

**2025 CFS**  
**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2025



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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**2025 CFS**  
**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
for the year ended 31 March 2025

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**Consolidated Financial Statements**

Annual Financial Statements 31 March 2025

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**CONSOLIDATED  
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for the year ended 31 March 2025  
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# **ACCOUNTING OFFICER'S APPROVAL AND REVIEW**



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REPUBLIC OF SOUTH AFRICA



# ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2025

The Consolidated Financial Statements are prepared on the going concern basis. They are based on accounting policies, which have been consistently applied and supported by reasonable and prudent judgements of estimates. The Consolidated Financial Statements have been approved by the Accounting Officer and the Accountant-General on 4 December 2025.



Dr Duncan Pieterse  
**Director-General**  
Accounting Officer



Shabeer Khan  
**Accountant-General**

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

## 1. MANDATE

Section 8(1) (a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), requires that the National Treasury (NT) prepares and tables the Consolidated Financial Statements (CFS) in accordance with generally recognised accounting practice (GRAP) for:

- i) National departments;
- ii) Public entities under the ownership control of the national executive;
- iii) Constitutional institutions;
- iv) The South African Reserve Bank;
- v) The Auditor-General; and
- vi) Parliament.

The mandatory CFS for government for the year ended 31 March 2025 as required by section 8(1) (a) of the PFMA as amended is hereby presented.

The Minister of Finance granted exemption in terms of Section 92 of the PFMA to the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated Annual Financial Statements (AFS) for national departments and public entities. Due to the significantly different accounting bases being applied by departments and entities (modified cash and accrual), the Minister has allowed the National Treasury to prepare separate sets of consolidated financial statements for departments and public entities respectively. The CFS are prepared for both the national departments and public entities and submitted for audit ensuring compliance with the principles of GRAP 35 on Consolidated and Separate Financial Statements for the 2025 financial year.

Besides being mandated by legislation, CFS is meant to provide a summary of national government's financial resources and their application for the benefit of the people of the Republic of South Africa. Due to different accounting bases being used by national departments and public entities, separate sets of consolidated information are prepared and published as such in this report to ensure credible and meaningful presentation of financial information. National departments report on a modified cash basis of accounting whereas public entities are on accrual basis. Public entities include constitutional institutions, national public entities listed in the PFMA, the South African Reserve Bank and the Auditor General of South Africa. The public entities that are consolidated also include unlisted public entities that are accountable to parliament.

In a drive to improve public accountability, National Treasury is facilitating the transition from reporting on the modified cash basis of accounting to reporting on the accrual basis of accounting. Under the modified cash basis of accounting, transactions and other events are recognised when cash is received or paid, while disclosure notes, which are recognised on accrual basis, are provided in the annual financial statements (AFS) such as provisions, accruals, property plant and equipment (PPE), public private partnership (PPP), lease commitments, contingent liabilities and so on. Under the accrual basis of accounting, transactions and other events are recognised when earned or incurred and not when cash is received or paid.

The MCS sets out the principles of the modified cash framework in a format ordinarily used by other public sector accounting standard setters such as Accounting Standards Board (ASB). The Accounting Manual on the other hand, provides detailed guidance on the principles stated in the MCS.

Modified Cash Standard (MCS) for departments sets out the principles for the recognition, recording, measurement, presentation and disclosure of information required in terms of the prescribed formats.

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

Under the modified cash basis of accounting, only certain elements are recognised in the Statement of Financial Position and Statement of Financial Performance. To ensure a complete view of the financial position and performance of a department for the purposes of fair presentation, and without changing the basis of accounting, this Standard also prescribes disclosure requirements for additional information relating to elements that do not qualify for recognition.

In developing the Standard, the OAG considers and makes use of pronouncements issued by the Accounting Standards Board (ASB); the International Public Sector Accounting Standards Board (IPSASB); the International Accounting Standards Board (IASB); and other organisations that develop financial reporting, accounting and auditing requirements for the public sector. In addition, the OAG also considered the best practices, both locally and internationally; the capacity of departments to comply with the reporting requirements; and the systems used by departments in preparing and collating the information required to comply with the reporting requirements.

Government is also in the process of formalising the accounting reporting framework in terms of section 89 of the PFMA and section 216(1)(a) of the Constitution. Currently there are 41 standards that are effective as approved by the Minister of Finance. The effective Standards of GRAP are 1-14, 16-21, 23-27, 31-32, 34-38, 100 and 103-110. The Standards of GRAP approved, but for which the Minister of Finance has not yet determined an effective date are GRAP 1, 103, 105, 106 and 107. In 2009/10 financial year, public entities started to apply fully the standards of GRAP for the first time. The standards applied by the entities are reflected in Directive 5-GRAP Reporting Framework as issued by the ASB.

Entities are required to comply with GRAP 24 Presentation of Budget Information in Financial Statements, which requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. As there is no publicly available budget that is reconcilable with the group of entities for the purposes of the National Public Entity Consolidation, it is deemed inappropriate to present a comparison between actual and budget information at this level of consolidation. GRAP 24 is therefore not relevant to this set of CFS.

The South African national government is structured into five main segments commonly referred to as clusters, mainly to address government priorities and policies.

These clusters are:

1. Economic Services and Infrastructure Development.
2. Central Government and Administration
3. Financial and Administration Services
4. Justice and Protection Services
5. Social Services

This Accounting Officer's Review includes an Executive Summary and Review of Operating Results. The review of operating results reflects monetary values presented in the CFS in accordance with paragraph 18.2 of the Treasury Regulations. It is also a descriptive report clarifying the amounts presented. The CFS therefore provides information not only on the financial performance but also on the government's ability to meet current and future obligations.

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

## 2. CONSOLIDATION PROCESS

### 2.1 GOALS FOR CONSOLIDATION AND THIS REPORT

The CFS should provide information on financial performance as well as national government's ability to meet current and future obligations by:

- presenting the consolidated monetary values of national government (assets, liabilities, revenue and expenditure)
- improving the users' understanding of public sector financial management to enhance the achievement of the government's social objectives and priorities
- creating uniformity in the presentation and analysis of public sector financial information.

### 2.2 SCOPE OF CONSOLIDATION

#### SCOPE

GRAP 35 requires that the entity that prepares consolidated financial statements establishes whether it controls an entity before consolidating it. It uses criteria such as: is the controlling entity exposed or has rights to variable benefits from its involvement with the other entity and does it have the ability to affect the nature and amount of those benefits through its power over the other entity. These control indicators must be presently exercisable. For this set of consolidated financial statements, there is no specific identifiable controlling entity as envisaged in GRAP 35.

The motivation behind preparing these financial statements is not to show what is directly controlled, but rather to present a combined view of entities considered to be a part of government as envisaged by the PFMA. In accordance with the definition of a public entity in the PFMA, the Accountant-General has determined that accountability to Parliament (or the legislature) for the use of public funds must be the driver and considers this to be the primary criterion for including entities in the consolidation, with ownership control by government being assumed to exist in such cases. Consequently, if an entity has a legal or constructive obligation to account to Parliament on its finances, it is deemed to also be under the control of the National (Provincial) Executive and shall be included in the national (provincial) government consolidation. This approach is expected to prudently ensure a more complete consolidation.

#### ACCOUNTING POLICIES

Accounting policies of entities are adjusted to be on a uniform basis where the effect thereof is deemed to be material to the consolidated financial statements.

#### Treatment of Government Business Enterprise (GBE's)

The National Treasury currently adheres to guidance provided in IPSAS 6 which assists with determining whether the National Treasury is able to exert control over the GBE's. Based on the criteria provided in this standard for control, the National Treasury believes that GBE's are controlled by government and are therefore consolidated in full.



# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

## Elimination

All material balances and transactions between entities included in the CFS are eliminated. For departments, the AFS template makes provision in the Annexures for departments to disclose these inter-entity transactions and balances. For public entities, the Office of the Accountant General (OAG) developed an inter-entity elimination template that is completed by each entity, authorised and then submitted to the National Treasury.

## PROCESS

The CFS has been prepared in accordance with accounting policies, which have been applied consistently in all material respects, unless otherwise indicated and meaningful. Additional information is disclosed to enhance the usefulness of the CFS and to comply with the statutory requirements of the PFMA where appropriate.

The responsibility for the integrity and objectivity of the accompanying CFS for the year ended 31 March 2025, and all information contained in this report rests with the OAG, a division within the National Treasury as well as the Director-General of the National Treasury.

The OAG has developed and maintained policies, procedures and internal controls, deemed appropriate, in order to provide assurance that the financial information is a reliable reflection of the consolidated national departments' and consolidated entities' financial position as at 31 March 2025.

Parliament reports on the accrual basis of accounting using the GRAP framework. Parliament's GRAP based financial statements were converted to modified cash basis of accounting and consolidated with national departments.

The public entity list per schedule 1, 2 and 3 of the PFMA was used as a basis from which public entities that were consolidated, however some public entities and trading entities, which are not listed but fall within the scope based on accountability to parliament, were consolidated.

The OAG is tasked with, amongst others, the responsibility to develop standard reporting formats (including AFS templates), Modified Cash Standards and Accounting Manual for Departments, used by departments in preparing their annual financial statements. The AFS template is updated annually to meet the requirements of the policies set by the OAG. The AFS templates are then completed by all national departments and Parliament and forwarded to NT, where these are consolidated using a consolidation model. The latter exercise is performed twice annually based on unaudited information by 30 June, and finally based on audited information by 31 August. The process for public entity consolidation is similar. Both sets of statements are forwarded to the AGSA firstly to comply with the legislation (PFMA) and secondly for audit.

To improve the consolidation process, AFS templates are published earlier in the year and training is provided to departments on the AFS template, Modified Cash Standards and Accounting Manual Departments for the preparation of AFS. Training is also provided to the public entities on the latest GRAP standards as approved by the Minister and on completing the consolidation AFS template.

The NT is grateful for the efforts of the national departments, public entities and the OAG in the preparation of the CFS for 2024/25.

# ACCOUNTING OFFICER’S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025



# **EXECUTIVE SUMMARY**



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Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# EXECUTIVE SUMMARY

FOR THE YEAR ENDED 31 MARCH 2025

The 2025 Budget is an investment in South Africa's future. It proposes medium-term investments of over R1 trillion in roads, rail, energy and water infrastructure. It highlights the continued path of structural reforms needed to transform our economy. It also aims to ensure that efforts to stabilise the public finances achieve critical milestones and thus meets critical current needs such as the directing of 61 per cent of non-interest spending to support the social wage, health, education, social protection, community development and employment programmes.

As global growth has faltered, South Africa's economic outlook has also weakened, with GDP expected to grow by only 1.4 per cent in 2025. The better medium-term outlook is however, supported by higher investment and household consumption, aided by a stable inflation outlook, moderate employment gains and improving household balance sheets. Continued easing of structural constraints will support the economy by fostering additional investment – including in infrastructure. The growth outlook underscores the opportunity to move to a significantly faster economic growth path through sustained progress in raising investment and productivity. This outlook will be supported by stable macroeconomic policies, improved efficiency and competitiveness driven by structural reforms, enhanced state capability to deliver services and improved infrastructure investment over the medium term.

The fiscal strategy remains on course so that government can spend less on debt-service costs and more on critical public services. As per our commitment, government debt will stabilise in 2025/26 at 77.4 per cent of GDP. For the first time since the 2000s, government is consistently running a primary surplus, where revenue exceeds non-interest expenditure. In time, this growing surplus will reduce rising debt-service costs. These costs will consume 22 cents of every rand collected in revenue in 2025/26 – money that could be better spent to build fiscal shock absorbers and fund health, education and security. The social wage accounts for 61 per cent of total non-interest spending over the medium term and is projected to reach R1.3 trillion in 2025/26. Over the MTEF period, the primary surplus continues to grow, meaning that revenue will continue to exceed non-interest expenditure. In time, this growing surplus will reduce the growth of debt-service costs – money that could be better spent to build fiscal shock absorbers and fund health, education and security. Risks to the fiscal outlook remain balanced. In addition, the conclusion of wage negotiations with a multi-year agreement and the early retirement initiative will reduce compensation risks over the period ahead. Medium- to longer-term risks to the fiscal outlook include lower economic growth, leading to weaker revenue growth, the poor financial condition of subnational governments and state-owned companies and macro-fiscal shocks due to heightened geopolitical tensions. Determined application of the fiscal strategy, in concert with economic policy initiatives and a firm stance on state-owned company bailout requests, will mitigate these risks. Government will achieve a longstanding ambition to stabilise debt next year through the strengthening primary surplus. The fiscal strategy will continue to manage fiscal risks, support essential services and encourage economic growth.

Tax revenue is expected to rise from R1.86 trillion in 2024/25 to R2.29 trillion in 2027/28. The medium-term tax revenue projections have been revised down by R61.9 billion due to the reversal of the VAT rate increase and the updated economic forecast. The improvement was primarily driven by a large once-off dividends tax receipt and lower-than-anticipated VAT refunds. Nonetheless, the outcome falls short of expectations in the 2024 Budget by R7.8 billion. Government remains committed to its long-term objectives of broadening the tax base and improving the efficiency and effectiveness of SARS for sustainable revenue collection.

Expenditure continues to be highly redistributive, with a substantial portion of the budget allocated to the social wage. Government is committed to improving spending efficiency, protecting the vulnerable through redistributive measures, and increasing infrastructure spending that will support future growth and service delivery. Spending adjustments have been limited to a few departments or sectors. The social wage continues to account for 61 per cent of consolidated non-interest spending over the 2025 MTEF period. Total consolidated spending is expected to grow at an average annual rate of 5.4 per cent, from R2.4 trillion in

# EXECUTIVE SUMMARY

FOR THE YEAR ENDED 31 MARCH 2025

2024/25 to R2.81 trillion in 2027/28. Economic development is the fastest-growing function over the MTEF period, with an average growth rate of 8.2 per cent.

The 2025 Budget continues to maintain the previous expenditure trajectory with total functional allocations amounting to R6.69 trillion over the medium term, while proposed additional spending has been reduced from a total of R232.6 billion to R180.1 billion over the three-year period to align spending with revenue proposals while protecting frontline services. This has been achieved mainly through adjustments to provisional allocations.

Government borrowing is guided by three primary considerations: liquidity management, refinancing risk and borrowing costs. Supported by a strategic risk framework, government determines the best mix of debt instruments and maturities to finance the gross borrowing requirement and ensure debt remains sustainable. In 2024/25 the gross government debt is expected to increase from R5.69 trillion to R6.09 trillion in 2025/26 and R6.82 trillion in 2027/28. The gross borrowing requirement is projected to decline by a total of R30.2 billion between 2024/25 and 2027/28. In 2025/26, the gross borrowing requirement will amount to R588.2 billion, including payments to Eskom of R80.2 billion – R30 billion lower than the 2024 Budget estimate. This requirement is also affected by the transfer to government of R100 billion in 2024/25 and R25 billion in each of the two following years from the Gold and Foreign Exchange Contingency Reserve Account.

Despite South Africa's ongoing challenges, the 2025 Budget marks a pivotal step towards achieving a balanced and equitable economic future. It emphasizes economic growth through strategic infrastructure investments, while stabilising public finances and supporting vulnerable households.

The central challenges outlined are that South Africa needs to raise economic growth and stabilise the public finances in order to compete globally, create jobs and deliver sustainable public services. The overall budget overview maintains government's fiscal strategy and aims to stabilise government debt in 2025/26 while increasing infrastructure investment to support higher economic growth. It also continues to support the social wage – made up of health, education, social protection, community development and employment programmes. Work is under way to enhance the budget process which is the foundation for sustainable public finances, and improve the efficiency and effectiveness of public spending. This includes the fiscal anchors reform and the early retirement initiative. Furthermore, spending reviews used as technical tools that support the credibility of public expenditure, have identified tens of billions of rands in potential savings from poorly performing or inefficient programmes that can be redirected in future budgets.



# **REVIEW OF OPERATING RESULTS**



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REPUBLIC OF SOUTH AFRICA





# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## TOTAL REVENUE

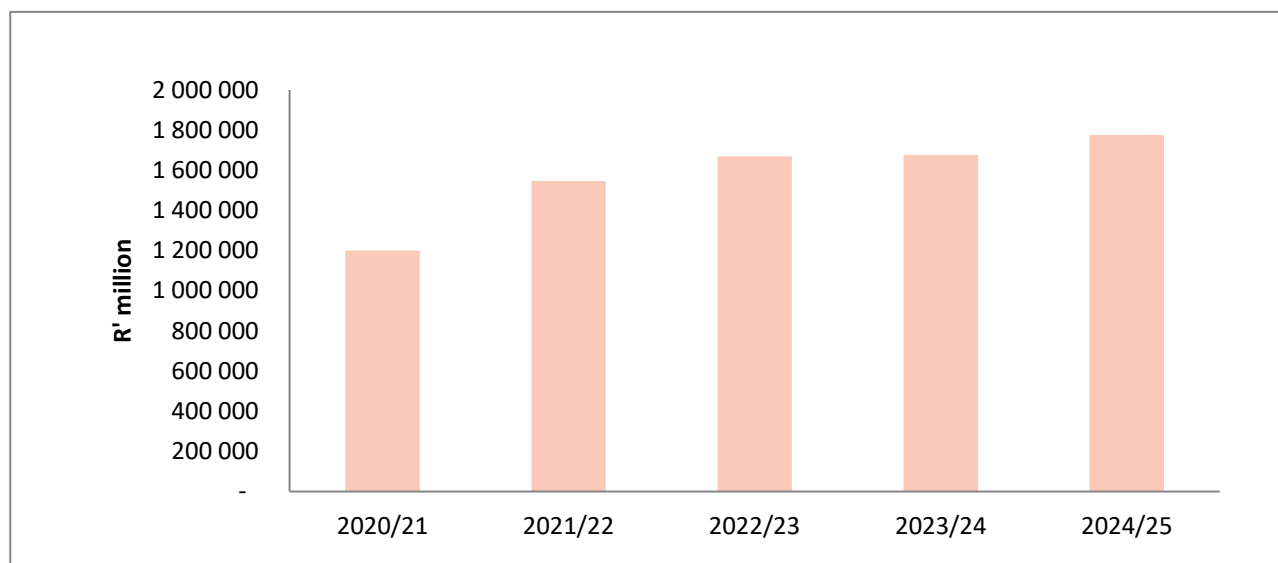
Table 1: Total revenue

| Year Ended 31 March<br>R' million       | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Taxes, Levies & Duties                  | 1 200 564         | 1 546 203         | 1 668 583         | 1 677 198         | 1 775 986         |
| Departmental revenue                    | 36 251            | 16 174            | 30 826            | 46 410            | 233 742           |
| Local & foreign aid assist.             | 2 209             | 2 565             | 4 136             | 4 678             | 5 596             |
| Other                                   | 4 491             | 6 271             | 6 481             | 6 982             | 2 732             |
| <b>Total Revenue</b>                    | <b>1 243 515</b>  | <b>1 571 214</b>  | <b>1 710 026</b>  | <b>1 735 268</b>  | <b>2 018 056</b>  |
| <b>Year on year increase in revenue</b> | <b>(8%)</b>       | <b>26%</b>        | <b>9%</b>         | <b>1%</b>         | <b>16%</b>        |

In the fiscal year 2024/25, total revenue saw an increase of 16%, which is a significant increase compared to the previous year's movement of 1%. Most of this revenue, primarily derived from Taxes, Levies, and Duties, is managed by the South African Revenue Services (SARS). In 2024/25, there was a slight improvement in these collections, showing a 6% increase relative to the 1% increase from prior year. In addition, the increase in departmental revenue performance was primarily driven by the R200 billion transfer from the South African Reserve Bank (SARB) to the National Revenue Fund, following the implementation of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) settlement under Act No. 27 of 2024. The GFECRA account, maintained by the SARB, records unrealised gains and losses arising from foreign currency reserve transactions. The settlement resulted in a substantial inflow to the National Revenue Fund

Other sources of income include local & foreign aid assistance and other sources of revenue. SARS collected a total of R1.939 trillion in revenue but only paid R1.776 trillion over to the National Revenue Fund (NRF). The difference between the total of taxes collected and the net revenue surrendered to the NRF is made up of transfers of ring-fenced taxes.

Graph 1: Total taxes, levies and duties



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

The following is a reconciliation of SARS Revenue to the amount paid to the National Revenue Fund (NRF):

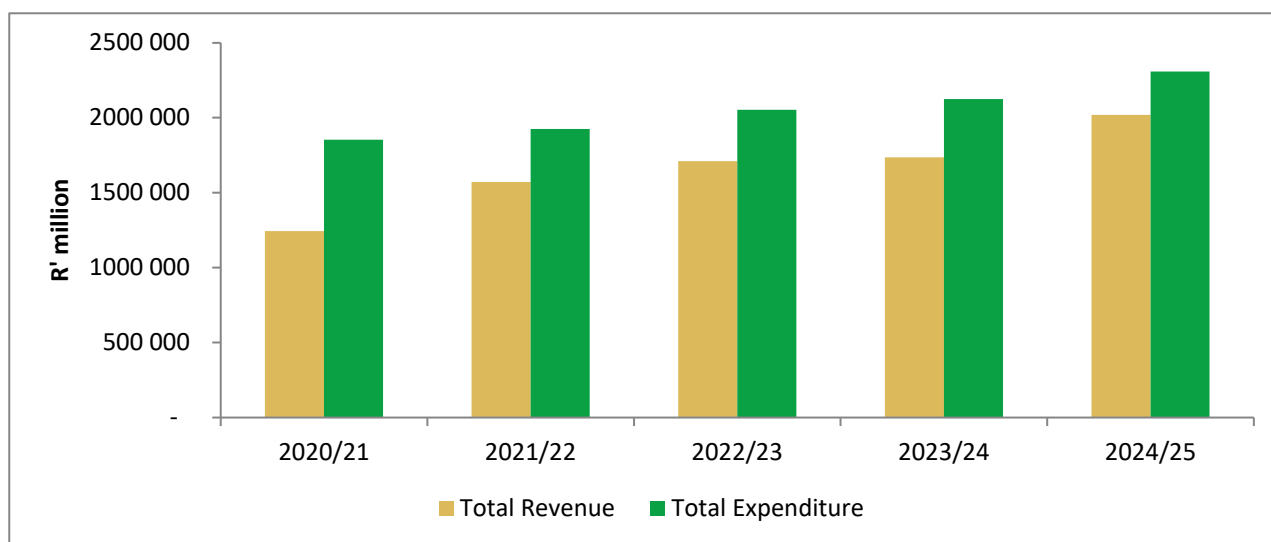
**Table 2: Reconciliation of SARS Revenue to the National Revenue Fund**

| Year Ended 31 March<br>R' million           | Actual<br>2024/25 | Actual<br>2023/24 |
|---|-------------------|-------------------|
| <b>SARS Revenue</b>                         | <b>1 938 805</b>  | <b>1,829 817</b>  |
| Less: South African Customs Union Agreement | 89 874            | 79 811            |
| Less: Payment to UIF                        | 23 326            | 22 266            |
| Less: Amount payable by SARS to UIF         | 2 244             | 2 148             |
| Less: Payment to RAF                        | 47 563            | 48 385            |
| Less: Amount payable by SARS to RAF         | (179)             | 17                |
| <b>Net Revenue as reflected by NT</b>       | <b>1 775 977</b>  | <b>1 677 190</b>  |

As noted, taxes levies and duties makeup the largest portion of total revenue at 97% and has been above 95% throughout the period under review. The current year saw a significant increase in non-tax revenue compared to the previous year's 40%, which suggests a substantial growth particularly from the collection of departmental revenue. For a detailed analysis of Departmental Revenue and Aid Assistance constituents, refer to Notes 3 and 6 of the Notes to the Consolidated Financial Statements.

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Taxes, Levies & Duties            | 1 200 564         | 1 546 203         | 1 668 583         | 1 677 198         | 1 775 986         |
| Other                             | 42 951            | 25 011            | 41 443            | 58 070            | 242 070           |
| <b>Total Revenue</b>              | <b>1 243 515</b>  | <b>1 571 214</b>  | <b>1 710 026</b>  | <b>1 735 268</b>  | <b>2 018 056</b>  |
| <b>Total Expenditure</b>          | <b>1 852 860</b>  | <b>1 924 988</b>  | <b>2 052 592</b>  | <b>2 124 591</b>  | <b>2 307 958</b>  |

**Graph 2: Revenue vs. Expenditure**



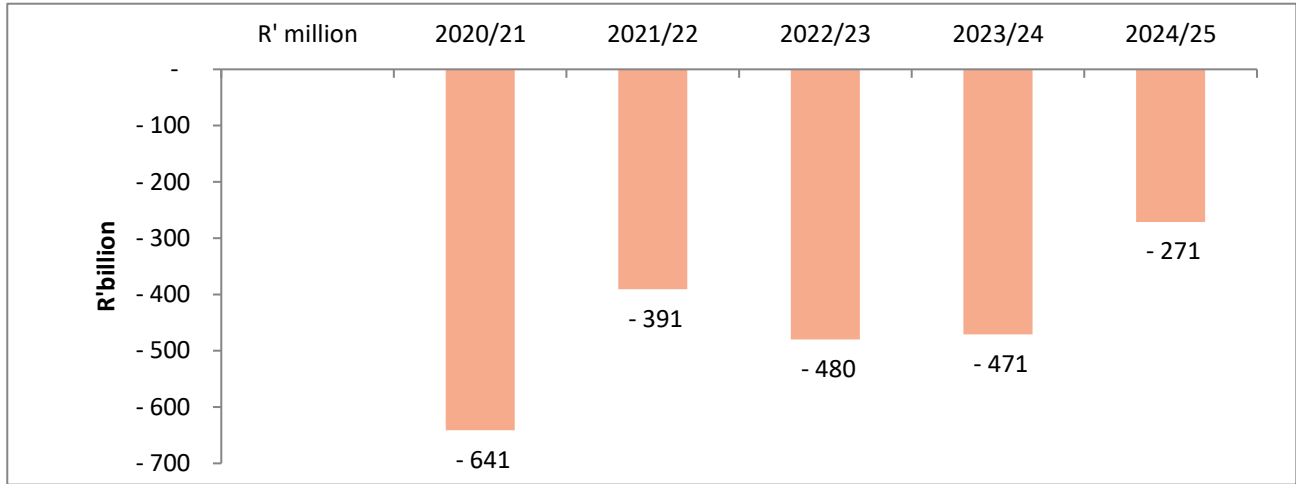
Illustrated above is revenue versus expenditure for National Government. In 2024/25 total revenue and total expenditure increased by 16% and 8% respectively.

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Surplus/ (Deficit) for the year   | (641 339)         | (390 631)         | (479 915)         | (470 798)         | (271 220)         |
| <b>Movement</b>                   | <b>-43%</b>       | <b>39%</b>        | <b>-23%</b>       | <b>2%</b>         | <b>42%</b>        |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Graph 3: Deficit net of revaluation gains/losses**



The above graph reflects a steady decline in the total deficit net of revaluation gains/losses, specifically showing a bit of an upward trend for the past three years. The nominal GDP continues to grow at a slow pace, with only 1.4% expected in 2025, characterized by collection of associated tax revenues, higher borrowings and assistance to financially distressed state-owned companies over the period. The 42% decline in the deficit in the current year is due to increased tax revenue collections in the current year and also gains realized in the foreign currency revaluation. Government has also adopted a balanced and prudent fiscal framework strategy that is designed to promote economic recovery and stabilize public finances to a sustainable position.

In 2024/25 the gross government debt is expected to increase from R5.69 trillion to R6.09 trillion in 2025/26 and R6.82 trillion in 2027/28. The gross borrowing requirement is projected to decline by a total of R30.2 billion between 2024/25 and 2027/28 largely due to lower debt redemptions as a result of government's bond-switch programme. In 2025/26, the gross borrowing requirement will amount to R588.2 billion, including payments to Eskom of R80.2 billion. This requirement is also affected by the transfer to government of R100 billion in 2024/25 and R25 billion in each of the two following years from the Gold and Foreign Exchange Contingency Reserve Account. The gross loan debt is also expected to stabilise at 76.2 per cent of GDP.

## Total Expenditure

**Table 3: Total Expenditure Before Adjustments**

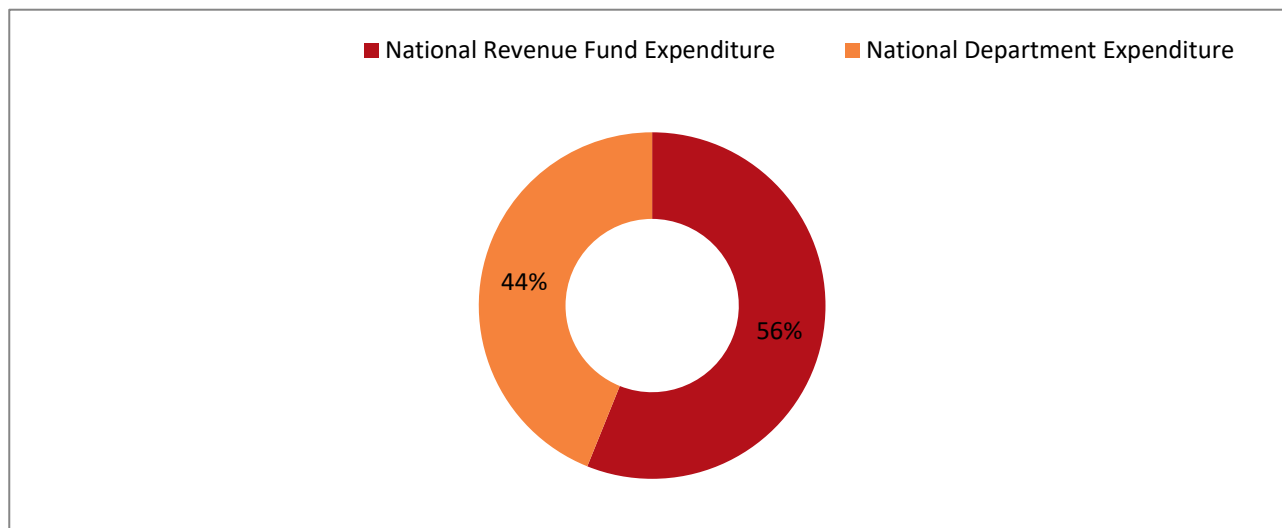
| Year Ended 31 March               | Actual           | Actual           | Actual           | Actual           | Actual           |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|
| R' million                        | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          |
| National Revenue Fund Expenditure | 1 871 324        | 1 940 711        | 2 067 335        | 2 202 660        | 2 376 468        |
| National Department Expenditure   | 1 554 771        | 1 620 257        | 1 700 865        | 1 690 723        | 1 860 164        |
| <b>Total Expenditure</b>          | <b>3 426 095</b> | <b>3 560 968</b> | <b>3 768 201</b> | <b>3 893 383</b> | <b>4 236 632</b> |
| <b>Movement in expenditure</b>    | <b>29%</b>       | <b>4%</b>        | <b>6%</b>        | <b>3%</b>        | <b>8%</b>        |

Total expenditure increased by 8% (2023/24: 3%). Total expenditure is made up of the National Departments' expenditure and the NRF expenditure. National Departments' expenditure continues to reflect an average of 52% of total expenditure for the past five years. Included in National Departments' expenditure are transfers to provinces and municipalities of R899 billion (2023/24: R864 billion). These are further analysed under the section on Transfers and Subsidies.

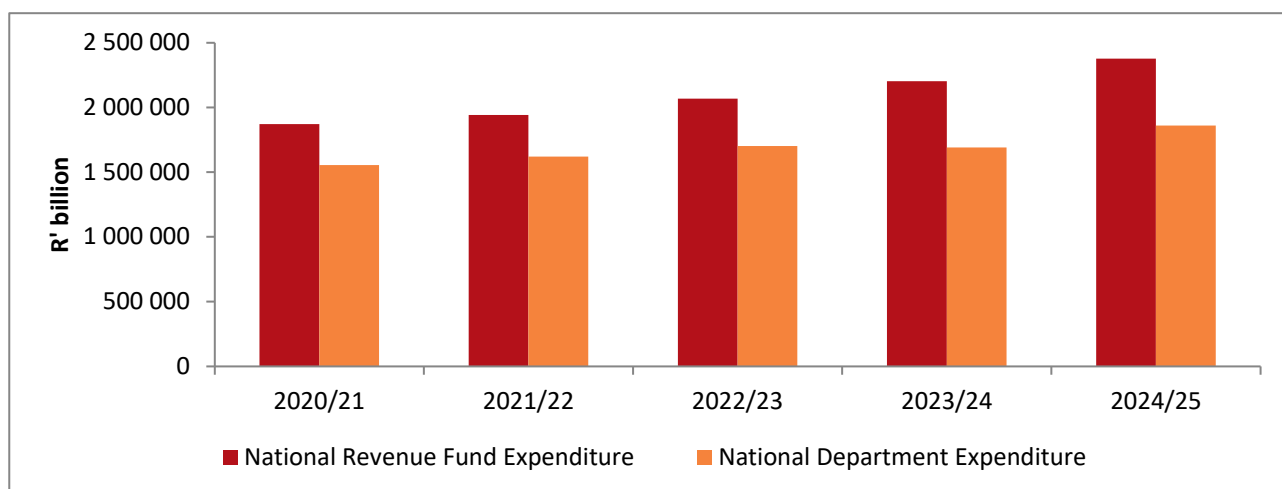
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 4: NRF expenditure vs. National Departments expenditure



Graph 5: Total expenditure



## NATIONAL REVENUE FUND EXPENDITURE

### Equitable share transfers to provinces

The National Revenue Fund's (NRF) expenditure includes debt-service costs and equitable share transfers to provinces. Equitable share transfers to provinces represents amounts distributed to provincial departments to perform their assigned functions.

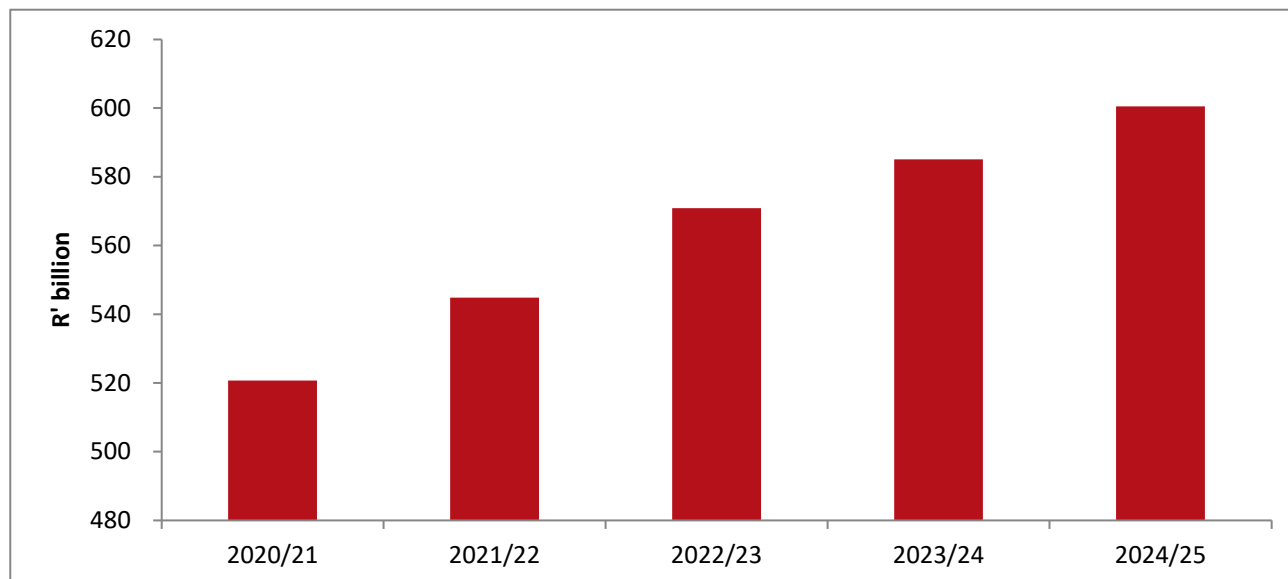
Table 4: Equitable share transfers to provinces

| Year ended 31 March                     | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <i>R' million</i>                       |                   |                   |                   |                   |                   |
| Equitable Shares – Provinces            | 520 717           | 544 835           | 570 868           | 585 086           | 600 476           |
| Movement in Provincial Equitable shares | 3%                | 5%                | 5%                | 2%                | 3%                |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 6: Equitable transfers – provinces



There was a 3% increase in equitable share transferred to provinces in the current financial year as compared to the 2% increase in 2023/24.

Transfers to provinces amounted to R600 billion in the current financial year (2023/24: R585 billion), which is 25% of NRF expenditure (2023/24: 27%) and it has remained at this percentage for the past three years.

## Debt-service costs- Interest portion

Debt Service cost is the cost associated to borrowing. Debt-service consumes 22 cents of every rand of revenue than spending more on developmental priorities, including public infrastructure. The debt-service costs in relation to interest are expected to rise due to the continued Eskom debt relief arrangement. Interest payments on debt have crowded out spending on essential public services such as social development, health, and basic education. Debt service increased by R29.7 billion from 2023/24 to R385.6 billion in 2024/25. This is due to revenue shortfalls which resulted to higher borrowing requirement.

Table 5: Debt-service costs

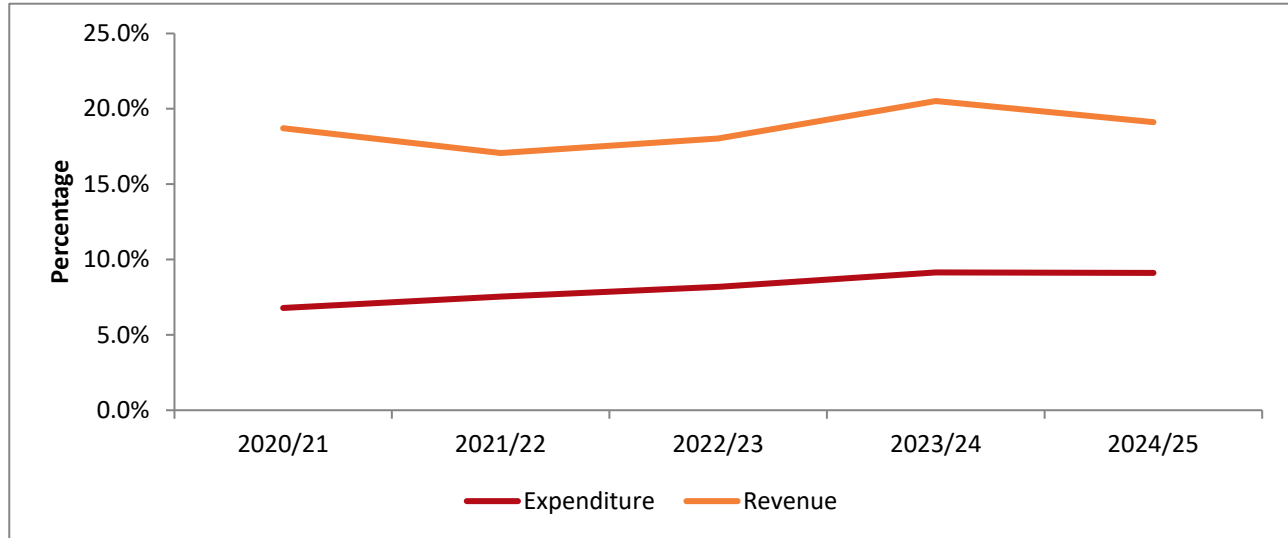
| Year ended 31 March             | Actual         | Actual         | Actual         | Actual         | Actual         |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| R' million                      | 2020/21        | 2021/22        | 2022/23        | 2023/24        | 2024/25        |
| Domestic                        | 213 517        | 250 523        | 284 100        | 324 475        | 354 011        |
| Foreign                         | 19 078         | 17 549         | 24 203         | 31 485         | 31 611         |
| <b>Total debt-service costs</b> | <b>232 596</b> | <b>268 072</b> | <b>308 303</b> | <b>355 960</b> | <b>385 622</b> |
| <b>Increase in costs</b>        | <b>13%</b>     | <b>15%</b>     | <b>15%</b>     | <b>15%</b>     | <b>8%</b>      |

Borrowing in the domestic capital markets remains the major source of financing. Borrowing in the international capital markets is used to finance government's foreign currency commitments and to maintain benchmarks in major currencies. Government borrows in foreign currency to meet its foreign-currency commitments. In 2024/25, government issued a dual-tranche bond, raising US\$2 billion through 12-year bonds and US\$1.5 billion through 30-year bonds. Demand for these bonds significantly exceeded supply, resulting in an increase in the issuance size from US\$3 billion to US\$3.5 billion. In addition, a €400 million loan from the French Development Bank for the implementation of the country's Just Energy Transition Investment Plan was concluded, with €200 million expected to flow in by the end of 2024/25 and the remainder in 2025/26.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 7: Debt-service costs as a % of expenditure and revenue



| Debt-service costs<br>As a % of | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenditure                     | 6.8%              | 7.5%              | 8.2%              | 9.1%              | 9.1%              |
| Revenue                         | 18.7%             | 17.1%             | 18.0%             | 20.5%             | 19.1%             |

Table 6: Actual Expenditure vs. Adjusted Appropriation 2024/25

## STATEMENT OF EQUITABLE SHARE /VOTED FUNDS TRANSFERRED TO THE DEPARTMENT ON 31 MARCH 2025

|  | Appropriation | Actual expenditure<br>excluding unauthorised<br>expenditure funded<br>by NRF | Variance  | %   |
|--|---------------|--|-----------|-----|
| Name of department                         | 2024/25       | 2024/25  |           |     |
| Presidency                                 | 629 548       | 643 142  | (13 594)  | -2% |
| Parliament                                 | 2 770 963     | 2 770 963  | -         | 0%  |
| Cooperative Governance                     | 125 895 923   | 124 324 617  | 1 571 306 | 1%  |
| Government Communication and Information   | 760 773       | 744 015  | 16 758    | 2%  |
| Home Affairs                               | 12 095 471    | 11 831 853   | 263 618   | 2%  |
| International Relations and Cooperation    | 7 081 231     | 7 011 141  | 70 090    | 1%  |
| National School of Government              | 218 724       | 216 023  | 2 701     | 1%  |
| National Treasury                          | 33 337 065    | 32 621 312   | 715 753   | 2%  |
| Planning Monitoring and Evaluation         | 450 189       | 429 889  | 20 300    | 5%  |
| Public Enterprise                          | 296 490       | 206 245  | 90 245    | 44% |
| Public Service and Administration          | 539 521       | 509 842  | 29 679    | 6%  |
| Public Service Commission                  | 288 499       | 288 483  | 16        | 0%  |
| Public Works and Infrastructure            | 7 612 081     | 7 570 409  | 41 672    | 1%  |
| Statistics South Africa                    | 2 646 160     | 2 617 625  | 28 535    | 1%  |
| Traditional Affairs                        | 187 283       | 181 281  | 6 002     | 3%  |
| Basic Education                            | 32 635 423    | 32 544 497   | 90 926    | 0%  |
| Higher Education and Training              | 112 773 492   | 112 633 770  | 139 722   | 0%  |
| Health                                     | 62 225 399    | 61 881 821   | 343 578   | 1%  |
| Social Development                         | 278 295 933   | 275 627 969  | 2 667 964 | 1%  |
| Women, Youth and Persons with Disabilities | 1 020 712     | 1 011 019  | 9 693     | 1%  |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

|  |                      | Actual expenditure<br>excluding unauthorised<br>expenditure funded<br>by NRF |                  |      |
|--|----------------------|--|------------------|------|
|  | Appropriation        |  | Variance         | %    |
| Name of department                             | 2024/25              | 2024/25  |                  |      |
| Civilian Secretariat for the Police Service    | 155 964              | 155 449  | 515              | 0%   |
| Correctional Services                          | 27 758 903           | 28 436 095   | (677 192)        | -2%  |
| Defence  | 55 483 774           | 57 978 456   | (2 494 682)      | -4%  |
| Independent Police Investigative Directorate   | 370 557              | 370 406  | 151              | 0%   |
| Justice and Constitutional Development         | 21 650 239           | 21 618 346   | 31 893           | 0%   |
| Military Veterans                              | 812 406              | 757 805  | 54 601           | 7%   |
| Office of the Chief Justice                    | 1 273 788            | 1 512 580  | (238 792)        | -16% |
| Police   | 113 623 525          | 113 623 525  | -                | 0%   |
| Agriculture, Land Reform and Rural Development | 16 997 824           | 16 045 163   | 952 661          | 6%   |
| Communications and Digital Technologies        | 3 968 611            | 2 915 163  | 1 053 448        | 36%  |
| Employment and Labour                          | 3 854 842            | 3 802 376  | 52 466           | 1%   |
| Forestry, Fisheries and the Environment        | 8 764 338            | 8 618 889  | 145 449          | 2%   |
| Human Settlements                              | 33 680 386           | 32 849 586   | 830 800          | 3%   |
| Minerals Resources and Energy                  | 8 881 462            | 8 826 590  | 54 872           | 1%   |
| Science and Innovation                         | 9 441 144            | 9 072 707  | 368 437          | 4%   |
| Small Business Development                     | 2 419 545            | 2 380 298  | 39 247           | 2%   |
| Sport, Arts and Culture                        | 6 105 744            | 6 072 684  | 33 060           | 1%   |
| Tourism  | 2 380 908            | 2 252 143  | 128 765          | 6%   |
| Trade, Industry and Competition                | 9 667 644            | 9 558 729  | 108 915          | 1%   |
| Transport                                      | 86 292 328           | 84 913 686   | 1 378 642        | 2%   |
| Water and Sanitation                           | 23 849 579           | 23 815 798   | 33 781           | 0%   |
| <b>Total</b>                                   | <b>1 119 194 391</b> | <b>1 111 242 390</b>   | <b>7 952 001</b> |      |

The above table shows amounts appropriated to departments in the 2024/25 financial year against actual expenditure incurred by departments excluding unauthorised expenditure funded by NRF.

In 2024/25 financial year, The Department of Public Enterprises(DPE), Office of the Chief Justice and Department of Communications and Digital Technologies(DCDT) have recorded significant higher variance between actual spending compared to the approved appropriation. The Office of the Chief Justice exceeded their appropriation by 16% mainly due to budget cuts which resulted in a shortfall on the network bandwidth for the Court Online system and other compensation of employee costs which were not budgeted for. In addition, the Departments of Correctional Services and Defence together with Presidency also show overspending, most of which can be attributed to costs related to compensation of employees and other intelligence projects that were not anticipated and therefore not budgeted for.

DPE and DCDT however, showed underspending of their appropriation by 44% and 36% respectively. DCDT's overspent is related to multi-year contracts that were entered into that could not be expensed as prepaid in the current year and for the DPE, the transition arrangement arising from the proclamation to transfer all SOC's to policy departments resulted in the underspent.

## National department's expenditure

Table 7: National department's expenditure

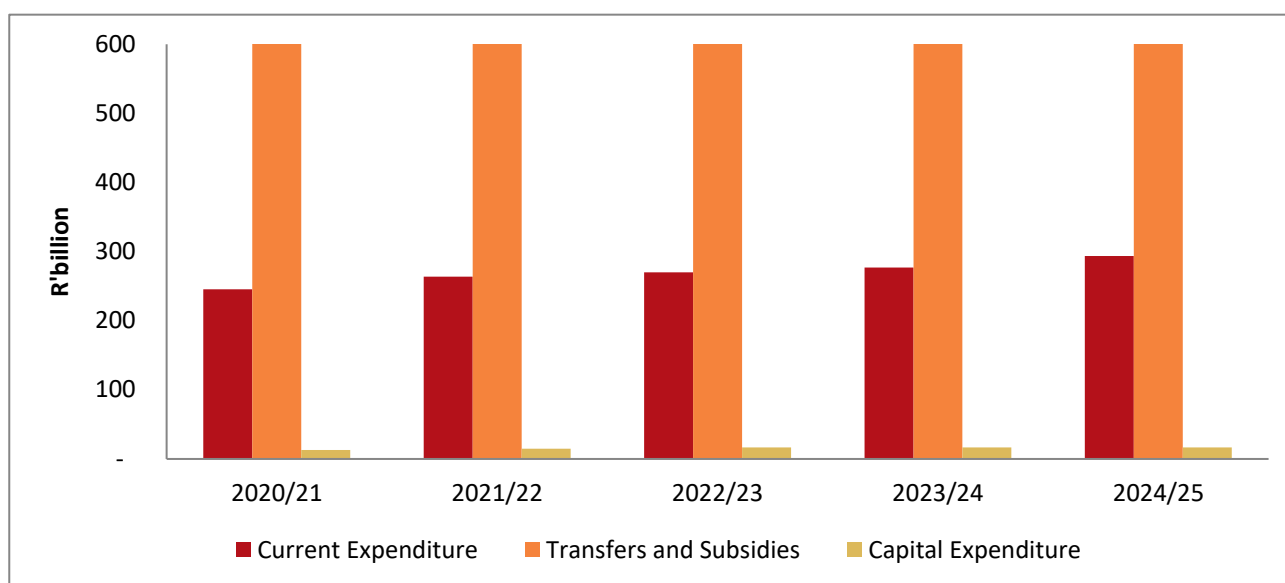
| Year Ended 31 March            | Actual           | Actual           | Actual           | Actual           | Actual           |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| R' million                     | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          |
| Current Expenditure            | 245 476          | 263 699          | 269 899          | 276 842          | 293 588          |
| Transfers and Subsidies        | 1 207 011        | 1 269 913        | 1 346 763        | 1 395 103        | 1 543 598        |
| Capital Expenditure            | 12 842           | 14 878           | 16 641           | 16 693           | 16 685           |
| <b>Total</b>                   | <b>1 465 329</b> | <b>1 548 490</b> | <b>1 633 303</b> | <b>1 688 638</b> | <b>1 853 871</b> |
| <b>Movement in expenditure</b> | <b>62%</b>       | <b>6%</b>        | <b>5%</b>        | <b>3%</b>        | <b>10%</b>       |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

National departments' expenditure has increased to R1.854 trillion from R1.689 trillion in the prior year. This represents a 10% increase, as compared to the 3% increase in the prior year, with the highest increase in transfers and subsidies which increased by 11% in the 2024/25 financial year. The bulk of National Department's expenditure is attributable to transfers and subsidies with National Treasury being the significant transferor at 48% of total transfers and subsidies. Transfers and subsidies are further analysed in Note 12 of the Notes to The Consolidated Financial Statements.

**Graph 8: National department's expenditure**



The South African national government is structured into five main segments, commonly referred to as clusters, aimed at addressing government priorities and policies. The National expenditure per cluster is presented in the table and graph below:

**Table 8: National department cluster expenditure**

| Year Ended 31 March        | Actual<br>2023/24 | Actual<br>2024/25 | Movement |
|----------------------------|-------------------|-------------------|----------|
| <b>R' billion</b>          |                   |                   |          |
| Social Cluster             | 500               | 528               | 6%       |
| Economic Cluster           | 186               | 192               | 4%       |
| Justice Cluster            | 227               | 242               | 6%       |
| Finance Cluster            | 640               | 754               | 18%      |
| Central Government Cluster | 136               | 138               | 2%       |
| <b>Total</b>               | <b>1 687</b>      | <b>1 854</b>      |          |

In the 2024/25 fiscal year, the Finance cluster remains the largest spender, with an expenditure of R754 billion (2023/24: R640 billion) accounting for 41% of national departments' expenditure in 2024/25 and the larger portion is attributed to transfers and subsidies which accounted for 99% of their total expenditure. Conversely, the Central cluster is the smallest spender, with an expenditure of R136 billion (2023/24: R138 billion), accounting for 8% of national departments' total expenditure in 2024/25.

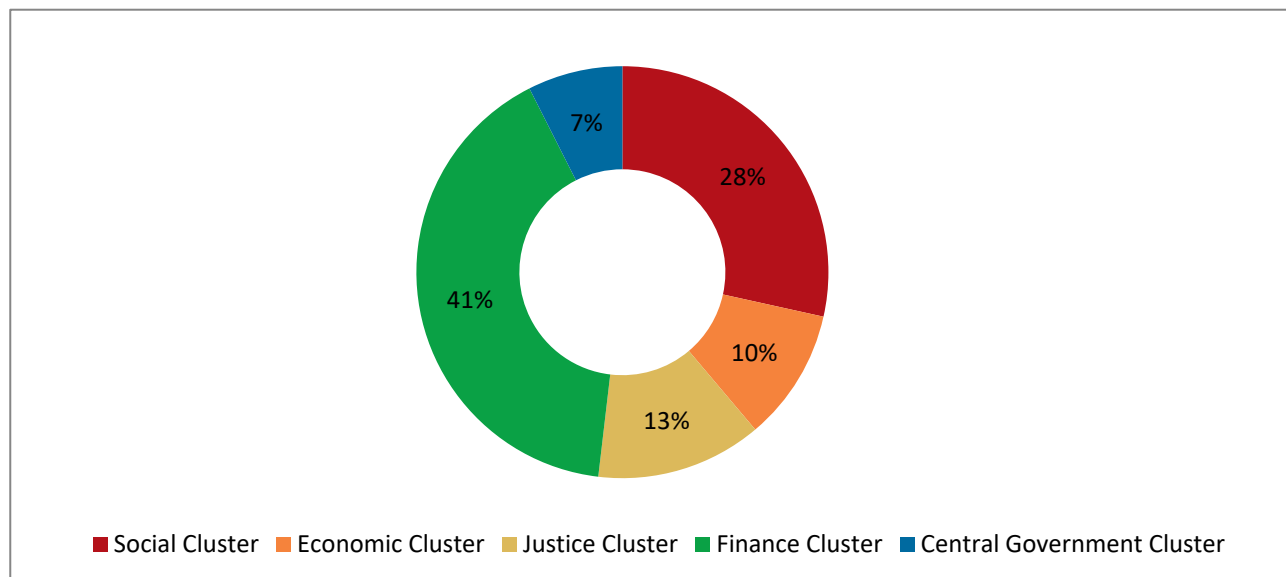
There was a 6% increase in both Social and Justice clusters' expenses due to increased transfers and subsidies and compensation of employees respectively, a 5% increase in Central cluster expenditure mainly due to increase in transfers and subsidies, tangible capital expenditure as well as payments for financial assets while Economic cluster had an increase of 4% because of a high increase in payments for financial assets and topping them is Finance cluster with 18% mainly due to a significant increase in transfers and subsidies.



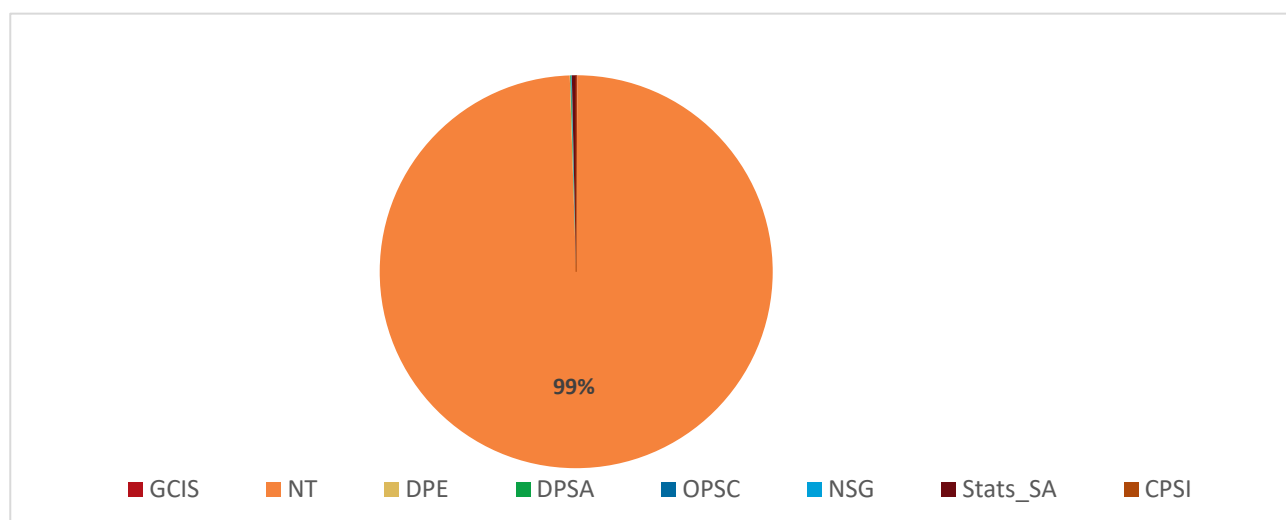
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 9: Expenditure per cluster 2024/25



Graph 10: Expenditure per Finance cluster 2024/25



As indicated above under Table 8, The finance cluster remains the largest spender in the current year and also showing an expenditure increase of 18% from last year. A large portion of the expenditure within Finance Cluster is attributed to the transfers and subsidies by the National Treasury amounting to R746 billion (2023/24: R631 billion). Just below R620 billion was transferred to Provinces and Municipalities and R100 billion was transferred to Public Corporations and Private Enterprises while the rest was transferred amongst Departmental Agencies; Households and Foreign Governments & International Organisations. This large increase is primarily due to the GFECRA allocation of R100 billion transferred to the SARB by the National Treasury.

Government's largest contingent asset is the Gold and Foreign Exchange Contingency Reserve Account (GFECRA). It reflects profits and losses on gold and foreign exchange reserves held by the Reserve Bank to meet foreign exchange obligations and to maintain liquidity in the presence of external shocks. GFECRA is estimated to reach R343.7 billion by 31 March 2025. In 2024, the National Treasury and the Reserve Bank

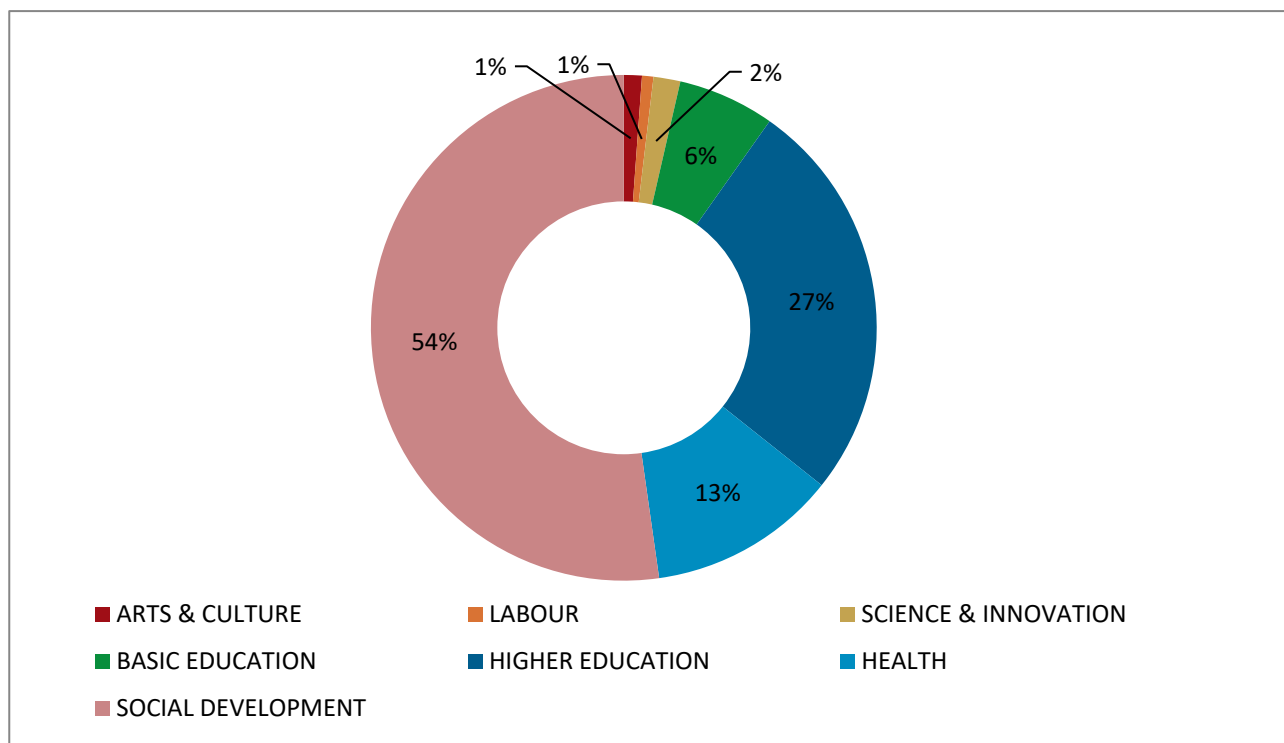
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

signed a revised GFECRA settlement agreement that allowed for the disbursement of R100 billion in 2024/25 and R25 billion in each of the following two years to government, reducing government borrowing. It also provided for the disbursement of R100 billion to the Reserve Bank's contingency reserve. The GFECRA buffers will be reviewed and reported on annually.

For the 2025 medium-term expenditure framework (MTEF) period, provinces and municipalities are allocated R2.95 trillion or 49.8 per cent of total non-interest spending. Of this amount, R2.4 trillion goes to provinces and local government receives R552.7 billion. Funds are allocated in the form of equitable shares, which are distributed through a formula that factors in demographic and developmental considerations, and conditional grants. Conditional grants are designed to achieve specific objectives, and they are made available once provinces and municipalities fulfil conditions relating to their use. Provinces and municipalities face spending and revenue pressures from the rising costs of basic and social services, as well as declining economic growth and high borrowing costs. Direct national transfers to provinces are projected to grow from R730.7 billion in 2024/25 at an average annual rate of 4.5 per cent to reach R833.8 billion in 2027/28. The transfers include R633.2 billion for the provincial equitable share and R134.6 billion for conditional grants in 2025/26. Within conditional grants, R94 million is reprioritised over the MTEF period from the provincial roads maintenance grant to fund other transport priorities. To help implement the 2025 public-service wage agreement, provinces are allocated an additional R4.8 billion in 2025/26, R5.2 billion in 2026/27 and R5.4 billion in 2027/28. Adjustments to allocations since the 2024 Medium Term Budget Policy Statement address critical infrastructure needs, improve service delivery and enhance revenue collection. These adjustments include the first set of reforms flowing from the conditional grants review.

Graph 10(a): Expenditure per Social cluster 2024/25



Within the Social Cluster, the Department of Social Development was the biggest spender. This department incurred total expenditure of R276 billion accounting for 54% of Social Cluster expenditure.

Of the R276 billion, 99.7% was transfers and subsidies, the major recipients of which were households. One of the priorities of the department is to improve the optimisation of social welfare services, livelihood

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

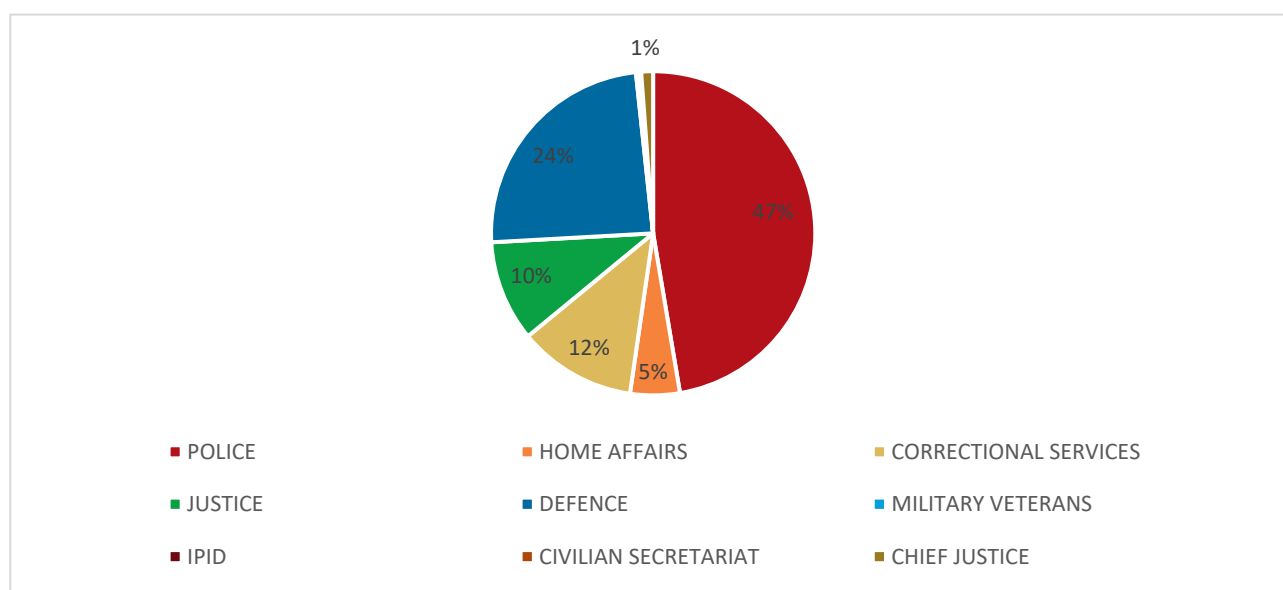
strategies and economic participation. In this regard, social grants account for an estimated 97% (R267 billion per year on average) of the department's total over the period under review.

The social development function is allocated R397 billion in 2024/25 which increases to R422.3 billion with an average annual growth rate of 4.5 per cent. This funding supports poverty reduction through social grants, the provision of risk benefits through social insurance and the delivery of welfare services, development initiatives, empowerment programmes, gender equality initiatives and advocacy for children, women, youth, the elderly and individuals with disabilities.

According to the 2025 Budget review, over the MTEF period, Social grants constitute 81 per cent of spending in this function over the medium term. Expenditure on social grants will increase from R267 billion in 2024/25 to R274.7 billion in 2027/28 to keep up with inflation and increase access for the eligible population. Social grant beneficiaries (excluding the *COVID-19 social relief of distress grant* beneficiaries) are expected to increase from about 19 million in 2025/26 to 19.3 million in 2027/28 primarily due to the growing population of older people. The *child support grant* and *old age grant* together account for 64.6 per cent of total grant expenditure over the MTEF period.

Spending on grants is expected to increase at an average annual rate of 5.3 per cent over the medium term. The *COVID-19 social relief of distress grant* will be extended by another year until 31 March 2026. An amount of R35.2 billion is allocated to extend the payments. This is mostly due to inflationary adjustments to the value of the grants and growth in the number of beneficiaries.

**Graph 11: Expenditure per Justice Cluster 2024/25**



The third largest spending cluster is the Justice and Protection Services cluster. A substantial amount of this cluster's spending goes towards the compensation of employees amounting to R169 billion (70%). The cluster has the largest staff complement of all clusters, with the cluster's employees constituting 84% of National departments' employees.

The Department of Police is the largest expense in the Justice and Protection Services cluster, accounting for 47% of total cluster spending. Its labour-intensive nature drives up costs, with employee compensation comprising 80% of total cost of the department.

The second largest spender in the Justice and Protection services cluster is the Department of Defence at 24%. The Department of Defence will prioritise acquiring vehicles and technology to safeguard the country's

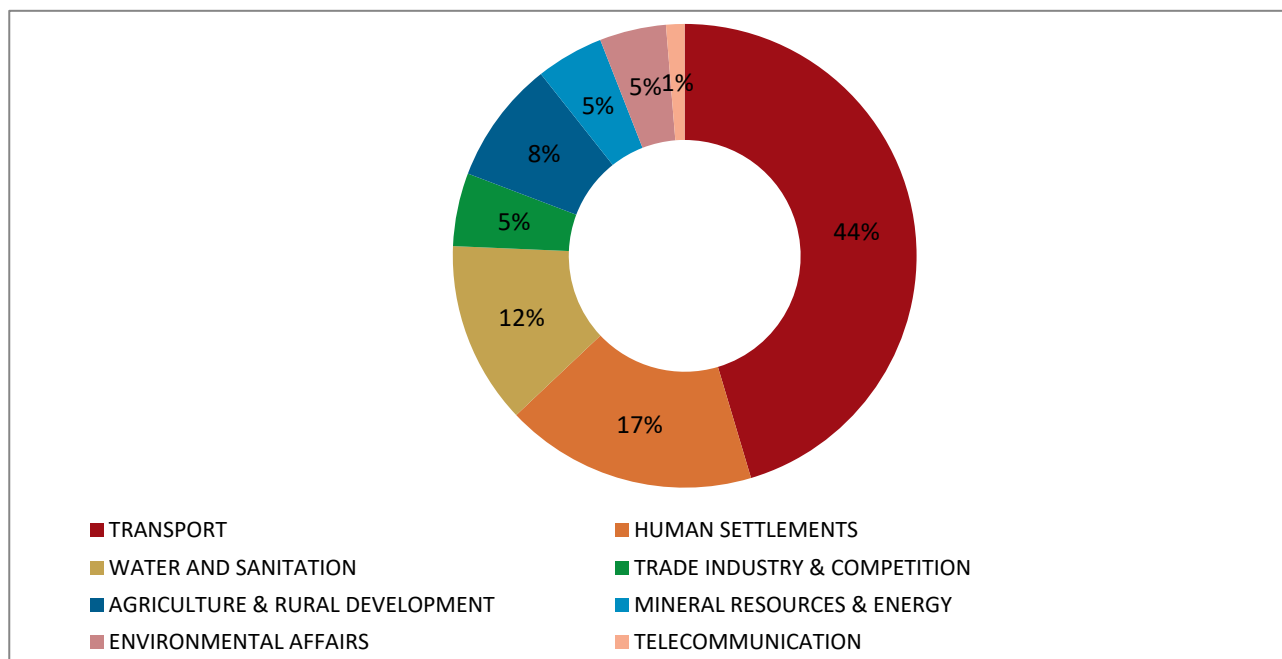
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

borders. Measures are being implemented to reduce the pressure on employee compensation and sustain critical defence capabilities, however it remains evident that there is limited progress in addressing the compensation of employees' over-expenditure in the Department (Budget Review, 2025).

The Department of Correctional Services is the third largest spender in this cluster at 12%, with compensation of employees being the largest cost at 68% of its total expenditure.

**Graph 12: Expenditure per Economic cluster 2024/25**



The fourth largest spending cluster is the Economic Cluster. The Department of Transport remains the highest spending department in the cluster at 44% of the total cluster expenditure. The highest expenditure item for this department being transfers and subsidies at R78 billion (2023/24: R76.6 billion) accounting for 92% of the department's budget. Of the R78 billion spent, R31 billion was allocated to provinces and municipalities, which accounted for 40% of the total transfers and subsidies budget for the department.

The following are some expenditure analyses of the main components that will drive public sector infrastructure spending over the medium term:

Electricity generation capacity continues to recover. Between April and December 2024, the energy availability factor averaged 62.4 per cent – 7.1 percentage points higher than the same period in 2023. This coincided with a reduction in unplanned power cuts and increased planned maintenance. Scheduled power cuts were suspended between 27 March 2024 and 30 January 2025. Additionally, household solar panels and private-sector generation projects continued to increase. (Budget review, 2025).

The South African National Roads Agency Limited is improving the capacity of several routes on toll and non-toll networks. Five projects worth about R2.5 billion have been completed and the high-capacity rail freight line is an expansion of the existing rail infrastructure. The Infrastructure South Africa, the Infrastructure Fund, DBSA and the Industrial Development Corporation, Transnet received R2 billion from the BFI to upgrade the rail and port infrastructure.

In the water sector, the focus remains on improving municipal water services and promoting private-sector participation. Efforts are under way to introduce an independent economic regulator to ensure fair pricing and sustainable management of water services. The municipal turnaround strategy focuses on addressing

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

critical maintenance backlogs, ensuring skilled personnel are in place and fast-tracking infrastructure investments to stabilise service delivery. A recent report on water-sector investment requirements estimated that R256 billion will be required annually between 2023 and 2050, totalling R7.2 trillion, to achieve water security and access for all.

Government is prioritising 11 strategic projects with an estimated value of R139.1 billion. These projects are expected to create about 20 000 jobs during construction and 14 000 jobs during operation. About 8 000 jobs have been created to date. Of the 11 projects include Lesotho Highlands Water Project, Mokolo-Crocodile River Water Augmentation Project, uMkhomazi Water Augmentation Project, Olifants River Water Resources Development Project, Berg River-Voëlvelei Augmentation Scheme Project and Vaalharts-Taung Irrigation Scheme Project of which they account for R111.7 billion estimated capital investment.

Over the past decade, deteriorating infrastructure, electricity disruptions, crime, corruption, weak investment and poor education outcomes have reduced the economy's growth potential, or trend growth. South Africa's potential growth is estimated to have remained below 2 per cent since 2013, falling to an average of less than 1 per cent over the past four years.

## National department's current expenditure

**Table 9: Major items of current Expenditure**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Compensation of employees         | 176 751           | 181 968           | 188 897           | 195 261           | 206 541           |
| Goods and Services                | 67 307            | 79 755            | 79 733            | 79 028            | 83 635            |

**Table 10: Compensation of employees**

| Year Ended 31 March<br>R' million                        | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Compensations costs (R' million)                   | 176 751           | 181 968           | 188 897           | 195 261           | 206 541           |
| Average number of employees                              | 397 356           | 392 238           | 398 940           | 392 064           | 387 660           |
| Average Cost to National Government per employee (Rands) | 444 817           | 463 922           | 473 497           | 498 033           | 532 788           |

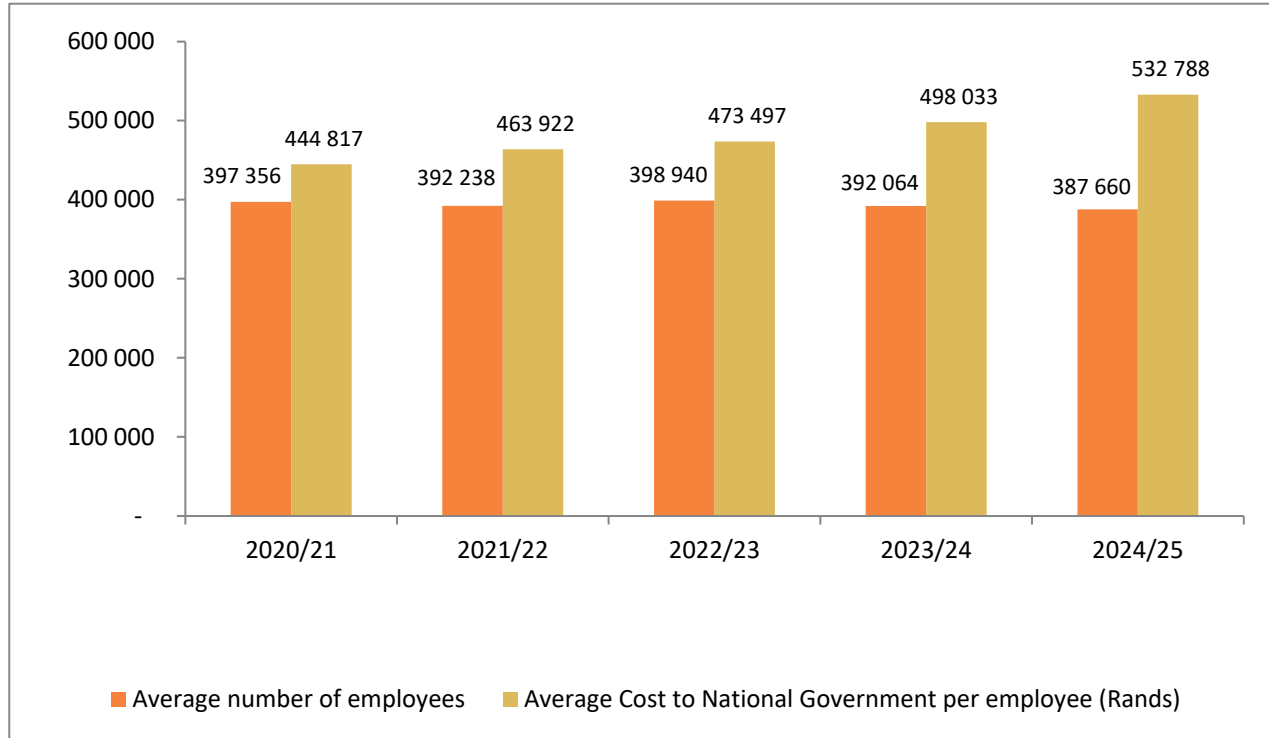
| Movement %   | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|--|---------|---------|---------|---------|---------|
| Total Compensations costs (R' million)                   | 6.7%    | 3.0%    | 3.8%    | 3.4%    | 5.8%    |
| Average number of employees                              | -1.4%   | -1.3%   | 1.7%    | -1.7%   | -1.1%   |
| Average Cost to National Government per employee (Rands) | 8.2%    | 4.3%    | 2.1%    | 5.2%    | 7.0%    |

The above information illustrates the costs to national government departments and excludes provincial departments. The average number of employees at national departments has decreased from 392 064 in 2023/24 to 387 660 in 2024/25, a decline of 1.1%. On the flip side, compensation in Rand terms increased from R195 billion in 2023/24 to R207 billion in 2024/25 thus resulting in a 5.8% increase (2023/24: 3.4%).

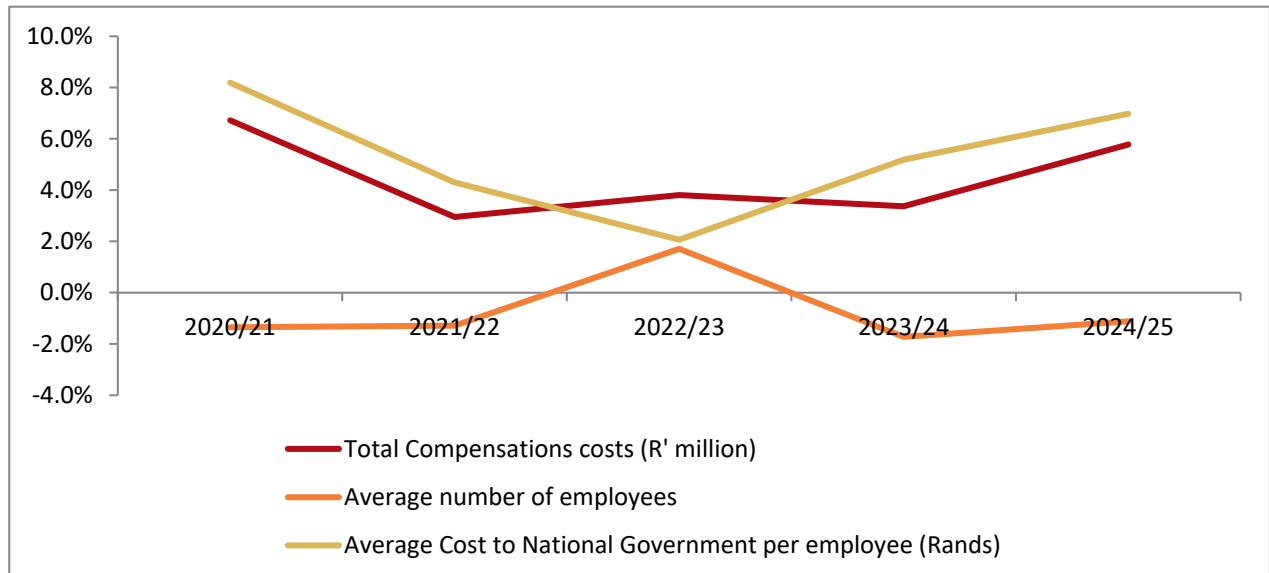
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Graph 13: Compensation of employees**



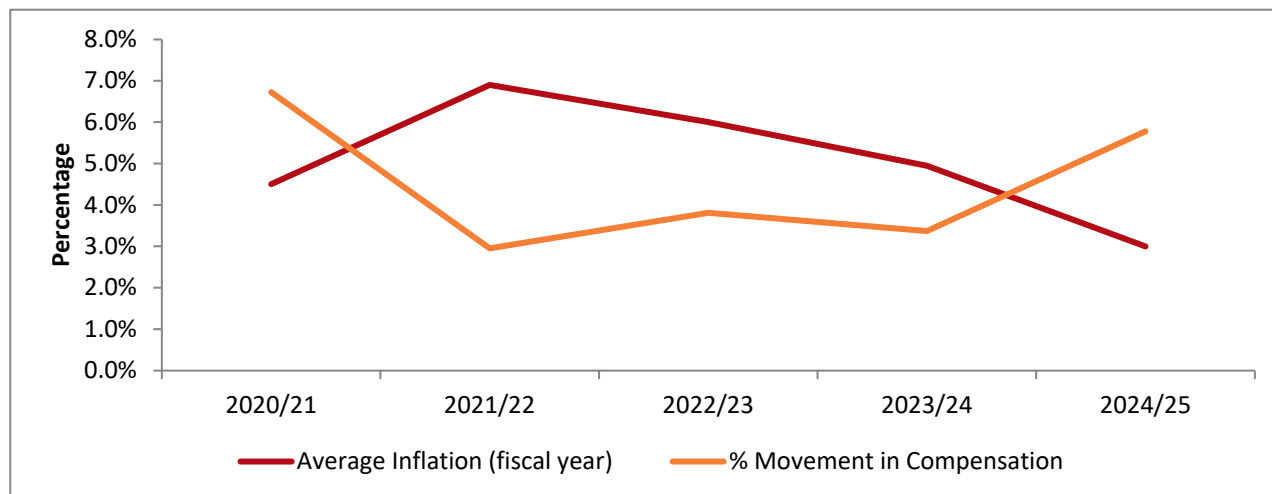
**Graph 14: Year on year movement – compensation of employees**



# REVIEW OF OPERATING RESULTS

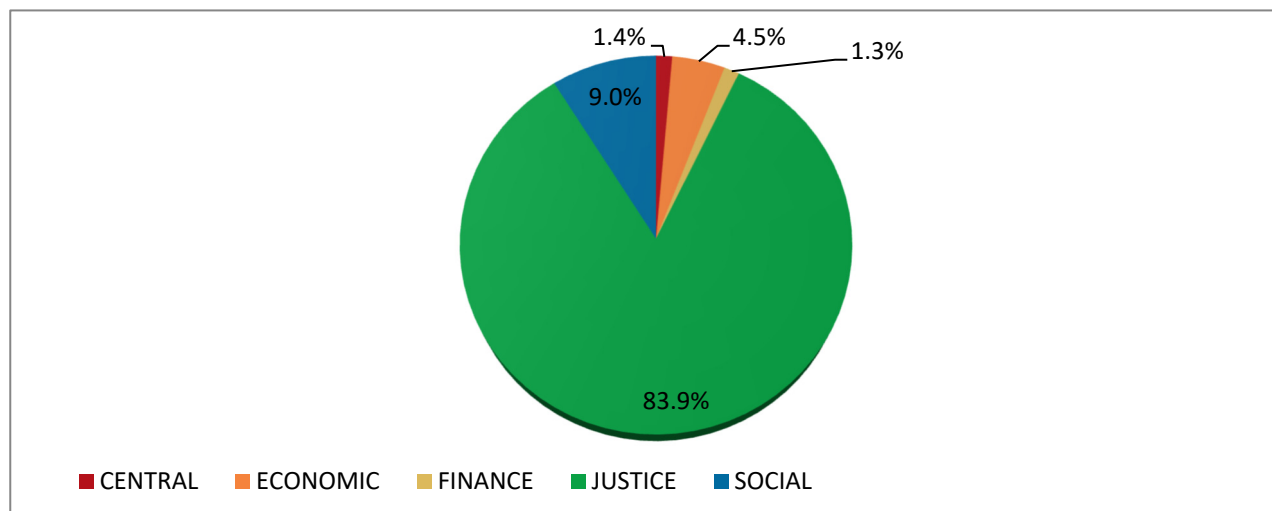
FOR THE YEAR ENDED 31 MARCH 2025

**Graph 15: Compensation % increase vs. inflation**



The graphs above also indicate the percentage movement in compensation of employees against the inflation rate over the same period. In the current year, the inflation rate has decreased and relative to the movement in compensation of employees. This is mainly due to efforts made by the Reserve Bank to curb the inflation rate and in addition to that, government making an effort to align wage increases to the average cost of living.

**Graph 16: Average number of employees per cluster**



The majority of national departments employees are employed in the Justice and Protection Services cluster totalling 325 144 (2023/24: 325 103) which equates to 84% of the total employees for the year under review and the prior year. The Justice and Protection Services cluster includes amongst others the following departments which each employ a large number of civil servants:

**Table 11: Average number of employees**

| Year Ended 31 March                 | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Department of Police                | 183 369           | 178 351           | 180 841           | 184 159           | 184 497           |
| Department of Defence               | 73 065            | 71 143            | 71 219            | 68 163            | 68 408            |
| Department of Correctional Services | 39 451            | 39 565            | 38 135            | 37 110            | 37 083            |

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## Department of Police

The Department of Police employs the greatest number of staff in national government and as a result, their expenditure on compensation to employees is R91 billion and accounts to 44% of total compensation costs.

## Department of Correctional Services

Spending on compensation of employees increased by 2.4% in 2024/25, while there was a slight decrease in the number of employees from 37 110 to 37 083 in the current year.

## Department of Defence

The department's staff compliment has marginally increased from 68 278 in the prior year to 68 408 in 2024/25. Spending on compensation increased by 6% in the current year compared to 2% in the prior year.

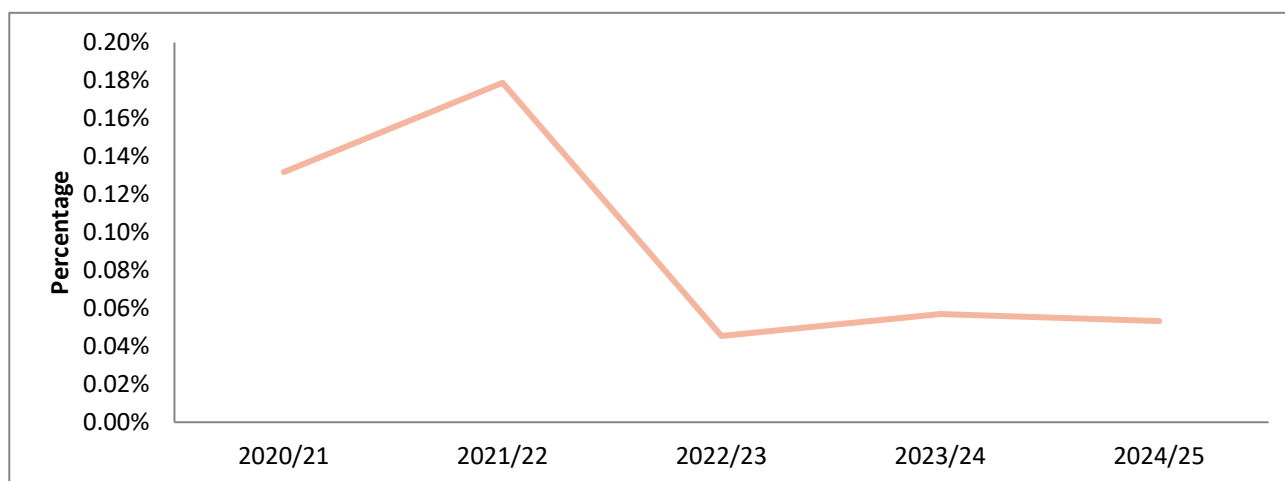
## Performance awards

**Table 12: Performance awards**

| Year Ended 31 March                       | Actual        | Actual       | Actual        | Actual       | Actual       |
|---|---------------|--------------|---------------|--------------|--------------|
| Description                               | 2020/21       | 2021/22      | 2022/23       | 2023/24      | 2024/25      |
| Performance Awards (R mil)                | 233           | 325          | 86            | 111          | 110          |
| Total Compensation of Employees           | 176 751       | 181 968      | 188 897       | 195 261      | 206 541      |
| Performance awards as a % of Compensation | <b>0.13%</b>  | <b>0.18%</b> | <b>0.05%</b>  | <b>0.06%</b> | <b>0.05%</b> |
| Movement in Performance Awards            | <b>-0.25%</b> | <b>0.05%</b> | <b>-0.13%</b> | <b>0.01%</b> | <b>0.00%</b> |
| Movement in Compensation costs            | <b>4.11%</b>  | <b>2.95%</b> | <b>3.81%</b>  | <b>3.37%</b> | <b>5.78%</b> |

During the 2024/25 financial year, the performance awards decreased from R111 million to R110 million. Performance awards make up 0.05% of compensation (0.06% in 2023/24). Refer to the graphs below showing performance awards as a percentage of compensation and the movement in performance awards versus movement in compensation.

**Graph 17: Performance awards as a % of compensation costs**

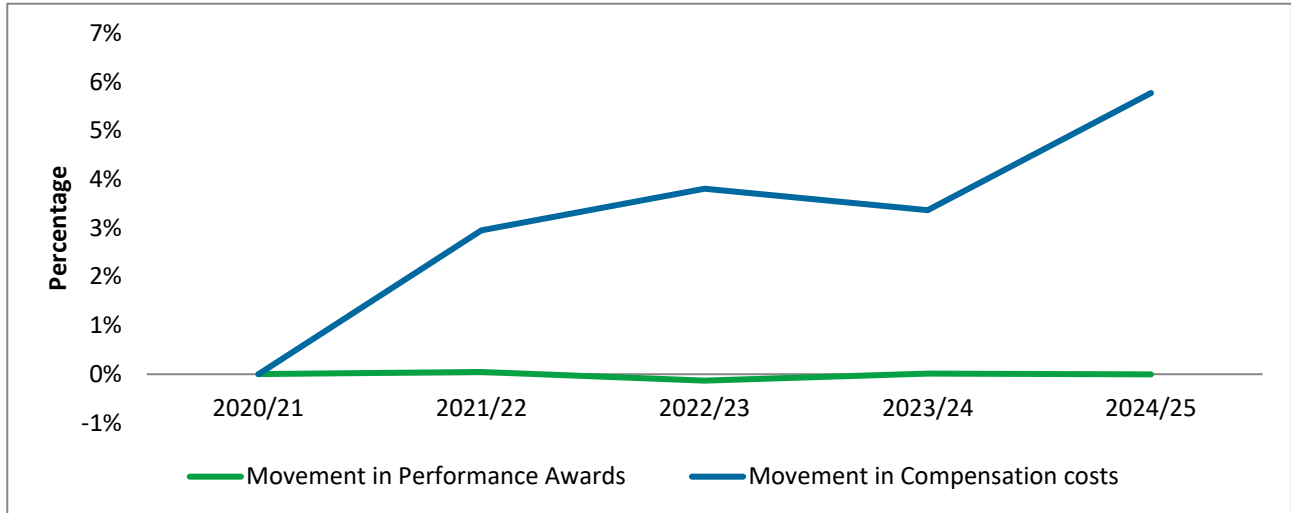




# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Graph 18: Movement in performance awards vs. compensation**



## Training and staff development costs

Training and staff development costs are included in the goods and services costs, but it is more appropriate to discuss these costs under compensation of employees as they have a relationship with employee benefits/costs.

**Table 13: Training and staff development**

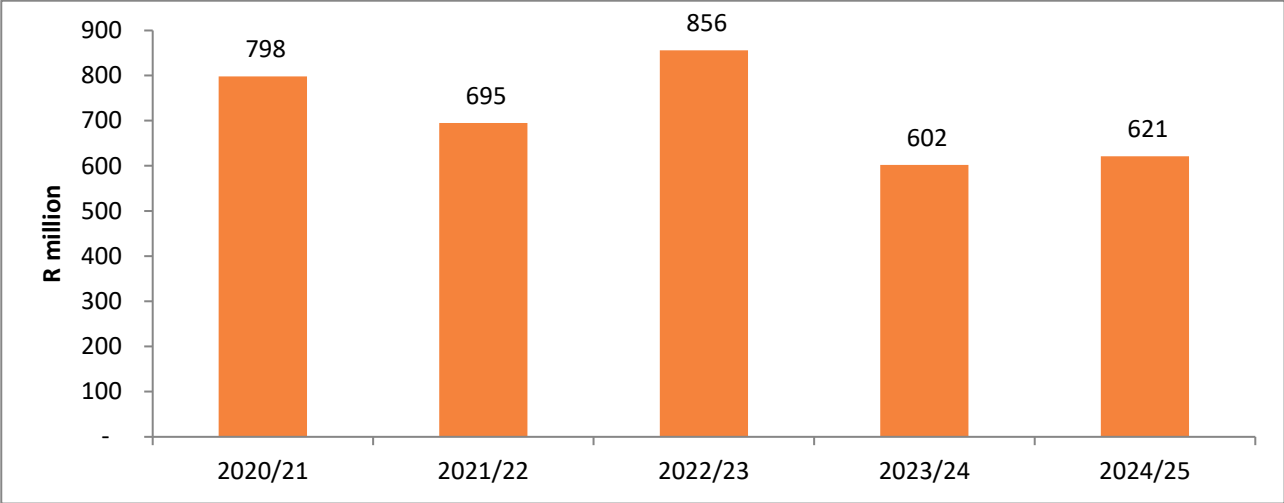
| Year Ended 31 March                    |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| <i>R million</i>                       | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Training & Staff Development           | 798     | 695     | 856     | 602     | 621     |
| Total Compensation of Employees        | 176 751 | 181 968 | 188 897 | 195 261 | 206 541 |
| <b>Training as a % of Compensation</b> | 0.45%   | 0.38%   | 0.45%   | 0.31%   | 0.30%   |

As can be noted in the graphs 19 and 20 below, training and staff development costs increased by R19 million in the current year from R602 million in the year 2023/24 to R621 million in the year 2024/25. As a component of compensation, the ratio increased from 0.31% to 0.30%. The Department of Defence currently accounts for the highest spending on training costs at 26% followed by the Department of Agriculture, Land Reform and Rural at 15%.

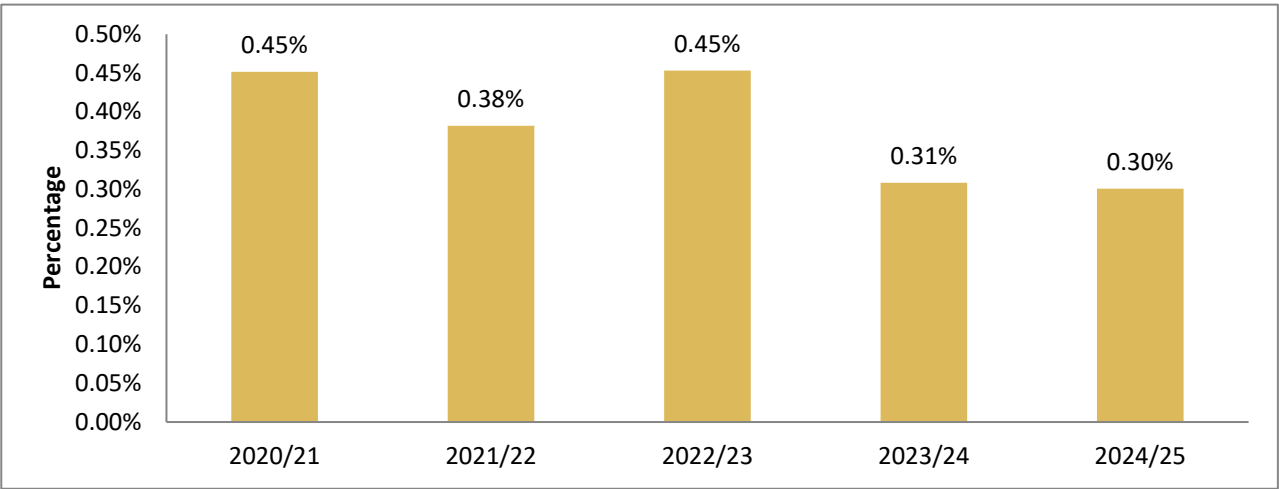
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 19: Training and staff development



Graph 20: Training as a % of compensation of employee's costs



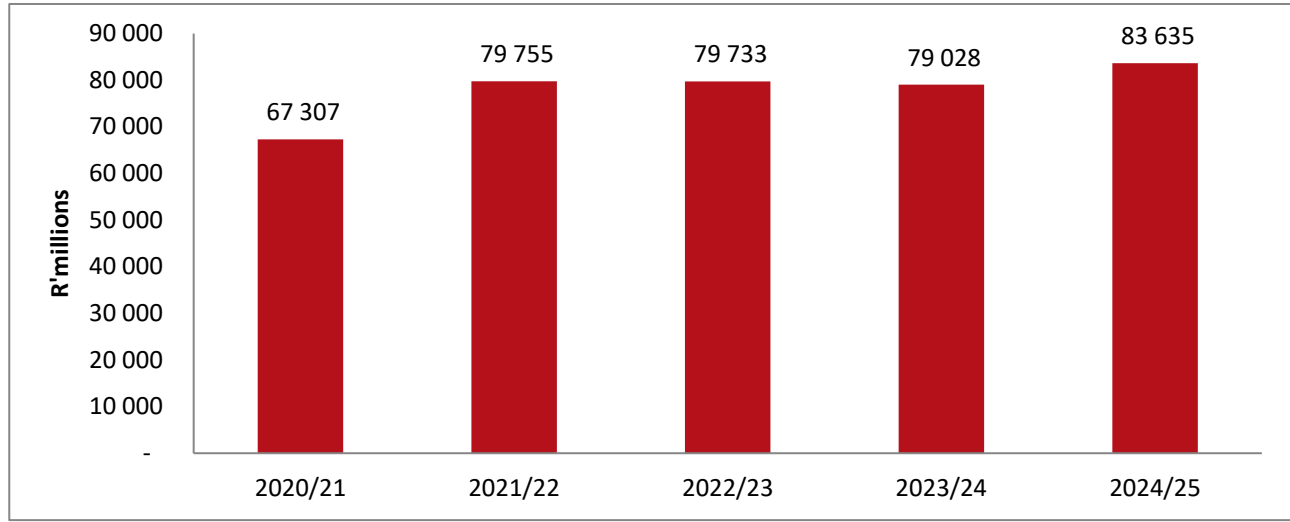
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Table 14: Goods and services**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Goods and Services                | 67 307            | 79 755            | 79 733            | 79 028            | 83 635            |
| Movement in expenditure           | -2%               | 18%               | 0%                | -1%               | 6%                |

**Graph 21: Goods and services**



The major items making up goods and services are disclosed in the table below:

**Table 15: Major items of goods and services**

| Year Ended 31 March<br>R' million             | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Consultants, contractors and special services | 12 948            | 15 762            | 18 006            | 16 191            | 16 966            |
| Inventory                                     | 12 839            | 17 791            | 11 848            | 10 355            | 11 813            |
| Operating leases                              | 11 937            | 10 728            | 11 820            | 11 183            | 12 885            |
| Travel and subsistence                        | 2 986             | 5 197             | 7 631             | 7 965             | 7 598             |
| Computer Services                             | 7 248             | 7 799             | 6 713             | 8 595             | 8 355             |
| Property payments                             | 6 860             | 8 471             | 8 273             | 8 713             | 9 742             |
| Communication                                 | 1 306             | 1 448             | 1 437             | 1 337             | 1 334             |
| Other   | 11 182            | 12 559            | 14 005            | 14 689            | 14 942            |
| <b>Total</b>                                  | <b>67 307</b>     | <b>79 755</b>     | <b>79 733</b>     | <b>79 028</b>     | <b>83 635</b>     |

The major contributor to Goods and Services was expenditure on consultants, contractors and special services as well as expenditure on operating leases. Consultants, contractors and special services increased by 5% in 2024/25 and the operating leases increased by 15% from 11 million in 2023/24 to R12.9 million in 2024/25.

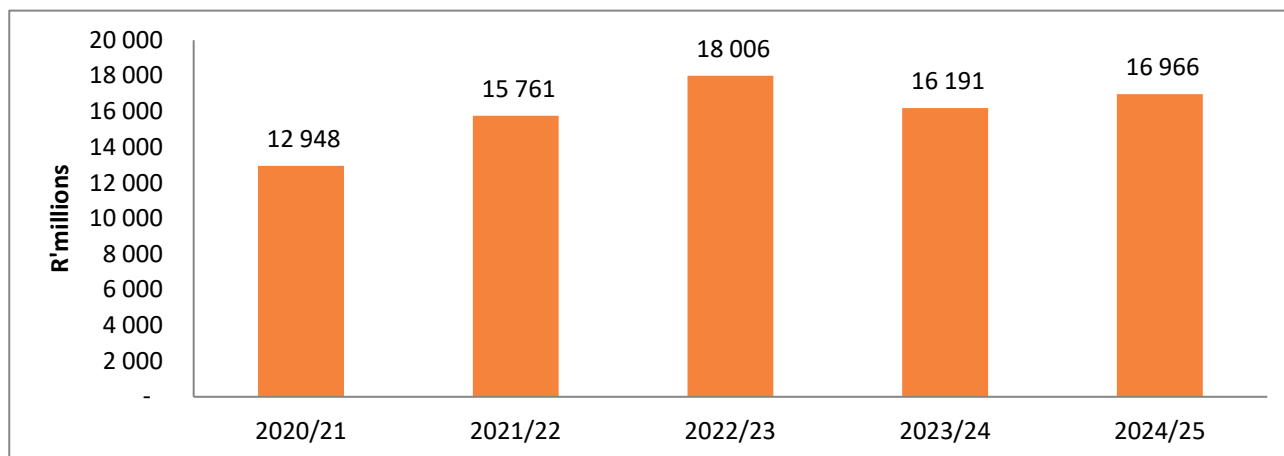
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Table 16: Consultants, contractors and special services**

| Year Ended 31 March<br>R' million              | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Consultants, contractors, and special services | 12 948            | 15 762            | 18 006            | 16 191            | 16 966            |
| <b>Movement in expenditure</b>                 | <b>-21%</b>       | <b>22%</b>        | <b>14%</b>        | <b>-10%</b>       | <b>5%</b>         |

**Graph 22: Consultants, contractors and special services**

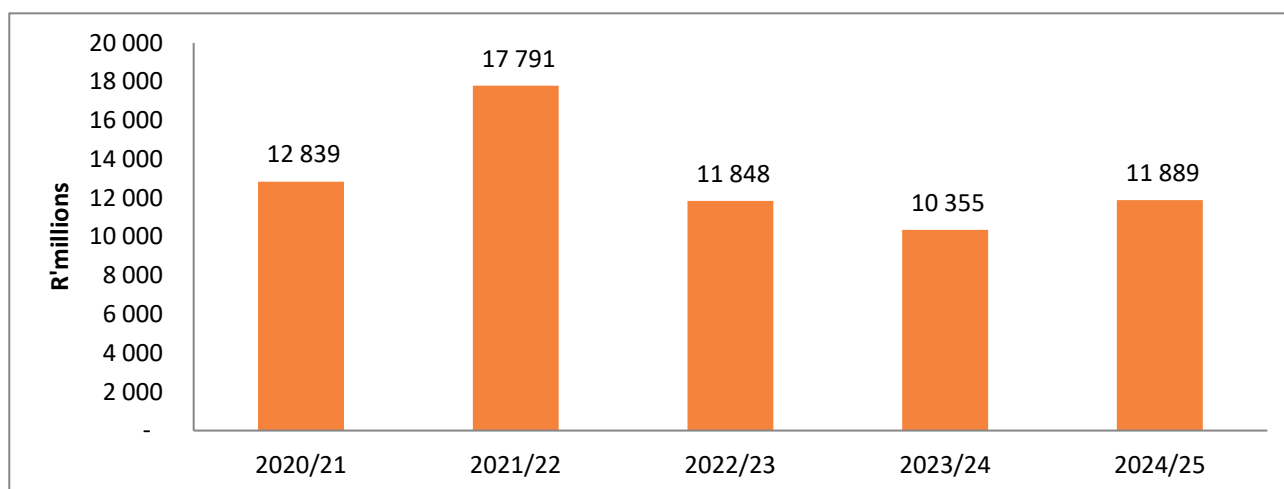


Payment of consultants, contractors and special services (CCSS) increased by 5% as compared to a 10% decrease in 2023/24 financial year. The two highest spending departments in this regard are Environment, Forestry and Fisheries at 24% and Correctional Services at 13%.

**Table 17: Inventory and consumables**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Inventory                         | 12 839            | 17 791            | 11 848            | 10 355            | 11 889            |
| <b>Movement in expenditure</b>    | <b>38%</b>        | <b>39%</b>        | <b>-33%</b>       | <b>-13%</b>       | <b>15%</b>        |

**Graph 23: Inventory and consumables**



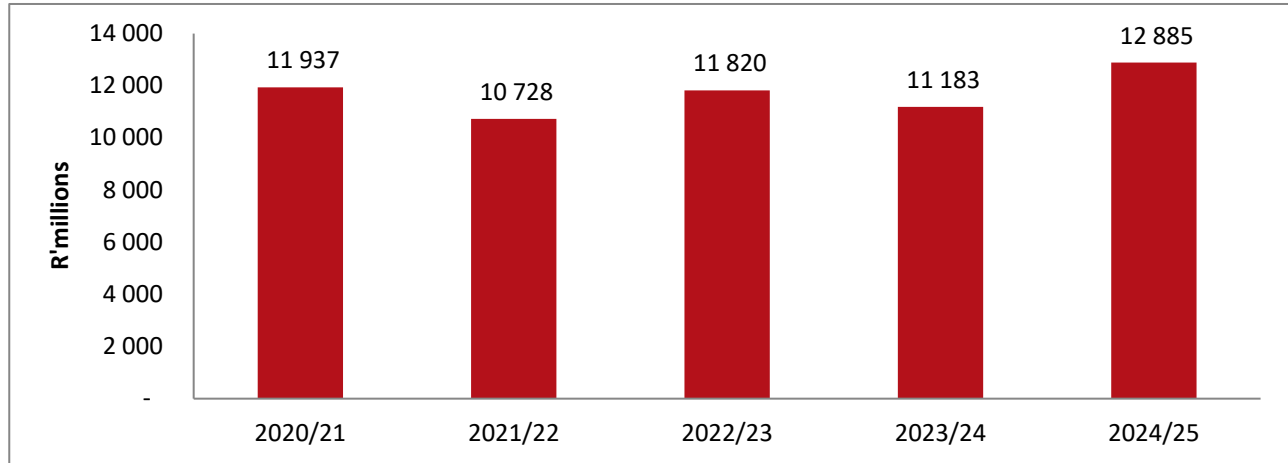
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Table 18: Operating leases**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating leases                  | 11 937            | 10 728            | 11 820            | 11 183            | 12 885            |
| Movement in expenditure           | 17%               | -10%              | 10%               | -5%               | -15%              |

**Graph 24: Operating leases**

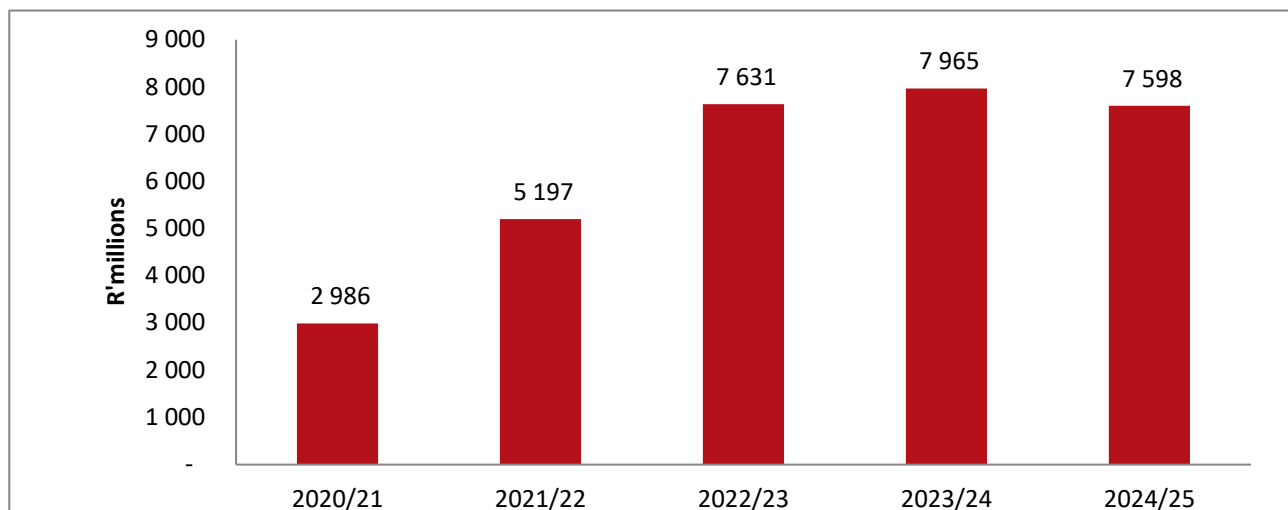


Expenditure on operating leases increased by 15% in the 2024/25 year as compared to a 5% decrease in 2023/24. The four highest spending departments in this regard are Police at R3.67 billion, Defence at R1.7 billion, Justice and Constitutional Development (Including NPA) at R1.27 billion and Correctional Services at R1.06 billion.

**Table 19: Travel and subsistence**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Travel and subsistence            | 2 986             | 5 197             | 7 631             | 7 965             | 7 598             |
| Movement in expenditure           | -51%              | 74%               | 47%               | 4%                | -5%               |

**Graph 25: Travel and subsistence**



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Travel and subsistence show a marginal decrease of 5%, as compared to a 4% increase in the previous year. The Justice cluster accounts for 58% of the total travel and subsistence expenditure with R4.4 billion while the Economic cluster spending accounts for 17% at R1.28 billion. The major spenders within the Justice cluster were again Defence and Police who spent R2.4 billion (2023/24: R1.97 billion) and R1.34 billion (2023/24: R1.51 billion) respectively.

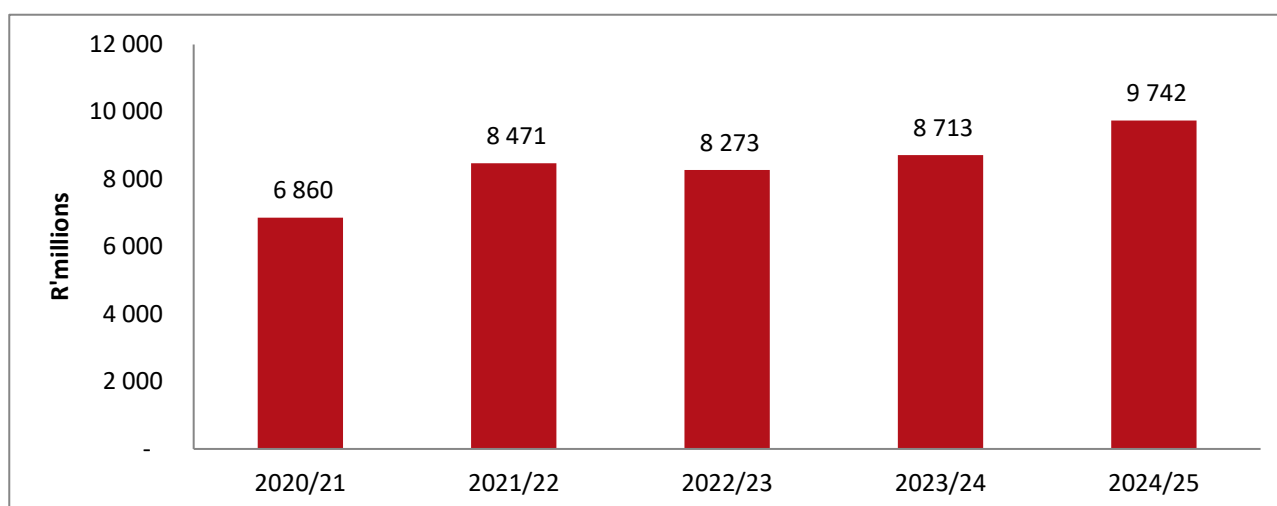
**Table 20: Computer services**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Computer Services                 | 7 248             | 7 799             | 6 713             | 8 595             | 8 355             |
| <b>Movement in expenditure</b>    | <b>3%</b>         | <b>8%</b>         | <b>-14%</b>       | <b>28%</b>        | <b>-3%</b>        |

**Table 21: Property payments**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Property payments                 | 6 860             | 8 471             | 8 273             | 8 713             | 9 742             |
| <b>Movement in expenditure</b>    | <b>6%</b>         | <b>23%</b>        | <b>-2%</b>        | <b>5%</b>         | <b>12%</b>        |

**Graph 26: Property payments**



This expenditure towards property payments amounts to 12% of the total goods and services expenditure. Property payments increased by 12% in the current year compared to an increase of 5% in the 2023/24 financial year. Significant contributors to the expenditure are Correctional Service at 21%, Police with 18%, Defence 18% and Justice 17%. The other major spenders in this area are and Agriculture, Land Reform and Rural Development spent R529 million (2023/24: R524 million) and International Relations and Cooperation with R522 million (2023/24: R481 million).

The following items are **not** considered major expenditure items but are included due to their nature.

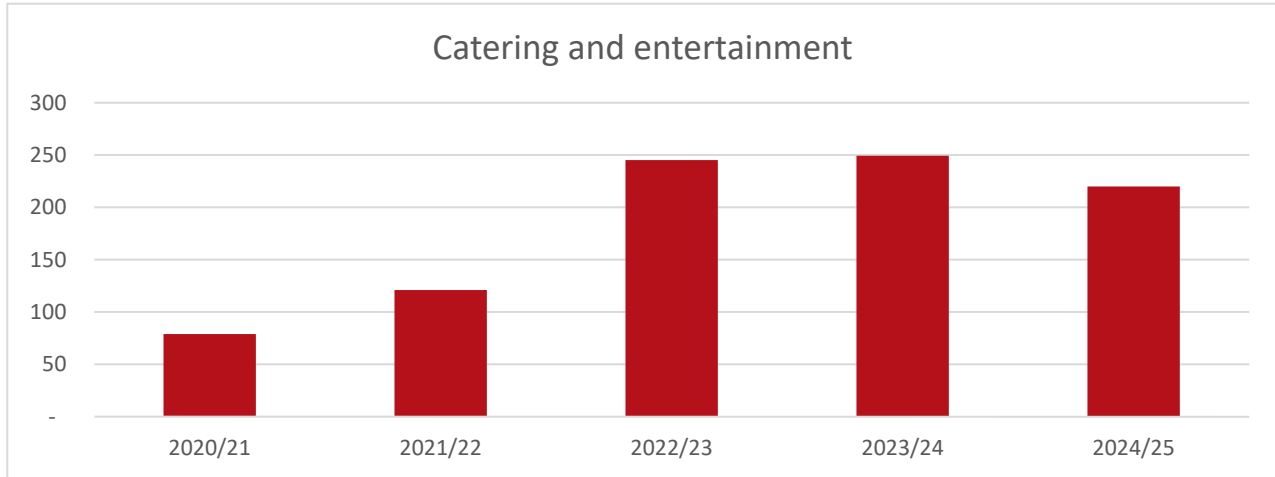
**Table 22: Catering and entertainment**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Catering and entertainment        | 79                | 121               | 245               | 249               | 220               |
| <b>Movement in expenditure</b>    | <b>-71%</b>       | <b>53%</b>        | <b>103%</b>       | <b>2%</b>         | <b>-12%</b>       |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Graph 27: Catering and entertainment expenditure**



In the current year Catering and entertainment expenditure decreased by 12% compared to an increase of 2% in the 2023/24 financial year.

**Table 23: Bursaries**

| Year Ended 31 March                        | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>R million</b>                           |                   |                   |                   |                   |                   |
| Bursaries                                  | 74                | 92                | 109               | 106               | 123               |
| Total Compensation of employees            | 176 751           | 181 968           | 188 897           | 195 261           | 206 541           |
| <b>As a % of Compensation of employees</b> | <b>4%</b>         | <b>5%</b>         | <b>6%</b>         | <b>5%</b>         | <b>6%</b>         |

There was a slight increase in the bursary expenditure in the current year. The total compensation expenditure increased by 1% in the current year and the bursary expenditure as a percentage of compensation is still low at 6% of total compensation of employees, a slight increase to what was reported in the previous year.

**Table 24: Transfers and subsidies**

| Year Ended 31 March                         | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>R' million</b>                           |                   |                   |                   |                   |                   |
| Provinces and Municipalities                | 766 330           | 796 719           | 845 214           | 864 285           | 898 625           |
| Departmental agencies and accounts          | 127 311           | 144 690           | 154 280           | 165 651           | 166 416           |
| Higher education institutions               | 43 329            | 48 477            | 52 123            | 49 722            | 52 650            |
| Public corporations and private enterprises | 26 775            | 37 422            | 41 217            | 42 091            | 137 985           |
| Households                                  | 232 302           | 236 233           | 247 261           | 266 732           | 281 173           |
| Other                                       | 10 312            | 6 134             | 6 550             | 6 496             | 6 712             |
| <b>Total</b>                                | <b>1 206 359</b>  | <b>1 269 675</b>  | <b>1 346 644</b>  | <b>1 394 977</b>  | <b>1 543 561</b>  |
| <b>Increase from prior year</b>             | <b>85%</b>        | <b>5%</b>         | <b>6%</b>         | <b>4%</b>         | <b>11%</b>        |
| <b>As a % of Total revenue</b>              | <b>97%</b>        | <b>81%</b>        | <b>79%</b>        | <b>80%</b>        | <b>76%</b>        |
| <b>As a % of Total expenditure</b>          | <b>65%</b>        | <b>66%</b>        | <b>66%</b>        | <b>66%</b>        | <b>73%</b>        |

Transfers and subsidies increased by 11% in the current year. A significant portion of subsidies relate to Provinces and Municipalities and Households representing 76% of the total. The Finance Service cluster takes the largest portion of transfers and subsidies amounting to 48% of the total transfers and subsidies of which the bulk of it is National Treasury's transfers and subsidies of R746 billion.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 28: Breakdown of transfers and subsidies 2023/24

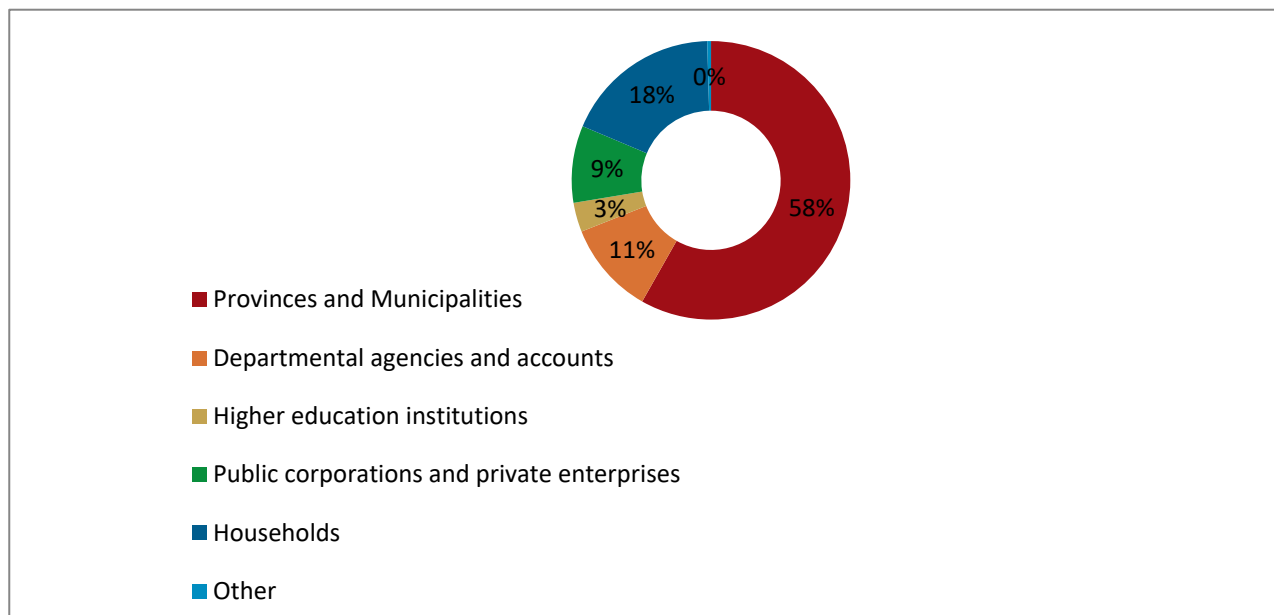


Table 25: Expenditure for capital assets

| Capital Expenditure<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total capital expenditure         | 12 842            | 14 878            | 16 641            | 16 693            | 16 685            |
| Movement in expenditure           | 3%                | 16%               | 12%               | 0%                | 0%                |

Capital expenditure has slightly decreased by 0.06% during the current year from R16.69 billion in 2023/24 to R16.68 billion in 2024/25. Most of the capital expenditure was spent on buildings and other fixed structures which accounted for R9.9 billion of the total expenditure. Capital expenditure on machinery and equipment amounts to R5.1 billion as the second highest expenditure for capital assets.

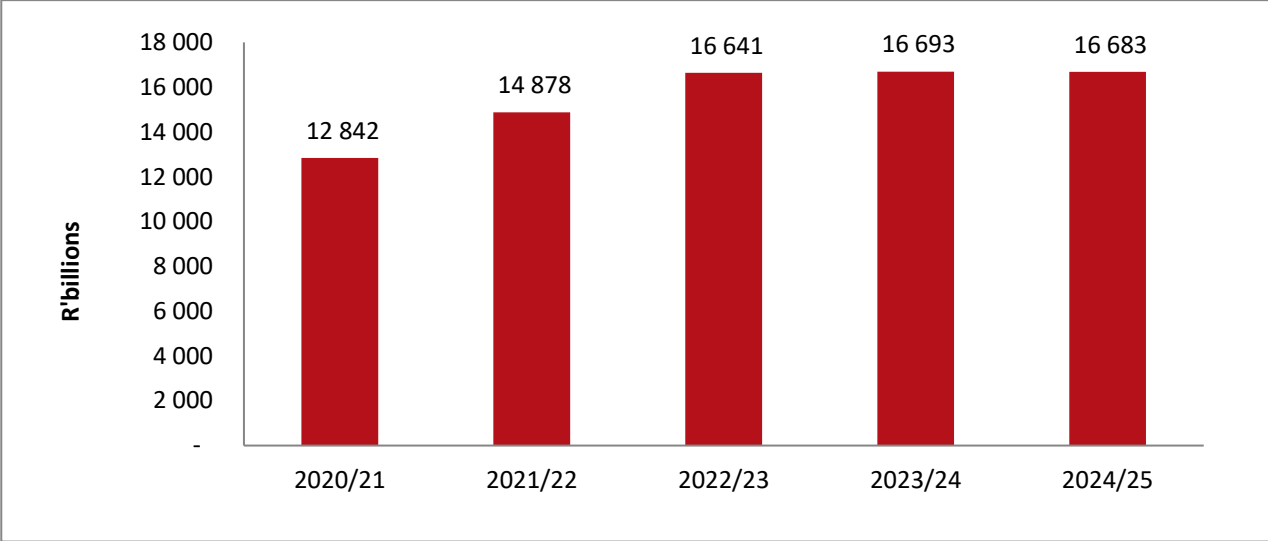
Expenditure by cluster shows that the Justice cluster is the biggest spender at R6.5 billion, Economic cluster accounts for R6.1 billion of total capital expenditure, followed by the Social Service cluster at R3.2 billion. On average, the capital expenditure growth has been on a notable downward trajectory for the past 3 years, with a very marginal decrease of 0.36% in the current year.



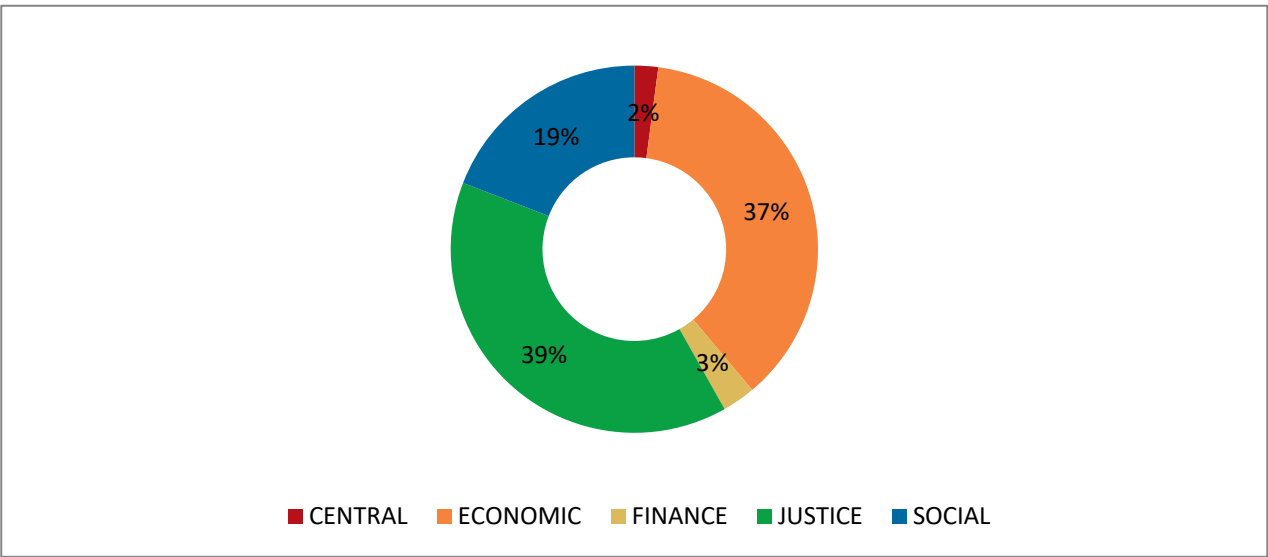
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 29: Total capital expenditure



Graph 30: Capital expenditure by cluster 2024/25



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

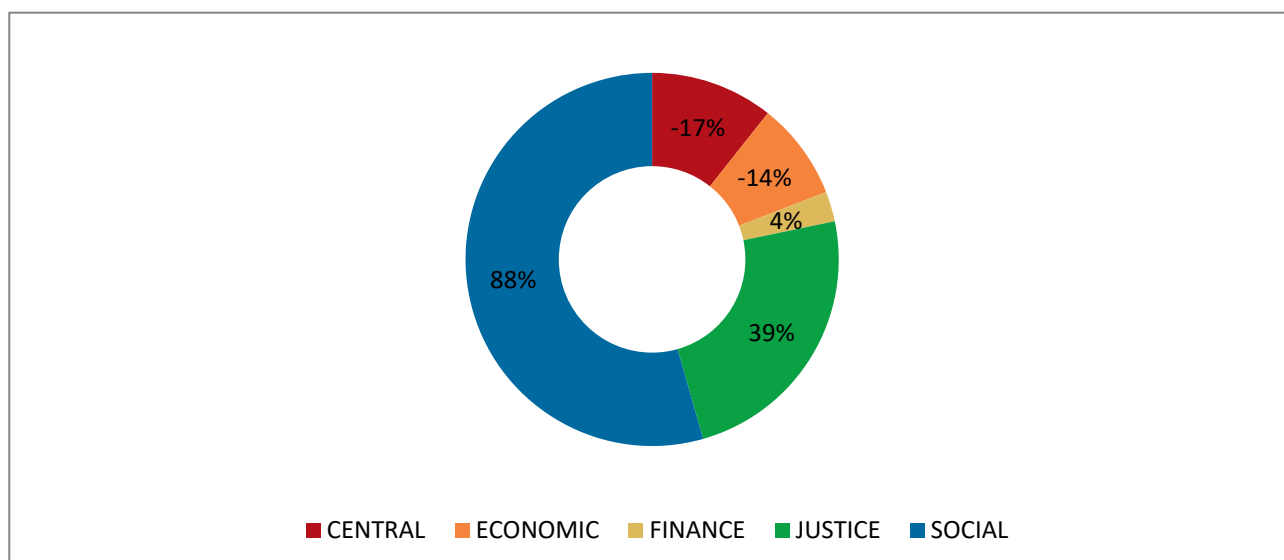
## ASSETS

**Table 28: Cash and cash equivalents**

| Year Ended 31 March<br>R' million            | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and equivalents                         | 322 477           | 247 226           | 240 533           | 162 031           | 200 763           |
| <b>Movement in cash and cash equivalents</b> | <b>41%</b>        | <b>-23%</b>       | <b>-3%</b>        | <b>-33%</b>       | <b>24%</b>        |

With cash and cash equivalents at R200.7 billion (after accounting for the bank overdraft), the breakdown shows a significant reliance on foreign currency deposits (40%) and commercial bank deposits (60%). The 24% increase in cash and cash equivalents for 2024/25, compared to the 33% decrease the previous year, indicates an improved liquidity management.

**Graph 30: Cash and cash equivalents by cluster 2024/25**



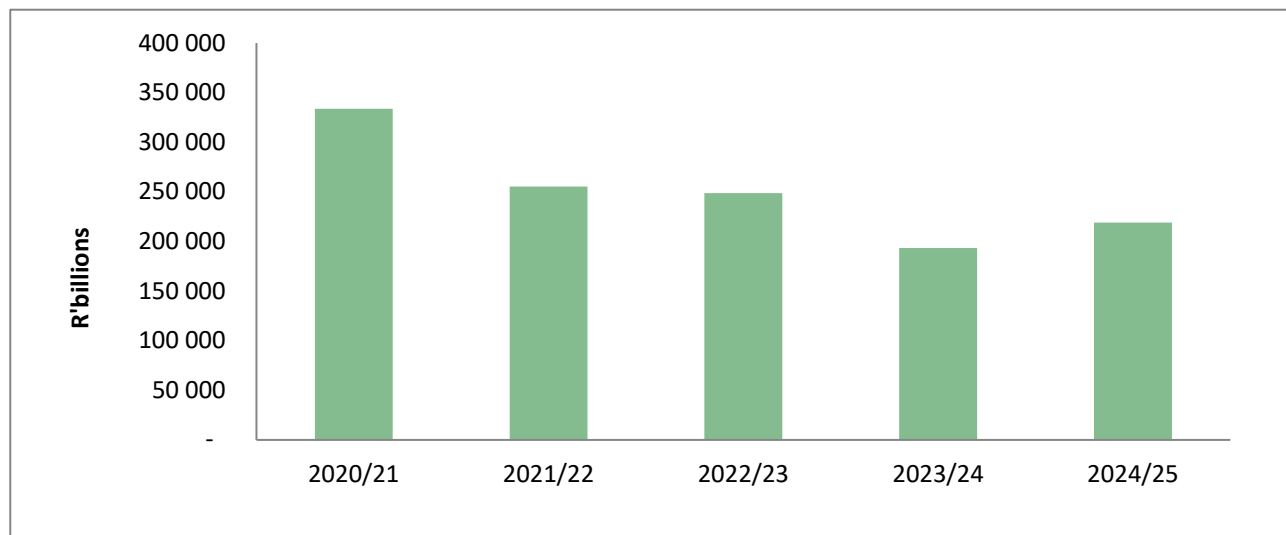
**Table 29: National Revenue Fund Holding**

| Year Ended 31 March<br>R' million         | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Commercial Banks</b>                   |                   |                   |                   |                   |                   |
| Tax and Loan account                      | 198 554           | 128 696           | 120 501           | 92 320            | 130 671           |
| <b>South African Reserve Bank</b>         |                   |                   |                   |                   |                   |
| Sterilisation deposits                    | 41 157            | 41 157            | -                 | -                 | -                 |
| Foreign currency deposits                 | 93 282            | 85 130            | 127 999           | 101 200           | 88 285            |
| Other                                     | 540               | 227               | 112               | -301              | -64               |
| JS \$ equivalent of foreign cash balances | \$6.3             | \$5.8             | \$6.8             | \$5.3             | \$4.8             |
| <b>Total</b>                              | <b>333 533</b>    | <b>255 210</b>    | <b>248 612</b>    | <b>193 218</b>    | <b>218 892</b>    |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 31: National Revenue Fund Holding



The National Treasury is responsible for maintaining adequate cash in the National Revenue Fund to meet its commitments and investing any surplus cash. Government's total cash includes deposits held by the Reserve Bank and commercial banks, which holds accumulated deposits from foreign-loan proceeds.

Cash with commercial banks is invested in line with predetermined credit-risk benchmarks. Foreign currency deposits decreased from R101.2 billion in 2023/24 to R88.3 billion in 2024/25. The decrease is mainly a result of government's intention to reduce the gross borrowing requirement and the cost of funding.

Table 30: Receivables (Current and Non-Current)

| Year Ended 31 March     | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| R' million              |                   |                   |                   |                   |                   |
| Receivables             | 10 403            | 27 367            | 12 734            | 9 728             | 20 667            |
| Movement in receivables | 13%               | 163%              | -53%              | -24%              | 112%              |

Receivables rose from R9.7 billion to R20 billion, marking a huge increase in the 2024/25 financial year. The Department of Justice and Constitutional Development (Including NPA) and Defence are the most contributors to increase realised in the current year. The other significant contributor to the current year is as a result of non-voted funds due to be surrendered to the National Revenue Fund from funds from the exchequer to cover Tax and Loan accounts that were over requested and thus not utilised in the current year.

Table 31: Investments

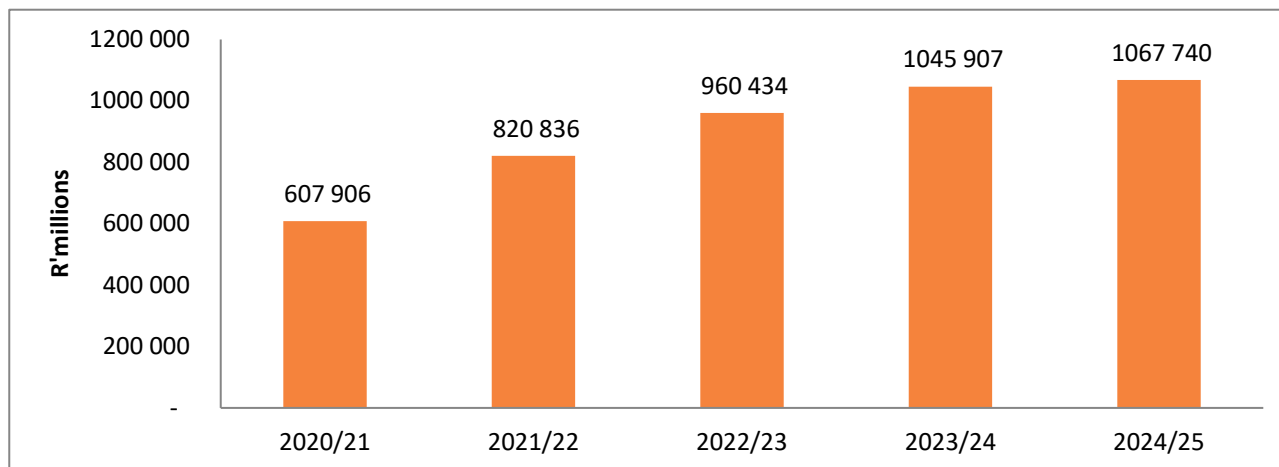
| Year Ended 31 March     | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| R' million              |                   |                   |                   |                   |                   |
| Investments             | 607 906           | 820 836           | 960 434           | 1 045 907         | 1 067 740         |
| Movement in investments | 50%               | 35%               | 17%               | 9%                | 2%                |

Investments include South Africa's subscription to shares in multilateral institutions such as International Monetary Fund, the African Development Bank, World Bank and the New Development Bank as well as the government's shareholding in the state-owned entities. Total investments increased by 2% to 1.068 billion in 2024/25. The slight increase can be mainly attributed to the DPE's shareholding in Eskom increasing in the current year.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Graph 32: Investments



The major investments reported on in the audited financial statements of parent departments are listed in the following table which indicates actual Rand amounts of the cost of investments held by government for the past two years. Most investments have remained similar in the current year with only Eskom showing an increase of 12.3% that is from R285 billion to R385 billion in the current year. The estimated impairment of investments is R146 billion (2023/24: R125 billion).

Table 32: Major Investments

| Year Ended 31 March<br>R'000                           | Actual<br>2024 / 2025 | Actual<br>2023 / 2024 |
|--|-----------------------|-----------------------|
| Onderstepoort Biological Products Ltd                  | 1                     | 1                     |
| TELKOM   | 2 070 381             | 2 070 381             |
| SA Post Office   | 10 564 116            | 10 564 116            |
| SENTECH  | 75 892                | 75 892                |
| Vodacom  | -                     | 3 743                 |
| Broadband Infraco SOC                                  | 1 351 130             | 1 351 130             |
| SABC   | 3 200 000             | 3 200 000             |
| NHFC   | 2 363 635             | 2 363 635             |
| SERVCON  | 604                   | 604                   |
| South African Nuclear Corporation Limited (NECSA)      | 2 205                 | 2 205                 |
| Central Energy Fund (CEF)                              |                       |                       |
| IDC A SHARE 1 000 000 AT COST (100 % SHAREHOLDING)     | 1 000                 | 1 000                 |
| IDC B SHARE 1 391 969 357 AT COST (100 % SHAREHOLDING) | 1 391 969             | 1 391 969             |
| Passenger Rail Agency of South Africa Ltd.             | 4 248 259             | 4 248 259             |
| Airports Company Ltd.                                  | 2 884 242             | 2 884 242             |
| Air Traffic and Navigational Services Company Ltd.     | 190 646               | 190 646               |
| S.A. National Roads Agency (SOC) Ltd.                  | 1 091 044             | 1 091 044             |
| Development Bank of Southern Africa                    | 200 000               | 200 000               |
| Public Investment Corporation Limited                  | 1                     | 1                     |
| Sasria   | 22 000 000            | 22 000 000            |
| Land Bank  | 14 397 655            | 14 397 655            |
| Alexkor SOC Ltd  | 400 000               | 400 000               |
| Denel SOC Ltd  | 15 203 962            | 15 203 962            |
| Eskom SOC Ltd  | 325 550 000           | 285 550 276           |
| Safcol SOC Ltd   | 318 013               | 318 013               |
| Transnet SOC Ltd                                       | 18 497 986            | 18 497 986            |
| South African Express SOC Ltd                          | 2 277 395             | 2 277 395             |
| South African Airways SOC Ltd                          | 61 144 102            | 61 144 102            |
| Armcor   | 75 000                | 75 000                |
| Special Defence activities                             | 104 156               | 104 156               |
|  | <b>490 125 406</b>    | <b>449 607 412</b>    |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Table 33: Loans (Current and Non-Current)**

| Year Ended 31 March<br><i>R' million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Loans                                    | 1 385             | 31                | 29                | 32 028            | 56 028            |
| <b>Movement in Loans</b>                 | <b>-12%</b>       | <b>-98%</b>       | <b>-6%</b>        | <b>110 341%</b>   | <b>75%</b>        |

Loans increased by 75% in 2024/25. As reflected in note 18 of National Treasury annual financial statements, the significant increase in loans emanates from the financial assistance that will be provided to Eskom over the course of three fiscal years. A further R24 billion was paid to Eskom resulting in the balance of R56 billion in the current year. This R56 billion represents a portion of the loan that has not yet been converted to shares transferable to DPE as at 31 March 2025 (National Treasury Annual Financial Statements 2024/25).

## LIABILITIES

**Table 34: Payables (Current and Non-Current)**

| Year Ended 31 March<br><i>R' million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Payables                                 | 9 563             | 44 919            | 11 996            | 6 315             | 5 795             |
| <b>Movement in Payables</b>              | <b>58%</b>        | <b>370%</b>       | <b>-73%</b>       | <b>-47%</b>       | <b>-8%</b>        |

Payables have decreased slightly from R6.3 billion to R5,8 billion in 2024/25 fiscal year. The 8% reduction is an indication of improved cash flow management resulting in effective payment of short-term debt by departments.

**Table 35: Multilateral institutions**

| Year Ended 31 March<br><i>R' million</i>     | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Multilateral Institutions                    | 334 944           | 474 746           | 575 211           | 593 918           | 536 311           |
| <b>Movement in Multilateral Institutions</b> | <b>47%</b>        | <b>42%</b>        | <b>21%</b>        | <b>3%</b>         | <b>-10%</b>       |

South Africa is a member of the African Development Bank, International Monetary Fund, New Development Bank and World Bank Group. Membership incurs certain financial obligations, some of which are categorised as provisions. These obligations are capital and quota contributions to maintain the country's shareholding in the institutions and strengthen the global safety net that they support. Liabilities to multilateral institutions consist of the International Monetary Fund - SDR Allocations R114.7 billion (2023/24: R118.7 billion), International Bank for Reconstruction and Development R42.8 billion (2023/24: R44.3 billion), Multilateral Investments Guarantee Agency R267.6 billion (2023/24: R277.3 billion), International Monetary Fund-Securities Account R76.9 billion (2023/24: 118.1), African Development Bank R154.7 billion (2023/24: R160.3 billion), and New Development Bank R146.9 billion (2023/24: R152.3 billion).

### Current and non-current borrowings

Government incurs debt when financing the shortfall between its expenditure and revenue. This shortfall is financed through raising loans in the domestic and international capital markets. The stock of debt is also influenced by inflation, interest rate movements and currency movements.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

**Table 36: Borrowings**

| Year Ended 31 March<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Current borrowings                | 518 810           | 544 953           | 578 112           | 651 254           | 720 191           |
| Non-current borrowings            | 3 416 890         | 3 732 511         | 4 187 316         | 4 608 146         | 4 973 388         |
| <b>Total</b>                      | <b>3 935 701</b>  | <b>4 277 463</b>  | <b>4 765 428</b>  | <b>5 259 400</b>  | <b>5 693 579</b>  |
| <b>Movement in Borrowings</b>     | <b>21%</b>        | <b>9%</b>         | <b>11%</b>        | <b>10%</b>        | <b>8%</b>         |

Table 36 splits the debt portfolio between current and non-current borrowings. Current borrowings represent debt with a remaining term not exceeding one year, of which National Treasury bills account for the largest portion. Non-current borrowings consist of fixed rate and inflation-linked bonds and foreign loan with an outstanding term exceeding one year.

**Graph 33: Borrowings**

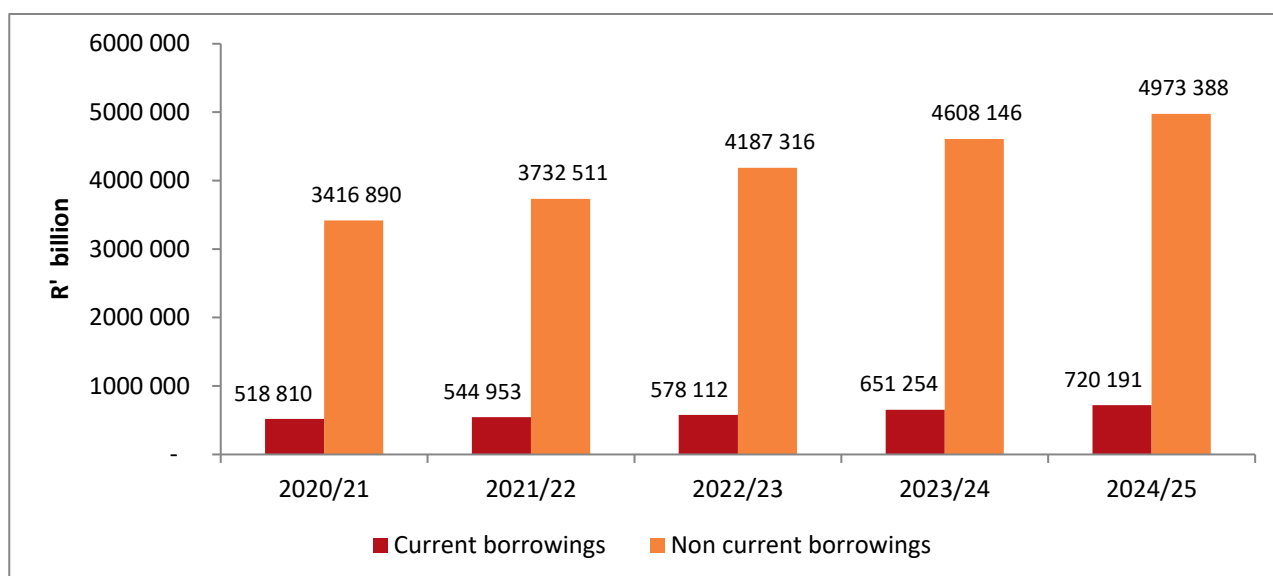


Table 37 below shows government debt split between domestic and foreign debt. In addition, government's debt is also disclosed on a gross and net basis. Net loan debt consists of total domestic and foreign debt less the cash balances of the NRF. Gross government debt as per cent of GDP, has decreased from 76 per cent in 2023/24 to 74 per cent in 2024/25.

**Table 37: National government debt**

| R' million                                | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          |
|---|------------------|------------------|------------------|------------------|------------------|
| Domestic debt                             | 3 543 266        | 3 865 359        | 4 209 771        | 4 667 776        | 5 091 761        |
| Foreign debt                              | 392 434          | 412 104          | 555 657          | 591 623          | 601 902          |
| <b>Gross loan debt</b>                    | <b>3 935 700</b> | <b>4 277 463</b> | <b>4 765 428</b> | <b>5 259 400</b> | <b>5 693 663</b> |
| Less: National Revenue Fund bank balances | -251 690         | -310 114         | -259 832         | -174 057         | -213 448         |
| <b>Net loan debt</b>                      | <b>3 684 010</b> | <b>3 967 349</b> | <b>4 505 596</b> | <b>5 085 342</b> | <b>5 480 215</b> |
| As percentage of GDP:                     | 4 910 808        | 6 691 651        | 6 104 775        | 6 721 750        | 7 046 878        |
| Gross loan debt                           | 75               | 59               | 74               | 76               | 74               |
| Net loan debt                             | 8                | 6                | 9                | 9                | 8                |



# **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL DEPARTMENTS**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA





# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### QUALIFIED OPINION

1. I have audited the consolidated financial statements of the national departments set out on pages 52 to 112, which comprise the consolidated statement of financial position as at 31 March 2025, consolidated statement of financial performance, consolidated statement of changes in net assets and the consolidated cash flow statement for the year then ended, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this audit report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of national departments as at 31 March 2025 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 24 of 2024 (DoRA).

## BASIS FOR QUALIFIED OPINION

### TRANSFERS AND SUBSIDIES

#### Department of Social Development

3. The department recorded items that did not meet the definition of transfers and subsidies to households in accordance with MCS chapter 8, Expenditure. This was due to a lack of systems to identify ineligible beneficiaries. Consequently, transfers and subsidies were overstated.
4. In addition, I was unable to obtain sufficient appropriate audit evidence for transfers and subsidies as the department did not implement adequate monitoring systems to maintain supporting records. I could not determine the full extent of transfers and subsidies recorded and I could not confirm this by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to transfers and subsidies stated at R 1 543 560 554 000 in note 12 to the consolidated financial statements.

### MOVABLE TANGIBLE CAPITAL ASSETS

#### Department of Defence

5. Not all recorded movable tangible capital assets could be identified during the physical asset verification process, as the department could not indicate where these assets are located, nor provide other information relating to their location. Furthermore, the department could not provide sufficient appropriate audit evidence that management had properly accounted for some specialised military assets that were not accounted for in the normal asset management system, due to the non-submission of registers in support of these assets. I was unable to confirm or verify these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R139

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

784 147 000 (2024: R114 995 812 000) in note 40 to the consolidated financial statements.

6. The department did not recognise all items of movable tangible capital assets in accordance with MCS chapter 11, Capital assets. I identified items of movable tangible capital assets belonging to the department that were not included in the underlying accounting records, as controls were not established to ensure that all assets are recorded on the asset registers. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets stated at R 139 784 14 7 000 (2024: R 114 995 812 000) in note 40 to the consolidated financial statements, as it was impracticable to do so.
7. The department did not recognise all movable tangible capital assets and minor assets at cost in accordance with MCS chapter 11, Capital assets. I identified a significant number of assets acquired after 1 April 2002 that were recorded at either R1 or RO, as documentation to establish the cost is not available. This is in contravention of the MCS, which allows R1 values to be assigned only to those assets acquired before 1 April 2002. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets stated at R139 784 147 000 (2024: R114 995 812 000) in note 40 to the consolidated financial statements, as it was impracticable to do so.
8. The department did not comply with the MCS in ensuring that all movable tangible capital assets remain at historical cost in accordance with MCS chapter 11, Capital assets. The department made adjustments to the current and prior years' additions and disposals in contravention of the MCS, which prohibits cost adjustments for appreciation and devaluation. In addition, I was unable to obtain sufficient audit evidence for these adjustments on the additions and disposals in the current and prior years, thus impacting the closing balance of movable tangible capital assets stated at R139 784 147 000 (2024: R114 995 812 000) in note 40 to the consolidated financial statements. I was unable to confirm these adjustments by alternative means.

## Department of International Relations and Corporations

9. Not all movable tangible capital assets were recorded, in contravention of MCS chapter 11, *Capital assets*, resulting in movable tangible capital assets disclosed in note 40 to the consolidated financial statements being understated.
10. In addition, I was unable to obtain sufficient appropriate audit evidence to determine the full extent of the movable tangible capital assets understatement, as the department did not maintain an accurate, complete and credible asset register, due to deficiencies in the system of internal controls over asset management relating to the recording and verification of capital assets and maintenance of the asset register. I could not confirm this by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to movable tangible assets stated at R 139 784 147 000 in note 40 to the consolidated financial statements.

## Department of Public Enterprises

11. I was unable to obtain sufficient appropriate audit evidence that movable tangible capital assets had been properly accounted for, due to the status of the accounting records. I was unable to confirm these assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R 139 784 14 7 000 in note 40 to the consolidated financial statements.

## COMPENSATION OF EMPLOYEES

### Department of Defence

12. On 31 March 2024, the department did not recognise compensation of employees in accordance with MCS chapter 2, Concepts and principles, as I identified misstatements in basic salaries, housing allowances and deprivation allowances. Consequently, I was unable to determine the full extent of the overstatement of

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

the corresponding figure of compensation of employees, stated at R 195 260 823 000 in note 7 to the consolidated financial statements, as it was impractical to do so. My opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current year's financial statements is also modified because of the possible effects of this matter on the comparability of the compensation of employees for the current period.

## GOODS AND SERVICES

### Department of Defence

13. The department accounts for non-sensitive and sensitive projects expenditure in connection with the special defence activities as per section 2(2)(a) of the Defence Special Account Act 6 of 1974, as amended. I was unable to obtain sufficient appropriate audit evidence on the sensitive projects' expenditure due to the sensitivity of the environment and the circumstances under which the related transactions were incurred and recorded. I was unable to confirm goods and services by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included in the expenditure of R83 634 738 000 (2024: R79 028 351 000) as per note 8 to the consolidated financial statements.

### Context for opinion

14. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the consolidated financial statements section of my report.

15. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), as well as other ethical

requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

16. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Emphasis of matter

17. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## MINISTERIAL EXEMPTION IN TERMS OF SECTION 92 OF THE PFMA FROM PREPARING A SINGLE SET OF CONSOLIDATED FINANCIAL STATEMENTS

18. As disclosed in note 46 to the consolidated financial statements, the Minister of Finance granted National Treasury exemption in terms of section 92 of the PFMA from the provisions of section 8(1) of the Act. The exemption applies to the financial periods 2020-21 to 2024-25 and allows National Treasury not to prepare a single set of consolidated financial statements for national departments and national public entities, due to the different financial reporting frameworks in use at public entities and departments.

### Other matter

19. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## UNAUDITED SUPPLEMENTARY SCHEDULES

20. The supplementary information set out on pages 113 to 116 does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## Responsibilities of the accounting officer for the consolidated financial statements

21. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the MCS and the requirements of the PFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
22. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the consolidated national departments' ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the consolidated financial statements

23. My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated financial statements.
24. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report. This description, which is located on page 50, forms part of my auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

25. In terms of section 8 of the PFMA, National Treasury is not required to prepare a consolidated annual performance report.

## REPORT ON COMPLIANCE WITH LEGISLATION

26. The audit of compliance with legislation is not required, as the consolidation of national departments does not fall within the audit of compliance with the legislation scope included in the audit directive issued under section 13(3)(b) of the Public Audit Act 25 of 2004 on 20 February 2025, per General Notice 52149.

## OTHER INFORMATION IN THE ANNUAL REPORT

27. The accounting officer is responsible for the other information included in the annual report. The other information does not include the consolidated financial statements and the auditor's report.
28. My opinion on the consolidated financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
29. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information before the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## INTERNAL CONTROL DEFICIENCIES

31. I considered internal control relevant to my audit of the consolidated financial statements; however, my objective was not to express any form of assurance on it.
32. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion.
33. The accounting officers of individual departments did not implement adequate oversight or enforce effective quality assurance controls over the financial statement preparation process, which negatively affected the credibility of the financial statements. The action plans developed to address prior year audit findings were not adequate, nor were they effectively implemented and monitored, resulting in recurring audit findings. Ineffective records management system at the individual department level to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.
34. There is a slow response by management and the accounting officers in addressing the significant deficiencies that have been repeatedly reported in relation to financial reporting, as well as related internal controls.

*Auditor-General*

Pretoria

10 December 2025



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## ■ ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit

## ■ THE AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

### PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated financial statements.

### CONSOLIDATED FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the consolidated financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Treasury's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the national departments' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the [consolidated and separate] financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated financial statements. My conclusions are based on the information available to me as of the date of this auditor's report. However, future events or conditions may cause the consolidated position of national departments to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for the group audit. I remain solely responsible for my audit opinion.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/25<br>R'000     | 2023/24<br>R'000     |
|---|-------|----------------------|----------------------|
| <b>OPERATING INCOME</b>                                     |       |                      |                      |
| Revenue from Taxes, Levies & Duties                         | 2     | 1 775 985 524        | 1 677 197 574        |
| Departmental revenue  | 3     | 233 742 402          | 46 409 629           |
| Other Revenue   | 4     | 2 732 266            | 6 982 350            |
| Aid assistance  |       | 5 595 763            | 4 678 054            |
| <b>TOTAL REVENUE</b>  |       | <b>2 018 055 955</b> | <b>1 735 267 607</b> |
| <b>REVENUE FUND EXPENDITURE</b>                             |       |                      |                      |
|   |       | 447 842 237          | 433 913 820          |
| Appropriated Funds  | 6     | 446 217 201          | 433 035 981          |
| CARA payments   |       | 1 625 036            | 877 839              |
| <b>DEPARTMENTAL EXPENDITURE</b>                             |       |                      |                      |
| <b>Current Expenditure</b>                                  |       | 293 588 156          | 276 842 084          |
| Compensation of employees                                   | 7     | 206 540 731          | 195 260 823          |
| Goods and services  | 8     | 83 634 738           | 79 028 351           |
| Interest and rent on land                                   | 9     | 333 026              | 297 392              |
| Aid assistance  |       | 3 079 661            | 2 255 518            |
| <b>Transfers and subsidies</b>                              |       | 1 543 597 979        | 1 395 102 639        |
| Transfers and subsidies                                     | 12    | 1 543 560 554        | 1 394 976 880        |
| Aid assistance  |       | 37 425               | 125 759              |
| <b>Expenditure for capital assets</b>                       |       | 16 684 670           | 16 693 363           |
| Tangible assets   | 10.1  | 16 085 009           | 16 241 057           |
| Intangible assets   | 10.2  | 599 661              | 452 306              |
| <b>Payments for financial assets</b>                        |       | 6 245 200            | 2 038 966            |
| <b>TOTAL EXPENDITURE</b>                                    |       | <b>2 307 958 242</b> | <b>2 124 590 872</b> |
| <b>SURPLUS/(DEFICIT)</b>                                    |       | <b>(289 902 287)</b> | <b>(389 323 265)</b> |
| <b>Foreign exchange revaluation</b>                         |       | 18 682 298           | (81 475 176)         |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>                       |       | <b>(271 219 989)</b> | <b>(470 798 441)</b> |
| <b>Reconciliation of Net Surplus/(Deficit) for the year</b> |       |                      |                      |
| Voted Funds   |       | (272 345 953)        | (471 989 248)        |
| Departmental revenue and NRF Receipts                       |       | -                    | -                    |
| Aid assistance  | 5     | 1 125 964            | 1 190 807            |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>                       |       | <b>(271 219 989)</b> | <b>(470 798 441)</b> |



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

|                                | Notes | 2024/2025<br>R '000    | 2023/2024<br>R '000    |
|--------------------------------|-------|------------------------|------------------------|
| <b>ASSETS</b>                  |       |                        |                        |
| <b>Current Assets</b>          |       | <b>303 701 045</b>     | <b>228 834 490</b>     |
| Cash and cash equivalents      | 15    | 225 310 869            | 187 212 296            |
| Other financial assets         | 13    | 27 469                 | 26 750                 |
| Prepayments and advances       | 16    | 3 305 942              | 1 118 204              |
| Receivables                    | 17    | 18 347 732             | 7 658 376              |
| Loans                          | 18    | 56 000 759             | 32 000 969             |
| Aid assistance receivable      | 5     | 708 275                | 817 895                |
| <b>Non-Current Assets</b>      |       | <b>1 070 166 077</b>   | <b>1 048 150 945</b>   |
| Investments                    | 19    | 1 067 739 604          | 1 045 907 181          |
| Prepayments and advances       | 16    | 37 597                 | 101 719                |
| Receivables                    | 17    | 2 319 600              | 2 069 409              |
| Loans                          | 18    | 27 391                 | 27 395                 |
| Other financial assets         | 13    | 41 885                 | 45 241                 |
| <b>TOTAL ASSETS</b>            |       | <b>1 373 867 122</b>   | <b>1 276 985 435</b>   |
| <b>LIABILITIES</b>             |       |                        |                        |
| <b>Current Liabilities</b>     |       | <b>750 993 343</b>     | <b>682 456 082</b>     |
| Bank overdraft                 | 20    | 24 547 458             | 25 181 037             |
| Payables                       | 21.1  | 4 770 152              | 5 416 436              |
| Borrowings                     | 22    | 720 191 059            | 651 254 040            |
| Aid assistance repayable       | 5     | 774 831                | 337 779                |
| Aid assistance unutilised      | 5     | 709 841                | 266 787                |
| <b>Non-Current Liabilities</b> |       | <b>5 510 946 274</b>   | <b>5 203 183 172</b>   |
| Unauthorised expenditure       |       | 222 610                | 220 357                |
| Payables                       | 21.2  | 1 024 923              | 898 800                |
| Borrowings                     | 23    | 4 973 387 581          | 4 608 145 670          |
| Multi-lateral institutions     | 24    | 536 311 160            | 593 918 345            |
| <b>TOTAL LIABILITIES</b>       |       | <b>6 261 939 617</b>   | <b>5 885 639 254</b>   |
| <b>NET ASSETS</b>              |       | <b>(4 888 072 495)</b> | <b>(4 608 653 819)</b> |
| <b>Represented by:</b>         |       |                        |                        |
| Capitalisation reserve         |       | 546 045 782            | 481 527 799            |
| Recoverable revenue            |       | 2 106 809              | 1 026 466              |
| Retained funds                 |       | (5 436 225 086)        | (5 091 208 084)        |
| <b>TOTAL</b>                   |       | <b>(4 888 072 495)</b> | <b>(4 608 653 819)</b> |

# CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/2025<br>R'000     | 2023/2024<br>R'000     |
|---|-------|------------------------|------------------------|
| <b>NET ASSETS</b>   |       |                        |                        |
| <b>Capitalisation Reserves</b>  |       |                        |                        |
| Opening balance   |       | 481 527 800            | 402 127 958            |
| Transfers:  |       | 64 517 983             | 79 399 842             |
| Movement in Equity  |       | 40 517 994             | 47 400 000             |
| Other movements   |       | 23 999 989             | 31 999 842             |
| Closing balance   |       | <b>546 045 783</b>     | <b>481 527 800</b>     |
| <b>Recoverable revenue</b>  |       |                        |                        |
| Opening balance   |       | 1 548 744              | 1 082 942              |
| Transfers   |       | <b>558 065</b>         | <b>465 802</b>         |
| Irrecoverable amounts written off   |       | (112 041)              | 504 482                |
| Debts revised   |       | (51 255)               | (54 439)               |
| Debts recovered (included in departmental receipts)                           |       | (370 109)              | (490 571)              |
| Debts raised  |       | 1 091 470              | 506 330                |
| Closing balance   |       | <b>2 106 809</b>       | <b>1 548 744</b>       |
| <b>Retained funds</b>   |       |                        |                        |
| Opening balance   |       | (5 091 730 363)        | (4 541 259 881)        |
| Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY) |       | 234 043                | 570 323                |
| Utilised during the year  |       | (720 396)              | 1 089 510              |
| Other   |       | (344 008 370)          | (552 130 315)          |
| Closing balance   |       | <b>(5 436 225 086)</b> | <b>(5 091 730 363)</b> |
| <b>TOTAL</b>  |       | <b>(4 888 072 495)</b> | <b>(4 608 653 819)</b> |

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000     | 2023/24<br>R'000     |
|--|-------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |       |                      |                      |
| <b>RECEIPTS DISCLOSED BY THE NATIONAL REVENUE FUND</b>       |       | <b>2 018 499 612</b> | <b>1 752 235 125</b> |
| Revenue collected by SARS                                    |       | 1 776 090 901        | 1 677 103 821        |
| Departmental Revenue collected                               |       | 230 548 689          | 47 921 147           |
| CARA Receipts  |       | 1 205 238            | 847 180              |
| Surrenders from departments                                  |       | 7 922 518            | 19 380 627           |
| Other revenue received by the revenue fund                   |       | 2 732 266            | 6 982 350            |
| <b>RECEIPTS DISCLOSED BY NATIONAL DEPARTMENTS</b>            |       | <b>222 668 660</b>   | <b>20 832 694</b>    |
| Departmental revenue received                                |       | 207 872 976          | 4 769 113            |
| Interest received  |       | 10 327 649           | 12 637 472           |
| Aid assistance received                                      |       | 4 468 035            | 3 426 109            |
| <b>PAYMENTS DISCLOSED BY THE NATIONAL REVENUE FUND</b>       |       | <b>485 186 630</b>   | <b>466 531 613</b>   |
| Statutory Appropriation                                      |       | 482 839 690          | 462 322 434          |
| CARA Payments  |       | 1 625 036            | 877 839              |
| Other  |       | 721 904              | 3 331 340            |
| Net (increase)/ decrease in working capital                  |       | (2 664 554)          | (1 132 277)          |
| Surrendered to Revenue Fund                                  |       | (290 873 937)        | (112 960 491)        |
| Surrendered to RDP Fund/Donor                                |       | (451 790)            | (373 818)            |
| Current payments   |       | (293 317 085)        | (276 620 342)        |
| Interest paid  |       | (271 071)            | (247 603)            |
| Payments for financial assets                                |       | (6 245 200)          | (2 038 966)          |
| Transfers and subsidies paid                                 |       | (1 514 947 194)      | (1 269 923 445)      |
| <b>Net cash flow available from operating activities</b>     | 25    | <b>(352 789 189)</b> | <b>(455 514 042)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |       |                      |                      |
| Distribution/dividend received                               |       | 1 046 555            | 240 048              |
| Payments for capital assets                                  |       | (16 684 670)         | (16 693 363)         |
| Proceeds from sale of investments/ capital assets            |       | 350 074              | 193 514              |
| (Increase)/ decrease in loans                                |       | (23 999 786)         | (31 999 518)         |
| (Increase)/ decrease in investments                          |       | (40 517 994)         | (3 400 000)          |
| (Increase)/ decrease in other financial assets               |       | 2 637                | (6 040)              |
| (Increase)/ decrease in non-current receivables              |       | (998)                | 100 687              |
| <b>Net cash flows from investing activities</b>              |       | <b>(79 804 182)</b>  | <b>(51 564 672)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |       |                      |                      |
| Increase/ (decrease) in net assets                           |       | 65 433 273           | 35 826 646           |
| Increase/ (decrease) in non-current payables                 |       | 126 123              | 125 615              |
| Increase/ (decrease) in borrowings                           |       | 406 050 959          | 393 102 033          |
| <b>Net cash flows from financing activities</b>              |       | <b>471 610 355</b>   | <b>429 054 294</b>   |
| Net increase/ (decrease) in cash and cash equivalents        |       | 39 016 984           | (78 024 420)         |
| Cash and cash equivalents at beginning of period             |       | 162 031 259          | 240 536 937          |
| Unrealised gains and losses within cash and cash equivalents |       | (284 833)            | (481 374)            |
| <b>Cash and cash equivalents at end of period</b>            | 26    | <b>200 763 411</b>   | <b>162 031 142</b>   |

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## 1. PRESENTATION OF THE FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the annual Division of Revenue Act.

All departments are controlled by Government. These consolidated financial statements include the financial results of the departments and Parliament.

Government Departments apply uniform accounting policies as prescribed by the National Treasury except to the extent that a department has requested a deviation from the National Treasury.

Departmental revenue is collected by SARS and directly deposited into the National Revenue Fund which forms part of the overall consolidation revenue and is accounted for on a modified cash basis.

### 1.1 BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid or when the final authorisation for payment is effected on the system (by no later than 31 March of each year). Under this basis, the revaluation of foreign and domestic investments and loans are also recognised.

Inter-departmental prepayment advances and payables and inter-entity transactions and balances between the departments and the National Revenue Fund (NRF) are eliminated. However, PAYE is not eliminated as it is not considered as an

interdepartmental transaction. VAT is also not eliminated as government does not pay VAT directly to the NRF and government is not a VAT vendor. National Revenue Fund only recognised material provisions that will result in the potential cash outflow to government.

### 1.2 PRESENTATION CURRENCY

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the departments.

### 1.3 ROUNDING

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

### 1.4 COMPARATIVE FIGURES

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

### 1.5 REVENUE

Appropriated funds include equitable share and conditional grants to entities in terms of an Act of Parliament / Province. Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total funds appropriated during the financial year are represented in the Statement of Financial Performance.

The net amount of surrenders consists of unexpended appropriated funds which are surrendered to the National Revenue Fund less amounts exceeding the approved statutory appropriation. Amounts owing to the National Revenue Fund at the end of the financial year are recognised as receivables in the Statement of

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

Financial Position and exceeding of approved statutory appropriation are recognised as a payable in the Statement of Financial Position.

## 1.5.1 Revenue from taxes, levies and duties

Taxpayer-assessed revenues are recognised when funds are received by South African Revenue Services (SARS). Cash in transit or over remitted as at 31 March by the SARS is included in the Statement of Financial Position as other receivables/payables.

All transfers, duties, fees and other monies collected by the South African Revenue Services (SARS) for a province are deposited into the national revenue fund and then transferred to the respective provincial revenue fund are recognised when instructed by SARS.

## 1.5.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National Revenue Fund, unless otherwise stated. Any amount owing to the National Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position. No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the note to the annual financial statements. Departmental revenue includes the following:

### 1.5.2.1 Sales of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the departments. Revenue is recognised in the Statement of Financial Performance on receipt of the funds by departments.

### 1.5.2.2 Fines, penalties & forfeits

Fines penalties and forfeits are compulsory receipts imposed by court or quasi-judicial body. Revenue is recognised in the Statement of Financial Performance on receipt of the funds from the departments.

### 1.5.2.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received from the departments.

### 1.5.2.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received from departments.

### 1.5.2.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds from departments.

Forex gains and losses are recognised on settlement of loans.

### 1.5.2.6 Transfers received

Transfers received include transfers from universities and technikons, foreign governments, international organisations, public corporations and private enterprises, households and non-profit institutions and other governmental units. Revenue is recognised in the Statement of Financial Performance on receipt of the funds from the departments.

## 1.5.3 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance on receipts of the funds from the departments. Amounts in transit are recognised as a receivable at the reporting date.

## 1.5.4 CARA receipts

Funds received derived from the execution of confiscation and forfeiture orders contemplated, in accordance with section 64 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts are recognised by the revenue fund in the Statement of Financial Performance when the cash is received.

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## 1.5.5 Aid assistance

Aid assistance is recognised as revenue when received. All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

## 1.5.6 Direct exchequer receipts

This includes revenue fund receipts. Revenue is recognised when the cash is received. This revenue represents receipts other than departmental receipts that are not expected to occur frequently. These items are not included in departmental revenue as they are inclined to distort comparative analysis of the revenue figures. Amounts received by revenue funds are recognised in the Statement of Financial Performance.

## 1.6 EXPENDITURE

### 1.6.1 Appropriated funds

Appropriated funds include annual appropriation, statutory appropriation, conditional grant and own funds appropriated to entities in terms of an Act of Parliament / Provincial Legislature. Appropriated funds are recognised in the financial records when approved by Parliament.

Unexpended appropriations surrenders by departments are recognised at financial year-end in the Statement of Financial Position. Expenses incurred where the funds have not been requested against the appropriation are reflected as expenditure.

## 1.6.2 Compensation of employees

### 1.6.2.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment [i.e. on the date on which the expenditure is authorised for payment (by no later than 31 March of each year).

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

### 1.6.2.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance on the date of payment (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

### 1.6.3 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance on the date of payment (by no later than 31 March of each year). The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently, R5,000). All other expenditures are classified as current. Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

### 1.6.4 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

on the date of payment (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount is recorded under goods and services.

## 1.6.5 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate is included in the notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

## 1.6.6 CARA payments

Funds are transferred to departments, when approved by Cabinet, in accordance with section 65 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts transferred by the revenue fund are recognised in the Statement of Financial Performance when approved by Cabinet.

## 1.6.7 Transfers and subsidies

Transfers and subsidies are recognised as an expense on the date of payment (by no later than 31 March of each year).

## 1.6.8 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance on the date of payment (by no later than 31 March of each year).

## 1.6.9 Revaluation gains/(losses)

Foreign liabilities, foreign investments and Multilateral Institutions liabilities are re-valued at the closing exchange rate on 31 March. Associated gains and losses are recognised in the Statement of Financial Performance. Gains and losses due to the revaluation of inflation-linked bonds are also included in the Statement of Financial Performance.

## 1.6.10 Unauthorised expenditure

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

## 1.6.11 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.



# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## 1.6.12 Irregular expenditure

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

## 1.6.13 Direct exchequer payments

This includes revenue fund payments. Expenditure is recognised when funds are transferred to the departments. Expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the departments and therefore are not expected to occur frequently. Amounts transferred by revenue funds are recognised in the Statement of Financial Performance when transferred to the departments.

## 1.6.14 Other expenditure and RDP Funds due prior to Amendment Act no. 79 of 1998

Expenditure is recognised when payment becomes payable.

## 1.7 ASSETS

### 1.7.1 Cash and cash equivalents

Domestic cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand,

deposits held, other short-term highly liquid investments and bank overdrafts.

Foreign cash and cash equivalents are carried in the statement of financial position at the closing rate of 31 March. Gains and losses on revaluation are recognised in the statement of financial performance.

### 1.7.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset

### 1.7.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received, or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

### 1.7.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest, where interest is charged, less amounts already settled or written-off. Amounts that are potentially irrecoverable are included in the notes.

### 1.7.5 Other receivables

The net of profits and losses arising from exchange forward cover provided by the South African Reserve Bank; including the periodic revaluation of the Reserve Bank's foreign exchange reserves, foreign loans and gold reserves are included in other receivables.



# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## 1.7.6 Loans

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written off

Amounts that are potentially irrecoverable are included in the notes.

## 1.7.7 Settlement period of assets and liabilities

### 1.7.7.1 Current and Non-Current Assets

This represents domestic and foreign assets and should be classified as a current asset when it:

- Is expected to be realised in, or is held for sale or consumption in the normal course of the operating cycle; or
- Is held primarily for trading purposes or for the short-term and expected to be realised within 12 months of the reporting date; or
- Is a Cash and cash equivalent asset.

All other assets with a remaining term longer than one year are classified as non-current assets.

### 1.7.7.2 Current and Non-Current Liabilities

This represents domestic and foreign liabilities and should be classified as a current liability when it:

- Is expected to be settled in the normal course of the entity's operating cycle; or
- Is due to be settled within twelve months of the reporting date.

All other liabilities with a remaining term longer than one year are classified as non-current liabilities.

## 1.7.8 Investments

Domestic investments are recognised and measured at face value in the Statement of Financial Position.

Foreign investments represent South Africa's membership/shareholding in the African Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency. These investments are initially

recognised at face value (i.e., the issue price) and are subsequently revalued using the closing exchange rate at 31 March.

The International Monetary Fund (IMF) quota represents South Africa's membership subscription to the IMF. The investment is denominated in special drawing rights (SDR) and is recognised in the Statement of Financial Position in Rand, converted at the closing SDR exchange rate published by the IMF as at 31 March.

Any gains and or losses on the revaluation of investments and financial liabilities are recognised in the Statement of Financial Performance.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the notes.

## 1.7.9 Inventory

Inventories that qualify for recognition are recognised initially at cost. Where inventories are acquired as part of non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

All inventory items at year-end are reflected using either the weighted average cost or FIFO cost formula.

## 1.7.10 Capital assets

### 1.7.10.1 Movable capital assets

#### Initial recognition

"A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1."

All assets acquired prior to 1 April 2002 are included in the register at R1.

#### Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

Repairs and maintenance are expensed as current "goods and services" in the statement of financial performance.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

## 1.7.10.2 Immovable capital assets

### Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at fair value.

### Subsequent recognition

Immovable assets are subsequently carried at cost and are not subject to depreciation or impairment.

## 1.7.10.3 Project costs: Work-in-progress

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in the asset register of the department that is accountable for the asset.

Subsequent payments to complete the project are added to the capital asset in the asset register.

Repairs and maintenance are expensed as current "goods and services" in the statement of financial performance.

## 1.7.10.4 Intangible assets

### Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where the fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to April 2002 can be included in the asset register at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

### Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

## 1.8 LIABILITIES

### 1.8.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

### 1.8.2 Lease commitments

#### Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are not apportioned between the capital and interest portions. The finance lease liability is disclosed in the notes to the financial statements.

#### Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the discloser notes to the financial statements at:

- (a) the fair value of the leased asset or if lower,
- (b) the present value of the minimum lease payments,

Each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, a reasonable proxy rate such as the prime lending rate at inception of the lease can be used.

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## 1.8.3 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

## 1.8.4 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department, or the national revenue fund, or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

## 1.8.5 Contingent assets

Contingent assets are recorded in the notes to the financial statements when it is probable that an inflow of economic benefits will flow to the National revenue fund. Contingent assets include the Gold and Foreign Exchange Contingency Reserve Account that is initially measured at cost as it does not have a fixed maturity date and is subsequently revalued with the profits and losses incurred on gold and foreign exchange transactions.

## 1.8.6 Commitments

Contracted Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes at cost.

## 1.8.7 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

## 1.8.8 Provisions

Provisions are recorded in the notes to the financial

statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

## 1.8.9 Multilateral Institutions

The callable portions of South Africa's subscription in the African Development bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency are recognised as a financial liability and are initially measured at face value (i.e. the issue price) and are subsequently revalued using the closing exchange rate at 31 March.

## 1.9 BORROWINGS

### 1.9.1 Domestic Borrowings

Domestic current borrowings consist mainly of Treasury bills with a term-to-maturity varying between 1 to 365 days, CPD borrowings and long-term domestic loans due to be settled within 12 months of the reporting date. Treasury bills and CPD borrowings are recognised at face value.

Domestic non-current borrowings consist of fixed-rate, inflation-linked, retail bonds. All these instruments except for inflation-linked bonds are recognised at face value. Inflation-linked bonds are recognised at transaction amount. Inflation-linked bonds have been revalued using the relevant "reference CPI" at year end (settlement value).

The face value and / or settlement value represents the amount that will be paid to the bond holder at maturity of the instrument.

### 1.9.2 Foreign Loans and Bonds

Foreign loans and bonds are initially recognised at face value and subsequently revalued to rand using the closing exchange rates as at 31 March. Foreign

# ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

loans are not hedged against foreign currency movements.

## 1.10 FOREIGN LOANS

Foreign loans are uncovered and converted to rand using the closing exchange rates as at 31 March.

## 1.11 NET ASSETS

### 1.11.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.

### 1.11.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

## 1.12 RELATED PARTY TRANSACTIONS

Specific information with regards to related party transactions is included in the notes.

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and full compensation of key management personnel (including compensation paid to their family members where relevant) is recorded in the notes to the financial statements.

## 1.13 PUBLIC PRIVATE PARTNERSHIPS

A public private partnership (PPP) is a commercial

transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- acquires the use of state property for its own commercial purposes; and
- assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and/or use of state property; and
- receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
  - consideration to be paid by the department which derives from a Revenue Fund;
  - charges fees to be collected by the private party from users or customers of a service provided to them; or
  - a combination of such consideration and such charges or fees.

PPPs are accounted for based on the nature and or he substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the notes to the financial statements.

## 1.14 RESTATEMENTS AND ADJUSTMENTS

Where necessary amounts included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

## 1.15 EVENTS AFTER THE REPORTING DATE

Subsequent events that are both favourable and unfavourable which occurred between the reporting date and the date when the financial statements are authorised for issue, are included as a note to the financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|          | Notes   | 2024/25<br>R'000     | 2023/24<br>R'000     |
|----------|---|----------------------|----------------------|
| <b>2</b> | <b>Revenue from Taxes, levies and Duties</b>          |                      |                      |
|          | <b>Taxation</b>                                       |                      |                      |
|          | Income tax  | 1 100 538 031        | 1 008 563 649        |
|          | Value-added tax / Sales tax                           | 457 788 790          | 447 556 730          |
|          | Fuel levies   | 85 882 627           | 91 508 106           |
|          | Customs duties  | 75 136 294           | 69 363 764           |
|          | Excise duties   | 64 126 253           | 58 732 533           |
|          | Skills Development Levy                               | 24 447 989           | 22 604 347           |
|          | Environmental levies                                  | 14 095 403           | 13 229 764           |
|          | Transfer duties                                       | 11 366 699           | 9 581 333            |
|          | Securities transfer tax                               | 5 958 032            | 5 484 989            |
|          | Southern African Customs Union member duties          | 4 085 446            | 3 321 859            |
|          | Estate duty   | 4 035 861            | 3 532 501            |
|          | State miscellaneous revenue                           | 2 442 952            | 2 639 347            |
|          | Health promotion levy                                 | 2 422 665            | 2 359 484            |
|          | Donations Tax   | 1 144 498            | 801 097              |
|          | Air Passenger Tax                                     | 1 021 318            | 945 694              |
|          | Export Duty and Scrap Metal                           | 467 243              | 411 108              |
|          | Other Taxation Revenue                                | 318 156              | 241 424              |
|          | <b>Total Taxation</b>                                 | <b>1 855 278 257</b> | <b>1 740 877 729</b> |
|          | <b>Non-taxation revenue</b>                           |                      |                      |
|          | Road accident fund levy                               | 47 347 385           | 48 545 535           |
|          | Unemployment Insurance Fund (UIF)                     | 25 570 180           | 24 414 477           |
|          | Mineral and Petroleum Resource Royalty                | 10 636 083           | 15 979 465           |
|          | Other non-taxation revenue                            | (26 959)             |                      |
|          | <b>Total Non-taxation</b>                             | <b>83 526 689</b>    | <b>88 939 477</b>    |
|          | <b>Total Gross Revenue</b>                            | <b>1 938 804 946</b> | <b>1 829 817 206</b> |
|          | <b>Less</b>   |                      |                      |
|          | Less: South African Customs Union Agreement           | 89 874 115           | 79 810 981           |
|          | Less: Payment to UIF                                  | 23 326 062           | 22 266 261           |
|          | Less: Payable by SARS to UIF                          | 2 244 118            | 2 148 216            |
|          | Less: Payment to RAF                                  | 47 357 882           | 48 573 277           |
|          | Less: Payable by SARS to RAF                          | 17 245               | (179 103)            |
|          | <b>Total</b>  | <b>162 819 422</b>   | <b>152 619 632</b>   |
|          | <b>Total Net Revenue for the Year</b>                 | <b>1 775 985 524</b> | <b>1 677 197 574</b> |
| <b>3</b> | <b>Departmental Revenue</b>                           |                      |                      |
|          | NRF receipts  | 8 453 607            | 19 027 097           |
|          | Sales of goods and services other than capital assets | 9 554 495            | 12 529 797           |
|          | Fines, penalties and forfeits                         | 384 530              | 376 376              |
|          | Interest, dividends and rent on land                  | 11 280 361           | 12 821 257           |
|          | Sales of capital assets                               | 350 191              | 192 334              |
|          | Transactions in financial assets and liabilities      | 202 296 631          | 862 901              |
|          | Transfer received                                     | 1 422 587            | 599 867              |
|          | <b>Total Revenue Collected</b>                        | <b>233 742 402</b>   | <b>46 409 629</b>    |
|          | Less: Own revenue included in appropriation           | -                    | -                    |
|          | <b>Total</b>  | <b>233 742 402</b>   | <b>46 409 629</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|          | Notes   | 2024/25<br>R'000   | 2023/24<br>R'000   |
|----------|---|--------------------|--------------------|
| <b>4</b> | <b>Other Revenue</b>                                |                    |                    |
|          | Surrenders  | 2 537 782          | 6 614 885          |
|          | Other revenue received                              | 194 484            | 367 465            |
|          | <b>Total</b>  | <b>2 732 266</b>   | <b>6 982 350</b>   |
| <b>5</b> | <b>5.1 Aid assistance</b>                           |                    |                    |
|          | Opening Balance                                     | 506 639            | 261 788            |
|          | Prior period error                                  | -                  | -                  |
|          | As restated   | 506 639            | 261 788            |
|          | Transferred from statement of financial performance | 1 125 964          | 1 190 807          |
|          | Transferred to/from retained funds                  | 164 390            | (572 138)          |
|          | Paid during the year                                | (478 138)          | (373 818)          |
|          | <b>Closing Balance</b>                              | <b>1 318 855</b>   | <b>506 639</b>     |
|          | <b>5.2 Analysis of balance by source</b>            |                    |                    |
|          | Aid assistance from RDP                             | 657 189            | 295 569            |
|          | Aid assistance from other sources                   | 6 752              | 24 392             |
|          | CARA  | 654 914            | 186 678            |
|          | <b>Closing Balance</b>                              | <b>1 318 855</b>   | <b>506 639</b>     |
|          | <b>Analysis of Balance</b>                          |                    |                    |
|          | Aid assistance receivable                           | (139 475)          | (97 927)           |
|          | Aid assistance prepayments                          | (26 342)           | -                  |
|          | Aid assistance unutilised                           | 709 841            | 266 787            |
|          | Aid assistance repayable                            | 774 831            | 337 779            |
|          | <b>Closing Balance</b>                              | <b>1 318 855</b>   | <b>506 639</b>     |
| <b>6</b> | <b>Appropriated funds</b>                           |                    |                    |
|          | Annual appropriation                                | (7 952 001)        | (3 023 172)        |
|          | Statutory appropriation                             | 454 169 207        | 436 059 151        |
|          | <b>Total appropriation</b>                          | <b>446 217 206</b> | <b>433 035 979</b> |
| <b>7</b> | <b>Compensation of employees</b>                    |                    |                    |
|          | <b>Salaries and Wages</b>                           |                    |                    |
|          | Basic Salary  | 132 668 452        | 127 545 107        |
|          | Performance Award                                   | 109 505            | 111 254            |
|          | Service Based                                       | 669 759            | 695 295            |
|          | Compensative/circumstantial                         | 9 271 380          | 8 176 205          |
|          | Periodic Payments                                   | 239 920            | 204 361            |
|          | Other non-pensionable allowances                    | 27 149 330         | 25 491 166         |
|          | <b>Total</b>  | <b>170 108 346</b> | <b>162 223 388</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000   | 2023/25<br>R'000   |
|--|-------|--------------------|--------------------|
| <b>Social Contributions</b>                        |       |                    |                    |
| <b>Employer contributions</b>                      |       |                    |                    |
| Pension  |       | 19 357 386         | 18 526 728         |
| Medical  |       | 16 988 800         | 14 433 259         |
| UIF  |       | 2 616              | 2 692              |
| Bargaining Council                                 |       | 15 794             | 15 384             |
| Official unions and associations                   |       | 21 725             | 20 332             |
| Insurance  |       | 46 064             | 39 040             |
| <b>Total</b>                                       |       | <b>36 432 385</b>  | <b>33 037 435</b>  |
| <b>Total compensation of employees</b>             |       | <b>206 540 731</b> | <b>195 260 823</b> |
| Average number of employees                        |       | 387 660            | 392 064            |
| <b>8 Goods and services</b>                        |       |                    |                    |
| Administrative fees                                |       | 545 613            | 586 403            |
| Advertising  |       | 355 286            | 347 192            |
| Minor assets                                       | 8.1   | 184 108            | 362 070            |
| Bursaries (employees)                              |       | 122 647            | 105 643            |
| Catering   |       | 212 820            | 235 180            |
| Communication                                      |       | 1 333 770          | 1 337 203          |
| Computer services                                  | 8.2   | 8 354 634          | 8 595 036          |
| Consultants, contractors and outsourced services   |       | 3 950 076          | 4 363 112          |
| Infrastructure and planning services               |       | 267 628            | 255 830            |
| Laboratory services                                |       | 99 142             | 104 376            |
| Scientific and technological services              |       | 801 204            | 688 969            |
| Legal services                                     |       | 1 464 724          | 1 342 256          |
| Contractors  |       | 7 597 500          | 7 342 879          |
| Agency and support / Outsourced services           |       | 5 416 967          | 5 419 300          |
| Entertainment                                      |       | 7 067              | 14 003             |
| Audit cost – external                              | 8.3   | 673 434            | 663 866            |
| Fleet services                                     |       | 6 214 936          | 5 998 136          |
| Inventory  | 8.4   | 9 125 766          | 7 373 554          |
| Consumables  | 8.5   | 2 763 709          | 2 981 509          |
| Operating leases                                   |       | 12 812 544         | 11 183 369         |
| Property payments                                  | 8.6   | 9 742 258          | 8 713 406          |
| Rental and hiring                                  |       | 97 320             | 109 497            |
| Transport provided part of departmental activities |       | 82 569             | 94 247             |
| Travel and subsistence                             | 8.7   | 7 597 545          | 7 965 003          |
| Venues and facilities                              |       | 517 247            | 560 734            |
| Training and staff development                     |       | 620 922            | 601 680            |
| Other operating expenditure                        | 8.8   | 2 673 302          | 2 618 325          |
| <b>Total</b>                                       |       | <b>83 634 738</b>  | <b>79 028 351</b>  |
| <b>8.1 Minor Assets</b>                            |       |                    |                    |
| <b>Tangible assets</b>                             |       | 183 862            | 361 848            |
| Buildings and other fixed structures               |       | 51                 | 54                 |
| Biological assets                                  |       | -                  | 191                |
| Machinery and equipment                            |       | 183 779            | 361 506            |
| Specialised military assets                        |       | 32                 | 97                 |
| <b>Intangible assets</b>                           |       | 246                | 222                |
| Software   |       | 246                | 222                |
| <b>Total</b>                                       |       | <b>184 108</b>     | <b>362 070</b>     |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|              | Notes                                    | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------|--|------------------|------------------|
| <b>8.2</b>   | <b>Computer services</b>                 |                  |                  |
|              | SITA computer services                   | 3 643 889        | 3 215 212        |
|              | External computer service providers      | 4 710 745        | 5 379 824        |
|              | <b>Total</b>                             | <b>8 354 634</b> | <b>8 595 036</b> |
| <b>8.3</b>   | <b>Audit cost – external</b>             |                  |                  |
|              | Regularity audits                        | 626 325          | 623 487          |
|              | Performance audits                       | -                | 1 300            |
|              | Investigations                           | 19 480           | 20 588           |
|              | Computer audits                          | 27 629           | 18 491           |
|              | <b>Total</b>                             | <b>673 434</b>   | <b>663 866</b>   |
| <b>8.4</b>   | <b>Inventory</b>                         |                  |                  |
|              | Clothing material and accessories        | 665 830          | 467 406          |
|              | Farming supplies                         | 1 071 758        | 672 768          |
|              | Food and food supplies                   | 3 155 766        | 2 790 602        |
|              | Fuel, oil and gas                        | 740 596          | 828 239          |
|              | Learning and teaching support material   | 1 427 664        | 1 264 801        |
|              | Materials and supplies                   | 820 637          | 239 014          |
|              | Medical supplies                         | 89 087           | 94 465           |
|              | Medicine                                 | 256 664          | 313 216          |
|              |  | 897 764          | 703 043          |
|              | <b>Total</b>                             | <b>9 125 766</b> | <b>7 373 554</b> |
| <b>8.4.1</b> | <b>Other Supplies</b>                    |                  |                  |
|              | Ammunition and security supplies         | 60 335           | 79 266           |
|              | Assets for distribution                  | 146 917          | 223 948          |
|              | Machinery and equipment <sup>9</sup>     | 49 659           | 160 173          |
|              | Sports furniture                         | -                | 6 622            |
|              | Sports and recreation                    | 11 330           | 16 866           |
|              | Other assets for distribution            | 85 928           | 40 287           |
|              | Other                                    | 690 512          | 399 829          |
|              | <b>Total</b>                             | <b>897 764</b>   | <b>703 043</b>   |
| <b>8.5</b>   | <b>Consumables</b>                       |                  |                  |
|              | Consumable supplies                      | 1 259 276        | 1 367 240        |
|              | Uniform and clothing                     | 135 404          | 158 254          |
|              | Household supplies                       | 408 367          | 443 100          |
|              | Building material and supplies           | 75 767           | 118 915          |
|              | Communication accessories                | 1 049            | 10 726           |
|              | IT consumables                           | 87 052           | 81 787           |
|              | Other consumables                        | 551 637          | 554 458          |
|              | Stationery, printing and office supplies | 1 504 433        | 1 614 269        |
|              | <b>Total</b>                             | <b>2 763 709</b> | <b>2 981 509</b> |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|     | Notes   | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----|---|------------------|------------------|
| 8.6 | <b>Property payments</b>                              |                  |                  |
|     | Municipal services                                    | 6 359 892        | 5 631 296        |
|     | Property management fees                              | 1 057 749        | 960 073          |
|     | Property maintenance and repairs                      | 602 052          | 535 324          |
|     | Other   | 1 722 565        | 1 586 713        |
|     | <b>Total</b>  | <b>9 742 258</b> | <b>8 713 406</b> |
| 8.7 | <b>Travel and subsistence</b>                         |                  |                  |
|     | Local   | 6 333 273        | 6 704 039        |
|     | Foreign   | 1 264 272        | 1 260 964        |
|     | <b>Total</b>  | <b>7 597 545</b> | <b>7 965 003</b> |
| 8.8 | <b>Other operating expenditure</b>                    |                  |                  |
|     | Professional bodies, membership and subscription fees | 168 017          | 174 767          |
|     | Resettlement costs                                    | 146 817          | 177 469          |
|     | Other   | 2 358 468        | 2 266 089        |
|     | <b>Total</b>  | <b>2 673 302</b> | <b>2 618 325</b> |
| 9   | <b>Interest and Rent on Land</b>                      |                  |                  |
|     | Interest expense                                      | 271 071          | 247 603          |
|     | Rent on land  | 61 955           | 49 789           |
|     | <b>Total interest and rent on land</b>                | <b>333 026</b>   | <b>297 392</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes   | 2024/25<br>R'000  | 2023/24<br>R'000  |
|-----------|---|-------------------|-------------------|
| <b>10</b> | <b>Expenditure on capital assets</b>  |                   |                   |
| 10.1      | <b>Tangible assets</b>  | 16 085 009        | 16 241 057        |
|           | Buildings and other fixed structures  | 9 912 814         | 10 454 499        |
|           | Heritage assets   | 122 021           | 64 215            |
|           | Machinery and equipment   | 5 141 417         | 5 102 490         |
|           | Specialised military assets   | 180 729           | 197 016           |
|           | Land and subsoil assets   | 725 348           | 410 127           |
|           | Biological assets   | 2 680             | 12 710            |
| 10.2      | <b>Intangible assets</b>  | 599 661           | 452 306           |
|           | Computer software   | 599 661           | 452 259           |
|           | Patents, licences, copyright, brand names, trademarks                       | -                 | 47                |
|           | <b>Total</b>  | <b>16 684 670</b> | <b>16 693 363</b> |
|           | <b>Compensation for capital expenditure</b>                                 |                   |                   |
|           | Compensation of employees   | 6 793             | 6 511             |
|           | Goods and services  | 33 258            | 10 209            |
|           | <b>Total</b>  | <b>40 051</b>     | <b>16 720</b>     |
|           | <b>Analysis of funds utilised to acquire capital assets</b>                 |                   |                   |
|           | <b>Tangible assets</b>  |                   |                   |
|           | <b>Voted Funds</b>  | 15 940 726        | 15 999 157        |
|           | Buildings and other fixed structures  | 9 740 687         | 10 446 485        |
|           | Heritage assets   | 122 021           | 64 215            |
|           | Machinery and equipment   | 5 169 261         | 4 868 604         |
|           | Specialised military assets   | 180 729           | 197 016           |
|           | Land and subsoil assets   | 725 348           | 410 127           |
|           | Biological assets   | 2 680             | 12 710            |
|           | <b>Aid assistance</b>   | 144 283           | 241 899           |
|           | Buildings and other fixed structures  | 19                | 8 015             |
|           | Machinery and equipment   | 144 264           | 233 884           |
|           | <b>TOTAL</b>  | <b>16 085 009</b> | <b>16 241 056</b> |
|           | <b>Software and other intangible assets</b>                                 |                   |                   |
|           | <b>Voted Funds</b>  | 596 469           | 435 416           |
|           | Computer software   | 596 469           | 435 416           |
|           | <b>Aid assistance</b>   | 3 192             | 16 891            |
|           | Computer software   | 3 192             | 16 891            |
|           | <b>TOTAL</b>  | <b>599 661</b>    | <b>452 307</b>    |
| 10.3      | <b>Finance lease expenditure included in expenditure for capital assets</b> |                   |                   |
|           | <b>Tangible assets</b>  |                   |                   |
|           | Buildings and other fixed structures  | 383 994           | 359 830           |
|           | Machinery and equipment   | 400 520           | 386 460           |
|           | <b>Total</b>  | <b>784 514</b>    | <b>746 290</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes   | 2024/25<br>R'000     | 2023/24<br>R'000     |
|-----------|---|----------------------|----------------------|
| <b>12</b> | <b>Transfers and subsidies</b>                      |                      |                      |
|           | Provinces and municipalities                        | 898 624 749          | 864 285 112          |
|           | Departments agencies and accounts                   | 166 415 716          | 165 650 816          |
|           | Higher education institutions                       | 52 650 194           | 49 722 078           |
|           | Foreign governments and international organisations | 3 438 066            | 2 973 473            |
|           | Public corporations and private enterprises         | 137 984 996          | 42 090 990           |
|           | Non-profit institutions                             | 3 273 673            | 3 522 891            |
|           | Households  | 281 173 160          | 266 731 520          |
|           | <b>Total</b>  | <b>1 543 560 554</b> | <b>1 394 976 880</b> |
| <b>13</b> | <b>Other financial assets</b>                       |                      |                      |
|           | <b>Current</b>                                      |                      |                      |
|           | <b>Local</b>  |                      |                      |
|           | <b>Total</b>  | -                    | -                    |
|           | <b>Foreign</b>                                      |                      |                      |
|           | Rental deposits for employees based abroad          | 27 469               | 26 750               |
|           | <b>Total</b>  | 27 469               | 26 750               |
|           | <b>Total Current other financial assets</b>         | 27 469               | 26 750               |
|           | <b>Non-current</b>                                  |                      |                      |
|           | <b>Local</b>  |                      |                      |
|           | Municipality deposit                                | 100                  | 100                  |
|           | <b>Total</b>  | 100                  | 100                  |
|           | <b>Foreign</b>                                      |                      |                      |
|           | Rental deposits for employees based abroad          | 41 785               | 45 141               |
|           | <b>Total Non-current</b>                            | 41 785               | 45 141               |
|           | <b>Total Non-Current other financial assets</b>     | 41 885               | 45 241               |
| <b>14</b> | <b>Payments for financial assets</b>                |                      |                      |
|           | Material losses through criminal conduct            | 68                   | 613                  |
|           | Theft   | 31                   | 613                  |
|           | Other material losses                               | 37                   | -                    |
|           | Purchase of equity                                  | 204 000              | 1 000 000            |
|           | Extension of loans policy purposes                  | 816 900              | 950 841              |
|           | Other materials losses written off                  | 22 417               | 16 753               |
|           | Debt written off                                    | 148 678              | 69 156               |
|           | Forex losses  | 32 050               | 1 603                |
|           | Debt take overs                                     | 5 021 087            | -                    |
|           | <b>Total</b>  | <b>6 245 200</b>     | <b>2 038 966</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|             | Notes  | 2024/25<br>R'000   | 2023/24<br>R'000   |
|-------------|--|--------------------|--------------------|
| <b>15</b>   | <b>Cash and Cash equivalents</b>             |                    |                    |
|             | Consolidated Paymaster General Account       | 11 204 533         | 12 078 229         |
|             | Cash receipts                                | 20                 | 20                 |
|             | Disbursements                                | (78 738)           | (20 879)           |
|             | Cash on hand                                 | 125 366 855        | 73 381 378         |
|             | Investments (Domestic)                       | 555 676            | 779 059            |
|             | Investments (International)                  | 41 315             | 96 395             |
|             | Foreign Currency Investment, Cash with SARB  | 88 285 045         | 101 199 516        |
|             | Other  | (63 837)           | (301 422)          |
|             | <b>Total Cash and cash equivalents</b>       | <b>225 310 869</b> | <b>187 212 296</b> |
| <b>16</b>   | <b>Prepayments and Advances</b>              |                    |                    |
|             | Staff advances                               | 4 500              | 31 273             |
|             | Travel and subsistence                       | 339 940            | 310 830            |
|             | Prepayments (Not expensed) 16.2              | 881 218            | 166 662            |
|             | Advances paid (Not expensed) 16.1            | 2 117 881          | 711 158            |
|             | <b>Total</b>                                 | <b>3 343 539</b>   | <b>1 219 923</b>   |
| <b>16.1</b> | <b>Advances paid (Not expensed)</b>          |                    |                    |
|             | <b>Balance at the beginning of the year</b>  |                    |                    |
|             | National departments                         | 499 041            | 456 962            |
|             | Provincial departments                       | 33 809             | 87 025             |
|             | Public entities                              | 337 204            | 470 332            |
|             | Other institutions                           | 54 534             | 120 028            |
|             | <b>Total</b>                                 | <b>924 588</b>     | <b>1 134 347</b>   |
|             | <b>Less: Amount expensed in current year</b> |                    |                    |
|             | National departments                         | (2 017 858)        | (1 164 608)        |
|             | Provincial departments                       | (166 620)          | (100 053)          |
|             | Public departments                           | (2 844 034)        | (1 899 423)        |
|             | Other institutions                           | (489 459)          | (997 264)          |
|             | <b>Total</b>                                 | <b>(5 517 971)</b> | <b>(4 161 348)</b> |
|             | <b>Add/Less: Other</b>                       |                    |                    |
|             | National departments                         | (33 589)           | (23 828)           |
|             | Provincial departments                       | -                  | (29 314)           |
|             | Public entities                              | 420                | (7 591)            |
|             | Other institutions                           | (45 623)           | (119 782)          |
|             | <b>Total</b>                                 | <b>(78 792)</b>    | <b>(180 515)</b>   |
|             | <b>Add: Current year advances</b>            |                    |                    |
|             | National departments                         | 2 260 808          | 1 230 515          |
|             | Provincial departments                       | 161 855            | 76 151             |
|             | Public entities                              | 3 684 608          | 1 773 886          |
|             | Other institutions                           | 796 025            | 1 051 552          |
|             | <b>Total</b>                                 | <b>6 903 296</b>   | <b>4 132 104</b>   |
|             | <b>Closing Balance at Year End</b>           |                    |                    |
|             | National departments                         | 595 162            | 285 611            |
|             | Provincial departments                       | 29 044             | 33 809             |
|             | Public entities                              | 1 178 198          | 337 204            |
|             | Other institutions                           | 315 477            | 54 534             |
|             | <b>Total</b>                                 | <b>2 117 881</b>   | <b>711 158</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000   | 2023/24<br>R'000   |
|--|-------|--------------------|--------------------|
| <b>16.2 Prepayments (Not expensed)</b>       |       |                    |                    |
| <b>Balance at the Beginning of the Year</b>  |       |                    |                    |
| <i>Listed by economic classification</i>     |       |                    |                    |
| Goods and services                           |       | 113 122            | 169 146            |
| Transfers and subsidies                      |       | 4 625              | 43 556             |
| Capital assets                               |       | 45 806             | 48 683             |
| Other  |       | 3 109              | 2 630              |
| <b>Total</b>                                 |       | <b>166 662</b>     | <b>264 015</b>     |
| <b>Less: Amount expensed in current year</b> |       |                    |                    |
| <i>Listed by economic classification</i>     |       |                    |                    |
| Goods and services                           |       | (1 819 744)        | (1 613 096)        |
| Transfers and subsidies                      |       | (296 238)          | (496 848)          |
| Capital assets                               |       | (65 015)           | (127 153)          |
| <b>Total</b>                                 |       | <b>(2 180 997)</b> | <b>(2 237 097)</b> |
| <b>Add/Less: Other</b>                       |       |                    |                    |
| <i>Listed by economic classification</i>     |       |                    |                    |
| Goods and services                           |       | 76 575             | (5 649)            |
| Capital assets                               |       | -                  | 2 496              |
| <b>Total</b>                                 |       | <b>76 575</b>      | <b>(3 153)</b>     |
| <b>Add: Current year payments</b>            |       |                    |                    |
| <i>Listed by economic classification</i>     |       |                    |                    |
| Goods and services                           |       | 2 379 810          | 1 562 721          |
| Transfers and subsidies                      |       | 316 635            | 457 917            |
| Capital assets                               |       | 122 125            | 121 780            |
| Other  |       | 408                | 479                |
| <b>Total</b>                                 |       | <b>2 818 978</b>   | <b>2 142 897</b>   |
| <b>Closing Balance at Year End</b>           |       |                    |                    |
| <i>Listed by economic classification</i>     |       |                    |                    |
| Goods and services                           |       | 749 763            | 113 122            |
| Transfers and subsidies                      |       | 25 022             | 4 625              |
| Capital assets                               |       | 102 916            | 45 806             |
| Other  |       | 3 517              | 3 109              |
| <b>Total</b>                                 |       | <b>881 218</b>     | <b>166 662</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/25<br>R'000 | 2023/24<br>R'000   |
|---|-------|------------------|--------------------|
| <b>16.3 Prepayments (Expensed)</b>          |       |                  |                    |
| <b>Balance at the Beginning of the Year</b> |       |                  |                    |
| <i>Listed by economic classification</i>    |       |                  |                    |
| Goods and services                          |       | 616 674          | 954 303            |
| Transfers and subsidies                     |       | 811              | 16 991             |
| Capital assets                              |       | 20 438           | 93 557             |
| <b>Total</b>                                |       | <b>637 923</b>   | <b>1 064 851</b>   |
| <b>Less: Received in the current year</b>   |       |                  |                    |
| <i>Listed by economic classification</i>    |       |                  |                    |
| Goods and services                          |       | (433 959)        | (1 109 039)        |
| Transfers and subsidies                     |       | (632)            | (16 180)           |
| Capital assets                              |       | (3 008)          | (44 602)           |
| <b>Total</b>                                |       | <b>(437 599)</b> | <b>(1 169 821)</b> |
| <b>Add/Less: Other</b>                      |       |                  |                    |
| <i>Listed by economic classification</i>    |       |                  |                    |
| Goods and services                          |       | (15 114)         | (422 616)          |
| Transfers and subsidies                     |       | (179)            | -                  |
| Capital assets                              |       | (16 753)         | (31 256)           |
| <b>Total</b>                                |       | <b>(32 046)</b>  | <b>(453 872)</b>   |
| <b>Add: Current Year prepayments</b>        |       |                  |                    |
| <i>Listed by economic classification</i>    |       |                  |                    |
| Goods and services                          |       | -                | 1 194 026          |
| Capital assets                              |       | -                | 2 739              |
| <b>Total</b>                                |       | <b>-</b>         | <b>1 196 765</b>   |
| <b>Closing Balance at Year End</b>          |       |                  |                    |
| <i>Listed by economic classification</i>    |       |                  |                    |
| Goods and services                          |       | 167 601          | 616 674            |
| Transfers and subsidies                     |       | -                | 811                |
| Capital assets                              |       | 677              | 20 438             |
| <b>Total</b>                                |       | <b>168 278</b>   | <b>637 923</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000   | 2023/24<br>R'000   |
|--|-------|--------------------|--------------------|
| <b>16.4 Advances paid (Expensed)</b>                       |       |                    |                    |
| <b>Balance at the Beginning of the Year</b>                |       |                    |                    |
| National departments                                       |       | 560 484            | 801 987            |
| Provincial departments                                     |       | 17 246             | 14 010             |
| Public entities  |       | 6 434 918          | 5 961 140          |
| Other institutions   |       | 1 473 241          | 902 223            |
| <b>Total</b>   |       | <b>8 485 889</b>   | <b>7 679 360</b>   |
| <b>Less: Received in the current year</b>                  |       |                    |                    |
| National departments                                       |       | -                  | 44 017             |
| Provincial departments                                     |       | -                  | 2 766              |
| Public entities  |       | (1 700 704)        | (1 210 598)        |
| Other institutions   |       | (212 956)          | 57 509             |
| <b>Total</b>   |       | <b>(1 913 660)</b> | <b>(1 106 306)</b> |
| <b>Add/Less: Other</b>                                     |       |                    |                    |
| National departments                                       |       | (560 484)          | (1 070 294)        |
| Provincial departments                                     |       | (17 246)           | (108 261)          |
| Public entities  |       | (1 057 194)        | (227 432)          |
| Other institutions   |       | (103 641)          | 293 865            |
| <b>Total</b>   |       | <b>(1 738 564)</b> | <b>(1 112 122)</b> |
| <b>Add: Current Year advances</b>                          |       |                    |                    |
| National departments                                       |       | -                  | 784 774            |
| Provincial departments                                     |       | -                  | 108 731            |
| Public entities  |       | -                  | 1 911 808          |
| Other institutions   |       | -                  | 219 644            |
| <b>Total</b>   |       | <b>-</b>           | <b>3 024 957</b>   |
| <b>Closing Balance at Year End</b>                         |       |                    |                    |
| National departments                                       |       |                    | 560 484            |
| Provincial departments                                     |       |                    | 17 246             |
| Public entities  |       | 3 677 020          | 6 434 918          |
| Other institutions   |       | 1 156 644          | 1 473 241          |
| <b>Total</b>   |       | <b>4 833 664</b>   | <b>8 485 889</b>   |
| <b>17 Receivables</b>                                      |       |                    |                    |
| Claims recoverable   | 17.1  | 6 313 857          | 6 157 425          |
| Trade receivables  | 17.2  | 15 563             | 17 860             |
| Recoverable expenditure                                    | 17.3  | 351 905            | 338 014            |
| Staff debt   | 17.4  | 851 862            | 754 590            |
| Other receivables  | 17.5  | 2 461 712          | 1 968 626          |
| Voted funds to be surrendered to the Revenue Fund          |       | 11 427             | 501 788            |
| Departmental Revenue to be surrendered to the Revenue Fund |       | 2 734 902          | (292 309)          |
| Other  |       | 7 926 104          | 281 790            |
| <b>Total</b>   |       | <b>20 667 332</b>  | <b>9 727 784</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000  | 2023/24<br>R'000 |
|--|-------|-------------------|------------------|
| <b>Current</b>   |       |                   |                  |
| Claims recoverable   |       | 5 816 531         | 5 601 330        |
| Trade receivables  |       | 27                | 3 390            |
| Recoverable expenditure                                    |       | 310 231           | 283 692          |
| Staff debt   |       | 493 918           | 458 228          |
| Other receivables  |       | 1 054 592         | 820 466          |
| Departmental Revenue to be surrendered to the Revenue Fund |       | 2 734 902         | (292 309)        |
| Other  |       | 7 926 104         | 281 790          |
| <b>Total Current</b>                                       |       | <b>18 347 732</b> | <b>7 658 375</b> |
| <b>Non-current</b>   |       |                   |                  |
| Claims recoverable   |       | 497 326           | 556 095          |
| Trade receivables  |       | 15 536            | 14 470           |
| Recoverable expenditure                                    |       | 41 674            | 54 322           |
| Staff debt   |       | 357 944           | 296 362          |
| Other receivables  |       | 1 407 120         | 1 148 160        |
| <b>Total Non-current</b>                                   |       | <b>2 319 600</b>  | <b>2 069 409</b> |
| <b>17.1 Claims Recoverable</b>                             |       |                   |                  |
| National departments                                       |       | 2 856 514         | 2 536 333        |
| Provincial departments                                     |       | 2 717 614         | 2 405 753        |
| Foreign government   |       | 4 831             | 3 558            |
| Public entities  |       | 690 713           | 1 036 092        |
| Private enterprises  |       | 40 271            | 167 974          |
| Higher education institutions                              |       | 73                | -                |
| Households and non-profit institutions                     |       | 3 631             | 1 547            |
| Local governments  |       | 210               | 6 168            |
| <b>Total</b>   |       | <b>6 313 857</b>  | <b>6 157 425</b> |
| <b>17.2 Trade receivables</b>                              |       |                   |                  |
| Trade receivables  |       | 15 563            | 17 860           |
| <b>Total</b>   |       | <b>15 563</b>     | <b>17 860</b>    |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000  | 2023/24<br>R'000  |
|--|-------|-------------------|-------------------|
| <b>17.3 Recoverable expenditure</b>    |       |                   |                   |
| Salary related Disallowance            |       | 39 587            | 43 315            |
| Damages and Losses                     |       | 69 835            | 60 265            |
| Disallowance Miscellaneous             |       | 215 350           | 195 633           |
| Debt and Suspense account              |       | 21 957            | 32 697            |
| Other                                  |       | 5 176             | 6 104             |
| <b>Total</b>                           |       | <b>351 905</b>    | <b>338 014</b>    |
| <b>17.4 Staff debt</b>                 |       |                   |                   |
| Debt Account                           |       | 312 817           | 249 758           |
| Salary and other related debt          |       | 495 109           | 460 660           |
| Bursary & Student Debt                 |       | 43 936            | 44 172            |
| <b>Total</b>                           |       | <b>851 862</b>    | <b>754 590</b>    |
| <b>17.5 Other debtors</b>              |       |                   |                   |
| Salary related                         |       | 111 207           | 348 413           |
| Receivable Related Line Items          |       | 1 821 969         | 1 090 662         |
| Bursaries                              |       | 83 922            | 90 793            |
| Miscellaneous                          |       | 444 614           | 438 758           |
| <b>Total</b>                           |       | <b>2 461 712</b>  | <b>1 968 626</b>  |
| <b>17.6 Impairment of receivables</b>  |       |                   |                   |
| Estimate of impairment of receivables  |       | 4 151 364         | 3 072 177         |
| <b>Total</b>                           |       | <b>4 151 364</b>  | <b>3 072 177</b>  |
| <b>18 Loans</b>                        |       |                   |                   |
| Public corporations                    |       | 56 028 000        | 32 028 203        |
| Higher education institutions          |       | 150               | 161               |
| <b>Total Loans Balance</b>             |       | <b>56 028 150</b> | <b>32 028 364</b> |
| Less: Current                          |       | (56 000 759)      | (32 000 969)      |
| <b>Total Non-Current</b>               |       | <b>27 391</b>     | <b>27 395</b>     |
| <b>Analysis of Total Loans Balance</b> |       |                   |                   |
| Opening balance                        |       | 32 028 364        | 28 846            |
| New Issues                             |       | 64 000 006        | 76 000 032        |
| Repayments                             |       | (220)             | (514)             |
| Write-offs                             |       | (40 000 000)      | (44 000 000)      |
| <b>Closing balance</b>                 |       | <b>56 028 150</b> | <b>32 028 364</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes  | 2024/25<br>R'000     | 2023/24<br>R'000     |
|-----------|--|----------------------|----------------------|
| <b>19</b> | <b>Investments</b>   |                      |                      |
|           | <b>Non-Current Investments</b>                                   |                      |                      |
|           | Foreign  | 577 614 198          | 596 299 770          |
|           | Shares and other equity  | 490 125 406          | 449 607 412          |
|           | <b>Total non-current</b>   | <b>1 067 739 604</b> | <b>1 045 907 182</b> |
|           | <b>Analysis of non-current investments</b>                       |                      |                      |
|           | Opening balance  | 449 607 412          | 402 207 412          |
|           | Additions in cash  | 204 000              | 3 400 000            |
|           | Non-cash movements   | 40 313 994           | 44 000 000           |
|           | <b>Closing balance</b>   | <b>490 125 406</b>   | <b>449 607 412</b>   |
|           | <b>Impairment of Investments</b>                                 |                      |                      |
|           | Estimate of impairment of Investments                            | 146 337 122          | 125 408 647          |
|           | <b>Total</b>   | <b>146 337 122</b>   | <b>125 408 647</b>   |
|           | <b>Number of shares</b>  |                      |                      |
|           | International Finance Corporation                                | 132 805              | 132 805              |
|           | International Bank for Reconstruction and Development            | 20 793               | 20 793               |
|           | Multilateral Investment Guarantee Agency                         | 1 662                | 1 662                |
|           | African Development Bank   | 732 928              | 729 818              |
|           | New Development Bank   | 100 000              | 100 000              |
|           | <b>Special Drawing Rights</b>                                    |                      |                      |
|           | International Monetary Fund Quota-Subscription                   | 3 051 200            | 3 051 200            |
|           | International Monetary Fund SDR Holding                          | 4 450 382            | 4 399 303            |
|           | <b>Issue price per share</b>                                     |                      |                      |
|           | Foreign:   |                      |                      |
|           | <i>Issued in American dollars</i>                                |                      |                      |
|           | International Finance Corporation                                | 18 369               | 19 037               |
|           | International Bank for Reconstruction and Development            | 2 215 932            | 2 296 504            |
|           | Multilateral Investment Guarantee Agency                         | 198 751              | 205 978              |
|           | New Development Bank   | 1 836 890            | 1 903 680            |
|           | <i>Issued in unit of account</i>                                 |                      |                      |
|           | African Development Bank   | 221 593              | 229 650              |
|           | <b>Exchange rates as at year end used to convert issue price</b> |                      |                      |
|           | American dollar (USD)  | 18                   | 19                   |
|           | Special Drawing Rights (SDR)                                     | 24                   | 25                   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/25<br>R'000   | 2023/24<br>R'000   |
|---|-------|--------------------|--------------------|
| <b>Non-Current Investments- Shares and other equity</b> |       |                    |                    |
| <b>Major investments per National Department:</b>       |       |                    |                    |
| <b>Agriculture, Land Reform and Rural Development</b>   |       |                    |                    |
| Onderstepoort Biological Products Ltd                   |       | 1                  | 1                  |
|   |       | <b>1</b>           | <b>1</b>           |
| <b>Communications and Digital Technologies</b>          |       |                    |                    |
| Telkom SA Limited                                       |       | 2 070 381          | 2 070 381          |
| South African Post Office Limited                       |       | 10 564 116         | 10 564 116         |
| Sentech (Pty) (Ltd)                                     |       | 75 892             | 75 892             |
| Vodacom Group Limited                                   |       |                    | 3 743              |
| Broadband Infraco                                       |       | 1 351 130          | 1 351 130          |
| SABC  |       | 3 200 000          | 3 200 000          |
|   |       | <b>17 261 519</b>  | <b>17 265 262</b>  |
| <b>Environment, Forestry and Fisheries</b>              |       |                    |                    |
| SAFCOL SOC Ltd  |       | 318 013            |                    |
|   |       | <b>318 013</b>     |                    |
| <b>Human Settlements</b>                                |       |                    |                    |
| National Housing Finance Corporation                    |       | 2 363 635          | 2 363 635          |
| SERVCON   |       | 604                | 604                |
|   |       | <b>2 364 239</b>   | <b>2 364 239</b>   |
| <b>Mineral Resources and Energy</b>                     |       |                    |                    |
| Nuclear Energy Corporation of South Africa              |       | 2 205              | 2 205              |
|   |       | <b>2 205</b>       | <b>2 205</b>       |
| <b>National Treasury</b>                                |       |                    |                    |
| Development Bank of Southern Africa                     |       | 200 000            | 200 000            |
| Public Investment Corporation Limited                   |       | 1                  | 1                  |
| Sasria  |       | 22 000 000         | 22 000 000         |
| Land Bank   |       | 13 397 655         | 7 397 655          |
|   |       | <b>35 597 656</b>  | <b>29 597 656</b>  |
| <b>Public Enterprises</b>                               |       |                    |                    |
| Alexkor SOC Ltd   |       | 400 000            | 400 000            |
| Denel SOC Ltd   |       | 15 203 961         | 11 621 262         |
| Eskom SOC Ltd   |       | 325 550 000        | 285 550 276        |
| Safcol SOC Ltd  |       | 318 013            | 318 013            |
| Transnet SOC Ltd  |       | 18 497 986         | 18 497 986         |
| South African Express SOC Ltd                           |       | 2 277 395          | 2 277 395          |
| South African Airways SOC Ltd                           |       | 61 144 102         | 61 144 102         |
|   |       | <b>423 391 457</b> | <b>383 391 733</b> |
| <b>Defence</b>  |       |                    |                    |
| ARMSCOR   |       | 75 000             | 75 000             |
| Special Defence activities                              |       | 104 156            | 104 156            |
|   |       | <b>179 156</b>     | <b>179 156</b>     |
| <b>Trade, Industry and Competition</b>                  |       |                    |                    |
| IDC A Shares 1000 000 at cost (100% shareholding)       |       | 1 000              | 1 000              |
| IDC B Share 1 391 969 357 at cost (100% shareholding)   |       | 1 391 969          | 1 391 969          |
|   |       | <b>1 392 969</b>   | <b>1 392 969</b>   |
| <b>Transport</b>  |       |                    |                    |
| Passenger Rail Agency of South Africa Ltd.              |       | 4 248 259          | 4 248 259          |
| Airports Company Ltd.                                   |       | 2 884 242          | 2 884 242          |
| Air Traffic and Navigational Services Company Ltd.      |       | 394 646            | 190 646            |
| S.A. National Roads Agency Ltd.                         |       | 1 091 044          | 1 091 044          |
|   |       | <b>8 618 191</b>   | <b>8 414 191</b>   |
| <b>Total Investments - Shares and other equity</b>      |       | <b>490 125 406</b> | <b>449 607 412</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|               | Notes                                   | 2024/25<br>R'000  | 2023/2024<br>R'000 |
|---------------|---|-------------------|--------------------|
| <b>20</b>     | <b>Bank Overdraft</b>                   |                   |                    |
|               | Consolidated Paymaster General Account  | 24 547 453        | 25 181 028         |
|               | Overdraft with commercial banks (Local) | 5                 | 9                  |
|               |   | <u>24 547 458</u> | <u>25 181 037</u>  |
| <b>21</b>     | <b>Payables</b>                         |                   |                    |
| <b>21.1</b>   | <b>Payables- Current</b>                |                   |                    |
|               | Amounts owing to other entities         | 19 641            | 139 507            |
|               | Advances received                       | 21.1.1 1 666 484  | 1 006 986          |
|               | Clearing accounts                       | 21.1.2 59 962     | 43 894             |
|               | Other payables                          | 21.1.3 1 014 975  | 1 505 581          |
|               | Voted funds to be transferred           | -                 | 696 043            |
|               | Other                                   | 2 009 090         | 2 024 425          |
|               | <b>Total</b>                            | <u>4 770 152</u>  | <u>5 416 436</u>   |
| <b>21.1.1</b> | <b>Advances received</b>                |                   |                    |
|               | Provincial departments                  | 877 492           | 742 834            |
|               | Public entities                         | 779 278           | 236 821            |
|               | Other institutions                      | 9 714             | 27 331             |
|               | <b>Total</b>                            | <u>1 666 484</u>  | <u>1 006 986</u>   |
| <b>21.1.2</b> | <b>Clearing accounts</b>                |                   |                    |
|               | Clearing accounts                       | 10 807            | 6 602              |
|               | Government Employee Housing Scheme      | 3 503             | 5 461              |
|               | Salary related                          | 31 078            | 23 516             |
|               | Salary Income tax                       | 6 145             | 4 446              |
|               | Supplier, Payables and Other            | 8 429             | 3 869              |
|               | <b>Total</b>                            | <u>59 962</u>     | <u>43 894</u>      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|               | Notes   | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---------------|---|------------------|------------------|
| <b>21.1.3</b> | <b>Other payables</b>                           |                  |                  |
|               | Restitution Bank Account and Unclaimed Vouchers | 1 476            | 294 575          |
|               | Agency services                                 | 222 902          | 150 854          |
|               | Disallowance and Salary related                 | 189 111          | 342 173          |
|               | Suppliers & Creditors                           | 179 220          | 99 450           |
|               | Payables & suspense account                     | 210 563          | 423 425          |
|               | Vouchers  | 211 703          | 195 104          |
|               | <b>Total</b>                                    | <b>1 014 975</b> | <b>1 505 581</b> |
| <b>21.2</b>   | <b>Payables-Non-current</b>                     |                  |                  |
|               | Advances received                               | 212              | 212              |
|               | Other payables                                  | 1 024 711        | 898 588          |
|               | <b>Total</b>                                    | <b>1 024 923</b> | <b>898 800</b>   |
|               | <b>One to two years</b>                         |                  |                  |
|               | Other payables                                  | 69 055           | -                |
|               | <b>Total</b>                                    | <b>69 055</b>    | <b>-</b>         |
|               | <b>Two to three years</b>                       |                  |                  |
|               | Other payables                                  | 69 335           | -                |
|               | <b>Total</b>                                    | <b>69 335</b>    | <b>-</b>         |
|               | <b>More than three years</b>                    |                  |                  |
|               | Advances received                               | 212              | -                |
|               | Other payables                                  | 886 321          | -                |
|               | <b>Total</b>                                    | <b>886 533</b>   | <b>-</b>         |
| <b>21.2.1</b> | <b>Advances received</b>                        |                  |                  |
|               | Provincial departments                          | 212              | 212              |
|               | <b>Total</b>                                    | <b>212</b>       | <b>332</b>       |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|               | Notes  | 2024/25<br>R'000   | 2023/24<br>R'000   |
|---------------|--|--------------------|--------------------|
| <b>21.2.2</b> | <b>Other Payables</b>  |                    |                    |
|               | Debt receivable income   | 841 258            | 748 296            |
|               | Debt receivable interest   | 106 086            | 92 789             |
|               | SASSA related  | 34 474             | 33 652             |
|               | Salary related   | 35 271             | 14 884             |
|               | Vukuphile Epwp projects 687 687                                  | 687                | 687                |
|               | Other  | 6 935              | 8 280              |
|               | <b>Total</b>   | <b>1 024 711</b>   | <b>898 588</b>     |
| <b>22</b>     | <b>Borrowings</b>  |                    |                    |
|               | <b>Current</b>   |                    |                    |
|               | Domestic   | 661 919 791        | 612 818 270        |
|               | Foreign  | 58 271 268         | 38 435 771         |
|               | <b>Total Current Borrowings</b>                                  | <b>720 191 059</b> | <b>651 254 041</b> |
| <b>22.1</b>   | <b>Domestic short-term bonds, debentures and other loans</b>     |                    |                    |
|               | Debt as at 1 April   | 612 818 270        | 533 206 240        |
|               | Created  | 15 114 004         | 12 019 995         |
|               | Reduced  | (133 953 789)      | (134 728 368)      |
|               | Transfer from long-term  | 128 709 741        | 89 416 231         |
|               | Revaluation premium on inflation-linked bonds                    | -                  | 24 316 547         |
|               | Treasury bills   | 39 231 565         | 88 587 625         |
|               |  | <b>661 919 791</b> | <b>612 818 270</b> |
| <b>22.1.1</b> | <b>Composition of short-term bonds, treasury and other loans</b> |                    |                    |
|               | Composition of short-term bonds, treasury bills and other loans  |                    |                    |
|               | 1-day Treasury bills   | 72 585             | 72 585             |
|               | 91-day Treasury bills  | 16 042 940         | 14 255 000         |
|               | 182-day Treasury bills   | 94 157 750         | 84 830 000         |
|               | 273-day Treasury bills   | 179 063 000        | 166 358 160        |
|               | 365-day Treasury bills   | 260 222 510        | 245 111 420        |
|               | CPD borrowing  | 876 305            | 576 361            |
|               | Fixed-rate bonds   | 108 520 681        | -                  |
|               | Inflation-linked bonds   | -                  | 100 587 538        |
|               | Retail Bonds   | 2 957 053          | 1 020 240          |
|               | Other  | 6 967              | 6 966              |
|               | <b>Total</b>   | <b>661 919 791</b> | <b>612 818 270</b> |
| <b>22.2</b>   | <b>Foreign short-term bonds, debentures and other loans</b>      |                    |                    |
|               | Debt as at 1 April   | 38 435 771         | 44 906 079         |
|               | Reduced  | (38 926 628)       | (44 906 079)       |
|               | Transfer from long-term  | 40 706 377         | 35 260 792         |
|               | Revaluation of foreign loans                                     | 18 055 747         | 3 174 979          |
|               | <b>Total</b>   | <b>58 271 268</b>  | <b>38 435 771</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|               | Notes   | 2024/25<br>R'000     | 2023/24<br>R'000     |
|---------------|---|----------------------|----------------------|
| <b>23</b>     | <b>Non-current Borrowings</b>                               |                      |                      |
|               | <b>Long Term</b>  |                      |                      |
|               | Domestic  | 4 429 756 878        | 4 054 958 170        |
|               | Foreign   | 543 630 703          | 553 187 500          |
|               | <b>Total Long-Term Borrowings</b>                           | <b>4 973 387 581</b> | <b>4 608 145 670</b> |
|               | <b>Domestic long-term bonds, debentures and other loans</b> |                      |                      |
| <b>23.1</b>   | <b>Debt as at 1 April</b>                                   | <b>4 054 958 170</b> | <b>3 676 564 988</b> |
|               | Created   | 466 579 435          | 468 176 280          |
|               | Reduced   | (265 343 632)        | (249 067 229)        |
|               | Transfer to short-term                                      | (128 709 741)        | (88 395 990)         |
|               | Revaluation premium on inflation-linked bonds               | 302 272 646          | 247 680 121          |
|               | <b>Total</b>  | <b>4 429 756 878</b> | <b>4 054 958 170</b> |
| <b>23.1.1</b> | <b>Composition of long-term bonds and other loans</b>       |                      |                      |
|               | Fixed-rate bonds  | 3 120 589 257        | 2 962 423 732        |
|               | Inflation-linked bonds                                      | 1 077 950 268        | 926 935 200          |
|               | Floating-linked bonds                                       | 183 515 000          | 118 340 000          |
|               | Retail bonds  | 27 277 486           | 26 834 371           |
|               | Sukuk bonds   | 20 386 000           | 20 386 000           |
|               | Former Regional Authorities                                 | 38 867               | 38 867               |
|               |   | <b>4 429 756 878</b> | <b>4 054 958 170</b> |
| <b>23.1.2</b> | <b>Redemption Analysis</b>                                  |                      |                      |
|               | <b>Financial year(s)</b>                                    |                      |                      |
|               | 2025-2028   | 322 378 990          | 265 414 208          |
|               | 2028-2031   | 680 610 264          | 728 436 885          |
|               | 2031-2034   | 833 895 155          | 681 866 904          |
|               | 2034-2037   | 786 805 517          | 529 467 507          |
|               | 2037-2041   | 495 838 193          | 682 610 064          |
|               | 2041-2044   | 290 038 807          | 185 434 167          |
|               | 2044-2047   | 427 114 560          | 335 052 078          |
|               | 2047-2051   | 510 568 334          | 472 310 957          |
|               | 2051-2054   | 75 165 509           | 172 023 787          |
|               | 2054-2059   | 7 341 549            | 2 341 613            |
|               |   | <b>4 429 756 878</b> | <b>4 054 958 170</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|               | Notes   | 2024/25<br>R'000   | 2023/24<br>R'000   |
|---------------|---|--------------------|--------------------|
| <b>23.2</b>   | <b>Foreign long-term bonds and other loans</b>        |                    |                    |
|               | Debt as at 1 April                                    | 419 824 316        | 510 750 845        |
|               | Created   | 67 487 326         | 45 662 970         |
|               | Transfer to short-term                                | (40 627 577)       | (38 435 771)       |
|               | Revaluation premium on inflation-linked bonds         | 96 946 639         | 35 209 457         |
|               |   | <u>543 630 703</u> | <u>553 187 500</u> |
| <b>23.2.1</b> | <b>Redemption analysis</b>                            |                    |                    |
|               | <b>Financial years(s)</b>                             |                    |                    |
|               | 2025-2028   | 51 267 141         | 100 720 739        |
|               | 2028-2031   | 99 192 060         | 119 647 911        |
|               | 2031-2034   | 26 944 593         | 81 026 565         |
|               | 2034-2037   | 62 968 351         | 26 387 939         |
|               | 2037-2041   | 50 742 593         | 21 406 809         |
|               | 2041-2044   | 11 924 539         | 23 901 943         |
|               | 2044-2047   | 54 669 345         | 26 280 382         |
|               | 2047-2051   | 128 978 492        | 122 609 790        |
|               | 2051-2054   | 29 390 240         | 31 205 421         |
|               | 2054-2059   | 27 553 350         | -                  |
|               |   | <u>543 630 703</u> | <u>553 187 500</u> |
| <b>23.2.2</b> | <b>Currency analysis</b>                              |                    |                    |
|               | South African Rand                                    | 4 685 057          | 5 008 164          |
|               | Euro  | 43 681 189         | 40 890 442         |
|               | Special Drawing Rights                                | -                  | 19 217 886         |
|               | United States dollar                                  | 494 036 325        | 486 390 240        |
|               | Canadian Dollar                                       | 1 228 133          | 1 680 768          |
|               |   | <u>543 630 703</u> | <u>553 187 500</u> |
| <b>24</b>     | <b>LIABILITIES IN MULTI-LATERAL INSTITUTIONS</b>      |                    |                    |
|               | IMF- Securities Account                               | 76 985 328         | 118 089 410        |
|               | IMF – SDR Allocations                                 | 154 650 133        | 160 273 269        |
|               | International Bank for Reconstruction and Development | 146 951 200        | 152 294 400        |
|               | Multilateral Investment Guarantee Agency              | 114 687 509        | 118 659 436        |
|               | African Development Bank                              | 42 769 370         | 44 324 481         |
|               | New Development Bank                                  | 267 618            | 277 349            |
|               | <b>Total Multi-lateral Institutions</b>               | <u>536 311 160</u> | <u>593 918 345</u> |

These liabilities in multi-lateral institutions are revalued at closing exchange rate as at 31 March.

## **24.1** **INTERNATIONAL MONETARY FUND-SECURITIES ACCOUNT**

76 985 328 118 089 410

This commitment represents the balance of securities in the International Monetary Fund's (IMF) General Resources Account held with the South African Reserve Bank.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|      | Notes  | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------|--|------------------|------------------|
| 24.2 | <b>AFRICAN DEVELOPMENT BANK</b>  | 42 769 370       | 44 324 481       |
|      | This commitment represents the callable portion of a country's subscription available to the African Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.  |                  |                  |
| 24.3 | <b>NEW DEVELOPMENT BANK</b>  | 267 618          | 277 349          |
|      | This commitment represents the callable portion of a country's subscription available to New Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.  |                  |                  |
| 24.4 | <b>INTERNATIONAL MONETARY FUND – SDR ALLOCATIONS</b>   | 154 650 133      | 160 273 269      |
|      | The special drawing rights deposit at the South African Reserve Bank is the Rand equivalent of South Africa's special drawing right liability towards the International Monetary Fund, in terms of the Finance and Financial Adjustments Acts, Consolidation Act 11 of 1977.     |                  |                  |
| 24.5 | <b>INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT</b>   | 146 951 200      | 152 294 400      |
|      | This commitment represents the callable portion of a country's subscription available to the International Bank for Reconstruction and Development (IBRD) to meet its obligations for funds borrowed or loans guaranteed by it.  |                  |                  |
| 24.6 | <b>MULTI-LATERAL INVESTMENT GUARANTEE AGENCY</b>   | 114 687 509      | 118 659 436      |
|      | This commitment represents the callable portion of a country's subscription available to the Multilateral Investment Guarantee Agency (MIGA) to meet its obligations on foreign investment guarantees to investors that are planning investments in developing member countries. |                  |                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes   | 2024/25<br>R'000     | 2023/24<br>R'000     |
|-----------|---|----------------------|----------------------|
| <b>25</b> | <b>Net cash flow available from operating activities</b>                  |                      |                      |
|           | Net surplus/(deficit) as per Statement of Financial Performance           | (271 292 103)        | (470 798 441)        |
|           | Add back non-cash/cash movements not deemed operating activities          | (73 876 608)         | (19 661 885)         |
|           | (Increase)/decrease in receivables – current                              | 7 420 506            | (18 582 492)         |
|           | (Increase)/decrease in prepayments and advances                           | (2 853 981)          | 176 385              |
|           | (Increase)/decrease in other current assets                               | 3 810 239            | 1 907 485            |
|           | Increase/(decrease) in payables – current                                 | (35 096)             | (2 546 608)          |
|           | Proceeds from sale of capital assets                                      | (349 288)            | (193 514)            |
|           | Proceeds from sale of investments   | (193 761)            | (256 829)            |
|           | (Increase)/decrease in other financial assets                             | 719                  | 17 202               |
|           | Expenditure on capital assets   | 16 684 670           | 16 693 363           |
|           | Surrenders to Revenue Fund  | (290 873 937)        | (112 960 491)        |
|           | Surrenders to RDP Fund/Donor  | (451 796)            | (373 818)            |
|           | Voted funds not requested/not received                                    | (7 881 965)          | (3 111 668)          |
|           | Own revenue included in appropriation                                     | 100 000 000          | -                    |
|           | Other non-cash items  | 100 847 082          | 99 569 100           |
|           | <b>Net cash flow generated by operating activities</b>                    | <b>(352 789 189)</b> | <b>(455 514 042)</b> |
| <b>26</b> | <b>Reconciliation of cash and cash equivalents for cash flow purposes</b> |                      |                      |
|           | Consolidated paymaster General Account                                    | (13 342 920)         | (13 102 799)         |
|           | Cash receipts   | 20                   | 20                   |
|           | Disbursements   | (78 738)             | (20 879)             |
|           | Cash on hand  | 140 060              | 222 255              |
|           | Cash with commercial banks (Local)  | 125 782 466          | 73 938 173           |
|           | Cash with commercial banks (Foreign)                                      | 88 326 360           | 101 295 911          |
|           | ALM PMG Balance   | (63 837)             | (301 539)            |
|           | <b>Total cash and cash equivalents for cash flow purposes</b>             | <b>200 763 411</b>   | <b>162 031 142</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes  | 2024/25<br>R'000     | 2023/24<br>R'000 |
|-----------|--|----------------------|------------------|
| <b>27</b> | <b>Reconciliation of prior year net surplus to current comparatives</b>  |                      |                  |
|           | Net surplus as reported in prior year  | (471 243 202)        |                  |
|           | Restatement  | 444 761              |                  |
|           | <b>Restated Net Surplus for the Year</b>   | <b>(470 798 441)</b> |                  |
|           | <b>Reconciliation of cash and cash equivalents reported in prior year and Restated cash and cash equivalents in the current year</b> |                      |                  |
|           | Cash and cash equivalents as reported in prior year  | 187 102 479          |                  |
|           | Restatement  | 109 817              |                  |
|           | <b>Restated cash and cash equivalents</b>  | <b>187 212 296</b>   |                  |
|           | <b>Reconciliation of statement of position reported in prior year and Restated amounts in current year</b>                           |                      |                  |
|           | <b>ASSETS</b>  |                      |                  |
|           | Current assets as reported in prior year   | 228 675 448          |                  |
|           | Restatement  | 159 042              |                  |
|           | <b>Restated current assets for the financial year</b>  | <b>228 834 490</b>   |                  |
|           | <b>Non-current Assets</b>  |                      |                  |
|           | Non-current assets as reported prior year  | 1 048 150 946        |                  |
|           | <b>Restated non-current assets for the financial year</b>  | <b>1 048 150 946</b> |                  |
|           | <b>LIABILITIES</b>   |                      |                  |
|           | <b>Current liabilities</b>   |                      |                  |
|           | Current liabilities as reported in prior year:   | 683 321 375          |                  |
|           | Restatement  | (865 293)            |                  |
|           | <b>Restated current liabilities for the financial year</b>   | <b>682 456 082</b>   |                  |
|           | <b>Non-Current Liabilities</b>   |                      |                  |
|           | Non-current liabilities as reported prior year   | 5 203 193 956        |                  |
|           | Restatement  | (10 784)             |                  |
|           | <b>Restated non-current liabilities for the financial year</b>   | <b>5 203 183 172</b> |                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes  | 2024/25<br>R'000       | 2023/24<br>R'000   |
|--|--|------------------------|--------------------|
| <b>NET ASSETS/(LIABILITIES)</b>  |  |                        |                    |
| <b>Net Liabilities as reported in prior year<br/>(Capital Reserves)</b>    |  | 481 527 799            |                    |
| Restatement  |  |                        |                    |
| <b>Restated net liabilities for the year</b>                               |  | <b>481 527 799</b>     |                    |
| <b>Net Liabilities as reported in prior year<br/>(Recoverable Revenue)</b> |  | 919 436                |                    |
| Restatement  |  | 107 030                |                    |
| <b>Restated net liabilities for the year</b>                               |  | <b>1 026 466</b>       |                    |
| <b>Net Liabilities as reported in prior year<br/>(Retained Funds)</b>      |  | (5 092 136 175)        |                    |
| Restatement  |  | 928 091                |                    |
| <b>Restated net liabilities for the year</b>                               |  | <b>(5 091 208 084)</b> |                    |
| <b>Net Liabilities as reported in prior year<br/>(Total)</b>               |  | (4 609 688 940)        |                    |
| Restatement  |  | 1 035 121              |                    |
| <b>Restated net liabilities for the year</b>                               |  | <b>(4 608 653 819)</b> |                    |
| <b>28</b>  | <b>Contingent liabilities and contingent Assets</b>        |                        |                    |
| <b>28.1</b>  | Housing loan guarantees                                    | 973                    | 1 407              |
|  | Other guarantees   | 442 791 676            | 433 062 506        |
|  | Claims against the department                              | 39 324 650             | 39 495 773         |
|  | Other departments (interdepartmental unconfirmed balances) | 10 611 181             | 5 505 474          |
|  | Environmental rehabilitation liability                     | 1 631 771              | 1 580 977          |
|  | Other  | 1 112 162              | 869 664            |
|  | <b>Total</b>   | <b>495 472 413</b>     | <b>480 515 801</b> |
|  | <b>Other</b>   |                        |                    |
|  | QCC, EOH /IDEMIA   | 330 914                | 115 200            |
|  | SITA, Public Works   | 65 802                 | 63 893             |
|  | Claims and Disputes  | 138 082                | 145 428            |
|  | Pension and Injury on Duty                                 | 511 612                | 488 722            |
|  | Miscellaneous  | 65 752                 | 56 421             |
|  |  | <b>1 112 162</b>       | <b>869 664</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000   | 2023/24<br>R'000   |
|--|-------|--------------------|--------------------|
| <b><i>Underwritten by government</i></b> |       |                    |                    |
| Absa                                     |       | 20 000             | 20 000             |
| KFW                                      |       | 139 043            | 150 654            |
| S.A. National Roads Agency Ltd.          |       | 23 426 113         | 28 941 628         |
| KOBWA (21)                               |       | 371 996            | 371 996            |
| Land Bank (30)                           |       | 34 647             | 34 647             |
| TCTA                                     |       | 10 357 533         | 7 894 222          |
| Development Bank of Southern Africa      |       | 6 671 021          | 6 172 286          |
| South African Reserve Bank               |       | 4 461 740          | 7 045 473          |
| Denel                                    |       | -                  | 5 456              |
| Transnet                                 |       | 44 382 636         | 25 390 994         |
| Eskom                                    |       | 352 595 417        | 356 924 802        |
| SAA                                      |       | 331 531            | 110 348            |
| <b>Total</b>                             |       | <b>442 791 676</b> | <b>433 062 506</b> |

The National Government furnishes guarantees to various institutions. The guarantees furnished to parastatal institutions are disclosed under the relevant functional government departments. These guarantees will realise as liabilities to the State only if the institutions on whose behalf the guarantees were furnished, are unable to meet their commitments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---|-------|------------------|------------------|
| <b>Road Accident Fund</b>   |       | 32 305 295       | 32 305 295       |
| This represents the underfunding of the Fund's future commitment in respect of claims against the Fund according to the actuarial valuation. Actuarial valuations are conducted every year.   |       |                  |                  |
| <b>Export Credit Insurance Corporation of South Africa Ltd</b>  |       | 9 261 105        | 11 965 192       |
| The Export Credit Insurance Corporation of South Africa Ltd and its predecessor, the Credit Guarantee Insurance Corporation of Africa Ltd, provide export credit and foreign investment cover to South African exporters. In terms of the Export Credit and Foreign Investment Act, 1957, as amended, the Government of South Africa acts as a guarantor for the liabilities of the company. The Government's commitment represents the net of the total underwriting exposure of the company and its total assets. |       |                  |                  |
| <b>South African Reserve Bank (SARB)</b>  |       | 111 446          | 111 446          |
| This contingent liability in respect of old coinage still in circulation is limited to 73,67% of the net cost of disposal of the old coins when they are returned to the SARB. A portion of the coinage will probably never be returned. The Government's related costs are set-off against surpluses of the SARB paid to Government. The SARB raises the full liabilities for old coinage in their books.  |       |                  |                  |
| <b>28.2 Contingent Assets</b>   |       |                  |                  |
| Legal claims  |       | 557 974          | 569 039          |
| Dispute on Guarantee payments   |       | 104 901          | 129 492          |
| Refunds / rental overpayment  |       | 131 372          | 127 203          |
| Breach of contract / Noncompliance with Procurement processes   |       | 108 979          | 108 473          |
| Advisory Services   |       | 17 900           | 17 900           |
| Bucket Eradication Project  |       | 15 095           | 15 095           |
| Giyani Project  |       | 4 749 971        | 4 298 617        |
| Other   |       | 63 591           | 66 510           |
| <b>Total</b>  |       | <b>5 749 783</b> | <b>5 332 328</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|             | Notes   | 2024/25<br>R'000  | 2023/24<br>R'000  |
|-------------|---|-------------------|-------------------|
| <b>29</b>   | <b>Post-retirement benefit</b>  |                   |                   |
|             | Post-employment Health Care Fund  | 85 481 914        | 85 481 914        |
| <b>29.1</b> | <b>Pension funds</b>  |                   |                   |
|             | <b>Governments Employees Pension Fund</b>   |                   |                   |
|             | This commitment represents the underfunding of the pension fund according to the most recent actuarial valuations. Actuarial valuations are conducted at least every three years. |                   |                   |
|             | <b>Funding Levels</b>   |                   |                   |
|             | Government Employees Pension Fund   | 119.1%            | 119.1%            |
|             | Temporary Employees Pension Fund  | 115.8%            | 115.8%            |
|             | Associated Institutions Pension Fund  | 153.3%            | 153.3%            |
|             | <b>Valuation Dates</b>  |                   |                   |
|             | Government Employees Pension Fund   | 31 March 2024     | 31 March 2024     |
|             | Temporary Employees Pension Fund  | 31 March 2021     | 31 March 2021     |
|             | Associated Institutions Pension Fund  | 31 March 2021     | 31 March 2021     |
| <b>30</b>   | <b>Capital Commitments</b>  |                   |                   |
|             | Buildings and other fixed structures  | 24 645 153        | 25 574 011        |
|             | Heritage assets   | 91 002            | 200 516           |
|             | Machinery and equipment   | 1 241 646         | 877 537           |
|             | Specialised military assets   | 10 019 232        | 9 094 068         |
|             | Land and subsoil assets   | 2 410             | 850               |
|             | Biological assets   | 16 877            | 12 196            |
|             | Intangible assets   | 241 818           | 461 557           |
|             | <b>Total Commitments</b>  | <b>36 258 138</b> | <b>36 220 735</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes                                      | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------|--|------------------|------------------|
| <b>31</b> | <b>Accruals and Payable not recognised</b> |                  |                  |
|           | <b>Accruals not recognised</b>             |                  |                  |
|           | Goods and services                         | 2 717 780        | 2 656 973        |
|           | Interest and rent on land                  | 2 948            | 3 103            |
|           | Transfers and subsidies                    | 2 789 080        | 6 049 668        |
|           | Capital assets                             | 447 175          | 518 584          |
|           | Other                                      | 104 257          | 102 191          |
|           | <b>Total</b>                               | <b>6 061 240</b> | <b>9 330 518</b> |
|           | <b>30 Days</b>                             |                  |                  |
|           | <b>Accruals not recognised</b>             |                  |                  |
|           | Goods and services                         | 1 959 290        |                  |
|           | Interest and rent on land                  | 2 948            |                  |
|           | Transfers and subsidies                    | 321 234          |                  |
|           | Capital assets                             | 336 506          |                  |
|           | Other                                      | 63 667           |                  |
|           | <b>Total</b>                               | <b>2 683 646</b> |                  |
|           | <b>30+ Days</b>                            |                  |                  |
|           | <b>Accruals not recognised</b>             |                  |                  |
|           | Goods and services                         | 758 489          |                  |
|           | Transfers and subsidies                    | 2 467 846        |                  |
|           | Capital assets                             | 110 669          |                  |
|           | Other                                      | 40 590           |                  |
|           | <b>Total</b>                               | <b>3 377 594</b> |                  |
|           | <b>Payables not recognised</b>             |                  |                  |
|           | Goods and services                         | 4 047 135        | 3 967 995        |
|           | Interest and rent on land                  | -                | 3 115            |
|           | Transfers and subsidies                    | 207 793          | 99 131           |
|           | Capital assets                             | 1 176 253        | 1 221 418        |
|           | Other                                      | 4 544            | 5 076            |
|           | <b>Total</b>                               | <b>5 435 726</b> | <b>5 296 735</b> |
|           | <b>30 Days</b>                             |                  |                  |
|           | <b>Payables not recognised</b>             |                  |                  |
|           | Goods and services                         | 2 425 382        |                  |
|           | Transfers and subsidies                    | 84 964           |                  |
|           | Capital assets                             | 720 979          |                  |
|           | Other                                      | 571              |                  |
|           | <b>Total</b>                               | <b>3 231 896</b> |                  |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/25<br>R'000  | 2023/24<br>R'000  |
|---|-------|-------------------|-------------------|
| <b>30+ Days</b>                                   |       |                   |                   |
| <b>Payables not recognised</b>                    |       |                   |                   |
| Goods and services                                |       | 1 621 753         |                   |
| Transfers and subsidies                           |       | 122 829           |                   |
| Capital assets                                    |       | 455 274           |                   |
| Other   |       | 3 973             |                   |
| <b>Total</b>                                      |       | <b>2 203 829</b>  |                   |
| <b>Confirmed balances</b>                         |       |                   |                   |
| Confirmed balances with departments               |       | 1 365 294         | 1 765 145         |
| Confirmed balances with other government entities |       | 1 805 285         | 1 229 848         |
| <b>Total</b>                                      |       | <b>3 170 579</b>  | <b>2 994 993</b>  |
| <b>32 Employee benefits</b>                       |       |                   |                   |
| Leave entitlement                                 |       | 8 358 360         | 7 760 116         |
| Service bonus                                     |       | 5 495 109         | 5 273 804         |
| Performance awards                                |       | 459               | 1 240             |
| Capped leave                                      |       | 4 206 807         | 4 728 882         |
| Other   |       | 549 862           | 500 052           |
| <b>Total</b>                                      |       | <b>18 610 597</b> | <b>18 264 093</b> |
| <b>33 Lease commitments</b>                       |       |                   |                   |
| <b>33.1 Operating lease expenditure</b>           |       |                   |                   |

| 2024/2025                                       | Specialised<br>military assets<br>R'000 | Land<br>R'000 | Buildings and<br>other fixed<br>structures<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Total<br>R'000   |
|---|---|---------------|---|--|------------------|
| Not later than 1 year                           | -                                       | 31 033        | 2 568 802   | 424 302                                | 3 024 136        |
| Later than 1 year and not later<br>than 5 years | -                                       | 10 002        | 4 157 927   | 224 741                                | 4 392 669        |
| Later than five years                           | -                                       | 36 610        | 696 212   | -                                      | 732 822          |
| <b>Total lease commitments</b>                  | <b>-</b>                                | <b>77 645</b> | <b>7 422 941</b>                                    | <b>649 042</b>                         | <b>8 149 628</b> |

| 2023/2024                                       | Specialised<br>military assets<br>R'000 | Land<br>R'000  | Buildings and<br>other fixed<br>structures<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Total<br>R'000   |
|---|---|----------------|---|--|------------------|
| Not later than 1 year                           | -                                       | 50 838         | 2 655 752   | 411 533                                | 3 118 123        |
| Later than 1 year and not later<br>than 5 years | -                                       | 20 999         | 4 033 611   | 258 404                                | 4 313 014        |
| Later than five years                           | -                                       | 39 963         | 395 728   | -                                      | 435 691          |
| <b>Total lease commitments</b>                  | <b>-</b>                                | <b>111 800</b> | <b>7 085 091</b>                                    | <b>669 937</b>                         | <b>7 866 828</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 33.2 Finance lease expenditure

| 2024 / 2025                                     | Specialised<br>military assets<br>R'000 | Land<br>R'000 | Buildings and other<br>fixed structures<br>R'000 | Machinery and<br>equipment<br>R'000 | Total<br>R'000 |
|---|---|---------------|--|-------------------------------------|----------------|
| Not later than 1 year                           | -                                       | -             | -  | 478 735                             | 478 735        |
| Later than 1 year and not<br>later than 5 years | -                                       | -             | -  | 460 528                             | 460 528        |
| Later than five years                           | -                                       | -             | -  | -                                   | -              |
| <b>Total lease<br/>commitments</b>              | -                                       | -             | -  | 939 263                             | 939 263        |

| 2023 / 2024                                     | Specialised<br>military assets<br>R'000 | Land<br>R'000 | Buildings and other<br>fixed structures<br>R'000 | Machinery and<br>equipment<br>R'000 | Total<br>R'000 |
|---|---|---------------|--|-------------------------------------|----------------|
| Not later than 1 year                           | -                                       | -             | -  | 284 197                             | 284 197        |
| Later than 1 year and not<br>later than 5 years | -                                       | -             | -  | 365 023                             | 365 023        |
| Later than five years                           | -                                       | -             | -  | -                                   | -              |
| <b>Total lease<br/>commitments</b>              | -                                       | -             | -  | 649 219                             | 649 219        |

## 33.3 Operating lease revenue

| 2024 / 2025   | Specialised<br>military assets<br>R'000 | Land<br>R'000 | Buildings and other<br>fixed structures<br>R'000 | Machinery and<br>equipment<br>R'000 | Total<br>R'000 |
|---|---|---------------|--|-------------------------------------|----------------|
| Not later than 1 year                               | -                                       | 15 198        | -  | 1 781                               | 16 979         |
| Later than 1 year and not<br>later than 5 years     | -                                       | 68 724        | -  | 621                                 | 69 345         |
| Later than five years                               | -                                       | 2 290 320     | -  | -                                   | 2 290 320      |
| <b>Total operating lease<br/>revenue receivable</b> | -                                       | 2 374 242     | -  | 2 402                               | 2 376 644      |

| 2023 / 2024   | Specialised<br>military assets<br>R'000 | Land<br>R'000 | Buildings and other<br>fixed structures<br>R'000 | Machinery and<br>equipment<br>R'000 | Total<br>R'000 |
|---|---|---------------|--|-------------------------------------|----------------|
| Not later than 1 year                               | -                                       | 13 656        | -  | 2 467                               | 16 123         |
| Later than 1 year and not<br>later than 5 years     | -                                       | 78 826        | -  | 2 402                               | 81 228         |
| Later than five years                               | -                                       | 2 284 411     | -  | -                                   | 2 284 411      |
| <b>Total operating lease<br/>revenue receivable</b> | -                                       | 2 376 893     | -  | 4 869                               | 2 381 762      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes  | 2024/25<br>R'000  | 2023/24<br>R'000 |
|-----------|--|-------------------|------------------|
| <b>34</b> | <b>Accrued departmental revenue</b>  |                   |                  |
|           | Sales of goods and services other than capital assets                          | 594 555           | 1 034 564        |
|           | Fines, penalties and forfeits  | 268 060           | 310 974          |
|           | Interest, dividends and rent on land   | 1 783 056         | 1 070 354        |
|           | Sale of capital assets   | 70                | 97               |
|           | Transactions in financial assets and liabilities                               | 50 157 824        | 46 184           |
|           | Transfers received (incl. conditional grants to be repaid by Provincial depts) | 178 753           | 239 060          |
|           | Other  | 14 180            | 18 437           |
|           | <b>Total</b>   | <b>52 996 498</b> | <b>2 719 670</b> |
|           | <b>Analysis of accrued departmental revenue</b>                                |                   |                  |
|           | Opening balance  | 2 672 727         | 3 836 574        |
|           | Less: Amounts received   | 1 754 136         | 2 565 571        |
|           | Add: Amounts recognised  | 52 177 283        | 1 590 416        |
|           | Less: Amounts written off/reversed as irrecoverable                            | 95 414            | 134 743          |
|           | Other  | (3 962)           | (7 006)          |
|           | <b>Closing balance</b>   | <b>52 996 498</b> | <b>2 719 670</b> |
|           | <b>Accrued department revenue written off</b>                                  |                   |                  |
|           | Trade and Lease Debtors  | 162               | 450              |
|           | Conveyancers   | 210               | 138              |
|           | Long outstanding prospecting fees  | -                 | 69 196           |
|           | Penalty imposed by the United Nations  | 94 768            | 64 761           |
|           | <b>Total</b>   | <b>95 140</b>     | <b>134 545</b>   |
|           | <b>Impairment of accrued departmental revenue</b>                              |                   |                  |
|           | Estimate of impairment of accrued departmental revenue                         | <b>767 550</b>    | <b>631 297</b>   |
|           | <b>Total</b>   | <b>767 550</b>    | <b>631 297</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes  | 2024/25<br>R'000  | 2023/24<br>R'000  |
|-----------|--|-------------------|-------------------|
| <b>35</b> | <b>Related-party transactions</b>                        |                   |                   |
|           | <b>Revenue received (paid)</b>                           |                   |                   |
|           | Sales of goods and services other than capital assets    |                   | 5 365             |
|           | Interest, dividends and rent on land                     | 94 966            | 40 626            |
|           | Transactions in financial assets and liabilities         | 6 676             | 7 859             |
|           | <b>Total</b>   | <b>101 642</b>    | <b>53 850</b>     |
|           | <b>Payments made</b>                                     |                   |                   |
|           | Compensation of employees                                | 323 387           | 324 518           |
|           | Goods and services                                       | 2 283 996         | 2 411 814         |
|           | Expenditure for capital assets                           | 1 032             | -                 |
|           | Payments for financial assets                            | 5 230 895         | 6 514             |
|           | Transfers and subsidies                                  | 4 038 645         | 4 243 228         |
|           | <b>Total</b>   | <b>11 877 955</b> | <b>6 986 074</b>  |
|           | <b>Year end balances arising from revenue/payments</b>   |                   |                   |
|           | Receivables from related parties                         | 94 308            | 197 622           |
|           | Payables to related parties                              | 4 635             | 14 105            |
|           | <b>Total</b>   | <b>98 943</b>     | <b>211 727</b>    |
|           | <b>Loans to/from related parties</b>                     |                   |                   |
|           | Interest bearing loans to/(from)                         | 27 391            | 27 391            |
|           | <b>Total</b>   | <b>27 391</b>     | <b>27 391</b>     |
|           | <b>Guarantees issued</b>                                 |                   |                   |
|           | Mineral Resources and Energy - Necsa                     | 20 000            | 20 000            |
|           | Guarantees issued - CGS                                  | 22 500            | 22 500            |
|           | S.A. National Roads Agency (SOC) Ltd.                    | 23 426 113        | 28 941 628        |
|           | <b>Total</b>   | <b>23 468 613</b> | <b>28 984 128</b> |
|           | <b>In kind goods and services provided/received</b>      |                   |                   |
|           | Office space and professional services                   | (55 920)          | (122 930)         |
|           | Deeds Registration Trading account has rendered services | 372 249           | 301 216           |
|           | Compensation of employees                                | 3 348             | 3 027             |
|           | Goods and Services                                       | 47 402            | 26 206            |
|           | <b>Total</b>   | <b>367 079</b>    | <b>207 519</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes                             | 2024/25<br>R'000  | 2023/24<br>R'000  |
|---|-----------------------------------|-------------------|-------------------|
| <b>36</b>                                     | <b>Key management personnel</b>   |                   |                   |
| <b>36.1 Description</b>                       |                                   |                   |                   |
| Political office bearers                      |                                   | 233 607           | 174 905           |
| Officials:                                    |                                   | 16 682            | 9 518             |
| Salary level 15 to 16                         |                                   | 797 355           | 797 587           |
| Salary level 14                               |                                   | 1 313 360         | 1 280 397         |
| Salary level 13                               |                                   | 252 370           | 259 758           |
| Family members of key management personnel    |                                   | 57 445            | 55 870            |
| <b>Total</b>                                  |                                   | <b>2 670 819</b>  | <b>2 578 037</b>  |
| <b>Description</b>                            |                                   |                   |                   |
| Speaker to Parliament/the Legislature         |                                   | 6 249             | 5 996             |
| Deputy Speaker to Parliament/the Legislature  |                                   | 3 413             | 4 196             |
| Secretary to Parliament/ the Legislature      |                                   | 7 779             | 8 729             |
| Deputy Secretary                              |                                   | 2 607             | 2 453             |
| Chief Financial Officer                       |                                   | 2 408             | 2 408             |
| Legal Advisor                                 |                                   | 2 790             | 2 634             |
| Other   |                                   | 56 136            | 63 882            |
| <b>Total</b>                                  |                                   | <b>81 382</b>     | <b>90 298</b>     |
| <b>37</b>                                     | <b>Public Private Partnership</b> |                   |                   |
| <b>Unitary fee paid</b>                       |                                   | <b>2 879 148</b>  | <b>2 528 701</b>  |
| Fixed component                               |                                   | 1 185 746         | 1 088 338         |
| Indexed component                             |                                   | 1 693 402         | 1 440 363         |
| <b>Analysis of indexed component</b>          |                                   | <b>1 707 892</b>  | <b>1 440 428</b>  |
| Goods and Services (excluding lease payments) |                                   | 1 514 381         | 1 279 508         |
| Operating leases                              |                                   | 15 893            | -                 |
| Interest                                      |                                   | 177 618           | 160 920           |
| <b>Capital/ (Liabilities)</b>                 |                                   | <b>2 363 695</b>  | <b>2 359 681</b>  |
| Property                                      |                                   | 2 306 225         | 2 302 211         |
| Plant and equipment                           |                                   | 57 470            | 57 470            |
| <b>Other</b>                                  |                                   | <b>13 731 596</b> | <b>18 555 087</b> |
| Other Obligations                             |                                   | 13 731 596        | 18 555 087        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes                           | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------|---------------------------------|------------------|------------------|
| <b>38</b> | <b>Impairment</b>               |                  |                  |
|           | Debtor                          | 32 932           | 39 580           |
|           | Investments                     | 2 196            | 2 686            |
|           | Ex-employee debtors             | 42 688           | 42 812           |
|           |                                 | <u>77 816</u>    | <u>85 078</u>    |
| <b>39</b> | <b>Provisions</b>               |                  |                  |
|           | Claims                          | 694 216          | 937 662          |
|           | Armscor                         | 328 781          | 427 046          |
|           | Environmental Liability         | 255 837          | 249 346          |
|           | Damages and Losses              | 48 870           | 58 159           |
|           | Retention Costs                 | 469 675          | 577 345          |
|           | Infrastructure Provisions       | 79 223           | 48 860           |
|           | Pension and Long service awards | 63 055           | 58 783           |
|           | Medical Benefits                | 53 061           | 74 291           |
|           | Social Assistance               | 14 525           | 14 525           |
|           | <b>Total</b>                    | <u>2 007 243</u> | <u>2 446 017</u> |

## 39.1 Reconciliation in movement in provisions – 2024/25

|   | Claims and Admin<br>R'000 | Environment<br>and related<br>R'000 | Fees<br>R'000  | Other<br>R'000 | TOTAL<br>R'000   |
|---|---------------------------|-------------------------------------|----------------|----------------|------------------|
| Opening balance   | 692 402                   | 717 991                             | 695 595        | 340 028        | 2 446 016        |
| Increase in provision   | 371 397                   | 301 043                             | 20 457         | 116 524        | 809 420          |
| Settlement of provision   | (567 460)                 | (246 558)                           | (135 381)      | (282 819)      | (1 232 218)      |
| Unused amount reversed  | (40 780)                  | (17 471)                            | (22 295)       | (40 523)       | (121 069)        |
| Change in provision due to<br>change in estimation of<br>inputs | 244 478                   | (32 007)                            | (107 049)      | (329)          | 105 093          |
| <b>Closing balance</b>  | <u>700 037</u>            | <u>722 998</u>                      | <u>451 326</u> | <u>132 881</u> | <u>2 007 243</u> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 39.2 Reconciliation in movement in provisions – 2023/24

|  | Claims and<br>Admin<br>R'000 | Environment<br>and related<br>R'000 | Fees<br>R'000  | Other<br>R'000 | TOTAL<br>R'000   |
|--|------------------------------|-------------------------------------|----------------|----------------|------------------|
| Opening balance  | 1 106 106                    | 745 111                             | 565 907        | 92 144         | 2 509 268        |
| Increase in provision  | 505 999                      | 228 330                             | 21 651         | 355 992        | 1 111 972        |
| Settlement of provision                                      | (671 434)                    | (243 488)                           | (143 534)      | (108 108)      | (1 166 564)      |
| Unused amount reversed                                       | (65 587)                     | (21 782)                            | (518)          |                | (87 887)         |
| Change in provision due to change<br>in estimation of inputs | (182 682)                    | 9 820                               | 252 089        |                | 79 227           |
| <b>Closing balance</b>                                       | <b>692 403</b>               | <b>717 991</b>                      | <b>695 595</b> | <b>340 028</b> | <b>2 446 017</b> |

## 40 Movable Tangible Capital Assets

### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

|  | Opening<br>balance<br>R'000 | Value<br>adjustments<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing balance<br>R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|--------------------------|
| <b>HERITAGE ASSETS</b>                           | 375 418                     | -                             | -                  | 1 198              | 374 220                  |
| Heritage assets                                  | 375 418                     | -                             | -                  | 1 198              | 374 220                  |
| <b>MACHINERY AND EQUIPMENT</b>                   | 62 664 527                  | -                             | 26 576 940         | 2 909 969          | 86 331 498               |
| Transport assets                                 | 28 811 135                  | -                             | 2 214 691          | 2 038 208          | 28 987 618               |
| Computer equipment                               | 12 300 923                  | -                             | 20 976 676         | 422 708            | 32 854 891               |
| Furniture and office equipment                   | 2 765 533                   | -                             | 967 141            | 65 800             | 3 666 875                |
| Other machinery and equipment                    | 18 786 936                  | -                             | 2 418 432          | 383 253            | 20 822 115               |
| <b>SPECIALISED MILITARY ASSETS</b>               | 51 159 119                  | -                             | 996 615            | 3                  | 52 155 731               |
| Specialised military assets                      | 51 159 119                  | -                             | 996 615            | 3                  | 52 155 731               |
| <b>BIOLOGICAL ASSETS</b>                         | 174 867                     | (2 510)                       | 12 564             | 35 874             | 149 047                  |
| Biological assets                                | 174 867                     | (2 510)                       | 12 564             | 35 874             | 149 047                  |
| <b>FINANCE LEASE ASSETS</b>                      | 621 882                     | -                             | 200 850            | 49 081             | 773 651                  |
| Finance lease assets                             | 621 882                     | -                             | 200 850            | 49 081             | 773 651                  |
| <b>TOTAL MOVABLE TANGIBLE<br/>CAPITAL ASSETS</b> | <b>114 995 812</b>          | <b>(2 510)</b>                | <b>27 786 969</b>  | <b>2 996 124</b>   | <b>139 784 147</b>       |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 40.2 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

|  | Opening<br>balance<br>R'000 | Prior Period<br>Error<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>balance<br>R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| <b>HERITAGE ASSETS</b>                       | 375 763                     | (159)                          | -                  | 186                | 375 418                     |
| Heritage assets                              | 375 763                     | (159)                          | -                  | 186                | 375 418                     |
| <b>MACHINERY AND EQUIPMENT</b>               | 60 317 680                  | (51 493)                       | 4 796 956          | 2 398 617          | 62 664 527                  |
| Transport assets                             | 28 206 084                  | (106 345)                      | 2 384 383          | 1 672 988          | 28 811 135                  |
| Computer equipment                           | 11 513 496                  | (16 081)                       | 1 281 997          | 478 489            | 12 300 923                  |
| Furniture and office equipment               | 2 646 769                   | 972                            | 164 649            | 46 857             | 2 765 533                   |
| Other machinery and equipment                | 17 951 330                  | 69 961                         | 965 927            | 200 283            | 18 786 936                  |
| <b>SPECIALISED MILITARY ASSETS</b>           | 51 150 115                  | -                              | 177 089            | 168 085            | 51 159 119                  |
| Specialised military assets                  | 51 150 115                  | -                              | 177 089            | 168 085            | 51 159 119                  |
| <b>BIOLOGICAL ASSETS</b>                     | 184 041                     | 305                            | 25 027             | 34 506             | 174 867                     |
| Biological assets                            | 184 041                     | 305                            | 25 027             | 34 506             | 174 867                     |
| <b>FINANCE LEASE ASSETS</b>                  | 282 524                     | 50 920                         | 294 879            | 6 441              | 621 882                     |
| Finance lease assets                         | 282 524                     | 50 920                         | 294 879            | 6 441              | 621 882                     |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | 112 310 123                 | (427)                          | 5 293 951          | 2 607 835          | 114 995 812                 |

## 41 Minor assets

### 41.1 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

|                           | Specialised<br>military assets<br>R'000 | Intangible<br>assets<br>R'000 | Heritage<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Biological<br>assets<br>R'000 | Finance<br>lease assets<br>R'000 | Total<br>R'000 |
|---------------------------|---|-------------------------------|-----------------------------|--|-------------------------------|----------------------------------|----------------|
| Opening balance           | -                                       | 4 523                         | 4 764                       | 5 210 341                              | 14 283                        | 25 839                           | 5 259 750      |
| Value adjustments         | -                                       | -                             | -                           | -                                      | (1 922)                       | -                                | (1 922)        |
| Additions                 | -                                       | -                             | 11                          | 115 410                                | 3 911                         | 2 780                            | 122 112        |
| Disposals                 | -                                       | 95                            | 17                          | 174 710                                | 6 917                         | 3 738                            | 185 478        |
| <b>TOTAL MINOR ASSETS</b> | -                                       | 4 428                         | 4 758                       | 5 151 041                              | 9 355                         | 24 881                           | 5 194 463      |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 41.2

### MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

|                               | Specialised<br>military<br>assets<br>R'000 | Intangible<br>assets<br>R'000 | Heritage<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Biological<br>assets<br>R'000 | Finance<br>lease assets<br>R'000 | Total<br>R'000 |
|-------------------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------------------------|----------------|
| Opening balance               | -  | 5 803                         | 4 788                       | 5 337 016                              | 16 145                        | 20 169                           | 5 383 921      |
| Value adjustments             | -  | (120)                         | (20)                        | (6 779)                                | 517                           | 1 808                            | (4 594)        |
| Additions                     | -  | 150                           | -                           | 206 827                                | 4 937                         | 4 321                            | 216 235        |
| Disposals                     | -  | 1 310                         | 4                           | 326 723                                | 7 316                         | 459                              | 335 812        |
| <b>TOTAL MINOR<br/>ASSETS</b> | -  | 4 523                         | 4 764                       | 5 210 341                              | 14 283                        | 25 839                           | 5 259 750      |

## 41.3

### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025

|                    | Specialised<br>military<br>assets<br>R'000 | Intangible<br>assets<br>R'000 | Heritage<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Biological<br>assets<br>R'000 | Finance<br>lease assets<br>R'000 | Total<br>R'000 |
|--------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------------------------|----------------|
| Assets written off | 95   | 28                            | -                           | 2 251 759                              | 39 989                        | 2 256                            | 2 294 127      |
|                    | 95   | 28                            | -                           | 2 251 759                              | 39 989                        | 2 256                            | 2 294 127      |

## 41.4

### MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024

|                    | Specialised<br>military<br>assets<br>R'000 | Intangible<br>assets<br>R'000 | Heritage<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Biological<br>assets<br>R'000 | Finance<br>lease assets<br>R'000 | Total<br>R'000 |
|--------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------------------------|----------------|
| Assets written off | -  | 7 133                         | 186                         | 1 778 929                              | 43 034                        | -                                | 1 829 281      |
|                    | -  | 7 133                         | 186                         | 1 778 929                              | 43 034                        | -                                | 1 829 281      |

## 42 Intangible Capital Assets

### 42.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

|  | Opening<br>balance<br>R'000 | Value<br>adjustments<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>balance<br>R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| Software   | 9 233 218                   | -                             | 534 022            | 131 505            | 9 635 736                   |
| Mastheads and Publishing titles                          | 36                          | -                             | -                  | -                  | 36                          |
| Patents, Licences, Copyright, Brand<br>names, Trademarks | 89 208                      | -                             | 2 088              | 496                | 90 800                      |
| Recipes, Formulae, Prototypes, Designs,<br>Models        | 5 043 415                   | -                             | 156 311            | -                  | 5 199 726                   |
| Services and Operating rights                            | -                           | -                             | -                  | -                  | -                           |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b>                   | 14 365 877                  | -                             | 692 421            | 132 001            | 14 926 298                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 42.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

|   | Opening<br>balance<br>R'000 | Prior Period<br>Error<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>balance<br>R'000 |
|---|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| Software  | 8 887 263                   | 90 515                         | 406 837            | 151 397            | 9 233 218                   |
| Mastheads and Publishing titles                       | 36                          | -                              | -                  | -                  | 36                          |
| Patents, Licences, Copyright, Brand names, Trademarks | 102 445                     | (17 112)                       | 3 875              | -                  | 89 208                      |
| Recipes, Formulae, Prototypes, Designs, Models        | 4 822 355                   | 185 105                        | 35 955             | -                  | 5 043 415                   |
| Services and Operating rights                         | -                           | -                              | -                  | -                  | -                           |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b>                | <b>13 812 099</b>           | <b>258 508</b>                 | <b>446 667</b>     | <b>151 397</b>     | <b>14 365 877</b>           |

## 43 Immovable Tangible Capital Assets

### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025

|  | Opening<br>balance<br>R'000 | Value<br>adjustments<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>balance<br>R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| <b>BUILDINGS AND OTHER FIXED STRUCTURES</b>    | 59 437 825                  | -                             | 3 598 814          | 1 961 662          | 61 074 977                  |
| Dwellings                                      | 3 777 055                   | -                             | 345 713            | 305 631            | 3 817 137                   |
| Non-residential buildings                      | 28 252 588                  | -                             | 1 566 640          | 527 886            | 29 291 342                  |
| Other fixed structures                         | 27 408 182                  | -                             | 1 686 461          | 1 128 145          | 27 966 498                  |
| <b>HERITAGE ASSETS</b>                         | 3 109 471                   | -                             | 275 086            | -                  | 3 384 557                   |
| Heritage assets                                | 3 109 471                   | -                             | 275 086            | -                  | 3 384 557                   |
| <b>LAND AND SUBSOIL ASSETS</b>                 | 13 903 181                  | -                             | 12 138             | 23 204             | 13 892 115                  |
| Land   | 13 903 181                  | -                             | 12 138             | 23 204             | 13 892 115                  |
| Mineral and similar non-regenerative resources | -                           | -                             | -                  | -                  | -                           |
| <b>FINANCE LEASE ASSETS</b>                    | 820 483                     | -                             | 9 073              | -                  | 829 556                     |
| Finance lease assets                           | 820 483                     | -                             | 9 073              | -                  | 829 556                     |
| <b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>76 450 477</b>           | <b>-</b>                      | <b>3 886 038</b>   | <b>1 984 866</b>   | <b>78 351 649</b>           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 43.2 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

|  | Opening<br>balance<br>R'000 | Prior Period<br>Error<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>balance<br>R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| <b>BUILDINGS AND OTHER FIXED STRUCTURES</b>    | 56 982 513                  | 1 567 520                      | 4 240 740          | 3 352 947          | 59 437 825                  |
| Dwellings                                      | 3 778 032                   | -1 618                         | 25 609             | 24 968             | 3 777 055                   |
| Non-residential buildings                      | 28 877 738                  | -252 291                       | 1 279 324          | 1 652 182          | 28 252 588                  |
| Other fixed structures                         | 24 326 743                  | 1 821 429                      | 2 935 807          | 1 675 797          | 27 408 182                  |
| <b>HERITAGE ASSETS</b>                         | 3 055 539                   | -                              | 59 660             | 5 728              | 3 109 471                   |
| Heritage assets                                | 3 055 539                   | -                              | 59 660             | 5 728              | 3 109 471                   |
| <b>LAND AND SUBSOIL ASSETS</b>                 | 13 919 217                  | 12 409                         | 20 538             | 48 983             | 13 903 181                  |
| Land   | 13 919 217                  | 12 409                         | 20 538             | 48 983             | 13 903 181                  |
| Mineral and similar non-regenerative resources | -                           | -                              | -                  | -                  | -                           |
| <b>HERITAGE ASSETS</b>                         | 820 483                     | -                              | -                  | -                  | 820 483                     |
| Heritage assets                                | 820 483                     | -                              | -                  | -                  | 820 483                     |
| <b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b> | 73 957 269                  | 1 579 929                      | 4 320 938          | 3 407 658          | 76 450 477                  |

## 43.3 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2025

|                                      | Opening Balance<br>1 April 2024<br>R'000 | Current Year WIP<br>R'000 | Ready for use<br>(Assets to the AR)<br>/ Contracts<br>terminated<br>R'000 | Closing Balance<br>31 March 2025<br>R'000 |
|--------------------------------------|--|---------------------------|---|---|
| Heritage assets                      | 432 880                                  | 105 808                   | 275 296   | 263 392                                   |
| Buildings and other fixed structures | 37 184 053                               | 7 807 952                 | 2 235 257   | 42 756 748                                |
| Land and subsoil assets              | 342 791                                  | 725 348                   | 782 415   | 285 724                                   |
| <b>TOTAL</b>                         | 37 959 724                               | 8 639 108                 | 3 292 968   | 43 305 865                                |

## 43.4 Accruals and payables not recognised relating to Capital WIP

|  | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--|------------------|------------------|
| Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress | 435 323          | 189 334          |
| <b>TOTAL</b>   | <b>435 323</b>   | <b>189 334</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 43.5 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2024

|   | Opening<br>Balance<br>1 April 2024<br>R'000 | Prior period<br>error<br>R'000 | Current Year<br>WIP<br>R'000 | Ready for use<br>(Assets to the<br>AR) / Contracts<br>terminated<br>R'000 | Closing<br>Balance<br>31 March 2025<br>R'000 |
|---|---|--------------------------------|------------------------------|---|--|
| Heritage assets                         | 434 987                                     | -                              | 56 829                       | 58 936  | 432 880                                      |
| Buildings and other<br>fixed structures | 33 161 346                                  | (1 670 276)                    | 8 292 243                    | 2 599 260   | 37 184 053                                   |
| Land and subsoil assets                 | 783 424                                     | -                              | 410 127                      | 850 760   | 342 791                                      |
| <b>TOTAL</b>                            | <b>34 379 757</b>                           | <b>(1 670 276)</b>             | <b>8 759 199</b>             | <b>3 508 956</b>  | <b>37 959 724</b>                            |

|             | Notes  | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------|--|------------------|------------------|
| <b>44</b>   | <b>Agent-principal arrangements</b>            |                  |                  |
| <b>44.1</b> | <b>Department acting as the principal</b>      |                  |                  |
|             | Cooperative Governance                         | 62 635           | 52 419           |
|             | Public Works and Infrastructure                | 62 836           | 92 769           |
|             | Agriculture, Land Reform and Rural Development | 15 365           | 29 174           |
|             | Environment, Forestry and Fisheries            | 2 914            | 640              |
|             | Tourism  | 6 268            | -                |
|             | Transport                                      | 4 814            | -                |
|             | National Treasury                              | 72 471           | 74 030           |
|             | Correctional Services                          | 6 136            | 3 147            |
|             | Home Affairs                                   | 184 155          | 192 710          |
|             | Basic Education                                | 117 661          | 179 237          |
|             | <b>Total</b>                                   | <b>535 255</b>   | <b>624 126</b>   |
| <b>44.2</b> | <b>Department acting as the agent</b>          |                  |                  |
|             | <b>Revenue received for agency activities</b>  |                  |                  |
|             | National Skills Fund                           | 15 745           | 9 682            |
|             | CARA   | -                | 21 338           |
|             | <b>Total</b>                                   | <b>15 745</b>    | <b>31 020</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           | Notes   | 2024/25<br>R'000 | 2023/24<br>R'000   |
|-----------|---|------------------|--------------------|
| <b>45</b> | <b>Prior period errors</b>  |                  |                    |
|           | <b>Correction of prior period error for secondary information</b> |                  |                    |
|           | <b>Revenue:</b>   |                  |                    |
|           | Departmental Revenue  |                  | (1 121)            |
|           | Transfers received  |                  | 624                |
|           | Aid Assistance  |                  | 809 530            |
|           | <b>Net effect on the note</b>                                     |                  | <b>809 033</b>     |
|           | <b>Expenditure:</b>   |                  |                    |
|           | Goods & Services  |                  | 5 455              |
|           | Tangible Assets   |                  | (44 893)           |
|           | Intangible Assets   |                  | (34 447)           |
|           | <b>Net effect on the note</b>                                     |                  | <b>(73 885)</b>    |
|           | <b>Assets:</b>  |                  |                    |
|           | Cash and cash equivalents   |                  | 4 321              |
|           | Prepayments and advances  |                  | (345 451)          |
|           | Receivables   |                  | 246 078            |
|           | Aid assistance  |                  | 533 307            |
|           | Immovable Assets  |                  | 102 743            |
|           | Heritage assets   |                  | (1 173)            |
|           | Machinery & Equipment   |                  | (42 334)           |
|           | Furniture and office equipment                                    |                  | (1 356)            |
|           | Computer equipment  |                  | 1 277              |
|           | Minor Assets  |                  | (5 473)            |
|           | Biological assets   |                  | (127 856)          |
|           | Leases  |                  | 26 440             |
|           | Accrued departmental revenue                                      |                  | 611 880            |
|           | <b>Net effect on the note</b>                                     |                  | <b>1 002 403</b>   |
|           | <b>Liabilities:</b>   |                  |                    |
|           | Voted funds to be surrendered                                     |                  | (200 000)          |
|           | Payables  |                  | (743 226)          |
|           | Provisions  |                  | (2 051 945)        |
|           | Contingent liabilities and Contingent assets                      |                  | 1 357 922          |
|           | Capital Commitments   |                  | (143 280)          |
|           | Lease commitments   |                  | 153 098            |
|           | Accruals  |                  | 62 137             |
|           | <b>Net effect on the note</b>                                     |                  | <b>(1 565 294)</b> |
|           | <b>Other:</b>   |                  |                    |
|           | Fruitless and Wasteful Expenditure                                |                  | 56 919             |
|           | Irregular expenditure   |                  | 268 956            |
|           | Unauthorised expenditure  |                  | 97 795             |
|           | Contingent liabilities and Contingent assets                      |                  | 254 207            |
|           | Provisions  |                  | (231 068)          |
|           | Prepayments   |                  | 95 487             |
|           | Related Party   |                  | (87 084)           |
|           | Principle Agent Arrangements                                      |                  | (47 660)           |
|           | Receivables   |                  | (465 765)          |
|           | Tangible Assets   |                  | (30 793)           |
|           | Intangible Assets   |                  | 131 060            |
|           | Leases  |                  | (46 915)           |
|           | <b>Net effect on the note</b>                                     |                  | <b>(4 861)</b>     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|    | Notes  | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----|--|------------------|------------------|
| 46 | <b>Departures and Exemptions</b> <p>The Minister of Finance granted exemption in terms of Section 92 of the PFMA for the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated AFS for national departments and public entities. Due to the significantly different accounting bases being applied (modified cash and accrual), the Minister has now allowed the National Treasury to prepare separate sets of consolidated financial statements for departments and public entities respectively.</p>  |                  |                  |
| 47 | <b>Financial Sustainability</b> <p>The 2025 Medium Term Budget Policy Statement (MTBPS) reaffirms government's commitment to a growth-oriented and fiscally prudent agenda, despite ongoing economic and fiscal challenges. Recent improvements, such as stronger tax revenue collections, slower growth in borrowing costs and projected stabilising debt-to-GDP ratios, supports macroeconomic stability and public investment initiatives.</p> <p>The economy is projected to grow by 1.2 per cent in 2025, increasing to an average of 1.8 per cent per annum over the medium term. These modest growth prospects underscore the need for reforms that address fundamental constraints in energy supply, logistics infrastructure, digital connectivity and institutional effectiveness. Government's medium-term growth strategy is anchored by four elements namely maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment. The strategy seeks to shift the growth path and secure sustainable revenues.</p> <p><b>Enhancing Macroeconomic stability</b></p> <p>Government is delivering on its targets to return the public finances to good health by stabilising debt, reducing borrowing costs and freeing up resources to invest in growth and development. These policy measures create a strong foundation for inclusive and sustainable economic growth. Efforts to stabilise debt and narrow the budget deficit to below 3% of GDP by 2028/29 are supported by various initiatives to entrench balanced public finances, strengthen revenue collection, improve spending efficiency and a revised 3% inflation target with a <math>\pm 1</math> percentage point tolerance. These measures reduce fiscal and operational risks, enhance investor confidence and support sustainable economic growth.</p> <p><b>Implementing Structural Reforms and Building State Capability</b></p> <p>Key structural reforms include increased generation capacity at Eskom, improved reliability of the energy supply, higher freight rail volumes at Transnet, and the introduction of third-party access on freight rail networks. Municipal and digital reforms, including the Metro Trading Services Reform Programme and the MzansiXchange pilot, enhance service delivery, accountability and data-driven decision-making. Operation Vulindlela's second phase further advances these reforms by promoting private investment in energy and logistics, establishing the National Water Resources Infrastructure Agency and launching the Electronic Travel Authorisation system to attract skills, investment and tourism.</p> <p><b>Growth-Enhancing Infrastructure investment</b></p> <p>Public investment in infrastructure is being prioritised to stimulate economic growth and attract private sector participation. Key initiatives include freight rail rehabilitation, wastewater treatment and capitalisation of a credit guarantee scheme. Measures to streamline project approval, enhance the Budget Facility for Infrastructure and develop sector-specific toolkits for public-private partnerships improve efficiency and value for money.</p> <p><b>Fiscal strategy</b></p> <p>The government is implementing a range of measures to strengthen fiscal outcomes and safeguard long-term public finance sustainability. Broad consultations are underway on the design of a formal fiscal anchor, with a policy proposal expected to be presented to the Minister of Finance in 2026. In parallel, a multi-year fiscal literacy campaign will be launched in 2026/27 to improve public understanding of fiscal management and encourage informed engagement with government budgeting processes. To achieve fiscal targets, curb waste and support new priorities, public spending will be directed to deliver greater value for money.</p> <p>The government is taking targeted steps to strengthen revenue collection and improve efficiency. Revenue collections for the first half of 2025/26 exceeded expectations, driven by strong corporate and household activity, while lower VAT refunds and improved compliance supported overall buoyancy. Corporate tax receipts benefited from robust</p> |                  |                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

performance in the trade, electricity and finance sectors and dividends tax collections were strengthened by significant one-off payments from the mining and retail sectors. Revenue buoyancy for 2025/26 is projected at 1.54, reflecting stronger-than-anticipated collections. Nevertheless, the medium-term outlook remains cautious, as nominal revenue growth is constrained by subdued economic growth.

The constrained fiscal position allows limited room for additions to spending. However, government still allocates about 60 per cent of consolidated non-interest spending over the next three years to the social wage, supporting low income and vulnerable households. Average annual growth in spending on learning and culture, health and economic development outpace inflation over the medium term.

After more than a decade of primary budget deficits, government began running a primary budget surplus in 2023/24. The surplus – where revenue exceeds non-interest expenditure – is expected to improve over the medium term. The growing primary surplus enables government to stabilise and then reduce debt and debt-service costs. The main budget deficit is expected to narrow from 4.6 per cent of GDP in 2024/25 to 2.7 per cent in 2028/29. Gross loan debt as share of GDP is projected to stabilise at 77.9 per cent in 2025/26.

Despite improvements, risks remain due to modest economic growth, high debt levels and potential contingent liabilities, particularly from state-owned entities. The government continues to prioritise macroeconomic stability, infrastructure investment, revenue efficiency, expenditure effectiveness and the phased removal of low-priority programmes. These measures aim to protect critical social services, strengthen institutional capacity and shift spending toward growth-enhancing infrastructure.

In summary, the government remains committed to the disciplined implementation of its four-pillar economic strategy, anchored in enhancing macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment. Through these efforts, it aims to stabilise public finances, improve the effectiveness and efficiency of expenditure, attract investment and promote sustainable economic growth, ultimately enhancing living standards for all South Africans.

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### Subsequent Events

In the 2025 Medium-Term Budget Policy Statement (MTBPS), the gross borrowing requirement for 2025/26 has been revised downward from R588.2 billion to R568.2 billion compared to the 2025 Budget. As at 31 October 2025, a total of R288.9 billion has been raised through the issuance of domestic loans, comprising R29.9 billion in short-term instruments, R259.1 billion in long-term instruments and R45.7 billion in foreign loans. R5.5 billion in cash and cash equivalents was used to finance the gross borrowing requirement.

Following consultations with the KwaZulu-Natal Provincial Government, the National Treasury will make up to R2.2 billion available to facilitate the repayment of depositors of Ithala SOC Limited (“Ithala”). The payout process is scheduled to commence on 8 December 2025. In a memo finalized on 22 September 2025, the Minister approved the issuance of a Government guarantee in favour of First National Bank (FNB), which will act as the payment agent bank to process payments to all 223 166 Ithala depositors, totalling R2.2 billion.

Depositors will first need to be verified to ensure payments go to the correct recipients. Once verified, payments will be processed within approximately two days. First National Bank (FNB) has been appointed as the payout bank for Ithala depositors and will facilitate access to their funds. This arrangement is intended to ensure that funds are paid out in an orderly and secure manner.

On 16 May 2025, S&P Global Ratings affirmed South Africa’s long-term foreign and local currency debt ratings at ‘BB-’ and ‘BB’, respectively. According to S&P, the ratings on South Africa benefit from the country’s sizable and sophisticated financial system that provides a deep funding base for the government. The country also has relatively strong institutions, with good checks and balances, particularly its central bank. However, S&P says the ratings are constrained by relatively low GDP per capita and low GDP growth rates, as well as sizable fiscal deficits and high government debt.

On 12 September 2025, Fitch Ratings affirmed South Africa’s ‘BB-’ credit rating and stable outlook. According to Fitch, South Africa’s credit rating is constrained by several factors, including low real GDP growth, high poverty and inequality levels, a high and rising government debt-to-GDP ratio, and a rigid fiscal structure that hampers budget deficit reduction. However, the ratings are supported by a favourable government debt structure with long maturities and mostly local-currency-denominated, strong institutions and a credible monetary policy framework.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

On 14 November 2025, S&P upgraded South Africa's long-term foreign currency sovereign credit rating to 'BB' from 'BB-' and long-term local currency sovereign credit rating to 'BB+' from 'BB'. The outlook remains positive. According to S&P, the rating upgrade reflects South Africa's improving growth and fiscal trajectory, alongside a reduction in contingent liabilities tied to performance improvements at the state-owned electricity utility, Eskom. The government is on track to post its third annual primary surplus (revenue minus expenditure, excluding interest payments on debt) in 2025/26, while contingent liabilities are likely to ease as Eskom is being reformed.

## Department of Forestry, Fisheries and the Environment (DFFE)

The contract between DFFE and Kishugu for Working on Fire was set aside by the Gauteng High Court on the first of April 2025. The department is currently in the process of implementing the court order which will be finalized within the 2025/26 FY, while the current contract is still in place.

## Department of Minerals and Energy (DMRE)

### Transfer of functions

The President of the Republic of South Africa announced changes to the national executive on 1 July 2024. As part of the changes, the Ministry of Mineral Resources and Energy was separated into two Ministries, being the Minister of Mineral and Petroleum Resources and the Minister of Electricity and Energy. To facilitate the President's decision, the relevant administration and powers and functions entrusted by the specified legislation, and all amendments thereto, were transferred in terms of section 97 of the Constitution of the Republic of South Africa, 1996, from the former Ministers of Mineral Resources and Energy and Public Enterprises, to the newly designated Ministers as set out in the below mentioned Proclamations:

- a) Proclamation 179 of 2024 published in the Government Gazette on 30 August 2024 transferring administration and powers and functions under former Mineral Resources and Energy legislation; and
- b) Proclamation 176 of 2024 published in the Government Gazette on 27 August 2024 transferring administration and powers and functions under former Public Enterprise legislation.

The two new departments, the Department of Mineral and Petroleum Resources (DMPR) and the Department of Electricity and Energy (DEE), were established with effect from 1 April 2025. A Memorandum of Agreement (MoA) between the transferring department (DMRE) and receiving departments (DMPR and DEE) was signed on 1 April 2025, amongst others, to- (a) ensure that the parties comply with their obligations under section 42 of the PFMA, (b) facilitate the transfer of functions and staff from the DMRE to the new DMPR and DEE, and (c) provide for transitional arrangements. The Accounting Officers for DMPR and for DEE have been appointed accordingly (Acting appointment in the case of DEE).

The financial implications of the transfer of functions are still being assessed and are not yet finalised at this stage. The complete financial impact will only be determined upon closure of the audit and finalisation of relevant adjustments within the financial system. Accordingly, no adjustments have been made in these financial statements.

### South African National Petroleum Company (SANPC) official launch

The SANPC was officially launched during May 2025 formed after the merger of three of the Central Energy Fund (CEF) subsidiaries, Igas, PetroSA and Strategic Fuel Fund.

## Department of Defence

As per the Presidential Proclamation, with effect from 01 April 2025, Denel SOC Ltd will be reporting to the Minister of Defence and Military Veterans. No financial impact is foreseen for the current financial year.

## South African Police Services

On 13 July 2025, the President of the Republic of South Africa placed the Executive Authority of the Department of Police on special leave. Acting Executive Authorities were appointed in the interim.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## National Treasury

After the reporting date, the Western Cape High Court handed down a court order suspending the implementation of the 0.5 percentage point Value-Added Tax (VAT) increase announced by the Minister of Finance. The suspension remains in effect pending either the passing of legislation by Parliament regulating the VAT rate or a final judicial determination on the constitutionality of the VAT Act. Furthermore, the court ordered that the Minister of Finance bears 50% of the legal costs incurred by the Democratic Alliance (DA) and the Economic Freedom Fighters (EFF), with the remaining 50% to be paid jointly by the Speaker of the National Assembly and the Chairperson of the National Council of Provinces.

As this event occurred after the reporting period and does not provide evidence of conditions that existed at the reporting date, it is classified as a non-adjusting event. The potential financial implications of this court order will be assessed in future reporting periods as further developments unfold.

The department terminated its lease agreement for the building located at 240 Madiba Street. As a result, all furniture and equipment previously housed in the building have been placed in storage. A decision has been made to dispose of this furniture and equipment, as the department is in the process of securing a new leased building in collaboration with the Department of Public Works and Infrastructure. Sufficient funding has been allocated for the new accommodation over the medium-term expenditure framework period. As this decision was made after the reporting date and does not relate to the conditions that existed at the reporting date, it is treated as a non-adjusting event.

## Introduction of the Infrastructure and Development Finance Bond

Following the announcement by the South African Minister of Finance, Mr Enoch Godongwana, in the 2025 Medium Term Budget Policy Statement (MTBPS), and in support of the National Treasury's initiatives to raise funds for projects under the Government Budget Facility for Infrastructure ('BFI'), the National Treasury is pleased to announce the launch of a new Infrastructure and Development Finance Bond (the 'Infrastructure and Development Bond'). Proceeds from the Infrastructure and Development Bond will be used exclusively to finance or refinance projects under the Government's BFI programme. Absa Bank Limited, in partnership with Tsys Capital Group, will act as Co-Arrangers for the transaction.

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## Financial Risk Management

### Market Risk

Government's debt portfolio is exposed to different risk factors. To define the tolerance levels of these risk factors, the strategic benchmarks were implemented. Government's funding strategy and overall debt portfolio / performance during 2024/25 was monitored against these benchmarks to assess the impact on inflation, currency and refinancing risks.

### Strategic portfolio risk benchmarks

| Description   | Range or limit |
|---|----------------|
| Treasury bills as % of domestic debt  | 15             |
| Long-term debt maturing in 5 years as % bonds                               | 25             |
| Inflation-linked bonds as % of domestic debt                                | 20-25          |
| Foreign debt as % of total debt   | 15             |
| Weighted term-to-maturity of fixed-rate bonds and Treasury bills (in years) | 10-14          |
| Weighted average term-to-maturity of inflation-linked bonds (in years)      | 14-17          |

Government's gross loan debt of R5.7 trillion consists of domestic (R5.1 trillion) and foreign debt (R601.9 billion). Domestic debt comprises short-term debt (Treasury bills and borrowing from the Corporation for Public Deposits) and long-term debt (fixed-rate plus inflation-linked bonds, retail, and other loans). When calculating risk benchmarks, borrowings from the CPD, retail bonds and other non-marketable loans are excluded from the gross loan debt. This is because these items are generally small in nominal values with minimal impact.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Inflation risk

Inflation risk is the risk that adverse changes in month-on-month inflation might result in increases in the outstanding amount of inflation-linked bonds and thus result in higher future redemption amounts. This risk is managed by setting a benchmark for inflation-linked bonds (ILBs) as a percentage of domestic debt to range between 20 to 25 per cent.

Domestic debt includes Treasury bills, floating rate notes, sukuk bonds, fixed-rate- and inflation-linked bonds. Due to the redemption of the I2025 bond in January 2025, the share of ILBs as a percentage of total domestic debt decreased to 100 basis points (bps) to 21.2 per cent (as at the end of March 2025).

### Inflation-linked bonds as a per cent of domestic debt

| Indicator                  | 31 March 2025 | 31 March 2024 |
|----------------------------|---------------|---------------|
| Domestic debt <sup>1</sup> | R5 060.4 bn   | R4 639.2 bn   |
| Inflation-linked bonds     | R1 077.9 bn   | R1 027.5 bn   |
| ILBs as % of domestic debt | 21.2%         | 22,2%         |

1. Excludes retail bonds, borrowing from the CPD, and other loans.

## Currency risk

Currency risk arises from the change in the price of the rand against major currencies in which the sovereign's foreign debt is denominated. The impact of a weaker currency affects the rand value of interest and redemption amounts on foreign loans. The risk tolerance level is expressed through the limit of 15 per cent for foreign currency debt as a percentage of total debt. Changes in the exchange rate, mainly the USD/ZAR also impact on the rand value of government's foreign currency deposits with the Reserve Bank.

Government monitors its net foreign debt exposure; foreign currency cash deposits provide a natural hedge to a portion of the foreign debt portfolio. Foreign currency deposits are held in US dollar. For the period under review, government's exposure to EURO denominated debt increased by 40 bps, from 6.9 per cent in March 2024 to 7.3 per cent as of 31 March 2025. This is because of the additional EURO denominated multi-lateral loan sourced during 2024/25. The increase to the USD proportion is attributable to the introduction of two new international bonds amounting to USD 3.5 billion. The XDR loan redeems in July 2025 and 75 per cent of the principal amount has been redeemed through amortization.

### Composition of foreign debt

| Indicator            | 31 March 2025 | 31 March 2024 |
|----------------------|---------------|---------------|
| Percentage           |               |               |
| As % of total debt   |               |               |
| - Gross foreign debt | 10.6          | 11.3          |
| - Net foreign debt   | 9.4           | 9.7           |
| Currency composition |               |               |
| - US Dollar          | 88.6          | 82.2          |
| - Euro               | 7.3           | 6.9           |
| - XDR                | 3.1           | 9.7           |
| - ZAR                | 0.8           | 0.9           |
| - CAD                | 0.2           | 0.3           |

## Refinancing risk

Refinancing risk is the possibility that money cannot be borrowed to refinance maturing debt or that these borrowings take place at unfavourable rates. This risk is manifested in the concentration of large volumes of debt that needs to be repaid.

One of the aims of government's debt management strategy is to maintain a smooth debt maturity profile. One of the aims of government's debt management strategy is to maintain a smooth debt maturity profile. Refinancing risk is reduced through an active switch programme whereby shorter-dated bonds are exchanged for longer-term bonds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

During 2024/25; a sum of R86.5 billion was switched out of the FRBs (R186 and R2030) and ILBs (R197 and I2025).

### Refinancing risk benchmarks

| Indicator  | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| Treasury bills as % of domestic debt   | 10.9%         | 11.0%         |
| Long-term debt maturing in 5 years as % of bonds                             | 18.8%         | 15.4%         |
| Weighted term-to-maturity of fixed-rate bonds plus Treasury bills (in years) | 10.1          | 10.6          |
| Weighted term-to-maturity of inflation-linked bonds (in years)               | 14.2          | 13.0          |

### Credit Risk

#### Credit risk exposure from explicit contingent portfolio

The explicit contingent liabilities of government consist mainly of government guarantees issued to state-owned companies (SOCs), Public-Private Partnerships (PPPs) as well as Independent Power Producers (IPPs).

The explicit contingent liability portfolio of government exposes government to credit risk, in that, should the guaranteed entities fail to settle their government guaranteed financial obligations; government as the guarantor will have to settle the obligations in default on behalf of the entities.

The total guarantee amount is expected to decrease from R498.9 billion on 31 March 2024 to R491.9 billion on 31 March 2025, and the exposure amount will increase by R6.1 billion to R439.2 billion over the same period. The reduction in the total guarantee amount is due to the termination of the Land Bank's R8 billion guarantee at the end of 2023/24.

The increase in exposure results from a R12.3 billion net drawdown on the Transnet guarantee. This increase was offset by the net repayment of the South African National Roads Agency Limited debt of R6.3 billion and repayments on the South African Reserve Bank Loan Guarantee Scheme of R3.5 billion. Eskom, the Development Bank of Southern Africa and the Trans-Caledon Tunnel Authority have made additional drawdowns, resulting in an increase in their exposure amounts.

As at 31 March 2025, government's commitment to the Renewable Energy Independent Power Producer Procurement Programme is expected to be R277.9 billion. The value of signed projects, which represents government's exposure, is expected to amount to R229.5 billion by 31 March 2025, declining to R166.4 billion by 2027/28. In 2024/25, PPP contingent liabilities fell by about R600 million to R6.2 billion as projects reached maturity.

#### Counterparty risk exposure from investment of government surplus cash

Government's surplus cash is invested with four South African commercial banks, namely: Standard Bank, First National Bank, ABSA and Nedbank. As at 31 March 2025, the total surplus cash invested with the banks amounted to R130.7 billion (2023/24: R92.3 billion).

The risk that emanates from government's surplus cash investments with the banks is the possibility that as a result of these banks being in financial distress; government will not be able to access its deposits when needed.

The amount of government surplus cash invested with each of the four banks is based on government's risk assessment of each bank. The bank with the highest risk out of the four banks is allocated the lowest amount of surplus cash while the bank with the lowest risk is allocated the highest amount of surplus cash. As at 31 March 2025, the prescribed ratios for the investment of surplus cash with the four banks were 25 per cent for Standard Bank and Nedbank with First National Bank and Absa Bank at 26 and 24 per cent respectively. The absolute limit of surplus cash to be invested with each bank is equal to 50 per cent of each bank's capital and reserves.

### Sovereign Risk

Sovereign credit ratings play an important role in a country's ability to access capital markets, as they influence investor perceptions of the quality of its debt. Credit rating agencies carry out annual reviews of South Africa's creditworthiness. However, since the inception of the European Union's Credit Regulation Act 3 in 2013, European based credit rating agencies are obliged to review their credit ratings every six months. South Africa solicits ratings from the three major rating agencies: Moody's Investors Service (Moody's), S&P Global Ratings (S&P), and Fitch Ratings (Fitch).

On 13 September 2024, Fitch Ratings affirmed South Africa's 'BB-' credit rating and stable outlook. According to Fitch, South Africa's credit rating is constrained by low real GDP growth, high level of inequality, a high and rising

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

government debt-to-GDP ratio, and a modest path of fiscal consolidation. However, the ratings are supported by a favourable debt structure with long maturities and denominated mostly in local currency as well as a credible monetary policy framework.

On 15 November 2024, S&P Global Ratings revised South Africa's outlook to positive from stable and affirmed the sovereign's long-term foreign and local currency debt ratings at 'BB-' and 'BB', respectively. According to S&P, the positive outlook reflects the agency's view that increased political stability following the May 2024 general elections and impetus for reform could boost private investment and GDP growth. S&P further states that since the formation of the new broad coalition of 11 political parties under the Government of National Unity (GNU), debt yields and portfolio inflows have improved, leading to easing financing conditions and currency strengthening.

On 3 December 2024, Moody's Investors Service affirmed South Africa's credit rating at 'Ba2' and maintained a stable outlook. The ratings affirmation reflects South Africa's credit strengths from effective, core institutions such as the judiciary and the central bank, a robust, deep financial sector and a solid external position. However, the ratings affirmation also acknowledges chronic challenges posed by the country's inequalities which hamper reform progress and fuel social risk, as well as persistent structural constraints on economic growth, and a relatively high and costly debt.

Rating agencies remain concerned about South Africa's low economic growth, high government debt and associated high debt service costs as well as geopolitical tensions. The table below shows the current ratings from the solicited rating agencies. Credit ratings from all the credit rating agencies now carry stable outlooks.

**Table: South Africa's Credit Ratings by all Solicited CRAs**

| Rating Agency | Latest credit rating action | Action      | LTFC <sup>1</sup> | LTLC <sup>2</sup> | Outlook  |
|---------------|-----------------------------|-------------|-------------------|-------------------|----------|
| Moody's       | 13 September 2024           | Affirmation | BB-               | BB-               | Stable   |
| Fitch         | 15 November 2024            | Affirmation | BB-               | BB-               | Positive |
| S&P           | 03 December 2024            | Affirmation | Ba2               | Ba2               | Stable   |

<sup>1</sup>LTFC = Long Term Foreign Currency Rating, <sup>2</sup>LTLC = Long Term Local Currency Rating

## 50 Non-adjusting events after reporting date

In terms of section 22 of the 2024 Division of Revenue Act the approval for roll over was only after 31 March 2024. Unspent conditional grants should be surrendered by the Province to the National Revenue Fund through the relevant National Departments. As these approvals were received after June 2024 the amounts for unspent conditional grants to be surrendered were not included in the audited Annual Financial Statements of the relevant National departments. The National Revenue Fund should therefore receive the amount of R1,129 billion. See breakdown below:

|                            | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------|------------------|------------------|
| <b>Province/Agency</b>     |                  |                  |
| <i>Audited 2024/25</i>     |                  |                  |
| Gauteng                    | 85 254           | 465 354          |
| Free State                 | 32 223           | 19 339           |
| Mpumalanga                 | 20 518           | 33 651           |
| Western Cape               | 5 435            | 224 396          |
| Kwazulu-Natal              | 385              | -                |
| <i>Preliminary 2024/25</i> |                  |                  |
| Northern Cape              | 56 770           | 67 010           |
| North-West                 | 121 781          | 195 278          |
| Limpopo                    | 85 242           | 61 819           |
| Eastern Cape               | 70 157           | 62 692           |
| <b>Total</b>               | <b>392 511</b>   | <b>1 129 539</b> |

# UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

FOR THE YEAR ENDED 31 MARCH 2025

## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE (CY)

|   | Note  | Central Cluster<br>2024/25 | Economic Cluster<br>2024/25 | Financial Cluster<br>2024/25 | Justice Cluster<br>2024/25 | Social Cluster<br>2024/25 |
|---|---|----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| <b>REVENUE</b>  |   |                            |                             |                              |                            |                           |
| 1   | Annual appropriation                              | 145 647 930                | 196 902 625                 | 38 135 171                   | 233 224 627                | 505 331 977               |
| 2   | Statutory appropriation                           | 721 431                    | 13 128                      | 780 730 826                  | 3 828 829                  | 24 137 414                |
| 3   | Departmental revenue                              | 354 829                    | 2 268 381                   | 110 516 961                  | 5 004 788                  | 1 636 450                 |
|   | NRF Receipts                                      |                            |                             |                              |                            |                           |
| 4   | Aid assistance                                    | 16 349                     | 260 609                     | 79 390                       | 1 374 579                  | 2 659 598                 |
|   | <b>TOTAL REVENUE</b>                              | 146 740 539                | 199 444 743                 | 929 462 348                  | 243 432 823                | 533 765 439               |
| <b>EXPENDITURE</b>  |   |                            |                             |                              |                            |                           |
| <b>Current expenditure</b>                                  |   |                            |                             |                              |                            |                           |
| 5   | Compensation of employees                         | 7 065 550                  | 11 953 260                  | 3 648 401                    | 168 500 451                | 15 373 069                |
| 6   | Goods and services                                | 7 773 512                  | 13 894 597                  | 2 833 111                    | 52 301 760                 | 6 831 758                 |
| 7   | Interest and rent on land                         | 179 282                    | 109 421                     | 55                           | 4 751                      | 39 517                    |
| 4   | Aid assistance                                    | 30 700                     | 73 412                      | 45 024                       | 976 079                    | 1 954 446                 |
|   | <b>Total current expenditure</b>                  | 15 049 044                 | 26 030 690                  | 6 526 591                    | 221 783 041                | 24 198 790                |
| <b>Transfers and subsidies</b>                              |   |                            |                             |                              |                            |                           |
| 9   | Transfers and subsidies                           | 128 976 901                | 154 800 303                 | 746 182 809                  | 13 315 886                 | 500 332 594               |
| 4   | Aid assistance                                    |                            | 28 454                      |                              |                            | 8 971                     |
|   | <b>Total transfers and subsidies</b>              | 128 976 901                | 154 828 757                 | 746 182 809                  | 13 315 886                 | 500 341 565               |
| <b>Expenditure for capital assets</b>                       |   |                            |                             |                              |                            |                           |
| 10  | Tangible assets                                   | 344 455                    | 5 969 274                   | 481 551                      | 6 123 459                  | 3 166 270                 |
| 10  | Intangible assets                                 | 4 421                      | 172 785                     | 4 359                        | 392 448                    | 25 648                    |
|   | <b>Total expenditure for capital assets</b>       | 348 876                    | 6 142 059                   | 485 910                      | 6 515 907                  | 3 191 918                 |
| 11  | Unauthorised expenditure approved without funding |                            |                             |                              |                            |                           |
| 8   | <b>Payments for financial assets</b>              | 33 944                     | 5 287 578                   | 825 835                      | 41 746                     | 56 097                    |
|   | <b>TOTAL EXPENDITURE</b>                          | 144 408 765                | 192 289 084                 | 754 021 145                  | 241 656 580                | 527 788 370               |
|   | <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>             | 2 331 774                  | 7 155 659                   | 175 441 203                  | 1 776 243                  | 5 977 069                 |
| <b>Reconciliation of Net Surplus/(Deficit) for the year</b> |   |                            |                             |                              |                            |                           |
|   | Voted Funds                                       | 1 991 296                  | 4 731 952                   | 64 889 876                   | (3 534 702)                | 3 696 153                 |
|   | - Annual appropriation                            | 1 667 672                  | 4 726 580                   | 889 876                      | (3 526 910)                | 3 696 153                 |
|   | - Statutory Appropriation                         | 37 797                     |                             |                              |                            |                           |
|   | - Conditional grants                              | 834                        | 5 373                       | 64 000 000                   | (7 792)                    |                           |
| 19  | Departmental revenue and NRF Receipts             | 354 829                    | 2 268 381                   | 110 516 961                  | 5 004 788                  | 1 636 450                 |
| 4   | Aid assistance                                    | -14 351                    | 155 326                     | 34 366                       | 306 157                    | 644 466                   |
|   | <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>             | 2 331 774                  | 7 155 659                   | 175 441 203                  | 1 776 243                  | 5 977 069                 |

# UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

FOR THE YEAR ENDED 31 MARCH 2025

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CY)

|   | Note | Central Cluster<br>2024/25 | Economic Cluster<br>2024/25 | Financial Cluster<br>2024/25 | Justice Cluster<br>2024/25 | Social Cluster<br>2024/25 |
|---|------|----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| <b>Assets</b>   |      |                            |                             |                              |                            |                           |
| Current Assets  |      | 4 436 079                  | 3 704 894                   | 57 275 402                   | 9 502 097                  | 5 025 955                 |
| Unauthorised expenditure  | 11   | 3 270 009                  | 2 377 661                   | 631 004                      | 1 564 711                  | 4 019 481                 |
| Cash and cash equivalents   | 12   | 26 784                     | 685                         |                              |                            |                           |
| Other financial assets  | 13   | 538 280                    | 1 250 934                   | 528 349                      | 973 748                    | 127 871                   |
| Prepayments and advances  | 14   | 345 804                    | 61 239                      | 116 049                      | 6 375 621                  | 776 586                   |
| Receivables   | 16   |                            | 609                         | 56 000 000                   |                            | 150                       |
| Loans   |      | 231 360                    |                             |                              |                            |                           |
| Voted funds receivable  |      |                            |                             |                              |                            |                           |
| Statutory Appropriation receivable  |      |                            |                             |                              | 19 217                     |                           |
| Aid assistance prepayments  | 4    |                            |                             |                              | 26 342                     |                           |
| Aid assistance receivable   | 4    | 23 842                     | 13 766                      |                              | 542 458                    | 101 867                   |
| Non-Current Assets  |      | 348 242                    | 30 130 129                  | 460 027 516                  | 867 205                    | 1 178 787                 |
| Investments   | 15   |                            | 29 957 137                  | 459 989 113                  | 179 156                    |                           |
| Prepayments and advances  | 13   | 5 915                      | 390                         | 18 664                       | 10 908                     | 1 720                     |
| Receivables   | 14   | 301 463                    | 144 190                     | 19 739                       | 677 141                    | 1 177 067                 |
| Loans   | 16   |                            | 27 391                      |                              |                            |                           |
| Other financial assets  | 12   | 40 864                     | 1 021                       |                              |                            |                           |
| <b>TOTAL ASSETS</b>   |      | <b>4 784 321</b>           | <b>33 835 023</b>           | <b>517 302 918</b>           | <b>10 369 302</b>          | <b>6 204 742</b>          |
| <b>LIABILITIES</b>  |      |                            |                             |                              |                            |                           |
| Current Liabilities   |      | 4 529 057                  | 5 702 935                   | 2 509 285                    | 8 827 462                  | 20 316 843                |
| Voted funds to be surrendered to the Revenue Fund                           | 18   | 1 916 856                  | 4 726 571                   | 973 180                      | 483 805                    | 3 696 153                 |
| Statutory Appropriation to be surrendered to the Revenue Fund               |      | 834                        | 5 373                       |                              | 9 347                      |                           |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 19   | 410 638                    | 106 135                     | 10 975                       | 610 629                    | 28 653                    |
| Bank overdraft  | 20   | 1 082 342                  | 639 432                     | 1 165 756                    | 6 466 674                  | 15 193 254                |
| Payables  | 21   | 1 096 633                  | 82 737                      | 325 007                      | 612 045                    | 757 880                   |
| Aid assistance repayable  | 4    |                            | 135 935                     | 27 782                       | (8 202)                    | 619 316                   |
| Aid assistance unutilised   | 4    | 21 754                     | 6 752                       | 6 584                        | 653 164                    | 21 587                    |
| Non-Current Liabilities   |      |                            |                             |                              |                            |                           |
| Payables  | 22   | 904                        | 170                         |                              | 35 238                     | 988 611                   |
| <b>TOTAL LIABILITIES</b>  |      | <b>4 529 961</b>           | <b>5 703 105</b>            | <b>2 509 285</b>             | <b>8 862 700</b>           | <b>21 305 454</b>         |
| <b>NET ASSETS</b>   |      | <b>254 360</b>             | <b>28 131 918</b>           | <b>514 793 633</b>           | <b>1 506 602</b>           | <b>(15 100 712)</b>       |
| Represented by:   |      |                            |                             |                              |                            |                           |
| Capitalisation reserve  |      |                            |                             |                              |                            | 150                       |
| Recoverable reserve   |      | 550 757                    | 29 984 527                  | 515 989 113                  | 71 992                     | 51 835                    |
| Retained funds  |      | 1 542 596                  | 183 099                     | 9 488                        | 1 311 630                  | 252                       |
| Unauthorised Expenditure  |      | (1 838 993)                | (2 035 708)                 | (1 204 968)                  | (10 795 302)               | (15 152 949)              |
| <b>TOTAL</b>  |      | <b>254 360</b>             | <b>28 131 918</b>           | <b>514 793 633</b>           | <b>1 506 602</b>           | <b>(15 100 712)</b>       |

# UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

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## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE (PY)

|   |  | Note | Central Cluster<br>2023/24 | Economic Cluster<br>2023/24 | Financial Cluster<br>2023/24 | Justice Cluster<br>2023/24 | Social Cluster<br>2023/24 |
|---|--|------|----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| <b>Statement of Financial Performance</b>                   |  |      |                            |                             |                              |                            |                           |
| <b>REVENUE</b>  |  |      |                            |                             |                              |                            |                           |
| Annual appropriation  |  | 1    | 140 840 961                | 186 995 783                 | 39 121 517                   | 220 157 395                | 477 971 896               |
| Statutory appropriation                                     |  | 2    | 485 800                    | 12 564                      | 677 144 469                  | 3 637 450                  | 22 424 463                |
| Departmental revenue  |  | 3    | 218 465                    | 787 877                     | 12 696 914                   | 4 008 868                  | 323 830                   |
| NRF Receipts  |  |      |                            |                             |                              |                            |                           |
| Aid assistance  |  | 4    | 72 197                     | 264 585                     | 159 466                      | 1 360 325                  | 1 974 301                 |
| <b>TOTAL REVENUE</b>  |  |      | 141 617 423                | 188 060 809                 | 729 122 366                  | 229 164 038                | 502 694 490               |
| <b>EXPENDITURE</b>  |  |      |                            |                             |                              |                            |                           |
| <b>Current expenditure</b>                                  |  |      |                            |                             |                              |                            |                           |
| Compensation of employees                                   |  | 5    | 7 044 241                  | 11 961 409                  | 3 669 941                    | 157 723 633                | 14 861 599                |
| Goods and services  |  | 6    | 8 327 141                  | 13 358 827                  | 2 559 114                    | 48 171 910                 | 6 611 359                 |
| Interest and rent on land                                   |  | 7    | 162 362                    | 92 168                      |                              | 7 591                      | 35 271                    |
| Aid assistance  |  | 4    | 12 495                     | 69 132                      | 141 911                      | 385 066                    | 1 646 914                 |
| <b>Total current expenditure</b>                            |  |      | 15 546 239                 | 25 481 536                  | 6 370 966                    | 206 288 200                | 23 155 143                |
| <b>Transfers and subsidies</b>                              |  |      |                            |                             |                              |                            |                           |
| Transfers and subsidies                                     |  | 9    | 122 044 474                | 154 022 250                 | 631 464 601                  | 14 125 632                 | 473 365 817               |
| Aid assistance  |  | 4    |                            | 49 558                      |                              |                            | 76 201                    |
| <b>Total transfers and subsidies</b>                        |  |      | 122 044 474                | 154 071 808                 | 631 464 601                  | 14 125 632                 | 473 442 018               |
| <b>Expenditure for capital assets</b>                       |  |      |                            |                             |                              |                            |                           |
| Tangible assets   |  | 10   | 235 767                    | 5 790 860                   | 358 766                      | 6 493 836                  | 3 361 828                 |
| Intangible assets   |  | 10   | 32 035                     | 159 511                     | 1 955                        | 242 247                    | 16 558                    |
| <b>Total expenditure for capital assets</b>                 |  |      | 267 802                    | 5 950 371                   | 360 721                      | 6 736 083                  | 3 378 386                 |
| Unauthorised expenditure approved without funding           |  | 11   |                            |                             |                              |                            |                           |
| <b>Payments for financial assets</b>                        |  |      |                            |                             |                              |                            |                           |
|   |  | 8    | 13 598                     | 16 303                      | 1 952 972                    | 35 362                     | 20 731                    |
| <b>TOTAL EXPENDITURE</b>                                    |  |      | 137 872 113                | 185 520 018                 | 640 149 260                  | 227 185 277                | 499 996 278               |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>                       |  |      | 3 745 310                  | 2 540 791                   | 88 973 106                   | 1 978 761                  | 2 698 212                 |
| <b>Reconciliation of Net Surplus/(Deficit) for the year</b> |  |      |                            |                             |                              |                            |                           |
| Voted Funds   |  |      | 3 467 143                  | 1 623 980                   | 76 258 637                   | (2 791 937)                | 2 151 596                 |
| - Annual appropriation                                      |  |      | 2 670 831                  | 1 618 992                   | 256 500                      | (2 891 708)                | 2 151 596                 |
| - Statutory Appropriation                                   |  |      | 310 980                    |                             |                              |                            |                           |
| - Conditional grants  |  |      | 1 706                      | 4 988                       | 76 002 137                   | 99 771                     |                           |
| Departmental revenue and NRF Receipts                       |  | 19   | 218 465                    | 787 877                     | 12 696 914                   | 4 008 868                  | 323 830                   |
| Aid assistance  |  | 4    | 59 702                     | 128 934                     | 17 555                       | 761 830                    | 222 786                   |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>                       |  |      | 3 745 310                  | 2 540 791                   | 88 973 106                   | 1 978 761                  | 2 698 212                 |



# UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

FOR THE YEAR ENDED 31 MARCH 2025

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PY)

| Statement of Financial Position   | Note | Central Cluster<br>2023/24 | Economic Cluster<br>2023/24 | Financial Cluster<br>2023/24 | Justice Cluster<br>2023/24 | Social Cluster<br>2023/24 |
|---|------|----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|
| <b>ASSETS</b>   |      |                            |                             |                              |                            |                           |
| <b>Current Assets</b>   |      | 5 323 678                  | 1 972 985                   | 32 894 167                   | 11 202 335                 | 3 459 047                 |
| Cash and cash equivalents   | 11   | 4 846 622                  | 1 601 848                   | 674 999                      | 4 120 211                  | 1 911 399                 |
| Other financial assets  | 12   | 26 319                     | 431                         |                              |                            |                           |
| Prepayments and advances  | 13   | 86 834                     | 225 832                     | 106 748                      | 702 101                    | 210 119                   |
| Receivables   | 14   | 306 124                    | 130 213                     | 112 420                      | 5 365 055                  | 1 253 294                 |
| Loans   | 16   |                            | 808                         | 32 000 000                   |                            | 161                       |
| Voted funds receivable  |      | 57 779                     |                             |                              | 295 000                    |                           |
| Aid assistance prepayments  | 4    |                            |                             |                              |                            |                           |
| Aid assistance receivable   | 4    |                            | 13 853                      |                              | 719 968                    | 84 074                    |
| <b>Non-Current Assets</b>   |      | 338 273                    | 29 553 966                  | 420 029 344                  | 916 582                    | 1 013 011                 |
| Investments   | 15   |                            | 29 438 867                  | 419 989 389                  | 179 156                    |                           |
| Prepayments and advances  | 13   | 419                        | 3 000                       | 18 156                       | 77 560                     | 2 584                     |
| Receivables   | 14   | 293 117                    | 84 200                      | 21 799                       | 659 866                    | 1 010 427                 |
| Loans   | 16   |                            | 27 395                      |                              |                            |                           |
| Other financial assets  | 12   | 44 737                     | 504                         |                              |                            |                           |
| <b>TOTAL ASSETS</b>   |      | 5 661 951                  | 31 526 951                  | 452 923 511                  | 12 118 917                 | 4 472 058                 |
| <b>LIABILITIES</b>  |      |                            |                             |                              |                            |                           |
| <b>Current Liabilities</b>  |      | 5 452 667                  | 3 900 685                   | 2 045 715                    | 7 117 092                  | 18 684 401                |
| Voted funds to be surrendered to the Revenue Fund                           | 18   | 3 165 683                  | 1 618 993                   | 372 808                      | 383 970                    | 2 151 595                 |
| Statutory Appropriation to be surrendered to the Revenue Fund               |      | 1 706                      | 4 988                       | 2 137                        | 99 771                     | (288 496)                 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 19   | 262 127                    | 43 022                      | 154 505                      | 448 206                    | 84 543                    |
| Bank overdraft  | 20   | 1 048 687                  | 1 676 945                   | 1 130 966                    | 5 136 494                  | 16 187 945                |
| Payables  | 21   | 923 347                    | 441 571                     | 368 033                      | 859 003                    | 317 444                   |
| Aid assistance repayable  | 4    | 35 870                     | 90 774                      | 17 265                       | 15 233                     | 178 637                   |
| Aid assistance unutilised   | 4    | 15 247                     | 24 392                      |                              | 174 415                    | 52 733                    |
| <b>Non-Current Liabilities</b>  |      |                            |                             |                              |                            |                           |
| Payables  | 22   | 919                        | 127                         |                              | 14 911                     | 882 843                   |
| <b>TOTAL LIABILITIES</b>  |      | 5 453 586                  | 3 900 812                   | 2 045 715                    | 7 132 003                  | 19 567 244                |
| <b>NET ASSETS</b>   |      | 208 365                    | 27 626 139                  | 450 877 796                  | 4 986 914                  | (15 095 186)              |
| <b>Represented by:</b>  |      |                            |                             |                              |                            |                           |
| Capitalisation reserve  |      |                            |                             |                              |                            | 161                       |
| Recoverable revenue   |      | 28 312                     | 29 466 257                  | 451 989 389                  | 71 992                     | 57 350                    |
| Retained funds  |      | 1 807 654                  | 195 590                     | 10 072                       | 735 142                    | 252                       |
| Revaluation reserves  |      |                            |                             |                              | 11 549 692                 |                           |
| Unauthorised Expenditure  |      | (1 627 601)                | (2 035 708)                 | (1 121 665)                  | (7 369 912)                | (15 152 949)              |
| <b>TOTAL</b>  |      | 208 365                    | 27 626 139                  | 450 877 796                  | 4 986 914                  | (15 095 186)              |



# ANNEXURES: NAMES OF GOVERNMENT DEPARTMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| Central Government Administration                |   |
|--|---|
|  | The Presidency  |
| PARL   | Parliament  |
| DIRCO  | International Relations and Cooperation                                       |
| DCOG   | Cooperative Governance  |
| DPWI   | Public Works and Infrastructure   |
| DWYPD  | Women, Youth and Persons with Disabilities                                    |
| DPME   | Planning, Monitoring and Evaluation   |
| DTA  | Traditional Affairs   |
| Economic Services and Infrastructure Development |   |
| DALRRD   | Agriculture, Land Reform and Rural Development                                |
| DCDT   | Communications and Digital Technologies                                       |
| DFFE   | Forestry, Fisheries and the Environment                                       |
| DHS  | Human Settlements   |
| DMRE   | Mineral Resources and Energy  |
| TOURISM  | Tourism   |
| DTIC   | Trade, Industry and Competition   |
| DOT  | Transport   |
| DWS  | Water and Sanitation  |
| DSBD   | Small Business Development  |
| Financial administration Services                |   |
| GCIS   | Government Communication and Information System                               |
| NT   | National Treasury   |
| DPE  | Public Enterprises  |
| DPSA   | Public Service and Administration   |
| PSC  | Public Service Commission   |
| NSG  | National School of Government   |
| STATSSA  | Statistics South Africa   |
| CPSI   | Centre for Public Service Innovation  |
| Justice and Protection Services                  |   |
| SAPS   | Police  |
| IPID   | Independent Police Investigative Directorate                                  |
| DCS  | Correctional Services   |
| DOJCD  | Justice and Constitutional Development (Incl. National Prosecuting Authority) |
| DOD  | Defence   |
| DMV  | Military Veterans   |
| CSP  | Civilian Secretariat  |
| OCJ  | Office of the Chief Justice   |
| DHA  | Home Affairs  |
| Social Services                                  |   |
| DSAC   | Sports, Arts and Culture  |
| DBE  | Basic Education   |
| DHE  | Higher Education and Training   |
| HEALTH   | Health  |
| DOLE   | Labour and Employment   |
| DSD  | Social Development  |
| DST  | Science and Innovation  |





# **REVIEW OF OPERATING RESULTS**



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## PUBLIC ENTITIES

The Consolidated Financial Statements (CFS) incorporate the financial statements of the national public entities including entities and enterprises under the ownership control of government, constitutional institutions, and trading entities as listed in the schedules to the Public Finance Management Act (PFMA), Act 1 of 1999. Where entities are identified during the year, but not yet listed, these unlisted entities are also included in the Consolidated Financial Statements.

The financial year end of all the consolidated public entities is 31 March, except for Water Boards which have a 30 June financial year end. For Water Boards, management accounts as reviewed by the entities auditors are used for consolidation purposes.

The Consolidated Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board (ASB) in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999). In particular, the principles of GRAP35: Consolidated Financial Statements have been applied to the development of the accounting policies supporting this consolidation. A specific policy statement has been developed for this set of consolidated financial statements and entities are required to convert to the GRAP reporting framework and follow the National Treasury (NT) accounting policies. The consolidated financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The approach used by NT is as follows:

- NT makes use of a consolidation software solution in the consolidation process.
- This template is sent to the public entities for completion.
- The auditors review and sign the templates off to ensure that the figures on the template agree to the figures published in the entities' AFS, that conversion journals were identified where applicable and that inter-entity transactions and balances worksheets were completed.
- Where this process has not been performed by the auditors, the templates received from the entity are considered draft templates. The details of these templates are listed in the various annexures to the consolidated financial statements.
- NT then uses these templates as a source to the consolidation model.

## CONSOLIDATIONS STATISTICS

In terms of Section 47(1)(a) and (b) of the PFMA, the Minister, by notice in the national Government Gazette, must amend Schedule 3 to include all public entities not listed and make technical changes to the list. Furthermore, per Section 47(2), the accounting authority for a public entity that is not listed in either Schedule 2 or 3, must without delay notify the National Treasury in writing that the public entity is not listed. As a result, all listed entities were identified as per the list on NT website and have thus been consolidated, except for those listed as per Annexure B.

The updated list of entities that will be consolidated is published on the Treasury website. As mentioned above, the consolidated financial statements also include some entities not listed on the PFMA Schedules but falling within the criteria to consolidate. Confirmation is sent annually to all departments to confirm the entities under control of the departments. NT continued to strive for a 100% consolidation of all listed and known public entities and the OAG placed an extra emphasis on a proactive approach in collecting financial information and assisting entities with completing the consolidation templates. In certain circumstances,

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

listed national entities and known non listed entities that must be consolidated are excluded if no templates are forwarded for reasons beyond the OAG’s intervention.

*All Annexures refer to the Annexures of the Consolidated Financial Statements.*

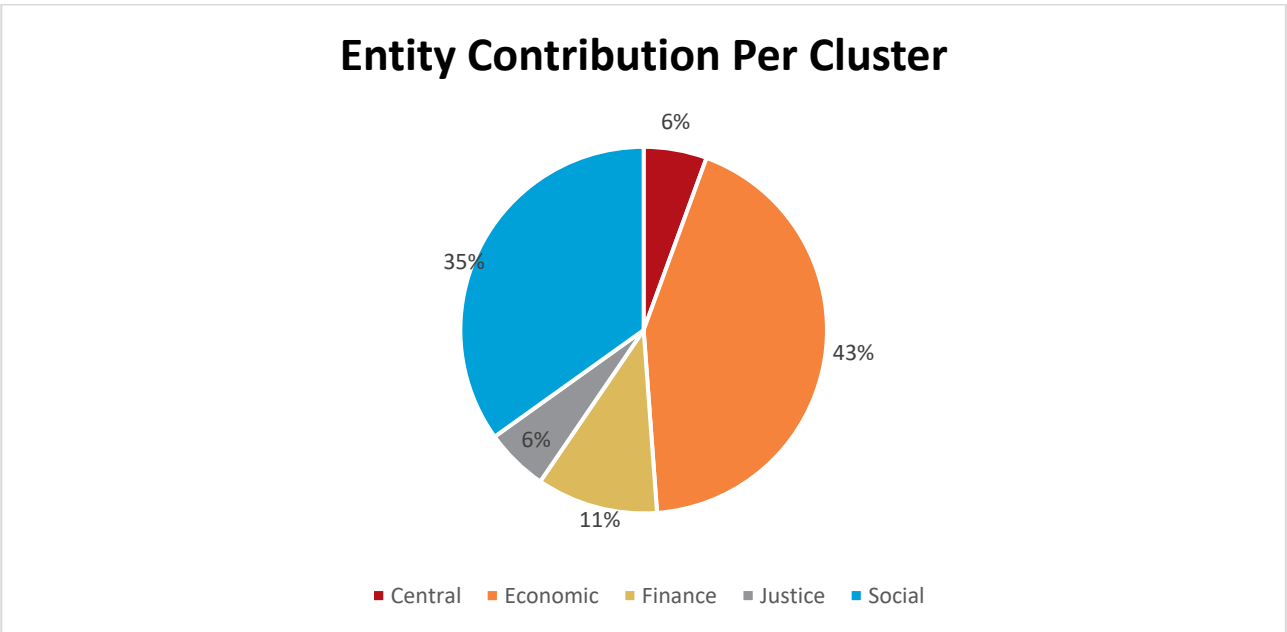
The following is a statistical consolidation summary:

|                  | Actual 2024/25  |                     | Actual 2023/24  |                     |
|------------------|-----------------|---------------------|-----------------|---------------------|
|                  | Listed entities | Non Listed entities | Listed entities | Non Listed entities |
| Total Entities   | 206             | 15                  | 195             | 20                  |
| Consolidated     | 199             | 15                  | 188             | 20                  |
| Not consolidated | 7               | 0                   | 7               | 0                   |

In 2024/25, a total of 214 entities were consolidated, please refer to Annexure A. Of the total entities consolidated, a total of 199 (93%) are listed entities. The total number of listed consolidated entities in the current year has slightly increased from the the previous year which was at 90%. A total of 15 (100%) non listed entities were consolidated in 2024/25.

There are entities whose reporting date differs from the reporting date of other public entities; however, these entities have been included as part of the consolidation. These entities are disclosed in Annexure C of this report.

The Economic and Infrastructure Services cluster contributes the largest proportion (43%) of total number of entities consolidated, followed by the Social Services cluster (35%), Finance Services cluster (11%), Central Services cluster (5%) and lastly, the Justice and Protection Services cluster (6%).



## CONSISTENCY IN THE ENTITIES BEING CONSOLIDATED

Achieving consistency in the entities being consolidated every year is a challenge, as some entities were consolidated in the current year but not in the previous year and by the same token some were consolidated in the previous year but not in the current year and some were disestablished during the year. This inconsistency contributes to the variance in the opening balances or prior year figures as compared to figures published in the 2024/25 financial year.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

The reason for consolidating public entities using draft financial information as well as not consolidating others, is because they are involved with extended audit processes or disputes with the auditors. The Water Boards have a different year-end of 30 June, and this results in National Treasury not receiving final audited financial information from them.

Below is a list of annexures to the consolidated financial statements that gives a comparative breakdown of entities consolidated, those not consolidated and other information to illustrate inconsistencies in the number of entities Consolidated and challenges related thereto.

- **Annexure A** – Lists of entities consolidated
- **Annexure B** – Lists of entities not consolidated but included in the PFMA list
- **Annexure C** – Lists of entities consolidated with year ends other than 31 March 2025
- **Annexure D** – Lists of entities consolidated based on draft annual financial statements

## FINANCIAL PERFORMANCE

### Total revenue

The consolidated public entities reported a total revenue of R1.065 trillion in 2024/25, reflecting a significant increase from R918 billion in 2023/24. This growth of approximately 16% year-on-year was driven by both non-exchange and exchange revenue streams.

Revenue from non-exchange transactions grew sharply by 37%, from R254.467 billion to R348.958 billion. The main contributor to this increase was Other Income, which surged from R26.542 billion to R117.007 billion. Government grants and subsidies remained the largest contributor to this category, increasing slightly from R109.969 billion to R110.628 billion, a marginal 0.6% growth. Legislative and oversight functions also rose modestly from R75.078 billion to R76.186 billion, indicating steady activity in this area. Public contributions and donations increased by 5%, from R25.934 billion to R27.223 billion, while Transfers and Sponsorships grew by 8%. Taxation revenue increased from R9.204 billion to R9.949 billion, a 8.1% rise. In contrast, Fines and penalties declined by 7%, from R2.753 billion to R2.571 billion, possibly due to improved compliance or fewer infractions.

Revenue from exchange transactions increased to R716.481 billion from R663.646 billion, an 8% rise. The main driver was the sale of goods and rendering of services, which grew from R537.801 billion to R586.307 billion. Interest earned on external investments also improved marginally to R97.864 billion, while other income increased from R14.044 billion to R17.499 billion. However, interest earned on outstanding receivables declined from R6.196 billion to R4.159 billion.

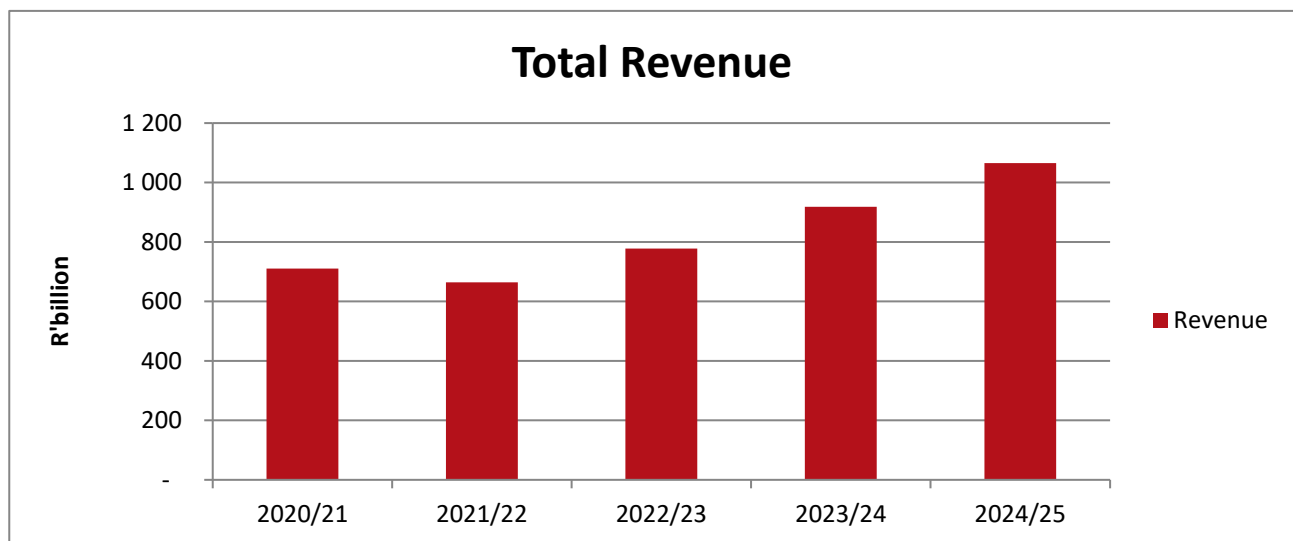
| Revenue                                       | Actual 2024/25<br>R'million | Actual 2023/24<br>R'million |
|---|-----------------------------|-----------------------------|
| <b>Revenue from non-exchange transactions</b> |                             |                             |
| Government grants and subsidies               | 110 628                     | 109 969                     |
| Public contributions and donations            | 27 223                      | 25 934                      |
| Transfers and Sponsorships                    | 5 218                       | 4 820                       |
| Interest Earned - Non- Exchange               | 42                          | 42                          |
| Fines and Penalties                           | 2 571                       | 2 753                       |
| Legislative and Oversight functions           | 76 186                      | 75 078                      |
| Taxation revenue                              | 9 949                       | 9 204                       |
| Licences and permits                          | 133                         | 124                         |
| Other Income                                  | 117 007                     | 26 542                      |
|   | <b>348 958</b>              | <b>254 467</b>              |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

| Revenue                                   | Actual 2024/25<br>R'million | Actual 2023/24<br>R'million |
|---|-----------------------------|-----------------------------|
| <b>Revenue from exchange transactions</b> |                             |                             |
| Sale of Goods & Rendering of Services     | 586 307                     | 537 801                     |
| Rental of facilities and equipment        | 9 390                       | 8 332                       |
| Interest earned - external investments    | 97 864                      | 96 067                      |
| Interest earned - outstanding receivables | 4 159                       | 6 196                       |
| Other income                              | 17 499                      | 14 055                      |
| Licences and permits                      | 1 262                       | 1 195                       |
|   | <b>716 481</b>              | <b>663 646</b>              |
| <b>TOTAL REVENUE</b>                      | <b>1 065 439</b>            | <b>918 113</b>              |

## Total Revenue



Growth in revenue reflected an average growth of 12.5% in the past five years with 10% in the previous year and growth of 16% in the current year. The finance cluster is the major driver of revenue making up 59% of total revenue followed by the economic cluster making up 26% of total revenue. Approximately 56% of the revenue generated from the finance cluster is through Eskom with total revenue of R349 billion. In 2023/24 financial year, RAF, CEF (Ltd), IDC, PRASA and SANRAL collectively contributed 57% of the revenue within economic cluster. These entities derive revenue through exchange and non-exchange transactions.

## Total expenditure

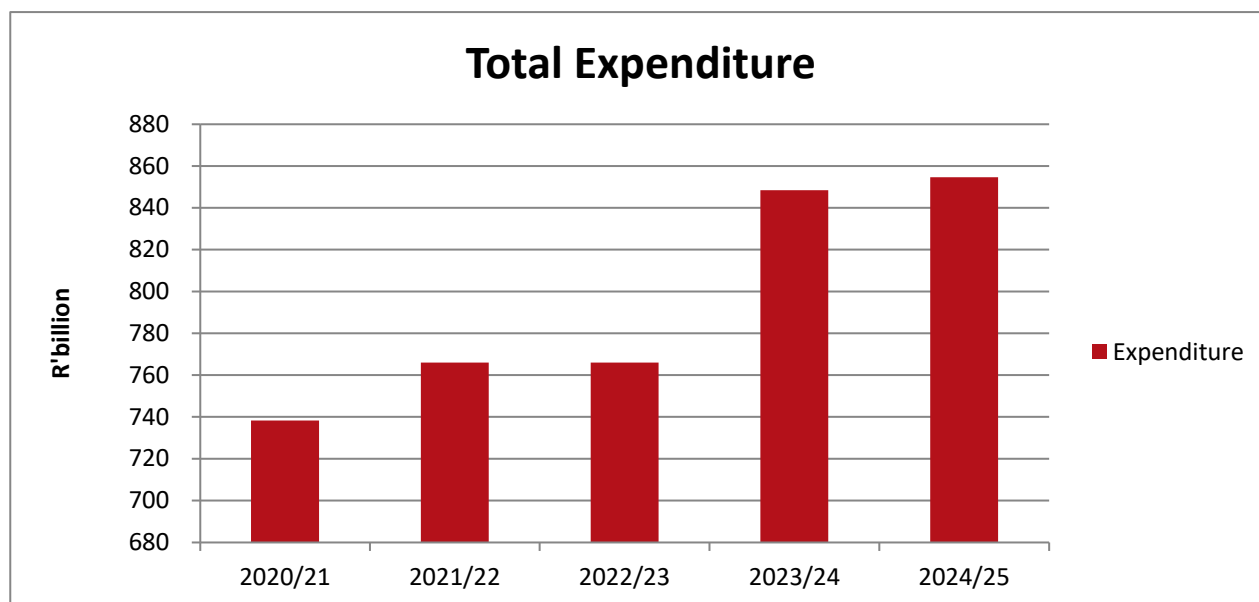
| Analysis of total expenditure         | Actual 2024/25<br>R'million | Actual 2023/24<br>R'million |
|---------------------------------------|-----------------------------|-----------------------------|
| Employee related costs                | 175 468                     | 158 366                     |
| Repairs and maintenance               | 49 410                      | 43 865                      |
| Depreciation and amortisation expense | 76 864                      | 75 158                      |
| Contracted services                   | 5 700                       | 6 457                       |
| Grants and subsidies paid             | 32 444                      | 27 564                      |
| Finance costs                         | 99 376                      | 97 895                      |
| General expenses                      | 388 777                     | 419 253                     |
| Bad debts                             | 24 859                      | 18 486                      |
| Project preparation expenditure       | 1 717                       | 1 379                       |
| <b>Total expenditure</b>              | <b>854 615</b>              | <b>848 422</b>              |



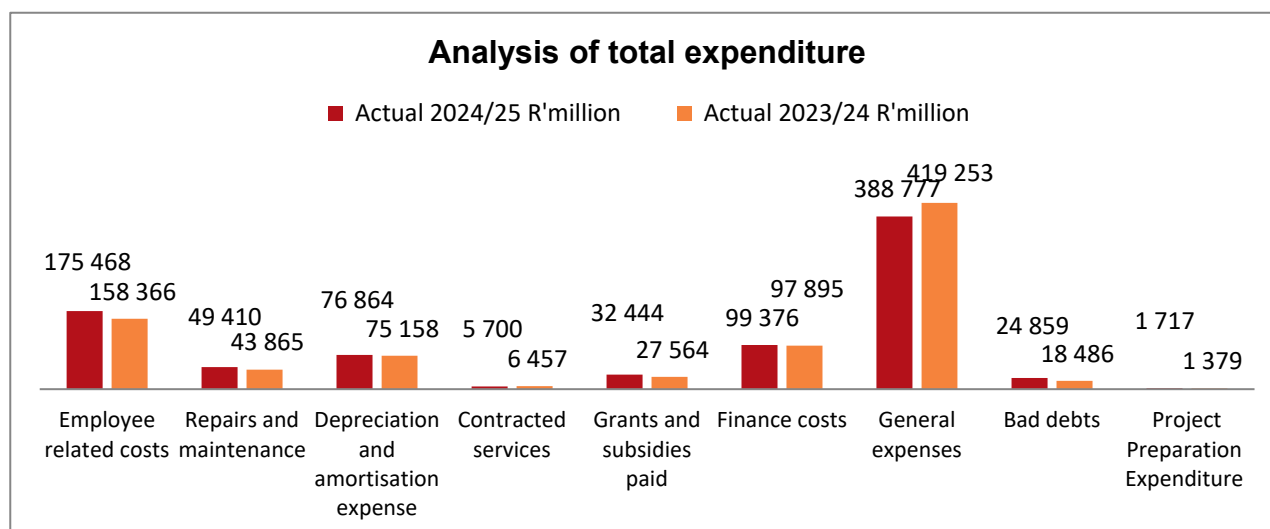
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## Total expenditure



## Analysis of Total expenditure



Total expenditure amounted to R854 billion for the current year which is a R6 billion increase from the prior year's total of R848 billion. The economic cluster and the finance cluster accounts for 56% and 27% of total expenditure, respectively.

Employee related costs and general expenses account for 66% of total expenditure; with general expenses at 46% and employee related costs at 20% of total expenditure. The main expenditure item under general expenses are cost of sales (47%).

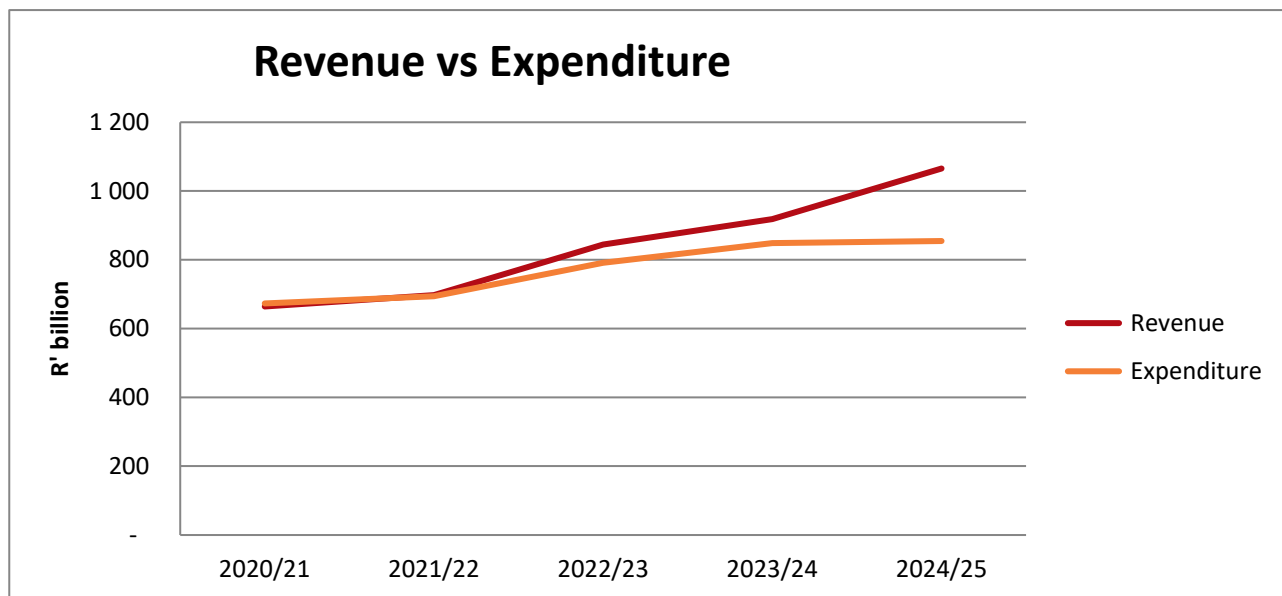
The table below shows a comparative of revenue, expenditure and the resultant surplus or (deficit) for the last five financial years.

| Revenue vs. Expenditure<br>R'million     | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue                                  | 664 323           | 697 395           | 835 571           | 918 113           | 1 065 439         |
| Expenditure                              | 672 944           | 693 925           | 781 731           | 848 422           | 854 615           |
| <b>Surplus/(Deficit) from operations</b> | <b>(8 621)</b>    | <b>3 470</b>      | <b>53 840</b>     | <b>69 691</b>     | <b>210 823</b>    |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## Revenue vs. Expenditure



The financial performance over the five-year period from 2020/21 to 2024/25 shows a clear and consistent improvement in the operating results of the consolidated public entities. Revenue increased steadily from R664.323 billion in 2020/21 to R1 065.439 billion in 2024/25, reflecting strong growth of about 60% over the period. Expenditure also grew, rising from R672.944 billion in 2020/21 to R854.615 billion in 2024/25, a more moderate increase of 27%. While spending has continued to rise in line with operational demands, the slower pace compared to revenue growth. As a result, the operating results shifted dramatically from a deficit of R8.621 billion in 2020/21 to a record surplus of R210.823 billion in 2024/25.

## LOSS / DEFICIT MAKING PUBLIC ENTITIES

The following is a list of the entities which have disclosed losses/deficits for the current year

| Name of Entity                                       | 2024/25          | 2023/24          | Movement in Loss |
|--|------------------|------------------|------------------|
| Schedule 1   | R'000            | R'000            | R'000            |
| Commission for Gender Equality (CGE)                 | (2 680)          | (2 996)          | 316              |
| Independent Communications Authority of South Africa | (60 284)         | (21 987)         | (38 297)         |
| Independent Electoral Commission (IEC)               | (525 661)        | (101 874)        | (423 787)        |
| Municipal Demarcation Board                          | (3 529)          | (237)            | (3 292)          |
| Pan South African Language Board                     | (12 285)         | (35 262)         | 22 977           |
| Public Protector of South Africa                     | (27 803)         | 26 156           | (53 959)         |
| South African Human Rights Commission                | (26 458)         | (9 662)          | (16 796)         |
| Commission for Gender Equality (CGE)                 | (2 680)          | (2 996)          | 316              |
|  | <b>(658 700)</b> | <b>(145 862)</b> | <b>(512 838)</b> |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

| Name of Entity                                | 2024/25            | 2023/24            | Movement in Loss |
|---|--------------------|--------------------|------------------|
| Schedule 2                                    | R'000              | R'000              | R'000            |
| Broadband Infraco                             | (289 513)          | (194 481)          | (95 032)         |
| Independent Development Trust                 | (33 361)           | (1 244)            | (32 117)         |
| South African Broadcasting Corporation (SABC) | (253 286)          | (197 759)          | (55 527)         |
| South African Post Office Limited             | (117 417)          | 5 399 461          | (5 516 878)      |
| Transnet Limited                              | (1 905 583)        | (7 326 650)        | 5 421 067        |
|   | <b>(2 599 160)</b> | <b>(2 320 673)</b> | <b>(278 487)</b> |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

| Name of Entity   | 2024/25   | 2023/24   | Movement in Loss |
|--|-----------|-----------|------------------|
| Schedule 3A  | R'000     | R'000     | R'000            |
| Accounting Standards Board                             | (141)     | 496       | (637)            |
| Agrément South Africa                                  | (9 453)   | (845)     | (8 608)          |
| Agricultural SETA                                      | (54 059)  | (24 984)  | (29 075)         |
| Amazwi South African Museum of Literature              | (643)     | (2 941)   | 2 298            |
| Artscape   | (2 363)   | 237       | (2 600)          |
| Border Management Authority                            | (90 485)  | 198 463   | (288 948)        |
| Brand SA   | (6 065)   | 658       | (6 723)          |
| Chemical Industries SETA                               | (26 982)  | (17 017)  | (9 965)          |
| Commission for Conciliation, Mediation and Arbitration | (7 008)   | 2 775     | (9 783)          |
| Companies and Intellectual Property Commission         | (26 541)  | 53 374    | (79 915)         |
| Competition Commission                                 | (19 074)  | 19 451    | (38 525)         |
| Competition Tribunal                                   | (5 371)   | (9 259)   | 3 888            |
| Construction SETA *                                    | (160 189) | 27 150    | (187 339)        |
| Co-Operatives Banks Development Agency                 | (277)     | 3 565     | (3 842)          |
| Council for Medical Schemes                            | (23 682)  | 5 357     | (29 039)         |
| Council for the Built Environment                      | (4 759)   | (5 339)   | 580              |
| Culture, Arts, Tourism, Hospitality and Sport SETA     | (168 645) | 113 673   | (282 318)        |
| Ditsong: Museums of Africa                             | (791)     | (6 431)   | 5 640            |
| Fibre Processing & Manufacturing SETA                  | (47 584)  | (80 906)  | 33 322           |
| Film and Publication Board                             | (6 393)   | (9 929)   | 3 536            |
| Financial & Accounting Services SETA                   | (128 129) | (184 900) | 56 771           |
| Financial Intelligence Centre                          | (8 482)   | 84 387    | (92 869)         |
| Food & Beverages Manufacturing SETA                    | (118 297) | (98 135)  | (20 162)         |
| Freedom Park Trust                                     | (253 128) | (247 596) | (5 532)          |
| Human Sciences Research Council                        | (57 819)  | (46 771)  | (11 048)         |
| Inkomati-Usuthu Catchment Management Agency            | (17 327)  | (2 509)   | (14 818)         |
| Insurance SETA *                                       | (216 675) | 29 939    | (246 614)        |
| International Trade Administration Commission          | (722)     | 11 017    | (11 739)         |
| Isimangaliso Wetland Park                              | (27 654)  | 7 460     | (35 114)         |
| Iziko Museums of South Africa                          | (11 401)  | (5 771)   | (5 630)          |
| Legal Aid South Africa                                 | (186 764) | (155 726) | (31 038)         |
| Marine Living Resources Fund                           | (97 012)  | (111 298) | 14 286           |
| Market Theatre Foundation                              | (7 794)   | 21 835    | (29 629)         |
| Mines and Works Compensation Fund                      | (8 826)   | 416 659   | (425 485)        |
| Mining Qualifications Authority                        | (443 544) | (116 211) | (327 333)        |
| National Agricultural Marketing Council                | (1 976)   | 3 085     | (5 061)          |
| National Consumer Commission                           | (6 378)   | 1 402     | (7 780)          |
| National Economic Development and Labour Council       | (5 166)   | (17 380)  | 12 214           |
| National Electronic Media Institute of South Africa    | (3 506)   | (7 033)   | 3 527            |
| National Energy Regulator of South Africa              | (62 470)  | (43 338)  | (19 132)         |
| National Film and Video Foundation                     | (4 227)   | (9 330)   | 5 103            |
| National Health Laboratory Service                     | (173 387) | 1 510 283 | (1 683 670)      |
| National Library of South Africa                       | (2 841)   | 3 415     | (6 256)          |
| National Metrology Institute of South Africa           | (40 756)  | (58 715)  | 17 959           |
| National School of Government                          | (38 892)  | 28 459    | (67 351)         |
| National Youth Development Agency                      | (74 507)  | (45 230)  | (29 277)         |
| Nelson Mandela National Museum                         | (447)     | (2 533)   | 2 086            |
| Office of Health Standards Compliance                  | (8 283)   | (19 443)  | 11 160           |
| Perishable Products Export Control Board               | (19 266)  | (1 598)   | (17 668)         |
| Playhouse Company                                      | (11 395)  | (23 202)  | 11 807           |
| Public Service SETA                                    | (22 859)  | (15 702)  | (7 157)          |
| Quality Council for Trades and Occupations             | (4 911)   | 9 248     | (14 159)         |
| Railway Safety Regulator                               | (25 283)  | 6 913     | (32 196)         |
| Road Traffic Management Corporation                    | (26 360)  | 144 992   | (171 352)        |
| South African Diamond and Precious Metals Regulator    | (18 404)  | (14 107)  | (4 297)          |
| South African Institute for Drug-Free Sport            | (159)     | 688       | (847)            |
| South African National Energy Development Institute    | (9 127)   | (58 736)  | 49 609           |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

| Name of Entity                                      | 2024/25            | 2023/24          | Movement in Loss   |
|---|--------------------|------------------|--------------------|
| Schedule 3A   | R'000              | R'000            | R'000              |
| South African National Space Agency                 | (26 383)           | (17 612)         | (8 771)            |
| South African Revenue Service (SARS)                | (853 494)          | 793 903          | (1 647 397)        |
| Special Investigation Unit                          | (154 448)          | (145 264)        | (9 184)            |
| Transport Education & Training Authority *          | (14 679)           | 95 545           | (110 224)          |
| uMalusi Council for Quality Assurance               | (26 388)           | (838)            | (25 550)           |
| Universal Service and Access Agency of South Africa | (3 944)            | 8 571            | (12 515)           |
| Universal Service and Access Fund *                 | (457 552)          | (91 827)         | (365 725)          |
| Wholesale & Retail SETA                             | (79 226)           | (595 819)        | 516 593            |
| William Humphreys Art Gallery                       | (1 453)            | 387              | (1 840)            |
|   | <b>(4 422 246)</b> | <b>1 309 112</b> | <b>(5 731 358)</b> |

| Name of Entity                    | 2024/25          | 2023/24          | Movement in Loss |
|-----------------------------------|------------------|------------------|------------------|
| Schedule 3B                       | R'000            | R'000            | R'000            |
| Amatola Water Board *             | (141 982)        | (176 125)        | 34 143           |
| Onderstepoort Biological Products | (15 829)         | 37 283           | (53 112)         |
| Sentech Limited                   | (246 002)        | (145 967)        | (100 035)        |
| State Diamond Trader              | (17 386)         | (10 353)         | (7 033)          |
|                                   | <b>(421 199)</b> | <b>(295 162)</b> | <b>(126 037)</b> |

| Name of Entity                        | 2024/25            | 2023/24          | Movement in Loss   |
|---------------------------------------|--------------------|------------------|--------------------|
| Unlisted                              | R'000              | R'000            | R'000              |
| Property Management Trading Entity    | (1 954 148)        | (390 532)        | (1 563 616)        |
| Represented Political Parties Funding | (4 247)            | 2 349            | (6 596)            |
| Supported Employment Enterprises      | (34 226)           | 12 893           | (47 119)           |
|                                       | <b>(1 992 621)</b> | <b>(375 290)</b> | <b>(1 617 331)</b> |

\*Public Entities with unaudited financial information

The improvement of Eskom and CEF in the 2024/25 period data significantly reduced total losses, but core transport and communication entities still struggle, SABC and Broadband Infraco recorded worsening losses, Post Office's swing from a R5.4 billion surplus to a R117 million loss signals challenges, Transnet improved significantly (R5.4 billion gain), partially offsetting the overall decline. Despite lower totals, the sector remains fiscally fragile. Total reported losses across public entities dropped sharply from R62.2 billion in 2023/24 to R9.9 billion in 2024/25.

After showing strong recovery in 2023/24, Schedule 1 institutions experienced a sharp deterioration in 2024/25. This decline was primarily driven by the Independent Electoral Commission (IEC), whose loss expanded by R423.8 million, the Independent Communications Authority of South Africa (ICASA), which saw its deficit deepen by R38.3 million, and the Public Protector of South Africa, which shifted from a surplus position to a R27.8 million loss. This reversal indicates renewed financial strain across constitutional institutions, largely attributable to election-related expenditure, increased operational demands, and heightened compliance costs during the period.

Schedule 3A entities moved from a period of relative stability back into substantial loss territory, with total deficits rising to over R4.4 billion in 2024/25. The most significant contributor was the South African Revenue Service (SARS), which recorded a R853 million loss, reversing from a prior surplus. Other major losses stemmed from the Mining Qualifications Authority (R443 million) and the Universal Service and Access Fund (R457 million), both reflecting large-scale financial deteriorations. In addition, several Sector Education and Training Authorities (SETAs) notably those in Insurance, Culture, Arts & Tourism, and Construction posted steep deficits, pointing to systemic inefficiencies within the skills development funding framework. Overall, the growing volatility in Schedule 3A underscores ongoing challenges related to operational mismanagement, poor financial oversight, and weak cost control among regulatory and training institutions.

# REVIEW OF OPERATING RESULTS

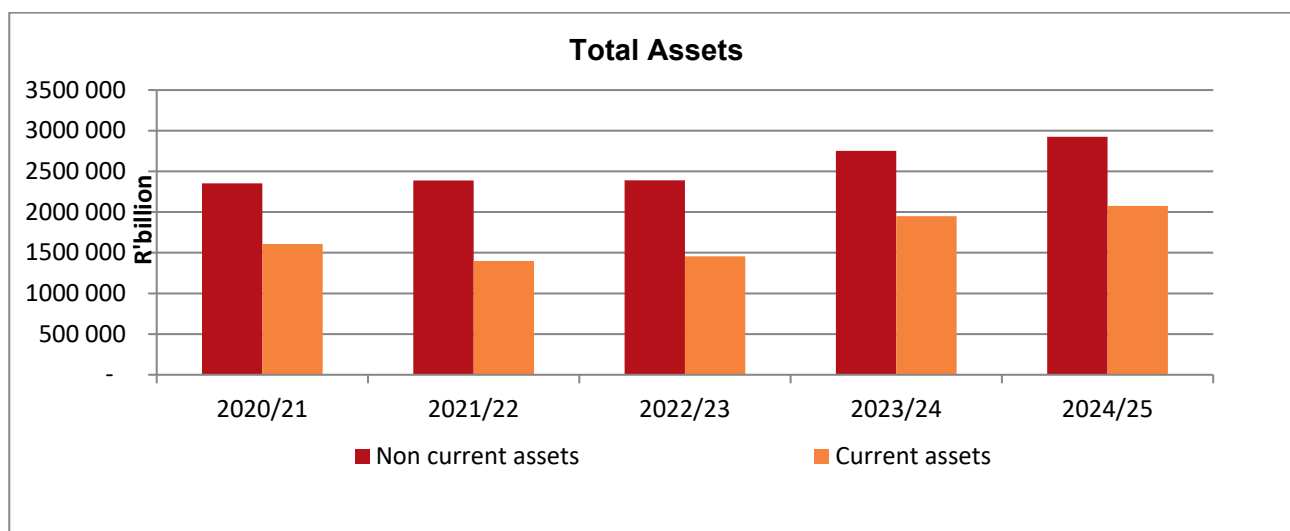
FOR THE YEAR ENDED 31 MARCH 2025

## FINANCIAL POSITION

### Total assets

| Assets<br>R'million | 2024/25<br>R' million | 2023/24<br>R' million |
|---------------------|-----------------------|-----------------------|
| Non-current assets  | 2 939 637             | 2 767 353             |
| Current assets      | 2 061 782             | 1 938 248             |
| <b>Total Assets</b> | <b>5 001 419</b>      | <b>4 705 601</b>      |

Total assets increased by R296 billion to R5.001 trillion (2023/24: R4.706 trillion) in the current year. This significant increase is mainly attributable to an increase in property plant and equipment (PPE) as well as cash and cash equivalents.



Non-current assets constitute 58% (R2.924 trillion) of total assets in the current financial year. The significant contributors of non-current assets are SANRAL (R772 billion), Eskom (R729 billion) and Transnet (R369 billion). The three entities combined contribute 64% of the total non-current assets. In addition, SARB (R1.331 trillion) and Eskom (R185 billion) significantly contributed towards current assets. The two entities combined contribute 73% of the total current assets.

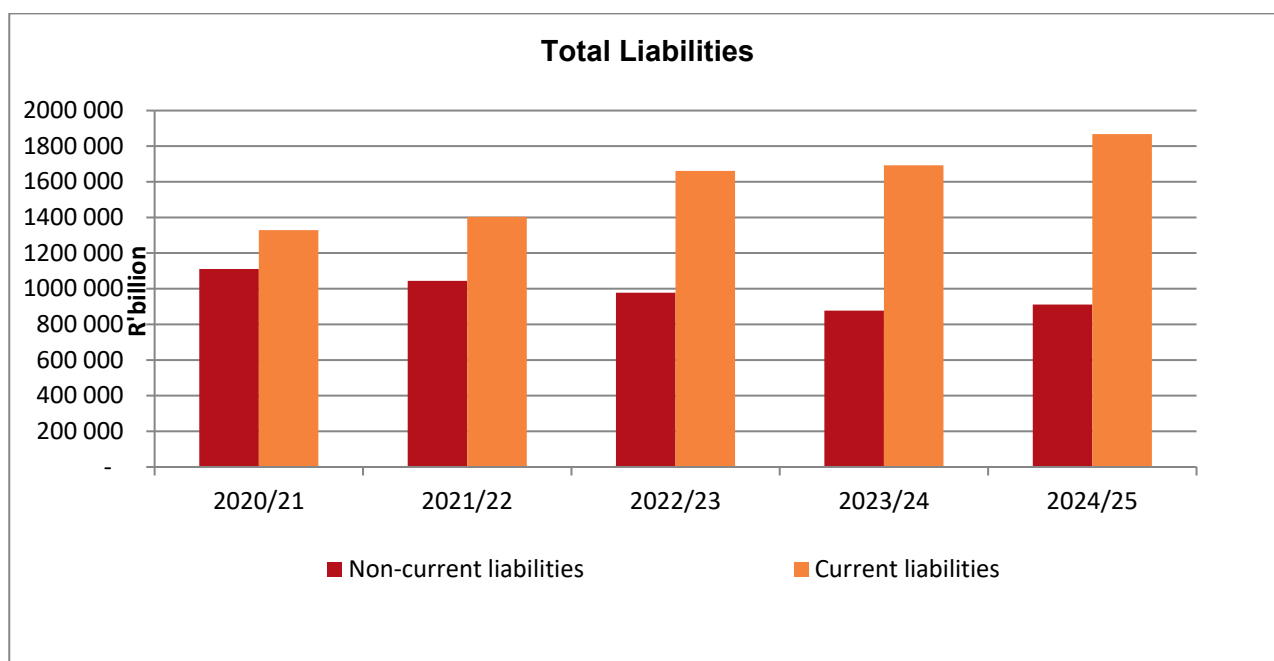
### Total liabilities

| Liabilities<br>R'million | 2024/25<br>R' million | 2023/24<br>R' million |
|--------------------------|-----------------------|-----------------------|
| Non-current liabilities  | 910 930               | 876 747               |
| Current liabilities      | 1 867 641             | 1 692 505             |
| <b>Total liabilities</b> | <b>2 778 571</b>      | <b>2 569 252</b>      |

Total liabilities increased by R209 billion to R2.778 trillion (2023/24: 2.569 trillion) in the current year. This is attributable to a 114% increase in other non-current financial liabilities, 137% increase in non-current deferred income, 90% increase in unspent conditional grants and receipts and 13% increase in other current financial liabilities. Current liabilities constitute 68% (2023/24: 67%) of total liabilities in the current year. SARB and Eskom combined contributed a significant 67% (R1.881 trillion) to total liabilities.

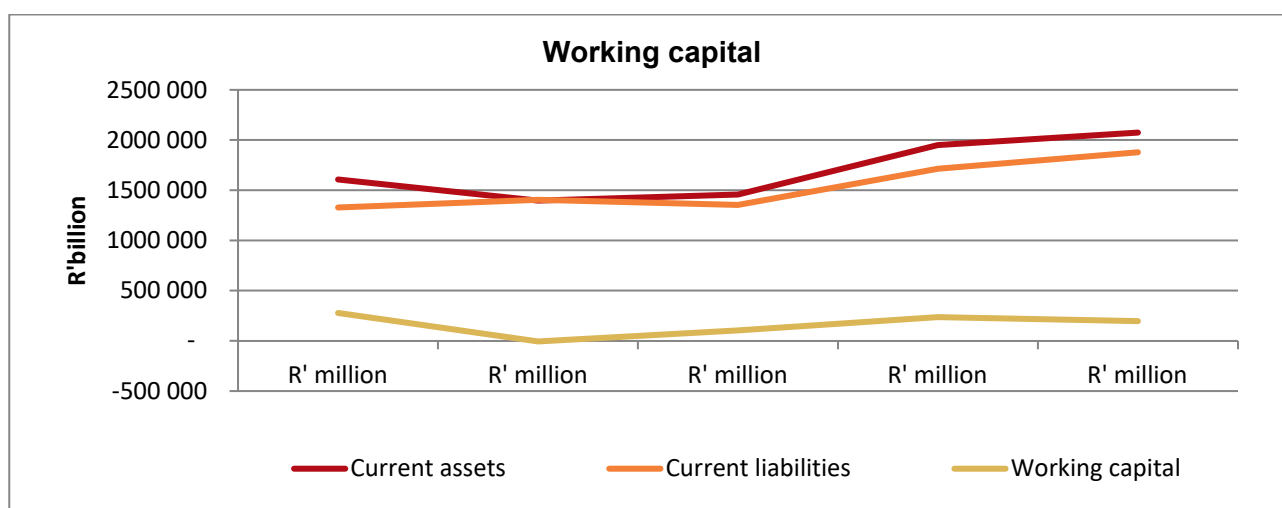
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



## WORKING CAPITAL

| Working Capital<br>R'million | 2020/21<br>R' million | 2021/22<br>R' million | 2022/23<br>R' million | 2023/24<br>R' million | 2024/25<br>R' million |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Current assets               | 1 397 700             | 1 456 307             | 1 783 470             | 1 938 248             | 2 061 782             |
| Current liabilities          | 1 403 459             | 1 353 279             | 1 516 668             | 1 692 505             | 1 867 641             |
| Working capital              | (5 759)               | 103 028               | 266 802               | 245 743               | 194 141               |



The consolidated public entities' working capital position has shown notable improvement over the five-year period, reflecting a stronger liquidity and short-term financial health trajectory. Current assets increased steadily from R1 397.700 billion in 2020/21 to R2 061.782 billion in 2024/25, representing a growth of 48%. Current liabilities also grew, rising from R1 403.459 billion in 2020/21 to R1 867.641 billion in 2024/25, an increase of 33%.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

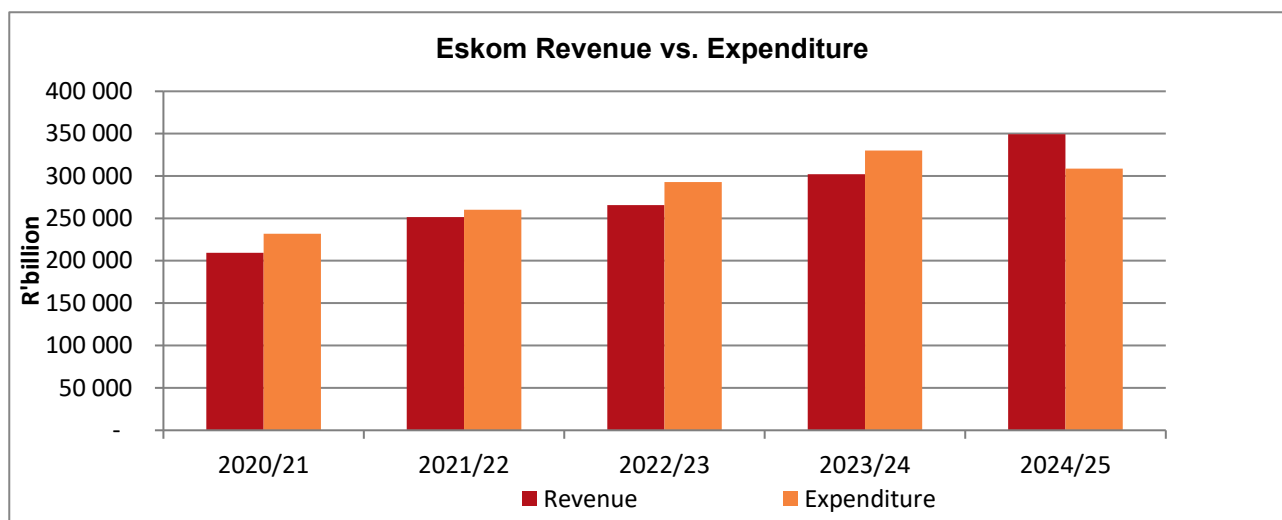
The resulting working capital position shifted from a negative R5.759 billion in 2020/21 to a positive R103.028 billion in 2021/22, and further strengthened to R245.743 billion in 2022/23. However, in 2023/24 and 2024/25, working capital declined slightly to R245.743 billion and R194.141 billion, respectively. This slight decline suggests that while liquidity remains strong, short-term liabilities have grown at a faster pace in recent years.

## ESKOM

As a State-Owned Company (SOC), Eskom is answerable to the government, represented by the Minister of Public Enterprises. Eskom is South Africa's primary electricity supplier. Eskom generates, transmits and distributes electricity to industrial, mining, commercial, agricultural and residential customers. It also sells electricity to municipalities, which in turn redistribute to businesses and households within their areas.

| Eskom Summary<br>R' million              | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue                                  | 209 397           | 251 461           | 265 666           | 302 004           | 349 304           |
| Expenditure                              | 231 758           | 260 097           | 292 873           | 329 973           | 308 694           |
| <b>Surplus/(Deficit) from Operations</b> | <b>(22 360)</b>   | <b>(8 636)</b>    | <b>(27 207)</b>   | <b>(27 969)</b>   | <b>40 611</b>     |

\* Unaudited financial information



Eskom's financial performance over the five-year period shows a notable improvement in 2024/25. Revenue increased steadily from R209.4 billion in 2020/21 to R349.3 billion in 2024/25, representing a cumulative growth of approximately 67%. Expenditure also rose over the same period, peaking at R329.97 billion in 2023/24 before declining to R308.69 billion in 2024/25, indicating some cost containment efforts. The utility recorded operating deficits for four consecutive years, with the largest being R27.97 billion in 2023/24, but achieved a significant turnaround in 2024/25, reporting a surplus of R40.61 billion. This marks a major recovery, suggesting improved revenue collection, efficiency gains, and potential benefits from operational restructuring.

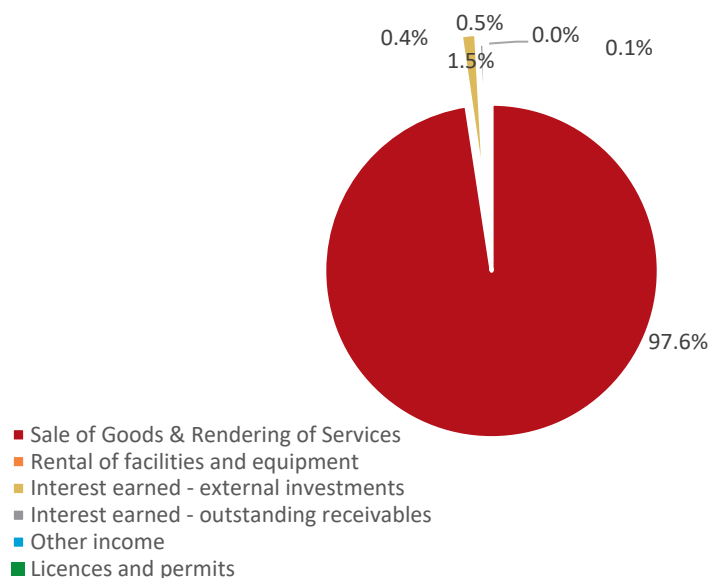


# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

\*Unaudited financial information

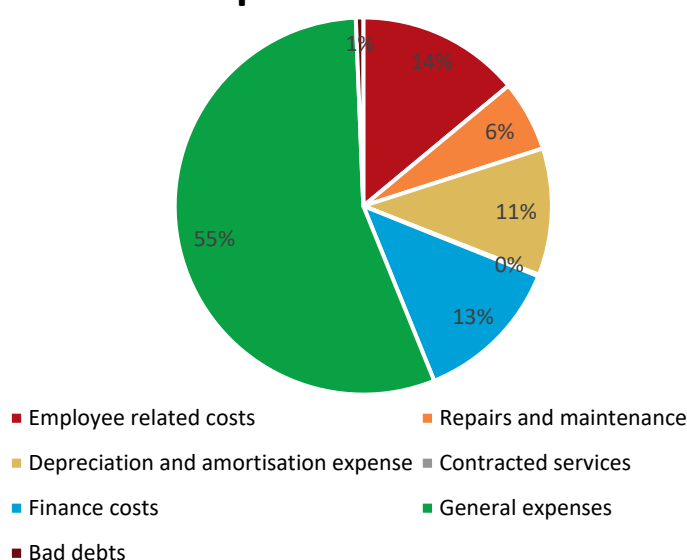
## Eskom Revenue Breakdown 2024/25



Total revenue increased by R47.3 billion (15.7%), rising from R302.0 billion in 2023/24 to R349.3 billion in 2024/25. The growth was mainly driven by higher sales of goods and services, which increased by 15.2%, supported by strong demand and pricing adjustments. Sales of goods and services remain the dominant revenue contributor, accounting for about 97.6% of total revenue. Interest income increased its share slightly, indicating improved financial returns. Additional revenue growth came from interest earned on external investments and receivables, which rose by 41.9% and 37.6% respectively. Other income also improved by 23.7%, while rental income remained relatively stable.

\*Unaudited financial information

## Eskom Expenditure Breakdown 2024/25



# REVIEW OF OPERATING RESULTS

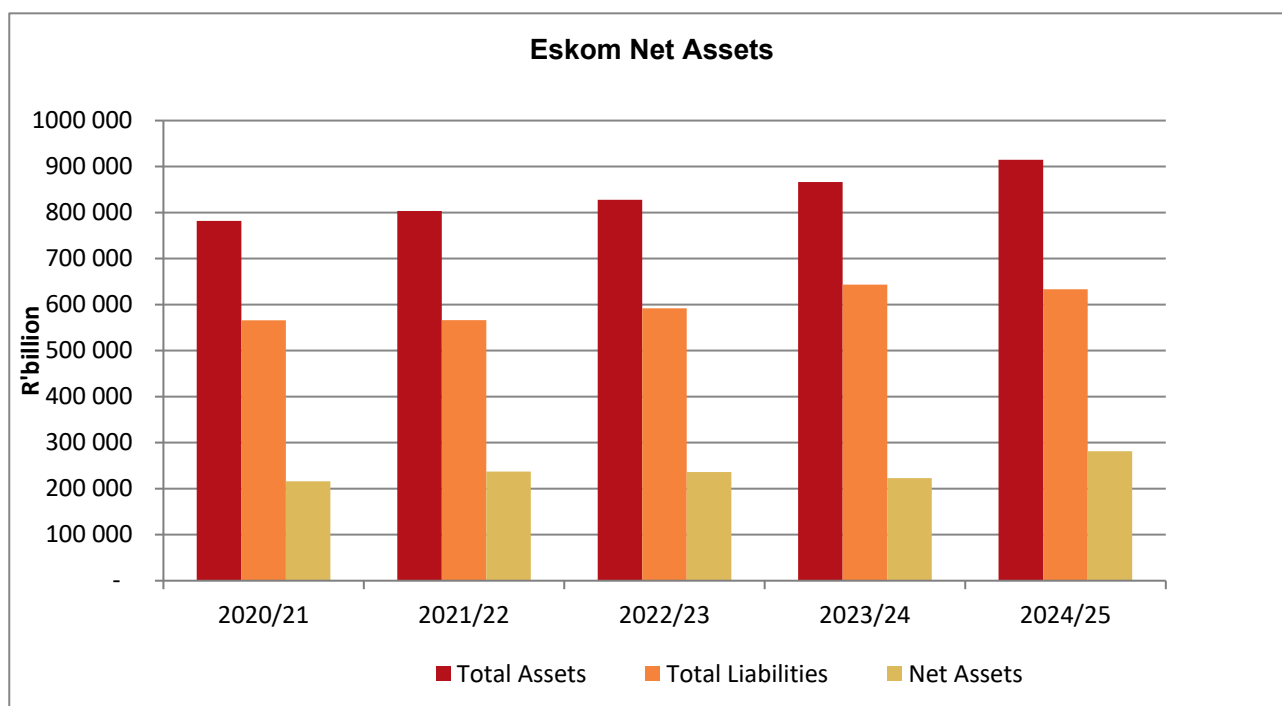
FOR THE YEAR ENDED 31 MARCH 2025

On the expense side, Eskom achieved a notable 6.4% reduction in total expenses, declining from R329.97 billion in 2023/24 to R308.69 billion in 2024/25. Key cost reductions were observed in general expenses (12.5%), finance costs (8.7%), and bad debts (43.2%), demonstrating improved expenditure and enhanced debt management. However, employee-related costs increased by 23.0%, reflecting either higher wage adjustments or staffing pressures, while repairs and maintenance rose moderately by 10.2%, consistent with Eskom's ongoing maintenance programmes to sustain reliability.

Eskom's 2024/25 expenditure is dominated by general expenses, which make up 55.5% (R171.29 billion) of total costs, indicating high operational and administrative spending. Employee-related costs account for 14% (R43.16 billion) and finance costs for 12.8% (R39.47 billion), reflecting the burden of debt and a large workforce. Depreciation and amortisation (10.9%) and repairs and maintenance (6.1%) highlight ongoing investment in infrastructure upkeep. Minor costs such as bad debts (0.6%) and contracted services (0.1%) remain minimal.

| Eskom Summary<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Assets                | 781 645           | 803 323           | 827 888           | 866 320           | 914 569           |
| Total Liabilities           | 565 809           | 566 266           | 591 800           | 643 462           | 633 428           |
| <b>Net Assets</b>           | <b>215 837</b>    | <b>237 057</b>    | <b>236 088</b>    | <b>222 858</b>    | <b>281 141</b>    |

\* Unaudited financial information



Eskom's balance sheet shows steady asset growth and improving financial stability over the five-year period from 2020/21 to 2024/25. Total assets increased consistently from R781.65 billion in 2020/21 to R914.57 billion in 2024/25 a rise of 17%, reflecting continued investment in infrastructure and operational capacity. The most notable year-on-year increase occurred between 2023/24 and 2024/25, with assets growing by R48.25 billion (5.6%), suggesting renewed capital investment or asset revaluation.

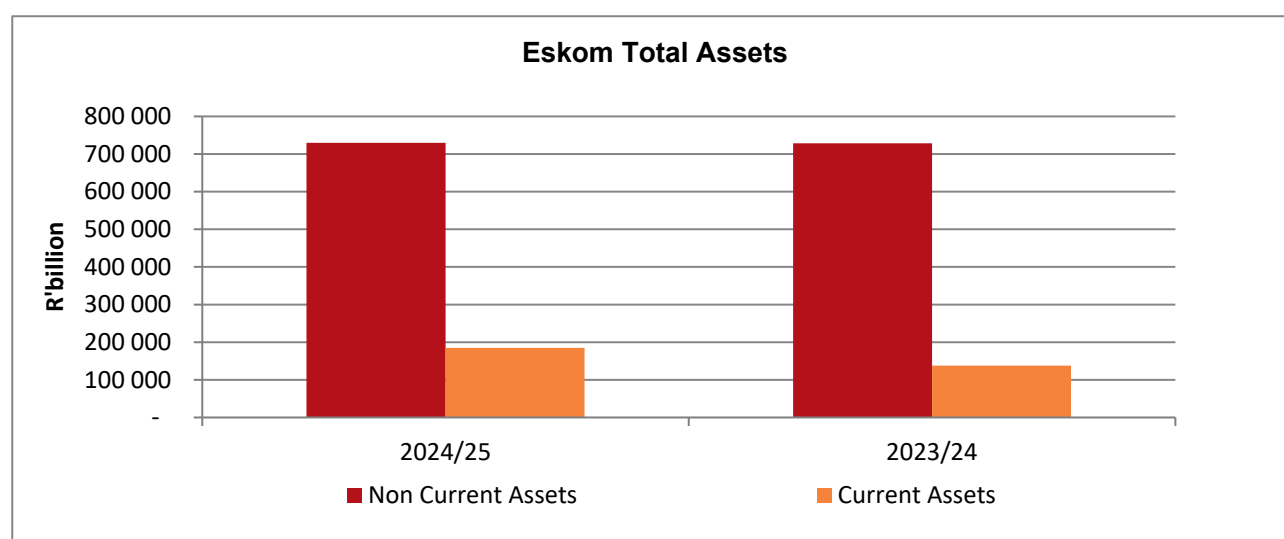
Total liabilities also rose initially, from R565.81 billion in 2020/21 to a peak of R643.46 billion in 2023/24, before declining to R633.43 billion in 2024/25. This R10 billion reduction (1.6%) indicates progress in debt repayment or liability restructuring a positive sign for Eskom's solvency position.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

As a result, net assets (equity) improved significantly, increasing from R215.84 billion in 2020/21 to R281.14 billion in 2024/25, a 30% overall rise. The strongest improvement came in 2024/25, where net assets grew by R58.28 billion (26%) from the prior year, reflecting Eskom's return to profitability and a strengthened balance sheet. Eskom's asset base is still heavily dominated by non-current assets, but the share of current assets has increased, improving the liquidity position.

*\*Unaudited financial information*



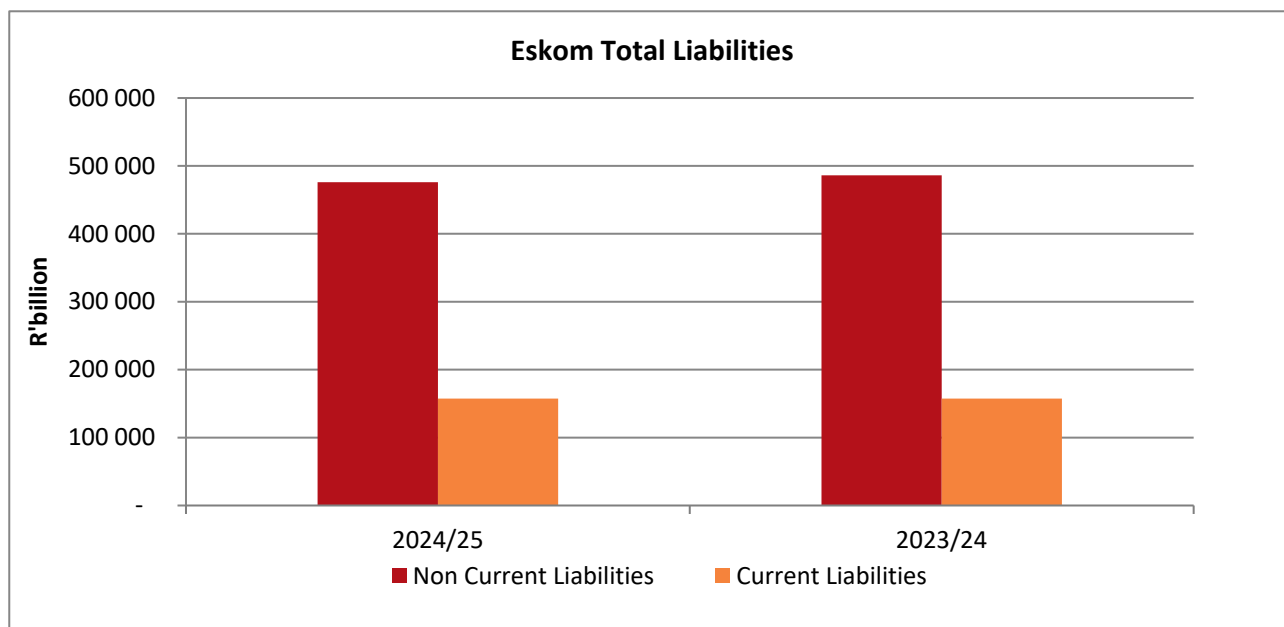
Eskom's total liabilities decreased slightly from R643.5 billion in 2023/24 to R633.4 billion in 2024/25, reflecting a 1.6% reduction year on year. The decline is primarily driven by a reduction in non-current liabilities, which fell from R486.0 billion to R476.1 billion a decrease of about R9.9 billion (2.0%).

In contrast, current liabilities remained largely stable, declining marginally from R157.5 billion to R157.4 billion. This stability suggests that Eskom's short-term financial obligations such as trade payables, current portions of debt, and accrued expenses did not change significantly over the year.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

*\* Unaudited financial information*



## Transnet

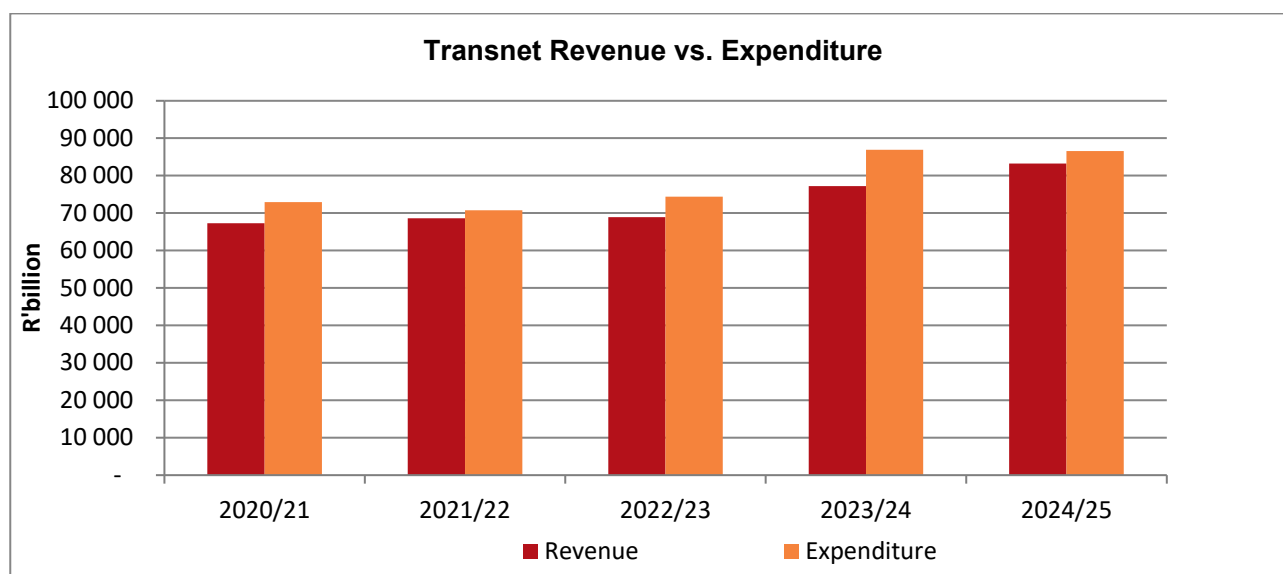
Transnet is a public company wholly owned by the Government of the Republic South Africa and is the custodian of the country's rail, ports and pipelines. Transnet is responsible for enabling competitiveness, growth and development of the South African economy through delivering reliable freight transport in a cost-effective and efficient manner, within acceptable benchmarks.

| Transnet Summary<br>R' million           | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue                                  | 67 273            | 68 585            | 68 901            | 77 208            | 83 219            |
| Expenditure                              | 72 927            | 70 731            | 74 361            | 86 882            | 86 547            |
| <b>Surplus/(Deficit) from Operations</b> | <b>(5 654)</b>    | <b>(2 146)</b>    | <b>(5 460)</b>    | <b>(9 674)</b>    | <b>(3 328)</b>    |

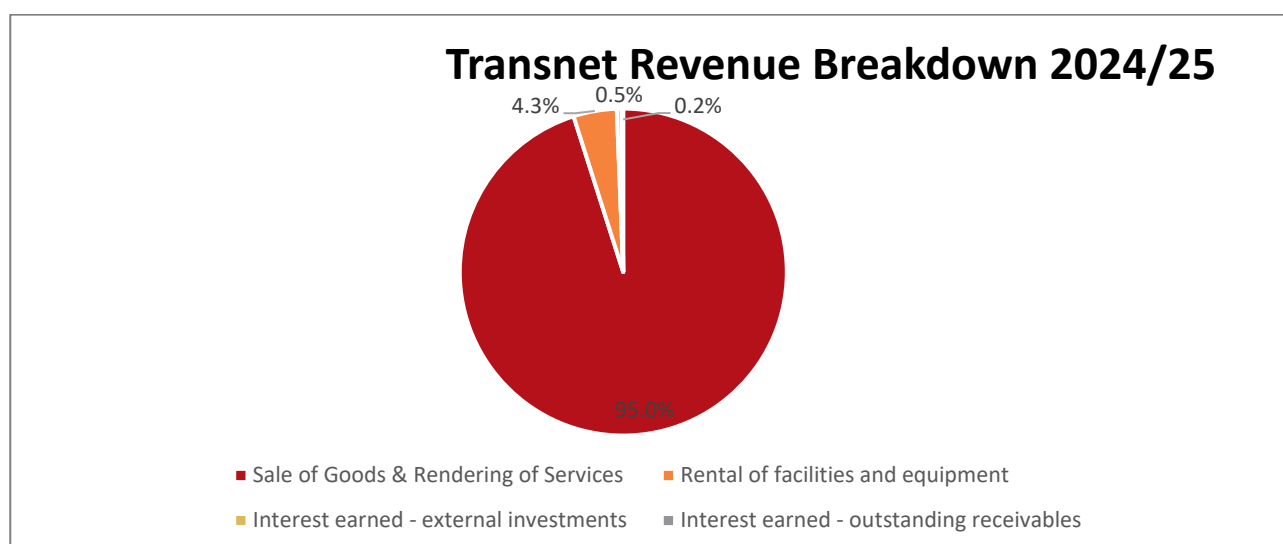
*\* Unaudited financial information*

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



Transnet's financial performance over the period 2020/21 to 2024/25 reflects a trend of persistent operating deficits, despite gradual revenue growth. Revenue increased steadily from R67.3 billion in 2020/21 to R83.2 billion in 2024/25, representing a 23.7% rise over five years. However, expenditure consistently outpaced revenue, climbing from R72.9 billion to R86.5 billion during the same period. As a result, Transnet recorded continuous operating deficits, though the magnitude of these losses fluctuated. The deficit improved slightly from R5.7 billion in 2020/21 to R2.1 billion in 2021/22, but widened again to R9.7 billion in 2023/24, before narrowing to R3.3 billion in 2024/25. This pattern suggests challenges in cost containment and operational efficiency, particularly as expenditure growth periodically exceeded revenue gains. While the smaller deficit in 2024/25 indicates some recovery, the sustained shortfall underscores the need for stronger financial management, productivity improvements, and structural reforms to restore long-term profitability and financial stability.

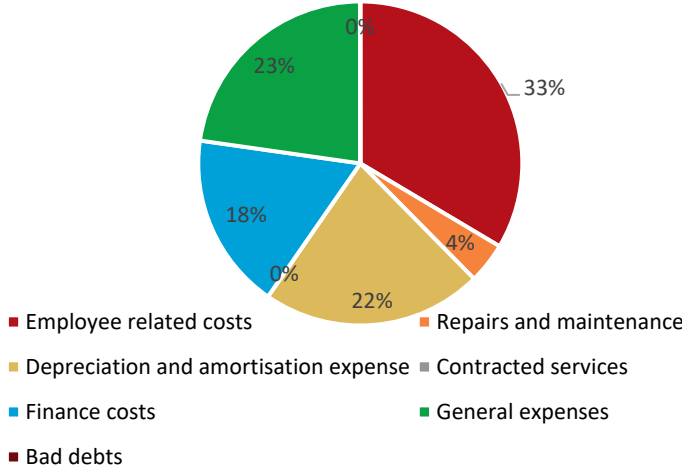


Sale of goods & rendering of services was the biggest contributor of revenue, contributing 94.7% of the total revenue. Rental of facilities and interest earned on external investments and outstanding receivables combined makes up the remaining 5.3%.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## Transnet Expenditure Breakdown 2024/25

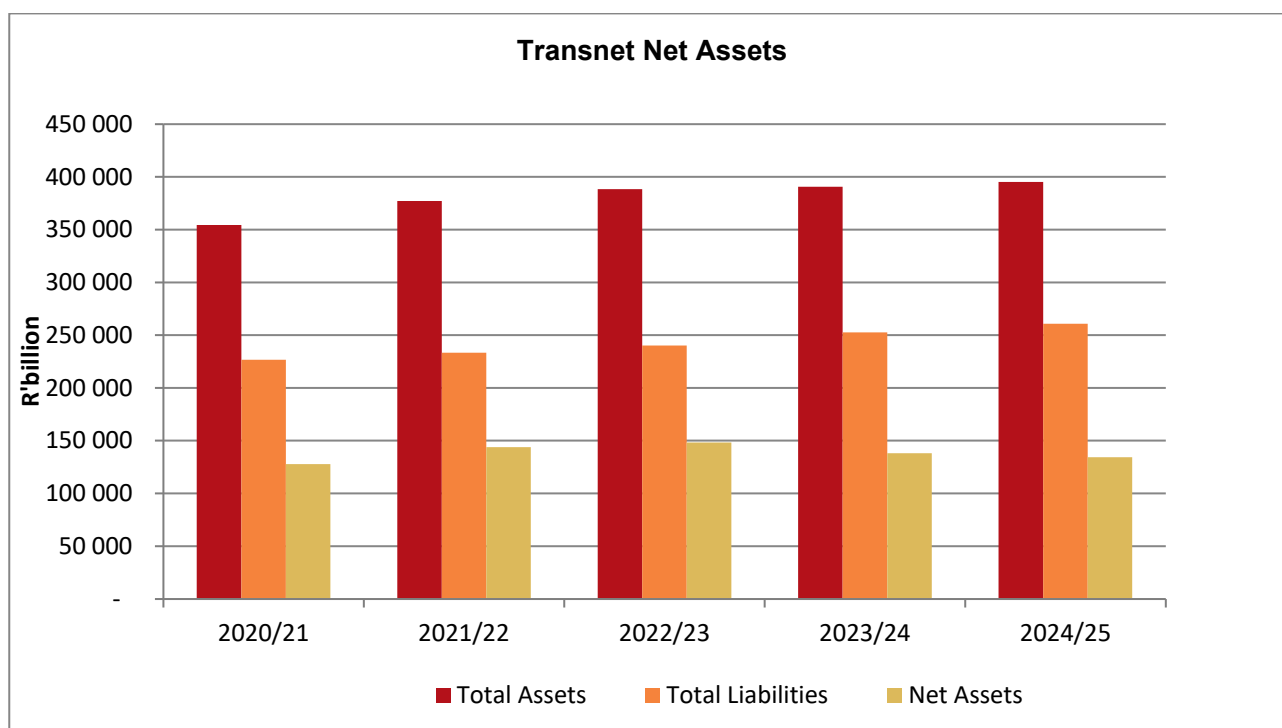


Transnet’s expenditure breakdown for 2024/25, totaling R86.5 billion, highlights that employee-related costs remain the single largest expense category, accounting for 33.6% or R29.0 billion of total spending. This indicates that labour costs continue to place significant pressure on the company’s financial performance. Depreciation and amortisation expenses make up 22.1% (R19.1 billion), reflecting the high capital intensity of Transnet’s operations and the ongoing wear and tear of infrastructure assets. General expenses, at 22.7% (R19.7 billion), also represent a substantial portion of total costs, suggesting potential room for efficiency improvements in operational and administrative spending. Finance costs account for 17.6% (R15.2 billion), underscoring the impact of debt servicing on the company’s profitability. Meanwhile, repairs and maintenance constitute a relatively small share of 4.0% (R3.5 billion), which may raise concerns about underinvestment in asset upkeep, given Transnet’s infrastructure-heavy operations. Expenditure on contracted services and bad debts is negligible.

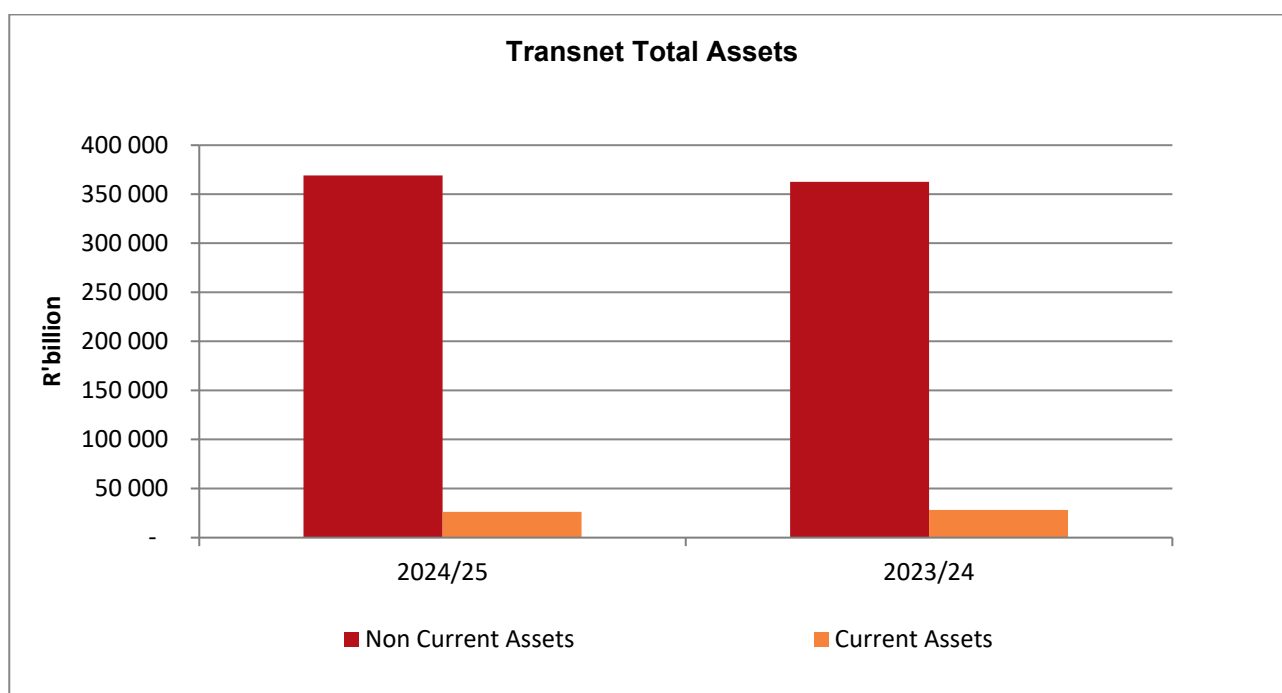
| Transnet Asset vs. Liabilities | Actual  | Actual  | Actual  | Actual  | Actual  |
|--------------------------------|---------|---------|---------|---------|---------|
| R' million                     | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Total Assets                   | 354 457 | 377 179 | 388 349 | 390 661 | 395 117 |
| Total Liabilities              | 226 637 | 233 401 | 240 121 | 252 566 | 260 768 |
| Net Assets                     | 127 820 | 143 778 | 148 228 | 138 095 | 134 349 |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



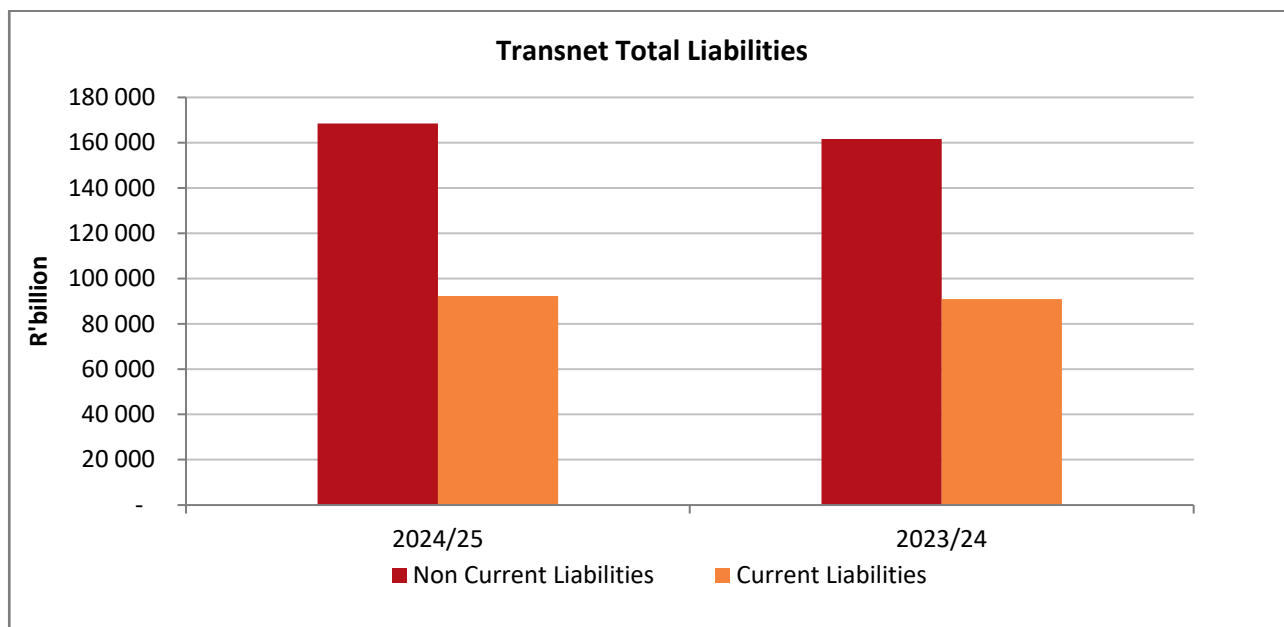
Transnet's asset and liability trends over the period 2020/21 to 2024/25 reveal steady asset growth accompanied by a faster rise in liabilities, leading to a decline in overall net assets. Total assets increased gradually from R354.5 billion in 2020/21 to R395.1 billion in 2024/25, reflecting modest investment in infrastructure and asset base expansion. However, total liabilities grew more rapidly from R226.6 billion to R260.8 billion over the same period indicating rising financial obligations. This widening gap between asset and liability growth has eroded Transnet's net asset position, which peaked at R148.2 billion in 2022/23 before declining to R134.3 billion in 2024/25.



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

Transnet total liabilities contributed 9% of the total liabilities of national public entities' liabilities. In 2023/24 total liabilities of Transnet increased by 3.25% to R260 billion (2023/24: R252 billion). The slight increase is mainly attributable to short term borrowings which increased to R88 billion (2023/24: R73 billion) recording a 21% increase.



## The South African National Roads Agency Soc Limited (SANRAL)

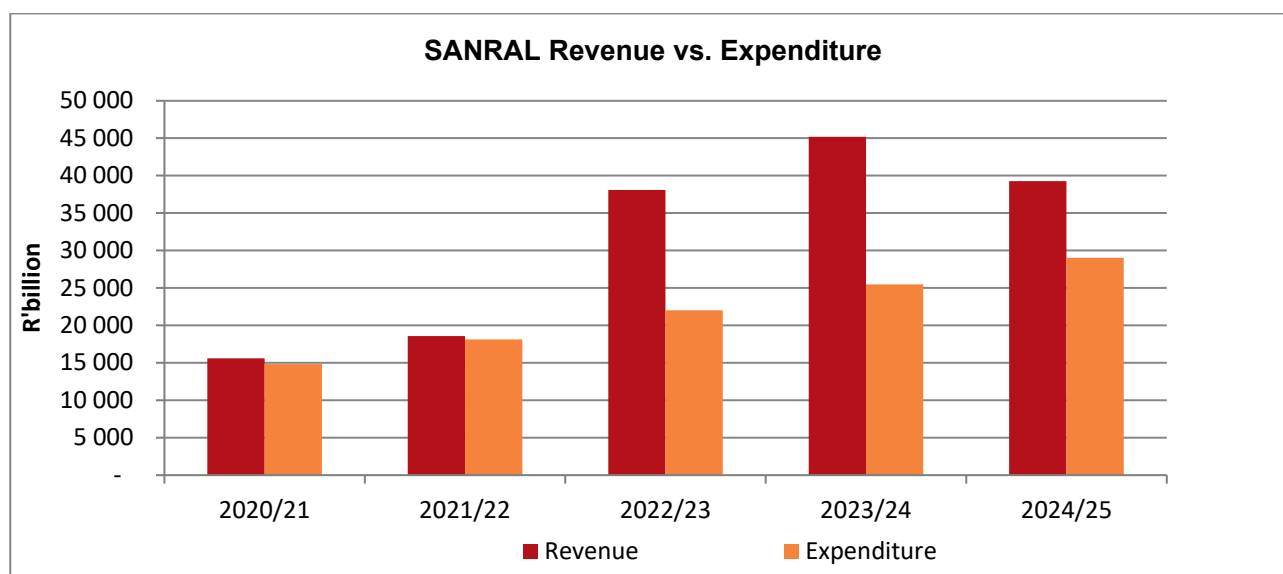
SANRAL is an independent company with its shareholder solely being the South African Government, represented by the Minister of Transport. SANRAL has a distinct mandate to finance, improve, manage and maintain the national road network of South Africa.

| <b>SANRAL Summary<br/>R' million</b>     | <b>Actual<br/>2020/21</b> | <b>Actual<br/>2021/22</b> | <b>Actual<br/>2022/23</b> | <b>Actual<br/>2023/24</b> | <b>Actual<br/>2024/25</b> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue                                  | 15 605                    | 18 578                    | 38 082                    | 45 178                    | 39 267                    |
| Expenditure                              | 14 832                    | 18 119                    | 22 000                    | 25 479                    | 29 009                    |
| <b>Surplus/(Deficit) from Operations</b> | <b>774</b>                | <b>458</b>                | <b>16 082</b>             | <b>19 700</b>             | <b>10 258</b>             |



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



Between 2020/21 and 2024/25, SANRAL's financial performance improved dramatically, driven by sharp revenue growth and moderate expenditure control. The peak performance in 2023/24 marked the organization's most profitable year, but the slight revenue drop in 2024/25 signals the need for stabilizing income sources and managing expenditure growth to sustain surpluses.

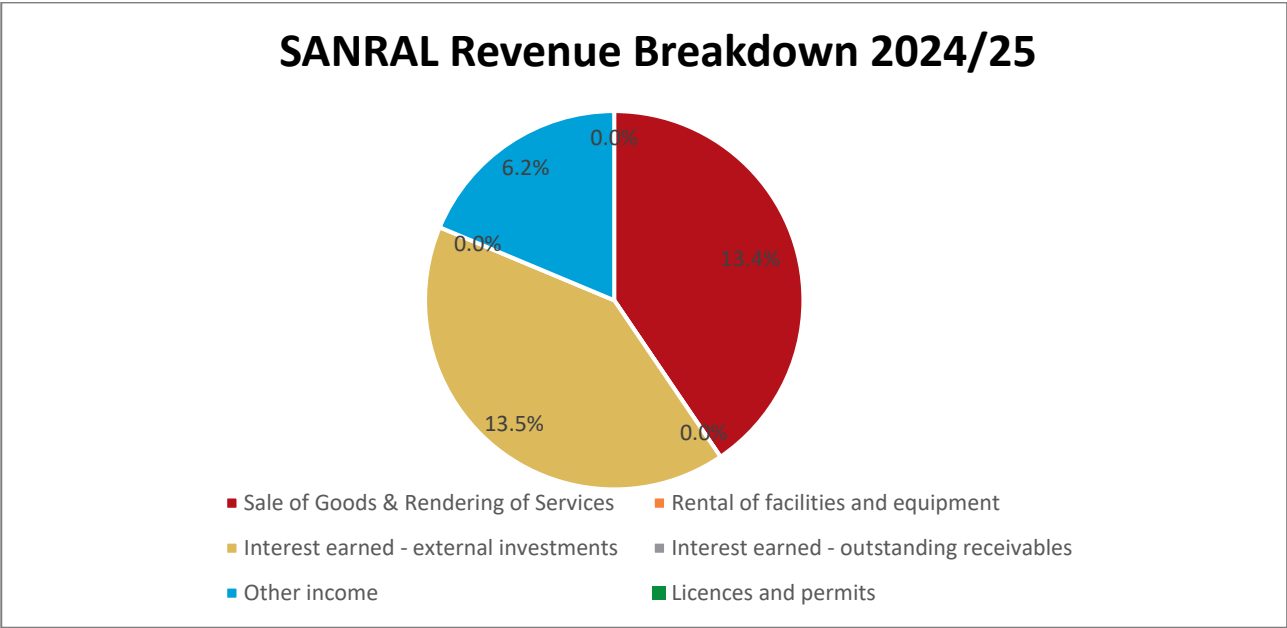
Revenue growth observed from 2020/21 to 2023/24, with a substantial jump between 2021/22 R18.6 billion and 2022/23 R38.1 billion more than double the previous year's revenue 105% however, 2024/25 shows a decline to R39.3 billion from R45.2bn in 2023/24 (13%).

Expenditure has steadily increased each year from R14.8 billion (2020/21) to R29.0 billion (2024/25) an average annual growth rate of roughly 18%. SANRAL operated with small surpluses in 2020/21 R774 million and 2021/22 R458 million. From 2022/23 onward, there is a significant improvement surpluses of R16.1 billion, R19.7 billion, and R10.3 billion, respectively.

Below is the revenue breakdown of SANRAL. The 2024/25 revenue composition for SANRAL shows a total revenue of R39.27 billion, primarily driven by interest income and service-related sales. The Sale of Goods and Rendering of Services contributed 13.4% (R5.25 billion), reflecting income from operational activities such as toll services or related infrastructure support. Interest earned from external investments was the largest single active component, accounting for 13.5% (R5.29 billion), indicating strong returns from invested funds or accumulated reserves. Meanwhile, Other Income contributed 6.2% (R2.42 billion), likely derived from once-off transactions, grants, or miscellaneous sources.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



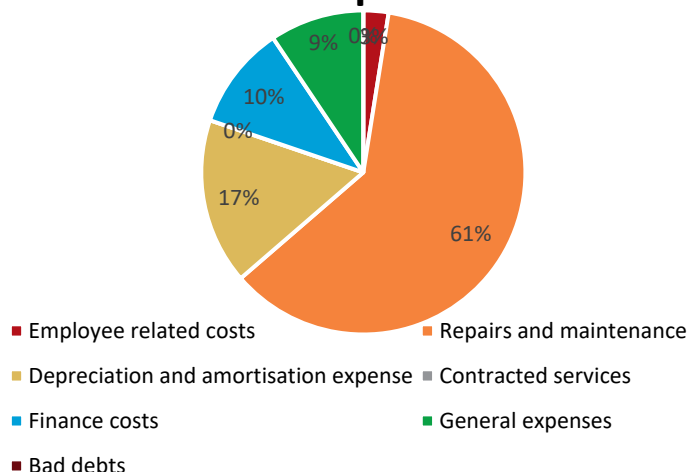
The chart below highlights a breakdown of the entity’s expenditure for 2024/25. The 2024/25 expenditure composition for SANRAL totals R29.01 billion, with the majority of spending concentrated in repairs and maintenance, which accounts for a significant 61.1% (R17.74 billion) of total costs. This reflects SANRAL’s core operational focus on maintaining and rehabilitating the national road network an essential driver of infrastructure sustainability. Depreciation and amortisation expenses represent 16.6% (R4.80 billion), indicating the continued consumption of capital assets over time, consistent with the nature of a capital-intensive organization. Finance costs, at 10.4% (R3.01 billion), suggesting a notable debt servicing obligations, possibly linked to infrastructure funding or long-term borrowings. General expenses make up 9.4% (R2.73 billion), covering operational overheads and administrative costs.

On the lower end, employee-related costs account for only 2.5% (R729 million). Overall, SANRAL’s expenditure profile reflects a capital and infrastructure-driven cost structure, with a heavy focus on network maintenance and asset sustainability. However, the high share of repairs and maintenance suggests pressure on infrastructure upkeep budgets, underscoring the need for continued investment efficiency and cost optimization to maintain operational surpluses amid fluctuating revenue levels.

# REVIEW OF OPERATING RESULTS

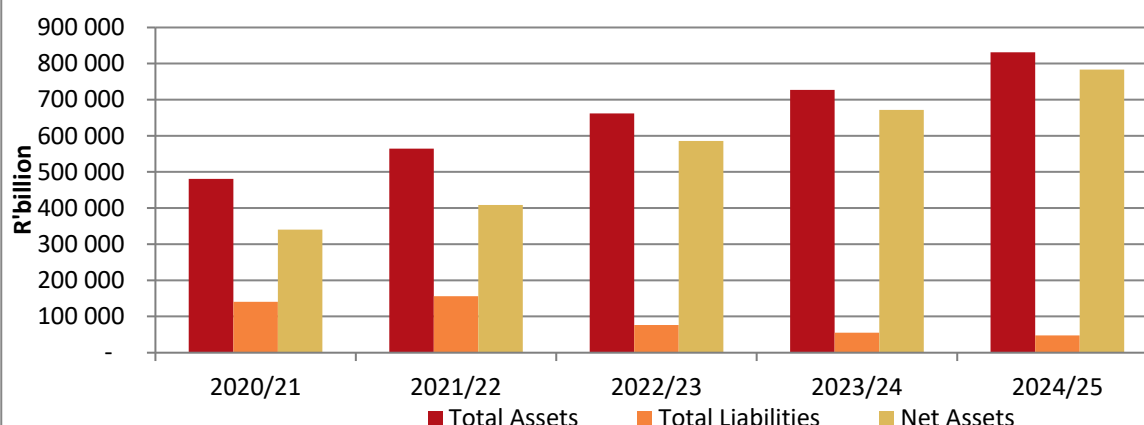
FOR THE YEAR ENDED 31 MARCH 2025

## SANRAL Expenditure Breakdown 2024/25



| SANRAL Summary<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Assets                 | 480 509           | 564 553           | 661 964           | 727 012           | 830 983           |
| Total Liabilities            | 140 357           | 156 171           | 76 052            | 55 173            | 47 657            |
| Net Assets                   | 340 152           | 408 382           | 585 912           | 671 839           | 783 326           |

## SANRALNet Assets



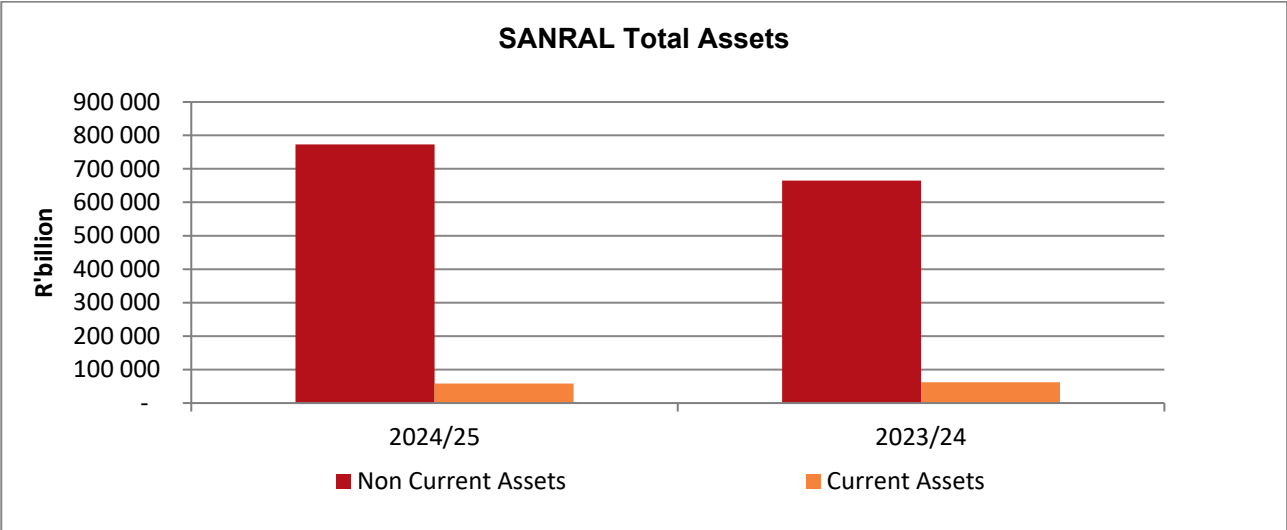
Over the five-year period from 2020/21 to 2024/25, SANRAL's financial position shows a strong upward trend in total assets and net assets, accompanied by a substantial reduction in liabilities. Total assets increased steadily from R480.5 billion in 2020/21 to R831.0 billion in 2024/25, reflecting continuous investment in infrastructure development and asset growth. In contrast, total liabilities declined sharply from R156.2 billion in 2021/22 to R47.7 billion in 2024/25, indicating significant debt repayment that strengthened the organisation's solvency. As a result, net assets more than doubled, rising from R340.2 billion to R783.3 billion over the same period.

The graph below shows the composition of SANRAL's total assets for 2024/25 and 2023/24. The analysis of SANRAL's asset composition a notable increase in total assets from R727.0 billion to R831.0 billion, representing a growth of approximately 14%. This growth is primarily driven by a substantial rise in non-current assets, which increased from R664.9 billion to R772.7 billion, indicating continued investment in long-

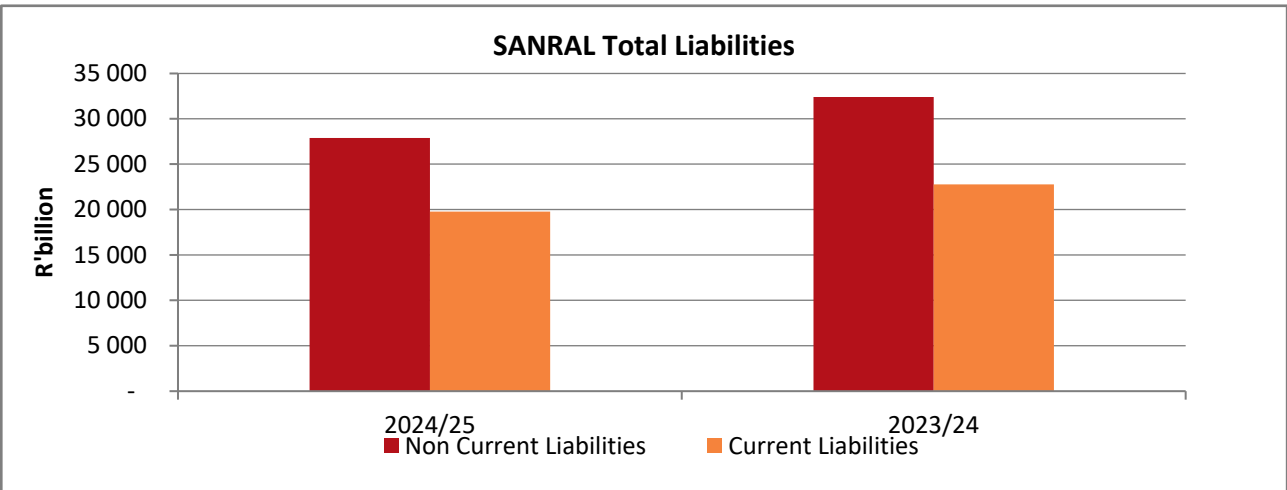
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

term infrastructure projects and capital expansion. The dominance of non-current assets highlights SANRAL’s asset-intensive nature as a national roads agency focused on long-term infrastructure development. In contrast, current assets decreased slightly from R62.1 billion to R58.3 billion, indicating lower short-term liquidity.



SANRAL’s total liabilities shown in the graph below reflect a declining trend between 2023/24 and 2024/25, decreasing from R55.17 billion to R47.66 billion, a reduction of approximately 14%. Both non-current and current liabilities contributed to this improvement. Non-current liabilities dropped from R32.40 billion to R27.88 billion. Similarly, current liabilities decreased from R22.77 billion to R19.77 billion, suggesting improved short-term liquidity management and timely settlement of operational payables.



# REVIEW OF OPERATING RESULTS

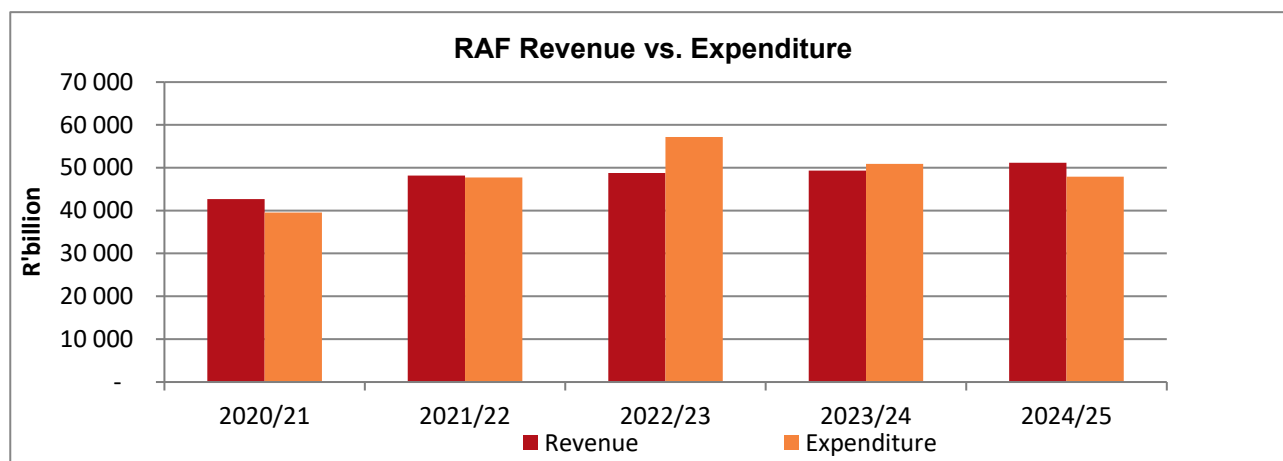
FOR THE YEAR ENDED 31 MARCH 2025

## Road Accident Fund

The Road Accident Fund (RAF) is a schedule 3(A) entity, wholly owned by government. RAF is responsible for providing compulsory social insurance cover to all users of the South African roads; to rehabilitate and compensate persons injured as a result of negligence driving of motor vehicles, in a timely and caring manner; and to actively promote the safe use of South African roads. The RAF provides two types of cover, namely personal insurance cover to accident victims or their families, and indemnity cover to wrongdoers.

| RAF Summary<br>R' million                | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue                                  | 42 687            | 48 155            | 48 758            | 49 312            | 51 154            |
| Expenditure                              | 39 535            | 47 726            | 57 186            | 50 902            | 47 921            |
| <b>Surplus/(Deficit) from Operations</b> | <b>3 152</b>      | <b>428</b>        | <b>(8 429)</b>    | <b>(1 590)</b>    | <b>3 233</b>      |

\* Unaudited financial information



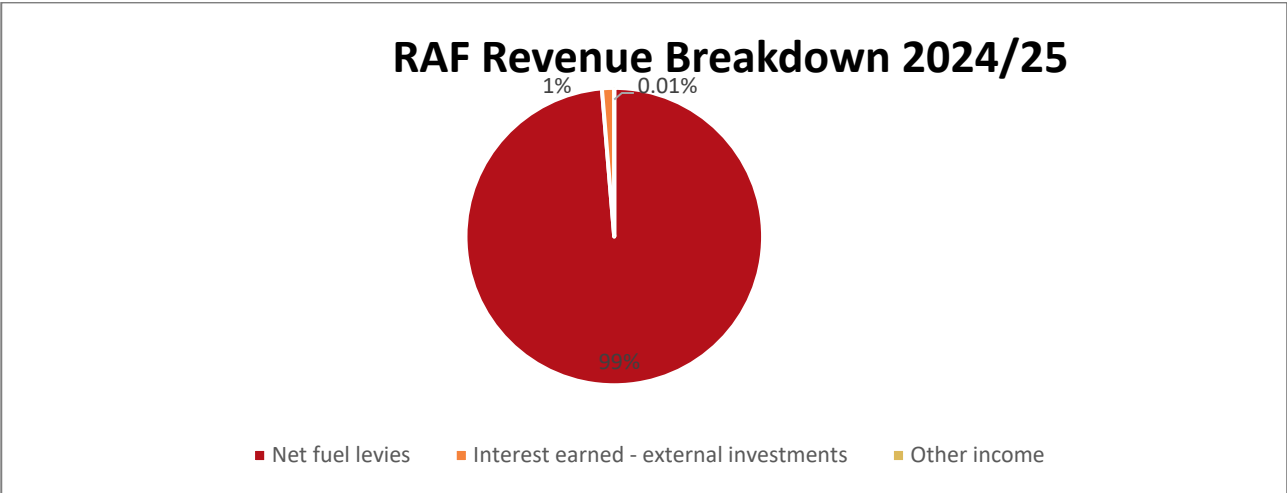
RAF shows a mixed financial performance trend over the five-year period from 2020/21 to 2024/25. Revenue has grown steadily but modestly, increasing from R42.69 billion in 2020/21 to R51.15 billion in 2024/25, reflecting a cumulative rise of about 20%. This consistent growth indicates stable income source driven by fuel levy adjustments. However, expenditure has been more volatile, rising sharply from R39.54 billion in 2020/21 to a peak of R57.19 billion in 2022/23, before moderating to R47.92 billion in 2024/25. The sharp expenditure surge in 2022/23 resulted in a substantial operating deficit of R8.43 billion, mainly due to high claim settlements and administrative costs.

From 2023/24 onward, RAF's financial position improved, narrowing the deficit to R1.59 billion and then achieving a surplus of R3.23 billion in 2024/25 its first meaningful recovery since 2021/22. This turnaround suggests stronger cost containment, operational reforms, or improved revenue management. Overall, while RAF's long-term financial sustainability remains a challenge due to the historic volatility of claims expenditure, the recent recovery trend signals progress toward fiscal stability and operational efficiency if current reforms are maintained.

\* Unaudited financial information

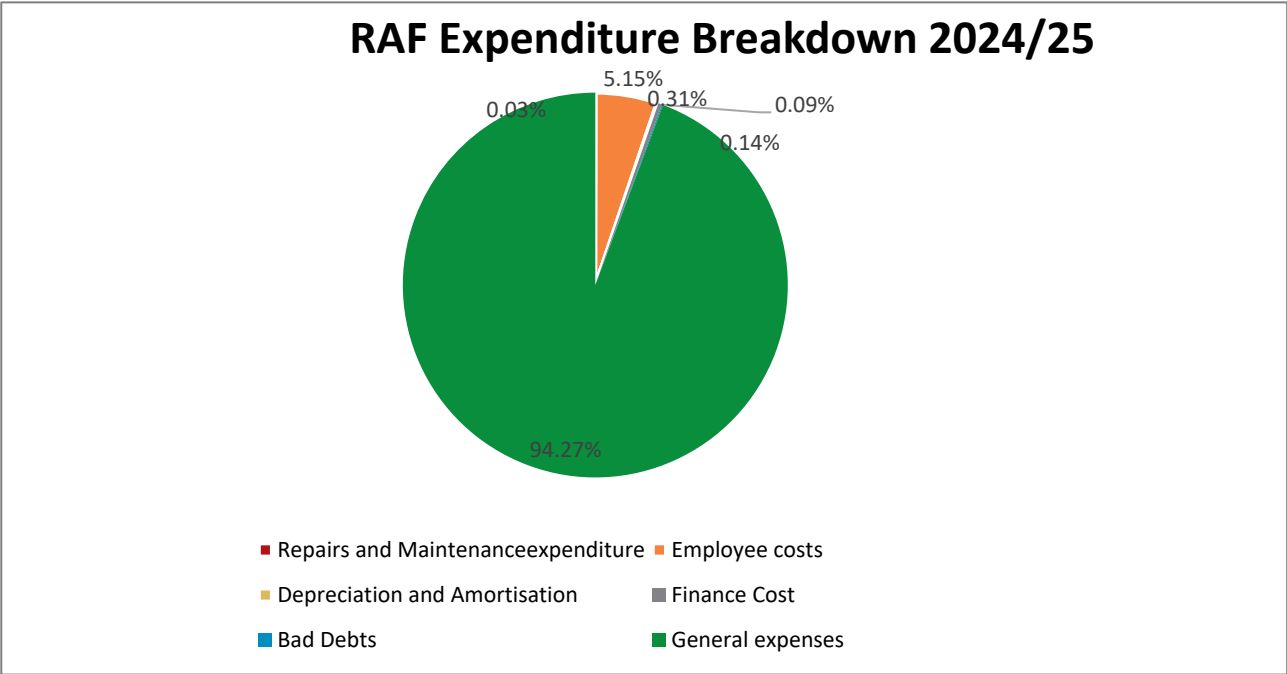
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



The 2024/25 revenue breakdown for the Road Accident Fund (RAF) above reveals a highly concentrated income structure, with net fuel levies accounting for an overwhelming 99% of total revenue R50.47 billion. This underscores the Fund’s heavy reliance on the national fuel levy as its primary and almost exclusive funding source. Interest earned from external investments contributes a minimal 1% equating to R680 million, reflecting limited returns from invested funds, while other income is negligible at R3 million, making up less than 0.01% of total revenue.

*\* Unaudited financial information*



The total expenditure for the RAF amounts to R47.9 billion, with the largest portion allocated to General Expenses, which represent 94.27% of the total (R45.2 billion). This indicates that the bulk of the organization’s spending is concentrated in this category, with admin expenses making R44.7 billion of general expenses. Employee Costs make up 5.15% (R2.5 billion), the second-largest expense. Smaller proportions are attributed to Finance Costs at 0.31% (R150 million), Depreciation and Amortisation at 0.14% (R67 million), Bad Debts at 0.09% (R43 million), and Repairs and Maintenance Expenditure at 0.03% (R15 million).

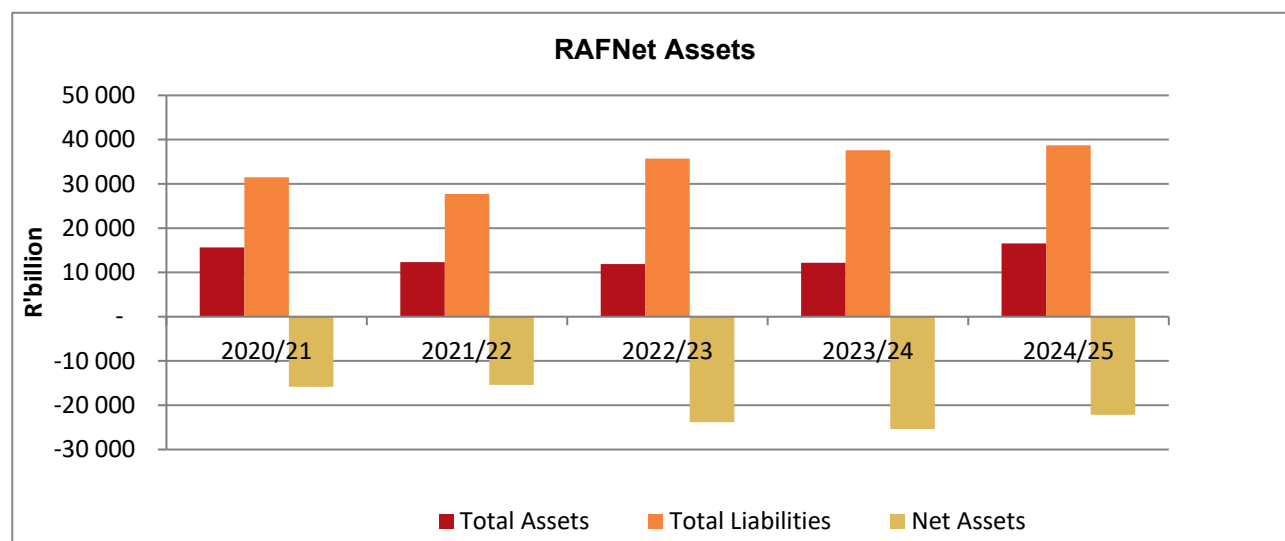
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

The RAF's financial position over the five-year period from 2020/21 to 2024/25 below reflects a persistently strained balance sheet, characterized by liabilities that significantly exceed total assets. Total assets declined from R15.7 billion in 2020/21 to R12.2 billion in 2023/24, before improving to R16.5 billion in 2024/25, indicating some recovery in asset value in the latest year. In contrast, total liabilities have shown a consistent upward trend from R31.5 billion in 2020/21 to R38.7 billion in 2024/25 demonstrating ongoing financial pressure and increasing obligations. Consequently, net assets remain negative throughout the period, worsening from (R15.8 billion) in 2020/21 to a low of (R25.4 billion) in 2023/24, before slightly improving to (R22.2 billion) in 2024/25. This persistent negative net asset position highlights the RAF's insolvency risk, suggesting that liabilities continue to outpace asset growth.

| RAF Summary<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Assets              | 15 663            | 12 314            | 11 878            | 12 194            | 16 549            |
| Total Liabilities         | 31 497            | 27 713            | 35 701            | 37 594            | 38 709            |
| <b>Net Assets</b>         | <b>(15 834)</b>   | <b>(15 399)</b>   | <b>(23 823)</b>   | <b>(25 401)</b>   | <b>(22 161)</b>   |

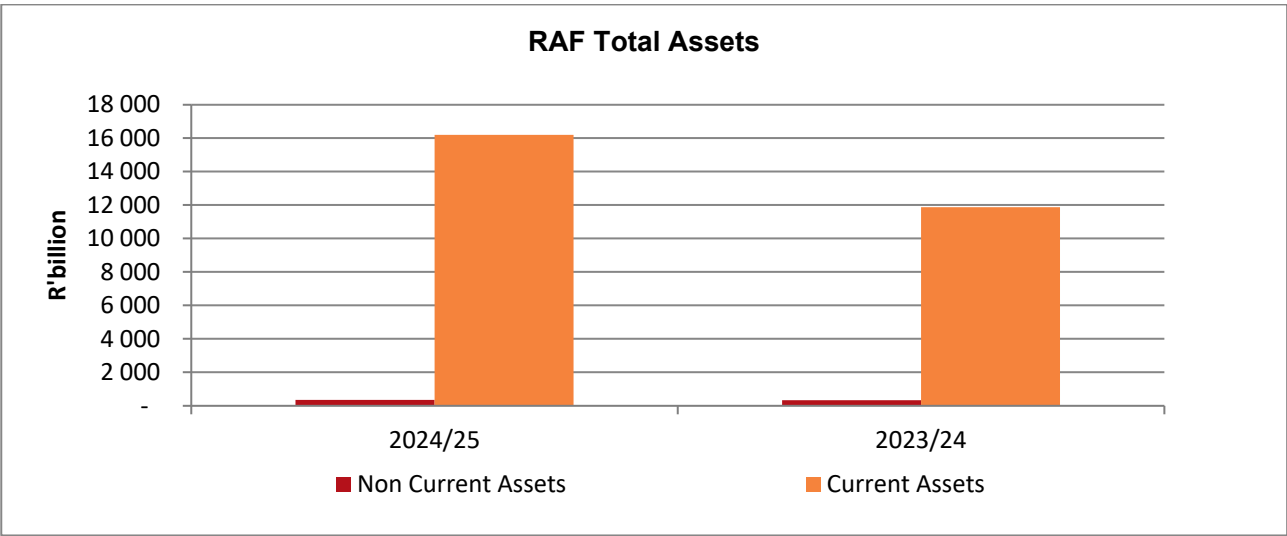
\* Unaudited financial information



The RAF's total assets in a graph below increased significantly from R12.2 billion in 2023/24 to R16.5 billion in 2024/25, reflecting an overall growth of approximately R4.4 billion. This improvement was mainly driven by a substantial rise in current assets, which grew from R11.9 billion to R16.2 billion an increase of about 36.5%. The growth in current assets suggests improved liquidity and stronger short-term financial capacity, due to higher cash balances, receivables, and short-term deposits. Non-current assets also increased modestly from R328 million to R352 million, indicating limited but steady investment in long-term resources.

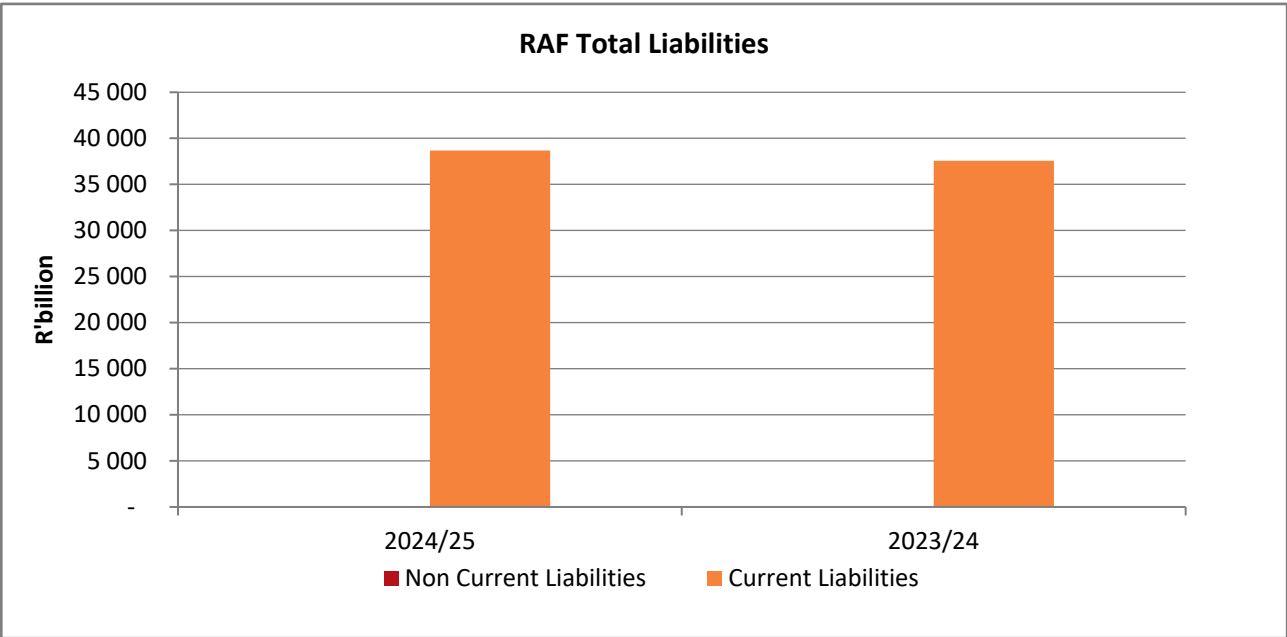
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



The RAF’s total liabilities increased from R37.6 billion in 2023/24 to R38.7 billion in 2024/25, representing a rise of approximately R1.1 billion or 2.9% year-on-year. This growth was primarily driven by an increase in current liabilities, which climbed from R37.6 billion to R38.7 billion, indicating that the majority of the RAF’s obligations remain short-term in nature. Non-current liabilities also rose modestly from R36 million to R41 million, showing limited change in the long-term debt profile. The predominance of current liabilities highlights ongoing liquidity pressures, as most of the RAF’s financial obligations are due within a year. While the overall increase in liabilities is moderate, the sustained high level of short-term obligations continues to place strain on the entity’s financial stability.

*\*Unaudited financial information*





# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

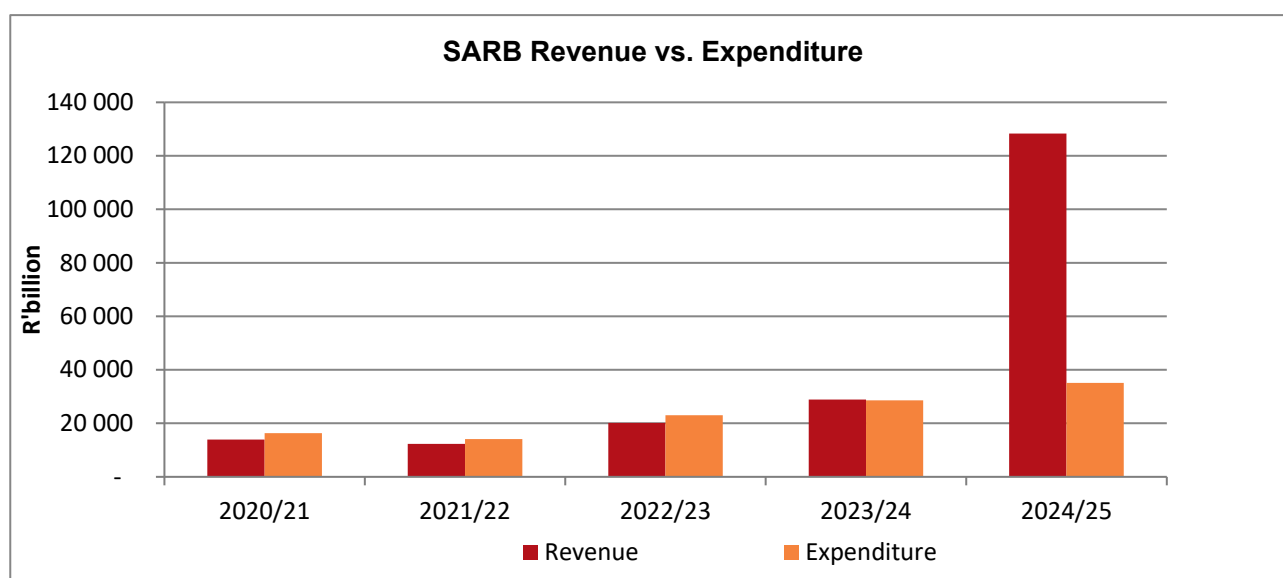
## South African Reserve Bank

The South African Reserve Bank is the central bank of the Republic of South Africa. The primary objective and independence are entrenched in the Constitution (Sections 224 and 225 of the Constitution), being to achieve and maintain price stability in the interest of balanced and sustainable economic growth in South Africa. Together with other institutions, it also plays a pivotal role in ensuring financial stability in the country. The bank was established by the SARB Act, read with section 223 of the Constitution of South Africa, Act 108 of 1996 (Constitution).

Some of the Functions of the bank are:

- Issuing banknotes and coin;
- Formulating and implementing monetary policy
- Managing official gold and foreign-exchange reserves;
- Acting as banker to the government;
- Supervising the banking system;
- Acting as lender of last resort in exceptional circumstances to financial institutions.

| SARB Summary<br>R' million        | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue                           | 13 910            | 12 282            | 20 133            | 28 853            | 128 326           |
| Expenditure                       | 16 280            | 14 092            | 22 994            | 28 554            | 35 098            |
| Surplus/(Deficit) from Operations | (2 369)           | (1 811)           | (2 861)           | 299               | 93 228            |

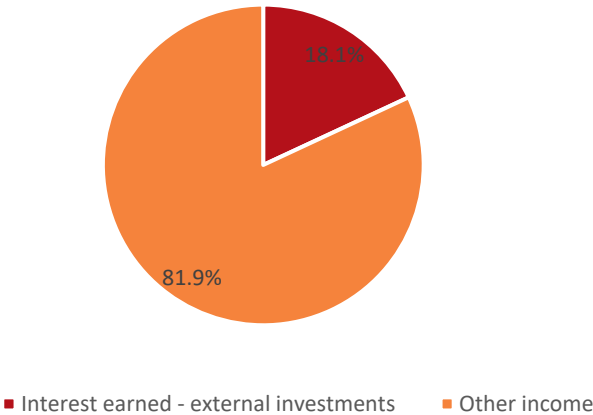


The SARB's financial performance over the five-year period from 2020/21 to 2024/25 shows a positive turnaround, particularly in the most recent year. Revenue increased significantly from R13.9 billion in 2020/21 to an exceptional R128.3 billion in 2024/25. This surge in revenue comes after NT transferred R100 billion to promote policy solvency in the SARB. Expenditure also rose over the same period from R16.3 billion in 2020/21 to R35.1 billion in 2024/25 showing consistent cost growth but at a much slower rate than revenue in the latest year. As a result, the surplus/(deficit) from operations shifted dramatically from persistent deficits in prior years ranging from (R2.4 billion) in 2020/21 to (R2.9 billion) in 2022/23 to a modest surplus of R299 million in 2023/24, and then a substantial R93.2 billion surplus in 2024/25.

# REVIEW OF OPERATING RESULTS

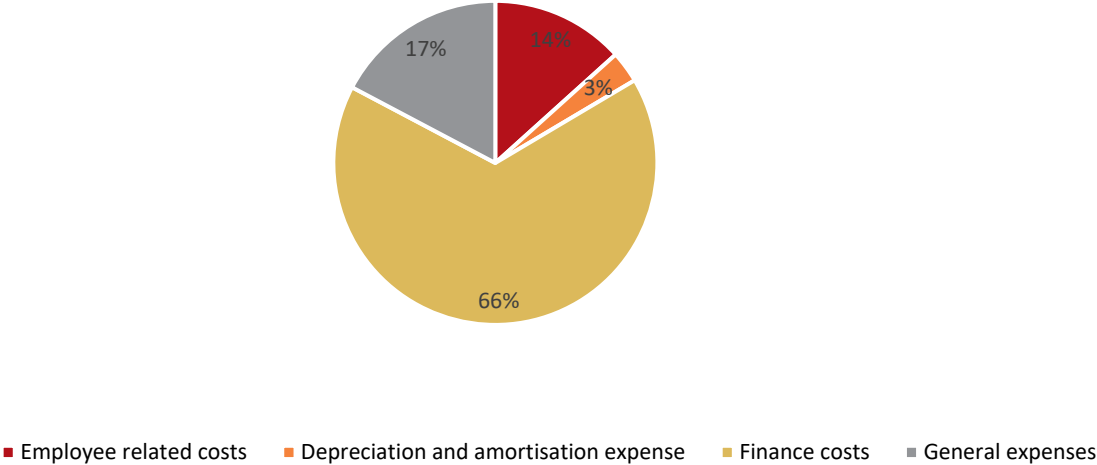
FOR THE YEAR ENDED 31 MARCH 2025

## SARB Revenue Breakdown 2024/25



The SARB’s revenue breakdown for 2024/25 reveals that total revenue amounted to R128.3 billion, with other income being the most significant contributor. This category accounted for 81.9% of total revenue, translating to R105 billion. Interest earned from external investments contributed 18.1%, or R23.1 billion. A significant portion of other income comes from a transefer received from NT to improve the solvency policy.

## SARB Expenditure Breakdown 2024/25

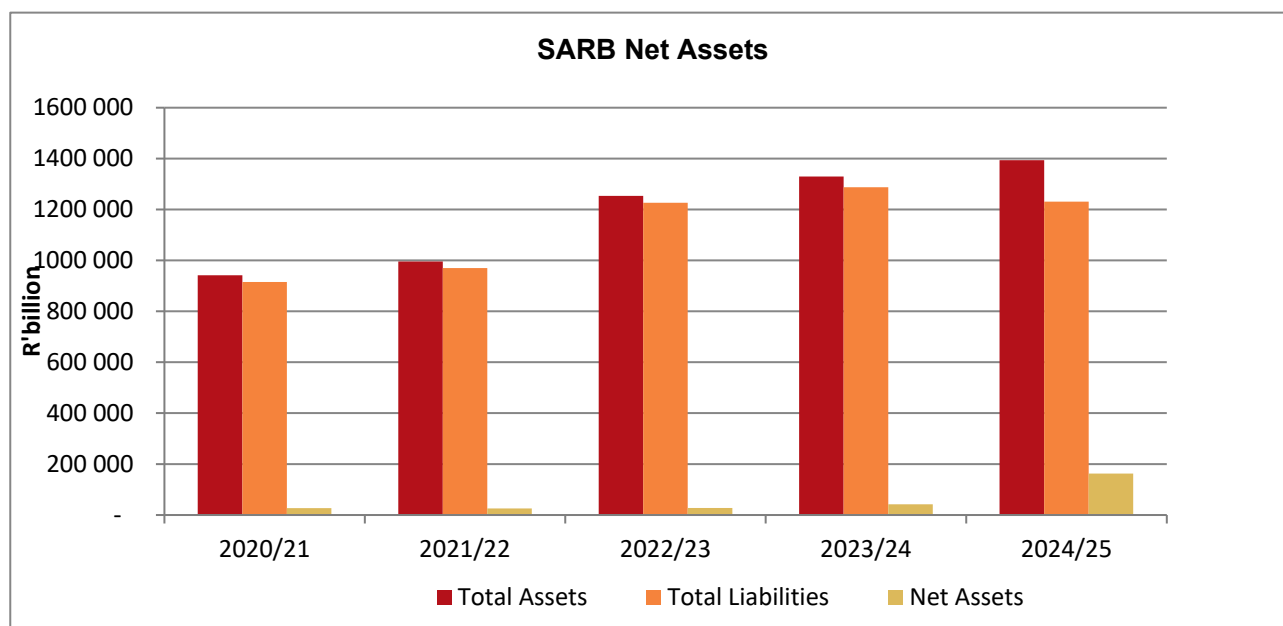


The SARB reported total expenditure of R35.098 billion. The largest portion of this expenditure was attributed to finance costs, which accounted for 66.3% (R23.253 billion) of total spending. General expenses represented 17.3% (R6.061 billion), reflecting the operational and administrative costs incurred in maintaining the Bank’s day-to-day functions. Employee-related costs comprised 13.3% (R4.680 billion), highlighting a moderate share of expenditure dedicated to personnel remuneration and benefits. Finally, depreciation and amortisation expenses accounted for 3.1% (R1.104 billion), indicating the cost of using the Bank’s long-term assets over time. Overall, the expenditure structure shows a heavy reliance on finance costs, with operational and personnel costs forming smaller but still significant components.

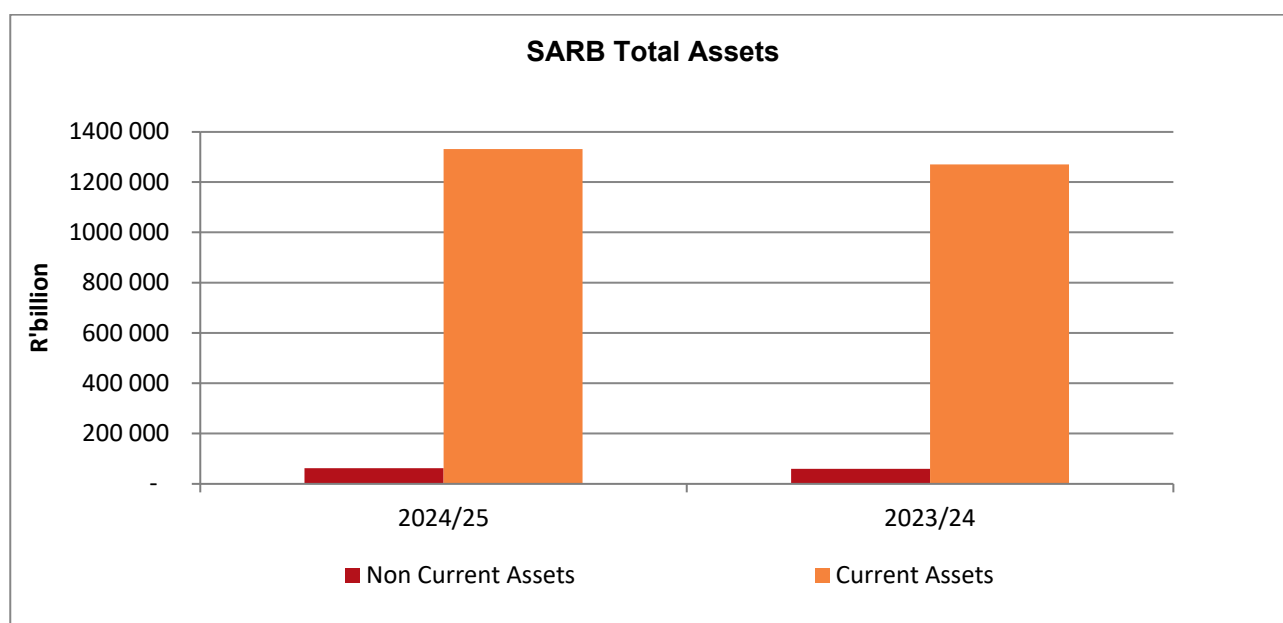
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

| SARB Summary<br>R' million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Assets               | 941 792           | 995 489           | 1 253 408         | 1 329 569         | 1 393 716         |
| Total Liabilities          | 914 967           | 970 018           | 1 226 103         | 1 287 583         | 1 230 816         |
| Net Assets                 | 26 824            | 25 471            | 27 305            | 41 986            | 162 900           |



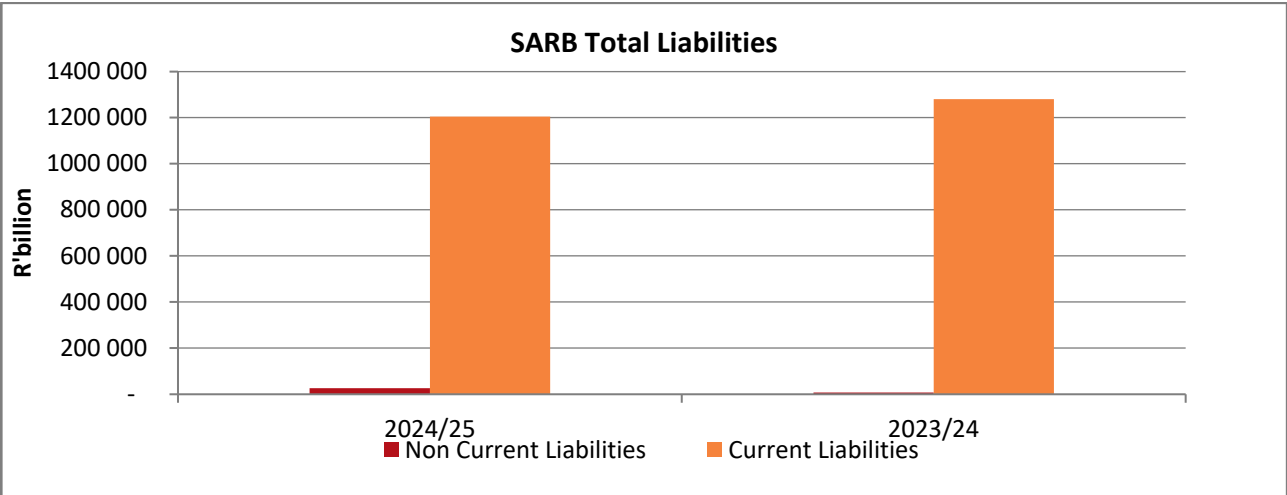
The SARB demonstrated steady balance sheet growth over the five-year period from 2020/21 to 2024/25. Total assets increased consistently from R941.8 billion in 2020/21 to R1.39 trillion in 2024/25, reflecting the Bank's expanding financial position and accumulation of reserves. Total liabilities followed a similar upward trend from R915.0 billion to R1.23 trillion over the same period, although the growth in liabilities between 2023/24 and 2024/25 showed a slight decline. Net assets showed significant improvement, rising from R26.8 billion in 2020/21 to R162.9 billion in 2024/25 a substantial increase driven largely by stronger asset growth relative to liabilities in the most recent year.



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

The South African Reserve Bank’s (SARB) total assets increased from R1.33 trillion in 2023/24 to R1.39 trillion in 2024/25, reflecting an overall growth of approximately 4.8% year-on-year. This rise was primarily driven by a notable increase in current assets, which grew from R1.27 trillion to R1.33 trillion, indicating stronger liquidity and short-term asset holdings. Non-current assets also recorded an increase, rising from R59.2 billion in 2023/24 to R62.2 billion in 2024/25.



The SARB total liabilities decreased from R1.29 trillion in 2023/24 to R1.23 trillion in 2024/25, representing a 4.4% decline year-on-year. This reduction reflects a notable improvement in the Bank’s overall financial position. Current liabilities declined from R1.28 trillion to R1.20 trillion, suggesting lower short-term obligations or improved liquidity management. In contrast, non-current liabilities increased significantly from R7.3 billion in 2023/24 to R26.2 billion in 2024/25, indicating a shift toward longer-term funding structures or reclassification of certain liabilities.



# **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NATIONAL PUBLIC ENTITIES**



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### DISCLAIMER OF OPINION

1. I was engaged to audit the consolidated financial statements of the national public entities set out on pages 174 to 260, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of financial performance, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the consolidated financial statements of the national public entities. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

### BASIS FOR DISCLAIMER OF OPINION

#### Basis of preparation

3. I was unable to obtain sufficient appropriate audit evidence in respect of 28<sup>i</sup> public entities whose unaudited financial information was included for consolidation because of the delayed submission of the financial statements for audit by these entities, or because the audits of these entities had not been finalised in time to prepare the consolidated financial statements. Consequently, I could not determine by alternative means whether any further adjustments to the consolidated financial information, including the comparatives and note disclosures, were necessary, as it was impracticable to do so.
4. The consolidated financial statements of national public entities do not comply with the South African Standards of Generally Recognised Accounting Practice (GRAP) 35, *Consolidated financial statements*, as it excludes seven<sup>ii</sup> public entities due to the non-submission of financial information for the 2024-25 financial year. The effects of the non-submission by the individual public entities on the consolidated financial statements could not be determined for the year ended 31 March 2025 and its comparative, as it was impractical to do so.

<sup>i</sup> National Youth Development Agency, Amatola Water Board, Vaal Central Water Board, Equalisation Fund, Lepelle Northern Water, Magalies Water, National Housing Finance Corporation Limited, Overberg Water, Road Accident Fund, Umgeni Water, Universal Service and Access Fund, Vaal-Orange Catchment Management Agency, DENEL, ESKOM, Government Pensions Administration Agency, LANDBANK, South African Airways (Pty) Ltd, South African Forestry Company Limited, Construction Education and Training Authority, Insurance Sector Education and Training Authority, Local Government Education and Training Authority, Media, Information and

Communication Technologies SETA, National Health Laboratory Service, Pan South African Language Board, Robben Island Museum, Transport Education and Training Authority, Mandela Bay Theatre Complex, Technology Innovation Agency

<sup>ii</sup> South African Bureau of Standards, Mzimvubu-Tsitsikama Catchment Management Agency, Limpopo-Olifants Catchment Management Agency, Alexkor Limited, Financial & Fiscal Commission, National Student Financial Aid Scheme, Rand Water.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

5. I was unable to obtain sufficient appropriate audit evidence that the consolidated financial statements of national public entities comply with the requirements of GRAP 35, for the completeness and accuracy of the elimination of inter-entity transactions and balances in respect of the current and prior year, as the government's systems and processes were not developed to enable credible whole-of-government consolidation. I was unable to perform alternative procedures to obtain reasonable assurance that inter-entity transactions and balances were eliminated in full. As a result, some inter-entity transactions and balances have not been fully eliminated and this has a resultant impact on the related-party disclosures required by the GRAP. These remaining transactions and balances not eliminated have not been disclosed as related-party transactions and balances as required by GRAP 20, *Related party disclosures*.

## NON-CURRENT INVESTMENTS

### Unemployment Insurance Fund

6. I was unable to obtain sufficient appropriate audit evidence to substantiate the amount recognised as unlisted equity and unlisted investments, disclosed in note 15 to the consolidated financial statements. This was because the public entity did not implement effective internal control systems to verify the source data used to determine the fair value of the unlisted investments and unlisted equity and the resultant impairment losses and reversal of impairment. I was unable to confirm the recorded respective amounts by alternative means.
7. Consequently, I was unable to determine whether any adjustments were necessary to other investments, stated at R139 868 541 000 (2024: R126 092 958 000), in note 15 to the consolidated financial statements:

### Compensation Fund

8. I was unable to obtain sufficient appropriate audit evidence to confirm the data used to perform the valuations of investments in unlisted instruments for the current and prior year, as the entity did not maintain proper accounting records and supporting information. I was unable to confirm investments in unlisted instruments by alternative means due to the status of the accounting records. I was unable to determine the full extent of the misstatement of other investments stated at R139 868 541 000 (2024: R126 092 958 000) in note 15 to the consolidated financial statements, as it was impractical to do so.
9. I was unable to obtain sufficient appropriate audit evidence to confirm the data used to perform the valuations of unlisted investments for the current and prior year, as the entity did not maintain proper accounting records and supporting information. I was unable to confirm investments in unlisted loans by alternative means due to the status of the accounting records. Consequently, I was unable to determine whether any adjustment was necessary to the loans granted stated at R136 317 780 000 (2024: R139 988 559 000) in note 15 to the consolidated statement of financial position.



# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## STATUTORY RECEIVABLES – NON-EXCHANGE

### Unemployment Insurance Fund

10. The public entity did not account for revenue from non-exchange transactions in accordance with the requirements of GRAP 1, Presentation of financial statements and GRAP 23, Revenue from non-exchange transactions. The public entity did not recognise revenue from non-exchange transactions for the non-South African Revenue Service (Sars) contributions for both the current and prior years, based on declarations submitted by employers. I was unable to determine the full extent of the misstatement of the statutory receivables from non-exchange transactions stated at R23 869 340 000 (2024: R21 379 115 000) in note 13 to the consolidated financial statements, as it was impracticable to do so. Additionally, there was an impact on the surplus and deficit for the current period and the accumulated surplus.

### Compensation Fund

11. I was unable to obtain sufficient appropriate audit evidence that the statutory receivables for the current and prior year had been properly accounted for, as the public entity had inadequate processes in place to ensure that employers were accurately assessed in terms of the Compensation for Occupational Injuries and Diseases Act 130 of 1993 (Coida). Furthermore, where section 85(1) of Coida was applied, the public entity did not submit supporting evidence for the assessment performed to qualify for the reduction rate. I was unable to confirm statutory receivables by alternative means due to the status of the accounting records.
12. Additionally, the public entity did not correctly account for revenue from non-exchange transactions in accordance with GRAP 23. The public entity incorrectly calculated the revenue estimate for some of the employers who met the criteria to be assessed in the current year

and notices of assessments were not issued to some employers. Furthermore, there were instances where revenue was incorrectly calculated and recognised in an incorrect period. I was unable to determine the full extent of the misstatement of revenue from non-exchange transactions and statutory receivables as it was impracticable to do so. Consequently, I was unable to determine whether any adjustment was necessary to statutory receivables stated at R23 869 340 000 (2024: R21 379 115 000) in note 13 to the consolidated financial statements. There was an impact on the surplus for the period and on the accumulated surplus.

13. The public entity did not correctly account for statutory receivables in accordance with GRAP 108, Statutory receivables. The public entity incorrectly calculated the statutory receivables. Consequently, statutory receivables stated at R23 869 340 000 (2024: R21 379 115 000) in note 13 to the consolidated financial statements were understated.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## NON-CURRENT PROVISIONS

### Compensation Fund

14. I was unable to obtain sufficient appropriate audit evidence that the provisions for outstanding claims for both the current and prior year were properly accounted for, due to the status of the accounting records. The public entity did not implement adequate internal control systems to maintain proper accounting records and information relating to the movement in the provision for outstanding claims resulting from payments and the measurement of estimates in accordance with GRAP 19, Provisions, contingent liabilities and contingent assets. I was unable to confirm the provisions for outstanding claims by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the non-current provisions stated at R103 538 467 000 (2024: R116 409 438 000) in note 30 to the consolidated financial statements.

## REVENUE FROM NON-EXCHANGE TRANSACTIONS – PUBLIC CONTRIBUTIONS AND DONATIONS

### Unemployment Insurance Fund

15. The public entity did not account for revenue from non-exchange transactions in accordance with the requirements of GRAP 1 and GRAP 23. The public entity did not recognise revenue from non-exchange transactions for the non-Sars contributions for both the current and prior years, based on declarations submitted by employers. I was unable to determine the full extent of the misstatement of public contributions and donations stated at R27 223 045 000 (2024: R25 934 115 000) in note 40 to the consolidated financial statements, as it was impracticable to do so. Additionally, there was an impact on the surplus and deficit for the current period and the accumulated surplus.

## GRANTS AND SUBSIDIES PAID

### Agricultural Sector Education and Training Authority

16. The discretionary grants were not correctly accounted for as required by GRAP 1. The public entity incorrectly accounted for transactions for the prior year in the current year. Consequently, discretionary grants included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, were overstated by R67 035 000. Additionally, there was an impact on the surplus for the period and on the accumulated surplus.

### Compensation Fund

17. I was unable to obtain sufficient appropriate audit evidence that compensation benefits were properly accounted for in the current and prior year. The public entity did not keep adequate records to substantiate compensation benefits recorded in the financial statements. I was unable to confirm benefits paid by alternative means due to the status of the accounting records. Additionally, the compensation benefits were overstated by R119 000 000, due to incorrect calculations. Consequently, I was unable to determine whether any adjustment was necessary to compensation benefits included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## Education, Training and Development Practices Sector Education and Training Authority

18. I was unable to obtain sufficient appropriate audit evidence for discretionary grants expenditure included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements. The public entity did not maintain accurate and complete records to support the transactions recorded. As a result, I could not confirm the validity of the discretionary grants expenditure.

## Food and Beverages Manufacturing Industry Sector Education and Training Authority

19. The project administration expenditure was not properly accounted for in accordance with GRAP 1. Administration expenditure relating to special projects was incorrectly classified as project costs. Consequently, the discretionary grants included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, were overstated by R7 195 337.

20. Additionally, the entity did not properly account for discretionary grants as prior year accruals were recognised as current year's expenditure. Consequently, discretionary grants included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, were overstated by R44 963 893.

## Manufacturing Engineering and Related Services Education Training Authority

21. Discretionary grants were not accounted for in accordance with GRAP 1. The entity did not account for the discretionary grant project's direct costs in the periods in which services were rendered. Consequently, grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, were overstated by R78 386 000. Additionally, there was an impact on the surplus for the period and the accumulated surplus.

## National Skills Fund

22. I was unable to obtain sufficient appropriate audit evidence that skills development funding for the current and previous years has been properly accounted for due to the status of the accounting records. I was unable to confirm the skills development funding by alternative means. Consequently, I was unable to determine whether any adjustments relating to skills development funding included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, were necessary.

23. Accruals from non-exchange transactions were not accounted for in accordance with GRAP 19, as the public entity incorrectly calculated the accruals from non-exchange transactions. This is because adequate records of outstanding payments for services rendered in relation to skills development funding were not maintained, which resulted in skills development funding expenditure included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements being understated by R996 718 167.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## Services Sector Education and Training Authority

24. The public entity did not account for discretionary grant provisions in accordance with GRAP 19 for the current and prior year. The method of estimation for discretionary grant provisions was not determined and assessed correctly. Furthermore, discretionary grant expenditure included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, was misstated as a result of this. I was unable to determine the full extent of the misstatement to discretionary grant expenditure included in grants and subsidies paid, stated at R32 444 495 000 (2024: R27 563 507 000) in note 53 to the consolidated financial statements, as it was impracticable to do so.

## REVENUE FROM NON-EXCHANGE TRANSACTIONS – OTHER INCOME

### Compensation Fund

25. I was unable to obtain sufficient appropriate audit evidence that the revenue from non-exchange transactions for the current and prior year had been properly accounted for, as the public entity had inadequate processes in place to ensure that employers were accurately assessed in terms of the Coida. Furthermore, where section 85(1) of the Coida was applied, the public entity did not submit supporting evidence for the assessment performed to qualify for the reduction rate. I was unable to confirm revenue from non-exchange transactions by alternative means due to the status of the accounting records.

26. Additionally, the public entity did not correctly account for revenue from non-exchange transactions in accordance with GRAP 23. The public entity incorrectly calculated the revenue estimate for some of the employers who met the criteria to be assessed in the current year and notices of assessments were not issued to some employers. Furthermore, there were instances where revenue was inaccurately calculated and recognised in an incorrect period. I was unable to determine the full extent of the misstatement of revenue from non-exchange transactions as it was impracticable to do so. There was an impact on the surplus for the period and on the accumulated surplus.

27. Consequently, I was unable to determine whether any adjustment was necessary to revenue from non-exchange transactions – other income, stated at R117 007 303 000 included in the amount of R134 506 571 000 (2024: R26 542 438 000 included in R40 597 005 000) in note 49 to the consolidated financial statements.

## PROFIT/(LOSS) ON FAIR VALUE ADJUSTMENT

### Unemployment Insurance Fund

28. I was unable to obtain sufficient appropriate audit evidence to substantiate the amount recognised as fair value adjustments, as supporting documentation was not provided to support the fair value adjustment amount. I was unable to confirm the amount for fair value adjustments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the fair value adjustments included in gain/(loss) on fair value adjustment, stated at (R120 399 981 000) (2024: R93 182 698 000) in note 58 to the consolidated financial statements.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## AGGREGATED UNCORRECTED MISSTATEMENTS

29. The consolidated financial statements are materially misstated due to the cumulative effect of numerous uncorrected misstatements emanating from the audited financial statements of various national public entities. These misstatements impact the statement of financial performance corresponding figures with R10 400 536 614 and the statement of financial position with R28 254 788 087 (2024: R12 446 697 090).

### Emphasis of matter

30. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## MINISTERIAL EXEMPTION IN TERMS OF SECTION 92 OF THE PUBLIC FINANCE MANAGEMENT ACT 1 OF 1999 (PFMA) FROM PREPARING A SINGLE SET OF CONSOLIDATED FINANCIAL STATEMENTS

31. As disclosed in note 79 to the consolidated financial statements, the finance minister granted the National Treasury exemption in terms of section 92 of the PFMA from the provisions of section 8(1) of the Act. The exemption applies to the financial periods 2020-21 to 2024-25 and allows National Treasury not to prepare a single set of consolidated financial statements for national departments and national public entities, due to the different financial reporting frameworks in use at public entities and departments.

### Other matter

32. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## UNAUDITED SUPPLEMENTARY SCHEDULES

33. The supplementary information set out on pages 165 to 173 does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Responsibilities of the accounting officer for the consolidated financial statements

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

35. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the consolidated national public entities' ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## Responsibilities of the auditor-general for the audit of the consolidated financial statements

36. My responsibility is to conduct an audit of the consolidated financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
37. I am independent of the national public entities in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code), as well as the other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

38. In terms of section 8 of the PFMA, National Treasury is not required to prepare a consolidated annual performance report.

## REPORT ON COMPLIANCE WITH LEGISLATION

39. The audit of compliance with legislation is not required, as the consolidation of national departments does not fall within the audit of compliance with legislation included in the audit directive issued under section 13(3)(b) of the Public Audit Act 25 of 2004 on 20 February 2025 per General Notice 52149.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## OTHER INFORMATION IN THE ANNUAL REPORT

40. The accounting officer is responsible for the other information included in the annual report. The other information does not include the consolidated financial statements and the auditor's report.
41. My opinion on the consolidated financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
42. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
43. As a result of the disclaimer of opinion expressed on the consolidated financial statements, I do not conclude on material misstatements of the other information relating to the financial statements.

## INTERNAL CONTROL DEFICIENCIES

44. I considered internal control relevant to my audit of the consolidated financial statements; however, my objective was not to express any form of assurance on it.
45. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion.
46. The individual entities did not have adequate financial reporting systems to facilitate credible reporting.
47. Ineffective records management system at the individual entity level to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.
48. There is a slow response by management and the accounting authorities/officers in addressing the significant deficiencies that have been repeatedly reported in relation to financial reporting as well as related internal controls.

*Auditor-General*

Pretoria.

10 December 2025



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Annexure A

### List of entities consolidated

| 31 March 2025 |   | 31 March 2024 |   |
|---------------|---|---------------|---|
| 1             | Amatola Water Board                                     | 1             | Amatola Water Board                                     |
| 2             | Border Management Authority                             | 2             | Border Management Authority                             |
| 3             | Academy of Science of South Africa                      | 3             | Academy of Science of South Africa                      |
| 4             | Accounting Standards Board                              | 4             | Accounting Standards Board                              |
| 5             | African Renaissance International Cooperation Fund      | 5             | African Renaissance International Cooperation Fund      |
| 6             | Agrément South Africa                                   | 6             | Agrément South Africa                                   |
| 7             | Agricultural Land Holding Account                       | 7             | Agricultural Land Holding Account                       |
| 8             | Agricultural Research Council                           | 8             | Agricultural Research Council                           |
| 9             | Agricultural Sector Education and Training Authority    | 9             | Agricultural Sector Education and Training Authority    |
| 10            | Air Traffic and Navigation Services Company Limited     | 10            | Air Traffic and Navigation Services Company Limited     |
| 11            | Airports Company of South Africa Ltd                    | 11            | Airports Company of South Africa Ltd                    |
| 12            | Amazwi South African Museum of Literature               | 12            | Amazwi South African Museum of Literature               |
| 13            | Armaments Corporation of South Africa Limited (ARSMCOR) | 13            | Armaments Corporation of South Africa Limited (ARSMCOR) |
| 14            | Artscape  | 14            | Artscape  |
| 15            | Auditor General of South Africa                         | 15            | Auditor General of South Africa                         |
| 16            | Banking Sector Education and Training Authority         | 16            | Banking Sector Education and Training Authority         |
| 17            | Boxing South Africa                                     | 17            | Boxing South Africa                                     |
| 18            | Brand SA  | 18            | Brand SA  |
| 19            | Breede-Olifants Catchment Management Agency             | 19            | Breede-Olifants Catchment Management Agency             |
| 20            | Broadband Infraco                                       | 20            | Broadband Infraco                                       |
| 21            | Castle Control Board                                    | 21            | Castle Control Board                                    |
| 22            | CEF (Pty) Ltd   | 22            | CEF (Pty) Ltd   |
| 23            | Chemical Industries Education and Training Authority    | 23            | Chemical Industries Education and Training Authority    |
| 24            | Commission for Conciliation, Mediation & Arbitration    | 24            | Commission for Conciliation, Mediation & Arbitration    |
| 25            | Commission for Gender Equality (CGE)                    | 25            | Commission for Gender Equality (CGE)                    |
| 26            | Commission on Restitution of Land Rights                | 26            | Commission on Restitution of Land Rights                |
| 27            | Community Schemes Ombud Services                        | 27            | Community Schemes Ombud Services                        |
| 28            | Companies and Intellectual Property Commission          | 28            | Companies and Intellectual Property Commission          |
| 29            | Companies Tribunal                                      | 29            | Companies Tribunal                                      |
| 30            | Compensation Fund, including Reserve Fund               | 30            | Compensation Fund, including Reserve Fund               |
| 31            | Competition Commission                                  | 31            | Competition Commission                                  |
| 32            | Competition Tribunal                                    | 32            | Competition Tribunal                                    |
| 33            | Construction Education and Training Authority           | 33            | Construction Education and Training Authority           |
| 34            | Construction Industry Development Board                 | 34            | Construction Industry Development Board                 |
| 35            | Co-Operatives Banks Development Agency                  | 35            | Co-Operatives Banks Development Agency                  |
| 36            | Council for Geoscience                                  | 36            | Council for Geoscience                                  |
| 37            | Council for Medical Schemes                             | 37            | Council for Medical Schemes                             |
| 38            | Council for Scientific and Industrial Research          | 38            | Council for Scientific and Industrial Research          |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 31 March 2025   | 31 March 2024   |
|---|---|
| 39 Council for the Built Environment  | 39 Council for the Built Environment  |
| 40 Council on Higher Education  | 40 Council on Higher Education  |
| 41 Cross-Border Road Transport Agency   | 41 Cross-Border Road Transport Agency   |
| 42 Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority | 42 Culture, Arts, Tourism, Hospitality and Sport Education and Training Authority |
| 43 Deeds Registration Trading Account   | 43 Deeds Registration Trading Account   |
| 44 Development Bank of Southern Africa  | 44 Development Bank of Southern Africa  |
| 45 Die Afrikaanse Taal Museum   | 45 Die Afrikaanse Taal Museum   |
| 46 Ditsong: Museums of Africa   | 46 Ditsong: Museums of Africa   |
| 47 Driving License Card Trading Account   | 47 Driving License Card Trading Account   |
| 48 Education, Training and Development Practices SETA                             | 48 Education, Training and Development Practices SETA                             |
| 49 Energy & Water Sector Education and Training Authority                         | 49 Energy & Water Sector Education and Training Authority                         |
| 50 Equalisation Fund  | 50 Equalisation Fund  |
| 51 ESKOM  | 51 ESKOM  |
| 52 Export Credit Insurance Corporation of South Africa Limited                    | 52 Export Credit Insurance Corporation of South Africa Limited                    |
| 53 Fibre Processing Manufacturing Sector Education and Training                   | 53 Fibre Processing Manufacturing Sector Education and Training                   |
| 54 Film and Publication Board   | 54 Film and Publication Board   |
| 55 Land Bank  | 55 Financial & Fiscal Commission  |
| 56 Financial and Accounting Services SETA   | 56 Financial and Accounting Services SETA   |
| 57 Financial Intelligence Centre  | 57 Financial Intelligence Centre  |
| 58 Financial Sector Conduct Authority   | 58 Financial Sector Conduct Authority   |
| 59 Food and Beverages Manufacturing Industry SETA                                 | 59 Food and Beverages Manufacturing Industry SETA                                 |
| 60 Government Pensions Administration Agency                                      | 60 Government Pensions Administration Agency                                      |
| 61 Government Printing Works  | 61 Government Printing Works  |
| 62 Government Technical Advisory Centre (GTAC)                                    | 62 Government Technical Advisory Centre (GTAC)                                    |
| 63 Health and Welfare Sector Education and Training Authority                     | 63 Health and Welfare Sector Education and Training Authority                     |
| 64 Housing Development Agency   | 64 Housing Development Agency   |
| 65 Human Sciences Research Council  | 65 Human Sciences Research Council  |
| 66 Independent Communications Authority of South Africa                           | 66 Independent Communications Authority of South Africa                           |
| 67 Independent Development Trust  | 67 Independent Development Trust  |
| 68 Independent Electoral Commission   | 68 Independent Electoral Commission   |
| 69 Independent Regulatory Board for Auditors                                      | 69 Independent Regulatory Board for Auditors                                      |
| 70 Industrial Development Corporation of South Africa Limited                     | 70 Industrial Development Corporation of South Africa Limited                     |
| 71 Ingonyama Trust Board  | 71 Ingonyama Trust Board  |
| 72 Inkomati-Usuthu Catchment Management Agency                                    | 72 Inkomati-Usuthu Catchment Management Agency                                    |
| 73 Insurance Sector Education and Training Authority                              | 73 Insurance Sector Education and Training Authority                              |
| 74 International Trade Administration Commission                                  | 74 International Trade Administration Commission                                  |
| 75 Isimangaliso Wetland Park  | 75 Isimangaliso Wetland Park  |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

| 31 March 2025  | 31 March 2024  |
|--|--|
| 76 Iziko Museums of South Africa                                   | 76 Iziko Museums of South Africa                                   |
| 77 Kwa-Zulu Natal Museum   | 77 Kwa-Zulu Natal Museum   |
| 78 Legal Aid South Africa  | 78 Legal Aid South Africa  |
| 79 Lepelle Northern Water  | 79 Lepelle Northern Water  |
| 80 Local Government Education and Training Authority               | 80 Local Government Education and Training Authority               |
| 81 Luthuli Museum  | 81 Luthuli Museum  |
| 82 Magalies Water  | 82 Magalies Water  |
| 83 Manufacturing Engineering and Related Services<br>Education Tra | 83 Manufacturing Engineering and Related Services<br>Education Tra |
| 84 Marine Living Resources Fund                                    | 84 Marine Living Resources Fund                                    |
| 85 Market Theatre Foundation                                       | 85 Market Theatre Foundation                                       |
| 86 Media Development Diversity Agency                              | 86 Media Development Diversity Agency                              |
| 87 Media, Information and Communication Technologies<br>Sector Edu | 87 Media, Information and Communication Technologies<br>Sector Edu |
| 88 Medical Research Council of South Africa                        | 88 Medical Research Council of South Africa                        |
| 89 Mine Health and Safety Council                                  | 89 Mine Health and Safety Council                                  |
| 90 Mines and Works Compensation Fund                               | 90 Mines and Works Compensation Fund                               |
| 91 Mining Qualifications Authority                                 | 91 Mining Qualifications Authority                                 |
| 92 MINTEK  | 92 MINTEK  |
| 93 Municipal Demarcation Board                                     | 93 Municipal Demarcation Board                                     |
| 94 Municipal Infrastructure Support Agency                         | 94 Municipal Infrastructure Support Agency                         |
| 95 National Agricultural Marketing Council                         | 95 National Agricultural Marketing Council                         |
| 96 National Arts Council of South Africa                           | 96 National Arts Council of South Africa                           |
| 97 National Consumer Commission                                    | 97 National Consumer Commission                                    |
| 98 National Consumer Tribunal                                      | 98 National Consumer Tribunal                                      |
| 99 National Credit Regulator                                       | 99 National Credit Regulator                                       |
| 100 National Development Agency                                    | 100 National Development Agency                                    |
| 101 National Economic Development and Labour Council               | 101 National Economic Development and Labour Council               |
| 102 National Electronic Media Institute of South Africa            | 102 National Electronic Media Institute of South Africa            |
| 103 National Empowerment Fund                                      | 103 National Empowerment Fund                                      |
| 104 National Energy Regulator of South Africa                      | 104 National Energy Regulator of South Africa                      |
| 105 National Film and Video Foundation of South Africa             | 105 National Film and Video Foundation of South Africa             |
| 106 National Gambling Board of South Africa                        | 106 National Gambling Board of South Africa                        |
| 107 National Heritage Council of South Africa                      | 107 National Heritage Council of South Africa                      |
| 108 National Home Builders Registration Council                    | 108 National Home Builders Registration Council                    |
| 109 National Housing Finance Corporation Limited                   | 109 National Housing Finance Corporation Limited                   |
| 110 National Library of South Africa                               | 110 National Library of South Africa                               |
| 111 National Lotteries Commission                                  | 111 National Lotteries Commission                                  |
| 112 National Metrology Institute of South Africa                   | 112 National Metrology Institute of South Africa                   |
| 113 National Museum, Bloemfontein                                  | 113 National Museum, Bloemfontein                                  |
| 114 National Nuclear Regulator                                     | 114 National Nuclear Regulator                                     |
| 115 National Radioactive Waste Disposal Institute                  | 115 National Radioactive Waste Disposal Institute                  |
| 116 National Regulator for Compulsory Specifications               | 116 National Regulator for Compulsory Specifications               |
| 117 National Research Foundation                                   | 117 National Research Foundation                                   |
| 118 National School of Government                                  | 118 National School of Government                                  |
| 119 National Skills Fund   | 119 National Skills Fund   |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 31 March 2025  | 31 March 2024  |
|--|--|
| 120 National Youth Development Agency                      | 120 National Youth Development Agency                      |
| 121 Nelson Mandela National Museum                         | 121 Nelson Mandela National Museum                         |
| 122 Office of Health Standards Compliance                  | 122 Office of Health Standards Compliance                  |
| 123 Office of the Ombud for Financial Services Providers   | 123 Office of the Ombud for Financial Services Providers   |
| 124 Office of the Pension Fund Adjudicator                 | 124 Office of the Pension Fund Adjudicator                 |
| 125 Office of the Valuer-General                           | 125 Office of the Valuer-General                           |
| 126 Ombud Council  | 126 Ombud Council  |
| 127 Onderstepoort Biological Products Limited              | 127 Onderstepoort Biological Products Limited              |
| 128 Overberg Water   | 128 Overberg Water   |
| 129 Pan South African Language Board                       | 129 Pan South African Language Board                       |
| 130 Passenger Rail Agency of South Africa                  | 130 Passenger Rail Agency of South Africa                  |
| 131 Performing Arts Council of the Free State              | 131 Performing Arts Council of the Free State              |
| 132 Perishable Products Export Control Board               | 132 Perishable Products Export Control Board               |
| 133 Playhouse Company                                      | 133 Playhouse Company                                      |
| 134 Ports Regulator of South Africa                        | 134 Ports Regulator of South Africa                        |
| 135 President's Fund                                       | 135 President's Fund                                       |
| 136 Private Security Industry Regulatory Authority         | 136 Private Security Industry Regulatory Authority         |
| 137 Productivity SA  | 137 Productivity SA  |
| 138 Property Management Trading Entity                     | 138 Property Management Trading Entity                     |
| 139 Property Practitioners Regulatory Authority            | 139 Property Practitioners Regulatory Authority            |
| 140 Public Investment Corporation Limited                  | 140 Public Investment Corporation Limited                  |
| 141 Public Protector of South Africa                       | 141 Public Protector of South Africa                       |
| 142 Public Service Sector Education and Training Authority | 142 Public Service Sector Education and Training Authority |
| 143 Quality Council for Trades and Occupations             | 143 Quality Council for Trades and Occupations             |
| 144 Railway Safety Regulator                               | 144 Railway Safety Regulator                               |
| 145 Mandela Bay Theatre Complex                            | 145 Rand Water   |
| 146 Represented Political Parties Funding                  | 146 Represented Political Parties Funding                  |
| 147 Road Accident Fund                                     | 147 Road Accident Fund                                     |
| 148 Road Traffic Infringement Agency                       | 148 Road Traffic Infringement Agency                       |
| 149 Road Traffic Management Corporation                    | 149 Road Traffic Management Corporation                    |
| 150 Robben Island Museum                                   | 150 Robben Island Museum                                   |
| 151 Safety and Security Education and Training Authority   | 151 Safety and Security Education and Training Authority   |
| 152 Sasria Limited   | 152 Sasria Limited   |
| 153 Sentech Limited  | 153 Sentech Limited  |
| 154 Services Sector Education and Training Authority       | 154 Services Sector Education and Training Authority       |
| 155 Small Enterprise Development Agency                    | 155 Small Enterprise Development Agency                    |
| 156 Social Housing Regulatory Authority                    | 156 Social Housing Regulatory Authority                    |
| 157 South African Broadcasting Corporation Limited         | 157 South African Broadcasting Corporation Limited         |
| 158 South African Bureau of Standards                      | 158 South African Bureau of Standards                      |
| 159 South African Civil Aviation Authority                 | 159 South African Civil Aviation Authority                 |
| 160 South African Council for Educators                    | 160 South African Council for Educators                    |
| 161 South African Diamond and Precious Metals Regulator    | 161 South African Diamond and Precious Metals Regulator    |
| 162 South African Forestry Company Limited                 | 162 South African Forestry Company Limited                 |
| 163 South African Health Products Regulatory Authority     | 163 South African Health Products Regulatory Authority     |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025

| 31 March 2025  | 31 March 2024  |
|--|--|
| 164 South African Heritage Resources Agency                      | 164 South African Heritage Resources Agency                      |
| 165 South African Human Rights Commission                        | 165 South African Human Rights Commission                        |
| 166 South African Institute for Drug-Free Sport                  | 166 South African Institute for Drug-Free Sport                  |
| 167 South African Library for the Blind                          | 167 South African Library for the Blind                          |
| 168 South African Local Government Association                   | 168 South African Local Government Association                   |
| 169 South African Maritime Safety Authority                      | 169 South African Maritime Safety Authority                      |
| 170 South African National Accreditation System                  | 170 South African National Accreditation System                  |
| 171 South African National Biodiversity Institute                | 171 South African National Biodiversity Institute                |
| 172 South African National Energy Development Institute          | 172 South African National Energy Development Institute          |
| 173 South African National Parks                                 | 173 South African National Parks                                 |
| 174 South African National Roads Agency Limited                  | 174 South African National Roads Agency Limited                  |
| 175 South African National Space Agency                          | 175 South African National Space Agency                          |
| 176 South African Nuclear Energy Corporation Limited             | 176 South African Nuclear Energy Corporation Limited             |
| 177 South African Post Office Limited                            | 177 South African Post Office Limited                            |
| 178 South African Postbank SOC Ltd                               | 178 South African Postbank SOC Ltd                               |
| 179 South African Qualifications Authority                       | 179 South African Qualifications Authority                       |
| 180 South African Reserve Bank                                   | 180 South African Reserve Bank                                   |
| 181 South African Revenue Services (SARS)                        | 181 South African Revenue Services (SARS)                        |
| 182 South African Social Security Agency                         | 182 South African Social Security Agency                         |
| 183 South African State Theatre                                  | 183 South African State Theatre                                  |
| 184 South African Tourism  | 184 South African Tourism  |
| 185 South African Weather Service                                | 185 South African Weather Service                                |
| 186 Special Investigation Unit                                   | 186 Special Investigation Unit                                   |
| 187 State Diamond Trader   | 187 State Diamond Trader   |
| 188 State Information Technology Agency                          | 188 State Information Technology Agency                          |
| 189 Supported Employment Enterprises                             | 189 Supported Employment Enterprises                             |
| 190 Takeover Regulation Panel                                    | 190 Takeover Regulation Panel                                    |
| 191 Technology Innovation Agency                                 | 191 Technology Innovation Agency                                 |
| 192 The Commission for PPRCLC                                    | 192 The Commission for PPRCLC                                    |
| 193 Thubelisha Homes   | 193 Thubelisha Homes   |
| 194 Trans-Caledon Tunnel Authority                               | 194 Trans-Caledon Tunnel Authority                               |
| 195 Transnet Limited   | 195 Transnet Limited   |
| 196 Transport Education and Training Authority                   | 196 Transport Education and Training Authority                   |
| 197 uMalusi Council for Quality Assurance in General and Further | 197 uMalusi Council for Quality Assurance in General and Further |
| 198 Umgeni Water   | 198 Umgeni Water   |
| 199 uMsunduzi Museum (Includes Voortrekker Museum)               | 199 uMsunduzi Museum (Includes Voortrekker Museum)               |
| 200 Unemployment Insurance Fund                                  | 200 Unemployment Insurance Fund                                  |
| 201 Universal Service and Access Agency of South Africa          | 201 Universal Service and Access Agency of South Africa          |
| 202 Universal Service and Access Fund                            | 202 Universal Service and Access Fund                            |
| 203 Vaal Central Water Board                                     | 203 Vaal Central Water Board                                     |
| 204 War Museum of the Boer Republics                             | 204 War Museum of the Boer Republics                             |
| 205 Water Research Commission                                    | 205 Water Research Commission                                    |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 31 March 2025 |  | 31 March 2024 |  |
|---------------|--|---------------|--|
| 206           | Water Trading Account  | 206           | Water Trading Account  |
| 207           | Wholesale and Retail Sector Education and Training Authority | 207           | Wholesale and Retail Sector Education and Training Authority |
| 208           | William Humphreys Art Gallery                                | 208           | William Humphreys Art Gallery                                |
| 209           | Freedom Park Trust   |               |  |
| 210           | National Health Laboratory Service                           |               |  |
| 211           | Vaal -Orange Catchment Management Agency                     |               |  |
| 212           | DENEL  |               |  |
| 213           | Pongola-uMzimkhulu Catchment Management Agency               |               |  |
| 214           | Small Enterprise Development Agency                          |               |  |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## ■ Annexure B

### PFMA listed and unlisted entities not consolidated

| 31 March 2025                                     | 31 March 2024                           |
|---|---|
| 1 Alexkor Limited                                 | 1 Alexkor Limited                       |
| 2 Rand Water                                      | 2 DENEL                                 |
| 3 South African Bureau of Standards               | 3 LANDBANK                              |
| 4 Mzimvubu-Tsitsikama Catchment Management Agency | 4 South African Airways (Pty) Ltd       |
| 5 Limpopo-Olifants Catchment Management Agency    | 5 Freedom Park Trust                    |
| 6 Financial & Fiscal Commission                   | 6 National Health Laboratory Service    |
| 7 National Student Financial Aid Scheme           | 7 National Student Financial Aid Scheme |

# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## ■ Annexure C

### List of entities consolidated with year ends other than 31 March

| 31 March 2025                  | 31 March 2024               |
|--------------------------------|-----------------------------|
| 1 Amatola Water Board          | 1 Amatola Water Board       |
| 2 Lepelle Northern Water Board | 2 Lepelle Northern Water    |
| 3 Magalies Water               | 3 Magalies Water            |
| 4 Overberg Water               | 4 Overberg Water            |
| 5 Rand Water                   | 5 Rand Water                |
| 6 Umgeni- uThukela Water       | 6 Umgeni Water Board        |
| 7 Vaal- Central Water Board    | 7 Vaal- Central Water Board |



# ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Annexure D

### List of entities consolidated based on draft AFS

| 31 March 2025  | 31 March 2024   |
|--|---|
| 1 National Youth Development Agency                            | 1 Independent Development Trust                               |
| 2 Equalisation Fund  | 2 Property Management Trading Entity                          |
| 3 Amatola Water Board  | 3 Amatola Water Board   |
| 4 Vaal Central Water Board                                     | 4 Vaal Central Water Board                                    |
| 5 Media, Information and Communication Technologies Sector Edu | 5 Export Credit Insurance Corporation of South Africa Limited |
| 6 Lepelle Northern Water                                       | 6 Lepelle Northern Water                                      |
| 7 Magalies Water   | 7 Magalies Water  |
| 8 National Housing Finance Corporation Limited                 | 8 National Lotteries Commission                               |
| 9 Overberg Water   | 9 Overberg Water  |
| 10 Road Accident Fund  | 10 Rand Water   |
| 11 Universal Services and Access Fund                          | 11 Road Traffic Infringement Agency                           |
| 12 Vaal- Orange Catchment Management Agency                    | 12 South African Postbank SOC Ltd                             |
| 13 Denel   | 13 South African Post Office Limited                          |
| 14 Umgeni Water  | 14 Umgeni Water   |
| 15 Government Pensions Administration Agency                   | 15 Broadband Infraco  |
| 16 South African Airways (Pty) Ltd                             | 16 State Information Technology Agency                        |
| 17 ESKOM   | 17 ESKOM  |
| 18 South African Forestry Company Limited                      | 18 South African Forestry Company Limited                     |
| 19 Insurance Sector Education and Training Authority           | 19 Border Management Authority                                |
| 20 Local Government Education and Training Agency              | 20 South African Library for the Blind                        |
| 21 Construction Education and Training Authority               | 21 Unemployment Insurance Fund                                |
| 22 National Health Laboratory Service                          | 22 Construction Education and Training Authority              |
| 23 Pan South African Language Board                            | 23 Independent Development Trust                              |
| 24 Robben Island Museum  |   |
| 25 Transport Education and Training Authority                  |   |
| 26 Mandela Bay Theatre Complex                                 |   |
| 27 Technology Innovation Agency                                |   |
| 28 Land Bank   |   |

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

|  | Note | 2024/25<br>R '000    | 2023/24<br>R '000    |
|--|------|----------------------|----------------------|
| <b>REVENUE</b>   |      |                      |                      |
| <b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>                    |      | <b>348 957 563</b>   | <b>254 467 381</b>   |
| Government grants and subsidies                                  | 39   | 110 627 906          | 109 969 081          |
| Public contributions and donations                               | 40   | 27 223 045           | 25 934 115           |
| Transfers and Sponsorships                                       | 41   | 5 218 013            | 4 819 714            |
| Interest Earned  |      | 42 247               | 42 176               |
| Fines and Penalties  | 42   | 2 571 227            | 2 752 807            |
| Legislative and Oversight functions                              | 43   | 76 185 989           | 75 078 202           |
| Taxation revenue   | 44   | 9 949 274            | 9 204 477            |
| Licences and permits   |      | 132 558              | 124 371              |
| Other income   | 49   | 117 007 303          | 26 542 438           |
| <b>REVENUE FROM EXCHANGE TRANSACTIONS</b>                        |      | <b>716 480 970</b>   | <b>663 646 081</b>   |
| Sale of Goods & Rendering of Services                            | 45   | 586 306 741          | 537 800 504          |
| Rental of facilities and equipment                               | 46   | 9 390 285            | 8 332 495            |
| Interest earned - external investments                           | 47   | 97 863 788           | 96 066 579           |
| Interest earned on receivables                                   | 48   | 4 158 612            | 6 196 442            |
| Licences and permits   |      | 1 262 275            | 1 195 495            |
| Other income   | 49   | 17 499 268           | 14 054 567           |
| <b>TOTAL REVENUE</b>   |      | <b>1 065 438 532</b> | <b>918 113 463</b>   |
| <b>EXPENSES</b>  |      |                      |                      |
| Employee related costs   | 50   | (175 467 960)        | (158 365 874)        |
| Repairs and maintenance  | 33,6 | (49 409 989)         | (43 864 715)         |
| Depreciation and amortisation expense                            | 51   | (76 863 734)         | (75 158 052)         |
| Contracted services  | 52   | (5 700 224)          | (6 457 063)          |
| Grants and subsidies paid  | 53   | (32 444 495)         | (27 563 507)         |
| Finance costs  | 54   | (99 375 854)         | (97 895 003)         |
| General expenses   | 55   | (388 777 014)        | (419 253 116)        |
| Bad debts  |      | (24 859 048)         | (18 486 118)         |
| Project Preparation Expenditure                                  |      | (1 717 169)          | (1 378 601)          |
| <b>TOTAL EXPENSES</b>  |      | <b>(854 615 488)</b> | <b>(848 422 050)</b> |
| <b>OTHER GAINS / (LOSSES)</b>                                    |      | <b>(142 140 467)</b> | <b>74 038 535</b>    |
| Gain / (Loss) on sale of assets                                  | 56   | (1 412 617)          | (251 805)            |
| Impairment (Loss) / Reversal of impairment loss                  | 57   | (19 953 093)         | (23 075 018)         |
| Gain / (Loss) on fair value adjustment                           | 58   | (120 399 981)        | 93 182 698           |
| Gain / (Loss) on revaluation of assets                           | 59   | (364 022)            | 2 938 428            |
| Gain / (Loss) on sale of shares                                  |      | (21 757)             | 1 010 000            |
| Inventories: Reversal of write-down to net realisable value      |      | 7 943                | 232                  |
| Inventories: Write-down to net realisable value                  |      | 3 060                | 234 000              |
| Share of surplus/ (deficit) of joint venture using equity method | 17   | 109 720              | 110 284              |
| Share of surplus/ (deficit) of associate                         | 18   | 4 703 282            | 4 350 369            |
| Share of surplus/ (deficit) of joint operation                   | 19   | 395                  | 4 267                |

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

|  | Note | 2024/25<br>R '000 | 2023/24<br>R '000  |
|--|------|-------------------|--------------------|
| <b>Continuing Operations Surplus/ (Deficit) before tax</b>   |      | <b>73 495 580</b> | <b>148 190 600</b> |
| Taxation   | 60   | (15 816 616)      | (34 426 211)       |
| <b>Continuing Operations Surplus/ (Deficit) after tax</b>    |      | <b>57 678 964</b> | <b>113 803 867</b> |
| <b>DISCONTINUED OPERATIONS SURPLUS / (DEFICIT) AFTER TAX</b> | 61   | 130 773           | 39 478             |
| <b>TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX</b>   |      | <b>57 809 737</b> | <b>113 803 867</b> |
| <b>Attributable to:</b>                                      |      |                   |                    |
| <i>Owners of the controlling entity</i>                      |      | <b>57 773 404</b> | <b>113 668 921</b> |
| <i>Non-Controlling Interests</i>                             |      | 36 333            | 134 946            |

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

|  | Note  | 2024/25<br>R '000    | 2023/24<br>R '000    |
|--|-------|----------------------|----------------------|
| <b>ASSETS</b>  |       |                      |                      |
| <b>Current assets</b>                                      |       | <b>2 061 781 943</b> | <b>1 938 248 443</b> |
| Cash and cash equivalents                                  | 1     | 415 542 362          | 351 872 699          |
| Trade and other receivables from exchange transactions     | 2     | 106 340 636          | 100 736 520          |
| Trade and other receivables from non-exchange transactions | 3     | 6 545 328            | 7 052 253            |
| Other current financial assets                             | 4     | 1 344 493 817        | 1 281 899 664        |
| Current portion of non-current receivables                 | 5     | 2 269 641            | 2 084 253            |
| VAT receivable   | 6     | 2 272 297            | 1 581 154            |
| Inventories  | 7     | 64 648 350           | 59 341 232           |
| Prepayments  | 8     | 22 991 328           | 21 861 442           |
| Investments  | 9     | 67 435 289           | 86 614 998           |
| Construction contract receivables                          | 10    | 678 015              | 854 526              |
| Finance lease receivable                                   | 11    | 524 822              | 611 450              |
| Statutory Receivables - Exchange                           | 12    | 4 148 474            | 2 335 469            |
| Statutory Receivables - Non Exchange                       | 13    | 23 869 340           | 21 379 115           |
| Operating Lease Asset                                      |       | 22 245               | 23 667               |
|  |       | <b>2 939 637 158</b> | <b>2 767 352 556</b> |
| <b>Non-current assets</b>                                  |       |                      |                      |
| Receivables from exchange transactions                     | 14    | 24 465 047           | 20 547 030           |
| Receivables - Statutory Receivables - Exchange             | 12    | 4 512 903            | 3 578 808            |
| Receivables - Statutory Receivables - Non-Exchange         | 13    | 425                  | 88                   |
| Non-current Investments                                    | 15    | 462 539 808          | 443 578 670          |
| Finance Lease Receivable                                   | 11    | 547 923              | 474 240              |
| Other non-current financial assets                         | 16    | 43 072 595           | 55 662 706           |
| Investments in Joint Ventures                              | 17    | 617 021              | 605 885              |
| Investments in Associates                                  | 18    | 51 973 804           | 50 494 909           |
| Deferred Tax Assets  | 20    | 38 881 550           | 36 224 536           |
| Defined benefit assets                                     | 33    | 6 117 365            | 4 250 676            |
| Property, plant and equipment                              | 34    | 2 155 653 794        | 2 014 118 762        |
| Heritage assets  | 35    | 38 278 897           | 38 181 143           |
| Intangible assets  | 36    | 52 985 893           | 43 850 764           |
| Investment property  | 37&38 | 51 097 531           | 48 388 744           |
| Biological assets  | 39,1  | 5 017 273            | 4 736 897            |
| Living resources   | 39,2  | 13 007               | 13 593               |
| Operating Lease Assets                                     |       | 3 862 323            | 2 645 104            |
| <b>TOTAL ASSETS</b>  |       | <b>5 001 419 101</b> | <b>4 705 600 999</b> |

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

|  | Note | 2024/25<br>R '000    | 2023/24<br>R '000    |
|--|------|----------------------|----------------------|
| <b>LIABILITIES</b>   |      |                      |                      |
| <b>Current liabilities</b>                                 |      | <b>1 867 640 961</b> | <b>1 692 505 329</b> |
| Bank overdraft   | 1.1  | 4 556 701            | 3 954 686            |
| Trade and other payables from exchange transactions        | 21   | 181 891 138          | 161 480 455          |
| VAT payable  | 22   | 11 541 774           | 11 284 023           |
| Taxes and transfers payable                                | 23   | 4 283 227            | 3 646 421            |
| Other current financial liabilities                        | 24   | 1 403 768 825        | 1 246 223 360        |
| Current provisions   | 25   | 82 027 859           | 81 325 094           |
| Current portion of unspent conditional grants and receipts | 26   | 14 542 973           | 14 155 181           |
| Current portion of long-term borrowings                    | 27   | 107 277 131          | 115 938 608          |
| Short-Term Borrowings                                      | 28   | 41 242 672           | 39 115 636           |
| Current portion of finance lease liability                 | 29   | 2 918 379            | 2 324 175            |
| Current portion of operating lease liability               |      | 664 618              | 731 071              |
| Service Concession Arrangement                             | 74   | 2 033 970            | 1 722 961            |
| Deferred Income  | 49,1 | 10 891 694           | 10 603 658           |
| <b>Non-current liabilities</b>                             |      | <b>910 930 245</b>   | <b>876 746 667</b>   |
| Deferred Tax Liabilities                                   | 20   | 88 036 880           | 90,531,146           |
| Unspent conditional grants and receipts                    | 27   | 9 448 494            | 4,976,823            |
| Long-term borrowings                                       | 28   | 564 341 831          | 569,155,759          |
| Finance lease liability                                    | 29   | 13 588 529           | 13,621,164           |
| Non-current provisions                                     | 30   | 103 719 473          | 116,550,276          |
| Other non-current financial liabilities                    | 31   | 43 253 105           | 20,241,531           |
| Defined benefit liability                                  | 32   | 31 465 038           | 28,522,114           |
| Deferred Income  | 49,1 | 40 777 986           | 17,196,109           |
| Operating lease liability                                  |      | 8 281 096            | 6,958,336            |
| Service Concession Arrangement                             | 73   | 8 017 814            | 8,993,410            |
| <b>TOTAL LIABILITIES</b>                                   |      | <b>2 778 571 206</b> | <b>2 569 251 996</b> |
| <b>NET ASSETS</b>  |      | <b>2 222 847 895</b> | <b>2 136 349 002</b> |
| Ordinary Shares  |      | 464 969 248          | 424 765 248          |
| Preference Shares  |      | 2 800 000            | 2 650 000            |
| Revaluation Reserve  |      | 755 723 407          | 672 555 834          |
| Contributed Capital  |      | 61 847 004           | 47 623 730           |
| Translation Reserve  |      | 8 364 198            | 8 472 126            |
| Other Reserves   |      | 242 170 913          | 114 452 954          |
| Accumulated Surplus/ (Deficit)                             |      | 686 884 677          | 865 813 818          |
| Non-Controlling Interests                                  |      | 88 448               | 15 292               |
| <b>TOTAL NET ASSETS AND LIABILITIES</b>                    |      | <b>5 001 419 101</b> | <b>4 705 600 998</b> |

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Attributable To Owners Of The Controlling Entity |                             |                               |                               |                               |                          |   | Non-Controlling Interests<br>R '000 | Total Net Assets<br>R '000 |
|--|--|-----------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|---|-------------------------------------|----------------------------|
|  | Ordinary Shares<br>R '000                        | Preference Shares<br>R '000 | Revaluation Reserve<br>R '000 | Contributed Capital<br>R '000 | Translation Reserve<br>R '000 | Other reserves<br>R '000 | Accumulated Surplus/(Deficit)<br>R '000 |                                     |                            |
| <b>FOR THE YEAR ENDED<br/>31 MARCH 2023</b>                                  |  |                             |                               |                               |                               |                          |   |                                     |                            |
| Changes in accounting policy   | 378 674 205                                      | 250 000                     | 125 382 072                   | 26 978 624                    | 8 927 020                     | 96 804 570               | 652 459 779                             | (144 068)                           | 1 289 332 203              |
| Correction of prior period error   | 1 091 043  |                             | 493 448 961                   | 8 980 000                     |                               | (65 979)                 | 186 729                                 |                                     | 186 729                    |
|  |  |                             |                               |                               |                               |                          | 89 292 001                              |                                     | 592 746 026                |
| <b>FOR THE YEAR ENDED<br/>1 APRIL 2023</b>                                   |  |                             |                               |                               |                               |                          |   |                                     |                            |
| Net of Tax Surplus / (Deficit) on revaluation of Property, Plant & Equipment | 379 765 248                                      | 250 000                     | 618 831 033                   | 35 958 624                    | 8 927 020                     | 96 738 591               | 741 938 509                             | (144 068)                           | 1 882 264 958              |
| Net of Tax Surplus / (Deficit) on revaluation of heritage assets             |  |                             | 57 900 135                    |                               |                               |                          |   |                                     | 57 900 135                 |
| Net Of Tax Currency Translation Differences                                  |  |                             | (4 150 300)                   |                               |                               |                          |   |                                     | (4 150 300)                |
| Increase / (Decrease) in Share Capital / Capital Contributions               |  |                             | (380 236)                     |                               | (629 557)                     | 7 204                    | 422 105                                 | 8 823                               | (571 661)                  |
| Surplus / (Deficit) for the period as per Statement of Financial Performance | 44 000 000                                       |                             | 98                            | 11 167 566                    |                               | (1 075 865)              | (207 407)                               |                                     | 53 884 392                 |
| Transfers to / from accumulated surplus/(deficit)                            |  |                             |                               |                               |                               |                          | 113 68 921                              | 134 946                             | 113 803 867                |
| Dividends Paid (Net Of STC)  |  |                             | 20 201                        |                               | 27 693                        | 19 370 068               | (19 260 721)                            | (6 058)                             | 151 183                    |
| Cash flow hedges   |  |                             |                               |                               |                               | (302 290)                | (141 000)                               |                                     | (141 000)                  |
| Contributions introduced   | 1 000 000  | 2 400 000                   |                               | 497 540                       | 146 970                       |                          | 19                                      |                                     | (302 290)                  |
| Other Movements  |  |                             | 334 903                       |                               |                               | (466 364)                | 29 393 441                              | 21 649                              | 3 897 559                  |
|  |  |                             |                               |                               |                               |                          |   |                                     | 29 430 599                 |

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

|   | Attributable To Owners Of The Controlling Entity |                          |                            |                            |                            |                       |                                      | Non-Controlling Interests R '000 | Total Net Assets R '000 |
|---|--|--------------------------|----------------------------|----------------------------|----------------------------|-----------------------|--------------------------------------|----------------------------------|-------------------------|
|   | Ordinary Shares R '000                           | Preference Shares R '000 | Revaluation Reserve R '000 | Contributed Capital R '000 | Translation Reserve R '000 | Other reserves R '000 | Accumulated Surplus/(Deficit) R '000 |                                  |                         |
| <b>FOR THE YEAR ENDED 31 MARCH 2024</b>   | 424 765 248                                      | 2 650 000                | 672 555 834                | 47 623 730                 | 8 472 126                  | 114 271 344           | 865 813 867                          | 15 292                           | 2 136 167 442           |
| Changes in accounting policy  |  |                          |                            |                            |                            | 181 610               | (49)                                 |                                  | 181 561                 |
| <b>BALANCE AT 1 APRIL 2024</b>  | 424 765 248                                      | 2 650 000                | 672 555 834                | 47 623 730                 | 8 472 126                  | 114 452 954           | 865 813 818                          | 15 292                           | 2 136 349 002           |
| Net of Tax Surplus / (Deficit) on revaluation of Property, Plant & Equipment    |  |                          | 91 896 239                 |                            |                            |                       |                                      |                                  | 91 896 239              |
| Net of Tax Surplus / (Deficit) on revaluation of Intangible Assets              |  |                          | 1 059 189                  |                            |                            |                       |                                      |                                  | 1 059 189               |
| Net of Tax Surplus / (Deficit) on revaluation of heritage assets                |  |                          | 153 019                    |                            |                            |                       |                                      |                                  | 153 019                 |
| Net of Tax Surplus / (Deficit) on Revaluation of Investments Available For Sale |  |                          | (9 687 381)                |                            |                            |                       |                                      |                                  | (9 687 381)             |
| Net Of Tax Currency Translation Differences                                     |  |                          |                            |                            | (18 579)                   |                       |                                      |                                  | (18 579)                |
| Transfers to / from other reserves  |  |                          | 177 499                    |                            |                            | (1 554 230)           | (331 161)                            |                                  | (1 707 892)             |
| Increase / (Decrease) in Share Capital / Capital Contributions                  | 40 204 000                                       |                          |                            | 8 609 945                  |                            |                       |                                      |                                  | 48 813 945              |
| Surplus / (Deficit) for the period as per Statement of Financial Performance    |  |                          |                            |                            |                            |                       | 57 773 404                           | 36 333                           | 57 809 737              |
| Transfers to / from accumulated surplus/(deficit)                               |  |                          | 41 403                     |                            | (88 798)                   | 124 225 858           | (124 299 555)                        | (3 434)                          | (124 526)               |
| Dividends Paid (Net Of STC)   |  |                          |                            |                            |                            |                       | (1 237 927)                          |                                  | (1 237 927)             |
| Cash flow hedges  |  |                          |                            |                            |                            | 417 255               |                                      |                                  | 417 255                 |
| Contributions introduced  |  | 150 000                  | 1                          | 5 613 329                  |                            | 927 155               | (927 153)                            |                                  | 5 763 332               |
| Other Movements   |  |                          | (472 396)                  |                            | (551)                      | 3 701 921             | (109 906 748)                        | 40 257                           | (106 637 516)           |
| <b>FOR THE YEAR ENDED 31 MARCH 2025</b>   | 464 969 248                                      | 2 800 000                | 755 723 407                | 61 847 004                 | 8 364 198                  | 242 170 913           | 686 884 677                          | 88 448                           | 2 222 847 895           |

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

|  | Note | 2024/25<br>R '000    | 2023/24<br>R '000    |
|--|------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |      |                      |                      |
| <b>RECEIPTS</b>  |      | <b>930 356 415</b>   | <b>874 591 050</b>   |
| Transfers and Subsidies  |      | 163 432 746          | 168 632 472          |
| Taxation Revenue   |      | 5 301 895            | 5 966 693            |
| Sale of goods and rendering of services                            |      | 584 177 085          | 520 897 603          |
| Other Operating Revenue  |      | 9 849 608            | 13 188 849           |
| Service charges  |      | 4 415 111            | 4 568 935            |
| Grants   |      | 23 203 440           | 23 891 518           |
| Interest, Dividends and Rent on land                               |      | 63 052 605           | 63 933 584           |
| Fines, penalties and forfeits                                      |      | 62 320               | 69 187               |
| Service in kind receipts   |      | 1 549 618            | 1 310 274            |
| Other Receipts   |      | 75 311 987           | 72 131 936           |
| <b>PAYMENTS</b>  |      | <b>(779 136 786)</b> | <b>(756 970 510)</b> |
| Employee related costs   |      | (168 869 237)        | (155 104 729)        |
| Goods and Services   |      | (328 519 177)        | (334 311 442)        |
| Interest and Rent on land  |      | (91 086 539)         | (86 923 376)         |
| Taxation Paid  |      | (8 563 256)          | (8 243 307)          |
| Service in kind payments   |      | (3 539 274)          | (2 691 153)          |
| Other payments   |      | (178 559 302)        | (169 696 504)        |
| <b>Net cash flows from operating activities</b>                    | 62   | <b>151 219 630</b>   | <b>117 620 540</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |      |                      |                      |
|  |      | <b>(136 708 085)</b> | <b>(158 077 718)</b> |
| Purchase of Property, Plant and Equipment                          |      | (119 709 121)        | (109 112 421)        |
| Purchase of Intangible Assets                                      |      | (8 478 830)          | (2 374 664)          |
| Purchase of Investment Property                                    |      | (416 803)            | (644 050)            |
| Purchase of Heritage Assets  |      | (81 298)             | (100 659)            |
| Purchase of Living Resources                                       |      | (1 341)              | (1 646)              |
| Proceeds on Disposal of Property, Plant and Equipment              |      | 1 922 665            | 1 639 951            |
| Proceeds on Disposal of Intangible Assets                          |      | (432)                | (1 225)              |
| Proceeds on Disposal of Investment Property                        |      | 9 143                | 111 179              |
| Proceeds on Disposal of Heritage Assets                            |      |                      | 120                  |
| Proceeds on Disposal of Living Resources                           |      |                      | (58)                 |
| Purchase of available-for-sale financial assets                    |      | (7 054 236)          | (2 785 299)          |
| Proceeds from sale of Investments                                  |      | 71 104 458           | 71 233 560           |
| Dividend income  |      | 3 592 942            | 2 578 521            |
| Movement in pension fund assets / liabilities                      |      | 330 641              | (89 262)             |
| Loans granted to associates / other economic entities              |      | (16 449 227)         | (46 220 348)         |
| Loan repayments received from associates / other economic entities |      | 17 131 007           | 13 217 549           |
| Borrowing costs capitalised  |      | (1 592 000)          | (1 359 000)          |
| Acquisition of investments   |      | (88 558 164)         | (100 420 347)        |
| Additional movements   |      | 11 542 509           | 16 250 382           |
| <b>Net cash flows from investing activities</b>                    |      | <b>(136 708 085)</b> | <b>(158 077 718)</b> |



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

|   | Note | 2024/25<br>R '000  | 2023/24<br>R '000  |
|---|------|--------------------|--------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |      | 42 627 768         | 68 494 203         |
| Cash received from loans raised                                 |      | 112 093 691        | 182 484 842        |
| Repayment of borrowings   |      | (92 698 695)       | (116 598 761)      |
| Proceeds from issuance of ordinary shares / contributed capital |      | 5 692 087          | 4 033 000          |
| Proceeds from issuance of redeemable preference shares          |      | (119 096)          |                    |
| Proceeds from service concession arrangements                   |      | 302 266            | 171 521            |
| Repayment / issuance of financial guarantee contracts           |      | 18 847 930         | (234 051)          |
| Finance lease payments  |      | (1 392 724)        | (1 906 226)        |
| Distribution / dividends paid                                   |      | (97 691)           | 543 879            |
| <b>Net cash flows from financing activities</b>                 |      | <b>42 627 768</b>  | <b>68 494 203</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     |      | <b>57 139 312</b>  | <b>28 037 025</b>  |
| Cash and cash equivalents at the beginning of the year          |      | 347 918 012        | 319 225 660        |
| Effect of exchange rate movement on cash balances               |      | 5 928 336          | 655 327            |
| <b>Cash and cash equivalents at the end of the year</b>         | 1    | <b>410 985 661</b> | <b>347 918 012</b> |

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## ■ BASIS OF PREPARATION

The National Public Entity Consolidated Annual Financial Statements are prepared in accordance with the principles of GRAP. In particular, the principles of GRAP 35: Consolidated and Separate Financial Statements have been applied to the development of the accounting policies supporting the consolidation. More information is provided in the accounting policies in this regard. In the absence of an identifiable reporting entity, the scope of the consolidation has been determined with reference to the requirements of the Public Finance Management Act, read with GRAP 35.

The public entities' annual financial statements included in this set of consolidated annual financial statements have been prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999). Entities reporting on accounting frameworks other than GRAP were adjusted accordingly to ensure uniform accounting policies for like transactions in similar circumstances.

The annual financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

The different accounting bases for departments and public entities (modified cash versus accrual) necessitates the preparation of two separate consolidations, one for government departments and one for public entities. Government is however in the process of implementing systems that will eventually enable consistent reporting across these two groups, and consequently the preparation of a single consolidation of national government accounts based on Standards of GRAP.

The principal accounting policies, applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

## DETERMINING THE BASIS OF PREPARATION

The Accounting Officer is required to prepare financial statements based on Standards of GRAP. For the purposes of Departmental financial statements, the Modified Cash Basis of Accounting is currently considered to be an appropriate form of generally recognised accounting practice, whereas for public entities, constitutional institutions, and certain legislatures, the Standards of GRAP issued by the ASB shall apply. Government Business Enterprises (GBEs) currently prepare the financial statements on either GRAP or IFRS.

The Minister of Finance granted exemption in terms of Section 92 of the PFMA for the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated AFS for national departments and public entities. The exemption applies to the financial periods 2020-21 to 2024-25 and allows the National Treasury to not prepare a single set of consolidated financial statements for departments and public entities.

Ultimately, it is the intention of the Accounting Officer to prepare a single central government consolidation for all national departments and public entities combined. However, until all the entities are able to report on a substantially similar basis of accounting, it is considered to be impracticable and without benefit to the users to do so. Consequently, until such time that departments are in a position to prepare financial statements on an accrual basis, two separate consolidations are prepared – one for entities reporting on the Modified Cash Basis, and one for entities reporting on an accrual basis.

Accounting policies of entities are adjusted to be on a uniform basis where the effect thereof is deemed to be material to the consolidated financial statements.

## SCOPE OF CONSOLIDATION

There is no specific identifiable controlling entity as envisaged in GRAP 35. The motivation behind preparing these financial statements is not to show what is directly controlled, but rather to present a combined view of entities considered to be a part of

# GROUP ACCOUNTING POLICIES

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government as envisaged by the PFMA. The decision to include or exclude entities cannot be based solely on an analysis of control where this would deviate from the objectives of the consolidation, and hence the users' needs; it must therefore be further based on some other suitable criteria that are in line with the needs of users. In accordance with the definition of a public entity in the PFMA, the Accountant-General has determined that accountability to Parliament for the use of public funds must be the primary driver and considers this to be the primary criterion for including entities in the consolidation, with ownership control by government being assumed to exist in such cases.

Consequently, if an entity has a legal obligation to account to Parliament on its finances, it is deemed to also be under the control of the National Executive and shall be included in the national public entity consolidation. This approach is expected to prudently ensure a more complete consolidation.

## TREATMENT OF DEPARTMENTAL TRADING ENTITIES AND OTHER UNLISTED ENTITIES, TRUSTS AND FUNDS

It is the policy of the Accountant-General to treat trading entities on a similar basis to ordinary public entities for the purposes of this consolidation, where such entities operate on a similar basis in the normal course of business and where they prepare separate financial statements based on Standards of GRAP.

Similarly, unlisted public entities, trusts and funds that meet the criteria as set out in the scope of the consolidation shall also be included in the consolidation.

## BUDGET INFORMATION

As there is no publicly available budget that is reconcilable with the group of entities for the purposes of the National Public Entity Consolidation, it is deemed inappropriate to present a comparison between actual and budget information at this level of consolidation.

## PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

## GOING CONCERN ASSUMPTION

These annual financial statements were prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

## COMPARATIVE INFORMATION

### PRIOR YEAR COMPARATIVES

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods.

## STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following Standards of GRAP and / or amendments thereto have been issued by the Accounting Standards Board but will only become effective in future periods or have not been given an effective date by the Minister of Finance. The entity has not early adopted any of these new Standards or

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amendments thereto, but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5.

When an entity has not applied a new Standard of GRAP that has been issued but is not yet effective, the entity shall disclose: (a) this fact; and (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard will have on the entity's financial statements in the period of initial application. The impact of these standards on the consolidated AFS is still being assessed.

## GRAP 104 Financial Instruments

This Standard deals with the measurement of financial assets and financial liabilities. Residual interests evidence an interest in the assets of an entity after deducting all of its liabilities.

The Standard requires the presentation of financial assets and financial liabilities on a net basis when doing so reflects an entity's expected future cash flows from settling two or more separate financial instruments. When an entity has the right to receive or pay a single net amount and intends to do so, it has, in effect, only a single financial asset or financial liability. In other circumstances, financial assets and financial liabilities are presented separately from each other consistently with their characteristics as resources or obligations of the entity.

The standard has the proposed implementation date from the financial year commencing on 1 April 2025 according to the Government Gazette\_13 August 2021, however early adoption is permitted

## IGRAP 22 Foreign Currency Transactions and Advanced Consideration

This Interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or revenue (or part of it).

The interpretation applies to a foreign currency transaction (or part of it) when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance

consideration before the entity recognises the related asset, expense or revenue (or part of it)

The Interpretation further addresses how to determine the date of the transaction for the purpose of determining the exchange rate, to use on initial recognition of the related asset, expense or revenue (or part of it), on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

The Interpretation has the proposed implementation date from the financial year commencing on 1 April 2025 and early adoption is encouraged.

Other standards that have been approved and are mandatory for entities but are not yet effective are as follows:

- **GRAP 1- Presentation on Financial Statements** (effective date to be determined)
- **GRAP 103 – Heritage Assets** (effective date to be determined)
- **GRAP 105 – Transfer of Functions Between Entities Under Common Control** (effective date to be determined)
- **GRAP 106 - Transfer of Functions Between Entities Not Under Common Control** (effective date to be determined)
- **GRAP 107 – Mergers** (effective date to be determined)

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## SIGNIFICANT JUDGEMENTS AND ESTIMATES

The use of judgment, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the relevant asset or liability in future periods.

### Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements.

### Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors are processed in the period of the review and applied prospectively.

In the process of applying the entity's accounting policies the following estimates, were made:

### Other provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes. Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

## Pension and medical post-employment benefits

Post-employment benefits offered by the entity take the form of defined benefit plans.

The cost of defined benefit pension plans, other post-employment medical benefits, and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Depreciation and amortisation

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, and expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life.

In evaluating how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

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## Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

## Fair value determination of properties (excluding heritage assets)

In determining the fair value of investment property (and / or property, plant and equipment) the entity applies a valuation methodology to determine the fair value of the properties based on any one of, or a combination of the following factors:

- The market related selling price of the property; or
- The market related rental that can be earned for the property; or
- The market related selling price of similar properties in the area; or
- The rentals currently or previously earned by the property.

## Heritage assets

Heritage assets, which are culturally significant resources, and which are shown at cost, are not depreciated due to the uncertainty regarding their estimated useful lives. The valuation of heritage assets is dependent on the type of the asset and the availability of reliable information. Management makes estimates and assumptions about factors such as the restoration cost, replacement cost and cash flow generating ability in estimating fair value.

## Impairments of non-financial assets

In testing for and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets). For non-cash-generating assets, estimates are made regarding the depreciated replacement cost, restoration cost, or service units of the asset, depending on the nature of the impairment and the availability of information.

## FINANCIAL INSTRUMENTS

### INITIAL RECOGNITION

The entity recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest.

Financial instruments are evaluated, based on their terms, to determine if those instruments contain both liability and residual interest components (i.e. to assess if the instruments are compound financial instruments). To the extent that an instrument is in fact a compound instrument, the components are classified separately as financial liabilities and residual interests as the case may be.



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## INITIAL MEASUREMENT

When a financial instrument is recognised, the entity measures it initially at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

## SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

### Financial instruments at fair value

- Derivatives.
- Compound instruments that are designated at fair value i.e., an instrument that includes a derivative and a non-derivative host contract.
- Instruments held for trading.
- Non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition.
- An investment in a residual interest for which fair value can be measured reliably.
- Financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

### Financial instruments at amortised cost

Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that the entity designates at fair value at initial recognition or are held for trading.

### Financial instruments at cost

Investments in residual interests, which do not have quoted market prices and for which fair value cannot be determined reliably.

The entity assesses which instruments should be subsequently measured at fair value, amortised cost or cost, based on the definitions of financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost as set out above.

## CONCESSIONARY LOANS

The part of the concessionary loan that is a social benefit or non-exchange revenue is determined as the difference between the fair value of the loan and the loan proceeds, either paid or received.

After initial recognition, an entity measures concessionary loans in accordance with the subsequent measurement criteria set out for all financial instruments.

## DERECOGNITION

A financial asset is derecognised at trade date, when: The cash flows from the asset expire, are settled or waived; a) Significant risks and rewards are transferred to another party; or b) Despite having retained significant risks and rewards, the entity has transferred control of the asset to another entity.

A financial liability is derecognised when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where the terms of an existing financial liability are modified, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

## GAINS AND LOSSES

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired or through the amortisation process.

# GROUP ACCOUNTING POLICIES

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## OFFSETTING

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of set-off exists and the parties intend to settle on a net basis.

## IMPAIRMENTS

All financial assets measured at amortised cost, or cost, are subject to an impairment review. The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

### For financial assets held at amortised cost:

The entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the entity determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the

previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

### For financial assets held at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

## POLICIES RELATING TO SPECIFIC FINANCIAL INSTRUMENTS

### Investments at amortised cost

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks are categorised as financial instruments at amortised cost and are subsequently measured at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.



# GROUP ACCOUNTING POLICIES

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## Investments at fair value

Investments, which represent investments in residual interest for which fair value can be measured reliably, are subsequently measured at fair value.

Gains and losses in the fair value of such investments are recognised in the Statement of Financial Performance.

## Investments at cost

Investments at cost, which represent investments in residual interest for which there is no quoted market price and for which fair value cannot be measured reliably, are subsequently measured at cost.

## Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

## Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

## Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest rate method.

## INVENTORIES

### INITIAL RECOGNITION AND MEASUREMENT

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress (WIP) and finished goods (FG), are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net

# GROUP ACCOUNTING POLICIES

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realisable value or current replacement cost at financial year-end.

Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

## DERECOGNITION

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

## PROPERTY, PLANT AND EQUIPMENT

### INITIAL RECOGNITION AND MEASUREMENT

Property, plant and equipment are tangible non-current assets including infrastructure assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes and are expected to be used during more than one year.

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition.

The cost of an item of property, plant and equipment is the purchase price and other costs directly

attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are depreciated separately over their useful lives.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

### Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent to initial recognition, certain classes of property, plant and equipment are measured using the revaluation model. Application of the revaluation model results in carrying classes of property, plant and equipment at re-valued amounts. Depreciation for these classes of property, plant and equipment is adjusted proportionately for the revaluation increases and decreases upon revaluation of the items of property, plant and equipment. Revaluation increases / decreases are recognised in the revaluation reserve within the

# GROUP ACCOUNTING POLICIES

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Statement of Changes in Net Assets. Where the revaluation model is applied, it is done so consistently for the entire class of assets. The following classes of property, plant and equipment are measured using the revaluation model:

## Subsequent expenditure

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualifies as property, plant and equipment if the recognition criteria are met.

## Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an assets' residual value, where applicable to entity.

The assets' residual values, useful lives and depreciation methods are assessed at each reporting date and change(s) is/are accounted for as a change in an accounting estimate in accordance with the relevant Standard of GRAP.

The annual depreciation rates are based on the following estimated asset useful lives:

| CATEGORY OF ASSET                                  | USEFUL LIFE RANGE IN YEARS |
|--|----------------------------|
| <b>Land &amp; Buildings</b>                        |                            |
| <i>Buildings</i>                                   | 15 - 50                    |
| <i>Land</i>  | Indefinite Life            |
| <b>Infrastructure Assets</b>                       |                            |
| <i>Roads, Sidewalks &amp; Storm water Networks</i> | 5 - 100                    |
| <i>Beach Developments</i>                          | 30 - 50                    |
| <i>Electricity Reticulation &amp; Supply</i>       | 10 - 80                    |
| <i>Sewerage Mains &amp; Purification Works</i>     | 15 - 80                    |
| <i>Waste Disposal Facilities</i>                   | 20 - 100                   |

| CATEGORY OF ASSET                        | USEFUL LIFE RANGE IN YEARS |
|--|----------------------------|
| <i>Water Supply &amp; Reticulation</i>   | 10 - 50                    |
| <i>Dams &amp; Treatment Works</i>        | 25 - 100                   |
| <b>Other Assets</b>                      |                            |
| <i>Bins &amp; Containers</i>             | 10                         |
| <i>Emergency &amp; Medical Equipment</i> | 15                         |
| <i>Vehicles</i>                          | 5                          |
| <i>Plant, machinery &amp; Equipment</i>  | 30                         |
| <i>Furniture &amp; Fittings</i>          | 10                         |
| <i>Office Equipment</i>                  | 10                         |
| <i>Landfill Sites</i>                    | 50                         |
| <i>Security Systems</i>                  | 5 - 15                     |
| <i>Tip Sites</i>                         | 30                         |
| <i>Computer Equipment</i>                | 4 - 8                      |
| <b>Community Assets</b>                  |                            |
| <i>Libraries</i>                         | 15 - 50                    |
| <i>Fire Stations</i>                     | 15 - 50                    |
| <i>Cemeteries</i>                        | 15 - 50                    |
| <i>Clinics</i>                           | 15 - 50                    |
| <i>Community Centers</i>                 | 15 - 50                    |
| <i>Public Conveniences</i>               | 15 - 50                    |
| <i>Swimming Pools</i>                    | 15 - 50                    |
| <i>Recreational Facilities</i>           | 15 - 50                    |
| <i>Selling &amp; Letting Schemes</i>     | 15 - 50                    |

## Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the

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impairment is recognised in the Statement of Financial Performance.

## Derecognition

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

## Heritage assets

Heritage assets, which have **cultural**, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations are shown at cost. They are not depreciated due to the uncertainty regarding their estimated useful lives, as reflected in the table below:

| CATEGORY OF HERITAGE ASSET                           | USEFUL LIFE RANGE IN YEARS |
|--|----------------------------|
| <i>Memorials &amp; Statues</i>                       | <i>Indefinite Life</i>     |
| <i>Heritage Sites</i>                                | <i>Indefinite Life</i>     |
| <i>Museums</i>                                       | <i>Indefinite Life</i>     |
| <i>Art Works</i>                                     | <i>Indefinite Life</i>     |
| <i>Collections (Rare books, coins, stamps, etc.)</i> | <i>Indefinite Life</i>     |

Heritage asset shall not be depreciated but an entity shall assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the entity shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

## Subsequent measurement

Subsequent expenditure relating to Heritage Assets is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic

benefits associated with the asset. Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

After recognition as an asset, a class of heritage assets shall be carried at its cost less any accumulated impairment losses.

## ■ INTANGIBLE ASSETS

### INITIAL RECOGNITION AND MEASUREMENT

An intangible asset is an identifiable non-monetary asset without physical substance. The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- The entity intends to complete the intangible asset for use or sale.
- It is technically feasible to complete the intangible asset.
- The entity has the resources to complete the project.
- It is probable that the entity will receive future economic benefits or service potential.
- The entity has the ability to measure reliably the expenditure during development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the entity for no or nominal consideration (i.e., a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, its deemed cost is the carrying amount of the asset(s) given up.

## SUBSEQUENT MEASUREMENT

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments.

The cost of an intangible asset is amortised over the useful life where that useful life is finite. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Financial Performance in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assumption continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in Statement of Financial Performance in the expense category consistent with the function of the intangible asset. During the period of development, the asset is tested for impairment annually.

## AMORTISATION AND IMPAIRMENT

Amortisation is charged to write off the cost of intangible assets over their estimated useful lives using the straight-line method.

The annual amortisation rates are based on the following estimated average asset lives:

| CATEGORY OF INTANGIBLE ASSET | USEFUL LIFE RANGE IN YEARS |
|------------------------------|----------------------------|
| Computer Software            | 3 – 5                      |

## IMPAIRMENTS

The entity tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is performed at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

## DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## INVESTMENT PROPERTY

### INITIAL RECOGNITION AND MEASUREMENT

Investment property includes property held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services or the sale of an asset in the ordinary course of operations.

Investment Property is initially recognised when future economic benefits or service potential are probable, and the cost or fair value can be determined reliably.

At initial recognition, the entity measures investment property at cost including transaction costs once it meets the definition of investment property.



# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

Where an investment property was acquired through a non-exchange transaction (i.e., where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property (property, plant and equipment), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of day-to-day servicing of investment property is recognised in the Statement of Financial Performance as incurred.

## SUBSEQUENT MEASUREMENT

### Cost model

Investment property is measured using the cost model. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment. Land is not depreciated. Investment properties are written down as a result of impairment, where considered necessary.

Depreciation begins when the asset is available for use. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

| CATEGORY OF INVESTMENT PROPERTY | USEFUL LIFE RANGE IN YEARS |
|---------------------------------|----------------------------|
| <i>Investment Property</i>      | <i>15 - 50</i>             |
| <i>Land</i>                     | <i>Indefinite Life</i>     |

The investment property's residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each financial year-end.

### Fair value model

Investment property is measured using the fair value model. This entails determining the fair value of investment properties on a regular basis. To the extent that the fair value model is applied investment property is not depreciated. Fair value gains / losses that result from the revaluation are recognised in the Statement of Financial Performance.

### Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an Investment Property is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

### Derecognition

An Investment Property is derecognised when there is a disposal, or no future economic benefits or service potential are to be derived from the property. All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

## BIOLOGICAL ASSETS

### RECOGNITION

Biological assets that are not managed as part of an agricultural activity are accounted for as property, plant and equipment where they are expected to be used for longer than 12 months (refer to accounting

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

policy for property, plant and equipment).

Biological assets that are managed as part of an agricultural activity, and agricultural produce are recognised when:

- The entity controls the asset; and
- Future economic benefits or service potential from the asset is probable; and

The fair value or cost of the asset can be determined.

## MEASUREMENT

Biological assets are measured at fair value less estimated point-of-sale costs at initial recognition as well for subsequent reporting periods. Agricultural produce (as harvested from biological assets) is recognised at the point of harvest. Accordingly, agricultural produce is measured at fair value less point-of-sale costs at the point of harvest. When this agricultural produce is transferred to inventory (for the purpose of consumption or resale) the fair value less point-of-sale costs, becomes the cost of the agricultural produce inventory.

Where there is no active market for biological assets and it is not possible to determine the fair value of the biological assets reliably through the use of other valuation techniques, the biological assets are measured at cost less accumulated depreciation and accumulated impairment losses. Should the fair value of the biological asset become available or reliably determinable in subsequent periods, the biological asset will be measured at its fair value less point-of-sale costs.

When measuring the biological asset at fair value less point-of-sale costs at initial recognition, gain may arise on that asset. This gain is recognised in surplus or deficit for the period during which the biological asset was initially recognised. Any subsequent changes to the fair value less point-of-sale costs (which arise as a result of re-measurements at subsequent reporting dates) are also recognised in the surplus or deficit for the period.

The gain or loss that arises on the initial recognition of agricultural produce at fair value less point-of-sale costs is also recognised in surplus or deficit in the period that it arises.

## DERECOGNITION

Agricultural produce is derecognised at the point of reclassification to inventory. As the fair value less point-of-sale costs becomes the cost of the inventory, no gain or loss is derecognised at the point of reclassification.

Biological assets are derecognised when the entity disposes thereof or when it is no longer probable that future economic benefits or service potential will be generated from the biological asset. Any gain or loss that arises at the point of derecognition is recognised in surplus or deficit at the point of derecognition.

## ■ IMPAIRMENT OF NON-FINANCIAL ASSETS

### RECOGNITION

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset exceeds its recoverable amount (or recoverable service amount in the case of non-cash-generating assets), the asset is considered impaired and is written down to its recoverable amount (or recoverable service amount). An assets recoverable amount (or recoverable service amount) is the higher of the fair value less costs to sell, and the value-in-use of the asset.

### MEASUREMENT

An asset's recoverable amount (or recoverable service amount) is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use. This recoverable amount (or recoverable service amount) is determined for individual assets, unless those individual assets are part of a larger cash generating unit, in which case the recoverable amount (or recoverable service amount) is determined for the whole cash generating unit.

An asset is part of a cash generating unit where that asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

In determining the recoverable amount (or recoverable service amount) of an asset the entity evaluates the assets to determine whether the assets are cash generating assets or non-cash generating assets.

For cash generating assets the value in use is determined as a function of the discounted future cash flows from the asset.

Where the asset is a non-cash generating asset the value in use is determined through one of the following approaches:

- Depreciated replacement cost approach – The current replacement cost of the asset is used as the basis for this value. This current replacement cost is depreciated for a period equal to the period that the asset has been in use so that the final depreciated replacement cost is representative of the age of the asset.
- Restoration cost approach - Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment.
- Service units' approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state.

The decision as to which approach to use is dependent on the nature of the identified impairment.

In assessing value-in-use for cash-generating assets, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, other fair value indicators are used.

Impairment losses of continuing operations are recognised in the Statement of Financial

Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity makes an estimate of the assets or cash-generating unit's recoverable amount.

## REVERSAL OF IMPAIRMENT LOSSES

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## EMPLOYEE BENEFITS

### SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits encompass all those benefits that become payable in the short term, i.e., within a financial year or within 12 months after the financial year. Therefore, short term employee benefits include remuneration, compensated absences and bonuses.

Short term employee benefits are recognised in the Statement of Financial Performance as services are rendered, except for non-accumulating benefits, which are recognised when the specific event occurs. These short-term employee benefits are measured at their undiscounted costs in the period the employee renders the related service, or the specific event occurs.

### POST-EMPLOYMENT BENEFITS

The entity provides post-employment benefits for its officials. These benefits are provided as either



# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

defined contribution plans or defined benefit plans. The entity identifies as defined contribution plans any post-employment plan in terms of which it has no obligation to make further contributions to the plan over and above the monthly contributions payable on behalf of employees (for example in the event of a funding shortfall). Any other plans are considered to be defined benefit plans.

## DEFINED CONTRIBUTION PLANS

Contributions made towards the fund are recognised as an expense in the Statement of Financial Performance in the period that such contributions become payable. This contribution expense is measured at the undiscounted amount of the contribution paid or payable to the fund. A liability is recognised to the extent that any of the contributions have not yet been paid. Conversely an asset is recognised to the extent that any contributions have been paid in advance.

## DEFINED BENEFIT PLANS

Pursuant to the entity's obligation to fund the post-employment benefits provided through a defined benefit plan, the entity recognises a defined benefit obligation or asset with reference to the fund's financial position. To the extent that the future benefits payable under the fund exceeds the value of assets held to finance those benefits, the entity recognises as defined benefit obligation. To the extent that the value of plan assets exceeds the future benefits payable by the fund the entity recognises as defined benefit asset. Plan assets are assets that are held by long-term employee benefit funds or qualifying insurance policies. Plan assets are not available to the creditors of the entity, nor can they be paid directly to the entity.

The defined benefit asset or obligation is recognised as the net difference between the value of the plan assets and plan liabilities and also taking past service cost into consideration (further detail is available in the notes to the financial statements – post-employment benefits note)

Plan assets included in the defined benefit plan asset or liabilities recognised are measured at their fair values. Fair value is based on market price

information and in the case of quoted securities is the published bid price. The value of any defined benefit asset recognised is limited to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The plan liabilities are measured at the present value of the future benefits payable. This present value of the plan liabilities is determined through actuarial valuation techniques.

The entity operates a number of defined benefit pension plans, all of which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan, using the projected unit credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries for each plan. Actuarial gains and losses are recognised in full in the Statement of Financial Performance in the year that they occur.

The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

## LEASES

### THE ENTITY AS LESSEE

#### Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity through the lease agreement. Assets classified as finance leases are recognised in the Statement of Financial Position at the inception of the lease, as is the corresponding finance lease liability.

Assets classified as operating leases, i.e., those leases where substantially all of the risks and rewards of ownership are not transferred to the

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

lessee through the lease, are not recognised in the Statement of Financial Position. The operating lease expense is recognised over the course of the lease arrangement.

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

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005, in accordance with the transitional requirements of IGRAP 3.

## Measurement

Assets subject to a finance lease, as recognised in the Statement of Financial Position, are measured (at initial recognition) at the lower of the fair value of the assets and the present value of the future minimum lease payments. Subsequent to initial recognition these capitalised assets are depreciated over the contract term.

The finance lease liability recognised at initial recognition is measured at the present value of the future minimum lease payments. Subsequent to initial recognition this liability is carried at amortised cost, with the lease payments being set off against the capital and accrued interest. The allocation of the lease payments between the capital and interest portion of the liability is affected through the application of the effective interest method.

The finance charges resulting from the finance lease are expensed, through the Statement of Financial Performance, as they accrue. The finance cost accrual is determined using the effective interest method.

The lease expense recognised for operating leases is charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease. To the extent that the straight-lined lease payments differ from the actual lease payments the difference is recognised in the Statement of Financial Position as either lease payments in advance (operating lease asset) or lease payments payable (operating lease liability) as the case may be. This

resulting asset and / or liability is measured at the undiscounted difference between the straight-line lease payments and the contractual lease payments.

## Derecognition

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset.

## THE ENTITY AS LESSOR

### Recognition

For those leases that meet the definition of a finance lease, where the entity is the lessor, the entity recognises the asset subject to the lease at the inception of the lease. Along with the recognition of the asset the entity recognises a finance lease receivable. Finance lease income is allocated between the finance lease receivable and finance income using the effective interest rate method and the resulting finance income is recognised in the Statement of Financial Performance as it accrues.

For those leases classified as operating leases the asset subject to the lease is not recognised and no lease receivable is recognised at the inception of the lease. Lease payments received under an operating lease are recognised as income, in the Statement of Financial Performance, in the period that the income accrues.

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

## Measurement

Finance lease receivables are recognised at an

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

amount equal to the entity's net investment in the lease. This net investment in the lease is calculated as the sum of the minimum future lease payments and unguaranteed residual value discounted over the lease term at the rate implicit in the lease.

Rental Income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined lease payments and the contractual lease payments are recognised as either an operating lease asset or operating lease liability. An operating lease liability is raised to the extent that lease payments are received in advance (i.e., the straight-line lease payments are more than the contractual lease payments). The operating lease asset and / or operating lease liability are measured as the undiscounted difference between the straight-line lease receipts and the contractual lease receipts.

## Derecognition

Finance lease receivables are derecognised when the entity's right to the underlying cash flows expire or when the entity no longer expects economic benefits to flow from the finance lease receivable.

Operating lease liabilities are derecognised when the entity's obligation to provide economic benefits or service potential under the lease agreement expires. Operating lease assets are derecognised when the entity's right to the underlying cash flows expire, or the entity no longer expects economic benefits to flow from the operating lease asset.

## REVENUE

### REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.

### RECOGNITION

Revenue from exchange transactions is only

recognised once all of the following criteria have been satisfied:

- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue arising out of situations where the entity acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

Grants, transfers and donations received, or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset and there is not a corresponding liability in respect of related conditions.

### Measurement

An asset that is recognised as a result of a non-exchange transaction is recognised at its fair value at the date of the transfer. Consequently, revenue arising from a non-exchange transaction is measured at the fair value of the asset received, less the amount of any liabilities that are also recognised due to conditions that must still be satisfied.

Where there are conditions attached to a grant, transfer or donation that gave rise to a liability at initial recognition, that liability is transferred to revenue as and when the conditions attached to the grant are met.

Grants without any conditions attached are recognised as revenue in full when the asset is recognised, at an amount equalling the fair value of the asset received.

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor.

## Expenditure relating to non-exchange transactions

The accounting policy for expenditure arising from non-exchange transactions is similar to policy for non-exchange revenue.

## BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The entity ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

## FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded are expensed.

Transactions in foreign currency are accounted for at the spot rate of the exchange ruling on the date of the transaction.

Gains and losses arising on the translation are dealt with in the Statement of Financial Performance in the year in which they occur.

## SURPLUS OR DEFICIT

### GAINS AND LOSSES

Gains and losses arising from fair value adjustments on investments and loans, and from the disposal of assets, are presented separately from other revenue in the Statement of Financial Performance.

Income, expenditure, gains and losses are recognised in surplus or deficit except for the exceptional cases where recognition directly in net assets is specifically allowed or required by a Standard of GRAP.

## IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) or is in contravention of the entity's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the annual financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is disclosed as such in the notes to the annual financial statements and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## RECOVERY OF IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE

The recovery of irregular and fruitless and wasteful expenditure is based on legislated procedures and is recognised when the recovery thereof from the responsible officials is probable. The recovery of irregular and fruitless and wasteful expenditure is treated as other income.

# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## ■ POST-REPORTING DATE EVENTS

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amounts recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

## ■ RELATED PARTIES

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Related party transactions that took place during the financial periods covered by the financial statements are disclosed in the financial statements where those transactions were not within:

- normal supplier and/or client/recipient relationships on terms and conditions that are more or less favourable than those which it is reasonable to expect the entity to have adopted

if dealing with that individual entity or person in the same circumstances; and

- terms and conditions within the normal operating parameters established by the reporting entity's legal mandate.

Further details about those transactions, outstanding balances including commitments are disclosed in the notes to the financial statements.

## ■ INVESTMENT IN AN ASSOCIATE

The entity's investment in its associate is accounted for using the equity method. An associate is an entity in which the entity has significant influence.

Under the equity method, the investment in the associate is carried on the Statement of Financial Position at cost plus post-acquisition changes in the entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Statement of Financial Performance reflects the entity's share of the results of operations of the associate. When there has been a change recognised directly in the net assets of the associate, the entity recognises its share of any changes and discloses this, when applicable, in the statement of changes in net assets.

Unrealised gains and losses resulting from transactions between the entity and the associate are eliminated to the extent of the interest in the associate.

The entity's share of the net surplus or deficit of an associate is shown on the face of the Statement of Financial Performance. This is the surplus attributable to holders of the residual interest in the associate and, therefore, is surplus after tax and minority interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the entity. When necessary, adjustments are made to bring the accounting policies in line with those of the entity.



# GROUP ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## ■ SEGMENT REPORTING

Operating segments are identified and aggregated into reportable segments on the basis of the consolidated financial statements. For each of the reportable segments identified, details of the financial performance and financial position will be disclosed as additional disclosures.

For consolidation purposes, the National Treasury will report on these segments based on service segments, which is a distinguishable component of an entity that is engaged in providing related outputs or achieving particular operating objectives consistent with the overall mission of each entity. These are the 5 clusters that were approved by the South African government.

## ■ STATUTORY RECEIVABLES

### INITIAL RECOGNITION AND MEASUREMENT

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. The accounting policy followed for the recognition of statutory receivables is the same as the policy followed for receivables that arise from exchange and non-exchange transactions. When the statutory receivable does not arise from an exchange or non-exchange transaction, it is recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Statutory receivables are initially measured at their transaction amount. The transaction amount of a statutory receivable is the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations or similar means.

### Subsequent measurement

Subsequent to initial recognition, statutory receivables are measured at cost – i.e., the initial measurement of the receivable is changed to reflect interest or other charges that may have accrued on

the receivable, impairment losses and amounts derecognised.

### Impairment

The entity tests for impairment where there's an indication that the statutory receivable, or a group of statutory receivables, may be impaired. An assessment of whether there is an indication that a statutory receivable or a group of statutory receivables may be impaired, is done at each reporting date. If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount of the statutory receivable or a group of statutory receivables is higher than the estimated future cash flows, the carrying amount of the statutory receivable or a group of statutory receivables is reduced to the estimated future cash flows and the impairment loss is charged to the Statement of Financial Performance.

An impairment is reversed to the extent that the carrying amount of the receivable or a group of receivables does not exceed the carrying amount of the receivable(s) that would have been determined had the impairment loss not been recognised. The reversal of the impairment loss is recognised in the Statement of Financial Performance.

### Derecognition

A statutory receivable, or a part thereof is derecognised when the entity's rights to the cash flows from the receivables are settled, expire or waived; significant risks and rewards of ownership of the receivable are transferred to another party; or despite having retained some significant risks and rewards, the entity has transferred control of the receivable to another entity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2024/25<br>R '000  | 2023/24<br>R '000  |
|---|--------------------|--------------------|
| <b>1 Cash and Cash Equivalents</b>                  |                    |                    |
| Cash and cash equivalents consist of the following: |                    |                    |
| Cash on hand  | 3 307 477          | 6 558 617          |
| Cash at bank  | 141 499 051        | 131 543 732        |
| Call deposits                                       | 258 496 247        | 200 952 506        |
| Call investments                                    | 12 239 587         | 12 817 844         |
| <b>Less:</b> Bank Overdraft                         | (4 556 701)        | (3 954 686)        |
| <b>Total Cash and cash Equivalents</b>              | <b>410 985 661</b> | <b>347 918 012</b> |

|   | Gross Balances<br>R '000 | Provision for<br>Doubtful Debts<br>R '000 | Net Balance<br>R '000 |
|---|--------------------------|---|-----------------------|
| <b>2 Trade and Other Receivables from Exchange Transactions</b>                           |                          |   |                       |
| <b>Balance As At 31 March 2025</b>  |                          |   |                       |
| Recoveries of staff expenses  | 58 907                   | (19 177)                                  | 39 730                |
| Other Trade Receivables   | 179 513 714              | (82 531 601)                              | 96 982 114            |
| Employee advances   | 63 940                   |   | 63 940                |
| Provincial Government   | 15 112 167               | (9 972 670)                               | 5 139 498             |
| National Government   | 16 054 630               | (12 603 800)                              | 3 450 829             |
| Municipalities/ Municipal Entity  | 987 643                  | (323 117)                                 | 664 526               |
| <b>Total Trade &amp; Other Receivables From Exchange Transactions As At 31 March 2025</b> | <b>211 791 001</b>       | <b>(105 450 365)</b>                      | <b>106 340 636</b>    |
| <b>Balance As At 31 March 2024</b>  |                          |   |                       |
| Recoveries of Staff Expenses  | 71 373                   | (18 710)                                  | 52 663                |
| Other Trade Receivables   | 168 200 713              | (76 925 031)                              | 91 275 682            |
| Employee Advances   | 51 038                   |   | 51 038                |
| Provincial Government   | 13 813 832               | (8 065 416)                               | 5 748 417             |
| National Government   | 13 424 189               | (10 373 297)                              | 3 050 892             |
| Municipalities/ Municipal Entity  | 876 234                  | (318 405)                                 | 557 829               |
| <b>Total Trade &amp; Other Receivables From Exchange Transactions As At 31 March 2024</b> | <b>196 437 379</b>       | <b>(95 700 859)</b>                       | <b>100 736 520</b>    |

|   | 2024/25<br>R '000  | 2023/24<br>R '000  |
|---|--------------------|--------------------|
| <b>Ageing of Trade &amp; Other Receivables from Exchange Transactions (Net of Provision For Doubtful Debts)</b> |                    |                    |
| Current (0 – 30 days)   | 82 313 994         | 76 034 141         |
| 31 - 60 Days  | 5 476 387          | 8 874 508          |
| 61 - 90 Days  | 3 815 521          | 4 407 737          |
| 91 - 120 Days   | 4 160 388          | 3 090 876          |
| 121 + Days  | 10 574 346         | 8 329 257          |
| <b>Total</b>  | <b>106 340 636</b> | <b>100 736 520</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| Summary of Debtors by Classification                       | Recoveries of Staff Expenses<br>R '000 | Other Trade Receivables<br>R '000 | Employee Advances<br>R '000 | Provincial Government<br>R '000 | National Government<br>R '000 | Municipality/Municipal Entity<br>R '000 |
|--|--|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|---|
| <b>Balance as at 31 March 2025</b>                         |  |                                   |                             |                                 |                               |   |
| Current (0 – 30 days)                                      | 34 959                                 | 99 446 883                        | 44 629                      | 1 439 574                       | 15 965 222                    | 68 464                                  |
| 31 - 60 Days   | 2 257                                  | 8 297 484                         | 5 689                       | 587 307                         | 115 964                       | 24 198                                  |
| 61 - 90 Days   | 447                                    | 5 727 232                         | 2 489                       | 5 138 846                       | 93 675                        | 41 266                                  |
| 91 - 120 Days  | 5                                      | 10 261 977                        | 77                          | (1 339)                         | 90 556                        | 551 651                                 |
| 121 - 365 Days   | 21 239                                 | 55 780 139                        | 11 056                      | 7 947 780                       | (210 787)                     | 302 064                                 |
| <b>Total Debtors before Provision For Doubtful Debts</b>   | <b>58 907</b>                          | <b>179 513 714</b>                | <b>63 940</b>               | <b>15 112 167</b>               | <b>16 054 629</b>             | <b>987 643</b>                          |
| <b>Less: Provision for doubtful debts</b>                  | (19 177)                               | (82 531 601)                      |                             | (9 972 670)                     | (12 603 800)                  | (323 117)                               |
| <b>Total Debtors by Classification as at 31 March 2025</b> | <b>39 730</b>                          | <b>96 982 113</b>                 | <b>63 940</b>               | <b>5 139 498</b>                | <b>3 450 829</b>              | <b>664 526</b>                          |

| Summary of Debtors by Classification                       | Recoveries of Staff Expenses<br>R '000 | Other Trade Receivables<br>R '000 | Employee Advances<br>R '000 | Provincial Government<br>R '000 | National Government<br>R '000 | National Government<br>R '000 |
|--|--|-----------------------------------|-----------------------------|---------------------------------|-------------------------------|-------------------------------|
| <b>Balance as at 31 March 2024</b>                         |  |                                   |                             |                                 |                               |                               |
| Current (0 – 30 days)                                      | 41 777                                 | 96 692 928                        | 31 598                      | 1 408 723                       | 12 365 618                    | 111 418                       |
| 31 - 60 Days   | 1 891                                  | 8 907 952                         | 7 365                       | 920 912                         | 78 165                        | 21 775                        |
| 61 - 90 Days   | 971                                    | 4 307 354                         | 951                         | 4 763 016                       | 48 082                        | 33 813                        |
| 91 - 120 Days  | 1 066                                  | 8 789 345                         | 4 837                       | 325 626                         | 224 835                       | 91 554                        |
| 121 - 365 Days   | 25 668                                 | 49 503 133                        | 6 287                       | 6 395 554                       | 707 489                       | 617 674                       |
| <b>Total Debtors before Provision For Doubtful Debts</b>   | <b>71 373</b>                          | <b>168 200 713</b>                | <b>51 038</b>               | <b>13 813 833</b>               | <b>13 424 189</b>             | <b>876 234</b>                |
| <b>Less: Provision for doubtful debts</b>                  | (18 710)                               | (76 925 031)                      |                             | (8 065 416)                     | (10 373 297)                  | (318 405)                     |
| <b>Total Debtors by Classification as at 31 March 2024</b> | <b>52 662</b>                          | <b>91 275 682</b>                 | <b>51 038</b>               | <b>5 748 417</b>                | <b>3 050 892</b>              | <b>557 829</b>                |

|  | 2024/25<br>R '000    | 2023/24<br>R '000   |
|--|----------------------|---------------------|
| <b>2.1 Reconciliation of the doubtful debt provision</b> |                      |                     |
| Balance at beginning of the year                         | (95 700 859)         | (72 085 135)        |
| Contributions to provision                               | (16 319 923)         | (25 421 209)        |
| Doubtful debts written off against provision             | 6 673 006            | 4 138 966           |
| Reversal of provision                                    | (77 358)             | (29 111)            |
| Amounts used   | (405 285)            | 40 059              |
| Increase/ (Decrease) due to change in estimate           | 381 037              | (2 323 646)         |
| Change due to correction of errors                       | (984)                | (20 782)            |
| <b>Balance at end of year</b>                            | <b>(105 450 365)</b> | <b>(95 700 859)</b> |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
|--|-------------------|-------------------|

## 3 Trade and Other Receivables from Non-Exchange Transactions

|                                | <b>BALANCE AS AT 31 MARCH 2025</b> |                              |                  |
|--------------------------------|------------------------------------|------------------------------|------------------|
|                                | Gross Balances                     | Provision for Doubtful Debts | Net Balance      |
|                                | R'000                              | R'000                        | R'000            |
| Subsidies                      | 37 462                             | -                            | 37 462           |
| Fruitless expenditure          | 2                                  | -                            | 2                |
| Other receivables              | 7 522 912                          | (1 480 124)                  | 6 042 788        |
| Provincial Government          | 128 881                            | (33 971)                     | 94 909           |
| National Government            | 370 167                            | -                            | 370 167          |
| <b>Total Other receivables</b> | <b>8 059 423</b>                   | <b>(1 514 095)</b>           | <b>6 545 328</b> |

|                                | <b>BALANCE AS AT 31 MARCH 2024</b> |                              |                  |
|--------------------------------|------------------------------------|------------------------------|------------------|
|                                | Gross Balances                     | Provision for Doubtful Debts | Net Balance      |
|                                | R'000                              | R'000                        | R'000            |
| Subsidies                      | 71 504                             | -                            | 71 504           |
| Fruitless expenditure          | 2                                  | -                            | 2                |
| Other receivables              | 7 963 077                          | (1 379 271)                  | 6 583 806        |
| Provincial Government          | 108 939                            | (27 456)                     | 81 483           |
| National Government            | 315 459                            | -                            | 315 459          |
| <b>Total Other receivables</b> | <b>8 458 981</b>                   | <b>(1 406 728)</b>           | <b>7 052 253</b> |

### Ageing of Other Receivables from Non-Exchange Transactions (Net of Provision For Doubtful Debts)

|                       | 2025<br>R'000    | 2024<br>R'000    |
|-----------------------|------------------|------------------|
| Current (0 – 30 days) | 2 924 757        | 3 066 152        |
| 31 - 60 Days          | 2 086 179        | 2 457 005        |
| 61 - 90 Days          | 119 390          | 64 498           |
| 91 - 120 Days         | 62 596           | 167 275          |
| 121 + Days            | 1 352 405        | 1 297 323        |
| <b>Total</b>          | <b>6 545 328</b> | <b>7 052 253</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Summary of Debtors by Classification

|  | BALANCE AS AT 31 MARCH 2025 |                       |                    |                       |                     |
|--|-----------------------------|-----------------------|--------------------|-----------------------|---------------------|
|  | Subsidies                   | Fruitless expenditure | Other receivables  | Provincial Government | National Government |
|  | R'000                       | R'000                 | R'000              | R'000                 | R'000               |
| Current (0 – 30 days)                                      | 37 154                      |                       | 3 286 053          | 65 032                | 358 488             |
| 31 - 60 Days   | 308                         |                       | 1 506 987          | 31 553                | 10 463              |
| 61 - 90 Days   |                             | 2                     | 267 212            | 6 044                 |                     |
| 91 - 120 Days  |                             |                       | 920 646            | 26 252                |                     |
| 121 - 365 Days   |                             |                       | 1 542 014          |                       | 1 216               |
| <b>Total Debtors before Provision For Doubtful Debts</b>   | <b>37 462</b>               | <b>2</b>              | <b>7 522 912</b>   | <b>128,881</b>        | <b>370 167</b>      |
| <b>Less: Provision for doubtful debts</b>                  | <b>-</b>                    | <b>-</b>              | <b>(1 480 124)</b> | <b>(33 971)</b>       | <b>-</b>            |
| <b>Total Debtors by Classification As At 31 March 2025</b> | <b>37 462</b>               | <b>2</b>              | <b>6 042 788</b>   | <b>94 910</b>         | <b>370 167</b>      |

|  | BALANCE AS AT 31 MARCH 2024 |                       |                    |                       |                     |
|--|-----------------------------|-----------------------|--------------------|-----------------------|---------------------|
|  | Subsidies                   | Fruitless expenditure | Other receivables  | Provincial Government | National Government |
|  | R'000                       | R'000                 | R'000              | R'000                 | R'000               |
| Current (0 – 30 days)                                      | 70 673                      |                       | 3 973 825          | 60,502                | 260 552             |
| 31 - 60 Days   | 831                         | 2                     | 1 341 255          | 21 558                | 41 036              |
| 61 - 90 Days   |                             |                       | 140 216            | 515                   |                     |
| 91 - 120 Days  |                             |                       | 248 569            | 26 364                |                     |
| 121 - 365 Days   |                             |                       | 2 259 212          |                       | 13 871              |
| <b>Total Debtors before Provision For Doubtful Debts</b>   | <b>71,504</b>               | <b>2</b>              | <b>7 963 077</b>   | <b>108,939</b>        | <b>315 459</b>      |
| <b>Less: Provision for doubtful debts</b>                  | <b>-</b>                    | <b>-</b>              | <b>(1 379 271)</b> | <b>(27 456)</b>       | <b>-</b>            |
| <b>Total Debtors by Classification As At 31 March 2024</b> | <b>71,504</b>               | <b>2</b>              | <b>6 583 806</b>   | <b>81 483</b>         | <b>315 459</b>      |

|   | 2025               | 2024               |
|---|--------------------|--------------------|
|   | R'000              | R'000              |
| <b><u>Reconciliation of the doubtful debt provision</u></b> |                    |                    |
| Balance at beginning of the year                            | (1 406 728)        | (690 646)          |
| Contributions to provision                                  | (177 448)          | (119 275)          |
| Doubtful debts written off against provision                | 76 465             | (563 822)          |
| Reversal of provision                                       | (1 610)            | (309)              |
| Amounts used  | 663                | 665                |
| Increase/ (Decrease) due to change in estimate              | (5 438)            | (25 969)           |
| Change due to correction of errors                          |                    | (7 372)            |
| <b>Balance at end of year</b>                               | <b>(1 514 096)</b> | <b>(1 406 728)</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|            |   | 2024/25<br>R '000        | 2023/24<br>R '000        |
|------------|---|--------------------------|--------------------------|
| <b>4</b>   | <b>Other Current Financial Assets</b>                                   |                          |                          |
|            | Other current financial assets  | <u>1 344 493 817</u>     | <u>1 281 899 664</u>     |
| <b>5</b>   | <b>Current Portion of Non-Current Receivables</b>                       |                          |                          |
|            | Staff loans   | 1 795                    | 334                      |
|            | Other Current Portion of Non-Current Receivables                        | <u>2 267 846</u>         | <u>2 083 918</u>         |
|            | <b>Current Portion of Non-Current Receivables</b>                       | <u>2 269 641</u>         | <u>2 084 253</u>         |
| <b>6</b>   | <b>VAT Receivable</b>   |                          |                          |
|            | VAT receivable  | <u>2 272 297</u>         | <u>1 581 154</u>         |
| <b>7</b>   | <b>Inventories</b>  |                          |                          |
| <b>7.1</b> | <b>Carrying value of inventory</b>                                      | <b>64 648 350</b>        | <b>59 341 232</b>        |
|            | Consumable stores   | 3 550 700                | 3 181 494                |
|            | Raw Materials   | 29 692 900               | 26 444 008               |
|            | Work in Progress  | 2 519 246                | 2 092 968                |
|            | Finished Goods  | 3 685 152                | 5 113 561                |
|            | Maintenance materials   | 24 774 928               | 22 154 311               |
|            | Spare parts   | 16 676                   | (19 569)                 |
|            | Other goods held for resale   | 412 467                  | 377 335                  |
|            | Water   | (3 718)                  | (2 876)                  |
|            | <b>Inventory carried at Net Realisable Value</b>                        |                          |                          |
|            | The following classes of inventory are carried at net realisable value: |                          |                          |
|            | Consumable stores   | 3 658 788                | 3 321 863                |
|            | Raw Materials   | 29 487 965               | 26 092 812               |
|            | Work in Progress  | 2 532 758                | 2 125 572                |
|            | Finished Goods  | 3 800 968                | 5 233 432                |
|            | Maintenance materials   | 24 754 225               | 22 121 397               |
|            | Spare parts   | 22 832                   | 61 620                   |
|            | Other goods held for resale   | 317 268                  | 368 603                  |
|            | Water   | 4 101                    | 2 521                    |
|            | <b>Total</b>  | <u><b>64 578 905</b></u> | <u><b>59 327 821</b></u> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2024/25<br>R '000                   | 2023/24<br>R '000                 |  |
|---|-------------------------------------|-----------------------------------|--|
| <b>7.2 Inventory carried at current replacement cost</b>                    |                                     |                                   |  |
| The following classes of inventory are carried at current replacement cost: |                                     |                                   |  |
| Consumable stores   | 3 131                               | 2 722                             |  |
| Raw Materials   | 63 611                              | 7 344                             |  |
| Finished goods  | 2 703                               | 3 345                             |  |
| <b>Total</b>  | <b>69 445</b>                       | <b>13 411</b>                     |  |
| <b>7.3 Additional disclosure</b>  |                                     |                                   |  |
| The carrying amount of inventories at fair value less cost to sell          | 82                                  | 80                                |  |
| The CA of inventories recognised as an expense during the period            | 718 192                             | 572 444                           |  |
| Write-down of inventory to Net Realisable Value                             | (33 138)                            | (29 217)                          |  |
|   | <b>685 136</b>                      | <b>543 307</b>                    |  |
| <b>8 Prepayments</b>  |                                     |                                   |  |
| Prepaid expenses  | <b>22 991 328</b>                   | <b>21 861 442</b>                 |  |
| <b>9 Current Investments</b>  |                                     |                                   |  |
| Deposits  | 31 679 752                          | 51 654 373                        |  |
| Equity investments  | 29 653 745                          | 28 919 209                        |  |
| Other Investments   | 6 101 791                           | 6 041 415                         |  |
|   | <b>67 435 289</b>                   | <b>86 614 998</b>                 |  |
| <b>10 Construction Contract Receivables</b>                                 |                                     |                                   |  |
| Contracts in progress at reporting date:                                    |                                     |                                   |  |
| Construction contract receivables   | <b>678 015</b>                      | <b>854 526</b>                    |  |
| <b>11 Finance Lease Receivable</b>  |                                     |                                   |  |
| <b>2024/25</b>  | <b>Minimum Lease<br/>Receivable</b> | <b>Future Finance<br/>Charges</b> | <b>Present Value of<br/>Minimum Lease<br/>Receipts</b> |
| <b>Amounts receivable under finance leases</b>                              | <b>R '000</b>                       | <b>R '000</b>                     | <b>R '000</b>  |
| Within after one year   | 544 989                             | (26 686)                          | 518 303  |
| Within two to five years  | 536 810                             | (70 179)                          | 466 630  |
| Later than five years   | 110 054                             | (22 242)                          | 87 812   |
|   | <b>1 191 853</b>                    | <b>(119 108)</b>                  | <b>1 072 745</b>                                       |
| Less: Amount due for settlement within 12 months<br>(current portion)       | (551 508)                           | 26 686                            | (524 822)  |
|   | <b>640 345</b>                      | <b>(92 421)</b>                   | <b>547 924</b>   |
| <b>2023/24</b>  | <b>Minimum Lease<br/>Receivable</b> | <b>Future Finance<br/>Charges</b> | <b>Present Value of<br/>Minimum Lease<br/>Receipts</b> |
| <b>Amounts receivable under finance leases</b>                              | <b>R '000</b>                       | <b>R '000</b>                     | <b>R '000</b>  |
| Within after one year   | 657 065                             | (31 366)                          | 625 699  |
| Within two to five years  | 436 702                             | (80 277)                          | 356 425  |
| Later than five years   | 129 497                             | (25 931)                          | 103 566  |
|   | <b>1 223 264</b>                    | <b>(137 574)</b>                  | <b>1 085 690</b>                                       |
| Less: Amount due for settlement within 12 months<br>(current portion)       | (642 816)                           | 31 366                            | (611 450)  |
|   | <b>580 448</b>                      | <b>(106 208)</b>                  | <b>474 240</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2024/25<br>R '000  | 2023/24<br>R '000  |
|---|--------------------|--------------------|
| <b>12 Statutory Receivables - Exchange</b>                                  |                    |                    |
| <b>Current statutory receivables</b>  |                    |                    |
| Opening balance   | 2 335 469          | 2 257 791          |
| Current year receivables  | 2 492 690          | 543 410            |
| Accrued interest, fines, penalties or other charges                         | (1 648)            | -                  |
| Accumulated Impairment losses   | (143 643)          | (102 755)          |
| Impairment reversal   | (7 280)            | (4 707)            |
| Amounts derecognised/ Settled amounts                                       | (527 114)          | (358 269)          |
| <b>Closing balance at year end</b>  | <b>4 148 474</b>   | <b>2 335 469</b>   |
| <b>Non- Current statutory receivables</b>                                   |                    |                    |
| Opening balance   | 3 578 808          | 3 002 347          |
| Current year receivables  | 1 186 203          | 1 169 472          |
| Accumulated Impairment losses   | (252 108)          | -                  |
| Impairment reversal   |                    | (593 011)          |
| <b>Closing balance at year end</b>  | <b>4 512 903</b>   | <b>3 578 808</b>   |
| <b>13 Statutory Receivables – Non - Exchange</b>                            |                    |                    |
| <b>Current statutory receivables</b>  |                    |                    |
| Opening balance   | 21 379 115         | 11 138 273         |
| Current year receivables  | 28 281 348         | 37 124 314         |
| Accrued interest, fines, penalties or other charges                         | 2 275 137          | 2 504 848          |
| Accumulated Impairment losses   | (3 341 962)        | (6 082 922)        |
| Impairment reversal   | (980 092)          | (1 135 723)        |
| Amounts derecognised/ Settled amounts                                       | (23 744 206)       | (22 169 675)       |
| Closing balance at year end   | <b>23 869 340</b>  | <b>21 379 115</b>  |
| <b>Non- Current statutory receivables</b>                                   |                    |                    |
| Opening balance   | 88                 | -                  |
| Current year receivables  | 337                | 88                 |
| Closing balance at year end   | <b>425</b>         | <b>88</b>          |
| <b>14 Non-Current Receivables from Exchange Transactions</b>                |                    |                    |
| Staff loans   | 1 216              | 348                |
| Other non-current receivables   | 24 463 830         | 20 546 682         |
| <b>Total Non-Current Receivables after transfers to current receivables</b> | <b>24 465 047</b>  | <b>20 547 030</b>  |
|   | 2024/25<br>R '000  | 2023/24<br>R '000  |
| <b>15 Non-Current Investments</b>   |                    |                    |
| Fixed Deposits  | 364 342            | 84 343             |
| Listed Investments  | 69 948 694         | 78 407 487         |
| Other Investments   | 139 868 541        | 126 092 958        |
| Loans Granted   | 136 317 780        | 139 988 559        |
| Debt Securities   | 116 040 451        | 99 005 322         |
|   | <b>462 539 808</b> | <b>443 578 670</b> |
| <b>16 Other Non-Current Financial Assets</b>                                |                    |                    |
| Other Non-Current Financial Assets  | <b>43 072 595</b>  | <b>55 662 706</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
| <b>17 Investments in Joint Venture</b>                               |                   |                   |
| <b>Share of the joint venture's statement of financial position:</b> |                   |                   |
| Current Assets   | 396 105           | 383 752           |
| Non current assets   | 221 540           | 222 643           |
| Current liabilities  | (624)             | (510)             |
| <b>Equity</b>  | <b>617 021</b>    | <b>605 885</b>    |
| <b>Share of the joint venture's revenue and profit:</b>              |                   |                   |
| Revenue  | 63 339            | 36 724            |
| Administrative expenses  | (32 598)          | (27 074)          |
| Other Expenses   | (24 321)          | (5 319)           |
| Finance Income   | 1 695             | 1 124             |
| Finance cost   |                   | (126)             |
| Profit before tax  | 8 115             | 5 329             |
| Income tax expense   | 101 605           | 104 955           |
| Profit for the year from continuing operations                       | <b>109 720</b>    | <b>110 284</b>    |
| <b>Net Profit for the year</b>                                       | <b>109 720</b>    | <b>110 284</b>    |
| <b>18 Investments in Associates</b>                                  |                   |                   |
| <b>Share of the associate's statement of financial position:</b>     |                   |                   |
| Current Assets   | 451 277           | 395 109           |
| Non current assets   | 53 412 194        | 51 646 856        |
| Current liabilities  | (156 007)         | (82 085)          |
| Non current liabilities  | (1 733 661)       | (1 464 970)       |
| <b>Equity</b>  | <b>51 973 804</b> | <b>50 494 909</b> |
| <b>Share of the associate's revenue and profit:</b>                  |                   |                   |
| Revenue  | 3 422 705         | 3 717 402         |
| Cost of sales  | (10 376)          | (9 506)           |
| Administrative expenses  | (12 720)          | (13 538)          |
| Other Expenses   | (151 821)         | (228 309)         |
| Other Income   | 52 823            | 37 952            |
| Finance Income   | (15 505)          | (15 139)          |
| Finance cost   | (189 453)         | (169 126)         |
| Profit before tax  | 3 095 653         | 3 319 736         |
| Income tax expense   | 4 928             | (4 407)           |
| Profit for the year form continuing operations                       | <b>3 100 581</b>  | <b>3 315 329</b>  |
| Profit from discontinued operations                                  | 1 602 702         | 1 035 039         |
| <b>Net Profit for the year</b>                                       | <b>4 703 282</b>  | <b>4 350 369</b>  |
| <b>19 Interest in Joint Operations</b>                               |                   |                   |
| <b>Share of the associate's revenue and profit:</b>                  |                   |                   |
| Other Income   | 395               | 4 267             |
| Profit before tax  | <b>395</b>        | <b>4 267</b>      |
| Profit for the year form continuing operations                       | <b>395</b>        | <b>4 267</b>      |
| <b>Net Profit for the Year</b>                                       | <b>395</b>        | <b>4 267</b>      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000  | 2023/24<br>R '000  |
|--|--------------------|--------------------|
| <b>20 Deferred taxation</b>  |                    |                    |
| <b>Deferred taxation liabilities/(assets)</b>                          | <b>49 155 330</b>  | <b>54 306 611</b>  |
| - Opening balance  | 53 803 007         | 29 873 710         |
| - Recognised in taxation   | (501 268)          | 28 326 879         |
| - Raised through Equity  | (626 199)          | (1 074 895)        |
| - Raised through Other   | (3 520 209)        | (2 819 082)        |
| <b>Analysis of temporary differences:</b>                              |                    |                    |
| <b>Deferred taxation assets</b>  | <b>38 881 550</b>  | <b>36 224 536</b>  |
| - Provisions   | 8 787 545          | 19 816 955         |
| - Employee benefit obligations   | 8 089 016          | 7 066 078          |
| - Revenue received in advance and deferred income                      | 4 243 516          | 3 985 156          |
| - Capitalised lease liability  | 1 000 095          | 1 113 214          |
| - Doubtful debts   | 23 859 091         | 19 834 002         |
| - Other  | (7 097 713)        | (15 590 870)       |
| <b>Deferred taxation liabilities</b>                                   | <b>88 036 880</b>  | <b>90 531 146</b>  |
| - Deferred expenditure   | (61 776)           | (688 684)          |
| - Property, Plant and Equipment  | 84 548 494         | 80 952 555         |
| - Future expenditure allowance   | 60 103             | 68 691             |
| - Other  | 3 490 059          | 10 198 584         |
| <b>Net deferred taxation liability/(asset)</b>                         | <b>49 155 330</b>  | <b>54 306 611</b>  |
| <b>21 Trade and Other Payables from Exchange Transactions</b>          |                    |                    |
| Trade payables   | 104 307 622        | 92 977 226         |
| Payments received in advance   | 12 105 227         | 16 283 997         |
| Retentions   | 4 775 248          | 4 427 608          |
| Staff leave accrual  | 6 085 739          | 5 402 153          |
| Accrued interest   | 3 821 962          | 4 115 265          |
| Defined contribution plan payments that were not paid before year end. | 55 680             | 43 740             |
| Other payables   | 50 739 659         | 38 230 467         |
| <b>Total payables</b>  | <b>181 891 138</b> | <b>161 480 455</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000    | 2023/24<br>R '000    |
|--|----------------------|----------------------|
| <b>22 VAT Payable</b>                            |                      |                      |
| VAT payable                                      | <b>11 541 774</b>    | <b>11 284 023</b>    |
| <b>23 Taxes and Transfers Payable</b>            |                      |                      |
| Taxes and transfers payable (Non-Exchange)       | 3 502 109            | 3 207 130            |
| Income Tax Payable                               | 781 118              | 439 291              |
| <b>Total Taxes and transfers payable</b>         | <b>4 283 227</b>     | <b>3 646 421</b>     |
| <b>24 Other Current Financial Liabilities</b>    |                      |                      |
| Notes and Coins in Circulation                   | 167 771 000          | 169 504 000          |
| Forward Exchange Contract Liabilities            | 448 669              | 394 305              |
| Gold and Foreign Exchange financial liabilities  | 363 901 000          | 531 989 000          |
| Deposit Accounts                                 | 591 129 612          | 486 922 452          |
| Foreign loans and deposits                       | 88 338 000           | 101 224 000          |
| Other Current Financial liabilities              | 192 180 544          | (43 810 397)         |
| <b>Total Other Current Financial Liabilities</b> | <b>1 403 768 825</b> | <b>1 246 223 360</b> |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 25 Current Provisions

### 25.1 Reconciliation of Movement in Current Provisions – 2024/25

|  | Performance<br>Bonus | Provision for<br>Leave Pay | Other<br>Provisions | Current Portion<br>of Other Non-<br>Current<br>Provisions | TOTAL             |
|--|----------------------|----------------------------|---------------------|---|-------------------|
|  | R '000               | R '000                     | R '000              | R '000  | R '000            |
| <b>Opening Balance</b>                                       | 3 710 280            | 4 407 730                  | 17 428 647          | 55 778 437  | 81 325 094        |
| Provisions Raised  | 8 864 995            | 2 364 882                  | 4 514 997           | 26 250 829  | 41 995 703        |
| Unused Amounts Reversed                                      | (248 159)            | (46 370)                   | (936 304)           | (101 132)   | (1 331 965)       |
| Unwinding of Time Value<br>of Money                          | (66 003)             |                            | (1 747)             | 61 164  | (6 586)           |
| Amounts Used   | (4 953 988)          | (1 761 558)                | (757 738)           | (28 462 335)  | (35 935 619)      |
| Exchange differences   |                      | (20 334)                   | (12 964)            |   | (33 298)          |
| Settlement of Provision<br>without cost to entity            | (20 515)             | (5 416)                    | (2 238)             |   | (28 169)          |
| Transfer from Non-Current<br>Provision                       |                      | (26)                       | (1 549)             | (3 677 575)   | (3 679 150)       |
| Change in Provision due to<br>change in Estimation<br>inputs | 11 312               | 8 751                      | (734 500)           | 199 157   | (515 280)         |
| Other Movements  | 503 542              | 4 907                      | (222 054)           | (49 266)  | 237 129           |
| <b>Closing Balance</b>                                       | <b>7 801 463</b>     | <b>4 952 566</b>           | <b>19 274 552</b>   | <b>49 999 279</b>   | <b>82 027 860</b> |

### 25.2 Reconciliation of Movement in Current Provisions – 2023/24

|  | Performance<br>Bonus | Provision for<br>Leave Pay | Other<br>Provisions | Current Portion<br>of Other Non-<br>Current<br>Provisions | TOTAL             |
|--|----------------------|----------------------------|---------------------|---|-------------------|
|  | R '000               | R '000                     | R '000              | R '000  | R '000            |
| <b>Opening Balance</b>                                       | 3 638 581            | 4 191 622                  | 30 320 495          | 48 004 396  | 86 155 094        |
| Provisions Raised  | 3 458 412            | 1 963 681                  | 2 594 508           | 28 352 570  | 36 369 171        |
| Unused Amounts Reversed                                      | (83 337)             | 1 880                      | (648 798)           | (1 984)   | (732 239)         |
| Unwinding of Time Value<br>of Money                          | (52 374)             | (27 019)                   | (18 356)            | 65 558  | (32 192)          |
| Amounts Used   | (3 135 242)          | (1 747 893)                | (3 761 349)         | (25 107 928)  | (33 752 413)      |
| Exchange differences   |                      |                            | 15 839              |   | 15 839            |
| Settlement of Provision<br>without cost to entity            |                      |                            | (1 145)             |   | (1 145)           |
| Transfer from Non-Current<br>Provision                       |                      | (518)                      | 1 549               | 4 736 024   | 4 737 055         |
| Change in Provision due to<br>change in Estimation<br>inputs | (88 814)             | 2 846                      | (884 034)           | (354 118)   | (1 324 120)       |
| Other Movements  | (26 945)             | 23 130                     | (10 190 062)        | 83 920  | (10 109 957)      |
| <b>Closing Balance</b>                                       | <b>3 710 280</b>     | <b>4 407 730</b>           | <b>17 428 647</b>   | <b>55 778 437</b>   | <b>81 325 094</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|         |   | 2024/25<br>R '000                  | 2023/24<br>R '000                   |   |
|---------|---|------------------------------------|-------------------------------------|---|
| 26      | Unspent Conditional Grants and Receipts                               |                                    |                                     |   |
|         | Non-current unspent conditional grants and receipts                   | 9 448 494                          | 4 976 823                           |   |
|         | Current portion of unspent conditional grants and receipts            | 14 542 973                         | 14 155 181                          |   |
| 27      | Long-Term Borrowings  |                                    |                                     |   |
|         | Long-term interest bearing loans                                      | 467 976 329                        | 466 490 969                         |   |
|         | Government Loans: Other   | 101 611                            | 27 390                              |   |
|         | Other borrowings  | 203 541 022                        | 218 576 008                         |   |
|         | Less: current portion transferred to current liabilities              | (107 277 131)                      | (115 938 608)                       |   |
|         |   | 564 341 831                        | 569 155 759                         |   |
| 28      | Short-Term Borrowings   |                                    |                                     |   |
|         | Long-term interest bearing loans                                      | 41 232 400                         | 39 109 623                          |   |
|         | Government Loans: Other   | 2 382                              | 761                                 |   |
|         | Other borrowings  | 7 890                              | 5 252                               |   |
|         |   | 41 242 672                         | 39 115 636                          |   |
| 29      | Finance Lease Liability   |                                    |                                     |   |
| 2024/25 |   |                                    |                                     |   |
|         |   | Minimum Lease<br>Payment<br>R '000 | Future Finance<br>Charges<br>R '000 | Present Value<br>of Minimum<br>Lease Payments<br>R '000 |
|         | Amounts payable under finance leases                                  |                                    |                                     |   |
|         | Within one year   | 4 504 161                          | (1 394 625)                         | 3 109 536   |
|         | Within two to five years  | 14 313 857                         | (3 615 261)                         | 10 698 597  |
|         | Later than five years   | 3 573 082                          | (874 305)                           | 2 698 777   |
|         |   | 22 391 100                         | (5 884 191)                         | 16 506 909  |
|         | Less: Amount due for settlement within 12 months<br>(current portion) | (4 014 978)                        | 1 096 598                           | (2 918 379)   |
|         |   | 18 376 122                         | (4 787 593)                         | 13 588 529  |
| 2023/24 |   |                                    |                                     |   |
|         |   | Minimum Lease<br>Payment<br>R '000 | Future Finance<br>Charges<br>R '000 | Present Value<br>of Minimum<br>Lease Payments<br>R '000 |
|         | Amounts payable under finance leases                                  |                                    |                                     |   |
|         | Within one year   | 4 235 454                          | (1 309 961)                         | 2 925 493   |
|         | Within two to five years  | 13 553 782                         | (4 383 812)                         | 9 169 969   |
|         | Later than five years   | 4 240 630                          | (390 754)                           | 3 849 876   |
|         |   | 22 029 865                         | (6 084 527)                         | 15 945 338  |
|         | Less: Amount due for settlement within 12 months<br>(current portion) | (3 624 279)                        | 1 300 104                           | (2 324 175)   |
|         |   | 18 405 587                         | (4 784 423)                         | 13 621 164  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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**Non-Current Provisions****Reconciliation of Movement in Non-Current Provisions – 2024/25**

|  | Provision for<br>long-service<br>awards<br>R '000 | Other Non-<br>Current<br>Provisions<br>R '000 | TOTAL<br>R '000    |
|--|---|---|--------------------|
| <b>Opening Balance</b>                                 | 140 838   | 116 409 440                                   | 116 550 278        |
| Provisions Raised                                      | 113 504   | 9 557 325                                     | 9 670 829          |
| Unused Amounts Reversed                                | (359)   | (15 750 527)                                  | (15 750 886)       |
| Unwinding of Time Value of Money                       | 1 280   | 4 317 924                                     | 4 319 204          |
| Amounts Used   | (70 332)  | (14 828 065)                                  | (14 898 397)       |
| Exchange differences                                   |   | (700 073)                                     | (700 073)          |
| Settlement of Provision without cost to entity         |   | 3 689   | 3 689              |
| Transfer to Current Provision                          |   | 3 819 330                                     | 3 819 330          |
| Change in Provision due to change in Estimation inputs | (1 316)   | 352 843                                       | 351 527            |
| Other Movements  | (2 609)   | 356 581                                       | 353 972            |
| <b>Closing Balance</b>                                 | <b>181 006</b>                                    | <b>103 538 467</b>                            | <b>103 719 473</b> |

**Reconciliation of Movement in Non-Current Provisions – 2023/24**

|  | Provision for<br>long-service<br>awards<br>R '000 | Other Non-<br>Current<br>Provisions<br>R '000 | TOTAL<br>R '000    |
|--|---|---|--------------------|
| <b>Opening Balance</b>                                 | 56 920  | 115 287 899                                   | 115 344 820        |
| Provisions Raised                                      | 79 021  | 24 038 344                                    | 24 117 365         |
| Unused Amounts Reversed                                | (439)   | (11 446 217)                                  | (11 446 656)       |
| Unwinding of Time Value of Money                       | 993   | 8 807 195                                     | 8 808 188          |
| Amounts Used   | (22 297)  | (8 923 637)                                   | (8 945 934)        |
| Exchange differences                                   |   | 87 727  | 87 727             |
| Settlement of Provision without cost to entity         |   | (1 147 257)                                   | (1 147 257)        |
| Transfer to Current Provision                          |   | (5 264 881)                                   | (5 264 881)        |
| Change in Provision due to change in Estimation inputs | 26 640  | (5 688 837)                                   | (5 662 197)        |
| Other Movements  |   | 659 102                                       | 659 102            |
| <b>Closing Balance</b>                                 | <b>140 838</b>                                    | <b>116 409 438</b>                            | <b>116 550 276</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000                 | 2023/24<br>R '000                 |
|--|-----------------------------------|-----------------------------------|
| <b>31 Other Non-Current Financial Liabilities</b>  |                                   |                                   |
| Other non-current financial liabilities  | <b>43 253 105</b>                 | <b>20 241 531</b>                 |
| <b>32 Defined Benefit Plan</b>   |                                   |                                   |
| <b>Defined Benefit Plans</b>   |                                   |                                   |
| <b>Statement of Financial Position</b>   |                                   |                                   |
| Present value of Defined benefit obligation  | 31 465 038                        | 28 522 114                        |
| Fair value of plan assets  | (6 117 365)                       | (4 250 676)                       |
| <b>Total Defined benefit plan Liability/(Asset)</b>  | <b>25 347 673</b>                 | <b>24 271 438</b>                 |
| <b>Pension benefits</b>  |                                   |                                   |
| Present value of unfunded obligations  | 740 274                           | 783 934                           |
| Present value of funded obligations  | 119 033 822                       | 109 247 359                       |
| <b>Total present value of obligations</b>  | <b>119 774 096</b>                | <b>110 031 293</b>                |
| Fair value of plan assets  | (114 879 271)                     | (105 326 493)                     |
| Unrecognised past service costs  | (4 481 929)                       | (2 822 054)                       |
| <b>Defined pension benefit obligation/(asset) disclosed in Statement of Financial Position</b> | <b>412 895</b>                    | <b>1 882 746</b>                  |
| <b>Medical benefits</b>  |                                   |                                   |
| Present value of unfunded obligations  | 23 980 607                        | 21 465 242                        |
| Present value of funded obligations  | 1 044 321                         | 1 006 186                         |
| <b>Total present value of obligations</b>  | <b>25 024 928</b>                 | <b>22 471 428</b>                 |
| Fair value of plan assets  | (90 151)                          | (82 736)                          |
| <b>Defined medical benefit obligation/(asset) disclosed in Statement of Financial Position</b> | <b>24 934 777</b>                 | <b>22 388 692</b>                 |
| <b>32.1 Changes in the present value of the defined benefit obligation are as follows:</b>     |                                   |                                   |
|  | <b>Pension Plan(s)<br/>R '000</b> | <b>Medical Plan(s)<br/>R '000</b> |
| <b>Defined benefit obligation as at 1 April 2024</b>   | <b>110 031 293</b>                | <b>22 471 428</b>                 |
| <b>Service Costs</b>   |                                   |                                   |
| Current service costs  | 2 408 705                         | 441 761                           |
| Contributions by plan participants   | 1 711 002                         | 9 133                             |
| Past Service Cost  | 1 149                             | 35 405                            |
| Curtailments   | (812)                             | (978)                             |
| Settlements  | (3 526 762)                       | (75 193)                          |
| <b>Total Service Costs</b>   | <b>110 624 576</b>                | <b>22 881 556</b>                 |
| <b>Net Interest Expense/Revenue</b>  |                                   |                                   |
| Interest costs   | 20 083 822                        | 3 180 869                         |
| Benefits Paid  | (10 506 235)                      | (1 134 379)                       |
| <b>Net Interest (Expense)/Revenue</b>  | <b>9 577 587</b>                  | <b>2 046 489</b>                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|                                       | Pension Plan(s)<br>R '000 | Medical Plan(s)<br>R '000 |
|---------------------------------------|---------------------------|---------------------------|
| <b>Remeasurements</b>                 |                           |                           |
| Return on plan assets                 | 18 744                    | (34 859)                  |
| Exchange differences                  | 2 521                     | 824                       |
| Actuarial losses/(gains)              | (1 085 743)               | 101 654                   |
| Change in the effect of asset ceiling |                           | 3 764                     |
| Other                                 | 636 412                   | 25 499                    |
| <b>Total Remeasurements</b>           | <b>(428 066)</b>          | <b>96 882</b>             |

**Defined benefit obligation plan as at 31 March 2025**

|                    |                   |
|--------------------|-------------------|
| <b>119 774 096</b> | <b>25 024 928</b> |
|--------------------|-------------------|

|  | Pension Plan(s)<br>R '000 | Medical Plan(s)<br>R '000 |
|--|---------------------------|---------------------------|
| <b>Defined benefit obligation as at 1 April 2023</b> | <b>118 483 650</b>        | <b>21 254 547</b>         |
| <b>Service Costs</b>                                 |                           |                           |
| Current service costs                                | 1 875 702                 | 977 445                   |
| Contributions by plan participants                   | 1 500 243                 | (25 257)                  |
| Past Service Cost                                    | 397 037                   | 54 422                    |
| Curtailments   |                           | (56 309)                  |
| Settlements  | (27 121 979)              | (1 100 839)               |
| <b>Total Service Costs</b>                           | <b>95 134 653</b>         | <b>21 104 008</b>         |

**Net Interest Expense/Revenue**

|                                       |                   |                  |
|---------------------------------------|-------------------|------------------|
| Interest costs                        | 16 656 733        | 2 837 745        |
| Benefits Paid                         | (1 296 324)       | 281 555          |
| <b>Net Interest (Expense)/Revenue</b> | <b>15 360 409</b> | <b>3 119 300</b> |

|                                       |                  |                    |
|---------------------------------------|------------------|--------------------|
| <b>Remeasurements</b>                 |                  |                    |
| Return on plan assets                 | 91 167           | (189 609)          |
| Exchange differences                  | 22 000           |                    |
| Actuarial losses/(gains)              | (1 901 265)      | (1 612 776)        |
| Change in the effect of asset ceiling |                  | (343)              |
| Other                                 | 1 324 329        | 50 848             |
| <b>Total Remeasurements</b>           | <b>(463 769)</b> | <b>(1 751 880)</b> |

**Defined benefit obligation plan as at 31 March 2024**

|                    |                   |
|--------------------|-------------------|
| <b>110 031 293</b> | <b>22 471 428</b> |
|--------------------|-------------------|

## 32.2 Changes in the fair value of plan assets are as follows:

|  | Pension Plan(s)<br>R '000 | Medical Plan(s)<br>R '000 |
|--|---------------------------|---------------------------|
| <b>Fair Value of Plan Assets as at 1 April 2024</b>  | <b>(108 148 547)</b>      | <b>(82 736)</b>           |
| Expected return on plan assets                       | (15 354 742)              | (10 535)                  |
| Actuarial losses/(gains)                             | 3 046 417                 | (2 712)                   |
| Employer contributions                               | (3 194 769)               | (2 293)                   |
| Employee contributions                               | (1 603 939)               |                           |
| Benefits paid  | 6 807 554                 | 10 338                    |
| Entity combinations                                  | 17 457                    |                           |
| Other  | (930 631)                 | (2 213)                   |
| <b>Fair Value of Plan Assets as at 31 March 2025</b> | <b>(119 361 200)</b>      | <b>(90 151)</b>           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Pension Plan(s)<br>R '000 | Medical Plan(s)<br>R '000 |
|--|---------------------------|---------------------------|
| <b>Fair Value of Plan Assets as at 1 April 2023</b>  | <b>(111 663 710)</b>      | <b>(75 002)</b>           |
| Expected return on plan assets                       | (12 611 148)              | (12 254)                  |
| Actuarial losses/(gains)                             | 1 399 579                 | (1 689)                   |
| Exchange differences                                 | (20 000)                  |                           |
| Employer contributions                               | (2 471 066)               | (1 209)                   |
| Employee contributions                               | (1 420 563)               |                           |
| Benefits paid  | 6 247 783                 | 9 164                     |
| Entity combinations                                  | 12 404 088                |                           |
| Other  | (13 508)                  | (1 746)                   |
| <b>Fair Value of Plan Assets as at 31 March 2024</b> | <b>(108 148 547)</b>      | <b>(82 736)</b>           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Property, Plant and Equipment

### Reconciliation of Carrying Value

|   | 2024/25              |                                       |                      | 2023/24              |                                       |                      |
|---|----------------------|---------------------------------------|----------------------|----------------------|---------------------------------------|----------------------|
|   | Cost                 | Accumulated Depreciation & Impairment | Carrying Value       | Cost                 | Accumulated Depreciation & Impairment | Carrying Value       |
|   | R '000               | R '000                                | R '000               | R '000               | R '000                                | R '000               |
| Land  | 97 037 870           | (3 074 481)                           | 93 963 389           | 93 317 504           | (2 846 029)                           | 90 471 475           |
| Capital Work in Progress (Land)                     | 110 294              | -                                     | 110 294              | 134 045              | -                                     | 134 045              |
| Service Concession Assets                           | -                    | -                                     | -                    | -                    | -                                     | -                    |
| Capital Work in Progress (Service Concession Asset) | -                    | -                                     | -                    | -                    | -                                     | -                    |
| Buildings   | 214 706 187          | (68 349 597)                          | 146 356 591          | 211 800 596          | (65 254 497)                          | 146 546 099          |
| Capital Work in Progress (Buildings)                | 4 972 460            | (94 041)                              | 4 878 419            | 4 781 477            | (233 434)                             | 4 548 043            |
| Vehicles  | 16 966 069           | (10 590 731)                          | 6 375 339            | 15 737 182           | (10 739 127)                          | 4 998 055            |
| Infrastructure                                      | 1 308 540 615        | (474 663 473)                         | 833 877 142          | 1 151 699 510        | (412 107 822)                         | 739 591 688          |
| Capital Work in Progress (Infrastructure)           | 108 753 320          | (4 399 681)                           | 104 353 639          | 84 714 746           | (5 818 189)                           | 78 896 557           |
| Finance Lease Assets                                | 21 028 450           | (10 952 505)                          | 10 075 945           | 16 900 100           | (7 099 250)                           | 9 800 850            |
| Furniture & Fittings                                | 4 934 875            | (3 637 993)                           | 1 296 882            | 4 857 670            | (3 626 892)                           | 1 230 778            |
| Plant, Machinery & Equipment                        | 996 567 818          | (374 150 190)                         | 622 417 627          | 922 719 886          | (345 547 333)                         | 577 172 553          |
| Capital Work in Progress (Plant, Mach & Equip)      | 124 827 272          | (1 327 723)                           | 123 499 549          | 154 396 012          | (1 305 133)                           | 153 090 879          |
| Office Equipment                                    | 8 357 123            | (5 686 354)                           | 2 670 770            | 8 092 428            | (5 338 984)                           | 2 753 444            |
| Computer Equipment                                  | 20 523 697           | (13 241 837)                          | 7 281 861            | 19 263 432           | (12 428 517)                          | 6 834 915            |
| Aircraft  | 5 244 909            | (4 627 766)                           | 617 143              | 4 287 032            | (3 702 968)                           | 584 064              |
| Capital Work in Progress (Aircraft)                 | -                    | -                                     | -                    | -                    | -                                     | -                    |
| Ships   | 6 875 274            | (2 832 206)                           | 4 043 068            | 5 924 692            | (2 617 491)                           | 3 307 201            |
| Capital Work in Progress (Ships)                    | -                    | -                                     | -                    | -                    | -                                     | -                    |
| Other Assets  | 372 715 361          | (180 735 182)                         | 191 980 179          | 364 179 420          | (171 621 592)                         | 192 557 828          |
| Capital Work in Progress (Other Assets)             | 1 914 226            | (58 269)                              | 1 855 957            | 1 652 824            | (52 537)                              | 1 600 287            |
| <b>Total</b>  | <b>3 314 075 823</b> | <b>(1 158 422 029)</b>                | <b>2 155 653 794</b> | <b>3 064 458 557</b> | <b>(1 050 339 795)</b>                | <b>2 014 118 762</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

**33.1 Reconciliation of Property, Plant and Equipment – 2024/25**

|   | Carrying<br>Value<br>Opening<br>Balance | R '000 | Additions          | R '000 | Disposals           | R '000 | Transfers        | R '000 | Depreciation        | R '000 | Impairment<br>(Loss) / Reversal<br>of impairment<br>loss | R '000 | Revaluation       | R '000 | Discontinued<br>Operations | R '000 | Carrying<br>Value<br>Closing<br>Balance | R '000 |
|---|---|--------|--------------------|--------|---------------------|--------|------------------|--------|---------------------|--------|--|--------|-------------------|--------|----------------------------|--------|---|--------|
| Land  | 90 471 475                              |        | 2 359 075          |        | (168 387)           |        | 289 534          |        | (280 000)           |        | (3 536)  |        | 1 295 228         |        |                            |        | 93 963 388                              |        |
| Capital Work in<br>Progress (Land)                        | 134 045                                 |        | 27 161             |        | (46 738)            |        | (473)            |        |                     |        |  |        |                   |        | (3 701)                    |        | 110 294                                 |        |
| Service Concession<br>Asset                               |   |        |                    |        |                     |        |                  |        |                     |        |  |        |                   |        |                            |        |   |        |
| Capital Work in<br>Progress (Service<br>Concession Asset) |   |        | 16 126             |        |                     |        | (12 607)         |        | (3 519)             |        |  |        |                   |        |                            |        |   |        |
| Buildings   | 146 546 097                             |        | 3 898 375          |        | (306 249)           |        | 634 085          |        | (5 751 287)         |        | (171 045)  |        | 1 506 617         |        | (1)                        |        | 146 356 592                             |        |
| Capital Work in<br>Progress (Buildings)                   | 4 548 042                               |        | 1 384 098          |        | (1)                 |        | (1 053 666)      |        |                     |        | (55)   |        |                   |        |                            |        | 4 878 418                               |        |
| Vehicles  | 4 998 056                               |        | 1 907 626          |        | (71 909)            |        | 189 305          |        | (640 644)           |        | (7 037)  |        | 44                |        | (104)                      |        | 6 375 338                               |        |
| Infrastructure  | 739 591 685                             |        | 5 539 146          |        | (1 711 929)         |        | 12 833 777       |        | (11 973 082)        |        | (470 660)  |        | 90 068 204        |        |                            |        | 833 877 141                             |        |
| Capital Work in<br>Progress                               |   |        |                    |        |                     |        |                  |        |                     |        |  |        |                   |        |                            |        |   |        |
| (Infrastructure)  | 78 896 556                              |        | 44 956 993         |        | (134 148)           |        | (19 357 910)     |        | (4 698)             |        | (3 155)  |        |                   |        |                            |        | 104 353 638                             |        |
| Finance Lease Assets                                      | 9 800 851                               |        | 2 563 976          |        | (22 442)            |        | 84 962           |        | (2 348 841)         |        | (1 970)  |        | (1 033)           |        | 443                        |        | 10 075 946                              |        |
| Furniture & Fittings                                      | 1 230 777                               |        | 399 108            |        | (33 441)            |        | 9 255            |        | (284 647)           |        | (23 671)   |        | (497)             |        |                            |        | 1 296 884                               |        |
| Plant, Machinery &<br>Equipment                           | 577 172 557                             |        | 14 226 635         |        | (2 449 929)         |        | 70 679 053       |        | (36 749 428)        |        | (378 815)  |        | (82 444)          |        |                            |        | 622 417 629                             |        |
| Capital Work in<br>Progress (Plant, Mach<br>& Equip)      | 153 090 879                             |        | 57 430 568         |        | (13 608 350)        |        | (71 256 981)     |        | (88 061)            |        | (2 066 475)  |        | 464               |        | (2 495)                    |        | 123 499 549                             |        |
| Office Equipment  | 2 753 442                               |        | 283 622            |        | (13 998)            |        | 64 575           |        | (417 723)           |        | 1 165  |        | (313)             |        |                            |        | 2 670 770                               |        |
| Computer Equipment  | 6 834 915                               |        | 1 909 052          |        | (119 255)           |        | 346 243          |        | (1 676 409)         |        | (12 613)   |        | 71                |        | (143)                      |        | 7 281 861                               |        |
| Aircraft  | 584 064                                 |        | 141 693            |        | 11 541              |        | 8 024            |        | (120 396)           |        | (470)  |        | (7 314)           |        |                            |        | 617 142                                 |        |
| Capital Work in<br>Progress (Aircraft)                    |   |        |                    |        |                     |        |                  |        |                     |        |  |        |                   |        |                            |        |   |        |
| Ships   | 3 307 202                               |        | 966 052            |        | (847)               |        |                  |        | (241 337)           |        | 11 999   |        |                   |        |                            |        | 4 043 069                               |        |
| Capital Work in<br>Progress (Ships)                       |   |        |                    |        |                     |        | (3)              |        | 3                   |        |  |        |                   |        |                            |        | -                                       |        |
| Other Assets  | 192 557 831                             |        | 5 943 095          |        | (216 032)           |        | 6 755 564        |        | (13 003 887)        |        | (185 728)  |        | 129 217           |        | 119                        |        | 191 980 179                             |        |
| Capital Work in<br>Progress (Other Assets)                | 1 600 288                               |        | 974 215            |        | (338 388)           |        | (373 648)        |        | (6 509)             |        |  |        |                   |        |                            |        | 1 855 958                               |        |
| <b>Total</b>  | <b>2 014 118 762</b>                    |        | <b>144 926 615</b> |        | <b>(19 230 503)</b> |        | <b>(160 912)</b> |        | <b>(73 590 465)</b> |        | <b>(3 312 066)</b>                                       |        | <b>92 908 244</b> |        | <b>(5 882)</b>             |        | <b>2 155 653 794</b>                    |        |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 33.2 Reconciliation of Property, Plant and Equipment – 2023/24

|   | Carrying Value<br>Opening<br>Balance | Additions          | Disposals           | Transfers          | Depreciation        | Impairment<br>(Loss) /<br>Reversal of<br>impairment<br>loss | Revaluation       | Dis-<br>continued<br>Operations | Prior<br>Period<br>Error | Carrying Value<br>Closing Balance |
|---|--------------------------------------|--------------------|---------------------|--------------------|---------------------|---|-------------------|---------------------------------|--------------------------|-----------------------------------|
|   | R '000                               | R '000             | R '000              | R '000             | R '000              | R '000  | R '000            | R '000                          | R '000                   | R '000                            |
| Land  | 87 161 995                           | 531 849            | (74 949)            | 814 119            | (380 000)           | (11)  | 2 418 471         |                                 |                          | 90 471 475                        |
| Capital Work in Progress (Land)                     | 128 133                              | 5 912              |                     |                    |                     |   |                   |                                 |                          | 134 045                           |
| Service Concession Asset                            |                                      |                    |                     |                    |                     |   |                   |                                 |                          |                                   |
| Capital Work in Progress (Service Concession Asset) | 103 479                              | 844                |                     | (100 819)          | (3 504)             |   |                   |                                 |                          |                                   |
| Buildings   | 148 783 816                          | 3 145 473          | (150 744)           | 847 112            | (5 402 017)         | (376 328)   | (489 478)         | (26)                            | 188 290                  | 146 546 097                       |
| Capital Work in Progress (Buildings)                | 3 413 037                            | 1 476 625          | (28 810)            | (340 257)          |                     | 27 459  |                   | (12)                            |                          | 4 548 042                         |
| Vehicles  | 4 641 999                            | 879 933            | (101 962)           | 283 848            | (702 254)           | (3 162)   | (546)             |                                 | 199                      | 4 998 056                         |
| Infrastructure                                      | 681 809 457                          | 5 735 407          | (1 011 451)         | 11 149 950         | (11 247 419)        | (280 956)   | 53 430 455        | 1                               | 6 241                    | 739 591 685                       |
| Capital Work in Progress (Infrastructure)           | 67 296 986                           | 29 843 015         | (86 295)            | 669 557            | (547 668)           | 60 075  |                   |                                 |                          | 78 896 556                        |
| Finance Lease Assets                                | 7 700 363                            | 2 873 941          | (12 462)            | 1 405 299          | (2 169 209)         | (1 965)   | 1 051             |                                 | 3 834                    | 9 800 851                         |
| Furniture & Fittings                                | 1 365 331                            | 290 957            | (32 322)            | (102 144)          | (284 266)           | (5 118)   | 105               |                                 | (1 765)                  | 1 230 777                         |
| Plant, Machinery & Equipment                        | 567 889 450                          | 22 874 879         | (867 607)           | 24 925 644         | (37 421 533)        | (234 267)   | 28 071            | (4 928)                         | (17 152)                 | 577 172 557                       |
| Capital Work in Progress (Plant, Mach & Equip)      | 131 983 501                          | 62 877 069         | (15 017 688)        | 573 449            | (476)               | (168 774)   |                   | (9 304)                         |                          | 153 090 879                       |
| Office Equipment                                    | 2 942 617                            | 298 340            | (18 514)            | 30 147             | (487 777)           | (2 684)   | 1 025             |                                 | (9 712)                  | 2 753 442                         |
| Computer Equipment                                  | 5 791 847                            | 2 316 907          | (100 223)           | 364 416            | (1 580 929)         | (83 649)  | 2 609             |                                 | 123 936                  | 6 834 915                         |
| Aircraft  | 548 911                              | 166 067            | (25)                | (11 359)           | (132 348)           |   | 12 819            |                                 |                          | 584 064                           |
| Capital Work in Progress (Aircraft)                 | 3 261 013                            | 53 831             | (889)               | 180 515            | (269 268)           | 82 000  |                   |                                 |                          | -                                 |
| Ships   |                                      |                    |                     |                    |                     |   |                   |                                 |                          | 3 307 202                         |
| Capital Work in Progress (Ships)                    |                                      |                    |                     |                    |                     |   |                   |                                 |                          | -                                 |
| Other Assets  | 193 977 361                          | 6 395 683          | (125 391)           | 3 485 918          | (11 882 569)        | (73 794)  | 779 111           | (7)                             | 1 520                    | 192 557 831                       |
| Capital Work in Progress (Other Assets)             | 1 510 449                            | 1 302 937          | (2)                 | (1 191 859)        | (6 472)             | (14 765)  |                   |                                 |                          | 1 600 288                         |
| <b>Total</b>  | <b>1 910 309 745</b>                 | <b>141 069 667</b> | <b>(17 629 334)</b> | <b>(2 502 476)</b> | <b>(72 517 708)</b> | <b>(1 075 940)</b>  | <b>56 183 693</b> | <b>(14 276)</b>                 | <b>295 391</b>           | <b>2 014 118 762</b>              |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 33.3 Property Plant and Equipment – additional disclosure   | 2024/25   | 2023/24    |
|---|-----------|------------|
|   | R '000    | R '000     |
| Contractual commitments for the acquisition of PPE  | 8 774 553 | 10 388 831 |
| Compensation from third parties for PPE impaired, lost or given up which are included in surplus or deficit | 89        | 21 220     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 33.4 Disclosure on assets in the process of being constructed or developed

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
| Cumulative expenditure recognised in the carrying value of PPE per class of asset  |                   |                   |
| The carrying value of PPE that is taking a significantly longer period of time to complete than expected                               | 234 697 858       | 238 269 811       |
| The carrying value of PPE where construction or development has been halted either during the current or previous reporting period(s). | 4 933 081         | 4 237 203         |
|  | 359 878           | 358 519           |

## 33.5 Property plant and equipment held for sale

|                               |         |         |
|-------------------------------|---------|---------|
| Carrying values of the assets | 511 570 | 400 890 |
|-------------------------------|---------|---------|

## 33.6

### Repairs and Maintenance

|                                |                   |                   |
|--------------------------------|-------------------|-------------------|
| Property, plant and equipment  | 45 621 820        | 40 214 441        |
| - Land                         | 36 492            | 21 299            |
| - Service Concession           | 12 993            | 7 999             |
| - Buildings                    | 2 744 649         | 2 883 907         |
| - Vehicles                     | 100 720           | 86 945            |
| - Infrastructure               | 1 006 127         | 919 406           |
| - Capital Work in Progress     | -1 457 540        | -1 376 591        |
| - Finance Lease Assets         | 2 971             | 104               |
| - Furniture & Fittings         | 1 612             | 1 618             |
| - Plant, Machinery & Equipment | 41 171 928        | 36 215 188        |
| - Office Equipment             | 56 790            | 54 707            |
| - Computer Equipment           | 1 177 538         | 1 044 109         |
| - Aircraft                     | 767 455           | 355 696           |
| - Ships                        | 86                | 53                |
| Heritage Assets                | 1 408             | 1 103             |
| Intangible Assets              | 381 222           | 378 489           |
| Investment Property            | 205               | 153               |
| Other Assets                   | 3 405 334         | 3 270 529         |
|                                | <b>49 409 989</b> | <b>43 864 715</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 34 Heritage Assets

### Reconciliation of Carrying Value

|   | 2024/25           |                                     |                          | 2023/24           |                                     |                          |
|---|-------------------|-------------------------------------|--------------------------|-------------------|-------------------------------------|--------------------------|
|   | Cost<br>R '000    | Accumulated<br>Impairment<br>R '000 | Carrying Value<br>R '000 | Cost<br>R '000    | Accumulated<br>Impairment<br>R '000 | Carrying Value<br>R '000 |
| Art Collections                             | 2 588 235         | (180)                               | 2 588 055                | 2 593 663         | (172)                               | 2 593 491                |
| Stamp Collections                           | 39 366            | -                                   | 39 366                   | 39 365            | -                                   | 39 365                   |
| Collections of rare books<br>or manuscripts | 2 022 753         | (293)                               | 2 022 461                | 2 020 929         | (293)                               | 2 020 636                |
| Historical Buildings                        | 31 352 060        | (25 442)                            | 31 326 618               | 31 314 858        | (25 314)                            | 31 289 544               |
| Other Assets                                | 2 302 491         | (93)                                | 2 302 398                | 2 238 311         | (204)                               | 2 238 107                |
| <b>Total</b>                                | <b>38 304 905</b> | <b>(26 008)</b>                     | <b>38 278 897</b>        | <b>38 207 126</b> | <b>(25 983)</b>                     | <b>38 181 143</b>        |

### 34.1 Reconciliation of Heritage Assets – 2024/25

|   | Carrying<br>Value<br>Opening<br>Balance<br>R '000 | Additions<br>R '000 | Disposals<br>R '000 | Transfers<br>R '000 | Impairment<br>(Loss) /<br>Reversal of<br>impairment<br>loss<br>R '000 | Revaluation<br>R '000 | Other<br>R '000 | Carrying<br>Value<br>Closing<br>Balance<br>R '000 |
|---|---|---------------------|---------------------|---------------------|---|-----------------------|-----------------|---|
| Art Collections                             | 2 593 492   | 5 696               | (31 468)            |                     | (265)   | 20 600                |                 | 2 588 055   |
| Stamp Collections                           | 39 365  | 1                   |                     |                     |   |                       |                 | 39 366  |
| Collections of rare books<br>or manuscripts | 2 020 635   | 1 843               | (18)                |                     |   |                       |                 | 2 022 460   |
| Historical Buildings                        | 31 289 545  | 58 128              | (25 824)            | 1 354               | (128)   | 3 544                 |                 | 31 326 618  |
| Other Assets                                | 2 238 107   | 48 764              | (1)                 |                     |   | 16 636                | (1 108)         | 2 302 398   |
| <b>Total</b>                                | <b>38 181 143</b>                                 | <b>114 432</b>      | <b>(57 311)</b>     | <b>1 354</b>        | <b>(393)</b>  | <b>40 780</b>         | <b>(1 108)</b>  | <b>38 278 897</b>                                 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 34.2 Reconciliation of Heritage Assets – 2023/24

|   | Carrying<br>Value<br>Opening<br>Balance | R '000         | Additions<br>R '000 | Disposals<br>R '000 | Transfers<br>R '000 | Impairmen<br>t (Loss) /<br>Reversal of<br>impairmen<br>t loss<br>R '000 | Revaluation<br>R '000 | Other<br>R '000 | Dis-<br>continued<br>Operations<br>R '000 | Carrying<br>Value<br>Closing<br>Balance |
|---|---|----------------|---------------------|---------------------|---------------------|---|-----------------------|-----------------|---|---|
| Art Collections                             | 2 589 842                               | 1 949          | (7 169)             | 59                  | (25)                | 9 216   | (380)                 |                 |   | 2 593 492                               |
| Stamp Collections                           | 39 357                                  | 8              |                     |                     |                     |   |                       |                 |   | 39 365                                  |
| Collections of rare books<br>or manuscripts | 126 177                                 | 245            | (235)               |                     |                     | 25  | 1 894 423             |                 |   | 2 020 635                               |
| Historical Buildings                        | 31 192 219                              | 96 533         | (40)                | (4 206)             | (53)                | 5 092   |                       |                 |   | 31 289 545                              |
| Other Assets                                | 2 230 349                               | 27 286         | (120)               |                     | (4)                 |   | (19 404)              |                 |   | 2 238 107                               |
| <b>Total</b>                                | <b>36 177 943</b>                       | <b>126 021</b> | <b>(7 564)</b>      | <b>(4 147)</b>      | <b>(82)</b>         | <b>14 333</b>   | <b>1 874 639</b>      | <b>-</b>        | <b>38 181 143</b>                         |   |

## 34.3 Heritage assets – additional disclosure

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
| Contractual commitments for the acquisition of Heritage assets | 161 672           | 89 145            |

## 34.4 Disclosure on assets in the process of being constructed or developed

|  |         |       |
|--|---------|-------|
| Cumulative expenditure recognised in the carrying value of heritage assets per class of asset  | 3 177   | 3 195 |
| The carrying value of heritage assets where construction or development has been halted either during the current or previous reporting period(s). | 246 881 |       |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 35 Intangible Assets

### Reconciliation of Carrying Value

|                               | 2024/25           |                                       |                   | 2023/24           |                                       |                   |
|-------------------------------|-------------------|---------------------------------------|-------------------|-------------------|---------------------------------------|-------------------|
|                               | Cost              | Accumulated Amortisation & Impairment | Carrying Value    | Cost              | Accumulated Amortisation & Impairment | Carrying Value    |
|                               | R '000            | R '000                                | R '000            | R '000            | R '000                                | R '000            |
| Computer Software             | 17 317 124        | (11 494 730)                          | 5 822 394         | 16 933 666        | (11 227 364)                          | 5 706 302         |
| Copy rights                   | 87 754            | (85 632)                              | 2 122             | 87 754            | (83 729)                              | 4 024             |
| Internally Generated Software | 2 546 086         | (1 729 684)                           | 816 402           | 1 769 341         | (735 095)                             | 1 034 246         |
| Licenses                      | 4 242 874         | (3 459 451)                           | 783 424           | 4 101 088         | (3 292 095)                           | 808 993           |
| Service Concession Asset      | -                 | -                                     | -                 | -                 | -                                     | -                 |
| Servitudes                    | 3 795 658         | (229 648)                             | 3 566 011         | 3 698 100         | (224 932)                             | 3 473 168         |
| Patents and models            | 57 484            | (55 512)                              | 1 973             | 61 063            | (56 266)                              | 4 798             |
| Trademarks                    | 44 626            | (13 964)                              | 30 662            | 18 506            | (9 795)                               | 8 711             |
| Research assets               | -                 | -                                     | -                 | -                 | -                                     | -                 |
| Other                         | 48 442 284        | (6 479 378)                           | 41 962 906        | 39 607 554        | (6 797 032)                           | 32 810 522        |
| <b>Total</b>                  | <b>76 533 891</b> | <b>(23 547 998)</b>                   | <b>52 985 893</b> | <b>66 277 072</b> | <b>(22 426 308)</b>                   | <b>43 850 764</b> |

### 35.1 Reconciliation of Intangible Assets – 2024/25

|                               | Carrying Value Opening Balance | Additions  | Disposals | Transfers | Amortisation | Impairment (Loss) / Reversal of impairment loss | Revaluation | Internally Developed | Discontinued Operations | Carrying Value Closing Balance |
|-------------------------------|--------------------------------|------------|-----------|-----------|--------------|---|-------------|----------------------|-------------------------|--------------------------------|
|                               | R '000                         | R '000     | R '000    | R '000    | R '000       | R '000  | R '000      | R '000               | R '000                  | R '000                         |
| Computer Software             | 5 706 302                      | 1 400 187  | (46 181)  | (4 137)   | (1 219 775)  | (21 291)  | 1 267       | 6 021                |                         | 5 822 393                      |
| Copy rights                   | 4 024                          |            |           |           | (1 902)      |   |             |                      |                         | 2 122                          |
| Internally Generated Software | 1 034 244                      | 246 381    | (45 000)  | 236 666   | (612 478)    | (3 039)   | (42 898)    | 2 526                |                         | 816 402                        |
| Licenses                      | 808 995                        | 222 884    | (21)      | 44 130    | (294 491)    | 1 928   |             |                      |                         | 783 425                        |
| Service Concession Assets     | -                              |            |           | 1 083 032 | (1 083 032)  |   |             |                      |                         | -                              |
| Servitudes                    | 3 473 168                      | 41 302     | (1 459)   | 58 622    | (5 622)      |   |             |                      |                         | 3 566 011                      |
| Patents and models            | 4 798                          |            | (2)       |           | (280)        |   | (2 544)     |                      |                         | 1 972                          |
| Trademarks                    | 8 712                          | 26 034     |           |           | (4 169)      |   |             | 85                   |                         | 30 662                         |
| Research assets               |                                | 1          |           | 3 430     | (168)        | (3 263)   |             |                      |                         | -                              |
| Other                         | 32 810 522                     | 8 439 248  | (95)      | (284 397) | (34 634)     | (26 927)  | 1 059 189   |                      |                         | 41 962 906                     |
| Total                         | 43 850 764                     | 10 376 038 | (92 758)  | 1 137 346 | (3 256 551)  | (52 592)  | 1 015 014   | 8 632                | -                       | 52 985 893                     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 35.2 Reconciliation of Intangible Assets – 2023/24

|                               | Carrying Value Opening Balance | Additions        | Disposals        | Transfers      | Amortisation       | Impairment (Loss) / Reversal of impairment loss | Revaluation    | Internally Developed | Dis-continued Operations | Carrying Value Closing Balance |
|-------------------------------|--------------------------------|------------------|------------------|----------------|--------------------|---|----------------|----------------------|--------------------------|--------------------------------|
|                               | R '000                         | R '000           | R '000           | R '000         | R '000             | R '000  | R '000         | R '000               | R '000                   | R '000                         |
| Computer Software             | 4 909 301                      | 1 193 417        | (140 102)        | 550 795        | (914 131)          | (40 415)  | 147 916        | 20                   | (499)                    | 5 706 302                      |
| Copy rights                   | 6 325                          |                  |                  |                | (2 301)            |   |                |                      |                          | 4 024                          |
| Internally Generated Software | 498 942                        | 348 207          | (50 510)         | 495 734        | (242 424)          | (18 116)  | (9)            | 2 419                |                          | 1 034 244                      |
| Licenses                      | 750 963                        | 322 271          |                  | 23 403         | (269 642)          | (18 000)  |                |                      |                          | 808 995                        |
| Service Concession Assets     |                                |                  |                  |                |                    |   |                |                      |                          | -                              |
| Servitudes                    | 3 434 302                      | 24 388           | (4 090)          | 23 234         | (4 666)            |   |                |                      |                          | 3 473 168                      |
| Patents and models            | 120 056                        | 1                |                  | (114 606)      | (653)              |   |                |                      |                          | 4 798                          |
| Trademarks                    | 12 256                         | 1                |                  |                | (4 169)            |   |                | 624                  |                          | 8 712                          |
| Research assets               |                                |                  |                  |                |                    |   |                |                      |                          | -                              |
| Other                         | 29 035 309                     | 6 086 537        | (26 606)         | (811 991)      | (1 187 857)        | (296 901)                                       | 12 031         |                      |                          | 32 810 522                     |
| <b>Total</b>                  | <b>38 767 454</b>              | <b>7 974 821</b> | <b>(221 308)</b> | <b>166 569</b> | <b>(2 625 842)</b> | <b>(373 432)</b>                                | <b>159 938</b> | <b>3 063</b>         | <b>(499)</b>             | <b>43 850 764</b>              |

## 35.3 Intangible assets – additional disclosure

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
| Intangible assets pledged as security                            | 352               | 444               |
| Contractual commitments for the acquisition of Intangible assets | 453 967           | 254 183           |

## 35.4 Disclosure on assets in the process of being constructed or developed

|   |         |         |
|---|---------|---------|
| Cumulative expenditure recognised in the carrying value of intangible assets per class of asset   |         |         |
| The carrying value of intangible assets that is taking a significantly longer period of time to complete than expected, including reasons for any delays. | 142 191 | 160 868 |
| The carrying value of intangible assets where construction or development has been halted either during the current or previous reporting period(s).      | 33 406  | 29 911  |
|   | 416     | 416     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 36 Investment Property Carried at Cost

### Reconciliation of carrying value

|              |                  | 2024/25                                     |                  | 2023/24          |   |
|--------------|------------------|---|------------------|------------------|---|
|              | Cost             | Accumulated<br>Amortisation &<br>Impairment | Carrying Value   | Cost             | Accumulated<br>Amortisation &<br>Impairment |
|              | R '000           | R '000                                      | R '000           | R '000           | R '000                                      |
|              |                  |   |                  |                  |   |
| <b>Total</b> | <b>7 539 069</b> | <b>(184 951)</b>                            | <b>7 354 118</b> | <b>7 324 504</b> | <b>(169 371)</b>                            |
|              |                  |   |                  |                  | <b>7 155 133</b>                            |

### 36.1 Reconciliation of Investment Property Carried at Cost – 2024/25

|              | Carrying Value<br>Opening<br>Balance | Additions      | Disposals       | Transfers       | Depreciation    | Impairment (Loss) /<br>Reversal of<br>impairment loss | Revaluation   | Carrying Value<br>Closing<br>Balance |
|--------------|--------------------------------------|----------------|-----------------|-----------------|-----------------|---|---------------|--------------------------------------|
|              | R '000                               | R '000         | R '000          | R '000          | R '000          | R '000  | R '000        | R '000                               |
| <b>Total</b> | <b>7 155 133</b>                     | <b>159 279</b> | <b>(12 721)</b> | <b>(15 320)</b> | <b>(15 294)</b> | <b>(63)</b>   | <b>83 105</b> | <b>7 354 119</b>                     |

### 36.2 Reconciliation of Investment Property Carried at Cost – 2023/24

|       | Carrying Value<br>Opening<br>Balance | Additions | Disposals | Transfers | Depreciation | Impairment<br>(Loss) /<br>Reversal of<br>impairment<br>loss | Revaluation | Carrying Value<br>Closing Balance |
|-------|--------------------------------------|-----------|-----------|-----------|--------------|---|-------------|-----------------------------------|
|       | R '000                               | R '000    | R '000    | R '000    | R '000       | R '000  | R '000      | R '000                            |
| Total | 6 576 322                            | 437 596   | (23 638)  |           | (13 049)     | (380)   | 178 282     | 7 155 133                         |

### 36.3 Investment property – additional disclosure

Contractual commitments for the acquisition of Investment property

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 37 Investment Property Carried at Fair Value

### Reconciliation of carrying value

| 2024/25 |                        | 2023/24    |                        |
|---------|------------------------|------------|------------------------|
| Cost    | Fair Value Adjustments | Cost       | Fair Value Adjustments |
| R '000  | R '000                 | R '000     | R '000                 |
|         | Carrying Value         |            | Carrying Value         |
|         | R '000                 |            | R '000                 |
| Total   | 44 053 472             | (310 059)  | 43 743 413             |
|         |                        | 41 698 345 | (464 734)              |
|         |                        |            | 41 233 611             |

### 37.1 Reconciliation of Investment Property Carried at Fair Value – 2024/25

| Carrying Value  | Additions  | Disposals | Transfers | Fair Value Adjustment | Carrying Value  |
|-----------------|------------|-----------|-----------|-----------------------|-----------------|
| Opening Balance | R '000     | R '000    | R '000    | R '000                | Closing Balance |
| R '000          |            |           |           |                       | R '000          |
| Total           | 41 233 611 | 252 815   | (183 008) | 226 479               | 2 213 516       |
|                 |            |           |           |                       | 43 743 413      |

### 37.2 Reconciliation of Investment Property Carried at Fair Value – 2023/24

| Carrying Value  | Additions  | Disposals | Transfers | Fair Value Adjustment | Carrying Value  |
|-----------------|------------|-----------|-----------|-----------------------|-----------------|
| Opening Balance | R '000     | R '000    | R '000    | R '000                | Closing Balance |
| R '000          |            |           |           |                       | R '000          |
| Total           | 39 523 262 | 188 344   | (51 623)  | 782 601               | 791 027         |
|                 |            |           |           |                       | 41 233 611      |

## 38.1 Biological Assets

| 2024/25      |                | 2023/24   |                |
|--------------|----------------|-----------|----------------|
| Cost         | Carrying Value | Cost      | Carrying Value |
| R '000       | R '000         | R '000    | R '000         |
|              |                |           |                |
| Dairy Cattle | 181            | 186       | 186            |
| Other Assets | 5 017 093      | 4 736 711 | 4 736 711      |
| Total        | 5 017 273      | 4 736 897 | 4 736 897      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 38.1.1 Reconciliation of Biological Assets – 2024/25

|              | Carrying Value Opening Balance | Purchases  | Decrease due to harvest/sales | Gains/losses from changes in fair value less estimated point of sales costs | Other movements | Carrying Value Closing Balance |
|--------------|--------------------------------|------------|-------------------------------|---|-----------------|--------------------------------|
|              | R '000                         | R '000     | R '000                        | R '000  | R '000          | R '000                         |
| Dairy Cattle | 186                            |            | (33)                          | 37  | (9)             | 181                            |
| Other Assets | 4 736 711                      | 256        | (141)                         | 280 029   | 237             | 5 017 092                      |
| <b>Total</b> | <b>4 736 897</b>               | <b>256</b> | <b>(174)</b>                  | <b>280 066</b>  | <b>228</b>      | <b>5 017 273</b>               |

## 38.1.2 Reconciliation of Biological Assets – 2023/24

|              | Carrying Value Opening Balance | Purchases | Decrease due to harvest/sales | Gains/losses from changes in fair value less estimated point of sales costs | Other movements | Carrying Value Closing Balance |
|--------------|--------------------------------|-----------|-------------------------------|---|-----------------|--------------------------------|
|              | R '000                         | R '000    | R '000                        | R '000  | R '000          | R '000                         |
| Dairy Cattle | 201                            |           |                               | 24  | (39)            | 186                            |
| Other Assets | 4 211 354                      |           | (159)                         | 525 548   | (32)            | 4 736 711                      |
| <b>Total</b> | <b>4 211 555</b>               | <b>-</b>  | <b>(159)</b>                  | <b>525 572</b>  | <b>(71)</b>     | <b>4 736 897</b>               |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 38.2 Living Resources

### Reconciliation of Carrying Value

|                            | 2024/25       |   |                | 2023/24       |   |                |
|----------------------------|---------------|---|----------------|---------------|---|----------------|
|                            | Cost          | Accumulated Depreciation and Impairment | Carrying Value | Cost          | Accumulated Depreciation and Impairment | Carrying Value |
|                            | R '000        | R '000                                  | R '000         | R '000        | R '000                                  | R '000         |
| Service Concession Animals | -             | -                                       | -              | -             | -                                       | -              |
| Other Assets               | 11 165        | (3 045)                                 | 8 120          | 13 081        | (3 184)                                 | 9 897          |
|                            | 6 488         | (1 601)                                 | 4 887          | 5 126         | (1 429)                                 | 3 696          |
| <b>Total</b>               | <b>17 653</b> | <b>(4 646)</b>                          | <b>13 007</b>  | <b>18 206</b> | <b>(4 613)</b>                          | <b>13 593</b>  |

### 38.2.1 Reconciliation of Living resources – 2024/25

|                            | Carrying Value Opening Balance | Purchases    | Decrease due to harvest/sales | Gains/losses due to changes in fair value | Depreciation from less estimated point of sales costs | Impairment (Loss) / Reversal of impairment loss | Other move-ments | Transfers | Carrying Value Closing Balance |
|----------------------------|--------------------------------|--------------|-------------------------------|---|---|---|------------------|-----------|--------------------------------|
|                            | R '000                         | R '000       | R '000                        | R '000                                    | R '000  | R '000  | R '000           | R '000    | R '000                         |
| Service Concession Animals | -                              | -            | -                             | -   | -   | -   | -                | -         | -                              |
| Other Assets               | 9 897                          | 1 079        | (1 719)                       | 319                                       | (1 140)   | (183)   | (134)            | -         | 8 120                          |
|                            | 3 696                          | 1 475        | -                             | -   | (284)   | -   | -                | -         | 4 887                          |
| <b>Total</b>               | <b>13 593</b>                  | <b>2 554</b> | <b>(1 719)</b>                | <b>319</b>                                | <b>(1 424)</b>  | <b>(183)</b>                                    | <b>(134)</b>     | <b>-</b>  | <b>13 007</b>                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 38.2.2 Reconciliation of Living resources – 2023/24

|              | Carrying<br>Value<br>Opening<br>Balance | Purchases    | Decrease<br>due to<br>harvest/<br>sales | Gains/losses<br>changes in<br>fair value | Depreciation   | Impairment<br>(Loss) /<br>Reversal of<br>impairment<br>loss | Other move-<br>ments | Transfers  | Carrying<br>Value<br>Closing<br>Balance |
|--------------|---|--------------|---|--|----------------|---|----------------------|------------|---|
|              | R '000                                  | R '000       | R '000                                  | R '000                                   | R '000         | R '000  | R '000               | R '000     | R '000                                  |
| Service      | 29                                      |              |   |  | (29)           |   |                      |            | -                                       |
| Concession   |   |              |   |  |                |   |                      |            |   |
| Animals      | 8 000                                   | 1 828        | (737)                                   | 2 363                                    | (1 146)        | (635)   |                      | 224        | 9 897                                   |
| Other        | 3 842                                   | 912          | (781)                                   | (277)                                    |                |   |                      |            | 3 696                                   |
| Assets       |   |              |   |  |                |   |                      |            |   |
| <b>Total</b> | <b>11 871</b>                           | <b>2 739</b> | <b>(1 517)</b>                          | <b>2 363</b>                             | <b>(1 452)</b> | <b>(635)</b>  |                      | <b>224</b> | <b>13 593</b>                           |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

**39 Government Grants and Subsidies**

|   | Balance unspent<br>at beginning of<br>year | Current year<br>receipts | Conditions<br>met -<br>transferred to<br>revenue | Conditions still<br>to be met -<br>remain<br>liabilities |
|---|--|--------------------------|--|--|
|   | R '000                                     | R '000                   | R '000   | R '000   |
| <b>Reconciliation of Movement in Grant – 2025</b> |  |                          |  |  |
| Other Government Grants and Subsidies             | (33 257 805)                               | 60 963 188               | 110 627 906                                      | (82 922 523)   |
| <b>Total Government Grant and Subsidies</b>       | <b>(33 257 805)</b>                        | <b>60 963 188</b>        | <b>110 627 906</b>                               | <b>(82 922 523)</b>                                      |

|   | Balance unspent<br>at beginning of<br>year | Current year<br>receipts | Conditions<br>met -<br>transferred to<br>revenue | Conditions still<br>to be met -<br>remain<br>liabilities |
|---|--|--------------------------|--|--|
|   | R '000                                     | R '000                   | R '000   | R '000   |
| <b>Reconciliation of Movement in Grant – 2024</b> |  |                          |  |  |
| Other Government Grants and Subsidies             | 14 259 949                                 | 62 451 327               | 109 969 081                                      | (33 257 805)   |
| <b>Total Government Grant and Subsidies</b>       | <b>14 259 949</b>                          | <b>62 451 327</b>        | <b>109 969 081</b>                               | <b>(33 257 805)</b>                                      |

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
|--|-------------------|-------------------|

**40 Public contributions and donations**

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Public contributions – Conditional   | 26 795 184        | 25 570 232        |
| Public contributions – Unconditional | 195 091           | 146 202           |
| Donations                            | 232 770           | 217 681           |
| <b>Total</b>                         | <b>27 223 045</b> | <b>25 934 115</b> |

**41 Transfers and Sponsorships**

|  |                  |                  |
|--|------------------|------------------|
| Transfer payment from controlling entity         | 3 769 544        | 3 525 012        |
| Transfer payment from other departments/entities | 759 529          | 725 343          |
| Local and foreign aid assistance                 | 160 926          | 94 433           |
| Gifts, donations and sponsorships received       | 418 714          | 380 096          |
| Other Transfers and Sponsorships                 | 109 300          | 94 829           |
| <b>Total</b>                                     | <b>5 218 013</b> | <b>4 819 714</b> |

**42 Revenue from Fines and Penalties**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Fines                          | 245 809          | 253 498          |
| Penalties (including forfeits) | 2 325 418        | 2 499 309        |
| <b>Total</b>                   | <b>2 571 227</b> | <b>2 752 807</b> |

**43 Legislative and oversight functions**

|  |                   |                   |
|--|-------------------|-------------------|
| Administration                         | 9 830 745         | 11 198 262        |
| Legislation and Oversight              | 54 066 309        | 51 897 322        |
| Public and International Participation | 184 406           | 143 460           |
| Associated Services                    | 4 519 510         | 4 499 689         |
| Statutory Appropriation                | 7 585 019         | 7 339 469         |
| <b>Total</b>                           | <b>76 185 989</b> | <b>75 078 202</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000  | 2023/24<br>R '000  |
|--|--------------------|--------------------|
| <b>44      Taxation Revenue</b>  |                    |                    |
| Taxes on payroll and workforce (incl SDL)                                      | 9 932 298          | 9 198 310          |
| Domestic taxes on goods and services   | 16 976             | 6 168              |
| <b>Total</b>   | <b>9 949 274</b>   | <b>9 204 477</b>   |
| <b>45      Revenue from Exchange Transactions – Sale of goods and services</b> |                    |                    |
| Revenue from Exchange Transactions - Sale of goods and services                | <b>586 306 741</b> | <b>537 800 504</b> |
| <b>46      Income from Rental of Facilities and Equipment</b>                  |                    |                    |
| Rental of facilities   | 3 975 876          | 3 689 778          |
| Rental of equipment  | 467                | 303                |
| Other rentals  | 5 413 942          | 4 642 413          |
| <b>Total</b>   | <b>9 390 285</b>   | <b>8 332 495</b>   |
| <b>47      Interest Earned - External Investments</b>                          |                    |                    |
| Bank   | 18 968 875         | 17 505 902         |
| Financial assets   | 75 583 464         | 75 806 856         |
| Other  | 3 311 449          | 2 753 822          |
| <b>Total</b>   | <b>97 863 788</b>  | <b>96 066 579</b>  |
| <b>48      Interest Earned - Outstanding Receivables</b>                       |                    |                    |
| Interest Earned – Outstanding Receivables                                      | 4 114 742          | 6 212 461          |
| Interest Earned – Finance lease receivables                                    | 23 909             | 28 260             |
| Interest Earned from Statutory Receivables                                     | 19 962             | (44 279)           |
| <b>Total</b>   | <b>4 158 612</b>   | <b>6 196 442</b>   |
| <b>49      Other income</b>  |                    |                    |
| Other income   | 130 680 742        | 35 081 248         |
| Revenue from Exchange Transactions - Sundry income                             | 2 700 733          | 2 394 106          |
| Insurance commissions  | 277 676            | 35 808             |
| Bad debt recoveries  | 327 798            | 334 439            |
| Revenue from non-exchange transactions – sundry income                         | 519 520            | 2 739 905          |
| Recovery of unauthorised, irregular, fruitless and wasteful expenditure        | 102                | 11 500             |
| <b>Total Other Income</b>  | <b>134 506 571</b> | <b>40 597 005</b>  |
| <b>49.1 Deferred Income</b>  |                    |                    |
| Non-Current Portion of Deferred Income   | 40 777 986         | 17 196 109         |
| Current Portion of Deferred Income   | 10 891 694         | 10 603 658         |
| <b>Total</b>   | <b>51 669 679</b>  | <b>27 799 766</b>  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000  | 2023/24<br>R '000  |
|--|--------------------|--------------------|
| <b>50 Employee Related Costs</b>   |                    |                    |
| Salaries - Employees - Salaries and Wages                                      | 120 152 651        | 112 020 910        |
| Salaries - Employees - UIF, Pensions and Medical Aid                           | 12 079 516         | 11 264 060         |
| Salaries - Employees - Performance and other bonuses                           | 4 476 684          | 4 228 613          |
| Salaries - Employees - Overtime payments                                       | 7 833 944          | 7 336 993          |
| Salaries - Employees - Other employee related costs                            | 9 446 463          | 10 179 219         |
| Salaries - Employees - Long-service awards                                     | 106 979            | 97 718             |
| Salaries - Employees - Housing benefits and allowances                         | 2 741 447          | 2 547 780          |
| Salaries - Employees - Paid annual leave                                       | 70 642             | 68 250             |
| Salaries - Employees – Allowances  | 4 352 846          | 3 961 794          |
| Salaries - Benefits Paid - Post-retirement medical aid contributions           | 446 931            | 367 104            |
| Salaries - Benefits Paid - Movement in long-term employee benefits             | (339 484)          | (298 253)          |
| Salaries - Accounting Authority - Basic remuneration                           | 175 309            | 167 740            |
| Salaries - Accounting Authority - Performance awards                           | 9 462              | 9 039              |
| Salaries - Accounting Authority - UIF  | 2 615              | 2 737              |
| Salaries - Accounting Authority - Periodic payments                            | 2 077              | 1 202              |
| Salaries - Accounting Authority - Pension                                      | 15 821             | 14 290             |
| Salaries - Accounting Authority - Other non-pensionable allowances             | 14 190             | 13 220             |
| Salaries - Accounting Authority - Medical                                      | 3 882              | 3 175              |
| Salaries - Accounting Authority - Insurance                                    | 5 842              | 5 166              |
| Salaries - Accounting Authority - Gratuities                                   | 4 450              | 5 553              |
| Salaries - Accounting Authority - Compensative or circumstantial               | 13 278             | 14 948             |
| Employee benefits expensed - liability for long service leave                  | 7 935              | 4 214              |
| Employee benefits expensed - termination benefits                              | 1 139 794          | 1 019 517          |
| Employee benefits expensed - Other   | 870 420            | 713 779            |
| Movement in Provision - Provision for Performance Bonus                        | 6 565 896          | 1 975 584          |
| Movement in Provision - Provision for Leave Pay                                | 1 400 378          | 1 190 365          |
| Movement in Long-term Provisions - Provision for Long Service Awards           | 64 328             | 17 131             |
| Movement in Long-term Provisions - Other Long-term employee related provisions | 3 803 665          | 1 434 027          |
| <b>Total</b>   | <b>175 467 960</b> | <b>158 365 874</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
| <b>51 Depreciation and Amortisation Expense</b>      |                   |                   |
| Property, plant and equipment                        | 73 590 464        | 72 517 708        |
| Intangible assets                                    | 3 256 551         | 2 625 842         |
| Investment property carried at cost                  | 15 295            | 13 049            |
| Living resources                                     | 1 424             | 1 452             |
| <b>Total Depreciation and Amortisation</b>           | <b>76 863 734</b> | <b>75 158 052</b> |
| <b>52 Contracted Services</b>                        |                   |                   |
| Consultants on various projects                      | 4 460 211         | 4 647 881         |
| Agency fees  | 856 381           | 1 439 846         |
| Research   | 383 632           | 369 336           |
|  | <b>5 700 224</b>  | <b>6 457 063</b>  |
| <b>53 Grants and Subsidies Paid</b>                  |                   |                   |
| Total grants and subsidies paid                      | <b>32 444 495</b> | <b>27 563 507</b> |
| <b>54 Finance Costs</b>                              |                   |                   |
| Borrowings   | 77 374 718        | 74 592 581        |
| Interest Charged on Overdue Trade and other payables | 374 631           | 813 810           |
| Finance leases                                       | 1 922 032         | 1 939 436         |
| Other financial liabilities                          | 19 217 133        | 20 679 678        |
| Bank overdrafts                                      | 48 160            | 66 003            |
| <b>Total Finance Costs</b>                           | <b>99 375 854</b> | <b>97 895 003</b> |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2024/25<br>R '000  | 2023/24<br>R '000  |
|---|--------------------|--------------------|
| <b>55 General Expenses</b>                      |                    |                    |
| Included in general expenses are the following: |                    |                    |
| Advertising                                     | 2 770 218          | 2 395 071          |
| Admin fees                                      | 52 356 648         | 48 743 760         |
| Audit fees                                      | 1 782 122          | 1 619 305          |
| Bank charges                                    | 339 532            | 364 680            |
| Bursaries                                       | 175 172            | 144 249            |
| Cleaning  | 1 063 043          | 997 455            |
| Conferences and delegations                     | 588 710            | 379 069            |
| Connection charges                              | 219 106            | 273 431            |
| Consulting fees                                 | 6 319 829          | 5 260 175          |
| Consumables                                     | (6 271 541)        | (13 502 314)       |
| Cost of sales                                   | 185 528 727        | 219 555 497        |
| Debt collection commission                      | 11 434             | 10 319             |
| Departmental consumption                        | 9 572              | 840                |
| Entertainment                                   | 79 127             | 106 111            |
| Electricity                                     | 11 680 395         | 10 086 156         |
| Financial management grant                      | 371 753            | 321 566            |
| Fuel and oil                                    | 7 672 667          | 7 488 747          |
| Insurance                                       | 2 560 838          | 2 657 009          |
| Legal expenses                                  | 2 180 252          | 2 128 739          |
| Levies paid                                     | 450 657            | 3 310 644          |
| Licence fees – vehicles                         | 25 166             | 24 089             |
| Licence fees – computers                        | 1 837 673          | 1 379 452          |
| Membership fees                                 | 146 677            | 136 721            |
| Movement in other provisions                    | (3 245 595)        | 2 990 165          |
| Parking   | 37 551             | 32 106             |
| Postage   | 290 342            | 263 747            |
| Printing and stationery                         | 621 277            | 611 745            |
| Professional fees                               | 3 188 129          | 2 787 910          |
| Rental of buildings                             | 8 879 659          | 8 539 149          |
| Rental of office equipment                      | 207 471            | 216 498            |
| Rental of computer equipment                    | 60 769             | 59 768             |
| Other rentals                                   | 2 646 851          | 2 064 030          |
| Security costs                                  | 7 117 186          | 6 591 486          |
| Skills development levies                       | 606 774            | 581 039            |
| Stocks and material                             | 10 683 978         | 9 295 624          |
| Subscription & publication                      | 154 440            | 167 069            |
| Telephone cost                                  | 1 456 864          | 1 351 730          |
| Training  | 1 649 232          | 1 391 404          |
| Transport claims                                | 306 925            | 198 068            |
| Travel and subsistence – Local                  | 7 700 189          | 7 025 737          |
| Travel and subsistence – Foreign                | 406 435            | 368 208            |
| Uniforms & overalls                             | 70 556             | 55 137             |
| Valuation costs                                 | 19 540             | 21 339             |
| Water   | 876 436            | 861 902            |
| Other   | 73 144 225         | 79 898 483         |
|   | <b>388 777 014</b> | <b>419 253 116</b> |
| <b>56 Gain / (Loss) on Sale of Assets</b>       |                    |                    |
| Property, plant and equipment                   | (2 291 372)        | (330 082)          |
| Intangible assets                               | (184)              | (349)              |
| Investment property                             | (43)               | (22 915)           |
| Biological assets                               | -                  | 842                |
| Heritage assets                                 | -                  | (7 377)            |
| Other financial assets                          | 878 982            | 108 075            |
| <b>Total Gain / (Loss) on Sale of Assets</b>    | <b>(1 412 617)</b> | <b>(251 805)</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000    | 2023/24<br>R '000   |
|--|----------------------|---------------------|
| <b>57 Impairment (Loss) / Reversal of impairment loss</b>    |                      |                     |
| Property, plant and equipment                                | (2 532 643)          | (561 585)           |
| Intangible assets  | (95 435)             | (288 332)           |
| Investment property  | (63)                 | (380)               |
| Living resources   | (183)                | (635)               |
| Other financial assets                                       | (13 688 220)         | (9 371 971)         |
| Heritage assets  | (105)                | (37)                |
| Statutory Receivables  | (3 601 725)          | (12 852 713)        |
| <b>Total Impairment (Loss) / Reversal of impairment loss</b> | <b>(19 918 373)</b>  | <b>(23 075 653)</b> |
| <b>58 Profit / (Loss) on Fair Value Adjustment</b>           |                      |                     |
| Investment property carried at fair value                    | 2 024 381            | 710 408             |
| Biological Assets Carried at Fair value                      | (1 927)              | 7 352               |
| Other financial assets                                       | (4 822 360)          | 12 766 152          |
| Other financial liabilities                                  | 6 039 440            | (12 367 735)        |
| Other fair value adjustment gain/(loss)                      | (123 639 515)        | 92 066 520          |
| <b>Total Profit / (Loss) on Fair Value Adjustment</b>        | <b>(120 399 981)</b> | <b>93 182 698</b>   |
| <b>59 Profit / (Loss) on Revaluation of Assets</b>           |                      |                     |
| Gain/ (loss) on revaluation of property, plant and equipment | 19 669               | 7 558               |
| Gain/ (loss) on revaluation of investment property           | 329 158              | 243 095             |
| Gain/ (Loss) on revaluation on other financial assets        | (712 848)            | 2 687 775           |
| <b>Total Profit / (Loss) on Revaluation of Assets</b>        | <b>(364 022)</b>     | <b>2 938 428</b>    |
| <b>60 Taxation</b>   |                      |                     |
| <b>Income tax expense</b>                                    |                      |                     |
| <b>South African normal taxation</b>                         |                      |                     |
| Current tax  | 15 801 300           | 8 162 970           |
| <b>Deferred taxation</b>                                     | (10 467)             | 26 175 974          |
| - Movement in temporary differences                          | 1 316 514            | 33 353 933          |
| - Unused tax loss created                                    | (1 053 309)          | (7 448 017)         |
| - Recognition of unused tax loss not previously recognised   | (1 057 044)          | (1255 318)          |
| - Unused tax loss utilised                                   | 881 208              | 1 845 449           |
| - Other movements in deferred taxation                       | (97 835)             | (320 072)           |
| SA normal tax  | 15 790 833           | 34 338 944          |
| Foreign taxation   | 25 783               | 87 267              |
| <b>TOTAL INCOME TAX EXPENSE</b>                              | <b>15 816 616</b>    | <b>34 426 211</b>   |
| <b>Tax rate reconciliation</b>                               |                      |                     |
| <b>Accounting profit</b>                                     | <b>160 294 609</b>   | <b>(5 057 572)</b>  |
| Tax calculated at tax rate 27.00%                            | <b>43 279 544</b>    | <b>(1 365 545)</b>  |
| <b>Tax effect of non-taxable/non-deductible items</b>        | <b>(27 463 276)</b>  | <b>35 773 271</b>   |
| - Dividends not taxable                                      | (2 416 858)          | (2 220 419)         |
| - Fines not deductible                                       | 842 950              | 1 009 291           |
| - Donations not deductible                                   | 219 040              | 42 180              |
| - Depreciation not deductible                                | 277 914              | 290 863             |
| - Unused tax loss not recognised                             | 122 557              | (205 253)           |
| - Other movements of non-taxable/non-deductible items        | (26 508 879)         | 36 856 608          |
| Change in taxation rate                                      | 348                  | 18 485              |
| <b>INCOME TAX EXPENSE</b>                                    | <b>15 816 616</b>    | <b>34 426 211</b>   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
| <b>61 Surplus / (Deficit) from discontinued operations</b>                                   |                   |                   |
| Revenue  | 253 610           | 262 046           |
| Net Operating Expenses Excluding Depreciation And Amortisation                               | (87 864)          | (177 222)         |
| <b>Surplus / (deficit) From Operations Before Depreciation, Amortisation and Other Items</b> | <b>165 746</b>    | <b>84 824</b>     |
| Administrative Expenses  | (10 710)          | (12 996)          |
| Depreciation And Amortisation  | (12 578)          | (12 997)          |
| Fair Value Adjustments   | (2 272)           | (101)             |
| <b>Profit/ (loss) Before Taxation</b>  | <b>165 342</b>    | <b>84 724</b>     |
| Taxation   | (34 569)          | (45 246)          |
| <b>Surplus / (Deficit) For The Year From Discontinued Operations</b>                         | <b>130 773</b>    | <b>39 478</b>     |
| <b>62 Cash flows from operating activities</b>   |                   |                   |
| <b>Surplus/(deficit) for the year from:</b>  |                   |                   |
| Continuing operations  | 57 678 964        | 113 764 389       |
| Discontinued operations  | 130 773           | 39 478            |
| <b>Adjustment for :</b>  |                   |                   |
| (Gain) / loss on sale of tangible Assets   | 1 263 376         | 666 875           |
| (Gain) / loss on sale of Intangible Assets   | (238 038)         | 322 375           |
| Amortisation   | 4 000 724         | 4 809 053         |
| Contribution to provisions – current   | 1 076 482         | 978 338           |
| Contribution to provisions - non-current   | (104 623)         | 159 794           |
| Depreciation   | 72 598 980        | 71 309 678        |
| Discount on bonds amortised  | 118 843           | 71 860            |
| Dividend Income  | (5 793 763)       | (6 959 070)       |
| Fair value adjustments   | (12 627 946)      | 3 351 415         |
| Fair value losses on financial instruments   | 2 973 020         | (5 039 197)       |
| Finance Costs  | 24 994 370        | 25 780 572        |
| Finance Costs: Service Concession  | (950 690)         | (897 204)         |
| Finance Income   | (18 355 677)      | (17 322 072)      |
| Foreign exchange (gains)/losses on operating activities                                      | 227 530           | (351 089)         |
| Increase/(decrease) in provisions  | (13 740 409)      | 8 199 773         |
| Interest received-Held-to-maturity investments   | (9 687 661)       | (10 178 976)      |
| Increase in provision for post-retirement benefit obligation                                 | 802 710           | 666 197           |
| Movements in other employee benefit items  | (1 779 745)       | (1 487 430)       |
| Movement in rehabilitation liability   | 30 404            | (3 471)           |
| Net foreign exchange losses on translation   | (2 245)           | 777               |
| Provision for inventory obsolescence   | 70 017            | 175 509           |
| Release of firm commitments  | 223 537           | 192 722           |
| Revaluation of Assets  | (56 622)          | (991 152)         |
| Share of (income)/loss from associates and Joint Ventures                                    | (1 747 621)       | (4 297 238)       |
| Unrealised foreign exchange losses/(gains)   | (1 273 062)       | 3 244 838         |
| Impairment loss / (reversal of impairment loss)  | 17 134 771        | 20 019 453        |
| Service costs: Service Concession  | 1 013 709         | 4 228 245         |
| Other non-cash item  | (6 906 683)       | 13 124 482        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000  | 2023/24<br>R '000  |
|--|--------------------|--------------------|
| <b>Operating surplus before working capital changes:</b> | <b>114 632 918</b> | <b>223 578 923</b> |
| (Increase)/decrease in inventories                       | (2 791 880)        | (5 613 925)        |
| (Increase)/decrease in trade and other receivables       | (18 890 436)       | (27 542 261)       |
| (Increase)/decrease in statutory receivables             | (8 594 074)        | (8 183 006)        |
| (Increase)/decrease in other operating lease assets      | 18 685             | (21 219)           |
| (Increase)/decrease in prepayments                       | (4 844 442)        | (1 794 485)        |
| Increase/(decrease) in conditional grants and receipts   | 3 350 990          | 5 181 599          |
| Increase/(decrease) in consumer deposits                 | (4 877)            | 4 002              |
| Increase/(decrease) in deferred income                   | 390 649            | (934 452)          |
| Increase/(decrease) in trade and other payables          | 15 039 170         | 4 728 499          |
| Increase/(decrease) in other payables                    | 3 467 568          | 6 423 682          |
| Increase/(decrease) in payments received in advance      | 6 120 318          | 7 320 187          |
| Other working capital movements                          | 43 325 040         | (85 527 004)       |
| <b>Net cash flows from operating activities</b>          | <b>151 219 630</b> | <b>117 620 539</b> |

**63 Change in Accounting Policy**

Financial statement line items affected as a result of a change in accounting policy:

Changes in Equity / Reserves

16 636

Other

3 263

**16 636****3 263****64 Correction of Prior Period Error**

The Net effect of prior period error(s) relating to the Statement of Financial Performance are as follows:

|  | Amount before<br>error correction | Prior period error | Restated amount   |
|--|-----------------------------------|--------------------|-------------------|
| Depreciation   | (5 165 812)                       | 223 167            | (4 934 015)       |
| Employee cost related, General expenses, Revenue related | 84 732 823                        | 1 786 562          | 86 611 486        |
| Operating expenses, ICT expenses , authorised capex      | (7 555 254)                       | 454 173            | (1 900 936)       |
| Write-offs and Opex                                      | 9 980 256                         | (178 095)          | 9 815 761         |
| <b>Net effect on surplus/(deficit) for the year</b>      | <b>81 992 013</b>                 | <b>2 285 808</b>   | <b>89 592 297</b> |

The Net effect of prior period error(s) relating to the Statement of Financial Position are as follows:

|  |                    |                   |                    |
|--|--------------------|-------------------|--------------------|
| Property, plant and equipment                        | (34 953 448)       | 3 261 509         | (31 691 411)       |
| VAT receivable not previously recognised             | (28 495)           | 18 626            | (9 869)            |
| Non current and current receivables.                 | 13 857 857         | 2 436 683         | 16 295 981         |
| Provisions   | 519 240            | (759 526)         | (240 286)          |
| Living resources                                     |                    | 193               | 193                |
| Accruals   | (8 819 732)        | 4 650 377         | (4 170 969)        |
| Assets and equity                                    | 183 414 330        | 2 640 450         | 186 053 338        |
| <b>Net effect on Statement of Financial Position</b> | <b>153 989 752</b> | <b>12 248 311</b> | <b>166 236 976</b> |

The Net effect of prior period error(s) relating to the Statement of changes in Net Assets are as follows:

|   |                    |                  |                    |
|---|--------------------|------------------|--------------------|
| Accumulated Surplus/(Deficit)                           | (14 720 910)       | 448 525          | (14 272 387)       |
| Reserves ,accumulated surplus, provisions               | 149 896 190        | 4 251 528        | 152 412 982        |
| Retained earnings and unspent government funds          | 9 506 332          | 1 682 337        | 11 188 669         |
| <b>Net Effect on Statement of changes in Net Assets</b> | <b>144 681 612</b> | <b>6 382 389</b> | <b>149 329 264</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 65 Change in Estimate

During the year the following changes were made to the estimations employed in the accounting for transactions, assets, liabilities, events and circumstances:

|  | Value derived using<br>the original estimate<br>(R '000) | Value derived<br>using amended<br>estimate<br>(R '000) | Value impact of<br>change in<br>estimate<br>(R '000) |
|--|--|--|--|
| <b>Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected:</b> | <b>641 113</b>   | <b>1 682 295</b>                                       | <b>(1 056 780)</b>                                   |
| Buildings  | 114 102  | 113 702  | (1 874)  |
| Infrastructure assets  | (16 339)   | 12 509   | (14 866)   |
| Machinery  | 115 107  | 115 843  | 389  |
| Office equipment   | 6 654  | 4 216  | (4 198)  |
| Furniture  | 58 640   | 57 860   | (717)  |
| Vehicles   | 26 429   | 25 900   | (1 152)  |
| Computer equipment   | 282 445  | 302 123  | (38 579)   |
| Computer software  | 8 433  | 7 248  | 2 835  |
| Other intangible asset   | 33 677   | 32 828   | 767  |
| Plant and Equipment, intangible assets   | 11 965   | 1 010 066  | (999 385)  |

**Change in depreciation resulting from reassessment of residual values. The following categories are affected:**

|  | Value derived using<br>the original estimate<br>(R '000) | Value derived<br>using amended<br>estimate<br>(R '000) | Value impact of<br>change in<br>estimate<br>(R '000) |
|--|--|--|--|
| <b>Change in depreciation resulting from reassessment of residual values. The following categories are affected:</b> | <b>12 802</b>  | <b>15 105</b>  | <b>(1 806)</b>                                       |
| Buildings  | 11 719   | 14 707   | (2 988)  |
| Machinery  | 791  |  | 1 043  |
| Office equipment   | 233  | 374  | 149  |
| Furniture  | 23   | 6  | (16)   |
| Computer equipment   | 36   | 18   | (4)  |
| Property, Plant and Equipment  |  |  | 11   |

**Change in depreciation / amortisation resulting from a change in the depreciation / amortisation method. The following categories are affected:**

|  | Value derived using<br>the original estimate<br>(R '000) | Value derived<br>using amended<br>estimate<br>(R '000) | Value impact of<br>change in<br>estimate<br>(R '000) |
|--|--|--|--|
| <b>Change in depreciation / amortisation resulting from a change in the depreciation / amortisation method. The following categories are affected:</b> | <b>31 532</b>  | <b>25 150</b>  | <b>(1 583)</b>                                       |
| Buildings  | 2  | (2)  |  |
| Office equipment   | 584  | 140  | (239)  |
| Furniture  | 2 084  | 1 030  | (1 038)  |
| Vehicles   | 104  | 137  | 59   |
| Computer equipment   | 28 758   | 23 845   | (365)  |
| Intangible assets  | 11 685   | 11 240   | (3)  |

**Change in estimate resulting from the re-evaluation of the inputs in the calculation of provisions:**

|  | Value derived using<br>the original estimate<br>(R '000) | Value derived<br>using amended<br>estimate<br>(R '000) | Value impact of<br>change in<br>estimate<br>(R '000) |
|--|--|--|--|
| <b>Change in estimate resulting from the re-evaluation of the inputs in the calculation of provisions:</b> | <b>472 807</b>   | <b>319 801</b>   | <b>153 006</b>                                       |
| Rehabilitation provision   | 472 807  | 319 801  | 153 006  |
| - Other movements  |  |  |  |
| Leave Pay  | -  | 14 193   | 14 193   |
| - Other movements  |  | 14 193   | 14 193   |
| Performance and other bonus provision  | 3 411  | 769  | 4 181  |
| - Performance Bonus  | 3 411  | 769  | 4 181  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           |  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|-----------|--|-------------------|-------------------|
| <b>66</b> | <b>Irregular, Fruitless and Wasteful Expenditure</b> |                   |                   |
|           | Irregular Expenditure                                | 17 412 287        | 23 261 239        |
|           | Fruitless and Wasteful Expenditure                   | 425 707           | 481 703           |
|           | <b>Total</b>   | <b>17 837 994</b> | <b>23 742 942</b> |

## **67 Capital Commitments**

**Commitments in respect of capital expenditure:**

|                                      |                    |                    |
|--------------------------------------|--------------------|--------------------|
| <b>- Approved and contracted for</b> | <b>268 384 148</b> | <b>263 840 541</b> |
| Buildings and other fixed structures | 158 269 644        | 128 313 282        |
| Heritage assets                      | 161 672            | 89 145             |
| Machinery and equipment              | 2 194 404          | 1 801 046          |
| Land and subsoil assets              | 76 491             | 8 512              |
| Living resources                     | 792 000            | 1 093 000          |
| Intangible assets                    | 1 969 371          | 1 744 622          |
| Other                                | 104 920 565        | 130 790 934        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000     | 2023/24<br>R '000     |
|--|-----------------------|-----------------------|
| <b>68 Operating leases</b>   |                       |                       |
| At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:   |                       |                       |
| <b>Operating lease arrangements</b>  |                       |                       |
| <b>Lessee</b>  |                       |                       |
| At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:  |                       |                       |
| Up to 1 year   | 87 017 287            | 67 978 918            |
| 1 to 5 years   | 103 623 499           | 104 193 444           |
| More than 5 years  | 24 436 665 390        | 26 099 916 003        |
|  | <b>24 627 306 176</b> | <b>26 272 088 365</b> |
| At the reporting date the entity had the total of future minimum sublease payments expected to be received under non-cancellable subleases at the reporting date as follows: |                       |                       |
| Up to 1 year   | 9 875 425             | 8 873 079             |
| 1 to 5 years   | 12 253 103            | 15 539 919            |
| More than 5 years  | 8 982 991             | 7 241 345             |
|  | <b>31 111 520</b>     | <b>31 654 343</b>     |
| <b>Lessor</b>  |                       |                       |
| At the reporting date the entity had contracted with tenants for the following future minimum lease payments:  |                       |                       |
| Up to 1 year   | 3 337 787             | 3 460 353             |
| 1 to 5 years   | 5 562 889             | 5 970 018             |
| More than 5 years  | 933 638               | 1 024 699             |
|  | <b>9 834 313</b>      | <b>10 455 070</b>     |
| <b>69 Contingent Liabilities</b>   |                       |                       |
| <b>69.1 Guarantees</b>   |                       |                       |
| Guarantees   | 29 101 237            | 16 662 086            |
| <b>69.2 Court proceedings</b>  |                       |                       |
| Legal court proceedings  | 62 153 470            | 62 157 895            |
| <b>69.3 Insurance claims</b>   |                       |                       |
| Insurance claims   | 317 733               | 277 482               |
| <b>69.4 Forensic investigation</b>   |                       |                       |
| Forensic investigation   | 18 548                | 17 642                |
| <b>69.5 Other contingent liabilities</b>   |                       |                       |
| Other contingent liabilities   | 129 372 194           | 129 237 839           |
| <b>Total contingent liabilities</b>  | <b>220 963 181</b>    | <b>208 352 944</b>    |
| <b>70 Contingent Assets</b>  |                       |                       |
| <b>70.1 Court proceedings</b>  |                       |                       |
| Legal court proceedings  | 4 643 067             | 3 408 714             |
| <b>70.2 Insurance claims</b>   |                       |                       |
| Insurance claims   | 11 145                | 9 114                 |
| <b>70.3 Forensic investigation</b>   |                       |                       |
| Forensic investigation related contingent assets   | 487                   |                       |
| <b>70.4 Other contingent assets</b>  |                       |                       |
| Other contingent assets  | 17 491 315            | 164 666 287           |
| <b>Total contingent assets</b>   | <b>22 146 014</b>     | <b>168 084 115</b>    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|   | 2024/25<br>R '000      | 2023/24<br>R '000      |
|---|------------------------|------------------------|
| <b>71 Contributed Capital</b>             |                        |                        |
| Opening balance                           | 241 588 355 794        | 241 598 663 450        |
| Increases and reductions in contributions |                        | (22 000 000)           |
| Contributions                             | 84 000 204 000         | 11 692 344             |
|   | <b>325 588 559 794</b> | <b>241 588 355 794</b> |

## 72 Events After Reporting Date

### Adjusting Events

#### Air Traffic and Navigation Services Company Limited:

Additional employees signed the three-year retention agreement with resulted in additional payment of R25m. The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### CEF (Pty) Ltd

DAS - Engen Purchase

On 7 May 2025, Webber Wentzel issued PetroSA with a Letter of Demand for the DAS amount of R17 million and the interest of R6.3 million. PetroSA responded to Engen by 21 May 2025 with the assistance of their legal representative Cliffe Dekker. The two parties reached a settlement agreement of R8.6 million being the 50% of the capital claim of R17.3 million excluding interest on the 14 July 2025.

IGAS: Subsequent to year end, the iGas Board declared a dividend to its shareholder, CEF SOC Ltd, of R448 million based on the positive cash, solvency and liquidity position as at year-end.

CEF TRADING - On 4 June 2025, we have received a formal claim concerning the rights obtained by CEF Trading pertaining to the crude oil included in the assets acquired as part of the refinery purchase prior to 28 February 2025. The crude oil was recognized as inventory in the CEF Trading's financial statements at a value of R443 million. A detailed assessment of the claim is underway.

#### Community Scheme Ombuds Services:

The CCMA arbitration, concluded on 10 July 2025, ruled in favour of the entity. The applicant was found to have been fairly dismissed. The arbitration award, dated 21 July 2025 and received by the entity on 24 July, confirmed that no compensation or reinstatement was due. As a result, the matter, which was previously disclosed as a contingent liability, has been subsequently removed.

#### Export Credit Insurance Corporation of South Africa Limited (ECIC)

One of the Corporations mining sector project client encountered significant challenges due to the low quality of diamonds extracted and the limited quantity of available reserves. These issues resulted in the project been placed under care and maintenance. The Corporation expecting a claim in September 2025 amounting to R178 million.

#### Lepelle Northern Water

Lepelle Northern Water entered into an agreement with a debtor that stipulates revised, extended repayment terms, providing evidence of the receivables's recoverable amount at the reporting date. Consequently, the financial statements have been adjusted to reclassify part of the receivable to non current assets.

#### National Nuclear Regulator:

On 23 May 2024, the Audit and Risk Management Committee (ARMCOM) approved the writing off of all debts considered irrecoverable. The committee (ARMCOM) satisfied itself that all reasonable steps were taken to recover the debt, and it was considered that it is uneconomical to further pursue or recover the debt, it is not in the best interest of the NNR and that the debtor cannot be located or traced. The total irrecoverable debt of R4 510 551,41 was subsequently written off as irrecoverable.

#### Road Traffic Management Agency (RTMC):

Nkwatsi, Oliphant, Ntombela, Likhoele, Meje, Kokozela vs RTMC, respective plaintiffs issued summons for unlawful arrest against the RTMC. The RTMC has defended the matters and filed its plea. Judgement was handed down in favour of the complainants to the collective amount of R200,000 with interest at prime of 10.5% from 26 April 2024 to date to the total amount



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

paid by the RTMC of R220,549.43 paid on 15 April 2025. An administrative error occurred during the preparation of a deviation submission that sought approval for the lease agreement for a building occupied by the Corporation. The leased area was erroneously captured as 903m<sup>2</sup> in the approval submission instead of the 1123m<sup>2</sup>.

## **Small Enterprise Development Agency (SEDA):**

The Board of SEDFA appointed Mr N Mbatha as acting CEO effective from 1 October 2024. In line with the President of the Republic of South Africa minute number 251 of 2024 dated 10 September 2024, it was proclaimed that the effective date of the merger would be effective on 1 October 2024. All assets, liabilities, rights and obligations of the sefa, SEDA and CDBA, as the case may be, including the unexpended balance of appropriations, authorisations, allocations and other funds employed, held or used in connection with the furtherance of its objectives and functions, pass to SEDFA.

## **Water Research Commission**

A settlement agreement was signed on 25 April 2025 in respect of the contingent liability for the WRC Azure subscription that was raised in the prior financial year. A payable has been raised in the current year amounting to R 637 038. An Arbitration Award was issued by the CCMA on the 17th of April 2025. A payable and related employee cost expense has been raised in the current year. The WRC is currently taking the award on review in terms of Section 145 of the Labour Relations Act, Act 166 of 1995 (the LRA). To suspend enforcement, the employer must apply for a stay of enforcement, and furnish security to the satisfaction of the Labour Court. The WRC has applied for a stay of enforcement and furnished security.

## **Government Technical Advisory Centre (GTAC)**

Condonement of the Irregular Expenditure - During the 2023/24 financial year, GTAC were in the process of applying for irregular expenditure condonement and as at 31 March 2024 the conditions existed relating to the application of condonement of Irregular expenditure. The approval has been received on the 25 June 2024, and the Annual Financial Statements are authorised for issue on the 31 July 2024. Effects on the 2023/24 financial year period, Increase in Irregular expenditure condoned of R1,732,672.

## **Mines and Works compensation fund:**

A settlement agreement for R9 266 273 was signed on 21 July 2025 in settlement of a legal claim for long outstanding debts. The amount relates to the settlement of the outstanding assessment balances in terms of section 62 and section 63 of the ODMWA for the 2017/2018 financial year. Outstanding interest to the value of R6 743 629 in relation to the assessments that were settled has been written off in the 2024/2025 financial year and the long outstanding debt which had been included in the provision for debt impairment was reversed due to the subsequent event.

## **Construction Education and Training Authority**

The term of office for the Accounting Authority ended on 31 March 2025. The Minister of the Department of Higher Education and Training Authority (DHET) is yet to appoint the new Accounting Authority for the SETAs. Appointment of CETA Chairperson was made on 9 May 2025, and the appointment was subsequently withdrawn on 16 May 2025.

## **Quality Council for Trades and Occupations**

There is reportable subsequent event identified as QCTO, PSETA, SAQA and DIRCO received a Notice of withdrawal from the High Court on 26 May 2025. The matter is about the SA School of Diplomacy challenging the QCTO, PSETA, SAQA and Minister of International Relations for the loss of income in relation to the decision of not granting them accreditation to offer 2 diplomatic qualifications. The Plaintiff was claiming R203 701 233.75 against QCTO and the other Defendants.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Non-Adjusting Events

### African Renaissance International Corporation Fund

During April 2025, the signed concurrence letter relating to the request for the closure of the below projects was received from National Treasury:

The transactions below are non-adjusting events as there was no indication/condition that existed by year-end indicating that approval to rescind will be granted by the Minister of Finance. Humanitarian assistance to Syria - R50 million Humanitarian assistance to Turkey - R50 million

### The Commission for PPRCRLC

The operating lease contract for the head office of the CRL Commission expired on the 31 May 2024. Management advertised a tender for office accommodation. The tender process closed unsuccessfully. Management then approached National Treasury which provided guidance that the Accounting Officer may extend the lease agreement. Subsequently, the landlord submitted an offer to extend the lease contract at a beneficial rate. Management opted to renew the lease for the period of 5 years.

### Central Energy Fund (Pty) Ltd :

AEMFC - Burning Inventory - As at 31 March 2025, a portion of coal inventory was affected by spontaneous combustion, and an estimated loss was recognised in the financial statements for the year then ended. After year end, the combustion continued to progress, resulting in additional inventory losses amounting to R2,640,734.04. These additional losses relate to the continued burning beyond the reporting date and will be accounted for in the subsequent financial period.

Shareholder Support- On 25 July 2025, the shareholder of the company, Central Energy Fund SOC Ltd (CEF), passed a special board resolution authorising financial assistance to African Exploration Mining and Finance Corporation SOC Ltd (AEMFC), its wholly-owned subsidiary. The resolution approved an initial loan amount of R111.5 million and further committed to providing financial support to AEMFC for as long as such support is required.

### Council for GeoScience:

Subsequent to the reporting date, the entity reached a mutual separation agreement. This event did not present an obligation at year-end. As such, a contingent liability of R3.3m has been recognised in the financial year ended 31 March 2025.

### Independent Development Corporation of South Africa Limited

Dividend declaration: The Board has declared a deemed distribution of R2,6 billion to the shareholder on 29 July 2025. This distribution is as a result of the disestablishment of the Small Enterprises Finance Agency (Sefa).

Appointment of new board of directors: On 26 June 2025, the Cabinet of South Africa announced the following appointments to the IDC board. Refer to page 15 (Director's Report). The effective date of the Board changes will be announced in due course.

### Lepelle Northern Water

The term of office of the Board of Directors (Accounting Authority - section 49 of the PFMA) was due to end on 31 July 2025. Prior to authorisation of these AFS, the Minister approved an extension of the Board's term to 31 October 2025.

### National Consumer Commission

Labour Matter: N Netshitomboni against NCC - The matter was at labour court as at 31 March 2025. This relate to a former employee who sought the court to grant reinstatement for employment. The judgement was granted in favour of the NCC on 29 May 2025 with no cost to the NCC. The initial estimated costs of R350 000 will no longer be incurred.

### National Home Builders Registration Council (NHBRC)

On 30th May Council approved investment of structured products valued at R 1 882 Billion. The investment was successfully implemented with the recommended service provider i.e. ABSA R1,412 billion and Investec R 470 million on 3rd of July 2025.

### National Housing Finance Corporation Limited

No Board at year-end. Subsidiaries deregistered per CIPC. One entity is placed under voluntary liquidation.

### Road Traffic Management Corporation (RTMC)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

A Shareholders resolution was taken to donate five MVTS units to the Western Cape. A deposit of R5,970,800 was paid at year end however delivery has taken place in April 2025 with the total amounting to R29,854,000. Further, the RTMC is in the process to procure five Mobile Testing Stations for the Western Cape Province, two were delivered in April 2025 amounting to R11,941,600 and the rest are yet to be delivered.

## South African National Biodiversity Institute (SANBI)

Subsequent to the reporting period SANBI's proposal on The Scaling up ecosystem-based approaches to managing climate intensified disaster risks in vulnerable regions of South Africa (Eco-DRR) project proposal was approved by the Green Climate Fund (GCF). The aim of the project is to scale up ecosystem-based approaches to managing climate intensified disaster risks, specifically floods, droughts and wildfires, in vulnerable regions of South Africa. Its objective is that almost 4 million people who are vulnerable to the impacts of climate change intensified floods, droughts and wildfires will have improved resilience resulting from the implementation of ecosystem-based approaches to disaster risk reduction. The EcoDRR project is valued at USD 50 million (~ZAR R900 105 000 million), including USD 9 million of in kind co-financing (~ZAR 162 018 900 million) and USD 41 million (~ZAR 738 086 100 million) in donor funding.

## South African National Roads Agency Limited (SANRAL)

Subsequent to the reporting date approval was granted by the Minister of Transport on 16 April 2025 for the waiver of toll fees at Oribi toll ramp plazas (north and south) due to a temporary closure of the Umzimkhulu river bridge (1221) on provincial road P3-1 in the Ugu district municipality (Port Shepstone). The waiver was requested by the MEC of the KZN provincial department of Transport and Human settlement on 11 March 2025, in terms of section 27(1) (e) of the SANRAL Act. It is effective for a maximum of five months, from the beginning of May to the earlier of the end of September 2025 or until the re-opening of the bridge. The waiver is expected to result in a reduction of toll revenue for the affected period. Management is currently assessing the impact which will be disclosed in the interim financial statements for the period ending 30 September 2025. No adjustment was made to the 2024/25 annual financial statements. On 22 April 2025, the GFA was finalized and signed by both.

## Co-operative Banks Development Agency

In line with the President of the Republic of South Africa's minute number 251 of 2024 dated 10 September 2024, it was proclaimed that the effective date of the merger would come be effective on 1 October 2024. All assets, liabilities, rights and obligations of the sefa, SEDA and CBDA, as the case may be, including the unexpended balance of appropriations, authorisations, allocations and other funds employed, held or used in connection with the furtherance of its objectives and functions, pass to SEDFA. National Treasury approved R13 562 million from the 2023/24 surplus funds to be used towards the stabilisation fund, Indaba 2024, digitisation, training materials and 2nd phase implementation of sector strategy. The proclamation of the Act has brought SEDFA into operation on 1 October 2024, whereby all CBDA assets and liabilities need to be transferred. From 1st December 2024, CBDA would be disestablished through delisting as a national public entity and the CBDA Board is dissolved.

## Development Bank of Southern Africa (DBSA)

On 26 June 2025, the Board authorised an annual dividend of R160 million (31 March 2024:R48 million) to be distributed to the shareholder (National Treasury). The payment of the dividend is subject to approval by Shareholder at the next AGM in line with the DBSA Act.

## Public Investment Corporation Limited (PIC)

After the reporting date of 31 March 2025, the Company granted a loan of R150 million to Daybreak Foods (Pty) Limited . The purpose of loan was to assist with the liquidity requirements of the business rescue process and the preservation of sustainable jobs which is not in normal course of our business but its allowed. Due to the Daybreak financial position, management has concluded that the loan is impaired at initial recognition and expects to record a full impairment loss (day 1 impairment). As the loan was granted after the reporting period, it is a non-adjusting event and has not been recognized in the financial statements as of 31 March 2025. The impact of this impairment will be reflected in the financial statements for the financial year ending 31 March 2026.

## Transnet Limited

Wabtec portion of 1 064 locomotive supply agreement high court judgement- On 14 April 2025, the High Court of South Africa made the settlement agreements Transnet and Wabtec concluded the just and equitable remedy in respect of the review application Transnet had brought to set aside the 1 064 locomotive supply agreements. Wabtec delivered in full in terms of the locomotive supply agreement and Transnet is to retain the locomotives delivered. This had no impact on the annual financial statement balances.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

**Ballast waste exclusion from environmental waste definition-** On 22 April 2025, the Department of Forestry, Fisheries and Environment (DFFE) issued a formal decision stating that ballast waste has been excluded from the definition of environmental waste. Transnet Freight Rail had previously petitioned to the DFFE to exclude ballast waste from the definition of environmental waste. Accordingly, the environmental provision relating to ballast waste of R423 million has been reversed.

## **South African Human Rights Commission:**

During the review of reports submitted to the Finance Department on the 08 June 2025 following the submission of the annual financial statements on 31 May 2025, a CCMA matter was identified relating to the dismissal of personnel in the Eastern Cape due to allegations of misconduct lodged by the applicant. The CCMA issued an arbitration report on the 03 June 2025 instructed the Commission to pay the applicant an amount of R485,271.12. In terms of GRAP 19, this amount should be recognised as a payable, as the obligating event occurred during the reporting period under review. However, the applicants representative subsequently challenged the decision. As a result, the likelihood of payment is now considered possible rather than probable, and the obligation to be reclassified from a liability to a contingent liability.

## **Border Management Authority (BMA)**

BMA and the South African Police Service (SAPS) have initiated discussion for the transfer of border access control functions, which are currently being performed by SAPS, to the BMA. An estimate of the financial effect cannot be made at this stage.

## **Compensation Fund, including Reserve:**

After the reporting date of 31 March 2025 and prior to the approval of these financial statements, media reports surfaced relating to allegations of governance and financial irregularities at Daybreak Farms, one of the Fund's investee entities. Management has taken note of these developments and has engaged with the stakeholders to assess any potential impact of the Fund's investment portfolio. As of the date of approval of these financial statements, there has been no formal impairment assessment issued, and the financial impact, if any, cannot be reliably estimated. The Fund will continue to monitor the situation and obtain clarity from the relevant stakeholders. Any required accounting adjustment will be considered, should the information become available that affects the valuation of the investment or the Fund's exposure.

## **Food and Beverages Manufacturing SETA:**

The CEO was appointed to assume the duties of the Accounting Authority for the entity effective from 22 May 2025 for a period of three months or until the Accounting Authority is appointed, whichever comes first. This follows a request to the National Treasury dated 28 March 2025 seeking to appoint SETA Chief Executive Officers in terms of section 49 (1), (2) (a) & (b) and (3) of the Public Finance Management Act ("PFMA").

## **Energy and Water SETA:**

The CEO was appointed to assume the duties of the Accounting authority for the entity effective from 22 May 2025 for a period of three(3) months or until the Accounting Authority is appointed, whichever comes first. This follows approval by National Treasury to appoint SETA Chief Executive Officers in terms of section 49 (1), (2)(a) & (b) and (3) of the Public Finance Management Act ("PFMA").

## **Manufacturing Engineering and Related Services SETA:**

The last term of the Accounting Authority expired 31 March 2025. At the time of reporting, the Minister of Higher Education and Training had not appointed the new Accounting Authority. On 22 May 2025, the Minister issued a letter appointing SETA CEOs to resume duties of the Accounting Authority until the new Board has been appointed.

## **Media, Information and Communication Technologies SETA:**

The MICT SETA Accounting Authority was appointed on the 1st April 2020 for a period of 5 years to serve on the MICT SETA Board, their term ended on the 31st of March 2025. The Department of Higher Education and Training is in the process of appointing new Accounting Authority members for the next term. The Minister has appointed the Chief Executive officer to act as an interim Accounting Authority for a period of 3 months effective 22 May 2025.

## **Performing Arts Council of Free State:**

Discontinuation of grant funding for the incubator programme, on 9 April 2025 the Acting Director: General pronounced the discontinuation of the incubator grant effective 1 April 2025 due to the fiscal constraints and budgetary challenges.

Application for one of the major litigation matters has been struck off the roll due to lack of urgency.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Services Sector Education and Training Authority:

As at 31 March 2025 the only known non-adjusting event after reporting date is the requirement for Services SETA to submit to the National Treasury as application for the rollover of accumulated surpluses by 30 September 2025.

## South African Heritage Resources Agency:

On 11 June 2025 a service provider, Mavhuso Service Provider submitted through email correspondence their withdrawal of their awarded two construction contracts -

(i) the award on Bid number SAHRA/PFU/PO/09/2024 awarded on 06 February 2025 for the construction and execution of the perimeter fence and related works to the Paarl Offices for R 1 520 155,10 and;

(ii) the award on Bid number SAHRA/PFU/GRF/09/2024 awarded on 06 February 2025 for the construction and execution of the perimeter fence and related works to the Goede Rust Farm for R 1 312 937,75.

These two awards form part of the commitments at year end and have been included in the commitment disclosure note 37. No expenditure had been incurred from award date to cancellation date. The cancellation of the awarded bids by Mavhuso Service Provider for the two bids, bid number SAHRA/PFU/PO/09/2024 of R 1 520 155,10 and bid number SAHRA/PFU/GRF/09/2024 for R 1 312 937,75 is an event that occurred after year-end.

## South African Qualifications Authority (SAQA):

The SAQA Legal Unit was notified on 26 May 2025, that the Plaintiff withdrew from laying charges due to financial constraints relating to a court case against SAQA and three other government entities. The total contingent liability disclosed as Matter 1 (Court cases) amounted to R50,925,309.

## South African National Space Agency(SANSA):

In July 2025, SANSA and Denel Dynamics, a division of Denel SOC Ltd ("Denel") concluded an terms of the agreement, the prepayments will be recovered by SANSA through deduction from invoices to be issued by Denel under a new contract for the completion of the EO SAT-1 satellite development project. Save as disclosed above, no events or transactions have occurred since 31 March 2025 or are pending, that would have a material effect on the financial statements at that date or for the year then ended 31 March 2026.

## Council for Scientific and Industrial Research (CSIR):

In mid-April 2025, the CSIR announced its intention to implement a targeted operational efficiency plan. This initiative is focused on optimising specific operational areas to enhance future performance and ensure long-term sustainability. The plan is expected to include workforce adjustments in selected areas. Associated costs of the restructuring are estimated at approximately R38,9 million. These costs will be recognised in the 2025/26 financial year when the detailed implementation plan is finalised and communicated to affected parties, creating a constructive obligation. This strategic initiative is part of CSIR's proactive management approach to strengthen its financial position and operational effectiveness. The organisation maintains adequate financial resources to implement these changes while continuing to fulfill its core operational objectives.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

**73      Service Concession Arrangements**

|   | 2024/25<br>R '000 | 2023/24<br>R '000 |
|---|-------------------|-------------------|
| <b>Leased Service Arrangement Assets</b>        |                   |                   |
| <b>Minimum future payments</b>                  |                   |                   |
| No later than one year- Service concession      | 2 252             | 1 800             |
| <b>Present value of finance lease liability</b> | <b>2 252</b>      | <b>1 800</b>      |
| <br>  |                   |                   |
| Service Concession Liability                    | <b>10 051 784</b> | <b>10 716 370</b> |
| <br>  |                   |                   |
| <b>Total Service Concession Liability</b>       |                   |                   |
| <b>Current Liability</b>                        | 2 033 970         | 1 722 961         |
| <b>Non-Current Liability</b>                    | 8 017 814         | 8 993 409         |
|   | <b>10 051 784</b> | <b>10 716 370</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## Segment Reporting

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| 2024/25   |             |               |               |            |             |              |               |  |  |  |  |  |
|---|-------------|---------------|---------------|------------|-------------|--------------|---------------|--|--|--|--|--|
| STATEMENT OF FINANCIAL POSITION                               |             |               |               |            |             |              |               |  |  |  |  |  |
| ASSETS  |             |               |               |            |             |              |               |  |  |  |  |  |
| Segment assets<br>Investment in associates and joint ventures | 162 101 280 | 1 478 062 399 | 2 914 404 579 | 16 731 775 | 403 381 619 | (25 853 375) | 4 948 828 277 |  |  |  |  |  |
|   | -           | 43 430 920    | 5 699 173     | 11 805     | 3 448 926   | -            | 52<br>590 825 |  |  |  |  |  |
| Total assets  | 162 101 280 | 1 521 493 319 | 2 920 103 752 | 16 743 580 | 406 830 545 | (25 853 375) | 5 001 419 101 |  |  |  |  |  |
| LIABILITIES   |             |               |               |            |             |              |               |  |  |  |  |  |
| Segment liabilities   | 19 318 899  | 287 061 450   | 2 227 323 732 | 4 335 731  | 88 052 062  | 152 479 333  | 2 778 571 207 |  |  |  |  |  |
| Total liabilities   | 19 318 899  | 287 061 450   | 2 227 323 732 | 4 335 731  | 88 052 062  | 152 479 333  | 2 778 571 207 |  |  |  |  |  |
| OTHER INFORMATION   |             |               |               |            |             |              |               |  |  |  |  |  |
| Capital expenditure   | 2 383 783   | 76 996 038    | 73 895 476    | 632 237    | -           | 1 924 456    | 155 831 989   |  |  |  |  |  |
| Non-cash items excluding depreciation and amortisation        | (26 269)    | (6 113 984)   | (2 072 856)   | (253 702)  | (1 949 885) | (14 442 351) | (24 859 048)  |  |  |  |  |  |
| Deferred Revenue  | 5 621 292   | 5 910 593     | 42 960 215    | 36 409     | 897 797     | (3 756 626)  | 51 669 679    |  |  |  |  |  |

| 2023/24  | STATEMENT OF FINANCIAL POSITION |               |               |            |             |               |  |  |  |  |  |  |               |  |
|--|---------------------------------|---------------|---------------|------------|-------------|---------------|--|--|--|--|--|--|---------------|--|
| ASSETS   |                                 |               |               |            |             |               |  |  |  |  |  |  |               |  |
| Segment assets<br>Investment in associates (equity method) | 162 854 851                     | 1 346 364 870 | 2 794 218 601 | 16 849 492 | 355 109 687 | (20 897 297)  |  |  |  |  |  |  | 4 654 500 204 |  |
|  | -                               | 41 814 030    | 5 456 789     | 9 565      | 3 820 411   | -             |  |  |  |  |  |  | 51 100 794    |  |
| Total assets   | 162 854 851                     | 1 388 178 900 | 2 799 675 391 | 16 859 056 | 358 930 098 | (20 897 297)  |  |  |  |  |  |  | 4 705 600 999 |  |
| LIABILITIES  |                                 |               |               |            |             |               |  |  |  |  |  |  |               |  |
| Segment liabilities  | 18 259 936                      | 287 359 799   | 2 300 536 715 | 4 073 966  | 85 160 997  | (126 139 417) |  |  |  |  |  |  | 2 569 251 996 |  |
| Total liabilities  | 18 259 936                      | 287 359 799   | 2 300 536 715 | 4 073 966  | 85 160 997  | (126 139 417) |  |  |  |  |  |  | 2 569 251 996 |  |
| OTHER INFORMATION  |                                 |               |               |            |             |               |  |  |  |  |  |  |               |  |
| Capital expenditure  | 2 560 594                       | 69 903 662    | 74 336 058    | 679 417    | -           | 2 342 386     |  |  |  |  |  |  | 149 822 116   |  |
| Non-cash items excluding depreciation and amortisation     | (5 222)                         | (4 783 605)   | (3 627 391)   | (415 881)  | (997 911)   | (8 656 109)   |  |  |  |  |  |  | (18 486 118)  |  |
| Deferred Revenue   | 5 857 156                       | 5 209 802     | 43 230 534    | 39 771     | 812 870     | (27 350 366)  |  |  |  |  |  |  | 27 799 766    |  |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 2024/25  | STATEMENT OF FINANCIAL PERFORMANCE |                      |                      |                     |                     | TOTAL               |                      |
|--|------------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
|  | CENTRAL                            | ECONOMIC             | FINANCE              | JUSTICE             | SOCIAL              | ELIMINATIONS        | TOTAL                |
| <b>REVENUE</b>   |                                    |                      |                      |                     |                     |                     |                      |
| Revenue from non-exchange transactions   | 6 291 388                          | 131 434 076          | 114 508 683          | 8 847 721           | 87 439 801          | 393 646             | 348 915 315          |
| Revenue from exchange transactions   | 13 392 162                         | 115 356 601          | 457 946 355          | 3 313 597           | 17 155 835          | 7 294 019           | 614 458 569          |
| Inter-entity transfers   | 81 988                             | 23 906 415           | 16 605 656           | 350 145             | 1 427 868           | (42 372 072)        | (0)                  |
| Share of surplus/ (deficit) of associate   | -                                  | 4 268 043            | 522 842              | -                   | (87 602)            | -                   | 4 790 885            |
| Interest Revenue   | 1 275 496                          | 27 710 815           | 49 527 056           | 670 838             | 25 466 823          | (2 586 381)         | 76 597 825           |
| <b>Total Segment Revenue</b>   | <b>21 041 034</b>                  | <b>302 675 950</b>   | <b>639 110 593</b>   | <b>13 182 302</b>   | <b>131 402 725</b>  | <b>(37 270 788)</b> | <b>1 044 762 594</b> |
| <b>EXPENSES</b>  |                                    |                      |                      |                     |                     |                     |                      |
| Employee related costs   | (3 424 913)                        | (43 612 882)         | (97 849 617)         | (7 198 135)         | (22 306 523)        | (1 075 892)         | (175 467 960)        |
| Depreciation and amortisation expense  | (3 233 252)                        | (17 044 784)         | (55 163 151)         | (412 652)           | (1 189 689)         | 179 794             | (76 863 734)         |
| Other expenses   | (13 632 305)                       | (154 948 661)        | (243 639 696)        | (5 667 341)         | (75 461 268)        | (9 558 669)         | (502 907 940)        |
| Interest expenses  | (5 015)                            | (13 861 155)         | (85 173 830)         | (81 422)            | (365 099)           | 110 666             | (99 375 854)         |
| <b>Total segment expenses</b>  | <b>(20 295 485)</b>                | <b>(229 467 481)</b> | <b>(481 826 293)</b> | <b>(13 359 550)</b> | <b>(99 322 578)</b> | <b>(10 344 101)</b> | <b>(854 615 488)</b> |
| <b>Total segment surplus/deficit</b>   | <b>745 549</b>                     | <b>73 208 469</b>    | <b>157 284 300</b>   | <b>(177 248)</b>    | <b>32 080 147</b>   | <b>(47 614 889)</b> | <b>190 147 106</b>   |
| Other unallocated revenue  |                                    |                      |                      |                     |                     |                     | 5 101 283            |
| Unallocated expenses   |                                    |                      |                      |                     |                     |                     | (10 344 101)         |
| <b>Surplus/Deficit for the period</b>  |                                    |                      |                      |                     |                     |                     | (5 242 818)          |
| <b>Reconciliation of the above surplus and the surplus as disclosed in the CFS</b> |                                    |                      |                      |                     |                     |                     |                      |
| Surplus/Deficit for the period per segment report                                  |                                    |                      |                      |                     |                     |                     | 184 904 288          |
| Reversal of inter segment expenses eliminated                                      |                                    |                      |                      |                     |                     |                     | 30 622 039           |
| Other items not included in the segment  |                                    |                      |                      |                     |                     |                     | (157 716 590)        |
| <b>TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX AS PER CFS</b>              |                                    |                      |                      |                     |                     |                     | <b>126 035 853</b>   |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 2023/24<br>STATEMENT OF FINANCIAL PERFORMANCE                     |              |               |               |              |              |              |               | TOTAL       |
|---|--------------|---------------|---------------|--------------|--------------|--------------|---------------|-------------|
|   | CENTRAL      | ECONOMIC      | FINANCE       | JUSTICE      | SOCIAL       | ELIMINATIONS |               |             |
| REVENUE   |              |               |               |              |              |              |               |             |
| Revenue from non-exchange transactions                            | 6 368 857    | 136 027 678   | 15 336 869    | 8 953 509    | 84 493 199   | 3 245 093    | 254 425 206   |             |
| Revenue from exchange transactions                                | 13 974 365   | 130 793 290   | 402 115 969   | 3 131 232    | 17 210 291   | (5 842 087)  | 561 383 060   |             |
| Inter-entity transfers  | 2 054        | 24 092 735    | 31 020 373    | 266 975      | 3 379 712    | (58 761 850) | -             |             |
| Share of surplus/ (deficit) of associate                          | -            | 4 273 625     | 290 176       | -            | (213 432)    | -            | 4 350 369     |             |
| Interest Revenue  | 1 212 753    | 28 249 323    | 48 209 187    | 666 403      | 25 301 819   | (1 334 289)  | 102 305 197   |             |
| Total Segment Revenue   | 21 558 029   | 323 436 651   | 496 972 574   | 13 018 120   | 130 171 589  | (62 693 132) | 922 463 831   |             |
| EXPENSES  |              |               |               |              |              |              |               |             |
| Employee related costs  | (3 210 080)  | (42 597 496)  | (85 857 652)  | (6 835 462)  | (20 780 352) | 915 167      | (158 365 874) |             |
| Depreciation and amortisation expense                             | (3 092 049)  | (16 090 883)  | (54 853 559)  | (375 355)    | (1 017 503)  | 271 297      | (75 158 052)  |             |
| Other expenses  | (13 449 881) | (170 659 348) | (267 863 859) | (5 190 534)  | (63 509 818) | 3 670 318    | (517 003 122) |             |
| Interest expenses   | (2 695)      | (12 862 248)  | (83 759 903)  | (72 047)     | (2 562 499)  | 1 364 391    | (97 895 003)  |             |
| Total segment expenses  | (19 754 706) | (242 209 974) | (492 334 972) | (12 473 398) | (87 870 172) | 6 221 173    | (848 422 050) |             |
| Total segment surplus/deficit                                     | 1 803 323    | 81 226 677    | 4 637 601     | 544 722      | 42 301 417   | (56 471 959) | 74 041 781    |             |
| Other unallocated revenue   |              |               |               |              |              |              | (3 931 283)   |             |
| Unallocated expenses  |              |               |               |              |              |              | 6 221 173     |             |
| Net Surplus/Deficit for the period                                |              |               |               |              |              |              | 2 289 890     |             |
| Reconciliation of above surplus with surplus disclosed in the CFS |              |               |               |              |              |              |               |             |
| Surplus/Deficit for the period per segment report                 |              |               |               |              |              |              | 76 331 672    |             |
| Reversal of inter segment expenses eliminated                     |              |               |               |              |              |              | (2 289 890)   |             |
| Other items not included in the segment                           |              |               |               |              |              |              | 39 762 086    |             |
| TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX AS PER CFS    |              |               |               |              |              |              |               | 176 640 784 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

## 75 Risk Management

Risks associated with the financial instruments of the public entities included in this consolidation are managed on an individual entity level in line with the requirements of the PFMA. In this note we describe the general high-level practices employed by entities in managing the risks that they are exposed to as a result of their financial instrument holdings.

### Maximum credit risk exposure

The public entities included in this consolidation are exposed to credit risk mainly as a result of holding cash equivalents, long term receivables, finance lease receivables and trade receivables. To manage the credit risk that the entities are exposed as a result of holding these classes of financial assets the following steps are generally taken. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

### A. CASH AND CASH EQUIVALENTS

Public entities bank with major banks with high credit standing. Furthermore, the cash holdings with banks are spread amongst a variety of banks to reduce the concentration of their credit risk exposure.

The minimum counterparty credit rating for placing deposits and investing in government bonds is 'A' by Standard & Poor's or its Moody's or Fitch's rating equivalents, while the minimum rating for investments in corporate bonds is 'AA-'. The rating of certain investment securities was below 'A' at year-end due to downgrading of instruments or institutions by the rating agencies and due to the tightening of investment guidelines by the Bank, which resulted in passive breaches on some of the financial assets in the Bank's portfolios.

### B. TRADE RECEIVABLES

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used.

Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the individual boards of directors of each of the public entities. The utilisation of credit limits is regularly monitored. Credit guarantee insurance is purchased when deemed appropriate.

### C. FINANCE LEASE RECEIVABLES

The exposure to credit risk arising from finance lease receivables is limited by using the underlying assets of the finance leases as collateral. Also, finance lease receivables comprise a widespread customer base to reduce the concentration of credit risk exposure.

### D. LONG TERM RECEIVABLES

Long term receivables consist exclusively of loans and advances made to the employees of participating public entities. Repayment of these receivables is ensured through properly authorised payroll deductions. Where an employee leaves the services of the public entity the remaining balance is deducted from the employee benefits payable to the employee in accordance with the loan agreements signed with the employees.

|   | 2024/25<br>R '000 | 2023/24<br>R '000 |
|---|-------------------|-------------------|
| <b>75.1 Financial Assets carried at Amortised Cost</b>  |                   |                   |
| The financial assets carried at amortised cost expose the entity to credit risk. The value of the maximum exposure to credit risk are as follows for each of classes of financial assets at amortised cost: |                   |                   |
| Cash and cash equivalents   | 415 542 362       | 351 872 699       |
| Trade and other receivables from exchange transactions  | 101 403 391       | 106 340 636       |
| Other receivables from non-exchange transactions  | 6 545 328         | 7 052 253         |
| Other current financial assets  | 1 344 493 817     | 1 281 899 664     |
| Current Investments   | 67 435 289        | 86 614 998        |
| Construction contracts and receivables  | 678 015           | 854 526           |
| Finance lease receivable  | 1 085 691         | 1 072 745         |
| Non-current receivables from exchange transactions  | 24 465 047        | 20 547 030        |
| Non-Current Investments   | 462 539 808       | 443 578 670       |
| Other non-current financial assets  | 43 072 595        | 55 662 706        |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R '000 | 2023/24<br>R '000 |
|--|-------------------|-------------------|
|--|-------------------|-------------------|

**75.2 Collateral held and other credit enhancements**

The credit risk exposure, as posed by the financial assets held at amortised cost detailed above, is further mitigated by the collateral held in relation to these instruments:

|                             |            |            |
|-----------------------------|------------|------------|
| Bank - collateral held      | 2 916 912  | 4 416 819  |
| Financial guarantees        | 1 152 921  | 715 145    |
| Trade and other receivables | 49 930 940 | 43 088 327 |
| Other                       | 41 747 286 | 41 724 560 |

**75.3 Liquidity risk**

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**2024/25**

|                                 | Not later than<br>one month | Later than one<br>month and not<br>later than three<br>months | Later than three<br>months and not<br>later than one<br>year | Later than one<br>year and not<br>later than five<br>years |
|---------------------------------|-----------------------------|---|--|--|
| Gross finance lease obligations | 97 209                      | 878 147   | 3 211 819  | 34 301 877   |
| Borrowings                      | (2 193 847)                 | 7 597 328   | 84 982 883   | 323 438 653  |
| Trade and other payables        | 18 487 074                  | 71 064 389  | 77 291 831   | 35 860 395   |
| Bank overdraft                  | 4 377 973                   | -   | (161 643)  | -  |
| Other                           | 255 420 873                 | 1 139 831   | 99 654 347   | 112 128 708  |

**2023/24**

|                                 | Not later than<br>one month | Later than one<br>month and not<br>later than three<br>months | Later than three<br>months and not<br>later than one<br>year | Later than one<br>year and not<br>later than five<br>years |
|---------------------------------|-----------------------------|---|--|--|
| Gross finance lease obligations | 459 309                     | 604 848   | 3 139 249  | 33 035 690   |
| Borrowings                      | (1 535 225)                 | 8 532 115   | 144 711 382  | 335 897 440  |
| Trade and other payables        | 19 820 827                  | 55 335 130  | 72 725 239   | 68 756 045   |
| Bank overdraft                  | 3 741 208                   | -   | 69 690   | -  |
| Other                           | 257 373 591                 | 996 021   | 100 112 772  | 625 893 797  |

**75.4 Collateral held and other credit enhancements**

The entity holds the following collateral and / or credit enhancements that aid in the mitigation of the liquidity risk it is exposed to:

**Pledged collateral**

|                  |                  |
|------------------|------------------|
| <b>6 766 247</b> | <b>8 865 794</b> |
|------------------|------------------|

**75.5 Interest rate risk**

The public entities included in this consolidation are exposed to interest rate risk as a result of interest-bearing bank accounts. At year end, financial instruments exposed to interest rate risk were as follows:

Call deposits: With the exception of South African Government bonds, the rand-denominated financial assets and liabilities of the Bank respectively earn and bear interest at rates linked to South African money-market rates. The level of these rates is closely linked to the Bank's repurchase (repo) rate, which is set by the Monetary Policy Committee

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

(MPC). The re-pricing of these assets and liabilities, therefore, occurs at approximately the same time as changes to the repo rate are announced by the MPC.

Notice deposits: The Bank is exposed to interest rate risk in respect of its foreign investments. The risk tolerance and return expectations in respect of these financial instruments are embodied in the strategic asset allocation approved by the Reserves Management Committee (Resmanco) and the risk budget approved by the GEC.

Finance lease obligations: The majority of the finance leases entered into by the public entities is subject to variable interest rates linked to the prime rate of interest in South Africa.

Long term loans: These loans are obtained from a variety of sources and consist of a mixture of variable interest rate loans and fixed rate loans. This mixture of fixed and variable rate loans are intended to offset the overall exposure to variability in interest rates on an entity-by-entity basis.

Bank overdraft: These borrowings are obtained exclusively at variable interest rates from the major banks in South Africa.

## 75.6 Credit quality of financial assets carried at amortised cost

### Method of determining credit quality of other non-current financial assets

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to credit ratings obtained, for the customers included in the balance, from external credit ratings agencies.

The credit quality of trade and other receivables from exchange transactions are determined and monitored with reference to historical payment trends. Accordingly, the credit quality of the customers included in the balance of trade and other receivables from exchange transactions is determined internally through application of the entity's own credit policy. Based on the evaluation of the historical payment trends, customers included in the balance are categorised into the following:

**High credit quality** - Customers included in this category have evidenced no defaults or breaches in the contractual repayments.

**Medium credit quality** - Customers included in this category are prone to late payments, but seldom default on the entire balance owing.

**Low credit quality** - Customers included in this balance includes customers that frequently default on their outstanding balances and breach contract.

**Other method** - Any other method applied to evaluate the credit quality.

| 76   | Principal-agent arrangements                         | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------|--|------------------|------------------|
| 76.1 | Entity acting as the principal                       | Fee Paid         |                  |
|      | Deeds Registration Trading Account                   |                  | 1 108            |
|      | Road Traffic Management Corporation                  | 436 062          | 323 075          |
|      | South African Maritime Safety Authority              | 11 169           | 9 745            |
|      | South African National Energy Development Institute  | 11 800           | 10 946           |
|      | Office of the Valuer-General                         | 1 108            | 14 138           |
|      | Government Pensions Administration Agency            | 1 731 321        | 1 306 685        |
|      | Office of the Ombud for Financial Services Providers |                  | 15 640           |
|      | Public Investment Corporation Limited                | 1 307 928        | 1 261 755        |
|      | Government Technical Advisory Centre (GTAC)          | 1 998            | 2 342            |
|      | Government Printing Works                            | 3 064            | 258              |
|      | Compensation Fund, including Reserve Fund            | 84 043           | 92 078           |
|      | Robben Island Museum                                 | 120 428          | 121 611          |
|      | Construction Industry Development Board              | 100 000          |                  |
|      | <b>Total</b>   | <b>3 808 921</b> | <b>3 159 381</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

| 76.2   | Entity acting as the agent                          | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------|---|------------------|------------------|
| 76.2.1 | Revenue received for agency activities              |                  |                  |
|        | Construction Industry Development Board             | 417              | 1                |
|        | Deeds Registration Trading Account                  | 1 108            |                  |
|        | Mine Health and Safety Council                      | 154              | 273              |
|        | National Agricultural Marketing Council             |                  | 507              |
|        | Road Traffic Management Corporation                 | 90 798           | 178 240          |
|        | South African Maritime Safety Authority             | 339 089          | 377 223          |
|        | South African National Energy Development Institute | 10 946           | 11 800           |
|        | Small Enterprise Development Finance Agency         | 423 701          | 7 989            |
|        | Development Bank of Southern Africa                 | 1 306 685        | 449 325          |
|        | Government Pensions Administration Agency           | 2 315 112        | 1 731 321        |
|        | Government Technical Advisory Centre (GTAC)         | 5 966            | 1 490 282        |
|        | Council on Higher Education                         |                  | 3 586            |
|        | Financial and Accounting Services SETA              |                  | 4 850            |
|        | National Library of South Africa                    |                  | 350              |
|        | <b>Total</b>  | <b>4 255 747</b> | <b>4 493 976</b> |

| 76.2.2 | Reconciliation of funds and disbursements<br>2024/25 | Total funds<br>received<br>R'000 | Expenditure<br>incurred<br>against funds<br>R'000 |
|--------|--|----------------------------------|---|
|        | National departments                                 | 779 992                          | 1 008 326   |
|        | Public Entities                                      | 7 229 364                        | (4 572 053)                                       |
|        | Municipalities                                       | 6 696                            | 3 459   |
|        | <b>Total</b>   | <b>8 016 052</b>                 | <b>(3 560 268)</b>                                |

|  | Reconciliation of funds and disbursements 2023/24 | Total funds<br>received<br>R'000 | Expenditure<br>incurred<br>against funds<br>R'000 |
|--|---|----------------------------------|---|
|  | National departments                              | 1 127 602                        | 1 656 907   |
|  | Public Entities                                   | 7 456 516                        | (4 889 924)                                       |
|  | Municipalities                                    | 8 298                            | 11 536  |
|  | <b>Total</b>                                      | <b>8 592 416</b>                 | <b>(3 221 481)</b>                                |

| 76.2.3               | Reconciliation of carrying amount of receivables and payables – 2024/25 |                  |  |                                      |                  |
|----------------------|---|------------------|--|--------------------------------------|------------------|
|                      | Opening balance   | Revenue/Expense  | Less: (Write offs/settlements)/Cash Paid | Cash received on behalf of principal | Closing balance  |
|                      | R '000  | R '000           | R '000                                   | R '000                               | R '000           |
| <b>Receivables</b>   |   |                  |  |                                      |                  |
| National departments | (7 866)   | 1 223 568        | (942 574)                                | 253 974                              | 19 154           |
| Public Entities      | 1 520 555   | 1 027 024        | (1 431 448)                              | (343 993)                            | 1 460 124        |
| Other                | 128 069   | 526 095          | (3 516)                                  | 512 478                              | 138 170          |
|                      | <b>1 640 758</b>  | <b>2 776 687</b> | <b>(2 377 538)</b>                       | <b>422 459</b>                       | <b>1 617 448</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|                      | Opening balance<br>R'000 | Expenses<br>incurred on<br>behalf of<br>principal<br>R'000 | Cash paid on behalf<br>of principal<br>R'000 | Closing<br>balance<br>R'000 |
|----------------------|--------------------------|--|--|-----------------------------|
| <b>Payables</b>      |                          |  |  |                             |
| National departments | 929 103                  | 163 645  | 423 002                                      | 669 747                     |
| Public Entities      | 2 295 635                | 2 602 355  | 2 231 394                                    | 2 666 596                   |
| Other                | 450 811                  | 328 058  | 377 739                                      | 401 130                     |
|                      | <b>3 675 549</b>         | <b>3 094 058</b>   | <b>3 032 134</b>                             | <b>3 737 473</b>            |

## Reconciliation of carrying amount of receivables and payables – 2023/24

|                      | Opening balance<br>R '000 | Revenue/Expense<br>R '000 | Less: (Write<br>offs/settlements)/<br>Cash Paid<br>R '000 | Cash received<br>on behalf of<br>principal<br>R '000 | Closing<br>balance<br>R '000 |
|----------------------|---------------------------|---------------------------|---|--|------------------------------|
| <b>Receivables</b>   |                           |                           |   |  |                              |
| National departments | (7 504)                   | 1 097 155                 | (1 072 418)   | 38 327   | 21 094                       |
| Public Entities      | 268 291                   | 1 011 689                 | (1 218)   | 921 553  | 357 209                      |
|                      |                           |                           |   |  | -                            |
| Municipalities       | -                         | 8 298                     | -   | 11 536   | 3 237                        |
| Other                | -                         | 92 459                    | -   | 88 688   | 3 771                        |
|                      | <b>260 787</b>            | <b>2 209 601</b>          | <b>(1 073 636)</b>  | <b>1 060 104</b>                                     | <b>336 648</b>               |

|                      | Opening balance<br>R'000 | Expenses<br>incurred on<br>behalf of<br>principal<br>R'000 | Cash paid on<br>behalf of principal<br>R'000 | Closing<br>balance<br>R'000 |
|----------------------|--------------------------|--|--|-----------------------------|
| National departments | 869 458                  | (482 400)  | 275 821                                      | 111 237                     |
| Public Entities      | 2 678 845                | 491 879  | 936 851                                      | 2 233 873                   |
| Other                | 1 095 300                | (718 656)  | -  | 376 645                     |
| <b>Payables</b>      | <b>4 643 604</b>         | <b>(709 177)</b>   | <b>1 212 672</b>                             | <b>2 721 755</b>            |

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## Related Party

### Relationships

Constitutional Institutions, Schedule 2, 3A and 3B Public Entities and Trading Accounts

### Transactions and balances

2024/25

Controlling entities  
Entities with joint control or significant influence over another entity  
Close Members of Family or Significant Influence  
Controlled entities  
Associates  
Joint ventures in which the entity is a venturer  
Management  
Other related parties

| Transactions | Balances/<br>Commitments | Provisions for<br>doubtful debts | Bad/<br>Doubtful<br>debts |
|--------------|--------------------------|----------------------------------|---------------------------|
| 368 440 844  | (324 847 498)            | (261 449)                        |                           |
| 165 892 753  | (1 345 110)              |                                  |                           |
| 155 165      | 1 804                    |                                  |                           |
| 327 567      | 1 313 356                | (46 292)                         |                           |
| 172 076      | 2 347 392                |                                  |                           |
| (5 227 829)  | 481 500                  |                                  |                           |
| 34 330 983   | 4 265                    |                                  |                           |
| 70 914 424   | 373 737 383              | 1 988 851                        | (39 718)                  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2023/24

|  | Transactions | Balances/<br>Commitments | Provisions for<br>doubtful debts | Bad/<br>Doubtful debts |
|--|--------------|--------------------------|----------------------------------|------------------------|
| Controlling entities   | 311 618 145  | (284 598 309)            | (228 661)                        | (23 621)               |
| Entities with joint control or significant influence over another entity | 37 197 992   | 279 665                  | -                                | -                      |
| Close Members of Family and Significant Influence                        | 2 830        | 651                      | (523)                            | -                      |
| Controlled entities  | 271 759      | 3 313 732                | (2 138 262)                      |                        |
| Associates   | 71 891       | 2 445 729                |                                  |                        |
| Joint ventures in which the entity is a venturer                         | (4 793 553)  | 407 758                  |                                  |                        |
| Management   | 27 992 377   | 6 254                    |                                  |                        |
| Other related parties  | 69 299 317   | 339 634 679              | 2 151 795                        | (40 825)               |

## 78 Financial Sustainability

The 2025 Medium Term Budget Policy Statement (MTBPS) reaffirms government's commitment to a growth-oriented and fiscally prudent agenda, despite ongoing economic and fiscal challenges. Recent improvements, such as stronger tax revenue collections, slower growth in borrowing costs and projected stabilising debt-to-GDP ratios, supports macroeconomic stability and public investment initiatives.

The economy is projected to grow by 1.2 per cent in 2025, increasing to an average of 1.8 per cent per annum over the medium term. These modest growth prospects underscore the need for reforms that address fundamental constraints in energy supply, logistics infrastructure, digital connectivity and institutional effectiveness. Government's medium-term growth strategy is anchored by four elements namely maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment. The strategy seeks to shift the growth path and secure sustainable revenues.

### Enhancing Macroeconomic stability

Government is delivering on its targets to return the public finances to good health by stabilising debt, reducing borrowing costs and freeing up resources to invest in growth and development. These policy measures create a strong foundation for inclusive and sustainable economic growth. Efforts to stabilise debt and narrow the budget deficit to below 3% of GDP by 2028/29 are supported by various initiatives to entrench balanced public finances, strengthen revenue collection, improve spending efficiency and a revised 3% inflation target with a  $\pm 1$  percentage point tolerance. These measures reduce fiscal and operational risks, enhance investor confidence and support sustainable economic growth.

### Implementing Structural Reforms and Building State Capability

Key structural reforms include increased generation capacity at Eskom, improved reliability of the energy supply, higher freight rail volumes at Transnet, and the introduction of third-party access on freight rail networks. Municipal and digital reforms, including the Metro Trading Services Reform Programme and the MzansiXchange pilot, enhance service delivery, accountability and data-driven decision-making. Operation Vulindlela's second phase further advances these reforms by promoting private investment in energy and logistics, establishing the National Water Resources Infrastructure Agency and launching the Electronic Travel Authorisation system to attract skills, investment and tourism.

### Growth-Enhancing Infrastructure investment

Public investment in infrastructure is being prioritised to stimulate economic growth and attract private sector participation. Key initiatives include freight rail rehabilitation, wastewater treatment and capitalisation of a credit guarantee scheme. Measures to streamline project approval, enhance the Budget Facility for Infrastructure and develop sector-specific toolkits for public-private partnerships improve efficiency and value for money.

### Fiscal strategy

The government is implementing a range of measures to strengthen fiscal outcomes and safeguard long-term public finance sustainability. Broad consultations are underway on the design of a formal fiscal anchor, with a policy proposal expected to be presented to the Minister of Finance in 2026. In parallel, a multi-year fiscal literacy campaign will be launched in 2026/27 to improve public understanding of fiscal management and encourage informed engagement with

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

government budgeting processes. To achieve fiscal targets, curb waste and support new priorities, public spending will be directed to deliver greater value for money.

The government is taking targeted steps to strengthen revenue collection and improve efficiency. Revenue collections for the first half of 2025/26 exceeded expectations, driven by strong corporate and household activity, while lower VAT refunds and improved compliance supported overall buoyancy. Corporate tax receipts benefited from robust performance in the trade, electricity and finance sectors and dividends tax collections were strengthened by significant one-off payments from the mining and retail sectors. Revenue buoyancy for 2025/26 is projected at 1.54, reflecting stronger-than-anticipated collections. Nevertheless, the medium-term outlook remains cautious, as nominal revenue growth is constrained by subdued economic growth.

The constrained fiscal position allows limited room for additions to spending. However, government still allocates about 60 per cent of consolidated non-interest spending over the next three years to the social wage, supporting low-income and vulnerable households. Average annual growth in spending on learning and culture, health and economic development outpace inflation over the medium term.

After more than a decade of primary budget deficits, government began running a primary budget surplus in 2023/24. The surplus – where revenue exceeds non-interest expenditure – is expected to improve over the medium term. The growing primary surplus enables government to stabilise and then reduce debt and debt-service costs. The main budget deficit is expected to narrow from 4.6 per cent of GDP in 2022/23 to 2.7 per cent in 2028/29. Gross loan debt as share of GDP is projected to stabilise at 77.9 per cent in 2025/26.

Despite improvements, risks remain due to modest economic growth, high debt levels and potential contingent liabilities, particularly from state-owned entities. The government continues to prioritise macroeconomic stability, infrastructure investment, revenue efficiency, expenditure effectiveness and the phased removal of low-priority programmes. These measures aim to protect critical social services, strengthen institutional capacity and shift spending toward growth-enhancing infrastructure.

In summary, the government remains committed to the disciplined implementation of its four-pillar economic strategy, anchored in enhancing macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment. Through these efforts, it aims to stabilise public finances, improve the effectiveness and efficiency of expenditure, attract investment and promote sustainable economic growth, ultimately enhancing living standards for all South Africans.

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## Exemptions and Departures

### Section 92 Exemption

The Minister of Finance granted exemption in terms of Section 92 of the PFMA for the National Treasury from the provisions of section 8(1) of the PFMA to the extent that it requires preparing one set of consolidated AFS for national departments and public entities. Due to the significantly different accounting bases being applied (modified cash and accrual), the Minister has now allowed the National Treasury to prepare separate sets of consolidated financial statements for departments and public entities respectively.

In terms of section 92 of the PFMA, the Minister of Finance exempted TCTA from applying GRAP as a reporting framework and allowed the continued use of IFRS for the 2023/2024 and 2024/25 financial years. The Minister of Finance also permanently exempted GPAA to report in terms of GRAP instead of Modified Cash Standard (MCS).

There were no departures granted. The reason for all exemptions granted was to achieve fair presentation, and Management has concluded that the consolidated financial statements fairly present the primary and secondary information as required by GRAP.





# **NATIONAL REVENUE FUND**



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2025

The National Revenue Fund Financial Statements are prepared on the going concern basis. They are based on accounting policies which have been consistently applied and supported by reasonable and prudent judgements of estimates. The National Revenue Fund Financial Statements have been approved by the Accountant-General on 03 December 2025.



**Shabeer Khan**

**Accounting Officer**

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

## ■ MANDATE

In terms of section 11 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) the National Treasury is responsible for the National Revenue Fund and must enforce compliance with the provisions of section 213 of the Constitution, namely that-

- a) All money received by the national government must be paid into the fund, except money reasonably excluded by this Act or another Act of Parliament; and
- b) No money may be withdrawn from the Fund except-
  - i) in terms of an appropriation by an Act of Parliament; or
  - ii) as a direct charge against the Fund, provided for in the Constitution or the Act, or in any other Act of Parliament provided the direct charge in such a case is listed in Schedule 5.

Section 11(3) of the PFMA, requires money that must be paid into the National Revenue Fund is paid into the Fund by depositing it into a bank account of the Fund in accordance with the requirements that may be prescribed. In this regard Tax and Loan accounts are held at the Commercial Banks and at other accounts at the South African Reserve Bank.

## ■ REVENUE

Section 12 of the PFMA, requires the South African Revenue Services must promptly deposit into the National Revenue Fund all taxes, levies, duties, fees and other moneys collected by it in accordance with a framework determined by the National Treasury.

South Africa's tax system forms part of the foundation of the country's public finances. Over the past two decades South Africa has built a progressive tax system founded on the principles of equity, efficiency, simplicity, transparency and certainty.

Road Accident Fund, Unemployment Insurance Fund and SETAs funds are collected by SARS and are refunded to the institutions on a monthly basis. Transfers to a member of the South African Customs Union are made on a quarterly basis. This is shared

between South Africa, Botswana, Lesotho, Namibia and Swaziland.

Other sources of revenue are departmental receipts known as departmental revenue, national revenue fund receipts and other revenue which mainly consists of unused conditional grants and revenue received from entities.

## ■ EXPENDITURE

Section 15(1) of the PFMA states that only the National Treasury may withdraw money from the National Revenue Fund, and may do so only-

- a) to provide funds that may have been authorised-
  - i) in terms of an appropriation by an Act of Parliament; or
  - ii) as a direct charge against the National Revenue Fund provided for in the constitution or this Act, or in any other Act of Parliament provided the direct charge is such a case is listed in Schedule 5;
- b) to refund money invested by a province in the National Revenue Fund; or
- c) to refund money incorrectly paid into, or which is not due to, the National Revenue Fund.

In terms of section 27(1) the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year or, in exceptional circumstances, on a date as soon as possible after the start of that financial year as the Minister may determine.

The medium-term expenditure framework establishes a predictable budget process that is open to public scrutiny. Over this period government is preparing the ground between the rate of economic growth and the affordability of social programmes.

## ■ FUNDING OF THE DEFICIT

Section 11(5) of the PFMA, requires the National Treasury to ensure that there is at all times sufficient money in the National Revenue Fund. In this regard the deficit is funded in terms of section 66(2)(a) of

# ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

the PFMA by the Asset and Liability section within the National Treasury.

Government's flexible debt management strategy ensures that additional borrowing minimises interest and repayment risks. These considerations are necessary to maintain a stable debt portfolio and avoid burdening the country with repayment obligations for many years to come.

South Africa's borrowing strategy is sufficiently responsive to withstand long-term adjustments in global and domestic capital allocations and short term market shocks. Debt levels remain sustainable with a long maturity structure and exposure to foreign currency liabilities remains low, reducing the impact on global volatility.

## ■ ACCOUNTING STANDARDS

On a drive to improve public accountability, there is a transition in progress from reporting on the modified cash basis of accounting to reporting on the accrual basis of accounting. Under the modified cash basis of accounting, transactions and other events are recognised when cash is received or paid, while

provision is made in the annual financial statements (AFS) for provisions, accruals, contingent liabilities and so on.

With effect from 2013/14, as part of the cash-to-accrual process, the OAG developed and published the Modified Cash Standard (MCS) which sets out the principles of the modified cash framework in a format ordinarily used by other public sector accounting standard setters such as Accounting Standards Board (ASB). The National Treasury guide on accounting for the Revenue Fund provides detailed guidance on the principles stated in the MCS.

This Accounting Officer's Review includes an Executive Summary and Review of Operating Results. The review of operating results reflects monetary values presented in accordance with Treasury Regulation 18.2. It is also a descriptive report clarifying the amounts presented.

# EXECUTIVE SUMMARY

FOR THE YEAR ENDED 31 MARCH 2025

South Africa's economic performance has remained subdued for more than a decade, with growth averaging below 2 per cent per annum since 2012. Despite early forecasts in February 2024 projecting a recovery of 1.3 per cent, actual GDP growth for the year was limited to 0.6 per cent. Over the medium term, growth is expected to average 1.8 per cent which is well below the level required to meaningfully reduce unemployment, inequality, and poverty.

The country's low growth trajectory continues to be undermined by persistent structural constraints. These include underinvestment in infrastructure, the high cost and unreliability of electricity supply, inefficiencies within logistics and freight transport and declining productivity. Weak investor confidence, compounded by policy uncertainty, corruption and a slow pace of reform implementation, has further constrained private sector participation and capital formation. Global economic pressures and declining foreign investment have further deepened these challenges.

Public finances remain under strain as slower revenue growth, rising debt-service costs, and the continued financial burden of state-owned enterprises limit fiscal flexibility. Corruption, wasteful expenditure, and inefficiencies in public procurement further erode fiscal credibility and crowd out investment in essential services.

Fiscal policy remains focused on stabilising debt, protecting essential services, and maintaining investment in critical infrastructure such as education, health, and social development.

The formation of the Government of National Unity (GNU) following the May 2024 general election marked a new political chapter aimed at stabilising governance and restoring institutional credibility. The GNU brings together multiple political parties under a shared agenda to advance stability, rebuild trust in public institutions and drive inclusive growth.

- The GNU has identified three central priorities:
- Driving inclusive growth and job creation;
- Reducing poverty and tackling the high cost of living; and

- Building a capable, ethical, and developmental state.

This renewed political arrangement provides an opportunity to stabilise governance, enhance policy coherence, and restore institutional integrity. It also offers the potential to accelerate implementation of long-delayed structural reforms and reinforce fiscal discipline.

A key fiscal development during 2024 was the implementation of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) settlement under Act No. 27 of 2024. The account, held at the South African Reserve Bank (SARB), records unrealised gains and losses from foreign currency reserve transactions. In 2024/25, the SARB transferred R200 billion to the government, improving the Reserve Bank's equity position and reducing the gross borrowing requirement by R32.9 billion to R424.7 billion. This measure provided short-term fiscal relief, supported debt management objectives, and reinforced confidence in the fiscal framework.

Household conditions deteriorated further in 2024, with purchasing power eroded by high food inflation, elevated fuel and transport costs, and rising electricity tariffs. Real wage growth has stagnated, increasing household indebtedness and weakening domestic consumption. Unemployment remains structurally high, particularly among youth and women, and continues to pose a significant threat to social cohesion. Social protection programmes, including the social relief of distress (SRD) grant, remain critical in mitigating poverty and cushioning vulnerable households from the impact of rising living costs.

To strengthen the economy, improve productivity and foster inclusive job-rich growth, South Africa must sustain the momentum of structural economic reforms. Key focus areas include:

- Transforming and stabilising the electricity supply sector, to ensure reliable and affordable energy;
- Opening the freight rail and port networks to private operators, enhancing competition and reducing logistics bottlenecks;

# EXECUTIVE SUMMARY

FOR THE YEAR ENDED 31 MARCH 2025

- Expanding investment in water and digital infrastructure, supporting economic resilience and service delivery;
- Strengthening local government capacity to improve basic service delivery and financial management; and
- Reforming the visa and skills recognition systems to attract critical talent and investment.

Restoring fiscal discipline, governance integrity, and policy certainty will be essential to rebuild confidence, attract investment and lay the foundation for long-term economic recovery. Strengthening fiscal management, improving expenditure efficiency and curbing wasteful spending will be key to maintaining debt sustainability. At the same time, rebuilding institutional capacity and ensuring transparent, accountable governance will help restore public trust and investor confidence. Clear and consistent policy implementation, particularly in energy, infrastructure, and industrial development, will support a more competitive and resilient economy. Together, these measures will enable South Africa to create a stable macroeconomic environment conducive to sustainable growth, job creation and inclusive development.

The National Revenue Fund (NRF) will continue to play a central role in supporting sound public financial management and ensuring that fiscal policy contributes to long-term economic stability and social development.

# EXECUTIVE SUMMARY

FOR THE YEAR ENDED 31 MARCH 2025





# **REVIEW OF OPERATING RESULTS**



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



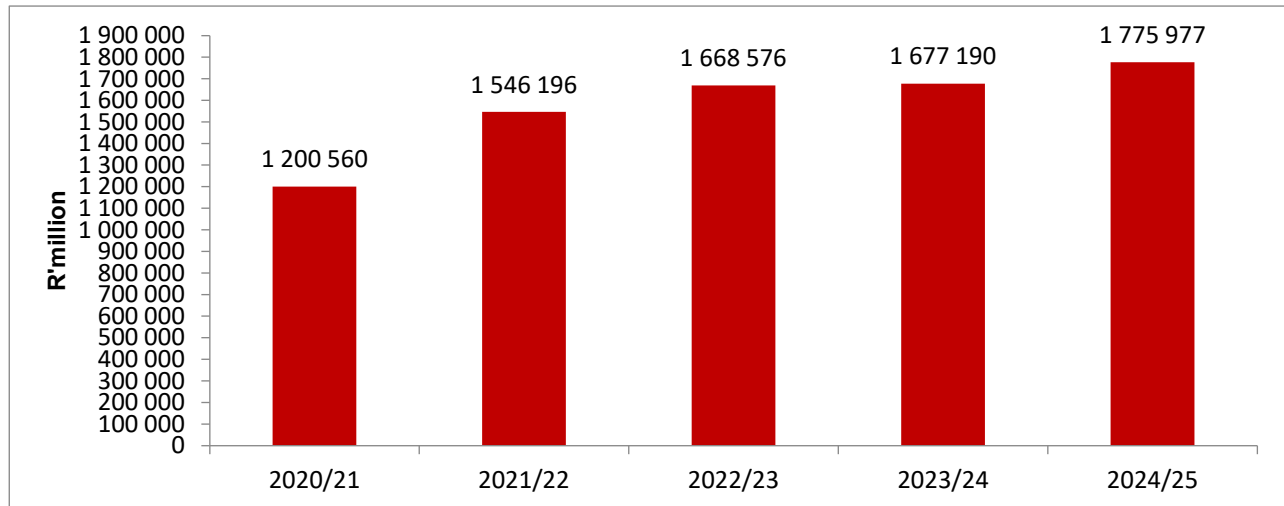
# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

| Year Ended 31 March<br>R' million           | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Taxes, Levies & Duties                      | 1 322 857         | 1 660 808         | 1 783 818         | 1 829 809         | 1 938 797         |
| Less: South African Customs Union Agreement | 63 395            | 45 966            | 43 683            | 79 811            | 89 874            |
| Less: Payment to UIF                        | 16 715            | 19 451            | 21 108            | 22 266            | 23 326            |
| Less: Amount payable by SARS to UIF         | 1 681             | 1 982             | 2 054             | 2 148             | 2 244             |
| Less: Payment to RAF                        | 40 560            | 47 059            | 48 469            | 48 573            | 47 358            |
| Less: Amount payable by SARS to RAF         | (54)              | 155               | (72)              | (179)             | 17                |
| <b>Net Revenue for the Year</b>             | <b>1 200 560</b>  | <b>1 546 196</b>  | <b>1 668 576</b>  | <b>1 677 190</b>  | <b>1 775 977</b>  |
| <b>Movement in SARS revenue</b>             | <b>-4%</b>        | <b>29%</b>        | <b>8%</b>         | <b>1%</b>         | <b>6%</b>         |

## REVENUE

South African Revenue Services (SARS) income increased by 6 per cent in 2024/25 (2023/24: 1 per cent).



Revenue collection recorded a significant year-on-year increase during the 2024/25 financial year, reflecting a notably higher percentage growth compared to previous years. This strong performance was primarily driven by the R200 billion transfer from the South African Reserve Bank (SARB) to the National Revenue Fund, following the implementation of the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) settlement under Act No. 27 of 2024.

The GFECRA account, maintained by the SARB, records unrealised gains and losses arising from foreign currency reserve transactions. The settlement resulted in a substantial inflow to the National Revenue Fund.

In addition to the GFECRA settlement, other major contributors to revenue growth included departmental receipts, comprising National Revenue Fund income amounting to R236 billion for the 2024/25 financial year. A detailed analysis of the composition and trends in departmental revenue is provided in Note 1.2 to the Annual Financial Statements of the National Revenue Fund.

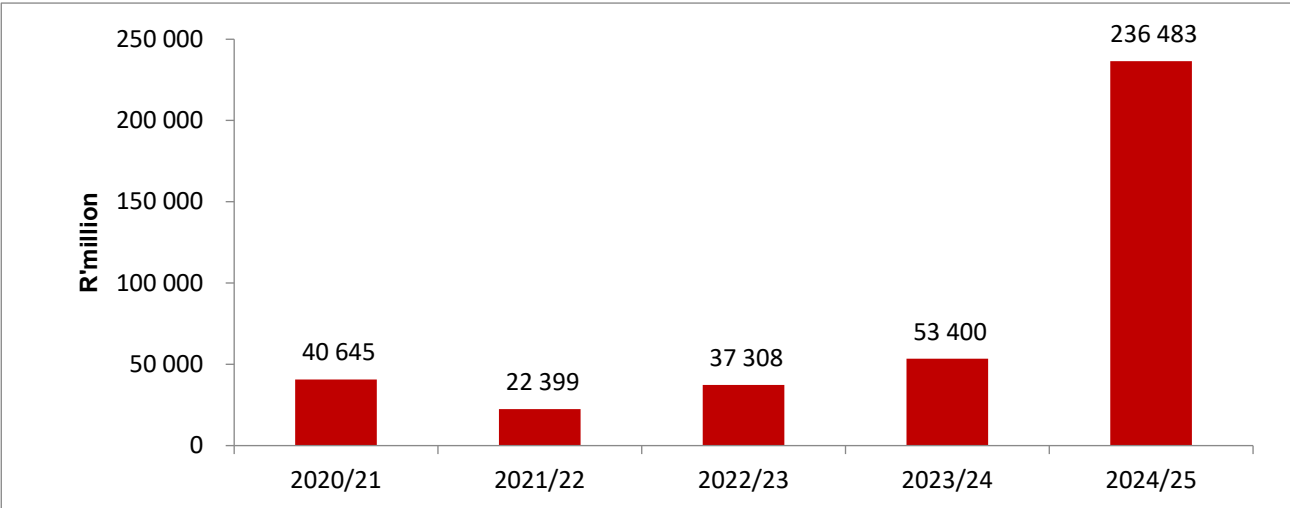
| Year Ended 31 March<br>R million | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Departmental revenue*            | 36 154            | 16 127            | 30 827            | 46 417            | 233 751           |
| Other surrenders                 | 2 689             | 4 177             | 6 357             | 6 615             | 2 538             |
| Other revenue received           | 1 802             | 2 095             | 124               | 367               | 194               |
| <b>Total revenue</b>             | <b>40 645</b>     | <b>22 399</b>     | <b>37 308</b>     | <b>53 400</b>     | <b>236 483</b>    |
| <b>Movement in other revenue</b> | <b>29%</b>        | <b>-45%</b>       | <b>67%</b>        | <b>43%</b>        | <b>343%</b>       |

\*Included in Departmental revenue is GFECRA Defrayal Amendment Act, 2024 receipts.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## Other Revenue excluding CARA

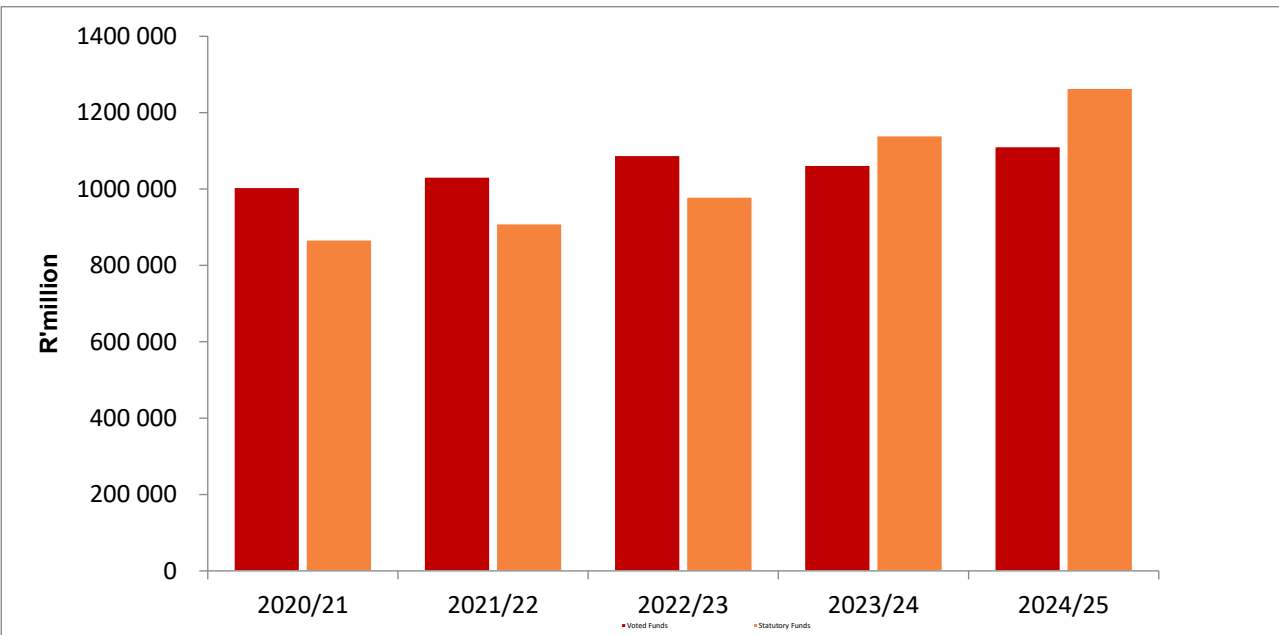


## EXPENDITURE

Net Appropriation is 8 per cent in 2024/25 (2023/24: 7 per cent)

| Year Ended 31 March                  | Actual           | Actual           | Actual           | Actual           | Actual           |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| R million                            | 2020/21          | 2021/22          | 2022/23          | 2023/24          | 2024/25          |
| Voted Funds                          | 1 004 427        | 1 031 636        | 1 088 182        | 1 062 018        | 1 111 242        |
| Statutory Funds*                     | 866 747          | 909 044          | 979 137          | 1 139 764        | 1 263 601        |
| <b>Total Net Appropriation</b>       | <b>1 871 174</b> | <b>1 940 680</b> | <b>2 067 319</b> | <b>2 201 782</b> | <b>2 374 843</b> |
| <b>Movement in net appropriation</b> | <b>23%</b>       | <b>4%</b>        | <b>7%</b>        | <b>7%</b>        | <b>8%</b>        |

\*Included in Statutory Funds is National Revenue Fund payments.



# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## STATUTORY FUNDS

| Statutory Funds<br>R'million           | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|
| Equitable share                        | 585 086           | 600 476           |
| State Debt                             | 435 003           | 452 042           |
| <b>Other:</b>                          | <b>119 675</b>    | <b>211 084</b>    |
| Presidency                             | 12                | 7                 |
| Parliament                             | 543               | 692               |
| General Fuel Levy                      | 15 433            | 16 127            |
| Auditor General of South Africa        | 123               | 129               |
| GFE CRA Defrayal Amendment Act, 2024   | -                 | 100 000           |
| Section 70 of the PFMA payments        |                   |                   |
| Land Bank                              | 500               | -                 |
| Eskom Debt Relief Act 2023             | 76 000            | 64 000            |
| Higher Education and Training          | 22 424            | 24 137            |
| Justice and Constitutional Development | 2 319             | 2 513             |
| Office of Chief Justice                | 1 219             | 1 324             |
| ALM (National Revenue Fund payment)    | 1 093             | 2 147             |
| Transport                              | 8                 | 8                 |
| <b>Total</b>                           | <b>1 139 764</b>  | <b>1 263 601</b>  |

Statutory Net Appropriation includes Provincial equitable share, Debt-service costs, National Revenue Fund Payments and other salaries that are a direct charge against the National Revenue Fund.

The Provincial equitable share is transferred to provinces to perform functions at the provincial sphere of government. This amounts to 48 per cent in 2024/25 (2023/24: 51 per cent) of the total statutory budget.

Debt service costs consist mainly of interest paid on government debt. This amounts to 36 per cent in 2024/25 (2023/24: 38 per cent) of the total statutory budget.

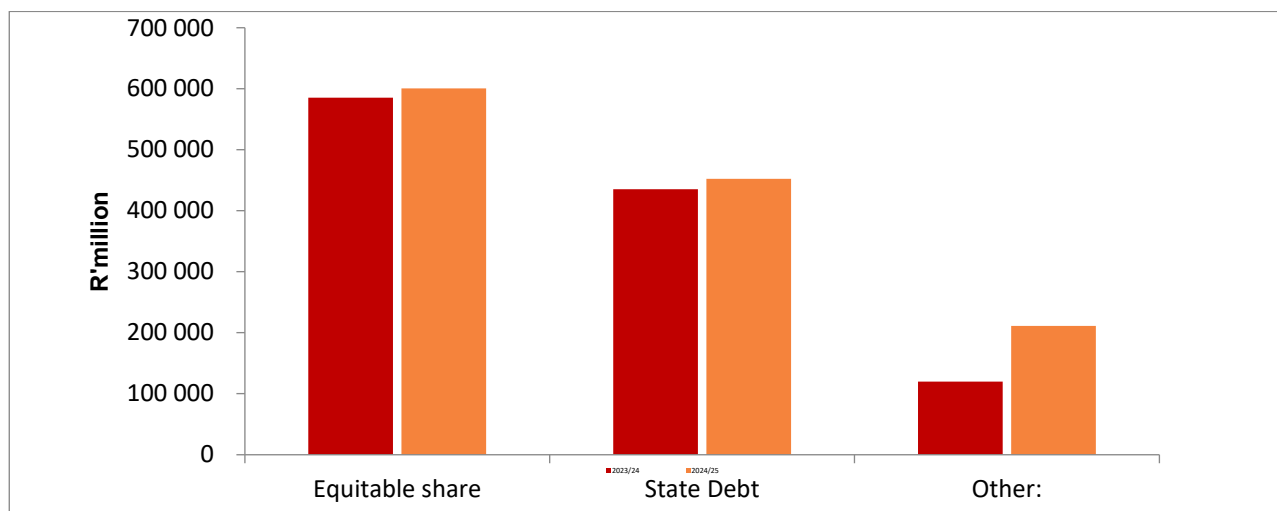
In terms of the Gold and Foreign Exchange Contingency Reserve Account (GFE CRA) Defrayal Amendment Act, Act No. 27 of 2024, the South African Reserve Bank (SARB) paid R200 billion to government during the 2024/25 financial year. Of this amount, government paid R100 billion back to the Reserve Bank to meet its contingency reserve requirements and to strengthen its equity position. This was appropriated as a direct charge against the National Treasury. The net movement from this transaction, amounting to R100 billion, was applied to reduce government borrowing, thereby mitigating the growth in debt-service costs.

Payments into Eskom in terms of the Debt Relief Act was made to strengthen Eskom's balance sheet, enabling the entity to restructure and undertake the investment and maintenance needed to support the security of electricity supply.

The advance of funds will take the form of an interest debt free subordinated loan, to be settled in Eskom shares rather than cash, allowing Eskom to better manage its liquidity position. Loan advances from government to Eskom are conditional on the repayment of pre-identified Eskom debt instruments.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025



## ASSETS

| Cash and Cash Equivalent<br><i>R million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and equivalent                          | 310 115           | 259 832           | 237 014           | 174 057           | 213 448           |
| <b>Movement in cash and cash equivalent</b>  | <b>43%</b>        | <b>-16%</b>       | <b>-9%</b>        | <b>-27%</b>       | <b>23%</b>        |

Cash and cash equivalents amount to R213 billion. Total cash includes deposits held at South African Reserve Bank (SARB) and commercial banks. Operational cash to finance the gross borrowing requirement is held in the tax and loan accounts with the four commercial banks and in the foreign currency accounts with the SARB. Cash balances were used to finance part of the borrowing requirement. The table below reflects the breakdown.

| Break down of cash balances<br><i>R million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Commercial banks</b>                         |                   |                   |                   |                   |                   |
| Tax and Loan account                            | 175 136           | 133 318           | 108 903           | 73 159            | 125 227           |
| <b>South African Reserve Bank</b>               |                   |                   |                   |                   |                   |
| Cash with SARB                                  | 41 157            | 41 157            | -                 | -                 | -                 |
| Foreign Currency Investment                     | 93 282            | 85 130            | 127 999           | 101 200           | 88 285            |
| Other   | 540               | 227               | 112               | (301)             | (64)              |
| <b>Total Cash and cash equivalents</b>          | <b>310 115</b>    | <b>259 832</b>    | <b>237 014</b>    | <b>174 057</b>    | <b>213 448</b>    |

### Non-current Investments

| Investments<br><i>R million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Investments                     | 311 021           | 458 488           | 558 227           | 596 300           | 577 614           |
| <b>Movement in Investments</b>  | <b>23%</b>        | <b>47%</b>        | <b>22%</b>        | <b>7%</b>         | <b>-3%</b>        |

Total investment amounted to R578 billion for the current year. This is a 3 per cent decrease for 2024/25 against a 7 per cent increase in the prior year. The table below reflects the investment held by government for the past two years.

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

## LIABILITIES

### Non-current liabilities

| Multilateral Institutions<br><i>R million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Multilateral Institutions                     | 334 944           | 474 746           | 575 211           | 593 918           | 536 311           |
| <b>Movement in Multilateral Institutions</b>  | <b>9%</b>         | <b>42%</b>        | <b>21%</b>        | <b>3%</b>         | <b>-10%</b>       |

The balance presents the callable portion of South Africa's subscription in the various multilateral institutions. The total liabilities in multilateral institutions increased to R536 billion over the past 5 years. This is a 10 per cent decrease for 2024/25 against a 3 per cent increase in the prior year. The table below reflects Non-Current Liabilities held by government for the past two years.

| Multilateral Institutions<br><i>R million</i>         | Actual<br>2023/24 | Actual<br>2024/25 |
|---|-------------------|-------------------|
| African Development Bank                              | 160 273           | 154 650           |
| New Development Bank                                  | 152 294           | 146 951           |
| IMF-SDR Allocations                                   | 118 659           | 114 688           |
| IMF-Securities Account                                | 118 089           | 76 985            |
| International Bank for Reconstruction and Development | 44 324            | 42 769            |
| Multi-Lateral Investment Guarantee Agency             | 277               | 268               |
| <b>Total</b>  | <b>593 918</b>    | <b>536 311</b>    |

### Current and non-current borrowings

| Borrowings<br><i>R million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Current Borrowings             | 518 810           | 544 952           | 578 111           | 651 254           | 720 191           |
| Non-Current Borrowings         | 3 416 890         | 3 732 511         | 4 187 317         | 4 608 146         | 4 973 388         |
| <b>Total</b>                   | <b>3 935 700</b>  | <b>4 277 463</b>  | <b>4 765 428</b>  | <b>5 259 400</b>  | <b>5 693 579</b>  |
| <b>Movement in Borrowings</b>  | <b>21%</b>        | <b>9%</b>         | <b>11%</b>        | <b>10%</b>        | <b>8%</b>         |

Government gross borrowing requirements are financed through the issuance of domestic short term, long term and foreign loans. Domestic loans consist mainly of treasury bills, fixed rate and inflation linked bonds. The total gross debt figure increased to R5 693 billion for the current year. This is a 8 per cent increase for 2024/25 against a 10 per cent increase in the prior year. The table below reflects the breakdown between local and foreign debt:

| National Government Debt<br><i>R million</i> | Actual<br>2020/21 | Actual<br>2021/22 | Actual<br>2022/23 | Actual<br>2023/24 | Actual<br>2024/25 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Domestic debt                                | 3 543 266         | 3 865 359         | 4 209 771         | 4 667 776         | 5 091 677         |
| Foreign debt                                 | 392 434           | 412 104           | 555 657           | 591 623           | 601 902           |
| <b>Total</b>                                 | <b>3 935 700</b>  | <b>4 277 463</b>  | <b>4 765 428</b>  | <b>5 259 400</b>  | <b>5 693 579</b>  |

# REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2025

The table below reflects the reconciliation of the deficit per National Revenue Fund to the budget review.

|   | Revised Estimate | Audited outcome<br>NRF | Audited<br>outcome Budget<br>Review |
|---|------------------|------------------------|-------------------------------------|
| <b>Reconciliation to Deficit as reflected in 2025</b> | <b>2024/25</b>   | <b>2023/24</b>         | <b>2023/24</b>                      |
| <b>R'million</b>                                      | <b>(344 121)</b> | <b>(552 699)</b>       | <b>(552 816)</b>                    |
| <b>Surplus/(Deficit) per Income Statement (NRF)</b>   |                  |                        |                                     |
| Revaluation gains/(losses)                            | (20 018)         | 83 996                 | 84 080                              |
| Movement on National Treasury Financial Instruments   | 1 336            | (2 521)                | (2 521)                             |
| Increase/(Decrease) in revenue                        | (214 895)        | (6 587)                | (17 751)                            |
| Movement in Annual Appropriation: Net Financing       | 224 556          | 154 863                | 157 591                             |
| <b>Other receipts:</b>                                |                  |                        |                                     |
| Recovery of criminal assets                           | (1 205)          | (847)                  | (847)                               |
| <b>Other payments:</b>                                |                  |                        |                                     |
| Recovery of criminal assets                           | 1 625            | 878                    | 878                                 |
| <b>Surplus/Deficit per Budget Review</b>              | <b>(352 722)</b> | <b>(322 916)</b>       | <b>(331 386)</b>                    |
| <b>GDP as per budget review</b>                       | <b>7 406 879</b> | <b>7 092 319</b>       | <b>7 048 960</b>                    |
| <b>Surplus/(Deficit) as percentage of GDP</b>         | <b>(4.8)</b>     | <b>(4.6)</b>           | <b>(4.7)</b>                        |





# **REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL REVENUE FUND**



**national treasury**  
Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## ■ REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE NATIONAL REVENUE FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

1. I have audited the financial statements of the National Revenue Fund set out on pages 290 to 312, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Revenue Fund as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) as prescribed by the National Treasury, and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and Division of Revenue Act 24 of 2024 (DoRA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the National Revenue Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my

other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other matter

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### Unaudited supplementary schedules

7. The supplementary information set out on pages 313 to 344 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on it.

#### Completeness of taxation revenue

8. South African Revenue Services (SARS) has acknowledged that it is unable to identify all instances of non-compliance by taxpayers. This report does not consider the taxation revenue implications of taxpayers whom SARS is unable to identify.

#### Responsibilities of the accounting officer for the financial statements

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

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

10. In preparing the financial statements, the accounting officer is responsible for assessing the National Revenue Fund's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the National Revenue Fund or to cease operations, or has no realistic alternative but to do so.

## Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

## REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

13. The National Revenue Fund is not required to prepare a report on its performance against predetermined objectives, as it does not fall within the audit of predetermined objectives scope, included in the Audit Directive issued under section 13(3)(b) of the Public Audit Act 25 of 2004 on 20 February 2025 per General Notice 52149.

## REPORT ON COMPLIANCE WITH LEGISLATION

14. The audit of compliance with legislation is not required, as the National Revenue Fund does not fall within the audit of compliance with legislation scope, included in the Audit Directive issued under section 13(3)(b) of the Public Audit Act 25 of 2004 on 20 February 2025 per General Notice 52149.

## OTHER INFORMATION IN THE ANNUAL REPORT

15. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements and the auditor's report.
16. My opinion on the financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
17. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
18. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## ■ INTERNAL CONTROL DEFICIENCIES

19. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it.
20. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Pretoria  
9 December 2025



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## ■ ANNEXURE TO THE AUDITOR'S REPORT

### AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

#### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

#### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Revenue Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the National revenue Fund to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the National Revenue Fund to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2025

## **Communication with those charged with governance**

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



# STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2025

The Financial Statements have been prepared in accordance with the following accounting policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, (Act 1 of 1999) as amended by Act 29 of 1999, and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2009.

## 1. PRESENTATION OF THE FINANCIAL STATEMENTS

### 1.1 REPORTING ENTITY

The National Revenue Fund was established in terms of the Constitution of the Republic of South Africa (Section 213 of Act No. 108, 1996) into which all money received by the national government must be paid except money reasonably excluded by an Act of Parliament. Money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament or as a direct charge against the National Revenue Fund, when it is provided for in the Constitution or an Act of Parliament. A province's equitable share of revenue raised nationally is a direct charge against the National Revenue Fund.

### 1.2 GOING CONCERN

The National Revenue Fund was established in terms of the Constitution of the Republic of South Africa, 1996. The financial statements of National Revenue Fund are prepared on a going concern basis.

### 1.3 BASIS OF PREPARATION

The Financial Statements have been, unless otherwise indicated, prepared on the modified cash basis of accounting in accordance with the under mentioned policies which have been applied consistently in all material respects. The modified cash basis of accounting for the National Revenue Fund comprise of the Modified Cash Standard

which includes a chapter on Treasury Financial Instruments.

Near-cash balances are all recognised. This includes the revaluation of foreign and domestic investments and loans. The recognition thereof results in revaluation gains and losses.

In addition, supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

Unless otherwise stated, accounting policies adopted are consistent with those of the previous financial year.

### 1.4 ROUNDING AND PRESENTATION CURRENCY

All amounts are rounded to the nearest one thousand rands (R'000). All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the National Revenue Fund.

### 1.5 COMPARATIVE FIGURES

Prior period comparative information has been presented in the current year's financial statements.

### 1.6 SETTLEMENT PERIOD OF ASSETS AND LIABILITIES

#### 1.6.1 Current and Non-Current Assets

This represents domestic and foreign assets and should be classified as a current asset, when it:

- Is expected to be realised in, or is held for sale or consumption in the normal course of the operating cycle; or
- Is held primarily for trading purposes or for the short-term and expected to be realised within 12 months of the reporting date; or
- Is a Cash and cash equivalent asset.

All other assets with a remaining term longer than one year are classified as non-current assets.



# STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2025

## 1.6.2 Current and Non-Current Liabilities

This represents domestic and foreign liabilities and should be classified as a current liability, when it:

- Is expected to be settled in the normal course of the entity's operating cycle; or
- Is due to be settled within twelve months of the reporting date.

All other liabilities with a remaining term longer than one year are classified as non-current liabilities.

## 1.7 RESTATEMENTS AND ADJUSTMENTS

Where necessary figures included in the prior period financial statements have been reclassified/adjusted to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. This includes prior years errors detected by National Revenue Fund.

## 2. REVENUE

### 2.1 SOUTH AFRICAN REVENUE SERVICE (SARS) REVENUE/ REVENUE IN TERMS OF SECTION 12(3) OF THE PFMA

#### 2.1.1 SARS

Taxpayer-assessed revenues including payroll tax and stamp duties are recognised when funds are received by SARS. Cash in transit or over remitted as at 31 March by the SARS is included in the Statement of Financial Position as other receivables/payables.

#### 2.1.2 Revenue in terms of Section 12(3) of the PFMA

All transfers, duties, fees and other moneys collected (in terms of Section 12 (3) of the PFMA) by the SARS for a province are deposited into the National Revenue Fund and then transferred to the respective Provincial Revenue Fund is recognised when instructed by SARS.

## 2.2 DEPARTMENTAL REVENUE

All departmental revenue is recognised in the Statement of Financial Performance when received by the Department, unless stated otherwise. Any amounts owing to National Revenue Fund at the end of the financial year are recognised as receivables in the Statement of Financial Position.

The main categories of Departmental Revenue are listed below together with the short definition:

#### 2.2.1 Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the departments.

#### 2.2.2 Transfers received

Transfers received comprise of all unrequited, voluntary receipts from other parties. This includes gifts, donations and sponsorships.

#### 2.2.3 Fines, penalties and forfeits

Fines penalties and forfeits are compulsory receipts imposed by court or another judicial body or agreed upon by parties as an out of court settlement.

#### 2.2.4 Interest, dividends and rent on land

**Interest** is revenue associated with the ownership of interest bearing financial instruments, such as bank deposits, loans extended to others and bills and bonds issued by others.

**Dividends** are revenue associated with ownership of shares in a company whether fully or partially government owned. Gains or losses associated

# STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2025

with buying or selling of shares do not belong to this line item.

**Rent** on land includes revenue due to the ownership of land.

## 2.2.5 Sale of capital assets

The proceeds from the sale of capital assets include compensation received from the sale of capital assets. A capital asset is an item of property, plant and or equipment that costs more than R5 000 (all inclusive). This also comprise of intangible items as computer software with a cost exceeding R5 000 (all inclusive).

## 2.2.6 Financial transactions in assets and liabilities

This includes receipts associated with certain transactions in financial assets and liabilities such as:

Repayments of loans and advances previously extended to employees and public corporations for policy purposes and forex gains and losses on settlement of loans.

## 2.2.7 Taxation revenue

This is compulsory, unrequited revenue collected by a government unit. Taxes are compulsory because the other party is required by law to pay them in certain circumstances and under certain conditions. Taxes are unrequited, which means that the government does not give any particular goods or service directly in return for paying taxes.

## 2.3 CRIMINAL ASSET RECOVERY ACCOUNT (CARA) RECEIPTS

Funds received derived from the execution of confiscation and forfeiture orders contemplated, in terms of section 64 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts are recognised by the National Revenue Fund in the Statement of Financial Performance when the cash is received.

## 2.4 OTHER REVENUE

Surrenders for appropriated funds are recognised when amounts become payable by departments at the end of the reporting date. Other revenue and surrenders are recognised when cash is received from the departments.

Amounts owing to the National Revenue Fund at the end of the financial year are recognised as receivables in the Statement of Financial Position.

## 3. EXPENDITURE

### 3.1 NET APPROPRIATION

Appropriated funds include annual appropriation and statutory appropriation. These are appropriated to entities in order to be utilised for the necessities of business operations. Appropriated funds are recognised in the financial records when approved by Parliament.

Net Appropriation included in the Statement of Financial Performance represent the funds appropriated for annual appropriation during the financial year, less net amounts to be surrendered and unauthorised expenditure funded by the National Revenue Fund.

Total statutory appropriations less amounts to be surrendered plus exceeding of the approved statutory appropriation are presented in the statement of financial performance. Exceeding of approved statutory appropriation are recognised as a payable in the Statement of Financial Position.

### 3.2 OTHER EXPENDITURE

Expenditure is recognised on receipt of a request. If not paid by 31 March, the payment becomes a payable.

# STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2025

## 3.3 UNAUTHORISED EXPENDITURE APPROVED (WITH FUNDING) BY AN ACT OF PARLIAMENT AND EXPENDITURE IN TERMS OF AN ACT OF PARLIAMENT

Expenditure is recognised when an Act has been approved (with funding) by Parliament. Unauthorised expenditure approved with funding, but not yet requested is recognised as a payable.

## 3.4 CARA PAYMENTS

Cara money is not appropriated as such and funds are transferred to department when approved by Cabinet in terms of section 65 of the Prevention of Organized Crime Act, 1998 (Act 121 of 1998). Amounts transferred by the National Revenue Fund are recognised in the Statement of Financial Performance when approved by Cabinet. Funds not requested when approved by Cabinet are recognised as a payable by the National Revenue Fund in the Statement of Financial Position.

## 3.5 FINANCIAL INSTRUMENT VALUATION AND CAPITAL SUBSCRIPTION ON INVESTMENTS

Capital Subscriptions Investments are initially recognised at the issue price upon transaction date of the relevant department.

Foreign liabilities, foreign investments (including capital subscriptions) and Multilateral Institutions liabilities are re-valued at the closing exchange rate of 31 March. Associated gains and losses are recognised in the Statement of Financial Performance. Gains and losses due to the revaluation of inflation-linked bonds are also included in the Statement of Financial Performance.

## 4. ASSETS

### 4.1 CASH AND CASH EQUIVALENTS

Domestic cash and cash equivalents are recognised in the Statement of Financial Position at cost.

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held and other short-term highly liquid investments.

Foreign cash and cash equivalents are carried in the statement of financial position at the closing rate of 31 March. Gains and losses on revaluation are recognised in the statement of financial performance.

### 4.2 RECEIVABLES

Receivables included in the Statement of Financial Position comprise of payments due at financial year end by departments which have not yet been received. Any unspent CARA fund assistance, approved by Cabinet and paid to departments does not need to be surrendered to the National Revenue Fund.

Receivables outstanding at year-end are carried at cost.

### 4.3 INVESTMENTS

Domestic investments are recognised and measured at face value in the Statement of Financial Position.

Foreign investments represent South Africa's membership/shareholding in the African Development Bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency. These investments are initially recognised at face value (i.e. the issue price) and are subsequently revalue using the closing exchange rate at 31 March.

The International Monetary Fund (IMF) quota represents South Africa's membership subscription to the IMF. The investment is denominated in special drawing rights (SDR) and is recognised in

# STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2025

the Statement of Financial Position in Rand, converted at the closing SDR exchange rate as at 31 March.

Any gains and or losses on the revaluation of investments and financial liabilities are recognised in the Statement of Financial Performance.

## 5. LIABILITIES

### 5.1 PAYABLES

Recognised payables mainly comprises of amounts owing by the National Revenue Fund to other governmental entities and SARS. These payables are carried at cost in the statement of financial position.

### 5.2 MULTILATERAL INSTITUTIONS

The callable portions of South Africa's subscription in the African Development bank, the International Bank for Reconstruction and Development, the International Finance Corporation, New Development Bank and Multilateral Investment Guarantee Agency are recognised as a financial liability and are initially measured at face value (i.e. the issue price) and are subsequently revalued using the closing exchange rate at 31 March.

The International Monetary Fund's securities account and SDR allocations represents South Africa's liability to the fund.

### 5.3 BORROWINGS

#### 5.3.1 Domestic Borrowings

Domestic current borrowings consist mainly of Treasury bills with a term-to-maturity varying between 1 to 365 days. Treasury bills are recognised at face value.

Domestic non-current borrowings consist of fixed rate, inflation-linked-, retail- and zero-coupon bonds. All these instruments except for inflation-linked- and zero-coupon bonds are recognised at face value. Inflation-linked bonds and zero-coupon bonds are recognised at transaction amount. Inflation-linked bonds have been revalued using

the relevant "reference CPI" at year end (settlement value). Zero coupon bonds are recognised at amortised costs.

The face value and / or settlement value represents the amount that will be paid to the bond holder at maturity of the instrument.

#### 5.3.2 Foreign Loans and Bonds

Foreign loans and bonds are initially recognised at face value and subsequently revalued to rand using the closing exchange rates as at 31 March. Foreign loans are not hedged against foreign currency movements.

## 6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 6.1 CONTINGENT LIABILITY

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the National Revenue Fund, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

### 6.2 CONTINGENT ASSET

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the National Revenue Fund. Contingent assets include the Gold and Foreign Exchange Contingency Reserve Account that is initially measured at cost as it does not have a fixed maturity date and is subsequently revalued with the profits and losses incurred on gold and foreign exchange transactions.

# STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2025

## 7. EVENTS AFTER THE REPORTING DATE OF THE ANNUAL FINANCIAL STATEMENTS

Events after reporting date are all events both favourable and unfavourable events, that occur between reporting date and the date when financial statements are authorised for issue.

Where applicable:

- The amounts recognised and recorded in the financial statements were adjusted to reflect adjusting events after the reporting date; and
- The amounts recognised or recorded in the financial statements to reflect non-adjusting events after the reporting date are not adjusted.

Material events after reporting date are disclosed in the notes to the financial statements. For more information see the applicable note in this regard.

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2025

|   | Notes | 2024/25<br>R'000     | 2023/24<br>R'000     |
|---|-------|----------------------|----------------------|
| <b>REVENUE</b>  |       |                      |                      |
| Revenue collected   | 1     | 2 010 933 163        | 1 724 454 384        |
| By SARS   |       | 1 775 977 399        | 1 677 189 729        |
| Departmental Revenue  |       | 233 750 527          | 46 417 474           |
| CARA Receipts   |       | 1 205 238            | 847 180              |
| Other Revenue   | 2     | 2 732 266            | 6 982 350            |
| <b>TOTAL REVENUE</b>  |       | <b>2 013 665 429</b> | <b>1 731 436 733</b> |
| <b>EXPENDITURE</b>  |       |                      |                      |
| Net Appropriation   |       | 2 374 843 225        | 2 201 782 383        |
| Annual Appropriation  | 3     | 1 111 242 390        | 1 062 018 486        |
| Statutory Appropriation   | 4     | 1 263 600 835        | 1 139 763 897        |
| CARA Payments   | 5     | 1 625 036            | 877 839              |
| Expenditure in terms of a separate Act of Parliament                          | 6     | -                    | -                    |
| <b>TOTAL EXPENDITURE</b>  |       | <b>2 376 468 261</b> | <b>2 202 660 222</b> |
| <b>SURPLUS/(DEFICIT)</b>  |       | <b>(362 802 826)</b> | <b>(471 223 492)</b> |
| <b>Financial Instrument Valuation and Capital Subscription on Investments</b> |       |                      |                      |
|   | 7     | 18 682 298           | (81 475 176)         |
| Valuation and Capital: Investment   |       | 20 018 098           | (83 995 676)         |
| Movement on National Treasury Financial Instruments                           |       | (1 335 800)          | 2 520 500            |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b>   |       | <b>(344 120 528)</b> | <b>(552 698 667)</b> |

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000     | 2023/24<br>R'000     |
|--|-------|----------------------|----------------------|
| <b>ASSETS</b>                                |       |                      |                      |
| <b>Current assets</b>                        |       |                      |                      |
| Cash and cash equivalents                    | 8     | 213 448 003          | 174 057 217          |
| <b>Receivables</b>                           | 9     | <b>23 636 029</b>    | <b>8 996 829</b>     |
| Funds to be surrendered to the Revenue Fund: |       |                      |                      |
| Voted Funds                                  |       | 11 807 993           | 8 014 944            |
| Departmental Revenue                         |       | 3 901 932            | 700 094              |
| Other  |       | 7 926 104            | 281 790              |
| <b>Total</b>                                 |       | <b>237 084 032</b>   | <b>183 054 046</b>   |
| <b>Non-current assets</b>                    |       |                      |                      |
| Investments                                  | 10    | 577 614 198          | 596 299 770          |
| <b>Total</b>                                 |       | <b>577 614 198</b>   | <b>596 299 770</b>   |
| <b>TOTAL ASSETS</b>                          |       | <b>814 698 228</b>   | <b>779 353 815</b>   |
| <b>RESERVES AND LIABILITIES</b>              |       |                      |                      |
| <b>RESERVES</b>                              |       |                      |                      |
|  |       | (5 448 686 216)      | (5 104 565 681)      |
| <b>LIABILITIES</b>                           |       |                      |                      |
| <b>Current liabilities</b>                   |       |                      |                      |
| <b>Payables</b>                              | 11    | <b>2 244 113</b>     | <b>3 070 995</b>     |
| Voted Funds to be transferred                |       | -                    | 696 043              |
| Other  |       | 2 244 113            | 2 374 952            |
| Borrowings                                   | 12    | 720 191 059          | 651 254 040          |
| <b>Total</b>                                 |       | <b>722 435 172</b>   | <b>654 325 035</b>   |
| <b>Non-current liabilities</b>               |       |                      |                      |
| Unauthorised expenditure                     | 11    | 31 250 530           | 27 530 444           |
| Multilateral Institutions                    | 13    | 536 311 160          | 593 918 345          |
| Borrowings                                   | 14    | 4 973 387 581        | 4 608 145 670        |
| <b>Total</b>                                 |       | <b>5 540 949 271</b> | <b>5 229 594 460</b> |
| <b>TOTAL LIABILITIES</b>                     |       | <b>6 263 384 443</b> | <b>5 883 919 494</b> |
| <b>TOTAL RESERVES AND LIABILITIES</b>        |       | <b>814 698 228</b>   | <b>779 353 815</b>   |

# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | R'000                  |
|--|-------|------------------------|
| Opening balance as at 1 April 2023         |       | (4 551 854 302)        |
| Surplus / (Deficit) for the year 2024      |       | (552 698 668)          |
| Prior year errors for transactions 2023/24 | 22    | (12 716)               |
| Rounding                                   |       | 4                      |
| <b>Balance at 31 March 2024</b>            |       | <b>(5 104 565 681)</b> |
| Surplus / (Deficit) for the year 2025      |       | (344 120 528)          |
| Adjustments and restatement                |       | -                      |
| Rounding                                   |       | (6)                    |
| <b>Balance at 31 March 2025</b>            |       | <b>(5 448 686 216)</b> |



# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

|  | Notes | 2024/25<br>R'000     | 2023/24<br>R'000     |
|--|-------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |       |                      |                      |
| <b>RECEIPTS</b>  |       |                      |                      |
| <b>Revenue collected</b>                                 | 15    | <b>2 007 844 828</b> | <b>1 725 872 149</b> |
| By SARS  |       | 1 776 090 901        | 1 677 103 821        |
| Departmental Revenue collected                           |       | 230 548 689          | 47 921 147           |
| CARA Receipts  |       | 1 205 238            | 847 180              |
| Surrenders from departments                              | 16    | 7 922 518            | 19 380 627           |
| Other revenue received by the revenue fund               | 17    | 2 732 266            | 6 982 350            |
|  |       | <b>2 018 499 612</b> | <b>1 752 235 125</b> |
| <b>PAYMENTS</b>  |       |                      |                      |
| <b>Appropriated payments</b>                             | 18    | <b>2 384 437 881</b> | <b>2 204 968 383</b> |
| Annual Appropriation                                     |       | 1 119 194 390        | 1 064 571 658        |
| Statutory Appropriation                                  |       | 1 263 618 455        | 1 139 512 796        |
| CARA Payments  |       | 1 625 036            | 877 839              |
| Appropriation for Unauthorised Expenditure               |       | -                    | 6 090                |
| Other Payments   | 19    | 721 904              | 3 325 250            |
|  |       | <b>2 385 159 785</b> | <b>2 208 293 633</b> |
| <b>Net cash flow available from operating activities</b> | 23    | <b>(366 660 173)</b> | <b>(456 058 508)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |       |                      |                      |
| Other investing activities                               | 20    | -                    | -                    |
| <b>Net cash flows from investing activities</b>          |       | <b>-</b>             | <b>-</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>              |       |                      |                      |
| Increase/(Decrease) in borrowings                        | 21    | 406 050 959          | 393 102 033          |
| <b>Net cash flows from financing activities</b>          |       | <b>406 050 959</b>   | <b>393 102 033</b>   |
| Net increase/(decrease) in cash and cash equivalents     |       | 39 390 786           | (62 956 475)         |
| Cash and cash equivalents at beginning of period         |       | 174 057 217          | 237 013 693          |
| <b>Cash and cash equivalents at end of period</b>        | 8     | <b>213 448 003</b>   | <b>174 057 217</b>   |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|            |   | 2024/25<br>R'000     | 2023/24<br>R'000     |
|------------|---|----------------------|----------------------|
| <b>1</b>   | <b>Revenue collected</b>  |                      |                      |
| <b>1.1</b> | <b>By SARS</b>  |                      |                      |
|            | Revenue collected by SARS   | WP 2A                |                      |
|            | Taxation  | 1 855 270 132        | 1 740 869 884        |
|            | Non-taxation  | 83 526 689           | 88 939 477           |
|            | Less: Payments by SARS  | 162 819 422          | 152 619 632          |
|            | <b>Total Revenue collected by SARS*</b>   | <b>1 775 977 399</b> | <b>1 677 189 729</b> |
|            | <i>*Refer to note 25 for Departures from the Modified Cash Standard granted to SARS</i>   |                      |                      |
| <b>1.2</b> | <b>Departmental Revenue</b>   |                      |                      |
|            | Departmental Revenue collected  | WP 2B & 2C           | 233 750 527          |
|            | National Revenue Fund Receipts  | *                    | 46 417 474           |
|            | Sales of goods and services other than capital assets   | 8 461 732            | 19 034 942           |
|            | Fines penalties and forfeits  | 9 554 495            | 12 529 797           |
|            | Interest dividends and rent on land   | 384 530              | 376 376              |
|            | Sales of capital assets   | 11 280 361           | 12 821 257           |
|            | Financial transactions in assets and liabilities  | 350 191              | 192 334              |
|            | Transfers received  | 202 296 631          | 862 901              |
|            |   | 1 422 587            | 599 867              |
|            | <b>Total Departmental Revenue collected</b>   | <b>233 750 527</b>   | <b>46 417 474</b>    |
|            | <i>*National Revenue Fund receipts (previously known as extra-ordinary receipts) are also included in departmental revenue in line with global standards in particular the International Monetary Fund's Government Finance Statistics Manual 2001. Detailed information on these transactions is provided in Working papers 2C and 2D. If exchange rate profit is not received in cash it is recognised during the financial year once the information by means of a journal is obtained from the Assets and Liability Management (ALM) section.</i> |                      |                      |
| <b>1.3</b> | <b>CARA Receipts</b>  |                      |                      |
|            | CARA funds received   | WP 1C                | 1 205 238            |
|            | <b>Total CARA Receipts</b>  |                      | <b>847 180</b>       |
| <b>2</b>   | <b>Other Revenue</b>  |                      |                      |
| <b>2.1</b> | <b>Other</b>  |                      |                      |
|            | Other surrenders  | WP 3B                | 2 537 782            |
|            | Other revenue received  | WP 3C                | 6 614 885            |
|            | <b>Total Other</b>  |                      | <b>367 465</b>       |
|            |   | <b>2 732 266</b>     | <b>6 982 350</b>     |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|            |   |       | 2024/25<br>R'000     | 2023/24<br>R'000     |
|------------|---|-------|----------------------|----------------------|
| <b>3</b>   | <b>Net Appropriation</b>  |       | <b>1 111 242 390</b> | <b>1 062 018 486</b> |
| <b>3.1</b> | <b>Annual Appropriation</b>   |       |                      |                      |
|            | Equitable Share / Voted Funds   | WP 1A | 1 119 194 391        | 1 065 041 658        |
|            | <b>Total Annual Appropriation</b>   |       | <b>1 119 194 391</b> | <b>1 065 041 658</b> |
| <b>3.2</b> | <b>Voted funds to be surrendered</b>  |       |                      |                      |
|            | Equitable Share / Voted Funds   |       | 7 952 001            | 3 023 172            |
|            | <b>Total voted funds to be Surrendered</b>                                    |       | <b>7 952 001</b>     | <b>3 023 172</b>     |
| <b>4</b>   | <b>Net Appropriation - Statutory</b>  |       | <b>1 263 600 835</b> | <b>1 139 763 897</b> |
| <b>4.1</b> | <b>Statutory Appropriation</b>  |       |                      |                      |
|            | Equitable Share / Statutory Funds   | WP 1B | 1 200 721 948        | 1 060 780 029        |
|            | <b>Total Statutory Appropriation</b>  |       | <b>1 200 721 948</b> | <b>1 060 780 029</b> |
| <b>4.2</b> | <b>Statutory funds to be surrendered</b>                                      |       |                      |                      |
|            | Equitable Share / Statutory Funds   |       | (62 878 887)         | (78 983 868)         |
|            | <b>Total Statutory funds to be Surrendered</b>                                |       | <b>(62 878 887)</b>  | <b>(78 983 868)</b>  |
| <b>5</b>   | <b>CARA Payments</b>  |       |                      |                      |
|            | Cara funds transferred to departments   | WP 4C | 1 625 036            | 877 839              |
|            | <b>Total CARA Fund assistance</b>   |       | <b>1 625 036</b>     | <b>877 839</b>       |
| <b>6</b>   | <b>Expenditure in terms of a separate Act of Parliament</b>                   |       |                      |                      |
|            | Unauthorised Expenditure in terms of an Act of Parliament                     | WP 5A | -                    | -                    |
|            | <b>Total Expenditure in terms of an Act of Parliament</b>                     |       | <b>-</b>             | <b>-</b>             |
| <b>7</b>   | <b>Financial Instrument Valuation and Capital Subscription on Investments</b> |       |                      |                      |
|            | Capital Subscription on Investments   | WP 6  | 1 335 800            | (2 520 500)          |
|            | Financial Instrument Valuation  | WP 6  | 18 682 298           | (81 475 176)         |
|            | <b>Total Valuation and Capital on Investments</b>                             |       | <b>20 018 098</b>    | <b>(83 995 676)</b>  |
| <b>7.1</b> | <b>Movement</b>   |       |                      |                      |
|            | Movement on Capital Subscription  | WP 6  | (6 679 000)          | 12 602 500           |
|            | Movement on Multilateral Institutions   | WP 6  | 5 343 200            | (10 082 000)         |
|            | <b>Total movement on capital subscription on Investments</b>                  |       | <b>(1 335 800)</b>   | <b>2 520 500</b>     |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|              |  | 2024/25<br>R'000      | 2023/24<br>R'000   |
|--------------|--|-----------------------|--------------------|
| <b>8</b>     | <b>Cash and cash equivalents</b>   |                       |                    |
|              | Exchequer account  | -                     | -                  |
|              | Cash with commercial banks   | 125 226 795           | 73 159 123         |
|              | Cash with SARB   | -                     | -                  |
|              | Foreign Currency Investment  | 88 285 045            | 101 199 516        |
|              | ALM PMG balance  | (63 837)              | (301 422)          |
|              | <b>Total Cash and cash equivalents*</b>                                    | <b>213 448 003</b>    | <b>174 057 217</b> |
|              | <i>*Cash and Cash equivalents balances are net of outstanding transfer</i> |                       |                    |
| <b>9</b>     | <b>Receivables</b>   |                       |                    |
| <b>9.1</b>   | <b>Current</b>   |                       |                    |
| <b>9.1.1</b> | <b>Voted funds to be surrendered to the Revenue Fund</b>                   |                       |                    |
|              | Opening Balance  | 8 014 944             | 19 380 518         |
|              | Prior period error*  | -                     | -                  |
|              | Restated opening balance   | 8 014 944             | 19 380 518         |
|              | Amounts to be surrendered  | WP 1A & 1B 11 709 006 | 8 014 944          |
|              | Received during the year   | WP 3A (7 922 518)     | (19 380 518)       |
|              | <b>Closing balance</b>   | <b>11 801 432</b>     | <b>8 014 944</b>   |
|              | <i>*See disclosure note on restatements for more details</i>               |                       |                    |
| <b>9.1.2</b> | <b>Departmental Revenue to be surrendered to the Revenue Fund</b>          |                       |                    |
|              | Opening Balance  | 700 094               | 2 216 483          |
|              | Prior period error*  | -                     | (12 716)           |
|              | Restated opening balance   | 700 094               | 2 203 767          |
|              | Revenue collected  | WP 2B 225 288 795     | 27 382 532         |
|              | Received during the year   | WP 2B (222 086 957)   | (28 886 205)       |
|              | <b>Closing balance</b>   | <b>3 901 932</b>      | <b>700 094</b>     |
|              | <i>*See disclosure note on restatements for more details</i>               |                       |                    |
| <b>9.1.3</b> | <b>Other</b>   |                       |                    |
|              | Opening Balance  | 281 790               | 82 135             |
|              | Amounts to be received   | WP 9A 7 926 104       | 281 790            |
|              | Received during the year   | WP 9A (281 790)       | (82 135)           |
|              | <b>Closing balance</b>   | <b>7 926 104</b>      | <b>281 790</b>     |
| <b>9.1.4</b> | <b>Unauthorised expenditure funded by NRF</b>                              |                       |                    |
|              | Opening Balance  | -                     | 109                |
|              | Appropriation for unauthorised expenditure                                 | WP 5B -               | -                  |
|              | Received during the year   | WP 5B -               | (109)              |
|              | <b>Total Appropriation for unauthorised expenditure</b>                    | <b>-</b>              | <b>-</b>           |
|              | <b>Total Receivables</b>   | <b>23 629 469</b>     | <b>8 996 829</b>   |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           |  | 2024/25<br>R'000   | 2023/24<br>R'000   |
|-----------|--|--------------------|--------------------|
| <b>10</b> | <b>Investments</b>   |                    |                    |
|           | <b>Non-Current</b>   |                    |                    |
|           | <b>Foreign</b>   | WP7B               |                    |
|           | New Development Bank   | 183 689 000        | 190 368 000        |
|           | International Monetary Fund quota subscription                   | 74 298 395         | 76 871 542         |
|           | African Development Bank   | 162 411 879        | 167 603 022        |
|           | International Bank for Reconstruction and Development            | 46 075 879         | 47 751 215         |
|           | International Monetary Fund SDR Holding                          | 108 369 237        | 110 835 472        |
|           | International Finance Corporation                                | 2 439 482          | 2 528 182          |
|           | Multilateral Investment Guarantee Agency                         | 330 325            | 342 336            |
|           | <b>Total Investments - Non-current</b>                           | <b>577 614 198</b> | <b>596 299 770</b> |
|           | <b>Number of shares</b>  |                    |                    |
|           | International Finance Corporation                                | 132 805            | 132 805            |
|           | International Bank for Reconstruction and Development            | 20 793             | 20 793             |
|           | Multilateral Investment Guarantee Agency                         | 1 662              | 1 662              |
|           | African Development Bank   | 732 928            | 729 818            |
|           | New Development Bank   | 100 000            | 100 000            |
|           | <b>Number of shares : Special Drawing Rights (SDR) ('000)</b>    |                    |                    |
|           | International Monetary Fund Quota Subscription                   | 3 051 200          | 3 051 200          |
|           | International Monetary Fund SDR Holding                          | 4 450 382          | 4 339 303          |
|           | <b>Issue price per share</b>                                     |                    |                    |
|           | Foreign:   |                    |                    |
|           | <i>Issued in American dollars</i>                                |                    |                    |
|           | International Finance Corporation                                | 18 369             | 19 307             |
|           | International Bank for Reconstruction and Development            | 2 215 932          | 2 296 504          |
|           | Multilateral Investment Guarantee Agency                         | 198 751            | 205 978            |
|           | New Development Bank   | 1 836 890          | 1 903 680          |
|           | <i>Issued in unit of account</i>                                 |                    |                    |
|           | African Development Bank   | 221 593            | 229 650            |
|           | <b>Exchange rates as at year end used to convert issue price</b> |                    |                    |
|           | American dollar (USD)  | 18.37              | 19.04              |
|           | Special Drawing Rights (SDR)                                     | 24.35              | 25.19              |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           |  | 2024/25<br>R'000  | 2023/24<br>R'000  |
|-----------|--|-------------------|-------------------|
|           | <b>Current Liabilities</b>   |                   |                   |
| <b>11</b> | <b>Payables</b>  |                   |                   |
|           | <b>11.1 Current</b>  |                   |                   |
|           | <b>11.1.1 Voted funds to be transferred</b>  |                   |                   |
|           | Opening Balance  | 696 043           | 3 325 250         |
|           | Prior period error   | -                 | -                 |
|           | Restated opening balance   | 696 043           | 3 325 250         |
|           | Funds not transferred WP 1A &1B  | 19 300            | 696 043           |
|           | Paid during the year WP 4A   | (721 904)         | (3 325 250)       |
|           | <b>Closing balance</b>   | <b>(6 561)</b>    | <b>696 043</b>    |
|           | <b>11.1.2 Other</b>  |                   |                   |
|           | Opening Balance  | 2 374 952         | 2 290 313         |
|           | Amounts to be paid WP 9C   | 2 244 118         | 2 374 957         |
|           | Amount paid during the year WP 9C  | (2 374 957)       | (2 290 318)       |
|           | <b>Closing balance</b>   | <b>2 244 113</b>  | <b>2 374 952</b>  |
|           | <b>Total Payables</b>  | <b>2 237 552</b>  | <b>3 070 995</b>  |
|           | <b>11.2 Non-Current Liabilities</b>  |                   |                   |
|           | <b>11.2.1 Unauthorised Expenditure NOT funded by Revenue Fund</b>  |                   |                   |
|           | Opening Balance  | 27 530 444        | 22 513 614        |
|           | Prior period error   | -                 | -                 |
|           | Restated opening balance   | 27 530 444        | 22 513 614        |
|           | Amount paid Approved by Finance Act WP 5A  | -                 | -                 |
|           | Unauthorised reported in current financial year WP 5B  | 3 720 086         | 5 016 830         |
|           | <b>Total Appropriation for unauthorised expenditure</b>  | <b>31 250 530</b> | <b>27 530 444</b> |
|           | The unauthorised expenditure disclosed as a non-current payable cannot be aged into the standard categories prescribed by paragraph 40 of Chapter 9 of the Modified Cash Standard. This is because settlement is contingent upon the approval of an Act of Parliament with funding. As management has no information on when such approval will occur, and as the amount is not contractually based with defined settlement terms or dates, an age analysis cannot be reliably determined. |                   |                   |
|           | <b>11.2.2 Unauthorised Expenditure Funded by Revenue Fund</b>  |                   |                   |
|           | Opening Balance  | -                 | 6 090             |
|           | Prior period error   | -                 | -                 |
|           | Appropriation for unauthorised expenditure WP 5A   | -                 | -                 |
|           | (Finance Act passed)   |                   |                   |
|           | Amount paid during the year WP 5A  | -                 | (6 090)           |
|           | <b>Total Appropriation for unauthorised expenditure</b>  | <b>-</b>          | <b>-</b>          |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  |  | 2024/25<br>R'000   | 2023/24<br>R'000   |
|--|--|--------------------|--------------------|
| <b>12</b>  | <b>Borrowings</b>  |                    |                    |
|  | <b>Current</b>   |                    |                    |
|  | <b>Domestic</b>  | WP 8A              |                    |
|  | Bonds  | <b>661 919 791</b> | <b>612 818 270</b> |
|  |  | 661 919 791        | 612 818 270        |
|  | <b>Foreign</b>   | WP 8B              |                    |
|  | Bonds  | <b>58 271 268</b>  | <b>38 435 771</b>  |
|  |  | 58 271 268         | 38 435 771         |
|  | <b>Total Current Borrowings</b>  | <b>720 191 059</b> | <b>651 254 040</b> |
| <p>Foreign loans are revalued at the closing exchange rate at 31 March.<br/> The face value of these bonds at the date of issue was R40.2 bn (2023/24: R35.2 bn).</p> <p>In 2023/24, the retail savings bond unit incurred financial losses amounting to R2,26 million. The losses were due to fraudulent withdrawals made on investor accounts that were identified in September 2023. The fraud cases are currently under investigation by the Office of the Chief Risk Officer and the South African Police Services. For further details regarding the appointment of a Forensic Investigation firm and the status of the investigation kindly liaise with Asset and Liability Management.</p> |  |                    |                    |
| <b>12.1</b>  | <b>Domestic short-term bonds treasury bills and other loans</b>                |                    |                    |
|  | Debt as at 1 April   | 612 818 270        | 533 206 240        |
|  | Created  | 15 114 004         | 12 019 995         |
|  | Reduced  | (133 953 789)      | (134 728 368)      |
|  | Transfer from long-term  | 128 709 741        | 89 416 231         |
|  | Revaluation premium on inflation-linked bonds                                  | -                  | 24 316 547         |
|  | Treasury bills   | 39 231 565         | 88 587 625         |
|  | Other Loans  | -                  | -                  |
|  | <b>Total</b>   | <b>661 991 791</b> | <b>612 818 270</b> |
| <b>12.1.1</b>  | <b>Composition of domestic short-term bonds treasury bills and other loans</b> |                    |                    |
|  | 1-day Treasury bills   | 72 585             | 72 585             |
|  | 91-day Treasury bills  | 16 042 940         | 14 255 000         |
|  | 182-day Treasury bills   | 94 157 750         | 84 830 000         |
|  | 273-day Treasury bills   | 179 063 000        | 166 358 160        |
|  | 365-day Treasury bills   | 260 222 510        | 245 111 420        |
|  | CPD Borrowing  | 876 305            | 576 361            |
|  | Fixed-rate bonds   | 108 520 681        | -                  |
|  | Inflation-linked bonds   | -                  | 100 587 538        |
|  | Retail bonds   | 2 957 053          | 1 020 240          |
|  | Other  | 6 967              | 6 966              |
|  | <b>Total</b>   | <b>661 919 791</b> | <b>612 818 270</b> |
| <b>12.2</b>  | <b>Foreign short-term bonds and other loans</b>                                |                    |                    |
|  | Debt as at 1 April   | 38 435 771         | 44 906 079         |
|  | Created  | -                  | -                  |
|  | Reduced  | (38 926 628)       | (44 906 079)       |
|  | Transfer from long-term  | 40 706 377         | 35 260 792         |
|  | Revaluation of foreign loans   | 18 055 747         | 3 174 979          |
|  | <b>Total</b>   | <b>58 271 268</b>  | <b>38 435 771</b>  |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|             |  | 2024/25<br>R'000   | 2023/24<br>R'000   |
|-------------|--|--------------------|--------------------|
| <b>13</b>   | <b>Non-current Liabilities</b>   |                    |                    |
|             | <b>Multilateral Institutions</b>   |                    |                    |
|             | WP 8D  |                    |                    |
|             | IMF-Securities Account   | 76 985 328         | 118 089 410        |
|             | African Development Bank   | 154 650 133        | 160 273 269        |
|             | New Development Bank   | 146 951 200        | 152 294 400        |
|             | IMF-SDR Allocations  | 114 687 509        | 118 659 436        |
|             | International Bank for Reconstruction and Development  | 42 769 370         | 44 324 481         |
|             | Multilateral investment Guarantee Agency   | 267 618            | 277 349            |
|             | <b>Total Multilateral Institutions</b>   | <b>536 311 160</b> | <b>593 918 345</b> |
|             | These liabilities in multi-lateral institutions are revalued at closing exchange rate as at 31 March.  |                    |                    |
| <b>13.1</b> | <b>African Development Bank</b>  | <b>154 650 133</b> | <b>160 273 269</b> |
|             | This commitment represents the callable portion of a country's subscription available to the African Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.  |                    |                    |
| <b>13.2</b> | <b>IMF-Securities Account</b>  | <b>76 985 328</b>  | <b>118 089 410</b> |
|             | This commitment represents the balance of securities in the International Monetary Fund's (IMF) General Resources Account held with the South African Reserve Bank.  |                    |                    |
| <b>13.3</b> | <b>IMF-SDR Allocations</b>   | <b>114 687 509</b> | <b>118 659 436</b> |
|             | The special drawing rights deposit at the South African Reserve Bank is the Rand equivalent of South Africa's special drawing right liability towards the International Monetary Fund in terms of the Finance and Financial Adjustments Acts Consolidation Act 11 of 1977.       |                    |                    |
| <b>13.4</b> | <b>International Bank for Reconstruction and Development</b>   | <b>42 769 370</b>  | <b>44 324 481</b>  |
|             | This commitment represents the callable portion of a country's subscription available to the International Bank for Reconstruction and Development (IBRD) to meet its obligations for funds borrowed or loans guaranteed by it.  |                    |                    |
| <b>13.5</b> | <b>New Development Bank</b>  | <b>146 951 200</b> | <b>152 294 400</b> |
|             | This commitment represents the callable portion of a country's subscription available to New Development Bank to meet its obligations on borrowing of funds or guarantees chargeable.  |                    |                    |
| <b>13.6</b> | <b>Multi- Lateral investment Guarantee Agency</b>  | <b>267 618</b>     | <b>277 349</b>     |
|             | This commitment represents the callable portion of a country's subscription available to the Multilateral Investment Guarantee Agency (MIGA) to meet its obligations on foreign investment guarantees to investors that are planning investments in developing member countries. |                    |                    |



# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|  |   | 2024/25<br>R'000     | 2023/24<br>R'000     |
|--|---|----------------------|----------------------|
| <b>14</b>  | <b>Borrowings</b>   |                      |                      |
|  | <b>Long Term</b>  |                      |                      |
|  | <b>Domestic</b>   | WP 8A                |                      |
|  | Bonds   | <b>4 429 756 878</b> | <b>4 054 958 170</b> |
|  |   | 4 429 756 878        | 4 054 958 170        |
|  | <b>Foreign</b>  | WP 8B                |                      |
|  | Bonds   | <b>543 630 703</b>   | <b>553 187 500</b>   |
|  |   | 543 630 703          | 553 187 500          |
|  | <b>Total Long-Term Borrowings</b>   | <b>4 973 387 581</b> | <b>4 608 145 670</b> |
| Included in domestic non-current borrowings are inflation-linked bonds with the revalued amount of R1077.9 bn (2023/24: R926.9 bn). The face value of these bonds are R755.7 bn (2022/23: R679.3 bn).  |   |                      |                      |
| <b>14.1</b>  | <b>Domestic long-term bonds debentures and other loans</b>                        | WP 8A                |                      |
|  | Debt as at 1 April  | 4 054 958 170        | 3 676 564 988        |
|  | Created   | 466 579 435          | 468 176 280          |
|  | Reduced   | (265 343 632)        | (249 067 229)        |
|  | Transfer to short-term  | (128 709 741)        | (88 395 990)         |
|  | Revaluation premium on inflation-linked bonds                                     | 302 272 646          | 247 680 121          |
|  | Former Regional Authorities   | -                    | -                    |
|  | <b>Total</b>  | <b>4 429 756 878</b> | <b>4 054 958 170</b> |
| <b>14.1.1</b>  | <b>Composition of Domestic long-term bonds debentures and other loans</b>         |                      |                      |
|  | Fixed-rate bonds  | 3 120 589 257        | 2 962 423 732        |
|  | Inflation-linked bonds  | 1 077 950 268        | 926 935 200          |
|  | Floating-linked bonds   | 183 515 000          | 118 340 000          |
|  | Retail bonds  | 27 277 486           | 26 834 371           |
|  | Sukuk bonds   | 20 386 000           | 20 386 000           |
|  | Former Regional Authorities   | 38 867               | 38 867               |
|  | <b>Total</b>  | <b>4 429 756 878</b> | <b>4 054 958 170</b> |
| During 2024/25 a potential overstatement of the Retail Bond liability was identified. This overstatement is because of an error committed in calculating interest capitalised to the Government Employees Housing Scheme facility that forms part of the Retail Bonds liability amount. The exact amount of the potential misstatement is still under investigation. |   |                      |                      |
| <b>14.1.2</b>  | <b>Redemption analysis of foreign long term and other loans financial year(s)</b> |                      |                      |
|  | 2025-2028   | 322 378 990          | 265 414 208          |
|  | 2028-2031   | 680 610 624          | 728 436 885          |
|  | 2031-2034   | 833 895 155          | 681 866 904          |
|  | 2034-2037   | 786 805 517          | 529 467 507          |
|  | 2037-2041   | 495 838 193          | 682 610 064          |
|  | 2041-2044   | 290 038 807          | 185 434 167          |
|  | 2047-2051   | 427 114 560          | 335 052 078          |
|  | 2046-2050   | 510 568 334          | 472 310 957          |
|  | 2051-2054   | 75 165 509           | 172 023 787          |
|  | 2054-2059   | 7 341 549            | 2 341 613            |
|  | <b>Total</b>  | <b>4 429 756 878</b> | <b>4 054 958 170</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|               |   | 2024/25<br>R'000   | 2023/24<br>R'000   |
|---------------|---|--------------------|--------------------|
| <b>14.2</b>   | <b>Foreign long-term bonds and other loans</b>                                    |                    |                    |
|               | WP 8B   |                    |                    |
|               | Debt as at 1 April  | 419 824 316        | 510 750 845        |
|               | Created   | 67 487 326         | 45 662 970         |
|               | Reduced   | -                  | -                  |
|               | Transfer to short-term  | (40 627 577)       | (38 435 771)       |
|               | Revaluation premium on inflation-linked bonds                                     | 96 946 639         | 35 209 457         |
|               | <b>Total</b>  | <b>543 630 703</b> | <b>553 187 500</b> |
| <b>14.2.1</b> | <b>Redemption analysis of foreign long term and other loans financial year(s)</b> |                    |                    |
|               | 2025-2028   | 51 267 141         | 100 720 739        |
|               | 2028-2031   | 99 192 060         | 119 647 911        |
|               | 2031-2034   | 26 944 593         | 81 026 565         |
|               | 2034-2037   | 62 968 351         | 26 387 939         |
|               | 2037-2041   | 50 742 593         | 21 406 809         |
|               | 2041-2044   | 11 924 539         | 23 901 943         |
|               | 2047-2051   | 54 669 345         | 26 280 382         |
|               | 2046-2050   | 128 978 492        | 122 609 790        |
|               | 2051-2054   | 29 390 240         | 31 205 421         |
|               | 2054-2059   | 27 553 350         | -                  |
|               | <b>Total</b>  | <b>543 630 703</b> | <b>553 187 500</b> |
| <b>14.2.2</b> | <b>Currency analysis of foreign long-term loans</b>                               |                    |                    |
|               | South African Rand  | 4 685 057          | 5 008 164          |
|               | Euro  | 43 681 189         | 40 890 442         |
|               | Special Drawing Rights  | -                  | 19 217 886         |
|               | United States dollar  | 494 036 325        | 486 390 240        |
|               | Canadian Dollar   | 1 228 133          | 1 680 768          |
|               | <b>Total</b>  | <b>543 630 703</b> | <b>553 187 500</b> |

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

|           |  |            | 2024/25<br>R'000     | 2023/24<br>R'000     |
|-----------|--|------------|----------------------|----------------------|
| <b>15</b> | <b>Revenue collected</b>   |            |                      |                      |
|           | By SARS  |            | 1 776 090 901        | 1 677 103 821        |
|           | Departmental Revenue collected                                     | WP 2B & 2C | 230 548 689          | 47 921 147           |
|           | CARA Fund assistance   | WP 1C      | 1 205 238            | 847 180              |
|           | <b>Total Revenue collected</b>                                     |            | <b>2 007 844 828</b> | <b>1 725 872 149</b> |
| <b>16</b> | <b>Surrenders from Departments</b>                                 |            |                      |                      |
|           | Equitable Share / Voted & Statutory funds surrendered              | WP 3A      | 7 922 518            | 19 380 518           |
|           | Unauthorised Expenditure funded by Revenue Fund                    | WP 5B      | -                    | 109                  |
|           | <b>Total Surrenders from Departments</b>                           |            | <b>7 922 518</b>     | <b>19 380 627</b>    |
| <b>17</b> | <b>Other revenue received by the Revenue Fund</b>                  |            |                      |                      |
|           | Other surrenders   | WP 3B      | 2 537 782            | 6 614 885            |
|           | Other revenue received   | WP 3C      | 194 484              | 367 465              |
|           | <b>Total Other revenue received</b>                                |            | <b>2 732 266</b>     | <b>6 982 350</b>     |
| <b>18</b> | <b>Appropriated Payments</b>                                       |            |                      |                      |
|           | Annual Appropriation: Funds transferred                            | WP 1A      | 1 119 194 390        | 1 064 571 658        |
|           | Statutory Appropriation: Funds transferred                         | WP 1B      | 1 263 618 455        | 1 139 512 796        |
|           | CARA Fund assistance   | WP 4C      | 1 625 036            | 877 839              |
|           | Appropriation for Unauthorised Expenditure approved                |            | -                    | 6 090                |
|           | <b>Total Appropriated Payments</b>                                 |            | <b>2 384 437 881</b> | <b>2 204 968 383</b> |
| <b>19</b> | <b>Other Payments</b>  |            |                      |                      |
|           | Amounts transferred to departments for previous appropriated funds | WP 4A      | 721 904              | 3 325 250            |
|           | <b>Total Other Payments</b>  |            | <b>721 904</b>       | <b>3 325 250</b>     |
| <b>20</b> | <b>Other investing activities</b>                                  |            |                      |                      |
|           | Other investing activities   | WP 7C      | -                    | -                    |
|           | <b>Total Other investing activities</b>                            |            | <b>-</b>             | <b>-</b>             |
| <b>21</b> | <b>Increase/Decrease in borrowings</b>                             |            |                      |                      |
|           | Changes in borrowings  | WP 8C      | 406 050 959          | 393 102 033          |
|           | <b>Total Other financing activities</b>                            |            | <b>406 050 959</b>   | <b>393 102 033</b>   |
| <b>22</b> | <b>Adjustments and Restatements</b>                                |            |                      |                      |
|           | Restatements: Before prior period 2023/24                          |            | -                    | (12 716)             |
|           | Restatements: Prior period 2023/24                                 |            | -                    | -                    |
|           | Adjustments  |            | -                    | -                    |
|           | <b>Total Adjustments and Restatements</b>                          |            | <b>-</b>             | <b>(12 716)</b>      |

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FOR THE YEAR ENDED 31 MARCH 2025

|  | 2024/25<br>R'000     | 2023/24<br>R'000     |
|--|----------------------|----------------------|
| <b>23</b>  |                      |                      |
| <b>Net cash flow available from operating activities</b>   |                      |                      |
| <b>Net surplus /(deficit) as per Statement of Financial Performance</b>  | (344 120 528)        | (552 698 667)        |
| <b>Add back non-cash/cash movements not deemed operating activities</b>  | <b>(22 539 645)</b>  | <b>96 640 159</b>    |
| Increase/(decrease) in receivables-current   | 7 922 518            | (19 380 627)         |
| Increase/(decrease) in other current assets  | 3 810 239            | 1 907 485            |
| Increase/(decrease) in payables-current  | -                    | (6 090)              |
| Voted funds not requested/not received   | (7 952 000)          | (2 552 172)          |
| Approved Statutory Overdrawn   | (17 620)             | 251 101              |
| Other non-cash items   | (18 682 298)         | 81 475 176           |
| <b>Net cash flow generated by operating activities</b>   | <b>(366 660 173)</b> | <b>(456 058 508)</b> |
| <b>24</b>  |                      |                      |
| <b>RESTATEMENTS</b>  |                      |                      |
| <b>Restatements done by NRF 2022/23</b>  |                      |                      |
| Dirco  |                      | 77 961               |
| Justice  |                      | 301                  |
| Home Affairs   |                      | 691                  |
| <b>Restatement done by Departments 2023/24</b>   |                      | <b>2023/24</b>       |
| <b>Voted funds to be transferred</b>   |                      |                      |
| <b>Planning Monitoring and Evaluation</b>  |                      |                      |
| Department restated voted funds to be surrendered for 2023/2024  | -                    | 214                  |
| <b>Department of Home Affairs</b>  |                      |                      |
| Department restated actual expenditure for 2023/24. This resulted in a decrease in voted funds due to the department. Therefore reflecting a negative balance of R6.6 million in the Statement of Financial Position for 2024/25. This has been added to voted funds to be surrendered for 2024/25 | -                    | 25 861               |
| <b>Departmental Revenue</b>  |                      |                      |
| <b>Department of Home Affairs</b>  |                      |                      |
| Department restated prior period departmental revenue for 2022/2023  | -                    | 1 224                |
| Department restated prior period departmental revenue for 2023/2024  | -                    | 3 097                |
| <b>Department of Public Works and Infrastructure</b>   |                      |                      |
| Department restated prior period departmental revenue for 2022/2023  | -                    | 13 940               |
| <b>Unauthorised Expenditure</b>  |                      |                      |
| <b>Department of Justice</b>   |                      |                      |
| Department restated unauthorised expenditure 2023/24   | -                    | 4 053                |
| <b>Department of Defence</b>   |                      |                      |
| Department restated voted funds to be surrendered 2023/24  | -                    | 92 440               |
| Department restated unauthorised expenditure 2023/24   | -                    | 92 440               |
| <b>Asset and Liability Management</b>  | -                    | 84 489               |
| <b>Domestic short-term bonds, treasury bills and other loans</b>   |                      |                      |
| The prior period error relates to the over-statement of the IGCC (CPD borrowing) in the net movement of Treasury bills   |                      |                      |

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## Summary of above-mentioned prior period errors

|   | Revenue | Expenditure      | Equity        | Assets        | Liability        |
|---|---------|------------------|---------------|---------------|------------------|
| <b>RESTATEMENT FOR 2023/24</b>  |         |                  |               |               |                  |
| <b>Voted Funds to be surrendered and Late Request</b>                 |         |                  |               |               |                  |
| Home Affairs restated actual expenditure                              |         | (25 861)         | 25 861        |               | (25 861)         |
| Dirco restated voted funds to be surrendered and Late request         |         |                  |               | (77 961)      | (77 961)         |
| Chief Justice restated voted funds to be surrendered and Late request |         |                  |               | (301)         | (301)            |
| Home Affairs restated voted funds to be surrendered and Late request  |         |                  |               | (691)         | (691)            |
| DPME restated voted funds to be surrendered                           |         | (214)            | 214           | 214           | -                |
| Defence restated voted funds to be surrendered                        |         | (92 440)         | -             | 92 440        | -                |
| <b>Sub Total</b>  |         | <b>(118 515)</b> | <b>26 075</b> | <b>13 701</b> | <b>(104 814)</b> |

## Summary of above-mentioned prior period errors

|  | Revenue      | Expenditure     | Equity         | Assets        | Liability        |
|--|--------------|-----------------|----------------|---------------|------------------|
| <b>RESTATEMENT FOR 2023/24</b>   |              |                 |                |               |                  |
| <b>Unauthorised expenditure not funded by the NRF (exceeding of the voted)</b> |              |                 |                |               |                  |
| Justice restated unauthorised expenditure                                      |              | (4 053)         | 4054           |               | (4 053)          |
| Defence restated unauthorised expenditure                                      |              | 92 440          |                |               | 92 440           |
| ALM Domestic short term, treasury bills and other loans                        |              |                 | 84 489         |               | (84 489)         |
| Home Affairs restated departmental revenue                                     | 3 097        |                 | 3 097          | 3 097         |                  |
| <b>Sub Total</b>   | <b>3 097</b> | <b>(30 128)</b> | <b>117 715</b> | <b>16 798</b> | <b>(100 916)</b> |

## Summary of above-mentioned prior period errors

|  | Revenue      | Expenditure     | Equity          | Assets          | Liability        |
|--|--------------|-----------------|-----------------|-----------------|------------------|
| <b>RESTATEMENT PRIOR TO 2023/24</b>                      |              |                 |                 |                 |                  |
| <b>Voted Funds to be surrendered and Late Request</b>    |              |                 |                 |                 |                  |
| Home Affairs restated departmental revenue prior 2023/24 |              |                 | 1 224           | 1 224           |                  |
| Public Works restated departmental revenue prior 2023/24 |              |                 | (13 940)        | (13 940)        |                  |
| <b>Sub Total</b>   |              |                 | <b>(12 716)</b> | <b>(12 716)</b> |                  |
| <b>TOTAL</b>   | <b>3 097</b> | <b>(30 128)</b> | <b>104 999</b>  | <b>4 082</b>    | <b>(100 916)</b> |

25

### Departures from the Modified Cash Standard granted to SARS

The financial statements comply with the Modified Cash Standard with the Departures disclosed below. These departures were approved by the Accountant-General in 2014. The MCS with these departures will apply until the adoption of accrual accounting.

#### 25.1 Revenue recognition: Penalties

Chapter 9.14 of the MCS requires recording and disclosure of accruals in respect of revenue. However, the Standard provides for exemption of taxation revenue. For the purposes of this Standard, the definition of taxes

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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specifically excludes fines and other penalties imposed for breaches of law.

SARS concluded that the recording and disclosure of accruals in respect of revenue from penalties relating to taxation revenue would be misleading and that it would conflict with the overall objective of fair presentation.

Revenue from penalties is directly related to taxation revenue for which exemption was granted and consequently is recognised on the same basis as taxation revenue.

## 25.2 Revenue recognition: Revenue from SACU

Chapter 9.14 of the MCS requires recording and disclosure of accruals in respect of revenue. However, the Standard provides for exemption for recording of an accrual of taxation revenue. The South African Government receives revenue from the Common Customs Pool in terms of the Agreement. The revenue originates from customs duties, excise levies and other duties. Revenue from SACU is administered by SARS in terms of the SARS Act (Act No.34 of 1997) and by implication falls within the ambit of taxation revenue.

Revenue received from SACU is based on monies received into the Common Customs Pool from the participating Member States. SARS concluded that revenue received in terms of the SACU Agreement should be accounted for on the cash basis of accounting.

## 25.3 Contingent assets and Liabilities

Chapter 14 of the MCS requires the recording and disclosure of Provisions and Contingents. SARS has litigation matters that are not disclosed.

There is currently no reliable basis that can be utilised in respect of the judgment to be applied in considering whether transactions meet the criteria of accruals, provisions, contingent assets and liabilities.

SARS concluded that the disclosure of contingent assets and liabilities would not achieve the overall objective of fair presentation.

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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|  | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--|------------------|------------------|
|--|------------------|------------------|

## 26 Contingent Asset

### 26.1 Contingent Asset

#### GEFECRA

363 901 262

531 989 355

The GFEFRA, which operates in terms of Sec 28 of the SARB Act, represents the net revaluations profits and losses on gold and foreign exchange transactions which are for the account of the South African government.

## 27 Events after reporting date

### 27.1 Subsequent events

In the 2025 Medium-Term Budget Policy Statement (MTBPS), the gross borrowing requirement for 2025/26 has been revised downward from R588.2 billion to R568.2 billion compared to the 2025 Budget. As at 31 October 2025, a total of R288.9 billion has been raised through the issuance of domestic loans, comprising R29.9 billion in short-term instruments, R259.1 billion in long-term instruments and R45.7 billion in foreign loans. R5.5 billion in cash and cash equivalents was used to finance the gross borrowing requirement.

Following consultations with the KwaZulu-Natal Provincial Government, the National Treasury will make up to R2.2 billion available to facilitate the repayment of depositors of Ithala SOC Limited ("Ithala"). The payout process is scheduled to commence on 8 December 2025. In a memo finalized on 22 September 2025, the Minister approved the issuance of a Government guarantee in favour of First National Bank (FNB), which will act as the payment agent bank to process payments to all 223 166 Ithala depositors, totalling R2.2 billion.

Depositors will first need to be verified to ensure payments go to the correct recipients. Once verified, payments will be processed within approximately two days. First National Bank (FNB) has been appointed as the payout bank for Ithala depositors and will facilitate access to their funds. This arrangement is intended to ensure that funds are paid out in an orderly and secure manner.

On 16 May 2025, S&P Global Ratings affirmed South Africa's long-term foreign and local currency debt ratings at 'BB-' and 'BB', respectively. According to S&P, the ratings on South Africa benefit from the country's sizable and sophisticated financial system that provides a deep funding base for the government. The country also has relatively strong institutions, with good checks and balances, particularly its central bank. However, S&P says the ratings are constrained by relatively low GDP per capita and low GDP growth rates, as well as sizable fiscal deficits and high government debt.

On 12 September 2025, Fitch Ratings affirmed South Africa's 'BB-' credit rating and stable outlook. According to Fitch, South Africa's credit rating is constrained by several factors, including low real GDP growth, high poverty and inequality levels, a high and rising government debt-to-GDP ratio, and a rigid fiscal structure that hampers budget deficit reduction. However, the ratings are supported by a favourable government debt structure with long maturities and mostly local-currency-denominated, strong institutions and a credible monetary policy framework.

On 14 November 2025, S&P upgraded South Africa's long-term foreign currency sovereign credit rating to 'BB' from 'BB-' and long-term local currency sovereign credit rating to 'BB+' from 'BB'. The outlook remains positive. According to S&P, the rating upgrade reflects South Africa's improving growth and fiscal trajectory, alongside a reduction in contingent liabilities tied to performance improvements at the state-owned electricity utility, Eskom. The government is on track to post its third annual primary surplus (revenue minus expenditure, excluding interest payments on debt) in 2025/26, while contingent liabilities are likely to ease as Eskom is being reformed.

### 27.2 Non adjusting events

In terms of section 22 of the 2025 Division of Revenue Act the approval for roll over was only after 31 March 2025. Unspent conditional grants should be surrendered by the Province to the National Revenue Fund through the relevant National Departments. As these approvals were received after June 2025 the amounts for unspent conditional grants to be surrendered were not included in the audited Annual Financial Statements of the relevant National departments. The National Revenue Fund should therefore receive the amount of R392.5 million. See breakdown below:

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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|                            | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------|------------------|------------------|
| <b>Province/Agency</b>     |                  |                  |
| <i>Audited 2024/25</i>     |                  |                  |
| Gauteng                    | 85 254           | 465 354          |
| Free State                 | 32 223           | 19 339           |
| Mpumalanga                 | 20 518           | 33 651           |
| Western Cape               | 5 435            | 224 396          |
| KwaZulu Natal              | 385              | -                |
| <i>Preliminary 2024/25</i> |                  |                  |
| Northern Cape              | 56 770           | 67 010           |
| North-west                 | 121 781          | 195 278          |
| Limpopo                    | 85 242           | 61 819           |
| Eastern Cape               | 70 157           | 62 692           |
| <b>Total</b>               | <b>392 511</b>   | <b>1 129 539</b> |

## 28. Financial Risk Management

### 28.1 Market risk

Government's debt portfolio is exposed to different risk factors. To define the tolerance levels of these risk factors, the strategic benchmarks were implemented. Government's funding strategy and overall debt portfolio / performance during 2024/25 was monitored against these benchmarks to assess the impact on inflation, currency and refinancing risks.

#### Strategic portfolio risk benchmarks

| Description   | Range or limit |
|---|----------------|
| Treasury bills as % of domestic debt  | 15             |
| Long-term debt maturing in 5 years as % of bonds                            | 25             |
| Inflation-linked bonds as % of domestic debt                                | 20-25          |
| Foreign debt as % of total debt   | 15             |
| Weighted term-to-maturity of fixed-rate bonds and Treasury bills (in years) | 10-14          |
| Weighted average term-to-maturity of inflation-linked bonds (in years)      | 14-17          |

Government's gross loan debt of R5.7 trillion consists of domestic (R5.1 trillion) and foreign debt (R601.9 billion). Domestic debt comprises short-term debt (Treasury bills and borrowing from the Corporation for Public Deposits) and long-term debt (fixed-rate plus inflation-linked bonds, retail, and other loans). When calculating risk benchmarks, borrowings from the CPD, retail bonds and other non-marketable loans are excluded from the gross loan debt. This is because these items are generally small in nominal values with minimal impact.

### 28.2 Inflation risk

Inflation risk is the risk that adverse changes in month-on-month inflation might result in increases in the outstanding amount of inflation-linked bonds and thus result in higher future redemption amounts. This risk is managed by setting a benchmark for inflation-linked bonds (ILBs) as a percentage of domestic debt to range between 20 to 25 per cent. Domestic debt includes Treasury bills, floating rate notes, sukuk bonds, fixed-rate- and inflation-linked bonds. Due to the redemption of the I2025 bond in January 2025, the share of ILBs as a percentage of total domestic debt decreased to 100 basis points (bps) to 21.2 per cent (as at the end of March 2025).



# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## Inflation-linked bonds as a per cent of domestic debt

| Indicator                  | 31 March 2025 | 31 March 2024 |
|----------------------------|---------------|---------------|
| Domestic debt <sup>1</sup> | R5 060.4 bn   | R4 639.2 bn   |
| Inflation-linked bonds     | R1 077.9 bn   | R1 027.5 bn   |
| ILBs as % of domestic debt | 21.2%         | 22.2%         |

1. Excludes retail bonds, borrowing from the CPD and other loans.

## 28.3 Currency risk

Currency risk arises from the change in the price of the rand against major currencies in which the sovereign's foreign debt is denominated. The impact of a weaker currency affects the rand value of interest and redemption amounts on foreign loans. The risk tolerance level is expressed through the limit of 15 per cent for foreign currency debt as a percentage of total debt. Changes in the exchange rate, mainly the USD/ZAR also impact on the rand value of government's foreign currency deposits with the Reserve Bank.

Government monitors its net foreign debt exposure; foreign currency cash deposits provide a natural hedge to a portion of the foreign debt portfolio. Foreign currency deposits are held in US dollar. For the period under review, government's exposure to EURO denominated debt increased by 40 bps, from 6.9 per cent in March 2024 to 7.3 per cent as of 31 March 2025. This is because of the additional EURO denominated multi-lateral loan sourced during 2024/25. The increase to the USD proportion is attributable to the introduction of two new international bonds amounting to USD 3.5 billion. The XDR loan redeems in July 2025 and 75 per cent of the principal amount has been redeemed through amortization.

## Composition of foreign debt

| Indicator            | 31 March 2025 | 31 March 2024 |
|----------------------|---------------|---------------|
| Percentage           |               |               |
| As % of total debt   |               |               |
| - Gross foreign debt | 10.6          | 11.3          |
| - Net foreign debt   | 9.4           | 9.7           |
| Currency composition |               |               |
| - US Dollar          | 88.6          | 82.2          |
| - Euro               | 7.3           | 6.9           |
| - XDR                | 3.1           | 9.7           |
| -ZAR                 | 0.8           | 0.9           |
| -CAD                 | 0.2           | 0.3           |

## 28.3 Refinancing risk

Refinancing risk is the possibility that money cannot be borrowed to refinance maturing debt or that these borrowings take place at unfavourable rates. This risk is manifested in the concentration of large volumes of debt that needs to be repaid.

One of the aims of government's debt management strategy is to maintain a smooth debt maturity profile. One of the aims of government's debt management strategy is to maintain a smooth debt maturity profile. Refinancing risk is reduced through an active switch programme whereby shorter-dated bonds are exchanged for longer-term bonds. During 2024/25; a sum of R86.5 billion was switched out of the FRBs ( R186 and R2030) and ILBs (R197 and I2025).

## Refinancing risk benchmarks

| Indicator  | 31 March 2025 | 31 March 2024 |
|--|---------------|---------------|
| Treasury bills as % of domestic debt   | 10.9%         | 11.0%         |
| Long-term debt maturing in 5 years as % of bonds                             | 18.8%         | 15.4%         |
| Weighted term-to-maturity of fixed-rate bonds plus Treasury bills (in years) | 10.1          | 10.6          |
| Weighted term-to-maturity of inflation-linked bonds (in years)               | 14.2          | 13.0          |

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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## 28.4 Credit Risk

### Credit risk exposure from explicit contingent portfolio

The explicit contingent liabilities of government consist mainly of government guarantees issued to state-owned companies (SOCs), Public-Private Partnerships (PPPs) as well as Independent Power Producers (IPPs).

The explicit contingent liability portfolio of government exposes government to credit risk, in that, should the guaranteed entities fail to settle their government guaranteed financial obligations; government as the guarantor will have to settle the obligations in default on behalf of the entities.

The total guarantee amount is expected to decrease from R498.9 billion on 31 March 2024 to R491.9 billion on 31 March 2025, and the exposure amount will increase by R6.1 billion to R439.2 billion over the same period. The reduction in the total guarantee amount is due to the termination of the Land Bank's R8 billion guarantee at the end of 2023/24.

The increase in exposure results from a R12.3 billion net drawdown on the Transnet guarantee. This increase was offset by the net repayment of the South African National Roads Agency Limited debt of R6.3 billion and repayments on the South African Reserve Bank Loan Guarantee Scheme of R3.5 billion. Eskom, the Development Bank of Southern Africa and the Trans-Caledon Tunnel Authority have made additional drawdowns, resulting in an increase in their exposure amounts.

As at 31 March 2025, government's commitment to the Renewable Energy Independent Power Producer Procurement Programme is expected to be R277.9 billion. The value of signed projects, which represents government's exposure, is expected to amount to R229.5 billion by 31 March 2025, declining to R166.4 billion by 2027/28. In 2024/25, PPP contingent liabilities fell by about R600 million to R6.2 billion as projects reached maturity.

### Counterparty risk exposure from investment of government surplus cash

Government's surplus cash is invested with four South African commercial banks, namely: Standard Bank, First National Bank, ABSA and Nedbank. As at 31 March 2025, the total surplus cash invested with the banks amounted to R130.7 billion (2023/24: R92.3 billion).

The risk that emanates from government's surplus cash investments with the banks is the possibility that as a result of these banks being in financial distress; government will not be able to access its deposits when needed.

The amount of government surplus cash invested with each of the four banks is based on government's risk assessment of each bank. The bank with the highest risk out of the four banks is allocated the lowest amount of surplus cash while the bank with the lowest risk is allocated the highest amount of surplus cash. As at 31 March 2025, the prescribed ratios for the investment of surplus cash with the four banks were 25 per cent for Standard Bank and Nedbank with First National Bank and Absa Bank at 26 and 24 per cent respectively. The absolute limit of surplus cash to be invested with each bank is equal to 50 per cent of each bank's capital and reserves.

## 28.5 Sovereign risk

Sovereign credit ratings play an important role in a country's ability to access capital markets, as they influence investor perceptions of the quality of its debt. Credit rating agencies carry out annual reviews of South Africa's creditworthiness. However, since the inception of the European Union's Credit Regulation Act 3 in 2013, European-based credit rating agencies are obliged to review their credit ratings every six months. South Africa solicits ratings from the three major rating agencies: Moody's Investors Service (Moody's), S&P Global Ratings (S&P), and Fitch Ratings (Fitch).

On 13 September 2024, Fitch Ratings affirmed South Africa's 'BB-' credit rating and stable outlook. According to Fitch, South Africa's credit rating is constrained by low real GDP growth, high level of inequality, a high and rising government debt-to-GDP ratio, and a modest path of fiscal consolidation. However, the ratings are supported by a favourable debt structure with long maturities and denominated mostly in local currency as well as a credible monetary policy framework.

On 15 November 2024, S&P Global Ratings revised South Africa's outlook to positive from stable and affirmed the sovereign's long-term foreign and local currency debt ratings at 'BB-' and 'BB', respectively. According to S&P, the positive outlook reflects the agency's view that increased political stability following the May 2024 general elections and impetus for reform could boost private investment and GDP growth. S&P further states that since the formation

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of the new broad coalition of 11 political parties under the Government of National Unity (GNU), debt yields and portfolio inflows have improved, leading to easing financing conditions and currency strengthening.

On 3 December 2024, Moody's Investors Service affirmed South Africa's credit rating at 'Ba2' and maintained a stable outlook. The ratings affirmation reflects South Africa's credit strengths from effective, core institutions such as the judiciary and the central bank, a robust, deep financial sector and a solid external position. However, the ratings affirmation also acknowledges chronic challenges posed by the country's inequalities which hamper reform progress and fuel social risk, as well as persistent structural constraints on economic growth, and a relatively high and costly debt.

Rating agencies remain concerned about South Africa's low economic growth, high government debt and associated high debt service costs as well as geopolitical tensions. The table below shows the current ratings from the solicited rating agencies. Credit ratings from all the credit rating agencies now carry stable outlooks.

**Table: South Africa's Credit Ratings by R&I, S&P, Fitch and Moody's**

| Rating Agency | Latest credit rating action | Action      | LTFC <sup>1</sup> | LTLC <sup>2</sup> | Outlook  |
|---------------|-----------------------------|-------------|-------------------|-------------------|----------|
| Fitch         | 13 September 2024           | Affirmation | BB-               | BB-               | Stable   |
| S&P           | 15 November 2024            | Affirmation | BB-               | BB-               | Positive |
| Moody's       | 3 December 2024             | Affirmation | Ba2               | Ba2               | Stable   |
|               |                             |             |                   |                   |          |

<sup>1</sup>LTFC = Long Term Foreign Currency Rating, <sup>2</sup>LTLC = Long Term Local Currency Rating.

## 29. Financial sustainability

The 2025 Medium Term Budget Policy Statement (MTBPS) reaffirms government's commitment to a growth-oriented and fiscally prudent agenda, despite ongoing economic and fiscal challenges. Recent improvements, such as stronger tax revenue collections, slower growth in borrowing costs and projected stabilising debt-to-GDP ratios, supports macroeconomic stability and public investment initiatives.

The economy is projected to grow by 1.2 per cent in 2025, increasing to an average of 1.8 per cent per annum over the medium term. These modest growth prospects underscore the need for reforms that address fundamental constraints in energy supply, logistics infrastructure, digital connectivity and institutional effectiveness. Government's medium-term growth strategy is anchored by four elements namely maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment. The strategy seeks to shift the growth path and secure sustainable revenues.

### Enhancing Macroeconomic stability

Government is delivering on its targets to return the public finances to good health by stabilising debt, reducing borrowing costs and freeing up resources to invest in growth and development. These policy measures create a strong foundation for inclusive and sustainable economic growth. Efforts to stabilise debt and narrow the budget deficit to below 3% of GDP by 2028/29 are supported by various initiatives to entrench balanced public finances, strengthen revenue collection, improve spending efficiency and a revised 3% inflation target with a  $\pm 1$  percentage point tolerance. These measures reduce fiscal and operational risks, enhance investor confidence and support sustainable economic growth.

### Implementing Structural Reforms and Building State Capability

Key structural reforms include increased generation capacity at Eskom, improved reliability of the energy supply, higher freight rail volumes at Transnet, and the introduction of third-party access on freight rail networks. Municipal and digital reforms, including the Metro Trading Services Reform Programme and the MzansiXchange pilot, enhance service delivery, accountability and data-driven decision-making. Operation Vulindlela's second phase further advances these reforms by promoting private investment in energy and logistics, establishing the National Water Resources Infrastructure Agency and launching the Electronic Travel Authorisation system to attract skills, investment and tourism.

### Growth-Enhancing Infrastructure investment

Public investment in infrastructure is being prioritised to stimulate economic growth and attract private sector participation. Key initiatives include freight rail rehabilitation, wastewater treatment and capitalisation of a credit

# DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

guarantee scheme. Measures to streamline project approval, enhance the Budget Facility for Infrastructure and develop sector-specific toolkits for public-private partnerships improve efficiency and value for money.

## Fiscal strategy

The government is implementing a range of measures to strengthen fiscal outcomes and safeguard long-term public finance sustainability. Broad consultations are underway on the design of a formal fiscal anchor, with a policy proposal expected to be presented to the Minister of Finance in 2026. In parallel, a multi-year fiscal literacy campaign will be launched in 2026/27 to improve public understanding of fiscal management and encourage informed engagement with government budgeting processes. To achieve fiscal targets, curb waste and support new priorities, public spending will be directed to deliver greater value for money.

The government is taking targeted steps to strengthen revenue collection and improve efficiency. Revenue collections for the first half of 2025/26 exceeded expectations, driven by strong corporate and household activity, while lower VAT refunds and improved compliance supported overall buoyancy. Corporate tax receipts benefited from robust performance in the trade, electricity and finance sectors and dividends tax collections were strengthened by significant one-off payments from the mining and retail sectors. Revenue buoyancy for 2025/26 is projected at 1.54, reflecting stronger-than-anticipated collections. Nevertheless, the medium-term outlook remains cautious, as nominal revenue growth is constrained by subdued economic growth.

The constrained fiscal position allows limited room for additions to spending. However, government still allocates about 60 per cent of consolidated non-interest spending over the next three years to the social wage, supporting low-income and vulnerable households. Average annual growth in spending on learning and culture, health and economic development outpace inflation over the medium term.

After more than a decade of primary budget deficits, government began running a primary budget surplus in 2023/24. The surplus – where revenue exceeds non-interest expenditure – is expected to improve over the medium term. The growing primary surplus enables government to stabilise and then reduce debt and debt-service costs. The main budget deficit is expected to narrow from 4.6 per cent of GDP in 2022/23 to 2.7 per cent in 2028/29. Gross loan debt as share of GDP is projected to stabilise at 77.9 per cent in 2025/26.

Despite improvements, risks remain due to modest economic growth, high debt levels and potential contingent liabilities, particularly from state-owned entities. The government continues to prioritise macroeconomic stability, infrastructure investment, revenue efficiency, expenditure effectiveness and the phased removal of low-priority programmes. These measures aim to protect critical social services, strengthen institutional capacity and shift spending toward growth-enhancing infrastructure.

In summary, the government remains committed to the disciplined implementation of its four-pillar economic strategy, anchored in enhancing macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment. Through these efforts, it aims to stabilise public finances, improve the effectiveness and efficiency of expenditure, attract investment and promote sustainable economic growth, ultimately enhancing living standards for all South Africans.

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 1A STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2025

| Name of Department                           | Appropriation Act | Funds transferred | Voted funds to be surrendered | Outstanding Request | Unauthorised Expenditure funded by NRF/PRF WP 5B | Unauthorised expenditure not funded by NRF/PRF WP 5B | Net Appropriation |
|--|-------------------|-------------------|-------------------------------|---------------------|--|--|-------------------|
|  | R 000             | R 000             | R 000                         | R 000               | R 000  | R 000  | R 000             |
| Presidency                                   | 629 548           | 629 548           | 26 275                        | -                   | -  | 39 869   | 643 142           |
| Parliament                                   | 2 770 963         | 2 770 963         | -                             | -                   | -  | -  | 2 770 963         |
| Cooperative Governance                       | 125 895 923       | 125 895 923       | 1 742 829                     | -                   | -  | 171 523  | 124 324 617       |
| Government Communication and Information     | 760 773           | 760 773           | 16 758                        | -                   | -  | -  | 744 015           |
| Home Affairs                                 | 12 095 471        | 12 095 471        | 263 618                       | -                   | -  | -  | 11 831 853        |
| International Relations and Cooperation      | 7 081 231         | 7 081 231         | 70 090                        | -                   | -  | -  | 7 011 141         |
| National School of Government                | 218 724           | 218 724           | 2 701                         | -                   | -  | -  | 216 023           |
| National Treasury                            | 33 337 065        | 33 337 065        | 715 753                       | -                   | -  | -  | 32 621 312        |
| Planning Monitoring and Evaluation           | 450 189           | 450 189           | 20 300                        | -                   | -  | -  | 429 889           |
| Public Enterprise                            | 296 490           | 296 490           | 90 245                        | -                   | -  | -  | 206 245           |
| Public Service and Administration            | 539 521           | 539 521           | 29 679                        | -                   | -  | -  | 509 842           |
| Public Service Commission                    | 288 499           | 288 499           | 16                            | -                   | -  | -  | 288 483           |
| Public Works and Infrastructure              | 7 612 081         | 7 612 081         | 41 672                        | -                   | -  | -  | 7 570 409         |
| Statistics SA                                | 2 646 160         | 2 646 160         | 111 838                       | -                   | -  | 83 303   | 2 617 625         |
| Traditional Affairs                          | 187 283           | 187 283           | 6 002                         | -                   | -  | -  | 181 281           |
| Basic Education                              | 32 635 423        | 32 635 423        | 90 926                        | -                   | -  | -  | 32 544 497        |
| Higher Education and Training                | 112 773 492       | 112 773 492       | 139 722                       | -                   | -  | -  | 112 633 770       |
| Health                                       | 62 225 399        | 62 225 399        | 343 578                       | -                   | -  | -  | 61 881 821        |
| Social Development                           | 278 295 933       | 278 295 933       | 2 667 964                     | -                   | -  | -  | 275 627 969       |
| Women  | 1 020 712         | 1 020 712         | 9 693                         | -                   | -  | -  | 1 011 019         |
| Civilian Secretariat for Police              | 155 964           | 155 964           | 515                           | -                   | -  | -  | 155 449           |
| Correctional Services                        | 27 758 903        | 27 758 903        | -                             | -                   | -  | 677 192  | 28 436 095        |
| Defence                                      | 55 483 774        | 55 483 774        | 14 725                        | -                   | -  | 2 509 407  | 57 978 456        |
| Independent Police Investigative Directorate | 370 557           | 370 557           | 151                           | -                   | -  | -  | 370 406           |
| Justice and Constitutional Development       | 21 650 239        | 21 650 239        | 31 893                        | -                   | -  | 291 759  | 21 618 346        |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 1A (CONTINUED)

### STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2024

| Name of Department                              | Appropriation Act    | Funds transferred    | Voted funds to be surrendered | Outstanding Request | Unauthorised Expenditure funded by NRF/PRF WP 5B | Unauthorised expenditure not funded by NRF/PRF WP 5B | Net Appropriation    |
|---|----------------------|----------------------|-------------------------------|---------------------|--|--|----------------------|
|   | R 000                | R 000                | R 000                         | R 000               | R 000  | R 000  | R 000                |
| Military Veterans                               | 812 406              | 812 406              | 54 601                        | -                   | -  | -  | 757 805              |
| Office of the Chief Justice                     | 1 273 788            | 1 273 788            | -                             | -                   | -  | 238 792  | 1 512 580            |
| Police  | 113 623 525          | 113 623 525          | -                             | -                   | -  | -  | 113 623 525          |
| Agriculture, Land Reform and Rural Developments | 16 997 824           | 16 997 824           | 952 661                       | -                   | -  | -  | 16 045 163           |
| Communications and Digital Technologies         | 3 968 611            | 3 968 611            | 1 053 448                     | -                   | -  | -  | 2 915 163            |
| Employment and Labour                           | 3 854 842            | 3 854 842            | 52 466                        | -                   | -  | -  | 3 802 376            |
| Forestry, Fisheries and the Environment         | 8 764 338            | 8 764 338            | 145 449                       | -                   | -  | -  | 8 618 889            |
| Human Settlements                               | 33 680 386           | 33 680 386           | 830 800                       | -                   | -  | -  | 32 849 586           |
| Minerals Resources and Energy                   | 8 881 462            | 8 881 462            | 54 872                        | -                   | -  | -  | 8 826 590            |
| Science and Innovation                          | 9 441 144            | 9 441 144            | 368 437                       | -                   | -  | -  | 9 072 707            |
| Small Business Development                      | 2 419 545            | 2 419 544            | 39 246                        | -                   | -  | -  | 2 380 298            |
| Sports, Arts and Culture                        | 6 105 744            | 6 105 744            | 33 060                        | -                   | -  | -  | 6 072 684            |
| Tourism   | 2 380 908            | 2 380 908            | 128 765                       | -                   | -  | -  | 2 252 143            |
| Trade, Industry and Competition                 | 9 667 644            | 9 667 644            | 108 915                       | -                   | -  | -  | 9 558 729            |
| Transport                                       | 86 292 328           | 86 292 328           | 1 378 642                     | -                   | -  | -  | 84 913 686           |
| Water and Sanitation                            | 23 849 579           | 23 849 579           | 33 781                        | -                   | -  | -  | 23 815 798           |
| <b>Total</b>                                    | <b>1 119 194 391</b> | <b>1 119 194 390</b> | <b>11 672 086</b>             | <b>-</b>            | <b>-</b>   | <b>3 720 086</b>                                     | <b>1 111 242 390</b> |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 1A STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2024

| Name of Department                           | Appropriation Act |     | Funds transferred |     | Voted funds to be surrendered |     | Outstanding Request |     | Unauthorised Expenditure funded by NRF/PRF WP 5B |     | Unauthorised expenditure not funded by NRF/PRF WP 5B |     | Net Appropriation |     |
|--|-------------------|-----|-------------------|-----|-------------------------------|-----|---------------------|-----|--|-----|--|-----|-------------------|-----|
|  | R                 | 000 | R                 | 000 | R                             | 000 | R                   | 000 | R  | 000 | R  | 000 | R                 | 000 |
| Presidency                                   | 676 253           |     | 606 253           |     | -                             |     | 55 738              |     | -  |     | -  |     | 661 991           |     |
| Parliament                                   | 3 208 816         |     | 3 208 816         |     | -                             |     | -                   |     | -  |     | -  |     | 3 208 816         |     |
| Cooperative Governance                       | 119 973 742       |     | 119 973 742       |     | 3 258 461                     |     | -                   |     | -  |     | 84 813   |     | 116 800 094       |     |
| Government Communication and Information     | 743 546           |     | 743 546           |     | 5 178                         |     | -                   |     | -  |     | -  |     | 738 368           |     |
| Home Affairs*                                | 12 379 954        |     | 12 179 954        |     | -                             |     | 173 448             |     | -  |     | -  |     | 12 379 263        |     |
| International Relations and Cooperation*     | 6 910 636         |     | 6 830 636         |     | -                             |     | 2 039               |     | -  |     | 435 643  |     | 7 268 318         |     |
| National School of Government                | 221 140           |     | 221 140           |     | 2 942                         |     | -                   |     | -  |     | -  |     | 218 198           |     |
| National Treasury                            | 34 350 278        |     | 34 350 278        |     | 275 227                       |     | -                   |     | -  |     | -  |     | 34 075 051        |     |
| Planning Monitoring and Evaluation*          | 465 483           |     | 465 483           |     | 28 029                        |     | -                   |     | -  |     | -  |     | 437 454           |     |
| Public Enterprise                            | 275 277           |     | 275 277           |     | 16 878                        |     | -                   |     | -  |     | -  |     | 258 399           |     |
| Public Service and Administration            | 541 627           |     | 541 627           |     | 34 071                        |     | -                   |     | -  |     | -  |     | 507 556           |     |
| Public Service Commission                    | 300 753           |     | 288 753           |     | -                             |     | 10 514              |     | -  |     | -  |     | 299 267           |     |
| Public Works and Infrastructure              | 8 405 966         |     | 8 405 966         |     | 101 927                       |     | -                   |     | -  |     | -  |     | 8 304 039         |     |
| Statistics South Africa                      | 2 643 002         |     | 2 643 002         |     | 47 395                        |     | -                   |     | -  |     | 128 307  |     | 2 723 914         |     |
| Traditional Affairs                          | 193 121           |     | 193 121           |     | 6 308                         |     | -                   |     | -  |     | -  |     | 186 813           |     |
| Basic Education                              | 30 028 595        |     | 30 028 595        |     | 67 352                        |     | -                   |     | -  |     | -  |     | 29 961 243        |     |
| Higher Education and Training                | 107 830 340       |     | 107 830 340       |     | 117 182                       |     | -                   |     | -  |     | -  |     | 107 713 158       |     |
| Health                                       | 58 549 994        |     | 58 549 994        |     | 237 847                       |     | -                   |     | -  |     | -  |     | 58 312 147        |     |
| Social Development                           | 260 893 975       |     | 260 893 975       |     | 1 593 634                     |     | -                   |     | -  |     | -  |     | 259 300 341       |     |
| Women, Youth and Person with Disabilities    | 1 006 944         |     | 993 944           |     | 2 319                         |     | -                   |     | -  |     | -  |     | 991 625           |     |
| Civilian Secretariat for Police              | 154 152           |     | 154 152           |     | 3 922                         |     | -                   |     | -  |     | -  |     | 150 230           |     |
| Correctional Services                        | 26 570 966        |     | 26 570 966        |     | -                             |     | -                   |     | -  |     | 614 257  |     | 27 185 223        |     |
| Defence*                                     | 52 468 184        |     | 52 468 184        |     | 92 440                        |     | -                   |     | -  |     | 3 466 104  |     | 55 841 848        |     |
| Independent Police Investigative Directorate | 364 386           |     | 364 386           |     | 304                           |     | -                   |     | -  |     | -  |     | 364 082           |     |
| Justice and Constitutional Development*      | 20 558 303        |     | 20 508 303        |     | -                             |     | 49 699              |     | -  |     | 287 706  |     | 20 845 708        |     |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 1A (CONTINUED)

### STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2024

| Name of Department                             | Appropriation Act    | Funds transferred    | Voted funds to be surrendered | Outstanding Request | Unauthorised Expenditure funded by NRF/PRF WP 5B | Unauthorised expenditure not funded by NRF/PRF WP 5B | Net Appropriation    |
|--|----------------------|----------------------|-------------------------------|---------------------|--|--|----------------------|
|  | R 000                | R 000                | R 000                         | R 000               | R 000  | R 000  | R 000                |
| Military Veterans                              | 846 285              | 846 285              | 260 352                       | -                   | -  | -  | 585 933              |
| Office of the Chief Justice                    | 1 339 530            | 1 294 530            | -                             | 44 902              | -  | -  | 1 339 432            |
| Police   | 105 475 635          | 105 475 635          | 1                             | -                   | -  | -  | 105 475 634          |
| Agriculture, Land Reform and Rural Development | 16 757 697           | 16 757 697           | 43 327                        | -                   | -  | -  | 16 714 370           |
| Communications and Digital Technologies        | 3 312 185            | 3 312 185            | 32 530                        | -                   | -  | -  | 3 279 655            |
| Employment and Labour                          | 4 016 714            | 4 016 714            | 20 734                        | -                   | -  | -  | 3 995 980            |
| Forestry, Fisheries and the Environment        | 9 538 968            | 9 538 968            | 70 321                        | -                   | -  | -  | 9 468 647            |
| Human Settlements                              | 31 757 980           | 31 757 980           | 531 057                       | -                   | -  | -  | 31 226 923           |
| Minerals Resources and Energy                  | 10 271 218           | 10 271 218           | 390 612                       | -                   | -  | -  | 9 880 606            |
| Science and Innovation                         | 10 562 991           | 10 562 991           | 90 935                        | -                   | -  | -  | 10 472 056           |
| Small Business Development                     | 2 529 308            | 2 529 308            | 44 481                        | -                   | -  | -  | 2 484 827            |
| Sports, Arts and Culture                       | 6 089 287            | 6 089 287            | 23 912                        | -                   | -  | -  | 6 065 375            |
| Tourism  | 2 460 545            | 2 460 545            | 88 293                        | -                   | -  | -  | 2 372 252            |
| Trade, Industry and Competition                | 10 709 519           | 10 709 519           | 51 073                        | -                   | -  | -  | 10 658 446           |
| Transport                                      | 78 282 447           | 78 282 447           | 322 978                       | -                   | -  | -  | 77 959 469           |
| Water and Sanitation                           | 21 375 916           | 21 375 916           | 44 320                        | -                   | -  | -  | 21 331 596           |
| <b>*Total</b>                                  | <b>1 065 041 658</b> | <b>1 064 571 658</b> | <b>7 906 342</b>              | <b>336 340</b>      | <b>-</b>   | <b>5 016 830</b>                                     | <b>1 062 018 486</b> |

\* See disclosure note on restatements for more details  
\*



# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 1B

### STATEMENT OF EQUITABLE SHARE/STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2025

| Name of Department                                | Appropriation Act    |  | Funds transferred    |  | Statutory funds to be surrendered |  | Outstanding Request |  | Net Appropriation    |  |
|---|----------------------|--|----------------------|--|-----------------------------------|--|---------------------|--|----------------------|--|
|   | R 000                |  | R 000                |  | R 000                             |  | R 000               |  | R 000                |  |
| Presidency  | 7 709                |  | 7 709                |  | 834                               |  | -                   |  | 6 875                |  |
| Parliament  | 713 722              |  | 713 722              |  | 21 366                            |  | -                   |  | 692 356              |  |
| National Treasury                                 |                      |  |                      |  | -                                 |  | -                   |  | -                    |  |
| Provinces   | 600 475 640          |  | 600 475 640          |  | -                                 |  | -                   |  | 600 475 640          |  |
| General Fuel Levy                                 | 16 126 608           |  | 16 126 608           |  | -                                 |  | -                   |  | 16 126 608           |  |
| Auditor General of South Africa                   | 128 578              |  | 128 578              |  | -                                 |  | -                   |  | 128 578              |  |
| GFECRA Defrayal Amendment Act, 2024               | 100 000 000          |  | 100 000 000          |  | -                                 |  | -                   |  | 100 000 000          |  |
| Eskom Debt Relief Act 2023                        | 64 000 000           |  | 64 000 000           |  | -                                 |  | -                   |  | 64 000 000           |  |
| State Debt Cost                                   |                      |  |                      |  |                                   |  |                     |  |                      |  |
| Interest  | 388 634 277          |  | 385 621 918          |  | -                                 |  | 82                  |  | 385 622 000          |  |
| Management  | 60 000               |  | 7 859                |  | -                                 |  | 1                   |  | 7 860                |  |
| Cost of raising loans                             | 160 000              |  | 66 411 752           |  | -                                 |  | -                   |  | 66 411 752           |  |
| Higher Education and Training                     | 24 493 292           |  | 24 137 414           |  | -                                 |  | -                   |  | 24 137 414           |  |
| Justice and Constitutional Development            | 2 495 615            |  | 2 493 537            |  | -                                 |  | 19 217              |  | 2 512 754            |  |
| Office of the Chief Justice                       | 1 333 214            |  | 1 333 214            |  | 9 347                             |  | -                   |  | 1 323 867            |  |
| ALM (National Revenue Fund Payments) <sup>1</sup> | 2 080 165            |  | 2 147 376            |  | -                                 |  | -                   |  | 2 147 376            |  |
| Transport   | 13 128               |  | 13 128               |  | 5 373                             |  | -                   |  | 7 755                |  |
| <b>Total</b>                                      | <b>1 200 721 948</b> |  | <b>1 263 618 455</b> |  | <b>36 920</b>                     |  | <b>19 300</b>       |  | <b>1 263 600 835</b> |  |

<sup>1</sup>National Revenue Fund payments (previously known as extra-ordinary payments) are also included in expenditure in line with global standards in particular the International Monetary Fund's Government Finance Statistics Manual 2001. Detailed information on these transactions is provided in working paper 4F.

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 1B

STATEMENT OF EQUITABLE SHARE/STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS  
AT 31 MARCH 2024

| Name of Department                                | Appropriation Act    | Funds transferred    | Statutory funds to be surrendered | Outstanding Request | Net Appropriation    |
|---|----------------------|----------------------|-----------------------------------|---------------------|----------------------|
|   | R 000                | R 000                | R 000                             | R 000               | R 000                |
| Presidency  | 14 091               | 14 091               | 1 706                             | -                   | 12 385               |
| Parliament  | 471 709              | 471 709              | -                                 | 71 200              | 542 909              |
| National Treasury                                 |                      |                      |                                   |                     |                      |
| Provinces   | 585 085 919          | 585 085 919          | -                                 | -                   | -                    |
| General Fuel Levy                                 | 15 433 498           | 15 433 498           | -                                 | -                   | 585 085 919          |
| Auditor General of South Africa                   | 123 052              | 123 052              | -                                 | -                   | 15 433 498           |
| Land Bank   |                      |                      |                                   |                     | 123 052              |
| Section 70 of the PFMA payment                    | 502 000              | 502 000              | 2 137                             | -                   | 499 863              |
| Eskom Debt Relief Act 2023                        | 76 000 000           | 76 000 000           | -                                 | -                   | 76 000 000           |
| State Debt Cost                                   |                      |                      |                                   |                     |                      |
| Interest  | 355 920 933          | 355 959 571          | -                                 | -                   | 355 959 571          |
| Management  | 60 000               | 43 850               | -                                 | 8                   | 43 858               |
| Cost of raising loans                             | 160 000              | 79 000 049           | -                                 | -                   | 79 000 049           |
| Higher Education and Training                     | 22 712 959           | 22 135 968           | -                                 | 288 495             | 22 424 463           |
| Justice and Constitutional Development            | 2 398 746            | 2 398 746            | 79 821                            | -                   | 2 318 925            |
| Office of the Chief Justice                       | 1 238 704            | 1 238 704            | 19 950                            | -                   | 1 218 754            |
| ALM (National Revenue Fund Payments) <sup>1</sup> | 645 854              | 1 093 075            | -                                 | -                   | 1 093 075            |
| Transport   | 12 564               | 12 564               | 4 988                             | -                   | 7 576                |
| <b>Total</b>                                      | <b>1 060 780 029</b> | <b>1 139 512 796</b> | <b>108 602</b>                    | <b>359 703</b>      | <b>1 139 763 897</b> |

<sup>1</sup>National Revenue Fund payments (previously known as extra-ordinary payments) are also included in expenditure in line with global standards in particular the International Monetary Fund's Government Finance Statistics Manual 2001. Detailed information on these transactions is provided in working paper 4F.

WORKING PAPER 1C

STATEMENT OF CRIMINAL ASSET RECOVERY ACCOUNT (CARA) RECEIPTS

|                                   | 2024/25          |                                 | 2023/24         |                                 |
|-----------------------------------|------------------|---------------------------------|-----------------|---------------------------------|
|                                   | Amount Received  | Amount Received by Revenue Fund | Amount Received | Amount Received by Revenue Fund |
|                                   | R 000            | R 000                           | R 000           | R 000                           |
| <b>Non-operating Income Items</b> |                  |                                 |                 |                                 |
| CARA                              | 1 205 238        | 1 205 238                       | 847 180         | 847 180                         |
| <b>Total</b>                      | <b>1 205 238</b> | <b>1 205 238</b>                | <b>847 180</b>  | <b>847 180</b>                  |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 2A

### STATEMENT OF REVENUE COLLECTED BY SARS

| Revenue Items                                | 2024/25<br>Amount Collected<br>R 000 | 2023/24<br>Amount Collected<br>R 000 |
|--|--------------------------------------|--------------------------------------|
|  |                                      |                                      |
| <b>Taxation</b>                              |                                      |                                      |
| Income tax                                   | 1 100 529 906                        | 1 008 555 804                        |
| Value-added tax / Sales tax                  | 457 788 790                          | 447 556 730                          |
| Fuel levies                                  | 85 882 627                           | 91 508 106                           |
| General Fuel Levy                            | 90 851 553                           | 91 906 649                           |
| Carbon Fuel Levy                             | 3 111 808                            | 2 596 736                            |
| Diesel Refunds                               | (13 571 697)                         | (7 279 903)                          |
| Diesel Refunds- Road Accident Fund Levy*     | 5 490 963                            | 4 284 624                            |
| Customs duties                               | 75 136 294                           | 69 363 764                           |
| Excise duties                                | 64 126 253                           | 58 732 533                           |
| Skills Development Levy                      | 24 447 989                           | 22 604 347                           |
| Environmental levy                           | 14 095 403                           | 13 229 764                           |
| Transfer duties                              | 11 366 699                           | 9 581 333                            |
| Securities transfer tax                      | 5 958 032                            | 5 484 989                            |
| Southern African Customs Union member duties | 4 085 446                            | 3 321 859                            |
| Estate duty                                  | 4 035 861                            | 3 532 501                            |
| State miscellaneous revenue                  | 2 442 952                            | 2 639 347                            |
| Health promotion levy                        | 2 422 665                            | 2 359 484                            |
| Donations Tax                                | 1 144 498                            | 801 097                              |
| Air Passenger Tax                            | 1 021 318                            | 945 694                              |
| Export Duty and Scrap Metal                  | 467 243                              | 411 108                              |
| Other Taxation Revenue                       | 318 156                              | 241 424                              |
| <b>Total Taxation</b>                        | <b>1 855 270 132</b>                 | <b>1 740 869 884</b>                 |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 2A (CONTINUED)

### STATEMENT OF REVENUE COLLECTED BY SARS

| Revenue Items                               | 2024/25              |  | 2023/24              |  |
|---|----------------------|--|----------------------|--|
|   | Amount Collected     |  | Amount Collected     |  |
|   | R 000                |  | R 000                |  |
| <b>Non-taxation</b>                         |                      |  |                      |  |
| Road accident fund levy                     | 47 347 385           |  | 48 545 535           |  |
| Mineral and petroleum resource royalty      | 25 570 180           |  | 24 414 477           |  |
| Unemployment Insurance Fund (UIF)           | 10 636 083           |  | 15 979 465           |  |
| Other non-taxation revenue                  | (26 959)             |  | -                    |  |
| <b>Total Non-taxation</b>                   | <b>83 526 689</b>    |  | <b>88 939 477</b>    |  |
| <b>Total Revenue</b>                        | <b>1 938 796 821</b> |  | <b>1 829 809 361</b> |  |
| Less: South African Customs Union Agreement | 89 874 115           |  | 79 810 981           |  |
| Less: Payment to UIF                        | 23 326 062           |  | 22 266 261           |  |
| Less: Payable by SARS to UIF                | 2 244 118            |  | 2 148 216            |  |
| Less: Payment to RAF                        | 47 357 882           |  | 48 573 277           |  |
| Less: Payable by SARS to RAF                | 17 245               |  | (179 103)            |  |
| <b>Net Revenue for the Year</b>             | <b>1 775 977 399</b> |  | <b>1 677 189 729</b> |  |
| <b>Amount payable by SARS to UIF</b>        |                      |  |                      |  |
| Amount collected by SARS                    | 25 570 180           |  | 24 414 477           |  |
| Less: Amount requested by UIF               | 23 326 062           |  | 22 266 261           |  |
|   | <b>2 244 118</b>     |  | <b>2 148 216</b>     |  |
| <b>Amount payable by SARS to RAF</b>        |                      |  |                      |  |
| Amount collected by SARS                    | 47 347 385           |  | 48 545 535           |  |
| Less: Amount requested by RAF               | 47 357 882           |  | 48 573 277           |  |
| <b>Sub total</b>                            | <b>(10 497)</b>      |  | <b>(27 742)</b>      |  |
| Recover/(refund) of receivable/(payable)    | (27 742)             |  | (151 361)            |  |
| <b>Total amount payable by SARS to RAF</b>  | <b>17 245</b>        |  | <b>(179 103)</b>     |  |

\*The disclosure of the "Road Accident Fund Recoupment" has been amended to "Diesel Refunds-Road Accident Fund Levy". This amendment aims to provide a clearer and more accurate representation of financial activities, thereby enhancing the clarity and transparency of the Financial Accounts.

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 2B

### STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2025

|  | National Revenue Fund receipts | Sales of goods and services other than capital assets |        | Fines penalties and forfeits | Interest dividends and rent on land | Sale of capital assets |             | Financial transactions in assets and liabilities |             | Transfers received | Total received | Amount Received by Revenue Fund |
|--|--------------------------------|---|--------|------------------------------|-------------------------------------|------------------------|-------------|--|-------------|--------------------|----------------|---------------------------------|
|  |                                | R   | 000    |                              |                                     | R                      | 000         | R  | 000         |                    |                |                                 |
| Name of department   |                                |   |        |                              |                                     |                        |             |  |             |                    |                |                                 |
| The Presidency<br>Cooperative Governance<br>Home Affairs<br>International Relations and Cooperation<br>Traditional Affairs<br>Planning Monitoring and Evaluation<br>Public Works and Infrastructure<br>Women, Youth and Persons with disability<br>Government Communication and Inform<br>National Treasury<br>NRF Receipts: Gold and foreign Exchange<br>SARB contingency reserve to be refunded under the Amended Defrayal Act<br>Vodacom Shares<br>Public Enterprises<br>Public Service Commission<br>National School of Government<br>Public Service and Administration<br>Centre for Public Service Innovation<br>Statistics SA<br>Sport, Arts & Culture<br>Basic Education<br>Higher Education and Training<br>Health<br>Employment and Labour<br>Social Development | -                              | 279   | -      | 19                           | -                                   | -                      | 110         | -  | 408         | -                  | 414            |                                 |
|  | -                              | 249   | -      | 2 694                        | 332                                 | -                      | 1 890       | -  | 5 165       | -                  | 5 295          |                                 |
|  | -                              | 1 348 933   | 1 960  | 612                          | 4 204                               | -                      | 36 259      | -  | 1 391 968   | -                  | 1 432 378      |                                 |
|  | -                              | 860   | -      | 840                          | 137 743                             | -                      | 52 148      | -  | 191 591     | -                  | 186 087        |                                 |
|  | -                              | 60  | -      | -                            | -                                   | -                      | -           | 60   | -           | -                  | 60             |                                 |
|  | -                              | 106   | -      | 39                           | 71                                  | -                      | 887         | -  | 1 103       | -                  | 987            |                                 |
|  | -                              | 341   | 74     | 11 082                       | -                                   | -                      | 5 741       | -  | 17 238      | -                  | 4 224          |                                 |
|  | -                              | 145   | 118    | -                            | 76                                  | -                      | 211         | -  | 550         | -                  | 805            |                                 |
|  | -                              | 13 176  | -      | 97                           | -                                   | -                      | 327         | -  | 13 600      | -                  | 17 548         |                                 |
|  | -                              | 353 859   | -      | 10 123 653                   | -                                   | -                      | 200 031 697 | -  | 210 509 209 | -                  | 207 570 954    |                                 |
|  | -                              | -   | -      | -                            | -                                   | -                      | 100 000 000 | -  | 100 000 000 | -                  | 100 000 000    |                                 |
|  | -                              | -   | -      | -                            | -                                   | -                      | 100 000 000 | -  | 100 000 000 | -                  | 100 000 000    |                                 |
|  | -                              | -   | -      | -                            | -                                   | -                      | 10 607      | -  | 10 607      | -                  | 10 607         |                                 |
|  | -                              | 69  | -      | -                            | 70                                  | -                      | 672         | -  | 811         | -                  | 1 412          |                                 |
|  | -                              | 113   | -      | 22                           | 8                                   | -                      | 118         | -  | 261         | -                  | 230            |                                 |
|  | -                              | 47  | -      | -                            | 60                                  | -                      | 177         | -  | 284         | -                  | 284            |                                 |
|  | -                              | 174   | -      | 29                           | 388                                 | -                      | 520         | -  | 1 111       | -                  | 1 113          |                                 |
|  | -                              | 5   | -      | -                            | -                                   | -                      | 68          | -  | 73          | -                  | 64             |                                 |
|  | -                              | 951   | -      | 141                          | 7                                   | -                      | 1 120       | -  | 2 219       | -                  | 1 105          |                                 |
|  | -                              | 287   | -      | 51                           | 27                                  | -                      | 7 015       | -  | 7 380       | -                  | 60 623         |                                 |
| -  | 3 659                          | -   | 1 859  | 246                          | -                                   | 6 155                  | -           | 11 919   | -           | 8 463              |                |                                 |
| -  | 12 225                         | -   | 3 938  | -                            | -                                   | 860 014                | -           | 876 177  | -           | 877 148            |                |                                 |
| -  | 428 534                        | -   | 15 422 | 356                          | -                                   | 216 312                | -           | 660 624  | -           | 599 879            |                |                                 |
| -  | 12 828                         | 2 028   | 3 661  | 4 425                        | -                                   | 10 078                 | -           | 33 020   | -           | 27 437             |                |                                 |
| -  | 5                              | -   | 10 089 | -                            | -                                   | 31 875                 | -           | 41 969   | -           | 44 174             |                |                                 |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 2B (CONTINUED)

### STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2025

| Name of department  | National Revenue Fund receipts | Sales of goods and services other than capital assets |                | Fines penalties and forfeits | Interest dividends and rent on land | Sale of capital assets |                    | Financial transactions in assets and liabilities | Transfers received | Total received     | Amount Received by Revenue Fund |
|---|--------------------------------|---|----------------|------------------------------|-------------------------------------|------------------------|--------------------|--|--------------------|--------------------|---------------------------------|
|   |                                | R 000   | R 000          |                              |                                     | R 000                  | R 000              |  |                    |                    | R 000                           |
| Correctional Services   | -                              | 154 230   | 14 292         | 14 292                       | 135                                 | 6 386                  | 41 443             | -  | -                  | 216 486            | 215 637                         |
| Defence   | -                              | 533 515   | 1 260          | 1 260                        | 10 386                              | 25 253                 | 46 180             | 1 411 486  | -                  | 2 028 080          | 1 901 397                       |
| Military Veterans   | -                              | 44  | -              | -                            | 13                                  | -                      | 2 103              | -  | -                  | 2 160              | 4 060                           |
| Independent Police Investigative Direct                             | -                              | 157   | -              | -                            | 14                                  | 2 214                  | 1 196              | -  | -                  | 3 581              | 2 758                           |
| Justice and Constitutional Development                              | -                              | 236 809   | 208 937        | 208 937                      | 42 278                              | 2 165                  | 63 551             | 2 424  | -                  | 556 164            | 479 843                         |
| Office of the Chief Justice   | -                              | 650   | 270            | 270                          | -                                   | 390                    | 980                | -  | -                  | 2 290              | 2 147                           |
| Police  | -                              | 443 791   | 50 716         | 50 716                       | 3 866                               | 161 942                | 145 645            | -  | -                  | 805 960            | 788 268                         |
| Civilian Secretariat for the Police Service                         | -                              | 73  | -              | -                            | -                                   | 98                     | -                  | -  | -                  | 171                | 197                             |
| Agriculture, Land Reform and Rural Development                      | -                              | 315 322   | -              | -                            | 60 538                              | 2 101                  | 60 276             | 341  | -                  | 438 578            | 414 590                         |
| Communication and Digital Technologies                              | -                              | 1 848 597   | -              | -                            | 2 746                               | -                      | 321                | -  | -                  | 1 851 664          | 1 860 242                       |
| which includes Independent Communications Authority of South Africa | -                              | 1 848 505   | -              | -                            | -                                   | -                      | -                  | -  | -                  | 1 848 505          | 1 848 505                       |
| Small Business Development  | -                              | 64  | 11             | 11                           | 203                                 | 240                    | 503 106            | 211  | -                  | 503 835            | 506 144                         |
| Forestry, Fisheries and the Environment                             | -                              | 27 399  | 1 185          | 1 185                        | 5 006                               | 198                    | 47 246             | -  | -                  | 81 034             | 71 656                          |
| Human Settlements   | -                              | 274   | -              | -                            | 383                                 | -                      | 1 037              | -  | -                  | 1 694              | 1 739                           |
| Mineral Resources and Energy  | -                              | 27 223  | 5 773          | 5 773                        | 20 345                              | -                      | 530                | -  | -                  | 53 871             | 50 923                          |
| Science and Innovation  | -                              | 78  | -              | -                            | 46                                  | -                      | 5 237              | -  | -                  | 5 361              | 16 507                          |
| Tourism   | -                              | 175   | -              | -                            | 91 549                              | 33                     | 1 101              | -  | -                  | 92 858             | 92 930                          |
| Trade, Industry and Competition                                     | -                              | 806   | 96 856         | 96 856                       | 58 328                              | 130                    | 57 905             | 8 125  | -                  | 222 150            | 214 087                         |
| which includes Competition Commission                               | -                              | -   | -              | -                            | -                                   | -                      | -                  | -  | -                  | 4 637 024          | 4 636 952                       |
| Transport   | -                              | 3 807 429   | -              | -                            | 804 208                             | 787                    | 24 600             | -  | -                  | 3 805 724          | 3 805 724                       |
| Gauteng Freeway Improvement Contribution                            | -                              | 3 805 724   | -              | -                            | -                                   | -                      | -                  | -  | -                  | -                  | -                               |
| Water and Sanitation  | -                              | 1 762   | 1 050          | 1 050                        | 6 069                               | 241                    | 30 780             | -  | -                  | 39 902             | 7 031                           |
| Refunds for previous financial years                                | -                              | -   | -              | -                            | -                                   | -                      | -                  | -  | -                  | -                  | -                               |
| Police  | -                              | (20 808)  | -              | -                            | -                                   | -                      | -                  | -  | -                  | (20 808)           | (20 808)                        |
| <b>Total</b>  | <b>-</b>                       | <b>9 554 495</b>                                      | <b>384 530</b> | <b>384 530</b>               | <b>11 280 361</b>                   | <b>350 191</b>         | <b>202 296 631</b> | <b>1 422 587</b>                                 | <b>225 288 795</b> | <b>222 086 957</b> | <b>222 086 957</b>              |

\* See disclosure note on restatements for more details

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 2B (CONTINUED)

### STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2024

| Name of Department                       | National Revenue Fund receipts | Sales of goods and services other than capital assets | Fines penalties and forfeits | Interest dividends and rent on land | Sale of capital assets | Financial transactions in assets and liabilities | Transfers received | Total received | Amount Received by Revenue Fund |
|--|--------------------------------|---|------------------------------|-------------------------------------|------------------------|--|--------------------|----------------|---------------------------------|
|  | R 000                          | R 000   | R 000                        | R 000                               | R 000                  | R 000  | R 000              | R 000          | R 000                           |
| The Presidency                           | -                              | 272   | -                            | 19                                  | -                      | 341  | -                  | 632            | 626                             |
| Cooperative Governance                   | -                              | 228   | -                            | 2 685                               | -                      | 4 528  | -                  | 7 441          | 12 276                          |
| Home Affairs*                            | -                              | 692 971   | 12 167                       | 3 829                               | 643                    | 19 389   | -                  | 728 999        | 1 869 423                       |
| International Relations and Cooperation  | -                              | 878   | -                            | 1 098                               | 2 854                  | 65 679   | -                  | 70 509         | 157 866                         |
| Traditional Affairs                      | -                              | 211   | -                            | -                                   | -                      | -  | -                  | 211            | 211                             |
| Planning Monitoring and Evaluation       | -                              | 82  | -                            | 16                                  | 1 286                  | 1 824  | -                  | 3 208          | 2 861                           |
| Public Works and Infrastructure          | -                              | 322   | 51                           | 10 593                              | -                      | 21 204   | -                  | 32 170         | 45 767                          |
| Women, Youth and Persons with disability | -                              | 138   | -                            | -                                   | 56                     | 260  | -                  | 454            | 287                             |
| Government Communication and Inform      | -                              | 6 391   | -                            | 60                                  | -                      | 90   | -                  | 6 541          | 1 948                           |
| National Treasury                        | -                              | 4 107   | -                            | 12 620 660                          | 681                    | 60 998   | -                  | 12 686 446     | 12 537 675                      |
| Public Enterprises                       | -                              | 70  | -                            | -                                   | -                      | 870  | -                  | 940            | 331                             |
| Public Service Commission                | -                              | 118   | -                            | 24                                  | 32                     | 201  | -                  | 375            | 361                             |
| National School of Government            | -                              | 38  | -                            | 1                                   | 5                      | 246  | -                  | 290            | 326                             |
| Public Service and Administration        | -                              | 178   | -                            | 32                                  | 135                    | 154  | -                  | 499            | 502                             |
| Centre for Public Service Innovation     | -                              | 4   | -                            | -                                   | -                      | 1  | -                  | 5              | 5                               |
| Statistics SA                            | -                              | 1 082   | -                            | 70                                  | 14                     | 652  | -                  | 1 818          | 1 800                           |
| Sport, Arts & Culture                    | -                              | 329   | -                            | 77                                  | 271                    | 67 691   | -                  | 68 368         | 13 974                          |
| Basic Education                          | -                              | 3 552   | -                            | 2 171                               | 13                     | 6 265  | -                  | 12 001         | 15 212                          |
| Higher Education and Training            | -                              | 11 164  | -                            | 1 430                               | -                      | 4 069  | -                  | 16 663         | 45 308                          |
| Health                                   | -                              | 100 067   | -                            | 13 818                              | -                      | 25 328   | -                  | 139 213        | 163 783                         |
| Employment and Labour                    | -                              | 11 145  | 820                          | 2 762                               | 1 783                  | 5 198  | -                  | 21 708         | 21 082                          |
| Social Development                       | -                              | -   | -                            | 6 857                               | -                      | 52 582   | -                  | 59 439         | 347 959                         |
| Correctional Services                    | -                              | 172 312   | 14 880                       | 214                                 | 4 050                  | 41 243   | -                  | 232 699        | 234 061                         |
| Defence                                  | -                              | 570 717   | 1 731                        | 9 454                               | 7 564                  | 92 626   | 583 867            | 1 265 959      | 1 372 547                       |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 2B (CONTINUED)

### STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2024

| Name of Department   | National Revenue Fund receipts | Sales of goods and services other than capital assets | Fines penalties and forfeits | Interest dividends and rent on land | Sale of capital assets | Financial transactions in assets and liabilities | Transfers received | Total received    | Amount Received by Revenue Fund |
|--|--------------------------------|---|------------------------------|-------------------------------------|------------------------|--|--------------------|-------------------|---------------------------------|
|  | R 000                          | R 000   | R 000                        | R 000                               | R 000                  | R 000  | R 000              | R 000             | R 000                           |
| Military Veterans  | -                              | 42  | -                            | 9                                   | -                      | 3 070  | -                  | 3 121             | 2 204                           |
| Independent Police Investigative Direct Justice and Constitutional Development | -                              | 143   | -                            | 5                                   | 897                    | 979  | -                  | 2 024             | 2 021                           |
| Office of the Chief Justice  | -                              | 242 628   | 206 666                      | 859                                 | 845                    | 39 121   | 8 053              | 498 172           | 481 827                         |
| Police   | -                              | 636   | 189                          | -                                   | 492                    | 1 397  | -                  | 2 714             | 3 987                           |
| Civilian Secretariat for the Police Service                                    | -                              | 399 329   | 56 290                       | 2 320                               | 162 284                | 130 201  | -                  | 750 424           | 745 961                         |
| Agriculture, Land Reform and Rural Development                                 | -                              | 48  | -                            | -                                   | -                      | -  | -                  | 48                | 16                              |
| Communication and Digital Technologies   | -                              | 282 702   | -                            | 42 486                              | 6 599                  | 23 519   | 102                | 355 408           | 355 474                         |
| which includes Independent   | -                              | 7 763 723   | -                            | 7 507                               | -                      | 9 089  | -                  | 7 780 319         | 7 771 746                       |
| Communications Authority of South Africa                                       | -                              | 7 763 650   | -                            | -                                   | -                      | -  | -                  | 7 763 650         | 7 763 650                       |
| Small Business Development   | -                              | 62  | 3                            | 1 212                               | -                      | 1 142  | -                  | 2 419             | 108                             |
| Forestry, Fisheries and the Environment  | -                              | 24 550  | 7 307                        | 3 938                               | 273                    | 34 484   | -                  | 70 552            | 67 488                          |
| Human Settlements  | -                              | 236   | -                            | 842                                 | -                      | 781  | -                  | 1 859             | 1 817                           |
| Mineral Resources and Energy   | -                              | 2 023 809   | 4 315                        | 20 438                              | -                      | 399  | -                  | 2 048 961         | 2 048 928                       |
| which includes Central Energy Fund   | -                              | 2 000 000   | -                            | -                                   | -                      | -  | -                  | 2 000 000         | 2 000 000                       |
| Science and Innovation   | -                              | 80  | -                            | 57                                  | 407                    | 5 894  | -                  | 6 438             | 6 362                           |
| Tourism  | -                              | 178   | -                            | 64 730                              | 752                    | 939  | -                  | 66 599            | 101 624                         |
| Trade, Industry and Competition  | -                              | 238 692   | 71 507                       | 527                                 | 253                    | 137 418  | 7 845              | 456 242           | 451 069                         |
| which includes Competition Commission  | -                              | 237 906   | -                            | -                                   | -                      | -  | -                  | 237 906           | 237 906                         |
| Transport  | -                              | 1 165   | -                            | 329                                 | -                      | 1 728  | -                  | 3 222             | 3 184                           |
| Water and Sanitation   | -                              | 1 828   | 450                          | 128                                 | 145                    | 1 301  | -                  | 3 852             | 22 628                          |
| Refunds for previous financial years   | -                              | (26 430)  | -                            | -                                   | -                      | -  | -                  | (26 430)          | -                               |
| Police   | -                              | -   | -                            | -                                   | -                      | -  | -                  | -                 | -                               |
| <b>Total</b>   | -                              | <b>12 529 797</b>                                     | <b>376 376</b>               | <b>12 821 257</b>                   | <b>192 334</b>         | <b>862 901</b>                                   | <b>599 867</b>     | <b>27 382 532</b> | <b>28 886 205</b>               |



UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)  
FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 2C  
STATEMENT OF NATIONAL REVENUE FUND RECEIPTS

| Premium Received   | 2024/25          |  | 2023/24           |  |
|--|------------------|--|-------------------|--|
|  | Amount           |  | Amount            |  |
|  | Received by      |  | Received by       |  |
| Items  | Revenue Fund     |  | Revenue Fund      |  |
|  | R 000            |  | R 000             |  |
| <b>Non- Cash</b>   | <b>8 461 732</b> |  | <b>19 034 942</b> |  |
| Revenue Fund Receipts: Penalties on Retail Bonds             | 7 830            |  | 8 207             |  |
| Revenue Fund Receipts: Premium on Bonds issued               | 1 194 229        |  | 307 579           |  |
| Revenue Fund Receipts: Profit on Foreign Currency Investment | 7 020 639        |  | 18 714 044        |  |
| Revenue Fund Receipts: Premium Received                      | 238 737          |  | 5 112             |  |
| Revenue Fund Receipts: Profit on Scriptlending               | 297              |  | -                 |  |
| <b>Total</b>   | <b>8 461 732</b> |  | <b>19 034 942</b> |  |

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 3A

STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS

| Name of Department                             | 2024/25                                |     | 2023/24                                |     |
|--|--|-----|--|-----|
|  | Appropriated funds/<br>Equitable Share |     | Appropriated funds/<br>Equitable Share |     |
|  | R                                      | 000 | R                                      | 000 |
| Presidency                                     | 1 706                                  |     | 77 423                                 |     |
| Cooperative Governance and Traditional Affairs | 3 258 461                              |     | 4 318 357                              |     |
| Home Affairs                                   | -                                      |     | 398 203                                |     |
| International Relations and Cooperation        | -                                      |     | 76 761                                 |     |
| Planning Monitoring and Evaluation             | 28 030                                 |     | 38 795                                 |     |
| Public Works and Infrastructure                | 101 924                                |     | 242 576                                |     |
| Women, Youth and Persons with Disabilities     | 2 321                                  |     | 8 455                                  |     |
| Communications and Digital Technologies        | 32 530                                 |     | 1                                      |     |
| National Treasury                              | 277 365                                |     | 1 346 263                              |     |
| Public Enterprise                              | 16 878                                 |     | 256 941                                |     |
| Public Service and Administration              | 34 071                                 |     | 34 402                                 |     |
| Statistics SA                                  | 47 396                                 |     | 9 768                                  |     |
| Sport, Arts and Culture                        | 23 912                                 |     | 68 787                                 |     |
| Basic Education                                | 67 353                                 |     | 42 680                                 |     |
| Health   | 237 847                                |     | 1 637 002                              |     |
| Higher Education and Training                  | 117 182                                |     | 462 915                                |     |
| Employment and Labour                          | 20 734                                 |     | 210 657                                |     |
| Social Development                             | 1 593 633                              |     | 6 133 033                              |     |
| Correctional Services                          | -                                      |     | 106 745                                |     |
| Independent Police Investigative Directorate   | 304                                    |     | 4 518                                  |     |
| Justice and Constitutional Development         | 79 821                                 |     | 226 630                                |     |
| Office of the Chief Justice                    | 19 950                                 |     | 160 550                                |     |
| Police   | 1                                      |     | 55 078                                 |     |
| Agriculture, Land Reform and Rural Development | 43 327                                 |     | 599 179                                |     |
| Mineral Resources and Energy                   | 390 613                                |     | 328 952                                |     |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 3A (CONTINUED)

### STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS

| Name of Department                          | 2024/25   | 2023/24   |
|---|---|---|
|   | Appropriated funds/<br>Equitable Share<br>R 000 | Appropriated funds/<br>Equitable Share<br>R 000 |
| Forestry, Fisheries and the Environment     | 70 321  | 168 022   |
| Human Settlements                           | 531 060   | 620 749   |
| Science and Innovation                      | 90 935  | 24 405  |
| Tourism                                     | 88 292  | 28 639  |
| Trade, Industry and Competition             | 51 073  | 115 123   |
| Transport                                   | 327 967   | 601 520   |
| Water and Sanitation                        | 44 327  | 861 594   |
| Small Business Development                  | 44 481  | 18 969  |
| Asset and Liability Management              | -   | 37  |
| Civilian Secretariat for the Police Service | 3 921   | 3 279   |
| Public Service Commission                   | -   | 16 614  |
| Traditional Affairs                         | 6 308   | 5 691   |
| National School of Government               | 2 942   | 11 047  |
| Military Veterans                           | 260 352   | 54 423  |
| Government Communication and Information    | 5 178   | 5 758   |
| Rounding                                    | -   | (23)  |
| <b>Total</b>                                | <b>7 922 518</b>                                | <b>19 380 518</b>                               |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 3B

### STATEMENT OF OTHER SURRENDERS

| Name of Department                                  | 2024/25            |     | 2023/24            |     |
|---|--------------------|-----|--------------------|-----|
|   | Amount Surrendered |     | Amount Surrendered |     |
|   | R                  | 000 | R                  | 000 |
| <b>National Departments</b>                         |                    |     |                    |     |
| Rounding of surrenders received in excess           | 2                  |     | -                  |     |
| Centre for Public Service Innovation                | 1 630              |     | 4 519              |     |
| Asset and Liability Management                      | 39                 |     | -                  |     |
| <b>Public Entities</b>                              | <b>1 632 139</b>   |     | <b>2 763 437</b>   |     |
| South African Social Security Agency                | 514 144            |     | 292 933            |     |
| National Empowerment Fund                           | 708 102            |     | -                  |     |
| South African Tourism                               | 229 144            |     | 1 000              |     |
| National Youth Development Agency                   | -                  |     | 8 881              |     |
| Inkomati Usuthu Catchment                           | 17 937             |     | -                  |     |
| National Development Agency                         | 3 904              |     | -                  |     |
| Community Scheme Ombud Services                     | 103 838            |     | -                  |     |
| Commission on Gender Equality                       | -                  |     | 5 675              |     |
| Universal Service and Access Agency of South Africa | -                  |     | 153 690            |     |
| National Student Financial Aid Scheme               | -                  |     | 55 068             |     |
| Valuer General                                      | -                  |     | 21 900             |     |
| Municipal Infrastructure Support Agency             | 53 770             |     | -                  |     |
| Government Printing Works                           | -                  |     | 1 194 977          |     |
| Freedom park  | -                  |     | 22 396             |     |
| South African Medical Research Council              | -                  |     | 20 275             |     |
| Housing Development Agency                          | -                  |     | 367 432            |     |
| Social Housing Regulatory Authority                 | -                  |     | 282 400            |     |
| National Housing Finance Corporation                | -                  |     | 191 883            |     |
| DTIC - CIPC   | -                  |     | 144 926            |     |
| South African National Energy Development Institute | 1 300              |     | -                  |     |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 3B (CONTINUED)

### STATEMENT OF OTHER SURRENDERS

| Name of Department                   | 2024/25<br>Amount Surrendered<br>R 000 | 2023/24<br>Amount Surrendered<br>R 000 |
|--------------------------------------|--|--|
| <b>Conditional Grants</b>            | <b>936 153</b>                         | <b>3 564 100</b>                       |
| Basic Education: Gauteng             | 240                                    | 26 197                                 |
| Basic Education: Free State          | 7 519                                  | 43 221                                 |
| Basic Education: Limpopo             | 53 041                                 | 59 744                                 |
| Basic Education: Eastern Cape        | 16 140                                 | 44 791                                 |
| Basic Education: Kwazulu Natal       | -                                      | 38 811                                 |
| Basic Education: Northern Cape       | -                                      | 9 456                                  |
| Basic Education: Mpumalanga          | 5 279                                  | 50 224                                 |
| Basic Education: North West          | 10 033                                 | 297 232                                |
| Health: Limpopo                      | 193 296                                | 2 671                                  |
| Health: Northern Cape                | -                                      | 83 885                                 |
| Health: North West                   | -                                      | 32 379                                 |
| Health: Mpumalanga                   | -                                      | 12 884                                 |
| Health: Free State                   | -                                      | 909                                    |
| Health: Eastern Cape                 | -                                      | 3 344                                  |
| Health: Gauteng                      | -                                      | 1 455 561                              |
| Human Settlement: Free State         | 6 976                                  | 607 914                                |
| Human Settlement: North West         | 31 006                                 | 308                                    |
| Human Settlement: Gauteng            | 147 684                                | 7 883                                  |
| Human Settlement: Limpopo            | 791                                    | -                                      |
| Human Settlement: Mpumalanga         | 86                                     | 7                                      |
| Human Settlement: Northern Cape      | 21                                     | -                                      |
| Human Settlement: Eastern Cape       | 105                                    | 4                                      |
| Human Settlement: Western Cape       | 225 539                                | -                                      |
| Sports Arts & Culture: Northern Cape | -                                      | 3 894                                  |
| Sports Arts & Culture: Mpumalanga    | 1                                      | 4 135                                  |
| Sports Arts & Culture: Limpopo       | 918                                    | 9 490                                  |
| Sports Arts & Culture: Free State    | -                                      | 1                                      |
| Sports Arts & Culture: Eastern Cape  | 378                                    | 5 687                                  |
| Sports Arts & Culture: Gauteng       | 22 926                                 | 44 290                                 |
| Sports Arts & Culture: North West    | 8 439                                  | 20 077                                 |
| Sports Arts & Culture: Kwazulu Natal | -                                      | 5                                      |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 3B (CONTINUED)

### STATEMENT OF OTHER SURRENDERS

| Name of Department  | 2024/25                     |  | 2023/24                     |  |
|---|-----------------------------|--|-----------------------------|--|
|   | Amount Surrendered<br>R 000 |  | Amount Surrendered<br>R 000 |  |
| Public Works: Eastern Cape                                    | 5                           |  | 6 794                       |  |
| Public Works: Free State                                      | 538                         |  | 1 429                       |  |
| Public Works: Gauteng   | 1 354                       |  | 263                         |  |
| Public Works: Limpopo   | 438                         |  | 2 265                       |  |
| Public Works: Mpumalanga                                      | 33                          |  | 2 070                       |  |
| Public Works: Kwazulu Natal                                   | -                           |  | 98                          |  |
| Public Works: Western Cape                                    | -                           |  | 58                          |  |
| Public Works: Northern Cape                                   | 12 835                      |  | 1 974                       |  |
| Public Works: Northern Cape                                   | 322                         |  | 751                         |  |
| Social Development: Kwazulu Natal                             | 396                         |  | -                           |  |
| Social Development: North West                                | -                           |  | 762                         |  |
| Agriculture, Land Reform and Rural Development: Eastern Cape  | 590                         |  | 16 968                      |  |
| Agriculture, Land Reform and Rural Development: Free State    | 4 273                       |  | 11 312                      |  |
| Agriculture, Land Reform and Rural Development: Gauteng       | 8 252                       |  | 37 749                      |  |
| Agriculture, Land Reform and Rural Development: Limpopo       | 7 777                       |  | 5 248                       |  |
| Agriculture, Land Reform and Rural Development: Mpumalanga    | 14                          |  | 104                         |  |
| Agriculture, Land Reform and Rural Development: Northern Cape | 3                           |  | 174                         |  |
| Agriculture, Land Reform and Rural Development: Northern West | 1 518                       |  | 34 641                      |  |
| Agriculture, Land Reform and Rural Development: North West    | 2 000                       |  | -                           |  |
| Agriculture, Land Reform and Rural Development: Western Cape  | 5 582                       |  | 82 998                      |  |
| Transport: Limpopo  | 31                          |  | 1 091                       |  |
| Transport: Free State   | 106 693                     |  | 486 136                     |  |
| Transport: Gauteng  | 115                         |  | 4 001                       |  |
| Transport: Mpumalanga   | 5 273                       |  | -                           |  |
| Transport: Northern Cape                                      | 2 723                       |  | -                           |  |
| Transport: North West   | 44 970                      |  | 2 210                       |  |
| Transport: Eastern Cape                                       | 39 718                      |  | 293 119                     |  |
| <b>Municipalities</b>   |                             |  | <b>293 119</b>              |  |
| Local Government Surrender                                    | 39 718                      |  | 293 119                     |  |
| <b>Refunds</b>  | <b>(71 898)</b>             |  | <b>(10 290)</b>             |  |
| Human Settlement  | (69 646)                    |  | -                           |  |
| Traditional Affairs   | (2 252)                     |  | -                           |  |
| NT:Elundini Local Govern Surrender Refund                     | -                           |  | (931)                       |  |
| Basic Education   | -                           |  | (9 359)                     |  |
| <b>Total</b>  | <b>2 537 782</b>            |  | <b>6 614 885</b>            |  |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 3C

### STATEMENT OF OTHER REVENUE RECEIVED

| Name of Department                                | 2024/25                        |  | 2023/24                        |  |
|---|--------------------------------|--|--------------------------------|--|
|   | Amount to be Received<br>R 000 | Amount Received by Revenue Fund<br>R 000 | Amount to be Received<br>R 000 | Amount Received by Revenue Fund<br>R 000 |
| <b>Reallocated from Departmental Revenue</b>      |                                |  |                                |  |
| DTI: Various entities                             | -                              | 770                                      | -                              | 316 830                                  |
|   |                                | 770                                      |                                | 316 830                                  |
| <b>Other</b>                                      | -                              | 193 714                                  | -                              | 50 635                                   |
| Prevention of Organised Crime Act (POCA)          |                                | 118                                      |                                | 1 363                                    |
| Financial Intelligence Centre (FIC)               |                                | 7 580                                    |                                | 15 656                                   |
| SARB: Sanctions                                   |                                | 119 610                                  |                                | 20 598                                   |
| Secret Service Account                            |                                | 17 917                                   |                                | 3 686                                    |
| Financial Sector Conduct Authority (FSCA)         |                                | -  |                                | 10                                       |
| Government Pensions Administration Agency (GPAA)  |                                | 7 614                                    |                                | 9 323                                    |
| Asset Forfeiture Unit                             |                                | 40 840                                   |                                | -  |
| South African Diamond & Precious Metals Regulator |                                | 34                                       |                                | -  |
| <b>Total</b>                                      | -                              | 194 484                                  | -                              | 367 465                                  |

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 4A

STATEMENT OF AMOUNTS TRANSFERRED TO DEPARTMENTS FOR PREVIOUS APPROPRIATED FUNDS

| Name of Department                     | 2024/25         |                    | 2023/24         |                    |
|--|-----------------|--------------------|-----------------|--------------------|
|  | Equitable Share | Amount Transferred | Equitable Share | Amount Transferred |
|  | R 000           | R 000              | R 000           | R 000              |
| Asset and Liability Management         | 8               | 8                  | 18              | 18                 |
| Parliament                             | 71 200          | 71 200             | 66 538          | 66 538             |
| National Treasury                      | -               | -                  | 965 130         | 965 130            |
| Communication and Digital Technologies | -               | -                  | 2 293 565       | 2 293 565          |
| Presidency                             | 55 739          | 55 739             | -               | -                  |
| Public Service Commission              | 10 514          | 10 514             | -               | -                  |
| Home Affairs                           | 199 309         | 199 309            | -               | -                  |
| Justice                                | 49 699          | 49 699             | -               | -                  |
| Office of the Chief Justice            | 44 902          | 44 902             | -               | -                  |
| Higher Education                       | 288 496         | 288 496            | -               | -                  |
| International Relations                | 2039            | 2039               | -               | -                  |
| Rounding                               | (2)             | (2)                | -               | -                  |
| Total                                  | 721 904         | 721 904            | 3 325 250       | 3 325 250          |

WORKING PAPER 4B

STATEMENT OF OTHER EXPENDITURE

NOT APPLICABLE TO NRF



UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)  
FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 4C

STATEMENT OF CRIMINAL ASSET RECOVERY ACCOUNT (CARA) PAYMENTS

|                    | 2024/25            |  | 2023/24            |  |
|--------------------|--------------------|--|--------------------|--|
|                    | Amount<br>Approved | Amount<br>transferred by<br>Revenue Fund | Amount<br>Approved | Amount<br>transferred by<br>Revenue Fund |
| Name of Department |                    |  |                    |  |
| CARA               | R 000<br>1 625 036 | R 000<br>1 625 036                       | R 000<br>877 839   | R 000<br>877 839                         |
| Total              | 1 625 036          | 1 625 036                                | 877 839            | 877 839                                  |

WORKING PAPER 4D

STATEMENT OF APPROPRIATED FUNDS NOT RECEIVED FROM NATIONAL GOVERNMENT

NOT APPLICABLE TO NRF

WORKING PAPER 4E

STATEMENT OF OTHER EXPENDITURE IN TERMS OF AN ACT OF PARLIAMENT (WITH FUNDING)

NOT APPLICABLE TO NRF

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 4F

STATEMENT OF ADDITIONAL INFORMATION ON NATIONAL REVENUE FUND PAYMENTS

| Items                               | 2024/25                  |                                    | 2023/24                  |                                    |
|-------------------------------------|--------------------------|------------------------------------|--------------------------|------------------------------------|
|                                     | Amount to be Transferred | Amount Transferred by Revenue Fund | Amount to be Transferred | Amount Transferred by Revenue Fund |
|                                     | R 000                    | R 000                              | R 000                    | R 000                              |
| GFE CRA                             | 28 921                   |                                    | 52 568                   |                                    |
| Premium paid                        | 1 406 403                |                                    | 877 081                  |                                    |
| Loss on Foreign Currency Investment | 710 985                  |                                    | -                        |                                    |
| Loss on Script lending              | 1 067                    |                                    | 414                      |                                    |
| IMF revaluation losses              | -                        |                                    | 163 011                  |                                    |
| Total                               | 2 147 376                | -                                  | 1 093 075                | -                                  |

WORKING PAPER 5A

STATEMENT OF APPROPRIATION FOR UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2025

| Name of Department    | Finance Act No | Financial Year | Unauthorised approved by Finance Act   |                    |  |                    |  |                               |
|-----------------------|----------------|----------------|--|--------------------|--|--------------------|--|-------------------------------|
|                       |                |                | With Funding                           |                    |  | Without Funding    |  |                               |
|                       |                |                | Amount Approved Funded by Revenue Fund | Amount Transferred | Amount Approved Not funded by Revenue Fund | Amount Transferred | Amount Approved Not funded by Revenue Fund | Amount Refunded Funded by NRF |
|                       |                |                | R 000                                  | R 000              | R 000                                      | R 000              | R 000                                      | R 000                         |
| No Finance Act passed |                |                |  |                    |  |                    |  |                               |
| Total                 |                |                | -                                      | -                  | -  | -                  | -  | -                             |

WORKING PAPER 5A

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## STATEMENT OF APPROPRIATION FOR UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2024

|  |                | Unauthorised approved by Finance Act |                    |                                       |             |                                       |               |  |
|--|----------------|--------------------------------------|--------------------|---------------------------------------|-------------|---------------------------------------|---------------|--|
|  |                | With Funding                         |                    |                                       |             | Without Funding                       |               |  |
|  |                | Amount Approved                      | Amount Transferred | Amount Approved                       | Amount      | Amount Approved                       |               |  |
|  | Financial Year | Funded by Revenue by Revenue Fund    | Transferred        | Not funded by Revenue by Revenue Fund | Transferred | Not funded by Revenue by Revenue Fund | Funded by NRF |  |
|  | No             |                                      |                    |                                       |             |                                       |               |  |
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|  |                |                                      |                    |                                       |             |                                       |               |  |
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|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       |             |                                       |               |  |
|  |                |                                      |                    |                                       | </          |                                       |               |  |

**WORKING PAPER 5B**

## STATEMENT OF UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2025

| Name of Department      | Unauthorised Reported  |                        | Unauthorised funded by Revenue Fund and surrendered by departments |        |
|-------------------------|--|------------------------|--|--------|
|                         | Not funded by Revenue Fund (Exceeding of vote) From Working Paper 1A 1B & 1D | Funded by Revenue Fund | Financial Year   | Amount |
|                         |  |                        |  |        |
| Correctional Services   | 677 192  |                        |  |        |
| Defence                 | 2 509 407  |                        |  |        |
| Office of Chief Justice | 238 792  |                        |  |        |
| Presidency              | 39 869   |                        |  |        |
| Cooperate Governance    | 171 523  |                        |  |        |
| Statistics SA           | 83 303   |                        |  |        |
| Total                   | 3 720 086  | -                      | -  | -      |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 5B

### STATEMENT OF UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2024

| Name of Department                      | Unauthorised Reported  |                        | Unauthorised funded by Revenue Fund and surrendered by departments |            |
|---|--|------------------------|--|------------|
|   | Not funded by Revenue Fund<br>(Exceeding of vote)<br>From Working Paper 1A 1B & 1D | Funded by Revenue Fund | Financial Year   | Amount     |
|   | R 000  | R 000                  | R 000  | R 000      |
| Cooperative Governance                  | 84 813   |                        |  |            |
| International Relations and Cooperation | 435 643  |                        |  |            |
| Statistic South Africa                  | 128 307  |                        |  |            |
| Correctiona Services                    | 614 257  |                        |  |            |
| Defence                                 | 3 466 104  |                        |  |            |
| Justice and Constitutional Development  | 287 706  |                        | 2023   | 109        |
| Transport                               | -  |                        |  |            |
| <b>Total</b>                            | <b>5 016 830</b>   | <b>-</b>               |  | <b>109</b> |

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)  
FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 6  
STATEMENT OF FINANCIAL INSTRUMENTS VALUATION AND CAPITAL SUBSCRIPTION  
OF INVESTMENTS

|   | 2024/25            |                     | 2023/24     |  |
|---|--------------------|---------------------|-------------|--|
|   | Amount             |                     | Amount      |  |
|   | R 000              |                     | R 000       |  |
| <b>Capital Subscription on Investments</b>                                  |                    |                     |             |  |
| Paid up Shares in New Development Bank                                      | 1 335 800          |                     | (2 520 500) |  |
| <b>Financial Instrument Valuation</b>                                       | <b>18 682 298</b>  | <b>(81 475 176)</b> |             |  |
| Foreign revaluation reconciliation  | (12 156 588)       | (88 871 912)        |             |  |
| Restatement Foreign revaluation reconciliation                              | -                  | 84 489              |             |  |
| ALM - Movement on Paymaster General Account                                 | 237 585            | (413 808)           |             |  |
| Increase/(decrease) in Investments  | (17 349 772)       | 35 552 450          |             |  |
| Increase/(decrease) in Multi-Lateral Institutions                           | 57 607 186         | (18 707 707)        |             |  |
| Revaluation Exchequer Investments including net movement of ALM restatement | (9 656 110)        | (9 118 688)         |             |  |
| Rounding  | (3)                | (1)                 |             |  |
| <b>Total</b>  | <b>20 018 098</b>  | <b>(83 995 676)</b> |             |  |
| <b>MOVEMENT IN CAPITAL SUBSCRIPTION OF INVESTMENTS</b>                      |                    |                     |             |  |
| <b>New Development Bank purchase price in 2024/25</b>                       | <b>(6 679 000)</b> | <b>12 602 500</b>   |             |  |
| Value of subscription: 1 April 2024   | (6 679 000)        | 12 602 500          |             |  |
| Additional Purchase: Value of subscription                                  | -                  | -                   |             |  |
| <b>MOVEMENT ON MULTILATERAL INSTITUTIONS</b>                                | <b>5 343 200</b>   | <b>(10 082 000)</b> |             |  |
| Value of subscription: 1 April 2024   | 6 679 000          | (12 602 500)        |             |  |
| Net Investment: 1 April 2024  | (1 335 800)        | 2 520 500           |             |  |
| <b>Nett movement</b>  | <b>(1 335 800)</b> | <b>2 520 500</b>    |             |  |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 7A

### STATEMENT OF CURRENT INVESTMENTS

Not applicable to NRF

## WORKING PAPER 7B

### STATEMENT OF NON-CURRENT INVESTMENTS

| Investee  | 2024/25           |                    |                    | 2023/24           |                    |                    |
|---|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
|   | Domestic<br>R 000 | Foreign<br>R 000   | Total<br>R 000     | Domestic<br>R 000 | Foreign<br>R 000   | Total<br>R 000     |
|   |                   |                    |                    |                   |                    |                    |
| International Monetary Fund quota subscription        |                   | 74 298 395         | 74 298 395         |                   | 76 871 542         | 76 871 542         |
| African Development Bank                              |                   | 162 411 879        | 162 411 879        |                   | 167 603 022        | 167 603 022        |
| International Bank for Reconstruction and Development |                   | 46 075 879         | 46 075 879         |                   | 47 751 215         | 47 751 215         |
| International Monetary Fund SDR Holding               |                   | 108 369 237        | 108 369 237        |                   | 110 835 472        | 110 835 472        |
| International Finance Corporation                     |                   | 2 439 482          | 2 439 482          |                   | 2 528 182          | 2 528 182          |
| Multilateral Investment Guarantee Agency              |                   | 330 325            | 330 325            |                   | 342 336            | 342 336            |
| New Development Bank                                  |                   |                    |                    |                   |                    |                    |
| Paid up Shares  |                   | 36 737 800         | 36 737 800         |                   | 38 073 600         | 38 073 600         |
| Callable Shares                                       |                   | 146 951 200        | 146 951 200        |                   | 152 294 400        | 152 294 400        |
| <b>Total</b>  | -                 | <b>577 614 198</b> | <b>577 614 198</b> | -                 | <b>596 299 770</b> | <b>596 299 770</b> |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 8A

### STATEMENT OF DOMESTIC BORROWINGS AS AT 31 MARCH 2025

| Borrowings  | Opening balance<br>as at 1 April 2024 | Issued             | Repaid              | Closing balance<br>as at 31 MARCH 2025 |                    |                      |
|---|---------------------------------------|--------------------|---------------------|--|--------------------|----------------------|
|   | R 000                                 | R 000              | R 000               | Total<br>R 000                         | Current<br>R 000   | Non-current<br>R 000 |
| <b>Domestic long-term</b>                           | <b>4 228 521 075</b>                  | <b>466 579 435</b> | <b>265 343 632</b>  | <b>4 429 756 878</b>                   | -                  | <b>4 429 756 878</b> |
| Domestic long-term bonds debentures and other loans | 4 054 958 170                         | 466 579 435        | 265 343 632         | 4 256 193 973                          | -                  | 4 256 193 973        |
| Transfer to short term                              | (128 709 741)                         | -                  | -                   | (128 709 741)                          | -                  | (128 709 741)        |
| Revaluation of inflation bonds                      | 302 272 646                           | -                  | -                   | 302 272 646                            | -                  | 302 272 646          |
| <b>Domestic short-term</b>                          | <b>612 818 270</b>                    | <b>15 114 004</b>  | <b>(33 987 517)</b> | <b>661 919 791</b>                     | <b>661 919 791</b> | -                    |
| Debt at 1 April                                     | 612 818 270                           | -                  | -                   | 612 818 270                            | 612 818 270        | -                    |
| Bonds created                                       | -                                     | 15 114 004         | -                   | 15 114 004                             | 15 114 004         | -                    |
| Bonds reduced                                       | -                                     | -                  | 133 953 789         | (133 953 789)                          | (133 953 789)      | -                    |
| Transfer from long-term                             | -                                     | -                  | (128 709 741)       | 128 709 741                            | 128 709 741        | -                    |
| Treasury Bills (Net Movement)                       | -                                     | -                  | (39 231 565)        | 39 231 565                             | 39 231 565         | -                    |
| <b>Total</b>  | <b>4 841 339 345</b>                  | <b>481 693 440</b> | <b>231 356 115</b>  | <b>5 091 676 669</b>                   | <b>661 919 791</b> | <b>4 429 756 878</b> |

# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 8A

### STATEMENT OF DOMESTIC BORROWINGS AS AT 31 MARCH 2024

|   | Opening<br>balance<br>as at 1 April<br>2023 | Issued             | Repaid             | Closing balance<br>as at 31 MARCH 2024 |                    |                      |
|---|---|--------------------|--------------------|--|--------------------|----------------------|
|   | R 000                                       | R 000              | R 000              | Total<br>R 000                         | Current<br>R 000   | Non-current<br>R 000 |
| <b>Borrowings</b>                                   |   |                    |                    |  |                    |                      |
| <b>Domestic long-term</b>                           | <b>3 835 849 119</b>                        | <b>468 176 280</b> | <b>249 067 229</b> | <b>4 054 958 170</b>                   | -                  | <b>4 054 958 170</b> |
| Domestic long-term bonds debentures and other loans | 3 676 564 988                               | 468 176 280        | 249 067 229        | 3 895 674 039                          | -                  | 3 895 674 039        |
| Transfer to short term                              | (88 395 990)                                | -                  | -                  | (88 395 990)                           | -                  | (88 395 990)         |
| Revaluation of inflation bonds                      | 247 680 121                                 | -                  | -                  | 247 680 121                            | -                  | 247 680 121          |
| <b>Domestic short-term</b>                          | <b>533 206 240</b>                          | <b>125 008 655</b> | <b>45 312 137</b>  | <b>612 818 270</b>                     | <b>612 818 270</b> | -                    |
| Debt at 1 April                                     | 533 206 240                                 | -                  | -                  | 533 206 240                            | 533 206 240        | -                    |
| Bonds created                                       | -   | 12 019 995         | -                  | 12 019 995                             | 12 019 995         | -                    |
| Bonds reduced                                       | -   | -                  | 134 728 368        | (134 728 368)                          | (134 728 368)      | -                    |
| Transfer from long-term                             | -   | -                  | (89 416 231)       | 89 416 231                             | 89 416 231         | -                    |
| Revaluation of inflation bonds                      | -   | 24 316 547         | -                  | 24 316 547                             | 24 316 547         | -                    |
| Treasury Bills (Net movement)                       | -   | 88 587 625         | -                  | 88 587 625                             | 88 587 625         | -                    |
| <b>Total</b>  | <b>4 369 055 359</b>                        | <b>593 184 935</b> | <b>294 379 366</b> | <b>4 667 776 439</b>                   | <b>612 818 270</b> | <b>4 054 958 170</b> |



# UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

## WORKING PAPER 8B

### STATEMENT OF FOREIGN BORROWINGS AS AT 31 MARCH 2025

|                               | Opening balance<br>as at 1 April 2024 | Issued            | Repaid            | Closing balance<br>as at 31 MARCH 2025 |                   |                      |
|-------------------------------|---------------------------------------|-------------------|-------------------|--|-------------------|----------------------|
|                               | R 000                                 | R 000             | R 000             | Total<br>R 000                         | Current<br>R 000  | Non-current<br>R 000 |
| <b>Borrowings</b>             |                                       |                   |                   |  |                   |                      |
| <b>Current borrowings</b>     | <b>97 197 896</b>                     | -                 | <b>38 926 628</b> | <b>58 271 268</b>                      | <b>58 271 268</b> | -                    |
| Loans                         | 38 435 771                            | -                 | 38 926 628        | (490 87)                               | (490 857)         | -                    |
| Transfer from long-term       | 40 706 377                            | -                 | -                 | 40 706 377                             | 40 706 377        | -                    |
| Revaluation                   | 18 055 747                            | -                 | -                 | 18 055 747                             | 18 055 747        | -                    |
| <b>Non-current borrowings</b> | <b>476 143 377</b>                    | <b>67 487 326</b> | -                 | <b>543 630 703</b>                     | -                 | <b>543 630 703</b>   |
| Loans                         | 419 824 316                           | 67 487 326        | -                 | 487 311 642                            | -                 | 487 311 642          |
| Transfer to short-term        | (40 627 577)                          | -                 | -                 | (40 627 577)                           | -                 | (40 627 577)         |
| Revaluation                   | 96 946 639                            | -                 | -                 | 96 946 639                             | -                 | 96 946 639           |
| <b>Total</b>                  | <b>573 341 273</b>                    | <b>67 487 326</b> | <b>38 926 628</b> | <b>601 901 971</b>                     | <b>58 271 268</b> | <b>543 630 703</b>   |

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 8B

STATEMENT OF FOREIGN BORROWINGS AS AT 31 MARCH 2024

| Borrowings                    | Opening balance<br>as at 1 April 2023 | Issued            | Repaid            | Closing balance<br>as at 31 MARCH 2024 |                   |                    |
|-------------------------------|---------------------------------------|-------------------|-------------------|--|-------------------|--------------------|
|                               |                                       |                   |                   | Total                                  | Current           | Non-current        |
|                               | R 000                                 | R 000             | R 000             | R 000                                  |                   |                    |
| <b>Current borrowings</b>     | <b>83 341 850</b>                     | -                 | <b>44 906 079</b> | <b>38 435 771</b>                      | <b>38 435 771</b> | -                  |
| Loans                         | 44 906 079                            | -                 | 44 906 079        | -                                      | -                 | -                  |
| Transfer from long-term       | 35 260 792                            | -                 | -                 | 35 260 792                             | 35 260 792        | -                  |
| Revaluation                   | 3 174 979                             | -                 | -                 | 3 174 979                              | 3 174 979         | -                  |
| <b>Non-current borrowings</b> | <b>507 524 531</b>                    | <b>45 662 970</b> | -                 | <b>553 187 500</b>                     | -                 | <b>553 187 500</b> |
| Loans                         | 510 750 845                           | 45 662 970        | -                 | 556 413 814                            | -                 | 556 413 814        |
| Transfer to short-term        | (38 435 771)                          | -                 | -                 | (38 435 771)                           | -                 | (38 435 771)       |
| Revaluation                   | 35 209 457                            | -                 | -                 | 35 209 457                             | -                 | 35 209 457         |
| <b>Total</b>                  | <b>590 866 381</b>                    | <b>45 662 970</b> | <b>44 906 079</b> | <b>591 623 271</b>                     | <b>38 435 771</b> | <b>553 187 500</b> |

WORKING PAPER 8C

STATEMENT OF CHANGES IN BORROWINGS

| Other financing activities                 | 2024/25              |                      |                       |                       | 2023/24              |                    |                       |                       |
|--|----------------------|----------------------|-----------------------|-----------------------|----------------------|--------------------|-----------------------|-----------------------|
|  | Received             | Paid                 | Increase/<br>Decrease | Increase/<br>Decrease | Received             | Paid               | Increase/<br>Decrease | Increase/<br>Decrease |
|  | R 000                | R 000                | R 000                 | R 000                 | R 000                | R 000              | R 000                 | R 000                 |
| Treasury Bills                             | 784 238 024          | 745 233 819          | 39 004 205            |                       | 712 104 871          | 624 093 607        | 88 011 265            |                       |
| IGCC                                       | 155 797 054          | 155 497 110          | 299 945               |                       | 144 918 863          | 144 138 419        | 780 444               |                       |
| Late request non-voted: ALM                | -                    | 226 741              | (226 741)             |                       | 226 741              | 84 489             | 142 252               |                       |
| Bonds                                      | 428 892 449          | 75 911 880           | 352 980 568           |                       | 421 172 596          | 103 298 401        | 317 874 194           |                       |
| Non voted funds to be surrendered ALM      | (7 915 410)          | (253 494)            | (7 661 916)           |                       | (253 494)            | (82 135)           | (171 359)             |                       |
| Payment to Section 239 of the Constitution | 67 356 714           | 37 619 093           | 29 737 621            |                       | 45 662 970           | 47 144 736         | (1 481 767)           |                       |
| Revaluation of exchequer investments: FCI  | (8 082 725)          | -                    | (8 082 725)           |                       | (12 052 995)         | -                  | (12 052 995)          |                       |
| and ALM PMG balance                        | 2                    |                      | 2                     |                       | (1)                  | -                  | (1)                   |                       |
| Rounding                                   |                      |                      |                       |                       |                      |                    |                       |                       |
| <b>Total</b>                               | <b>1 420 286 107</b> | <b>1 014 235 148</b> | <b>406 050 959</b>    |                       | <b>1 311 779 550</b> | <b>918 677 517</b> | <b>393 102 033</b>    |                       |

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)  
FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 8D  
STATEMENT OF MULTILATERAL INSITUCTIONS

|   | 2024/25     |              | Current Year<br>Increase/(Decrease) | 2023/24     |  |
|---|-------------|--------------|-------------------------------------|-------------|--|
|   | Amount      |              |                                     | Amount      |  |
|   | R 000       |              |                                     | R 000       |  |
| IMF-Securities Account                                | 76 985 328  | (41 104 081) |                                     | 118 089 410 |  |
| IMF-SDR Allocations                                   | 114 687 509 | ( 3 971 927) |                                     | 118 659 436 |  |
| International Bank for Reconstruction and Development | 42 769 370  | ( 1 555 110) |                                     | 44 324 481  |  |
| Multi- Lateral Investment Guarantee Agency            | 267 618     | (9 731)      |                                     | 277 349     |  |
| African Development Bank                              | 154 650 133 | (5 623 136)  |                                     | 160 273 269 |  |
| New Development Bank                                  | 146 951 200 | ( 5 343 200) |                                     | 152 294 400 |  |
| Total   | 536 311 160 | (57 607 186) |                                     | 593 918 345 |  |

WORKING PAPER 9A  
STATEMENT OF OTHER RECEIVABLES

| Name of Department / Entity | 2024/25                  |                    | 2023/24                  |                    |
|-----------------------------|--------------------------|--------------------|--------------------------|--------------------|
|                             | Amount<br>to be received | Amount<br>Received | Amount<br>to be received | Amount<br>Received |
|                             | R 000                    | R 000              | R 000                    | R 000              |
| SARS to RAF                 | 10 497                   | 27 742             | 27 742                   | -                  |
| SARS intrasit               | 197                      | 554                | 554                      | -                  |
| ALM Non - voted funds       | 7 915 410                | 253 494            | 253 494                  | 82 135             |
| Total                       | 7 926 104                | 281 790            | 281 790                  | 82 135             |

UNAUDITED SUPPLEMENTARY  
WORKING PAPERS (WP)  
FOR THE YEAR ENDED 31 MARCH 2025

WORKING PAPER 9B

STATEMENT OF OTHER FUNDS TRANSFERRED TO NATIONAL GOVERNMENT

Not applicable to NRF

WORKING PAPER 9C

STATEMENT OF OTHER PAYABLES

|                                   | 2024/25                       |                         | 2023/24                       |                         |
|-----------------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|
|                                   | Amount<br>to be Paid<br>R'000 | Amount<br>Paid<br>R'000 | Amount<br>to be Paid<br>R'000 | Amount<br>Paid<br>R'000 |
| Name of Department / Entity       |                               |                         |                               |                         |
| Payable SARS to RAF               | -                             | -                       | -                             | 151 361                 |
| Payable SARS to UIF               | 2 244 118                     | 2 148 216               | 2 148 216                     | 2 054 411               |
| SARS in transit                   | -                             | -                       | -                             | 57                      |
| Late request for Non - Voted: ALM | -                             | 226 741                 | 226 741                       | 84 489                  |
| Total                             | 2 244 118                     | 2 374 957               | 2 374 957                     | 2 290 318               |



**2025 CFS**  
**CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2025**

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**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA