsible Gambling Month hosted	1.00	N/A	N/A	1.00	N/A



# Human Resources



## Human Resources

Academically Qualified

Professionals

Snr Management

- a) Strategic Goal 5: Sound governance and optimal utilisation of available resource.
- **b) Strategic Objective:** To promote good corporate governance, the development of a competent workforce of individuals and teams and financial management systems for accountability purposes, including a paperless-driven Foundation.

STAFF COMPLEMENT BY EMPLOYMENT TYPE									
Employment Type	Afri	can	Asian		Asian Coloured		White		Total
	M	F	M	F	M	F	M	F	
Permanent Staff	-	-	-	-	-	-	-	-	-
Fixed-Term Contract	12	13	-	-	-	-	-	1	26
Interns	1	4	-	-	-	-	-	-	5
Total	13	17	-	-	-	-	-	1	31

STAFF COMPLEMENT BY SALARY LEVEL									
Employment Type	Afr	ican	Asian		Coloured		White		Total
	M	F	M	F	M	F	M	F	
Unskilled	-	1	-	-	-	-	-	-	1
Academically Qualified	9	12	-	-	-	-	-	1	22
Professionals	4	4	-	-	-	-	-	-	8

APPOINTMENTS, PROMOTIONS AND TERMINATIONS											
Employment Type	Afr	ican	Asian		Asian		Coloured		White		Total
	М	F	M	F	M	F	M	F			
Appointments	-	1	-	-	-	-	-	-	1		
Promotions	-	-	-	-	-	-	-	-	-		
Terminations (Non-renewed contracts)	-	-	-	-	1	-	-	-	1		
Total	-	1	-	-	1	-	-	-	2		

пррошнитель:								
Promotions		-	-	-	-	-	-	-
Terminations (Non-renewed contracts)			-	1	-	-	-	1
Total	- 1	-	-	1	-	-	-	2
STAFF TURNOVE	R RATES BY SA	ALARY LEVEL		#	REA	SONS FO	OR TERM	INATION
Salary Level	Appointments	Termination	ns Te	erminatio	on Type			Numb
Unskilled	-	-	De	eath				-

Termination Type	Numbers
Death	-
Resignation	-
Expiry of Contract / Term of Office	1
Dismissal – Organisational Changes	-
Dismissal – Misconduct	-
Dismissal – Inefficiency	-
Discharge – III Health	-
Retirement	-
Other	-
Total	1

Total

#### ANNUAL LEAVE BY SALARY LEVEL FOR THE REPORTING PERIOD LEAVE DAYS DUE TO EMPLOYEES LEAVE DAYS PAID OUT LEAVE DAYS TAKEN Total Total Total Number of Cost to Total Cost Cost Avarage number number the Salary Level number of employees days days to the to the of leave of leave Employer employees taking leave taken taken **Employer Employer** days days 1 13 13 R2 965.29 13.5 R3 079.33 Unskilled Academically 18 18 171 12.21 15 R13 297.05 R140 622.78 170.57 R126 079.33 Qualified Professionals 131 8 16.38 R105 639.41 108 R84 733.55 Snr Management 3 3 46 15.33 R93 336.38 40.5 R82 806.43 Top Management

11

13.78

R48 841.07

R391 404.93

13.5

346.25

R59 941.31

R356 637.77

R13 297.05

11

372

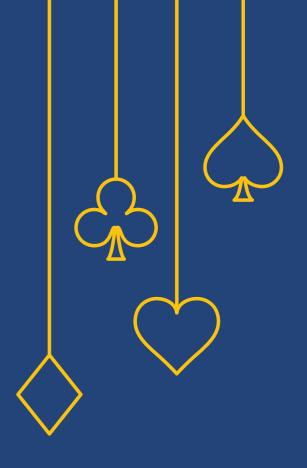
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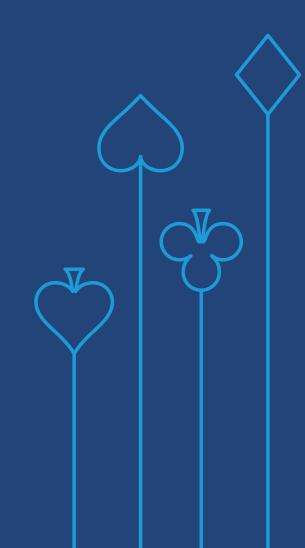
SICK LEAVE BY SALARY LEVEL							
Salary Level	Number of employees	Number of employees taking leave	Total sick days taken	Cost to company			
Unskilled	1	-	-	-			
Academically Qualified	18	2	39	R41 996.62			
Professionals	8	2	6	R5 079.32			
Snr Management	3	1	12	R19 428.95			
Top Management	1	-	-	-			
Total	31	5	57	R66 505.19			

MISCONDUCT AND DISCIPLINE						
Outcomes of Disciplinary Hearings	Number					
Verbal warning	-					
Written warning	-					
Final written warning	1					
Not guilty	-					
Case withdrawn	-					
Dismissal	-					
Total	1					

Ħ	SKILLS DEVELOPMENT BY SALARY LEVEL						
Salary L	evel	Total number of employees					
Unskille	d	-					
Acade	mically Qualified	8					
Professi	onals	-					
Snr Mar	nagement	1					
Тор Ма	ınagement	1					
Total		8					



# Governance



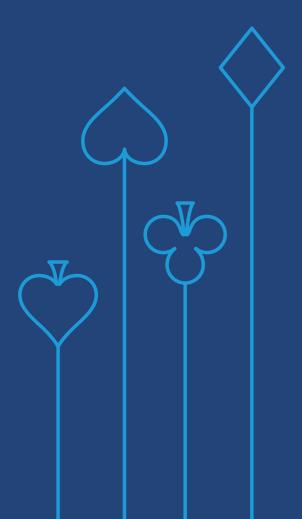
## Governance

As part of its role, the Foundation provided guidance to Board Members on governance, compliance and fiduciary duties and ensured that Board procedures, regulations and governance codes were observed.

		BOARI	COMPOSITION		
Name	Board Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorship (List of Entities)
Adv and SC. Joe Nalane	Board Chairperson	19/07/2016	Graduate of the University of the Witwatersrand and the University of Johannesburg	Administrative law, employment and labour law, commercial litigation, sports law, gambling law, personal injury and medical negligence, mining, public and regulatory laws	Victoria Mxenge Group  Bambili Group  Nalane Manaka Attorneys  Director at Werkmans
Mrs Sibongile Simelane- Quntana	Executive Director	26/02/2016	MBA (Wits Business School), Postgraduate Diploma in Public Administration and Management (Wits School of Governance), Postgraduate Diploma in Arts (Wits University) and a Bachelor of Hons in Education (Wits University)	Business, Governance & Operational Management, Research & Information Management	N/A
Mr Themba Marasha	Audit and Risk	17/05/2016	B. Com (Hons) Business Economics & Industrial Psychology, University of Zululand, Post-Management Diploma in Management Studies Executive Development Programme, University of Nevada, Reno	Casino Licenced Operator, Sun International	N/A
Mr Georgy Makoko	Board Member and Chairperson – REMCO Committee	13/05/2020	Master of Public Administration (University of Pretoria). Bachelor of Arts (Hons – Social Work – University of Limpopo then University of the North); Bachelor of Arts (Social Work and Psychology – University of Limpopo then University of the North); and Certificate – Programme in Total Quality Management (University of South Africa)	Limpopo Provincial Licencing Authority	Limpopo Gambling Board
Mrs Malebo Mpepele	HR and REMCO	01/03/2021	New Managers Programme, Wits Business School, BSc. Hons Psychology Medunsa, BA Psychology, English, Education Vista University	Casino Licenced Operator, Peermont Group	N/A

BOARD COMPOSITION						
Name	Board Designation	Date Appointed	Qualifications	Area of Expertise	Board Directorship (List of Entities)	
Mr Thabani Khanyile	Audit and Risk Chairperson	02/02/2018	Graduate of the University of the Witwatersrand and the University of Johannesburg	B. Com – University of Zululand. SAICA Articles – South African Institute of Charted Accountants. CIA – Institute of Internal Auditors		
Ms Portia Baloyi	HR and REMCO	25/05/2018	Masters in Business Leadership (MBL), Bachelor in Public Administration Honours, LLB, B-Proc	KwaZulu-Natal Provincial Licencing Authority	KwaZulu-Natal Gaming and Betting Board	
Ms Agatha, Ziningi Tshabalala	HR and REMCO	13/02/2022	Masters Diploma in Human Resources Management form Rand Afrikaans University (Now University of Johannesburg), BA in Psychology from Vista University (Now University of Johannesburg)	Human Resources Management	N/A	

# Audit and Risk Committee Report



# **Audit and Risk Committee Report**



#### **Audit and Risk Committee Members:**

The audit committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms

- of reference.
  1. Mr T.D. Khanyile
- 2. Mr D.T. Marasha 3. Mr M. Zwane
- 4. Mr K. Dichabe
- 5. Mr Obakeng Seseane (Alternate to Mr K Dichabe)

#### **Audit Committee Responsibility**

We report that we have adopted appropriate formal terms of reference in our charter in line with the King IV Report on Corporate Governance recommendations. We further report that we have conducted our affairs in compliance with this charter.

#### Internal audit function

The internal audit function was contracted to Ubucule Jhb Inc., whose contract expired during the year, and the new contract was outsourced to Khumalo and Mabuya Chartered Accountants Inc.

We are satisfied that the Internal Audit function is operating effectively and has addressed the risks pertinent to the entity in its audits. In addition, the Internal Audit completed its 2022/23 annual plan as approved by the Audit and Risk Committee.

We have met with the Internal Audit during the year to ensure that the function is executed effectively and objectively (from

We are satisfied with the content and quality of the quarterly reports prepared and issued by the Internal Auditors of the entity during the year under review.

The quality of mid-year management and quarterly reports

We reviewed the year quarterly reports submitted together with Internal Audit comments thereon. We noted improvement in the content and quality of reports prepared and submitted by management.

#### The effectiveness of internal control

The system of internal control employed by the entity for financial and risk management is effective, efficient and transparent.

In line with the recommendations from the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and

From the various reports of the Internal Auditors, the Audit Report on the annual financial statements and the management letter of the South African Responsible Gambling Foundation NPC, it was noted that there were no indicated material deficiencies in the system of internal controls or deviations therefrom

Accordingly, we can report that the system of internal control over the financial reporting period under review was efficient and

#### **Evaluation of Financial Statements**

- a) Reviewed and discussed the audited annual financial statements to be included in the annual report with the External Auditors, Internal Auditors, and the Executive Director. b) Reviewed the South African Responsible Gambling
- Foundation's management letter and management's response thereto. c) Reviewed changes in accounting policies and practices.
- d) Reviewed the entity's compliance with legal and regulatory
- e) Reviewed significant adjustments and noted none resulting from the audit.

We concur with and accept the External Auditor's report on the annual financial statements and are of the opinion that the audited annual financial statements should be accepted.

#### **External Auditors**

We have met with the External Auditors to ensure that there are no

#### **External Auditors**

We have met with the External Auditors to ensure that there are no unresolved issues



#### **Risk Management and Opportunities**

The Board oversees the management and performance of enterprise-wide and compliance risks. The risk landscape is reviewed quarterly within the current operational context. This ensures the Foundation remains fully aware of the relevant risks, its risk appetite and tolerance levels for each risk.

#### **Combined assurance**

The Foundation has adopted a combined assurance approach closely aligned with the recommended practices set out in King IV Report. The Board has delegated responsibility for governance oversight of combined assurance to the Audit and Risk Committee, which is required to ensure implementation of the combined assurance model results in fully integrated internal and external assurance activities across the business

#### King IV Principle 15

The Audit and Risk Committee has oversight over the effectiveness of the Foundation's combined assurance, in conjunction with the Chief Risk Officer and Internal Auditors to achieve the objectives of adequate combined assurance.

#### **Risk management**

The Foundation's strategy and objectives are aligned with the Foundation's risk appetite and tolerance level and are linked vertically and horizontally throughout the Foundation. The Foundation's risk appetite is generally low, except for certain strategic business development areas. Risks are managed across the business at all levels through policies and frameworks setting out what actions should be taken, and procedures provide instructions on how measures should be implemented.

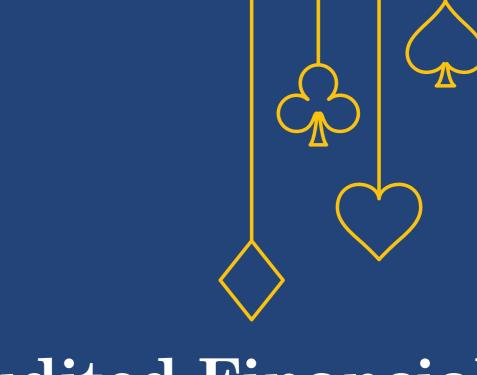
Through Board committees and functional appointments, the Foundation maintains comprehensive risk registers

Our focus for FY 2022/2023 will be to further mature our risk management capability in line with industry standards

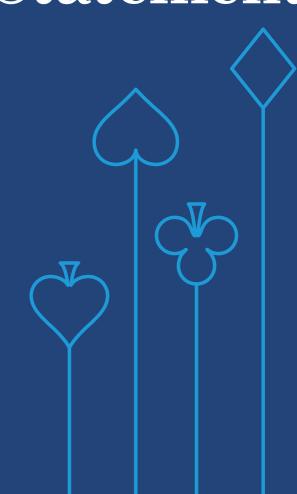
#### **Residual risk rating**

Risks are rated on the basis of their likelihood and impact (inherent risk) as well as the strength of the controls implemented to address them in order to arrive at a residual risk rating.

The Foundation identified 32 strategic, operational, financial, or compliance-related risks within its risk landscape.



# Audited Financial Statement



( ) | (a) SARGF Annual Report 2021/22

### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **General Information**

**Country of incorporation and domicile**South Africa

**Registered office** Sunnyside Office Park

Building B 1st Floor

32 Princess of Wales Terrace

Parktown 2193

Business address Sunnyside Office Park

2nd Floor Sentinel House 32 Princess of Wales Terrace

Parktown 2193

1

Auditors SNG-Grant Thornton

Chartered Accountants (SA) Registered Auditors

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

	Page
Audit Committee Report	3
Directors' Responsibilities and Approval	4
Directors' Report	5 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 18
Notes to the Annual Financial Statements	19 - 27
The following supplementary information does not form part of the annual financial statements and is unaud	ited:
Detailed Income Statement	28 - 29

#### Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

#### Preparer

Witness Saurombe Corporate Services Manager

#### **Published**

23 September 2022

( ) I (a) SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Audit Committee Report**

#### 1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of company and include:

Name

R.M. Zwane

D.T. Khanyile

D.T. Marasha

K.I. Dichabe

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act of South Africa and Regulation 42 of the Companies Regulation, 2011

#### 2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

#### 3. External auditor

The committee satisfied itself through enquiry that the external auditors is independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditors that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

#### 4. Annual financial statements

Following the review of the annual financial statements the audit committee recommend board approval thereof.

#### 5. Accounting practices and internal control

The company's management ensured that effective internal controls were put in place over the financial reporting and assessing the effectiveness of internal controls over financial reporting.

On behalf of the audit and risk committee

Khanyile, Derrick Thabani Chairman Audit and Risk Committee The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 7 - 9.

The annual financial statements set out on pages 10 to 27, which have been prepared on the going concern basis, were approved by the board of directors on 23 September 2022 and were signed on its behalf by:

Approver of annual financial statements

Nalane, loe Fana

Simelance-Quntana, Sibongile Millicent

SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Directors' Report**

The directors have pleasure in submitting their report on the annual financial statements of The South African Responsible Gambling Foundation NPC and its associates for the year ended 31 March 2022.

#### 1. Incorporation

The company was incorporated on 2004 and obtained its certificate to commence business on the same day.

#### 2. Nature of business

The South African Responsible Gambling Foundation NPC was incorporated in South Africa with interests in the gambling industry. The company operates in South Africa and other Southern African countries.

There have been no material changes to the nature of the company's business from the prior year.

#### 3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

#### 4. Directors

The directors in office at the date of this report are as follows:

Directors Zwane, Ruben Mabhuto Baloyi, Portia Nonhlanhla Khanyile, Derrick Thabani Nalane, Joe Fana Simelance-Quntana, Sibongile Millicent	Office  Chairperson Audit and Risk Commitee Chairperson  Executive Director	Designation Non-executive Independent Non-executive Independent Non-executive Independent Non-executive Independent Executive
Marasha, Douglas Themba		Non-executive
Mpepele, Malebo Theodora		Independent Non-executive Independent
Dichabe, Kennilworth Itumeleng		Non-executive Independent
Tshabalala, Agatha Ziningi		Non-executive Independent
Makoko, Mokgase Gregory		Non-executive Independent

#### 5. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC
Annual Financial Statements for the year ended 31 March 2022

#### **Directors' Report**

#### 5. Going concern (continued)

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

#### 6. Auditors

SNG-Grant Thornton continued in office as auditors for the company for 2022.

At the Board meeting, the directors will be requested to reappoint SNG-Grant Thornton as the independent external auditors of the company and to confirm Gerard Musthan as the designated lead audit partner for the 2023 financial year.

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#### **Independent Auditor's Report**

#### To the Shareholder of The South African Responsible Gambling Foundation NPC

#### Opinion

We have audited the annual financial statements of The South African Responsible Gambling Foundation NPC (the company) set out on pages 10 to 27, which comprise the statement of financial position as at 31 March 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The South African Responsible Gambling Foundation NPC as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the document titled "The South African Responsible Gambling Foundation NPC annual financial statements for the year ended 31 March 2022", which includes the Directors' Report and Audit Committee Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 28 to 29. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

7





#### **Independent Auditor's Report**

#### Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



( ) I (a) SARGF Annual Report 2021/22





### **Independent Auditor's Report**

SNG-Grant Thornton **Gerard Musthan** Partner Chartered Accountants (SA) Registered Auditors

23 September 2022 Place of signature



The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### Statement of Financial Position as at 31 March 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 666 253	1 761 131
Intangible assets	3	445 444	307 861
		2 111 697	2 068 992
Current Assets			
Other financial assets	4	370 088	-
Trade and other receivables	5	280 272	1 521 876
Operating lease asset		51 946	-
Prepayments		112 794	36 758
Cash and cash equivalents	6	10 556 039	5 797 766
		11 371 139	7 356 400
Total Assets		13 482 836	9 425 392
Equity and Liabilities			
Equity			
Retained income		9 993 174	6 518 769
Liabilities			
Non-Current Liabilities			
Finance lease liabilities	7	539 402	1 023 500
Operating lease liability		-	51 389
Deferred income	8	212 585	-
		751 987	1 074 889
Current Liabilities			
Trade and other payables	10	1 733 511	989 446
Finance lease liabilities	7	485 506	443 327
Operating lease liability		-	178 071
Deferred income	8	50 020	112 139
Provisions	9	468 638	108 751
		2 737 675	1 831 734
Total Liabilities		3 489 662	2 906 623
Total Equity and Liabilities		13 482 836	9 425 392

( ) I (a) SARGF Annual Report 2021/22

# The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08) Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Statement of Comprehensive Income**

Figures in Rand	Note(s)	2022	2021
Revenue	11	23 005 379	17 821 618
Other income	12	259 141	444 469
Operating expenses		(19 711 197)	(15 454 225)
Operating profit		3 553 323	2 811 862
Investment revenue		248 023	102 753
Finance costs		(326 941)	(392 626)
Profit for the year		3 474 405	2 521 989
Other comprehensive income		-	-
Total comprehensive income for the year		3 474 405	2 521 989

# The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08) Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Statement of Changes in Equity**

Figures in Rand	Retained income	Total equity
Balance at 01 April 2020	3 996 780	3 996 780
Profit for the year Other comprehensive income	2 521 989	2 521 989
Total comprehensive income for the year	2 521 989	2 521 989
Balance at 01 April 2021	6 518 769	6 518 769
Profit for the year Other comprehensive income	3 474 405	3 474 405
Total comprehensive income for the year	3 474 405	3 474 405
Balance at 31 March 2022	9 993 174	9 993 174

12

( ) ( ) | (a) SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash generated from operations	15	6 419 952	2 641 765
Interest income Finance costs		248 023 (326 941)	102 753 (392 626)
Net cash from operating activities		6 341 034	2 351 892
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(932 414)	(185 160)
Sale of property, plant and equipment Purchase of other intangible assets	2 3	(208 428)	13 771 (298 085)
Net cash from investing activities		(1 140 842)	(469 474)
Cash flows from financing activities			
Finance lease payments		(441 919)	(30 910)
Total cash movement for the year		4 758 273	1 851 508
Cash at the beginning of the year		5 797 766	3 946 258
Total cash at end of the year	6	10 556 039	5 797 766

13

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

#### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

#### Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

#### Key sources of estimation uncertainty

#### **Impairment testing**

The company reviews and tests the carrying value of property, plant and equipment, investment property on the cost model and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

#### 1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 - 8
Office equipment	Straight line	5 - 8
IT equipment	Straight line	3 - 5
Leasehold improvements	Straight line	5.75
Leased assets	Straight line	5

(1) (2) SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

#### 1.2 Property, plant and equipment (continued)

Where major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to the components and they are depreciated separately over each component's useful life.

The residual value, depreciation method and useful life of each asset were viewed only where there is such and indication that there has been a significant change from the previous estimate.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit and loss.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

#### 1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 - 10
Leased assets	Straight line	5

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

#### 1.4 Financial instruments

#### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

15

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

#### 1.4 Financial instruments (continued)

#### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

#### 1.5 Tax

#### ncome tax

The Foundation is a Public Benefit Organisation (PBO) status and is exempt from Income Tax.

#### 1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

#### 1.7 Other financial assets

Other financial assets comprises of demand deposit, and other short-term liquidity investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at their fair value and subsequently at amortised cost.

#### 1.8 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

( ) SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)
Trading as The South African Responsible Ga

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

#### 1.8 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

#### 1.9 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

#### Leave days

The expected cost of compensated absence is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

#### 1.10 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

#### 1.11 Related parties

A related party is a person with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa.

#### 1.12 Income

#### Contributions

Contributions are recognised to the extend that a gambling operator has earned Gross Gambling Revenue. Contributions are recognised only to the extent that they are collectable from each gambling operator. Contributions are measured at the fair value of consideration received or receivable, excluding taxes.

#### **Promotional income**

Collateral income is recognised to the extent that the company has transferred significant risks and rewards of ownership of goods to the gambling operator provided the amount of income can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Income is measured at fair value of consideration received or receivable, excluding taxes and discounts.

Collateral income is made up of sale of branded pamphlets, pamphlet holders, notice boards, stickers, and posters to gambling operators.

#### Interest income

Interest income from all interest-bearing instruments recognised in the statement of comprehensive income on an accrual basis using the effective interest rate method.

#### Sponsorship received (cost recovery)

Funds received from sponsors for a specific project are recognised as other income, to the extent that the funds have been spent by the end of the financial year. Unspent funds are shown on the balance sheet as liabilities.

17

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC

Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

#### 1.13 Landlord contributions

ALandlord contributions pertain to initial installation allowance provided and paid for by the Landlord relating to leasehold improvements for the South African Responsible Gambling Foundation for its Johannesburg office. The full installation allowance was initially recognised as liability on receipt and it is being released to the Statement of Comprehensive Income over the lease term

18

#### 1.14 Value Added Tax

Value Added Tax (VAT) is accounted for based on the requirements of the Value Added Tax Act 81 of 1991 of South Africa. The net amount is derived from netting off the total input tax to claim against the total output tax that should be paid over to the South African Revenue Service.

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand	2022	2021

#### 2. Property, plant and equipment

•		2022			2021	
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leasehold property	712 309	(58 848)	653 461	1 098 521	(800 631)	297 890
Furniture and fixtures	333 326	(263 408)	69 918	509 370	(362 942)	146 428
Office equipment	320 354	(227412)	92 942	413 328	(280 163)	133 165
IT equipment	1 092 519	(774 572)	317 947	1 053 553	(774474)	279 079
Property, plant and equipment 2	1 862 920	(1 330 935)	531 985	1 862 920	(958 351)	904 569
Total	4 321 428	(2 655 175)	1 666 253	4 937 692	(3 176 561)	1 761 131

#### Reconciliation of property, plant and equipment - 2022

	Opening	Additions	Disposals	Depreciation	Impairment	Closing balance
	balance				loss	
Leasehold improvements	297 890	712 309	(178 734)	$(178\ 004)$	-	653 461
Furniture and fixtures	146 428	13 920	$(40\ 470)$	(49 960)	-	69 918
Office equipment	133 165	14 376	(4 828)	(47 247)	(2 524)	92 942
IT equipment	279 079	191 809	-	(149 948)	(2 993)	317 947
Leased assets	904 569	-	-	(372 584)	-	531 985
	1 761 131	932 414	(224 032)	(797 743)	(5 517)	1 666 253

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Leasehold Improvements	536 203	-	-	(238 313)	-	297 890
Furniture and fixtures	216 488	-	-	(68 680)	(1 380)	146 428
Office equipment	126 754	65 657	(1 338)	(51 140)	(6 768)	133 165
IT equipment	339 895	119 503	(18 374)	(150 076)	(11 869)	279 079
Leased assets	1 283 439	-	(11 476)	(372 584)	5 190	904 569
	2 502 779	185 160	(31 188)	(880 793)	(14 827)	1 761 131

#### Property, plant and equipment pledged as security

The following assets have been pledged as security for the secured long-term borrowings 7:

Leases assets 531 986 904 569

The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

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#### 3. Intangible assets

	2022				2021		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value	
Computer software Leased assets	325 879 298 085	(98 935) (79 585)		168 451 298 085	(138 707) (19 968)		
Total	623 964	(178 520)	445 444	466 536	(158 675)	307 861	
Reconciliation of intangible assets - 2022							
			Opening balance	Additions	Amortisation	Closing balance	
Computer software Finance Lease			29 744 278 117	208 428	(11 228) (59 617)		
		•	307 861	208 428	(70 845)	445 444	
Reconciliation of intangible assets - 2021							
			Opening balance	Additions	Amortisation	Closing balance	
Computer software Finance Lease			48 080 -	- 298 085	(18 336) (19 968)		
		•	48 080	298 085	(38 304)	307 861	

( ) I (a) SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC
Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
3. Intangible assets (continued)		
Pledged as security		
The following assets have been encumbered as security for the secured long-term borro	wings:	
Leased assets	218 500	278 117
4. Other financial assets		
Rental deposit The rental depoist is held by the landlord as security for the due, proper and timeous fulfilment of all our obligations in terms of the lease agreement and the Landlord can utilise the deposit in whole or in part from time to time in settlement in whole or in part of any obligations in terms of the lease agreement. The deposit must be replenished or reinstated upon demand by the Landlord up to the original amount thereof in the event of the utilisation thereof in whole or in part by the Landlord.	370 088	
5. Trade and other receivables		
Trade receivables Employee costs in advance Interest income accrued	200 963 66 492 12 817 280 272	1 511 276 3 895 6 705 <b>1 521 876</b>
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances Short-term deposits	1 027 624 9 528 415	661 333 5 136 433
	10 556 039	5 797 766
7. Finance lease liabilities		
Minimum lease payments which fall due - within one year - in second to fifth year inclusive	689 453 634 922	771 928 1 324 415
Less: future finance charges	1 324 375 (299 467)	2 096 343 (629 516
Present value of minimum lease payments	1 024 908	1 466 827
Net finance lease liabilities		
Non-current liabilities Current liabilities	539 402 485 506	1 023 500 443 327
	1 024 908	1 466 827
(2021 2)	ate is 23% (2021: 23%).	
The average lease term is 2 years (2021:3 years) and the average effective borrowing ra		

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC
Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
8. Deferred income		
Landlord contribution	262 605	112 139
Net deferred income		
Non-current liabilities	212 585	-
Current liabilities	50 020	112 139
	262 605	112 139

The Landlord contribution pertains to installation allowance given to the Foundation by the Landlord for renovations of the Johannesburg offices in 2021 financial year. The contribution will be realised over the lease term.

9. Provisions				
Reconciliation of provisions - 2022				
	Opening balance	Additions	Utilised during the year	Closing balance
Provision for bonus Provision for leave pay	53 354 55 397	180 582 235 223	(53 354)	180 582 288 056
	108 751	415 805	(55 918)	468 638
Reconciliation of provisions - 2021				
	Opening balance	Additions	Utilised during the year	Closing balance
Provisions for bonus	81 949	53 354	,	53 354
Provision for annual report fees Provision for leave pay	58 219 119 897	- 55 397	(58 219) (119 897)	- 55 397
	260 065	108 751		108 751
10. Trade and other payables				
Trade payables			477 888	457 997
Other payables			335 670	110 143
VAT laibility			551 857	266 153 155 153
Accrued expenses			368 096	
			1 733 511	989 446
11. Income				
Promotional material			70 348	100 142
Contributions			22 935 031	17 721 476
			23 005 379	17 821 618
12. Other income				
Recoveries			111 956	349 185
Other income			147 185	95 284
			259 141	444 469

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#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand	2022	2021

#### 12. Other income (continued)

Recoveries comprises of bad debts written off in prior years and subsequently recovered and claim payments received from insurance.

Other income comprises of landlord income installation allowance, recoveries on untimely cancellation of training sessions and amount received from HWSETA.

#### 13. Auditor's remuneration

Fees	248 607	294 538
14. Finance costs		
Foreign exchange gains/losses	326 941	392 626
15. Cash generated from operations		
Profit before taxation  Adjustments for:	3 474 405	2 521 989
Depreciation and amortisation	868 588	919 097
Loss on sale of assets	224 032	17 417
Interest received	(248 023)	(102 753)
Finance costs	326 941	392 626
Impairment loss	5 517	14 827
Movements in operating lease assets and accruals	(281 406)	(68 496)
Movements in provisions	359 887	(151 314)
Changes in working capital:		
Other financial assets	(370 088)	-
Trade and other receivables	1 241 604	(53 990)
Prepayments	(76 036)	14 699
Trade and other payables	744 065	(773 163)
Deferred income	150 466	(89 174)
	6 419 952	2 641 765
16. Commitments		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	776 395	1 325 767
- in second to fifth year inclusive	3 362 333	338 428
- later than five years	235 785	-
	4 374 513	1 664 195

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of 5.75 years and rentals are escalate with 7% from 01 July 2023. No contingent rent is payable.

23

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC
Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
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24

#### 17. Related parties

Relationships

Members of key management

J.F. Nalane

D.T. Marasha

S.M. Simelane-Quntana

T.D. Khanyile

R. M. Zwane

A. Z. Tshabalala

M.G. Makoko

K.I. Dichabe

P. N. Baloyi

M.T. Mpepele

The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand

18. Directors' and prescribed officer's remunerati
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2022					
Employee benefits	Basic salary	Bonuses and performance related payments	Expense allowances	Pensions receivable or received	Total
Services as director or prescribed officer					
Simelance-Quntana, Sibongile Millicent	1 056 216	191 563	134 035	101 960	1 483 774
2021					
Directors' emoluments	Basic salary	Bonuses and performance related payments	Expense allowances	Pensions receivable or received	Total
Services as director or prescribed officer					
Simelance-Quntana, Sibongile Millicent	1 010 461	101 221	134 035	47 993	1 293 710

The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

#### 18. Directors' and prescribed officer's remuneration (continued)

#### Non-executive

Figures in Rand

Directors' emoluments	Committee fees	Total
Services as director or prescribed officer		
Khanyile, Derrick Thabani Nalane, Joe Fana	66 563 119 813	66 563 119 813
	186 376	186 376
2021		
Directors' emoluments	Committee fees	Total
Services as director or prescribed officer		
Khanyile, Derrick Thabani Nalane, Joe Fana	137 225 48 654	137 225 48 654
	185 879	185 879

( ) I (a) SARGF Annual Report 2021/22

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Notes to the Annual Financial Statements**

Figures in Rand	2022	2021

#### 19. Change in estimate

#### Property, plant and equipment

Some of Office Equipment with initially estimated useful life of 5 years has been revised to 10 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R7 451.

Some of Furniture and Fittings with initially estimated useful life of 6 years has been revised to 13 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R6 397.

Some of IT Equipment with initially estimated useful life of 3 years has been revised to 8 years. The effect of this revision has decreased the depreciation charges for the current and future periods by R66 140.

#### 20. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

#### The South African Responsible Gambling Foundation NPC

(Registration number: 2004/012448/08)

Trading as The South African Responsible Gambling Foundation NPC

Annual Financial Statements for the year ended 31 March 2022

#### **Detailed Income Statement**

Figures in Rand	Note(s)	2022	2021
Income			
Promotional income		70 348	100 142
Contributions		22 935 031	17 721 476
	11	23 005 379	17 821 618
Cost of sales			
Purchases		(370 088)	-
Closing stock		370 088	-
		-	-
Other income			
Recoveries		111 956	349 185
Other income		147 185	95 284
		259 141	444 469
Expenses (Refer to page 29)		(19 711 197)	(15 454 225)
Operating profit		3 553 323	2 811 862
Investment income		248 023	102 753
Finance costs		(326 941)	(392 626)
		(78 918)	(289 873)
Profit for the year		3 474 405	2 521 989

The South African Responsible Gambling Foundation NPC (Registration number: 2004/012448/08)
Trading as The South African Responsible Gambling Foundation NPC Annual Financial Statements for the year ended 31 March 2022

#### **Detailed Income Statement**

Figures in Rand	Note(s)	2022	2021
Onevating expenses			
Operating expenses Accommodation		(359 626)	(77 130)
Administration and management fees		(2 501)	(23 053)
Advertising		(130 055)	(35 339)
Annual report		(81 900)	(9 281)
Assets <r7 000<="" td=""><td></td><td>(248 716)</td><td>(52 027)</td></r7>		(248 716)	(52 027)
Bad debts		(128 147)	(335 295)
Bank charges		(21 270)	(21 428)
Board and sub-commitee meeting expenses		(186 375)	(177 283)
		(2 800)	(750)
Cleaning Commission paid			
Commission paid		(9 687)	(19 373)
Computer expenses		(2 570)	(18 276)
Conferences and workshops		(7 000)	(16 454)
Consulting and professional fees		(105 210)	(417 158)
Courier and Postage		(27 070)	(8 796)
Depreciation, amortisation and impairments		(874 105)	(933 924)
Employee costs	12	(9 292 996)	(7 350 413)
External auditors remuneration	13	(248 607)	(294 538)
Fines and penalties		(29 668)	(39 281)
Insurance		(128 876)	(85 458)
Internal auditors remuneration		(432 130)	(228 725)
Internet expenses		(303 839)	(201 953)
Lease rentals on operating lease		(841 656)	(1 152 047)
Municipal expenses		(114 159)	(130 868)
Printing and stationery		(65 242)	(35 777)
Profit and loss on sale of assets and liabilities		(224 032)	(17 417)
Promotional material		(951 611)	(258 780)
Research costs		(360 767)	(10 550)
Public awareness		(304 911)	(152 850)
Rates & taxes		(141 117)	(163 420)
Repairs and maintenance		(226 564)	(12 789)
Research and development costs		(23 530)	(504 714)
Software expenses		(90 465)	(74 178)
Staff training and development		(417 872)	(511 448)
Staff welfare		(210 552)	(47 788)
Subscriptions		(27 934)	(24 475)
Subsistance allowances		(52 400)	(10 200)
Telephone		(788 686)	(853 433)
Training - Material costs		(310 936)	(147 489)
Training - Other programmes		(48 862)	-
Training - Responsible gambling 101		(200 450)	(12 350)
Training - Responsible gambling 102		(38 950)	(950)
Training - Responsible gambling 103		(21 217)	(950)
Travel		(638 636)	(193 455)
Treatment - Family sessions treatment		(29 570)	(46 741)
Treatment - Group sessions		700	(13 300)
Treatment - Inpatient programme		(52 640)	(97 959)
Treatment - Outpatient programme treatment		(783 400)	(436 836)
Treatment - self-exclusion		(122 590)	(197 526)
		(19 711 197)	(15 454 225)
		(27,22,27)	(10 101 110)



#### Address:

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