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13 June 2023

Mr Raymond Joseph  
Ground Up

By email: [rayjoe@iafrica.com](mailto:rayjoe@iafrica.com)

Dear Mr Joseph

### **Lotteries Commission blows R2.6 million on printing just 70 annual reports**

I refer to our telephone conversation earlier and the article that you asked me about, published by Mr Macpherson of the DA under the heading “Lotteries Commission blows R2.6 million on printing just 70 annual reports”.

There appears to have been a disconnect between the question asked of the Minister and the response provided, as the question was: “what total amount did the National Lotteries Commission pay for printed copies of its integrated annual reports and the answer provided by the Minister was the price for the entire project of producing the integrated annual report. There is no correlation between the total contract price and the number of reports printed. The scope of the NLC project was reasonably straightforward, typical of many of Ince’s clients. The type of services provided by Ince to its clients (and NLC is no different) include:

- Strategic and editorial advisory (gap analysis, peer review, best practice and trends)
- Research, interviews, content development , copywriting, review and structural editing
- Design, production and publishing
- Digital campaigns.

Most organisations in the digital era have a very small print run for their annual reports – if they print hard copies at all. A small print run (of, say, 70 copies) would make up a small fraction of the total project cost, as most of the work that Ince does is digitally based and the output is in the form of HTML (website) interactive reports, PDF documents, other electronic formats (such as XBRL) and a very small volume of printed reports. Most reporting entities have little requirement for printed copies as the electronic copies are shared with stakeholders. Dividing the cost of an annual report project by the number of printed copies is misleading.

NLC’s integrated annual report is on their website. The interactive report can be found at: <https://www.nlcsa.org.za/ir/nlc-ir2022/>. The PDF version of the integrated annual report can be found at: <https://www.nlcsa.org.za/ir/nlc-ir2022/pdf/NLC%20Integrated%20Report%202022.pdf>.

An examination of the contents page of the integrated annual report shows the nature and extent of the content of the report, and is reflective of the nature of the work that went into the creation of the report.

Ince is privileged to serve approximately 42% of the listed companies in South Africa and about 4% of public sector entities – including the National Lotteries Commission. We are dismayed to have seen factually incorrect information published in connection with the production of the National Lotteries Commission 2022 Annual Report.

Ince’s tradition of innovation and keen understanding of our clients' unique needs has shaped Ince into a leading force in investor marketing and communications. Just like the sentiment expressed in your article, Ince has a zero tolerance for corruption or malfeasance in any form. Our suite of strategic advisory, production, and bespoke



digital tools empower our clients to meet their regulatory disclosure requirements and equip their stakeholders with insights into the company's past performance and future potential. We pride ourselves on our ability to tailor solutions according to the specific needs of each client, making use of our advanced back-end systems designed to alleviate the pressure of looming deadlines and ease the most stressful aspects of their reporting cycles. Our reputation for excellent client service, design, financial writing and reporting, project management – and fair and transparent pricing – over more than 105 years of our existence, has unfortunately been called into question by the content of your article.

I hope that the disconnect between the question asked and the Minister's reply is clear.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Backwell". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Peter Backwell  
Managing director  
Ince Proprietary Limited