



NATIONAL TREASURY
2024 CFS
CONSOLIDATED
FINANCIAL STATEMENTS



FOR THE YEAR ENDED
31 MARCH 2024



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



2024 CFS

**CONSOLIDATED
FINANCIAL STATEMENTS**

for the year ended 31 March 2024

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Consolidated Financial Statements

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2024 CFS

**CONSOLIDATED
FINANCIAL STATEMENTS**

for the year ended 31 March 2024

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ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2024

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 Acting Accountant-General on 6 December 2024.



Dr Duncan Pieterse
Director-General
Accounting Officer



Karen Maree
Acting Accountant-General

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

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 2024 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 2024 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 2024

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 103, 104, 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 2024

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 2024

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 2024, 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 2024.

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 2023/24.

ACCOUNTING OFFICER’S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

EXECUTIVE SUMMARY

NATIONAL TREASURY **2024 CFS** CONSOLIDATED FINANCIAL STATEMENTS



FOR THE YEAR ENDED
31 MARCH 2024



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



EXECUTIVE SUMMARY

For the year ended 31 March 2024

The 2024 Budget strikes a careful balance between the urgent demands of national development and the sustainability of our public finances. In the context of persistently low GDP growth, government is protecting critical services, supporting the economy through reforms and public investment, and stabilising public debt.

South Africa's limited public resources have been under significant strain for over a decade. Economic growth has averaged only 0.8 per cent since 2012, far below the level needed to address high levels of joblessness and poverty. Over the same period, government borrowing ballooned to support rapidly rising expenditure. As a result, debt-service costs are choking the economy and the public finances. These costs now consume one of every five rands of revenue and absorb a larger share of the budget than basic education, social protection or health.

Government is staying the course on the fiscal strategy outlined in the 2023 Medium Term Budget Policy Statement (MTBPS) and will achieve a primary budget surplus in 2023/24, with debt stabilising by 2025/26. Debt-service costs will peak as a share of revenue in 2025/26 and decline thereafter. The consolidated budget deficit is projected to narrow from 4.9 per cent of GDP in 2023/24 to 3.3 per cent by the end of the 2024 medium-term expenditure framework (MTEF) period. The balanced approach to fiscal consolidation includes expenditure restraint and moderate revenue increases, while continuing to support the social wage and ensuring additional funding for critical services. Government will, after extensive consultation, propose a binding fiscal anchor for future sustainability. In the interim, the debt-stabilising primary surplus will anchor fiscal policy.

The budget allocates six of every 10 rands to the social wage – spending on health, education, social protection, community development and employment programmes. At the same time, the budget reduces pressure on key service delivery programmes, supported by moderate tax increases. About R58 billion of the spending reductions announced in the 2023 *Medium Term Budget Policy Statement* are reversed, increasing funding to pay the salaries of teachers, nurses, doctors, police and others.

Over the medium term, the gross borrowing requirement will average R557.5 billion. Domestic long-term borrowing is expected to increase to R330.7 billion in 2025/26 (excluding the R70 billion Eskom debt takeover in the same year) and decline to R320.4 billion in 2026/27 before increasing to R472.2 billion in 2027/28. Public debt as per 2024 MTBPS is set to stabilize at 75.5 per cent of GDP in 2025/26.

South Africa remains committed to the reform agenda focused on addressing supply constraints while supporting activity and employment. South Africa is making progress in the implementation of its structural reforms, as also acknowledged by the IMF. On the electricity reforms, a 150-day mark of no load-shedding has been reached, a sign of the stabilisation of the grid. There is a commitment to further implement the reforms in the electricity sector. The National Transmission Company South Africa (NTCSA) has been fully operationalised as a separate entity from the Generation and Distribution businesses of Eskom. The Electricity Regulation Amendment (ERA) Act has been signed into law to give effect to cost reflective tariffs, which will in turn support the operability of the entity, by the National Energy Regulator of South Africa (NERSA). While Eskom is committed to the renewable energy programme, the emissions reduction 2025-2027 plan will be delayed to 2030, as coal power stations are currently committed to supplement the power shortages to stabilise the grid.

The South African financial system continues to demonstrate resilience, supported by strong capital adequacy and high liquidity buffers. NT's view is that the sovereign-bank nexus is not currently a risk to the financial system, however, this will be monitored closely. South Africa is also committed to exit the Financial Action Task Force (FATF) grey list by June 2025. At the recent FATF plenary in Singapore, South Africa received 3 upgrades, adding up to 8 upgrades thus far. Currently, 14 out of 22 action items are still outstanding.

The detailed performance of national government with regards to revenue, expenditure and borrowing is discussed in the 2023/24 review of operating results.

REVIEW OF OPERATING RESULTS

NATIONAL TREASURY 2024 CFS CONSOLIDATED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



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REPUBLIC OF SOUTH AFRICA

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

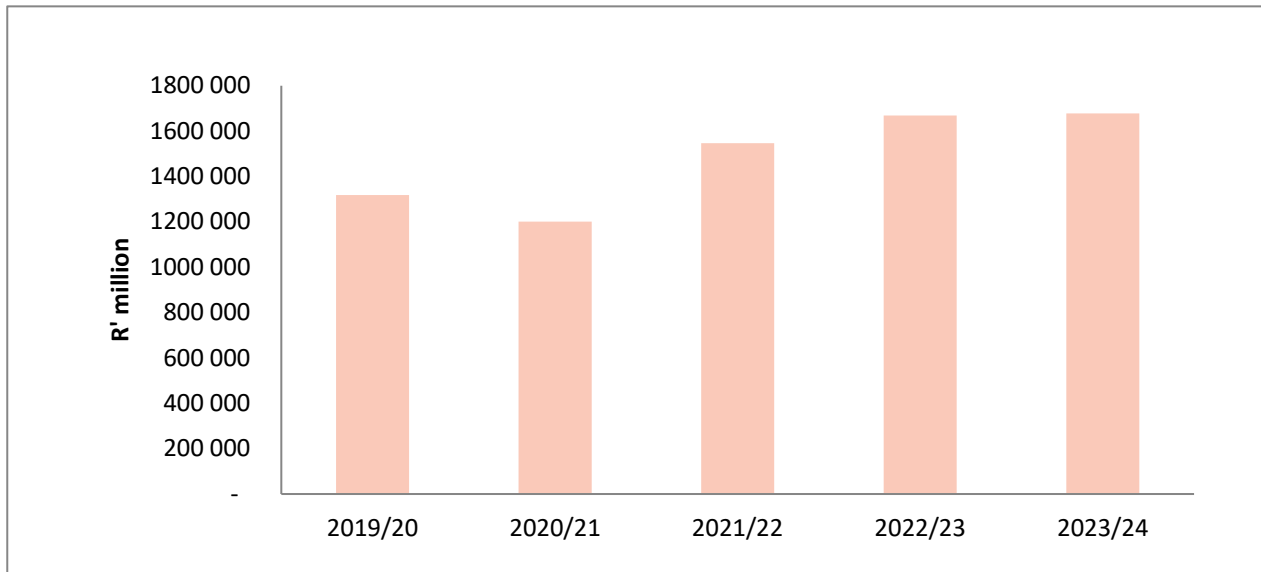
TOTAL REVENUE

Table 1: Total revenue

Year Ended 31 March <i>R' million</i>	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Taxes, Levies & Duties	1 317 827	1 200 564	1 546 203	1 668 583	1 677 198
Departmental revenue	26 811	36 251	16 174	30 826	46 414
Local & foreign aid assist.	4 448	2 209	2 565	4 136	4 173
Other	1 957	4 491	6 271	6 481	6 982
Total Revenue	1 351 043	1 243 515	1 571 214	1 710 026	1 734 768
Year on year increase in revenue	5%	(8%)	26%	9%	1%

In the fiscal year 2023/24, total revenue saw a modest increase of 1%, a significant slowdown from the previous year's 9% growth. Most of this revenue, primarily derived from taxes, levies, and duties, is managed by the South African Revenue Services (SARS). In 2023/24, the growth in these collections also diminished, rising only by 1%, compared to an 8% increase the prior year. Other sources of income include departmental revenue and local & foreign aid assistance. SARS collected a total of R1.829 trillion in revenue but only paid R1.677 trillion 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 2024

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

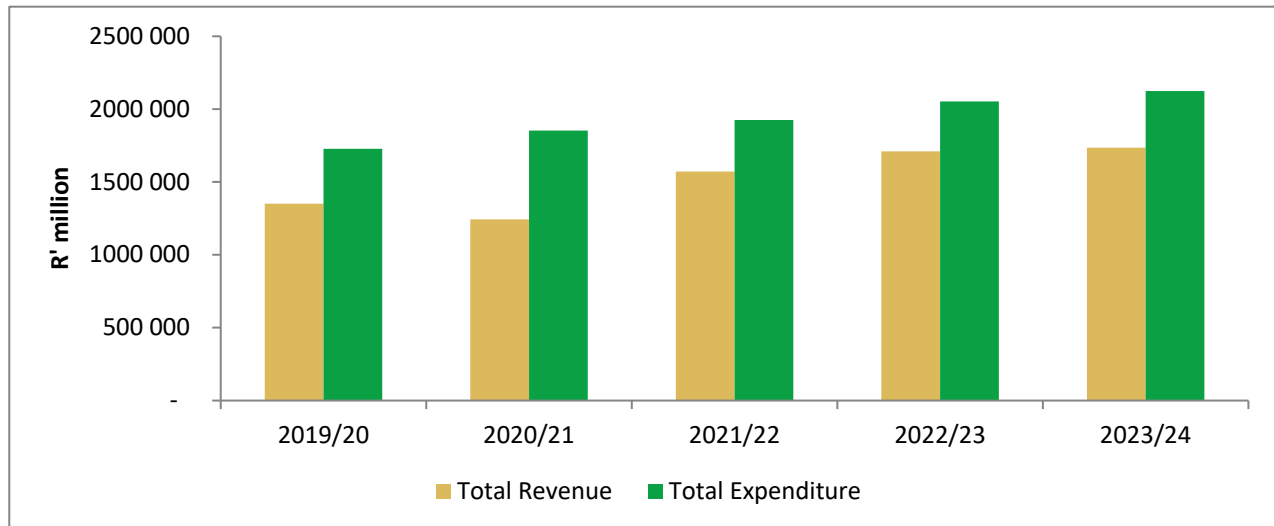
Table 2: Reconciliation of SARS Revenue to the National Revenue Fund

Year Ended 31 March R' million	Actual 2023/24	Actual 2022/23
SARS Revenue	1 829 909	1 783 818
Less: South African Customs Union Agreement	79 811	43 638
Less: Payment to UIF	22 266	21 108
Less: Amount payable by SARS to UIF	2 148	2 054
Less: Payment to RAF	48 573	48 469
Less: Amount payable by SARS to RAF	(179)	(72)
Net Revenue as reflected by NT	1 677 190	1 688 575

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 increase in non-tax revenue by 39%, though lower than the previous year's 66%, still suggests growth, particularly from departmental revenue. Departmental revenue contributed significantly to the increase of other 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 R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Taxes, Levies & Duties	1 317 827	1 200 564	1 546 203	1 668 583	1 677 198
Other	33 215	42 951	25 011	41 443	57 570
Total Revenue	1 351 042	1 243 515	1 571 214	1 710 026	1 734 768
Total Expenditure	1 727 659	1 852 860	1 924 988	2 052 592	2 124 451

Graph 2: Revenue vs. Expenditure



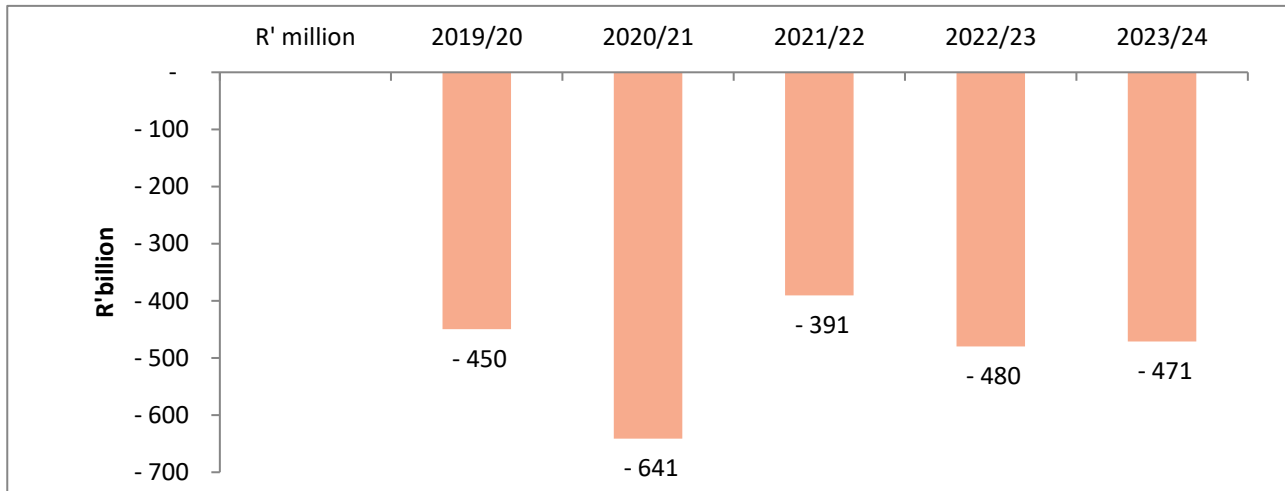
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Illustrated above is revenue versus expenditure for National Government. In 2023/24, total revenue and total expenditure have increased by 1% and 4%, respectively.

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Surplus/ (Deficit) for the year	(449 563)	(641 339)	(390 631)	(479 915)	(471 243)
Movement	(59%)	(43%)	39%	(23%)	2%

Graph 3: Deficit net of revaluation gains/losses



Over the medium term, the gross borrowing requirement will average R557.5 billion. Domestic long-term borrowing is expected to increase to R330.7 billion in 2025/26 (excluding the R70 billion Eskom debt takeover in the same year) and decline to R320.4 billion in 2026/27 before increasing to R472.2 billion in 2027/28. Public debt as per 2024 MTBPS is set to stabilize at 75.5 per cent of GDP in 2025/26.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

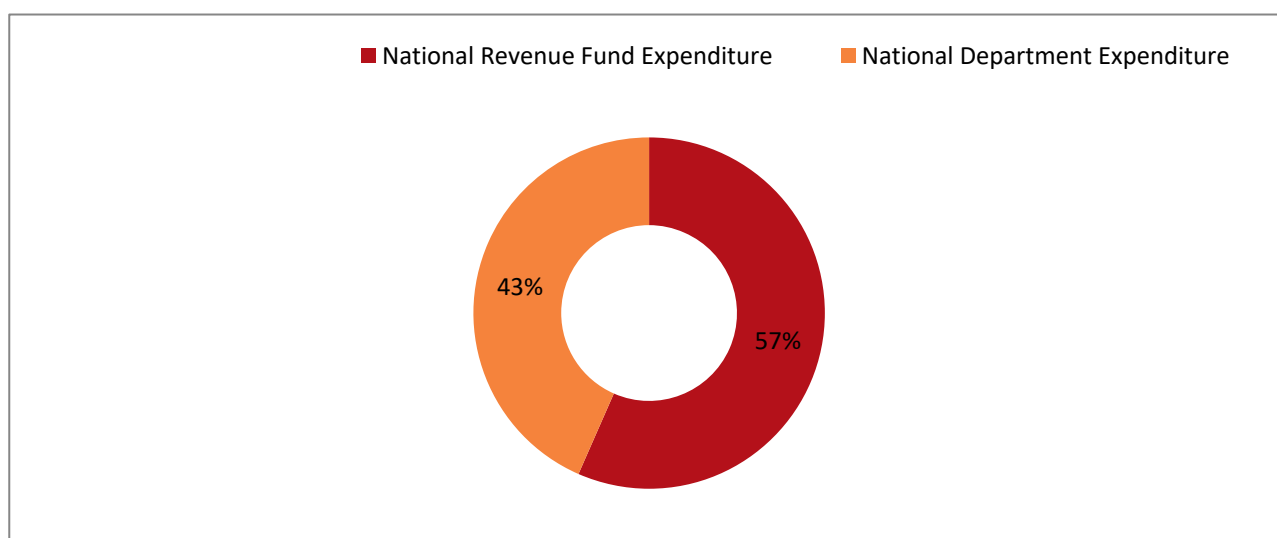
TOTAL EXPENDITURE

Table 3: Total Expenditure Before Adjustments

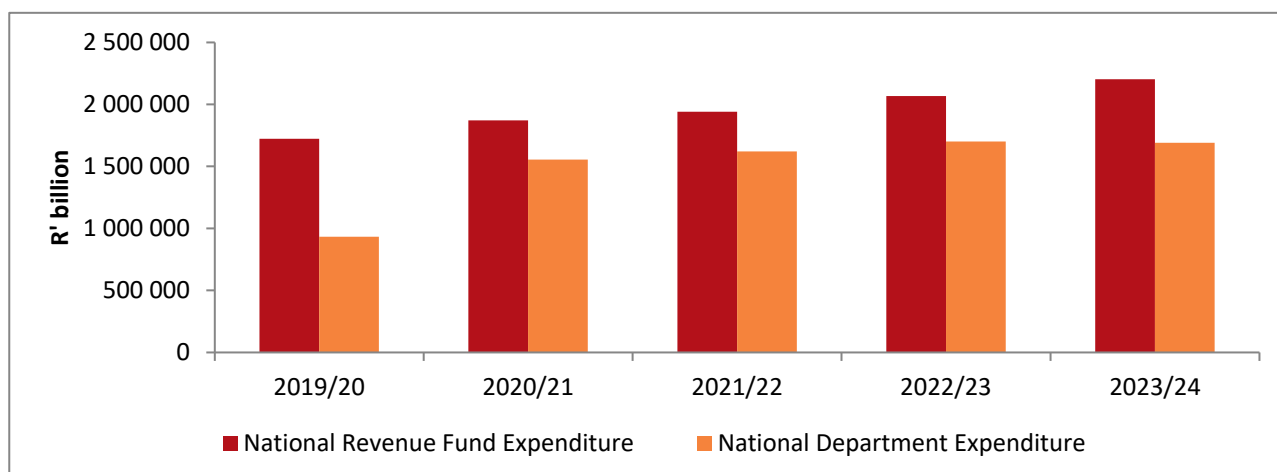
Year Ended 31 March <i>R' million</i>	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
National Revenue Fund Expenditure	1 722 764	1 871 324	1 940 711	2 067 335	2 202 690
National Department Expenditure	932 166	1 554 771	1 620 257	1 700 865	1 690 553
Total Expenditure	2 654 930	3 426 095	3 560 968	3 768 201	3 893 243
Movement in expenditure	12%	29%	4%	6%	3%

Total expenditure increased by 3% (2022/23: 6%). Total expenditure is made up of National Departments' expenditure plus NRF expenditure. National Departments' expenditure is at an average of 43% of total expenditure for the past five years. Included in National Departments' expenditure are transfers to provinces and municipalities of R864 billion (2022/23: R845 billion). These are further analysed under the section on Transfers and Subsidies.

Graph 4: NRF expenditure vs. National Departments expenditure



Graph 5: Total expenditure



REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

NATIONAL REVENUE FUND EXPENDITURE

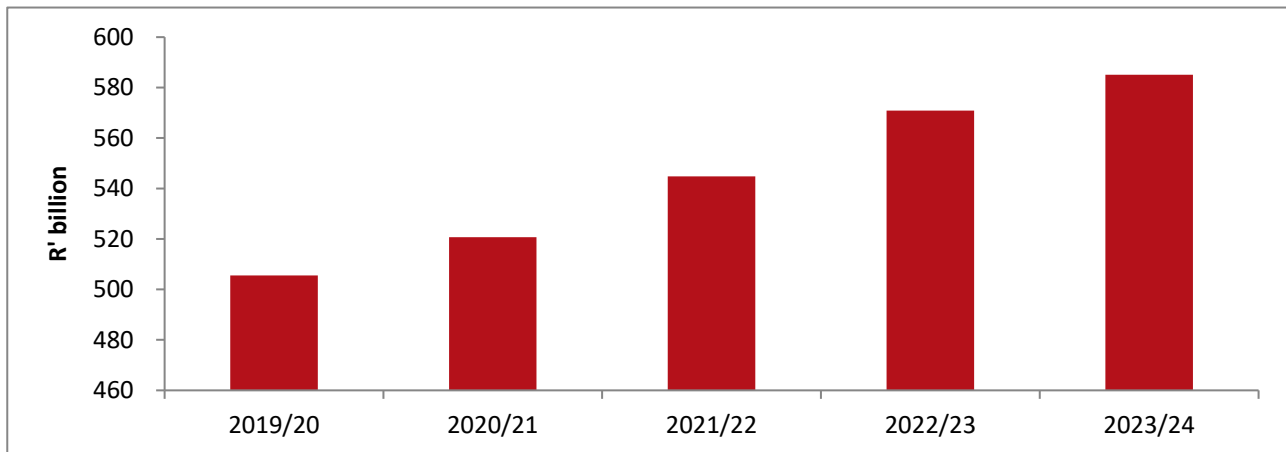
Equitable share transfers to provinces

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 R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Equitable Shares – Provinces	505 554	520 717	544 835	570 868	585 086
Movement in Provincial Equitable shares	7%	3%	5%	5%	2%

Graph 6: Equitable transfers – provinces



There was a 2% increase in equitable share transferred to provinces in the current financial year as compared to the 5% increase in 2022/23.

Transfers to provinces amounted to R585 billion in the current financial year (2022/23: R571 billion), which is 27% of NRF expenditure (2022/23: 28%) and it has remained at this percentage for the past three years.

Debt-service costs

Debt Service cost is the cost associated to borrowing. Debt-service consumes 21 cents of every rand of revenue, than spending more on developmental priorities, including public infrastructure. Debt-service costs are expected to rise, 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 R47,7 billion from 2022/23 to R355.9 billion in 2023/24. This is due to revenue shortfalls which resulted to higher borrowing requirement.

Table 5: Debt-service costs

Year ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Domestic	187 276	213 517	250 523	284 100	324 475
Foreign	17 493	19 078	17 549	24 203	31 485
Total debt-service costs	204 769	232 596	268 072	308 303	355 960
Increase in costs	13%	13%	15%	15%	15%

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

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. In 2023/24, given unfavourable conditions, government did not issue any bonds in the global capital markets. Instead, government raised US\$6.8 billion and €0.4 billion from the International Monetary Fund, the New Development Bank, and the African Development bank.

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

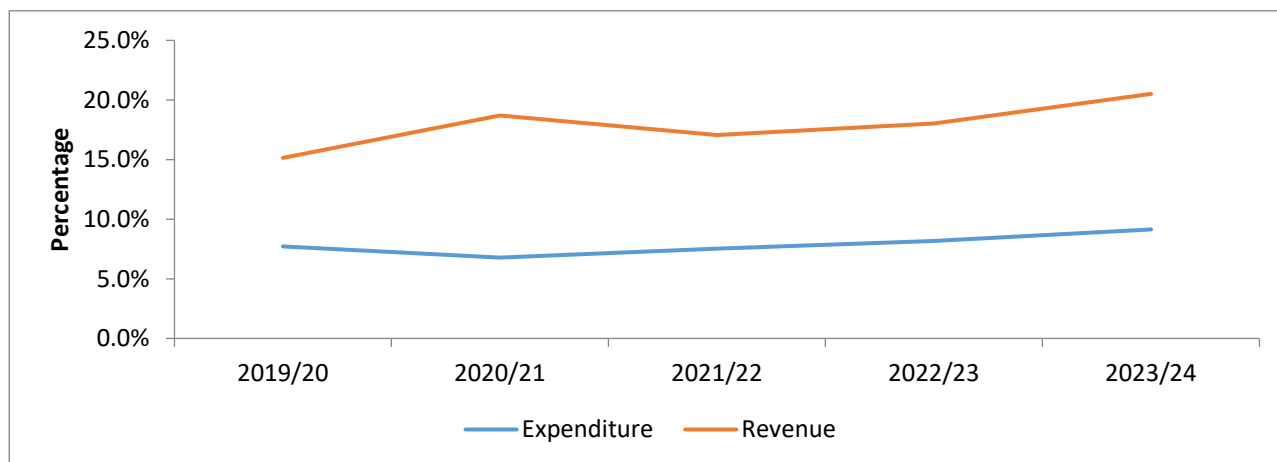


Table 6: Actual Expenditure vs. Adjusted Appropriation 2023/24

	Appropriation	Actual expenditure excluding unauthorised expenditure funded by NRF	Variance	%
Name of department	2023/24	2023/24		
Presidency	676 253	661 991	14 262	2%
Parliament	3 208 816	3 208 816	-	0%
Cooperative Governance	119 973 742	116 800 094	3 173 648	3%
Government Communication and Information	743 546	738 368	5 178	1%
Home Affairs	12 379 954	12 379 263	691	0%
International Relations and Cooperation	6 910 636	7 268 318	-357 682	-5%
National School of Government	221 140	218 198	2 942	1%
National Treasury	34 350 278	34 075 051	275 227	1%
Planning Monitoring and Evaluation	465 483	437 668	27 815	6%
Public Enterprise	275 277	258 399	16 878	7%
Public Service and Administration	541 627	507 556	34 071	7%
Public Service Commission	300 753	299 267	1 486	0%
Public Works and Infrastructure	8 405 966	8 304 039	101 927	1%
Statistics South Africa	2 643 002	2 723 914	-80 912	-3%
Traditional Affairs	193 121	186 813	6 308	3%
Basic Education	30 028 595	29 961 243	67 352	0%
Higher Education and Training	107 830 340	107 713 158	117 182	0%
Health	58 549 994	58 312 147	237 847	0%
Social Development	260 893 975	259 300 341	1 593 634	1%
Women, Youth and Persons with Disabilities	1 006 944	991 625	15 319	2%
Civilian Secretariat for the Police Service	154 152	150 230	3 922	3%
Correctional Services	26 570 966	27 185 223	-614 257	-2%
Defence	52 468 184	55 841 848	-3 373 664	-6%
Independent Police Investigative Directorate	364 386	364 082	304	0%

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

		Actual expenditure excluding unauthorised expenditure funded by NRF		
	Appropriation		Variance	%
Name of department	2023/24	2023/24		
Justice and Constitutional Development	20 558 303	20 849 761	-291 458	-1%
Military Veterans	846 285	585 933	260 352	44%
Office of the Chief Justice	1 339 530	1 339 432	98	0%
Police	105 475 635	105 475 634	1	0%
Agriculture, Land Reform and Rural Development	16 757 697	16 714 370	43 327	0%
Communications and Digital Technologies	3 312 185	3 279 655	32 530	1%
Employment and Labour	4 016 714	3 995 980	20 734	1%
Forestry, Fisheries and the Environment	9 538 968	9 468 647	70 321	1%
Human Settlements	31 757 980	31 226 923	531 057	2%
Minerals Resources and Energy	10 271 218	9 880 606	390 612	4%
Science and Innovation	10 562 991	10 472 056	90 935	1%
Small Business Development	2 529 308	2 484 827	44 481	2%
Sport, Arts and Culture	6 089 287	6 065 375	23 912	0%
Tourism	2 460 545	2 372 252	88 293	4%
Trade, Industry and Competition	10 709 519	10 658 446	51 073	0%
Transport	78 282 447	77 959 469	322 978	0%
Water and Sanitation	21 375 916	21 331 596	44 320	0%
Total	1 065 041 658	1 062 048 614	2 993 044	0%

The above table shows amounts appropriated to departments in the 2023/24 financial year against actual expenditure incurred by departments excluding unauthorised expenditure funded by NRF.

The department of International Relations (DIRCO), Statistics SA (Stats SA) and Department of Defence (DOD) have recorded significant actual spending compared to the approved appropriation. DIRCO exceeded their appropriation by 5% due to overspending on compensation of employees which is primarily attributable to the depreciation of the Rand against major foreign currencies as well as cost of living adjustment, while Stats SA exceeded their appropriation by 3% due to unfunded 2023 cost of living adjustment, Income and Expenditure (IES) and Census 2022 project extension. DOD's overspending of R3,374 billion is from the compensation of employees for existing employees due to the annual budget cuts.

National department's expenditure

Table 7: National department's expenditure

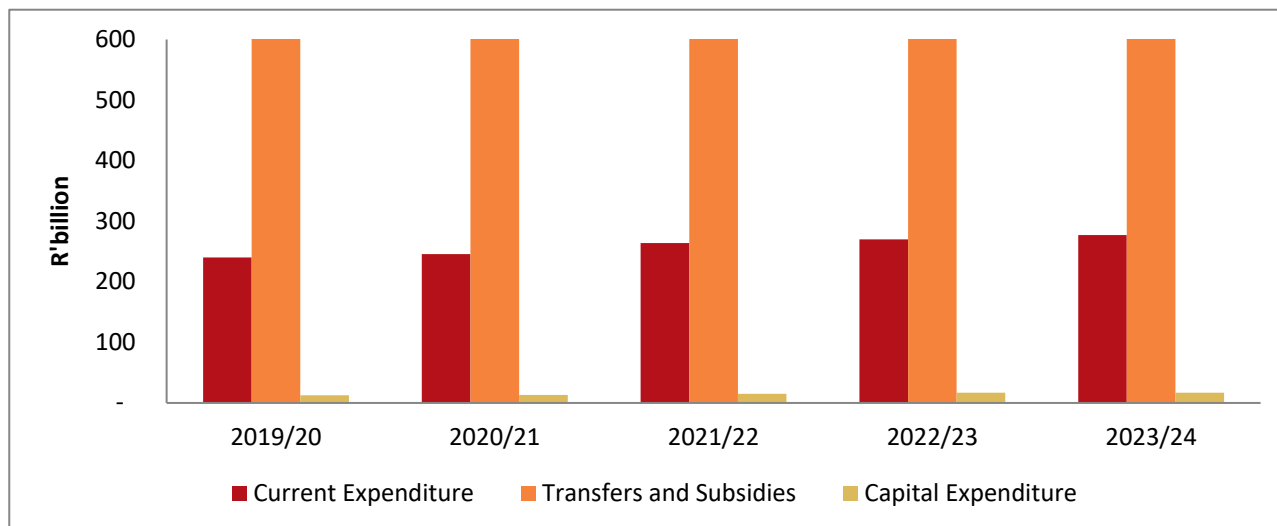
Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2019/20	2020/21	2021/22	2022/23	2023/24
Current Expenditure	239 948	245 476	263 699	269 899	276 832
Transfers and Subsidies	651 928	1 207 011	1 269 913	1 346 763	1 394 903
Capital Expenditure	12 500	12 842	14 878	16 641	16 734
Total	904 376	1 465 329	1 548 490	1 633 303	1 688 468
Movement in expenditure	9%	62%	6%	5%	3%

National departments' expenditure has increased to R1.688 trillion from R1.633 trillion in the prior year. This represents a 3% increase, as compared to the 5% increase in the prior year, with the highest increase in transfers and subsidies which increased by 4% in the 2023/24 financial year. The bulk of National Department's expenditure is attributable to transfers and subsidies with National Treasury being the significant transferor at 45% of total transfers and subsidies. Transfers and subsidies are further analysed in Note 13 of the Notes to The Consolidated Financial Statements.

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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

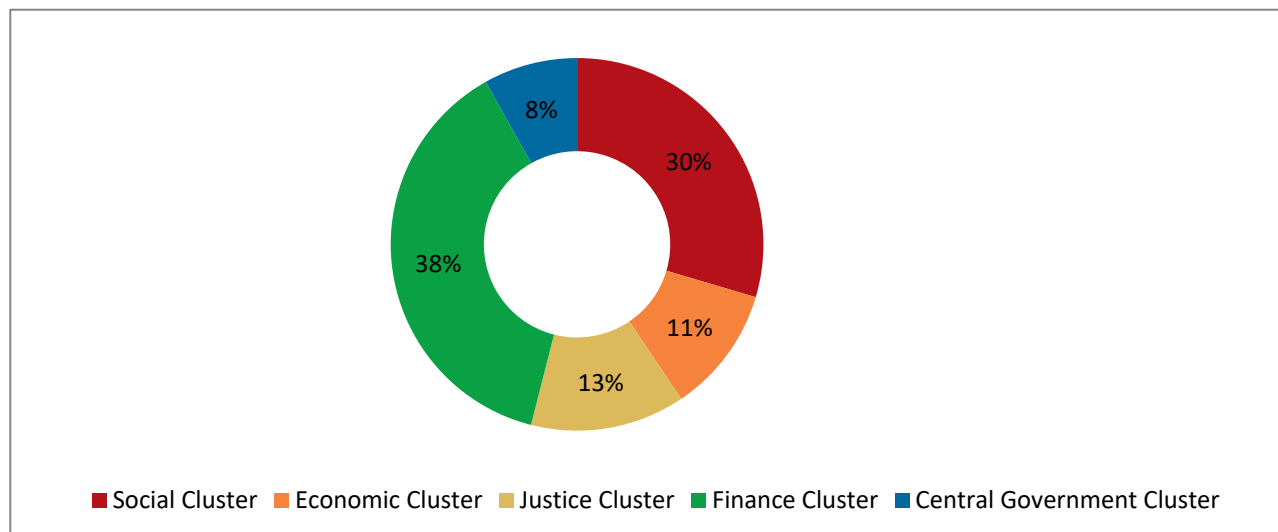
Year Ended 31 March R' billion	Actual 2022/23	Actual 2023/24	Movement
Social Cluster	484	500	3.2%
Economic Cluster	202	186	(8.3%)
Justice Cluster	219	227	3.4%
Finance Cluster	664	640	(3.7%)
Central Government Cluster	130	138	5.7%
Total	1 701	1 691	

In the 2023/24 fiscal year, the Finance cluster remains the largest spender, with an expenditure of R640 billion (2022/23: R664 billion) accounting for 38% of national departments' expenditure in 2023/24. Conversely, the Central cluster is the smallest spender, with an expenditure of R138 billion (2022/23: R130 billion), accounting for 8% of national departments' total expenditure in 2023/24. There was a 3% increase in Social cluster expenses due to extension of the COVID-19 social relief of distress grant and other social protection spending and a 6% increase in Central cluster expenditure mainly due to increase in transfers and subsidies.

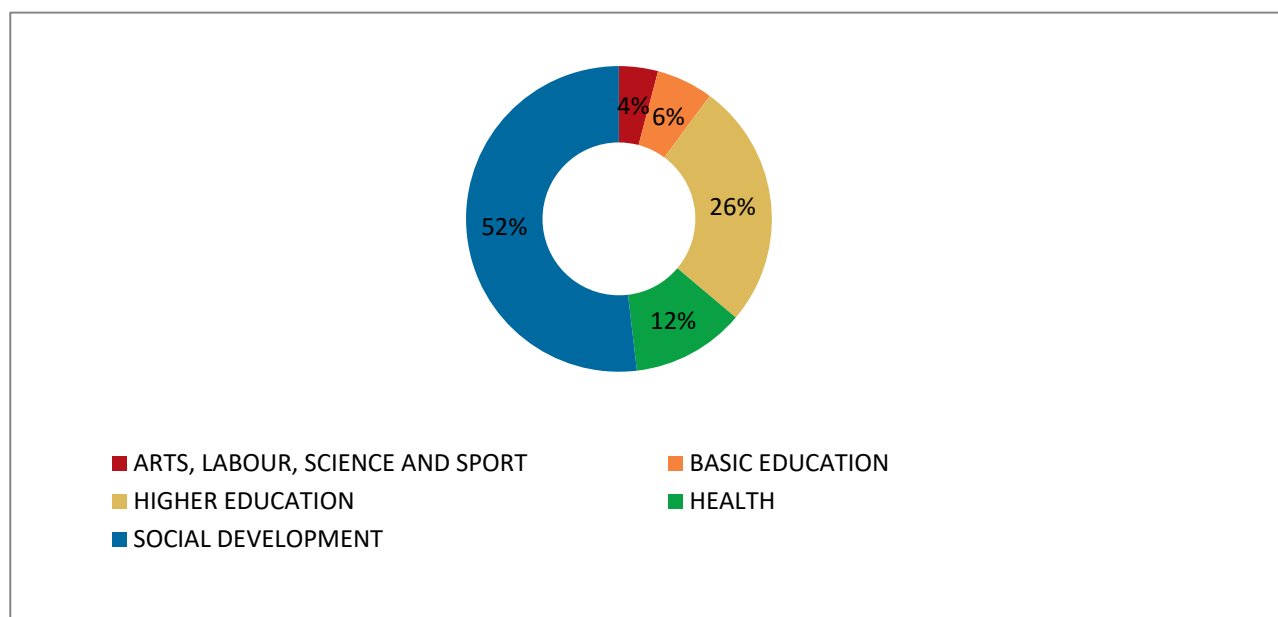
REVIEW OF OPERATING RESULTS

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Graph 9: Expenditure per cluster 2023/24



Graph 10: Expenditure per Social cluster 2023/24



Within the Social Cluster, the Department of Social development was the biggest spender. This department incurred total expenditure of R259 billion accounting for 52% of social cluster expenditure.

Of the R259 billion, 99.6% 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 strategies and economic participation. In this regard, social grants account for an estimated 97% (R251 billion per year on average) of the department's total over the period under review.

According to the 2024 Budget review, over the MTEF period, R1.17 trillion is allocated for social grants and welfare services, and to strengthen advocacy for women, youth and people living with disabilities. Social grants constitute 81.8 per cent of spending in this function over the medium term.

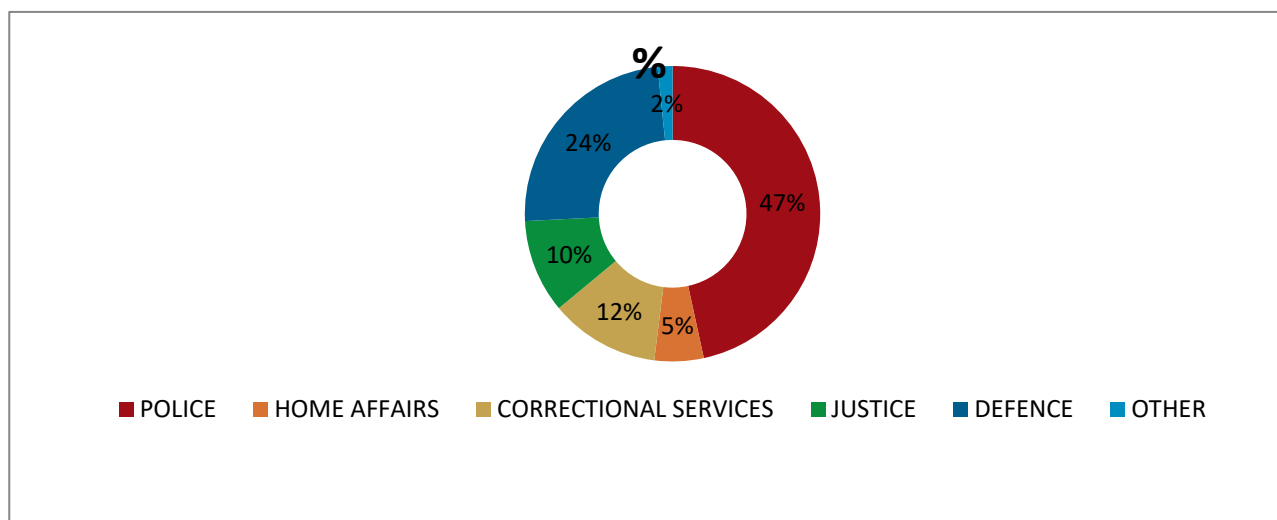
REVIEW OF OPERATING RESULTS

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Expenditure on social grants will increase from R217.1 billion in 2023/24 to R259.3 billion in 2026/27 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 18.8 million in 2023/24 to 19.7 million in 2026/27. The *child support grant* and *old age grant* together account for 64.9 per cent of total grant expenditure over the MTEF period.

Spending on grants is expected to increase at an average annual rate of 5.4 per cent over the medium term. This is mostly due to inflationary adjustments to the value of the grants and growth in the number of beneficiaries. Over the medium term, the focus for women, youth and people with disabilities will be on raising awareness of programmes advocating for the rights of these groups, empowering them, supporting equal treatment and addressing gender-based violence (Budget Review, 2024).

Graph 11: Expenditure per Justice Cluster 2023/24



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 R152 billion (70%). The cluster has the largest staff complement of all clusters, with the cluster's employees constituting 83% 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 79% of total cost of the department.

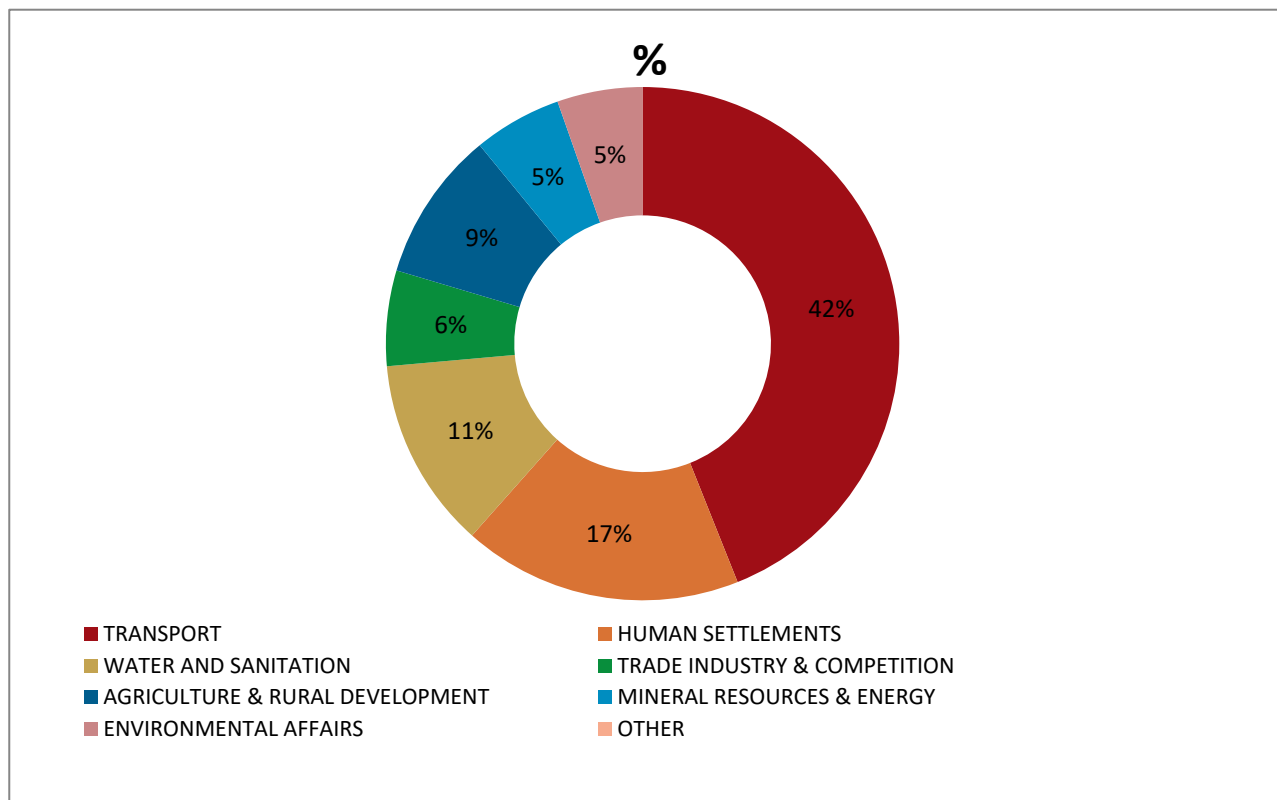
The second largest spender in the Justice and Protection services cluster is the Department of Defence at 24%. The Department of Defence will prioritise acquiring vehicles and technology to safeguard the country's borders. Measures are being implemented to reduce the pressure on employee compensation and sustain critical defence capabilities (Budget Review, 2024).

The Department of Correctional Services is the third largest spender in this cluster at 12%, with compensation of employees being the largest cost at 70% of its total expenditure.

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Graph 12: Expenditure per Economic cluster 2023/24



The fourth largest spending cluster is the Economic Cluster. The Department of Transport remains the highest spending department in the cluster at 42% of the total cluster expenditure. The highest expenditure item for this department being transfers and subsidies at R76 billion (2022/23: R69 billion) accounting for 98% of the department's budget. Of the R76 billion spent, R29 billion was allocated to provinces and municipalities, which accounted for 38% 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:

Power cuts and operational problems in freight rail and ports continue to disrupt economic activity and limit the country's export potential. Comprehensive reforms are under way in these sectors, although it will take time to see a recovery in growth. Household consumption is under pressure from high living costs, and investment remains low due to weak confidence and challenging business conditions linked to structural constraints (Budget review, 2024).

The transport, storage and communication sector grew by 4 per cent in the first nine months of 2023, compared with the same period in 2022. Due to bottlenecks in rail infrastructure, there has been a marked substitution from rail to road – a pattern that is expected to reverse as the rail network is improved. In telecommunications, the rollout of digital infrastructure has enabled new investment in the sector and an improvement in the quality of broadband internet (Budget review, 2024).

The quality and reliability of urban utility services, including water, wastewater and electricity, have declined due to neglect and inadequate maintenance. Government allocated R61.7 billion to local government in 2022/23 to address these challenges, but little progress has been made. From 2025/26, a new incentive grant will be available to cities that demonstrate a certain level of transparency, display strong governance and reach key milestones in transforming their water businesses (Budget review, 2024).

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FOR THE YEAR ENDED 31 MARCH 2024

National department's current expenditure

Table 9: Major items of current Expenditure

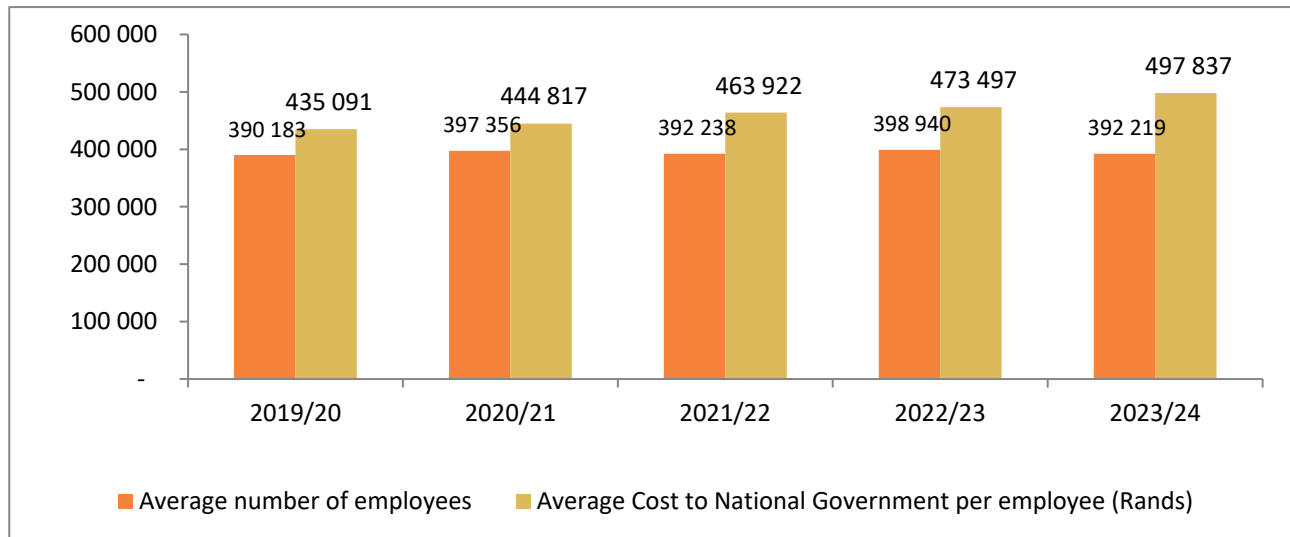
Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Compensation of employees	169 765	176 751	181 968	188 897	195 261
Goods and Services	69 006	67 307	79 755	79 733	79 018

Table 10: Compensation of employees

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total Compensations costs (R' million)	169 765	176 751	181 968	188 897	195 261
Average number of employees	390 183	397 356	392 238	398 940	392 219
Average Cost to National Government per employee (Rands)	435 091	444 817	463 922	473 497	497 837

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 398 940 in 2022/23 to 392 219 in 2023/24, a decline of 1.7%. On the flip side, compensation in Rand terms increased from R189 billion in 2022/23 to R195 billion in 2023/24 thus resulting in a 3.4% increase (2022/23: 3.8%).

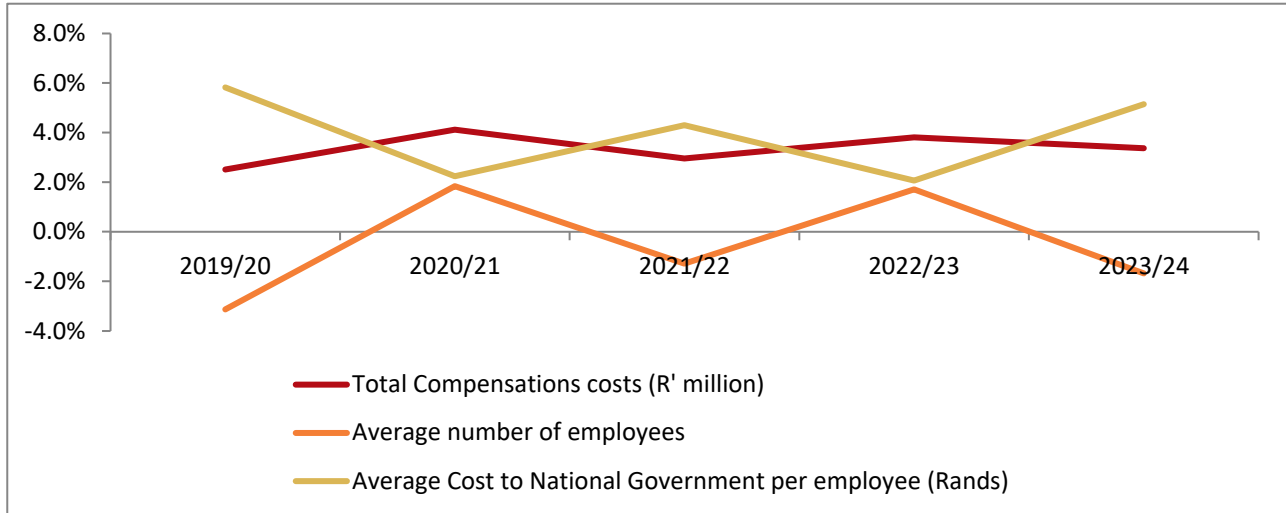
Graph 13: Compensation of employees



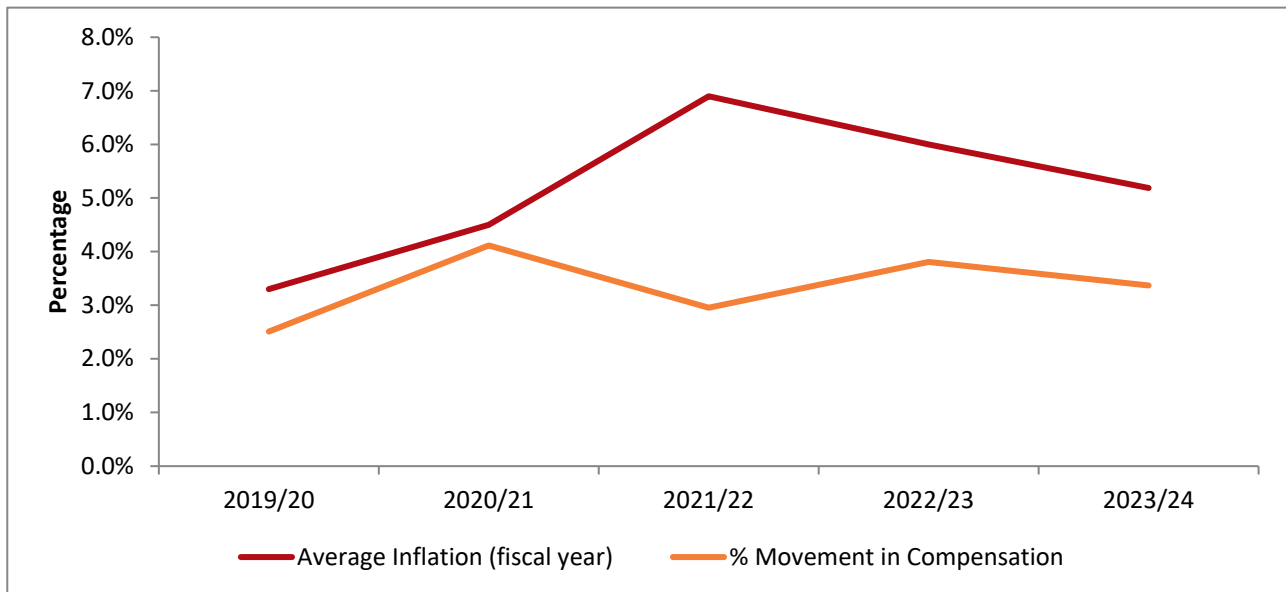
REVIEW OF OPERATING RESULTS

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Graph 14: Year on year movement – compensation of employees



Graph 15: Compensation % increase vs. inflation

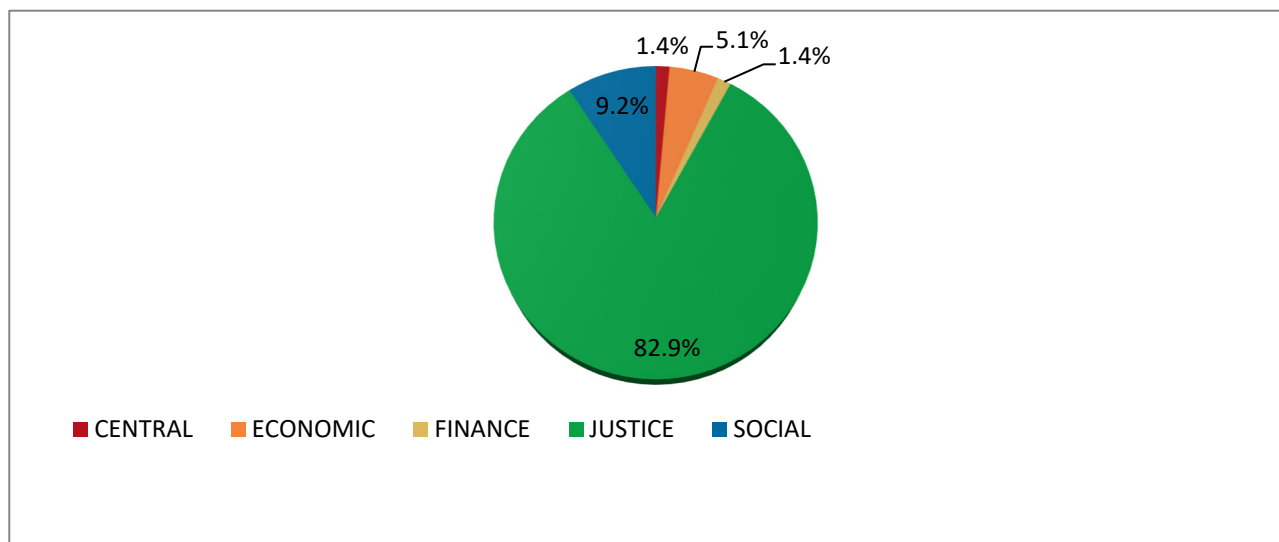


The graphs above also indicate the percentage movement in compensation of employees against the inflation rate over the same period. The inflation rate has increased above the movement in compensation of employees since 2020/21. This is mainly due to efforts made by government in curbing the wage bill.

REVIEW OF OPERATING RESULTS

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Graph 16: Average number of employees per cluster



The majority of national departments employees are employed in the Justice and Protection Services cluster totalling 325 103 (2022/23: 326 723) which equates to 83% 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	Actual	Actual	Actual	Actual
Department	2019/20	2020/21	2021/22	2022/23	2023/24
Department of Police	189 518	183 369	178 351	180 841	184 159
Department of Defence	73 609	73 065	71 143	71 219	68 163
Department of Correctional Services	40 309	39 451	39 565	38 135	37 110

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 R84 billion and accounts to 43% of total compensation costs.

Department of Correctional Services

Spending on compensation of employees increased by 4% in 2023/24, while there was a slight decrease in the number of employees from 38 135 to 37 110 in the current year.

Department of Defence

The department's staff compliment has marginally decreased from 71 219 in the prior year to 68 163 in 2023/24. Spending on compensation increased by 2% in the current year.

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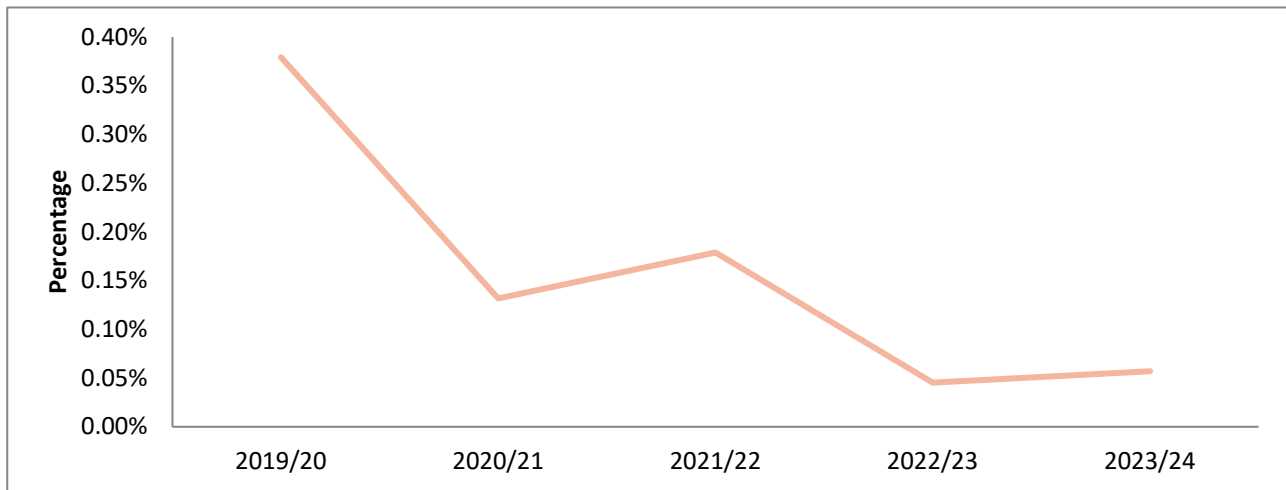
Performance awards

Table 12: Performance awards

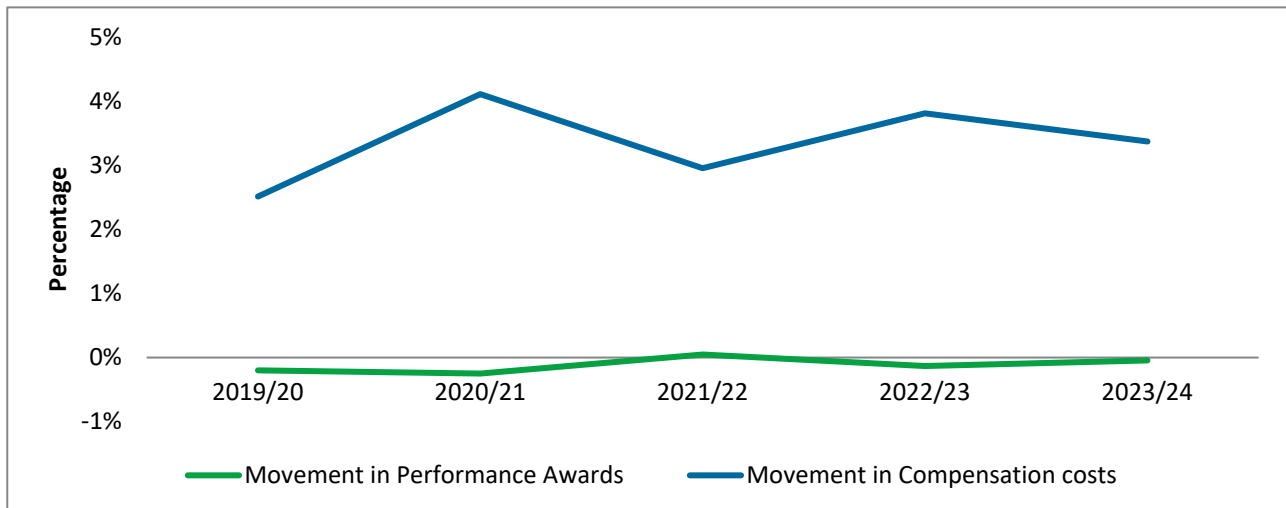
Year Ended 31 March Description	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Performance Awards (R mil)	644	233	325	86	111
Total Compensation of Employees	169 765	176 751	181 968	188 897	195 261
Performance awards as a % of Compensation	0,38%	0,13%	0,18%	0,05%	0,06%
Movement in Performance Awards	-0,05%	-0,25%	0,05%	-0,13%	0,01%
Movement in Compensation costs	2,51%	4,11%	2,95%	3,81%	3,37%

During the 2023/24 financial year, the performance awards increased from R86 million to R111 million. Performance awards make up 0.06% of compensation (0.05% in 2022/23). 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



Graph 18: Movement in performance awards vs. compensation



REVIEW OF OPERATING RESULTS

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Training and staff development costs

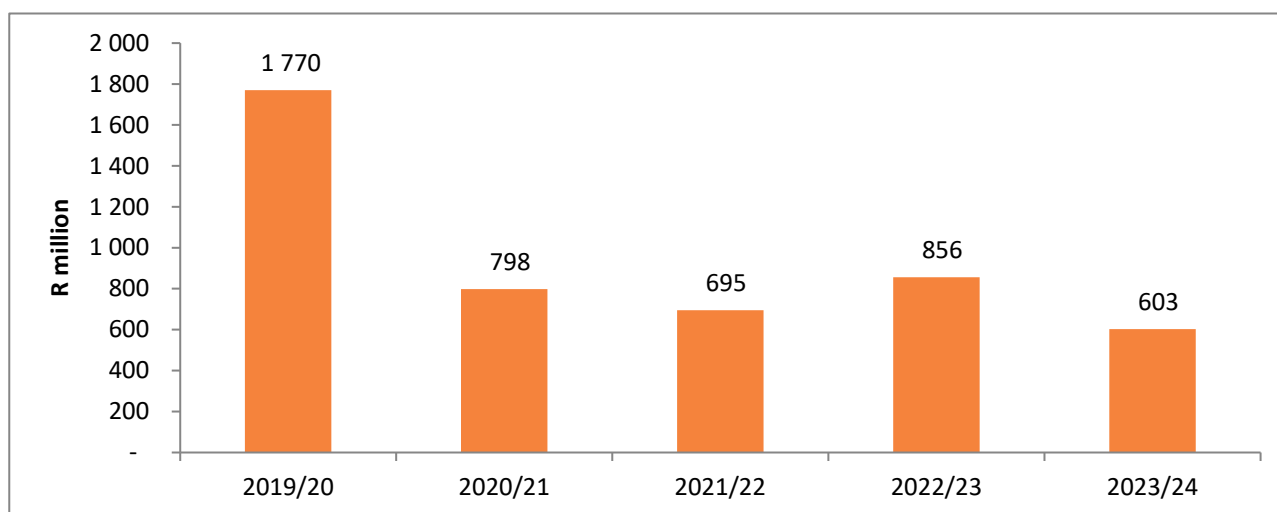
Training and staff development costs are included in the goods and services costs, but it is more appropriate to discuss these costs under compensation of employees as they have a relationship with employee benefits/costs.

Table 13: Training and staff development

Year Ended 31 March					
<i>R million</i>	2019/20	2020/21	2021/22	2022/23	2023/24
Training & Staff Development	1 770	798	695	856	603
Total Compensation of Employees	169 765	176 751	181 968	188 897	195 261
Training as a % of Compensation	1,04%	0,45%	0,38%	0,45%	0,31%

As can be noted in the graphs 19 and 20 below, training and staff development costs decreased by R253 million in the current year from R856 million in the year 2022/23 to R603million in the year 2023/24. As a component of compensation, the ratio decreased from 0.45% to 0.31%. The Agriculture, Land Reform and Rural Development currently accounts for the highest spending on training costs at 24% followed by the Department of Defence at 20%.

Graph 19: Training and staff development



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

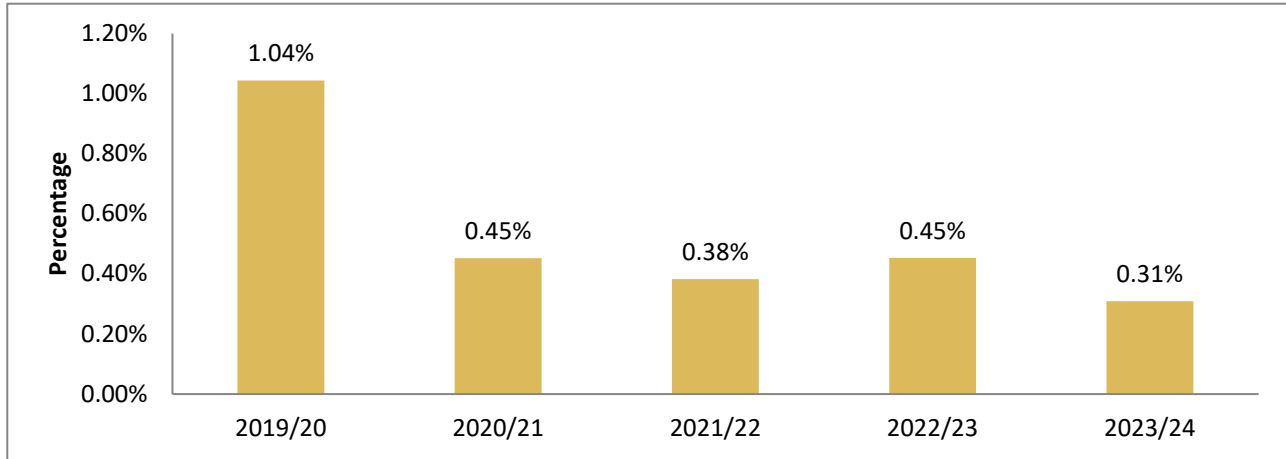
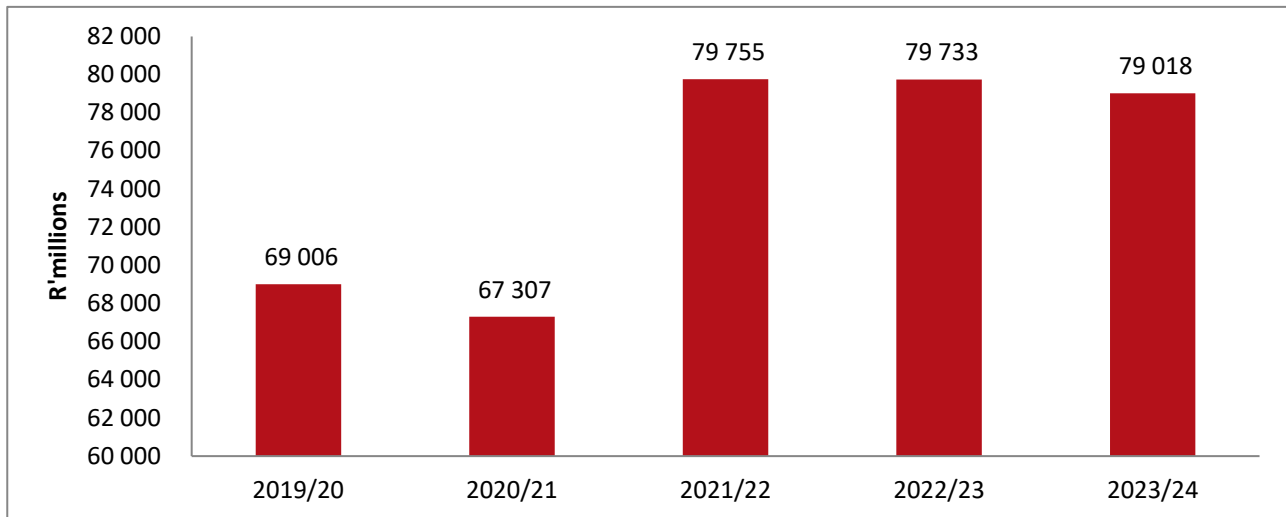


Table 14: Goods and services

Year Ended 31 March	Actual	Actual	Actual	Actual	Actual
R' million	2019/20	2020/21	2021/22	2022/23	2023/24
Goods and Services	69 006	67 307	79 755	79 733	79 018
Movement in expenditure	-1%	-2%	18%	0%	-1%

Graph 21: Goods and services



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

Table 15: Major items of goods and services

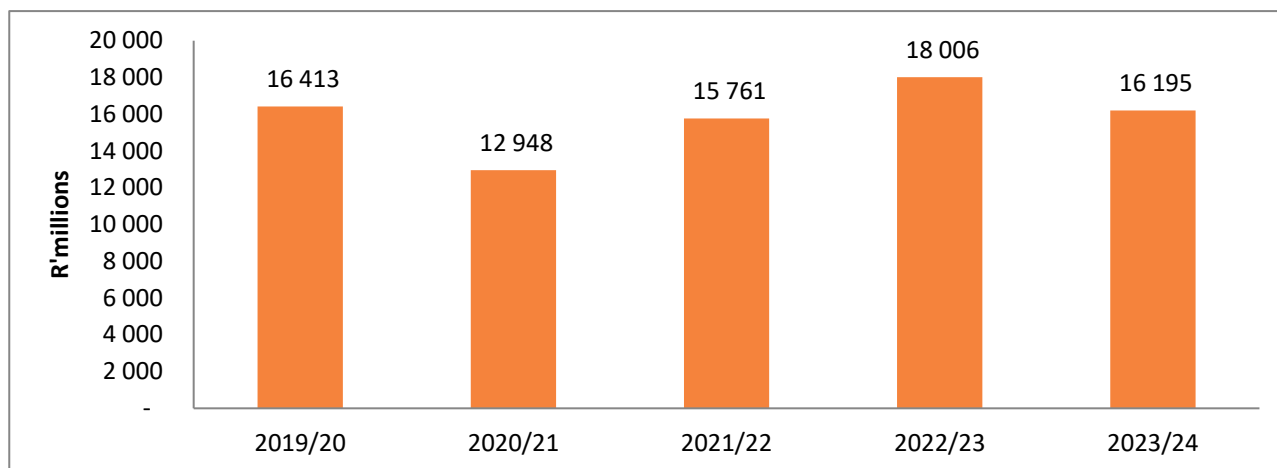
Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Consultants, contractors and special services	16 413	12 948	15 762	18 006	16 195
Inventory	9 315	12 839	17 791	11 848	10 355
Operating leases	10 233	11 937	10 728	11 820	11 205
Travel and subsistence	5 698	2 986	5 197	7 631	7 965
Computer Services	7 029	7 248	7 799	6 713	8 595
Property payments	6 459	6 860	8 471	8 273	8 693
Communication	1 193	1 306	1 448	1 437	1 326
Other	12 668	11 182	12 559	14 005	14 682
Total	69 008	67 307	79 755	79 733	79 018

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 declined by 10,1% in 2023/24, while operating leases decreased by 5% from 11,9 million in 2022/23 to R11,2 million in 2023/24.

Table 16: Consultants, contractors and special services

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Consultants, contractors, and special services	16 413	12 948	15 762	18 006	16 195
Movement in expenditure	6%	-21%	22%	14%	-10%

Graph 22: Consultants, contractors and special services



The decline in payments for consultants, contractors, and special services (CCSS) is attributable to the Treasury regulations to limit use of consultants to the required capacity, skills or expertise that do not exist in their institution. Post COVID-19 era has contributed to the sharp drop in inventory as indicated by 33% and 13% declines in 2022/23 and 2023/24 respectively. CCSS have returned to be the leading expenditure after inventory have returned to normal levels.

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Table 17: Inventory and consumables

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Inventory	9 315	12 839	17 791	11 848	10 355
Movement in expenditure	-6%	38%	39%	(33%)	(13%)

Graph 23: Inventory and consumables

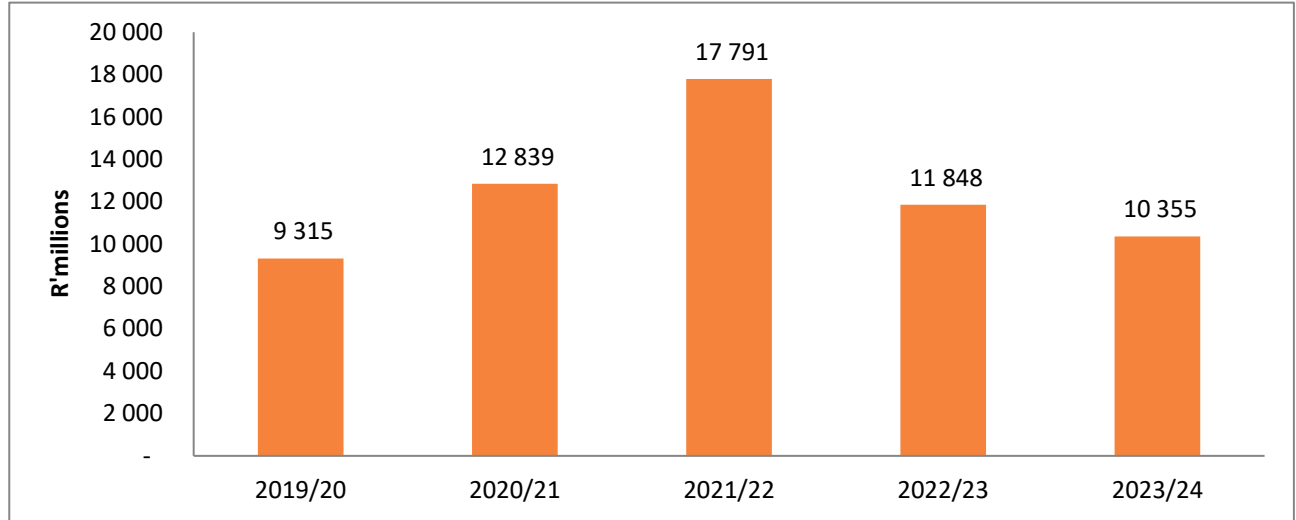
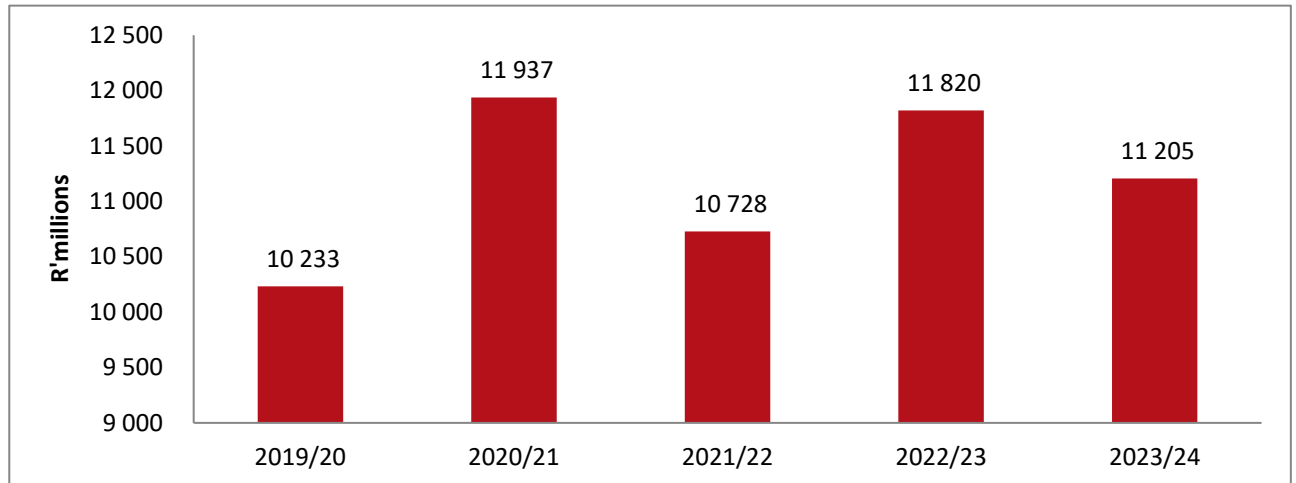


Table 18: Operating leases

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Operating leases	10 233	11 937	10 728	11 820	11 205
Movement in expenditure	(9%)	17%	(10%)	10%	-5%

Graph 24: Operating leases



REVIEW OF OPERATING RESULTS

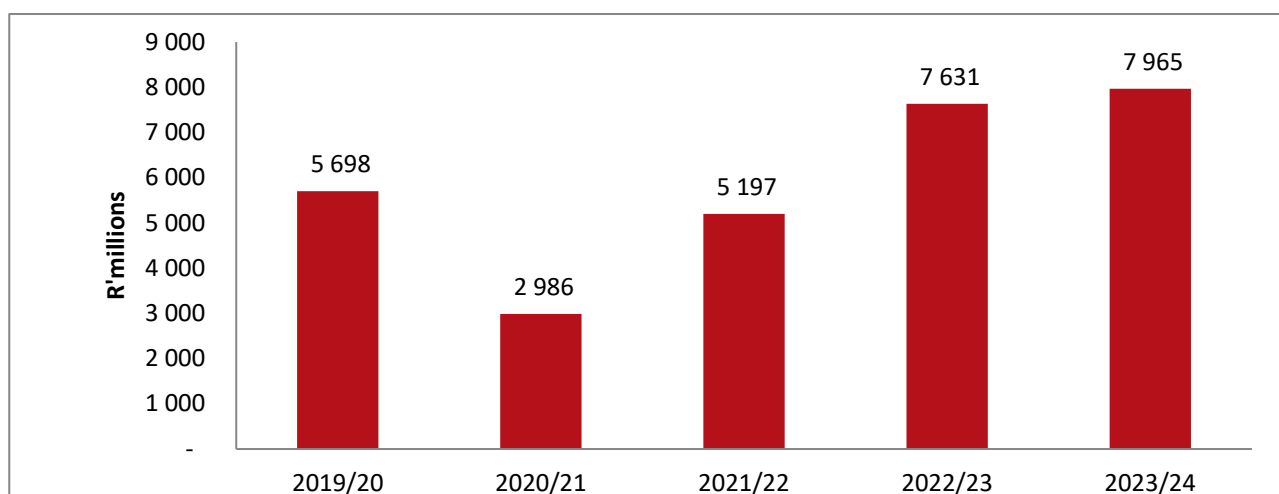
FOR THE YEAR ENDED 31 MARCH 2024

Expenditure on operating leases decreased by 5% in the 2023/24 year as compared to a 10% increase in 2022/23. The three highest spending departments in this regard are Police at R3.41 billion, Defence R1.34 billion and DIRCO at R1.08 billion.

Table 19: Travel and subsistence

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Travel and subsistence	5 698	2 986	5 197	7 631	7 965
Movement in expenditure	(6%)	(48%)	74%	47%	4%

Graph 25: Travel and subsistence



Travel and subsistence show a marginal increase of 4%, as compared to a 47% increase in the previous year. The Justice cluster accounts for 56% of the total travel and subsistence expenditure with R4.6 billion while the Economic cluster spending accounts for 18% at R1.437 billion. The major spenders within the Justice cluster were again Defence and Police who spent R1.969 billion (2022/23: R1.481 billion) and R1.511 billion (2022/23: R1.492 billion) respectively followed by the Department of Agriculture, Land Reform and Rural Development with R500 million.

Table 20: Computer services

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Computer Services	7 029	7 248	7 799	6 713	8 595
Movement in expenditure	28%	3%	8%	(14%)	28%

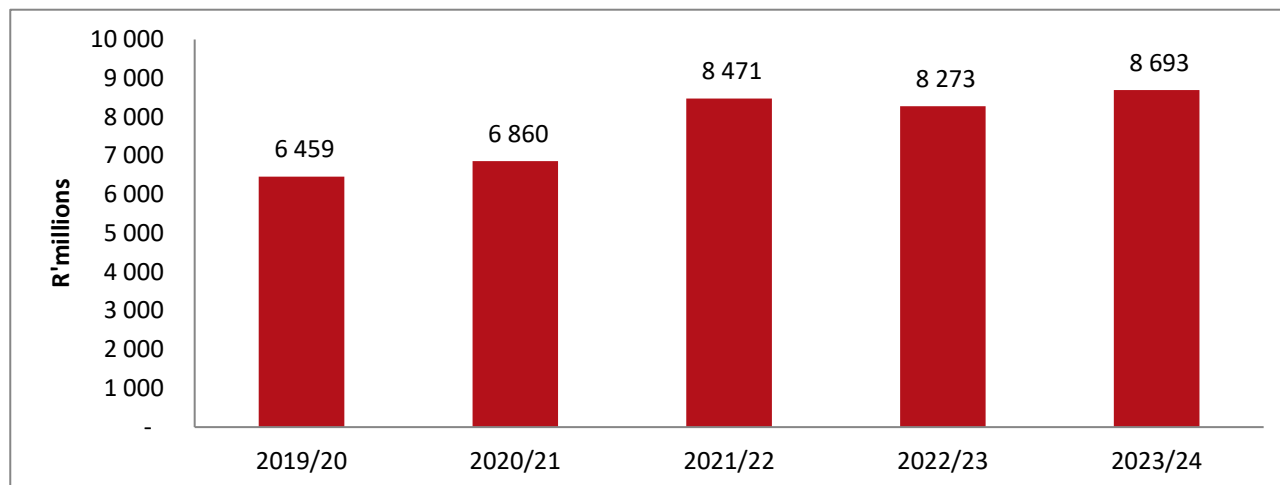
Table 21: Property payments

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Property payments	6 459	6 860	8 471	8 273	8 693
Movement in expenditure	7%	6%	23%	(-2%)	5%

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Graph 26: Property payments



This expenditure towards property payments amounts to 11% of the total goods and services expenditure. Property payments increased by 5% in the current year compared to drop of 2% in the 2022/23 financial year. Significant contributors to the expenditure are Correctional Service at 21%, Police with 18%, Defence 18% and Justice 16%. The other major spenders in this area are International Relations and Cooperation with R481 million (2022/23: R460 million) and Agriculture, Land Reform and Rural Development spent R524 million (2022/23: R527 million).

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

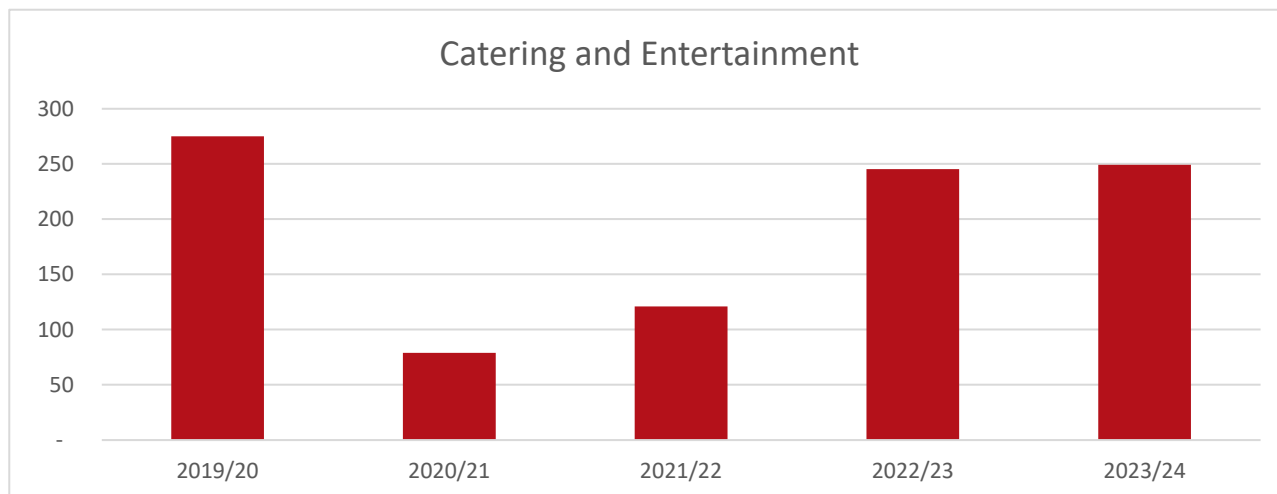
Table 22: Catering and entertainment

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Catering and entertainment	275	79	121	245	249
Movement in expenditure	(6%)	(71%)	53%	103%	2%

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Graph 27: Catering and entertainment expenditure



In the current year Catering and entertainment expenditure marginally increased by 2% compared to an increase of 103% in the 2022/23 financial year.

Table 23: Bursaries

Year Ended 31 March R million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Bursaries	59	74	92	109	106
Total Compensation of employees	169 765	176 751	181 968	188 897	195 261
As a % of Compensation of employees	3%	4%	5%	6%	5%

There was a slight decrease in the bursary expenditure. The total compensation expenditure increased by 3% in the current year. The bursary expenditure as a percentage of compensation is still low at 5% of total compensation of employees, a slight decrease to what was reported in the previous year.

Table 24: Transfers and subsidies

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Provinces and Municipalities	213 535	766 330	796 719	845 214	864 285
Departmental agencies and accounts	162 380	127 311	144 690	154 280	165 481
Higher education institutions	42 363	43 329	48 477	52 123	49 722
Public corporations and private enterprises	22 976	26 775	37 422	41 217	42 091
Households	199 727	232 302	236 233	247 261	266 732
Other	10 616	10 312	6 134	6 550	6 466
Total	651 597	1 206 359	1 269 675	1 346 644	1 394 777
Increase from prior year	13%	85%	5%	6%	4%
As a % of Total revenue	48%	97%	81%	79%	80%
As a % of Total expenditure	38%	65%	66%	66%	66%

Transfers and subsidies increased by 4% in the current year. A significant portion of subsidies relate to Provinces and Municipalities and Households representing 81% of the total. The Finance Service cluster takes the largest portion of transfers and subsidies amounting to 45% of the total transfers and subsidies.

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Graph 28: Breakdown of transfers and subsidies 2023/24

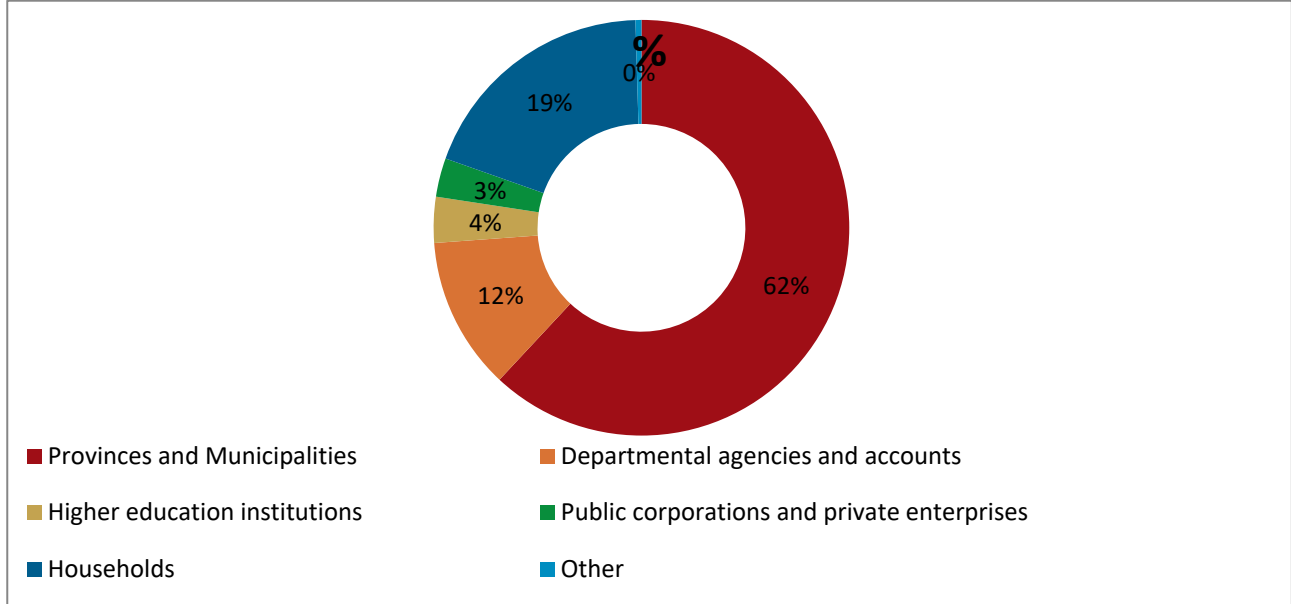


Table 25: Expenditure for capital assets

Capital Expenditure R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total capital expenditure	12 500	12 842	14 878	16 641	16 734
Movement in expenditure	-23%	3%	16%	12%	1%

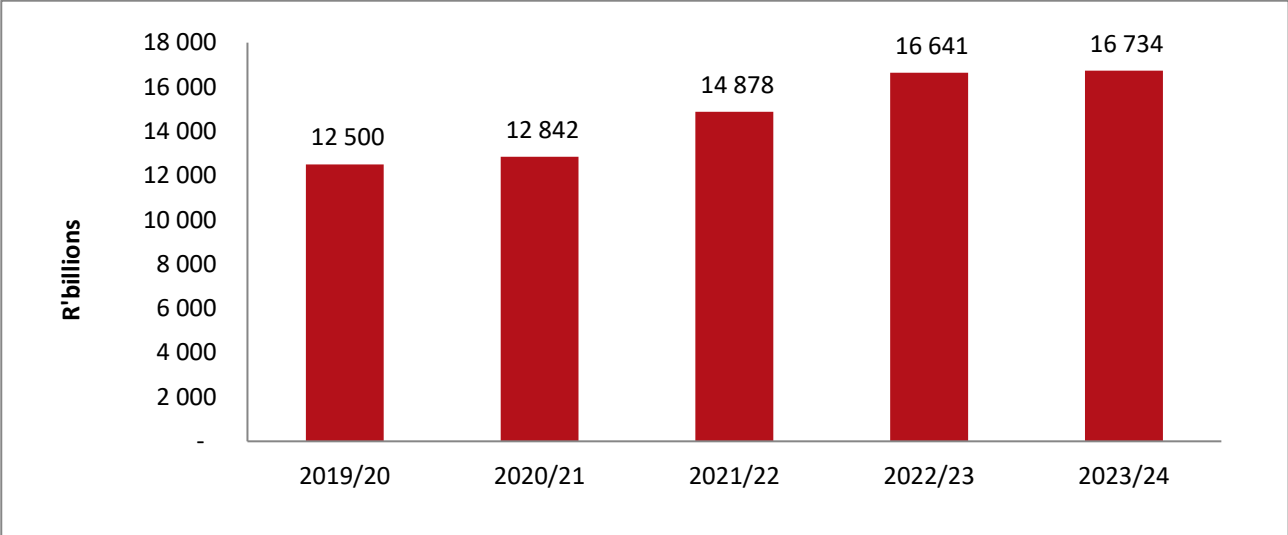
Capital expenditure has increased by 1% during the current year from R16.6 billion in 2022/23 to R16.7 billion in 2023/24. Most of the capital expenditure was spent on buildings and other fixed structures which accounted for R10.5 billion of the total expenditure. Capital expenditure on machinery and 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 R6.8 billion, Economic cluster accounts for R5.9 billion of total capital expenditure, followed by the Social Service cluster at R3.4 billion. Capital expenditure growth has decreased by 10% when compared to the prior year.

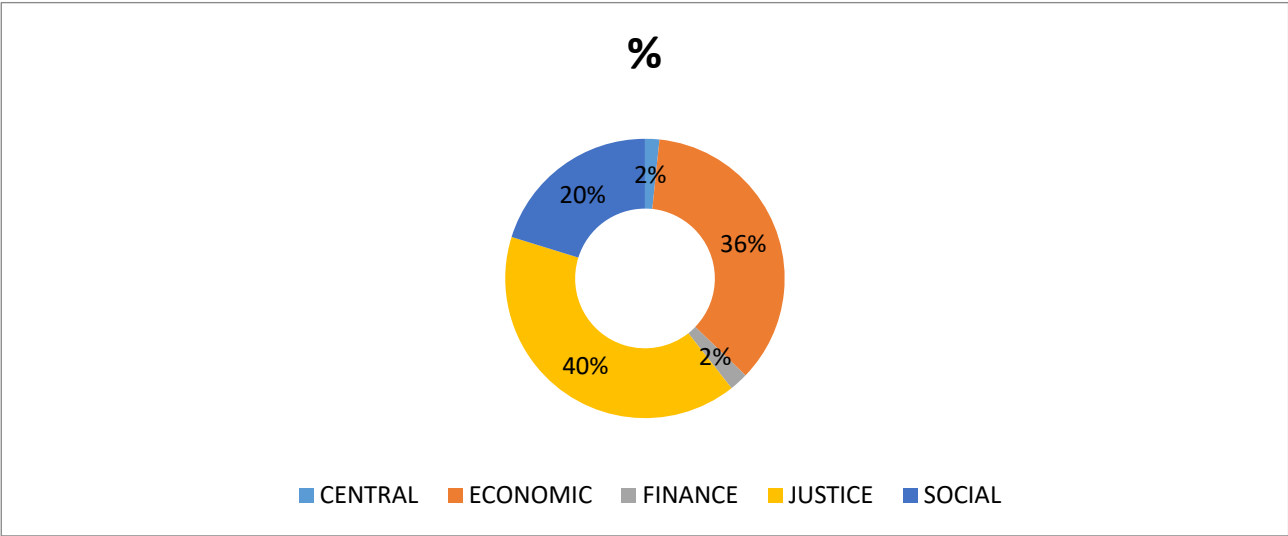
REVIEW OF OPERATING RESULTS

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Graph 29: Total capital expenditure



Graph 30: Capital expenditure by cluster 2023/24



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FOR THE YEAR ENDED 31 MARCH 2024

ASSETS

Table 28: Cash and cash equivalents

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Cash and equivalents	251 408	322 477	247 226	240 533	161 877
Movement in cash and cash equivalents	10%	28%	(23%)	(3%)	(33%)

With cash and cash equivalents at R161 billion (after accounting for the bank overdraft), the breakdown shows a significant reliance on foreign currency deposits (52%) and commercial bank deposits (48%). The substantial 33% decrease in cash and cash equivalents for 2023/24, compared to the modest 3% decrease the previous year, indicates a concerning trend in liquidity management.

Graph 30: Cash and cash equivalents by cluster 2023/24

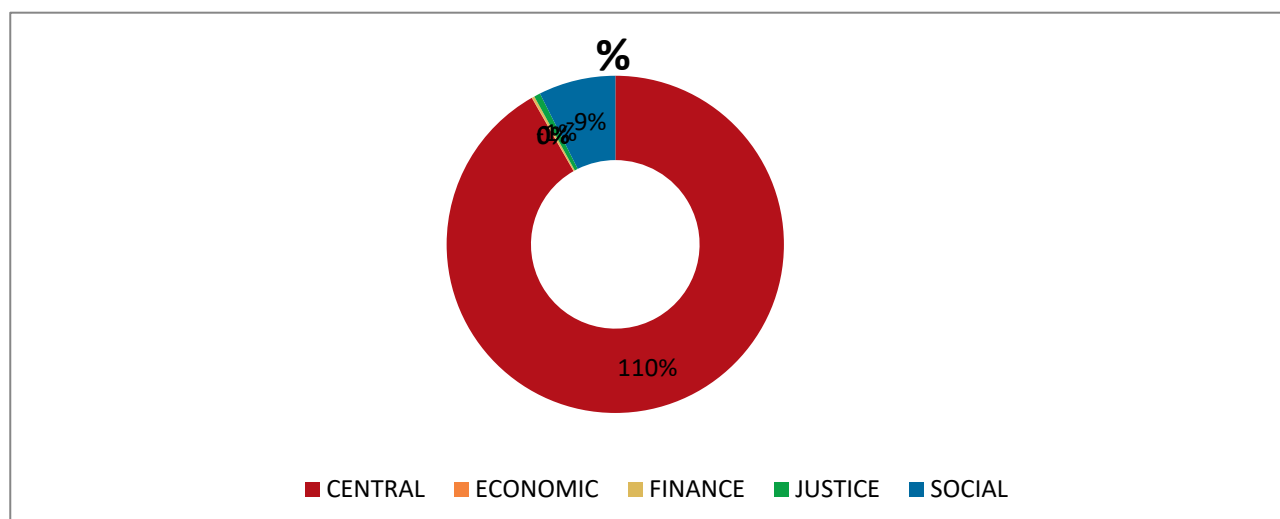


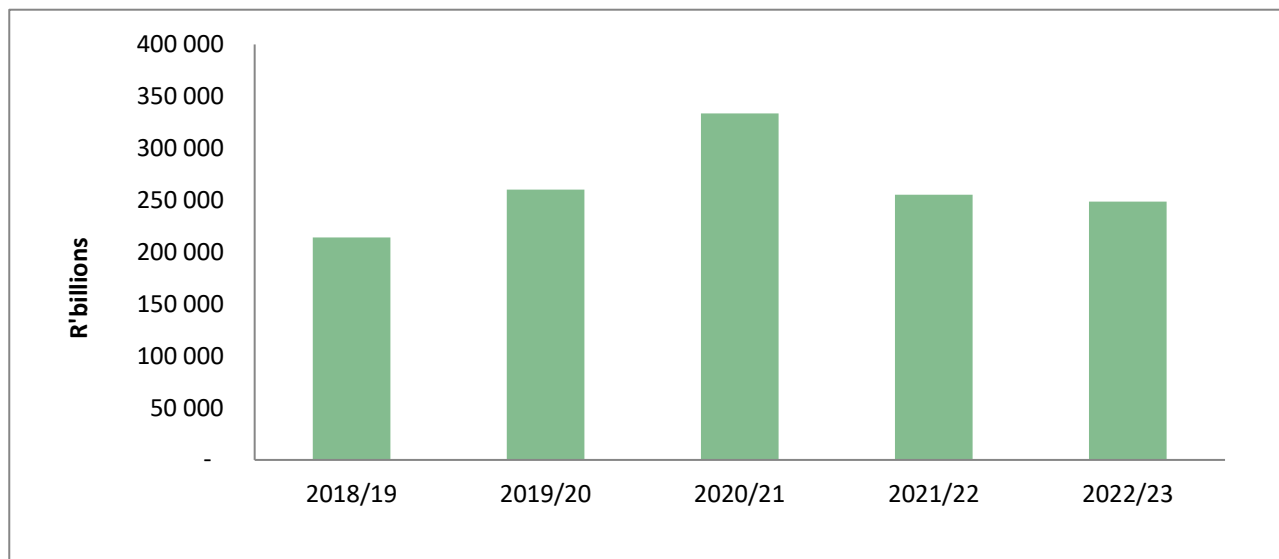
Table 29: National Revenue Fund Holding

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Commercial Banks					
Tax and Loan account	44 536	198 554	128 696	120 501	92 320
South African Reserve Bank					
Sterilisation deposits	67 157	41 157	41 157	-	-
Foreign currency deposits	148 196	93 282	85 130	127 999	101 200
Other	491	540	227	112	-301
US \$ equivalent of foreign cash balances	\$8,3	\$6,3	\$5,8	\$6,8	\$5,3
Total	260 380	333 533	255 210	248 611	193 223

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

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. Cash deposits with the Reserve Bank comprise the following:

- Deposits used to "sterilise" the excess cash created in the money market when buying foreign exchange reserves.
- Foreign exchange deposits made from money borrowed in international markets, or from purchases in the local market.

Cash with commercial banks is invested in line with predetermined credit-risk benchmarks. Foreign currency deposits decreased from R127.9 billion in 2022/23 to R101.2 billion in 2023/24. 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	Actual	Actual	Actual	Actual
R' million	2019/20	2020/21	2021/22	2022/23	2023/24
Receivables	9 245	10 403	27 367	12 734	10 484
Movement in receivables	(3%)	13%	163%	(53%)	(18%)

Receivables fell from R12,7 billion to R10 billion, marking a 18% decrease in 2023/24 financial year. This is a substantial drop, indicating improvements in financial management or collections. Communications and Digital Technologies saw a dramatic decrease of 99.9% emanated from recovery of previously disclosed fruitless and wasteful expenditure while International Relations and Cooperation which declined by 39% from claims recoverable from public entities.

REVIEW OF OPERATING RESULTS

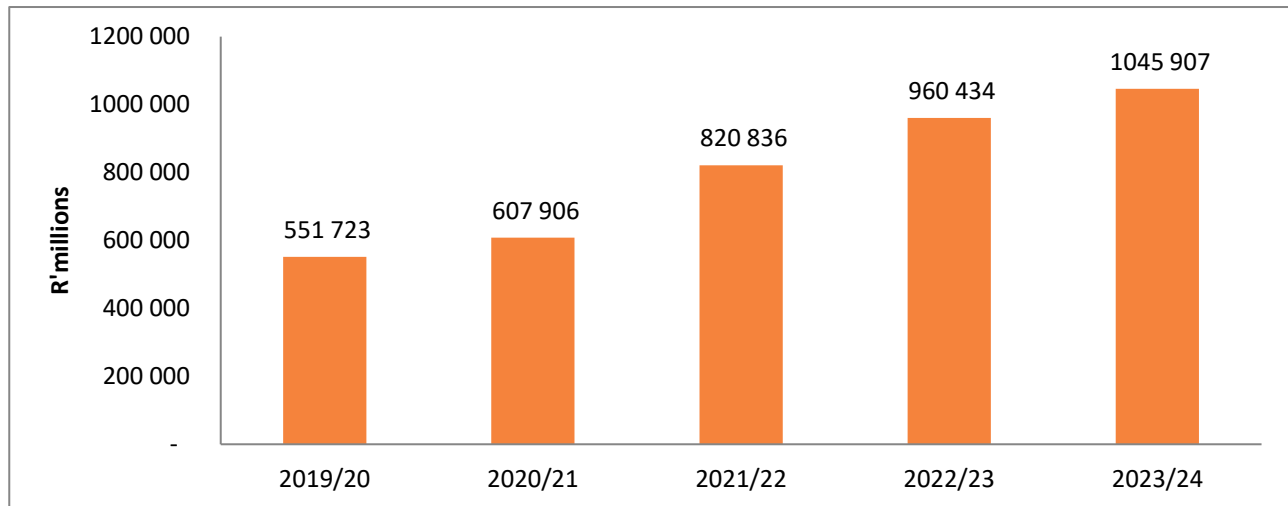
FOR THE YEAR ENDED 31 MARCH 2024

Table 31: Investments

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Investments	551 723	607 906	820 836	960 434	1 045 907
Movement in investments	36%	10%	35%	17%	9%

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. Total investments increased from R960 billion in 2022/23 to R1 trillion in 2023/24 or 9%. The increase is mainly due to new investments made by Treasury and Public Enterprises on state owned entities.

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 little or no movement. The estimated impairment of investments is R125 billion (2022/23: R97 billion).

Table 32: Major Investments

Year Ended 31 March R'000	Actual 2023 / 2024	Actual 2022 / 2023
Onderstepoort Biological Products Ltd	1	1
TELKOM	2 070 381	2 070 381
SA Post Office	10 564 116	8 164 116
SENTECH	75 892	75 892
Vodacom	3 743	3 743
Broadband Infracore 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

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Year Ended 31 March R'000	Actual 2023 / 2024	Actual 2022 / 2023
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	13 397 655
Alexkor SOC Ltd	400 000	400 000
Denel SOC Ltd	15 203 961	15 203 961
Eskom SOC Ltd	285 550 276	241 550 276
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
Armscor	75 000	75 000
Special Defence activities	104 156	104 156
	449 607 412	402 207 412

Table 33: Loans (Current and Non-Current)

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Loans	1 582	1 385	31	29	32 028
Movement in Loans	(0,1%)	(12%)	(98%)	(6%)	110932%

Loans increased significantly by over 100% in 2023/24 compared to the 6% decrease in the previous financial year. As reflected in note 14 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. R32 billion indicates the portion of the loan that has not been converted to shares transferable to DPE as of 31 March 2024 (National Treasury Annual Financial Statements, 2023/24).

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

LIABILITIES

Table 34: Payables (Current and Non-Current)

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Payables	5 567	9 563	44 919	11 996	6 579
Movement in Payables	(8%)	72%	370%	(73%)	(45%)

Payables have decreased from R11.9 billion to R6.5 billion in 2023/24. This 45% reduction could indicate improved cash flow management and decrease in expenditures. There has been a significant decrease in the voted funds to be transferred in the NRF which decreased by more than 80% when compared to last year.

Table 35: Multilateral institutions

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Multilateral Institutions	307 747	334 944	474 746	575 211	593 918
Movement in Multilateral Institutions	35%	9%	42%	21%	3%

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 African Development bank R160.3 billion (2022/23: R149.7 billion), International Monetary Fund – Liabilities to non-residents R118.1 billion (2022/23: R130.3 billion), International Monetary Fund - SDR Allocations R118.7 billion (2022/23: R112.6 billion), International Bank for Reconstruction and Development R44.3 billion (2022/23: R40.1 billion), Multilateral Investments Guarantee Agency R0.28 billion, and New Development Bank R152.3 billion (2022/23: R142.2 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.

Table 36: Borrowings

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Current borrowings	428 447	518 810	544 953	578 112	651 339
Non-current borrowings	2 832 896	3 416 890	3 732 511	4 187 316	4 608 146
Total	3 261 343	3 935 701	4 277 463	4 765 428	5 259 484
Movement in Borrowings	17%	21%	9%	11%	10%

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 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.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Graph 33: Borrowings

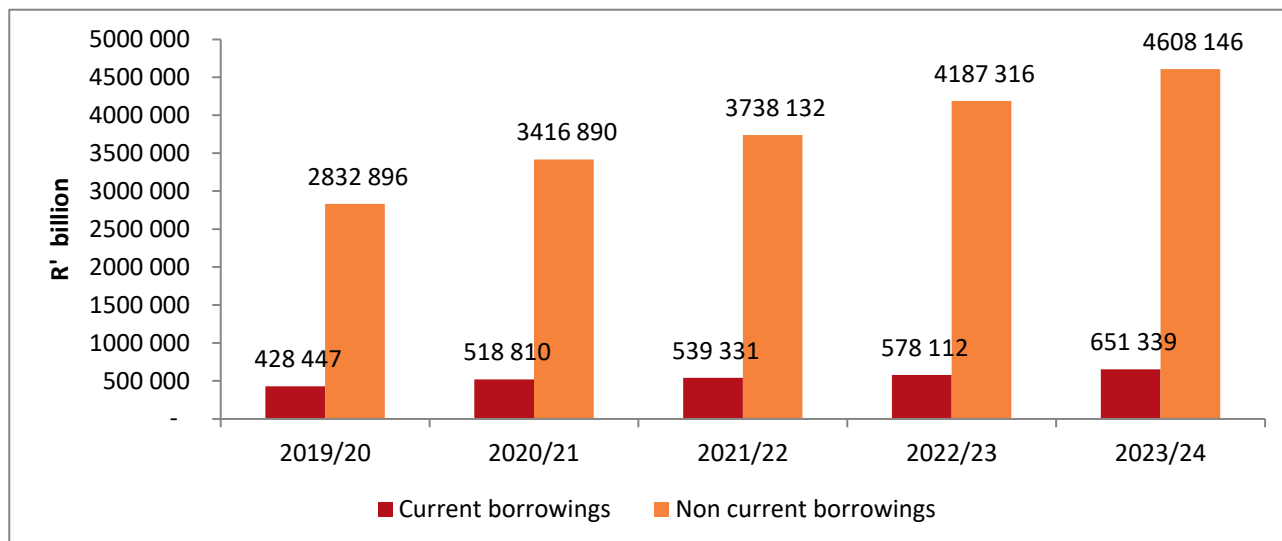


Table 37 below shows government debt split between domestic and foreign debt. In addition, government's debt is also disclosed on a gross and net basis. Net loan debt consists of total domestic and foreign debt less the cash balances of the NRF. Gross government debt as per cent of GDP, has increased from 67 per cent in 2022/23 to 72 per cent in 2023/24.

Table 37: National government debt

R' million	2019/20	2020/21	2021/22	2022/23	2023/24
Domestic debt	2 874 118	3 543 266	3 865 359	4 209 771	4 667 861
Foreign debt	387 225	392 434	412 104	555 657	591 623
Gross loan debt	3 261 342	3 935 701	4 277 463	4 765 428	5 259 484
Less: National Revenue Fund bank balances	-260 280	-310 115	-259 832	-237 014	-174 057
Net loan debt	3 001 062	3 625 586	4 017 631	4 528 414	5 085 427
<i>As percentage of GDP:</i>					
Gross loan debt	61	54	66	67	72
Net loan debt	8	6	7	8	8

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

NATIONAL TREASURY
2024 CFS
CONSOLIDATED
FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the consolidated financial statements of national departments set out on pages 50 to 112, which comprise the consolidated statement of financial position as at 31 March 2024, consolidated statement of financial performance, statement of changes in net assets and 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 financial position of national departments as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act no. 05 of 2023 (Dora).

BASIS FOR QUALIFIED OPINION

GOODS AND SERVICES

Department of Defence

3. 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 and related investments 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 and investments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to sensitive projects expenditure included in the expenditure of R79 018 064 000 (2023: R79 733 494 000), as per note 8 to the consolidated financial statements.

COMPENSATION OF EMPLOYEES

Department of Defence

4. The department did not recognise compensation of employees in accordance with MCS Chapter 2, Concepts and principles. I identified misstatements in basic salaries, housing allowances and deprivation allowances. I was unable to determine the full extent of the overstatement of compensation of employees stated at R195 260 823 000 in note 7 and the related receivables balance stated at R10 483 786 000 in note 16, as it was impractical to do so.

MOVABLE TANGIBLE CAPITAL ASSETS

Department of Defence

5. I was unable to obtain sufficient appropriate audit evidence for movable tangible capital assets as the department could not indicate where these assets are located nor provide other information relating to the location of these assets. Furthermore, the department could not provide sufficient appropriate audit evidence that management had properly accounted for some specialised military assets amounting to R4 040 000 000 that are not accounted for in the normal asset management system, due to 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 the full extent of the understatement of movable tangible capital assets, stated at R114 659 458 000 (2023: R112 181 342 000) in note 39 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

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 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 R114 659 458 000 (2023: R112 181 342 000) in note 39 to the consolidated financial statements, as it was impracticable to do so.
7. The department did not recognise all movable tangible capital assets at cost in accordance with MCS chapter 11, Capital assets. I identified a significant number of assets acquired after 1 April 2002 which were recorded at R1 as documentation to establish the cost was not available. This is in contravention of the MCS which allows R1 values to be assigned only to those assets acquired prior to 1 April 2002. Consequently, I was unable to determine the full extent of the understatement of movable tangible capital assets stated at R114 659 458 000 (2023: R112 181 342 000) in note 39 to the consolidated financial statements as it was impracticable to do so.
8. The department did not comply with the modified cash standard in ensuring that all movable tangible capital assets remain at historical cost in accordance with MCS Chapter 11, Capital assets. I identified cost adjustments to the historical cost of certain movable tangible capital assets amounting to R919 270 000 processed and included as part of the prior year additions as well as R486 730 000 processed and included as part of the prior year disposals. In addition, I was unable to obtain sufficient appropriate audit evidence for these adjustments as the supporting information was not provided. This is in contravention with the MCS which prohibits cost adjustments for appreciation and devaluation. I was unable to confirm

these adjustments by alternative means. My opinion on the movable tangible capital assets is modified because of the effect of this matter on the closing balance for the current year and corresponding year as disclosed in notes 39 and 39.1 to the consolidated financial statements, respectively

Department of Military Veterans

9. Adequate systems were not in place to record assets in accordance with MCS chapter 11, *Capital assets*. Capital assets that were recorded in the current year could not be located during the asset verification process. This resulted in movable tangible capital assets being overstated by R9 300 000

Context for the opinion

10. 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.
11. 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.
12. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion

Emphasis of matter

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

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

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

14. As disclosed in note 48 to the consolidated financial statements, the Minister of Finance 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 the 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

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

UNAUDITED SUPPLEMENTARY SCHEDULES

16. The supplementary information set out on pages 113 to 117 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

17. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

18. 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

19. 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 is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
20. 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 at page 49, forms part of our auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

REPORT ON COMPLIANCE WITH LEGISLATION

22. 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 scope included in the Audit Directive issued under section 13(3)(b) of the Public Audit Act 25 of 2004 on 06 December 2023 per General Notice 49825

OTHER INFORMATION IN THE ANNUAL REPORT

23. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated financial statements and the auditor's report.
24. 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.
25. 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.
26. I did not receive the other information prior to 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.

INTERNAL CONTROL DEFICIENCIES

27. 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.
28. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion included in this report.
29. The accounting officers of the respective departments did not implement adequate internal controls to ensure the preparation of credible, complete and accurate individual financial statements, that are supported by sufficient and appropriate audit evidence as numerous material misstatements were identified that resulted in the modifications.
30. Furthermore, the accounting officers did not adequately implement and monitor the audit action plans to prevent repeat findings which impacted the consolidated financial statements. This was mainly because the action plans developed to address deficiencies identified in prior years were inadequate and ineffective.

Auditor-General

Pretoria

7 December 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

■ 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 consolidated financial statements

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 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 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 ability of the consolidated national departments 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 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 at 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the departments consolidated to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the consolidation audit. I remain solely responsible for my audit opinion.

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 2024

	Notes	2023/24 R'000	2022/23 R'000
OPERATING INCOME			
Revenue from Taxes, Levies & Duties	2	1 677 197 574	1 668 582 597
Departmental revenue	3	46 414 377	30 826 582
Other Revenue	4	6 982 350	6 480 859
Aid assistance		4 173 289	4 136 442
TOTAL REVENUE		1 734 767 590	1 710 026 480
REVENUE FUND EXPENDITURE			
		433 943 947	351 771 947
Appropriated Funds	6	433 066 108	351 756 330
CARA payments		877 839	15 617
DEPARTMENTAL EXPENDITURE			
Current Expenditure		276 831 797	269 899 282
Compensation of employees	7	195 260 823	188 897 018
Goods and services	8	79 018 064	79 733 494
Interest and rent on land	9	297 392	273 881
Aid assistance	5	2 255 518	994 889
Transfers and subsidies		1 394 902 639	1 346 762 574
Transfers and subsidies	12	1 394 776 880	1 346 644 261
Aid assistance		125 759	118 313
Expenditure for capital assets		16 733 553	16 640 745
Tangible assets	10.1	16 281 247	15 903 303
Intangible assets	10.2	452 306	737 442
Payments for financial assets		2 039 191	67 517 816
TOTAL EXPENDITURE		2 124 451 127	2 052 592 364
SURPLUS/(DEFICIT)		(389 683 537)	(342 565 884)
Foreign exchange revaluation		(81 559 665)	(137 348 973)
SURPLUS/(DEFICIT) FOR THE YEAR		(471 243 202)	(479 914 857)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		(471 937 089)	(480 255 711)
Departmental revenue and NRF Receipts		7 845	7 488
Aid assistance	5	686 042	333 366
SURPLUS/(DEFICIT) FOR THE YEAR		(471 243 202)	(479 914 857)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/2024 R '000	2022/2023 R '000
ASSETS			
Current Assets		228 675 448	273 507 561
Cash and cash equivalents	14	187 102 479	261 928 070
Other financial assets	12	26 750	10 262
Prepayments and advances	15	1 032 946	1 317 504
Receivables	16	8 414 377	10 137 879
Loans	17	32 000 969	1 188
Aid assistance receivable	5	97 927	112 658
Non-Current Assets		1 048 150 946	963 147 874
Investments	18	1 045 907 182	960 434 231
Prepayments and advances	15	101 719	33 783
Receivables	16	2 069 409	2 596 513
Loans	17	27 395	27 658
Other financial assets	12	45 241	55 689
TOTAL ASSETS		1 276 826 393	1 236 655 435
LIABILITIES			
Current Liabilities		683 321 375	610 913 451
Statutory Appropriation to be surrendered to the Revenue Funds		108 602	113 430
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	20	269 233	189 122
Bank overdraft	21	25 225 541	21 395 455
Payables	22.1	5 671 777	10 692 170
Borrowings	23	651 338 529	578 112 320
Aid assistance repayable	5	337 779	318 794
Aid assistance unutilised	5	369 913	92 160
Non-Current Liabilities		5 203 193 956	4 764 056 613
Unauthorised expenditure		222 909	226 447
Payables	22.2	907 032	1 303 696
Borrowings	24	4 608 145 670	4 187 315 832
Multi-lateral institutions	25	593 918 345	575 210 683
TOTAL LIABILITIES		5 886 515 331	5 374 970 064
NET ASSETS		(4 609 688 940)	(4 138 314 632)
Represented by:			
Capitalisation reserve		481 527 799	402 127 957
Recoverable revenue		919 436	1 069 003
Retained funds		(5 092 136 175)	(4 541 511 592)
TOTAL		(4 609 688 940)	(4 138 314 632)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/2024 R'000	2022/2023 R'000
NET ASSETS			
Capitalisation Reserves			
Opening balance		402 127 958	362 270 094
Transfers:		79 399 842	39 857 864
Movement in Equity		47 400 000	39 859 559
Other movements		31 999 842	(1 695)
Closing balance		481 527 800	402 127 958
Recoverable revenue			
Opening balance		1 069 002	1 108 017
Transfers		(149 567)	(39 015)
Irrecoverable amounts written off		(26 029)	(68 339)
Debts revised		(54 439)	(141 403)
Debts recovered (included in departmental receipts)		(490 171)	(398 942)
Debts raised		421 072	569 669
Closing balance		919 435	1 069 002
Retained funds			
Opening balance		(4 541 511 592)	(4 046 233 545)
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		570 323	96 604
Utilised during the year		1 089 510	759 968
Other		(552 284 416)	(496 134 619)
Closing balance		(5 092 136 175)	(4 541 511 592)
Revaluation Reserves			
Opening balance		-	(1 663)
Other		-	1 663
Closing balance		-	-
TOTAL		(4 609 688 940)	(4 138 314 632)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS DISCLOSED BY THE NATIONAL REVENUE FUND		1 752 235 125	1 723 709 577
Revenue collected by SARS		1 677 103 821	1 668 569 429
Departmental Revenue collected		47 921 147	30 972 626
CARA Receipts		847 180	2 667 199
Surrenders from departments		19 380 627	15 019 464
Other revenue received by the revenue fund		6 982 350	6 480 859
RECEIPTS DISCLOSED BY NATIONAL DEPARTMENTS		20 732 694	16 109 436
Departmental revenue received		4 769 113	6 005 578
Interest received		12 637 472	8 634 615
Aid assistance received		3 326 109	1 469 243
PAYMENTS DISCLOSED BY THE NATIONAL REVENUE FUND		440 305 725	385 261 711
Statutory Appropriation		436 096 546	366 885 566
CARA Payments		877 839	15 617
Appropriation for unauthorised expenditure		6 090	-
Other		3 325 250	18 360 528
Net (increase)/ decrease in working capital		(1 616 310)	(2 141 678)
Surrendered to Revenue Fund		(112 438 212)	(11 903 292)
Surrendered to RDP Fund/Donor		(373 818)	(651 703)
Current payments		(276 584 194)	(269 669 787)
Interest paid		(247 603)	(229 495)
Payments for financial assets		(2 039 191)	(65 117 816)
Transfers and subsidies paid		(1 394 890 639)	(1 346 762 574)
Net cash flow available from operating activities	26	(455 527 873)	(341 919 043)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		240 048	363 643
Payments for capital assets		(16 733 553)	(16 640 745)
Proceeds from sale of investments/ capital assets		193 514	187 409
(Increase)/ decrease in loans		(31 999 518)	2 006
(Increase)/ decrease in investments		(47 400 000)	(39 859 559)
(Increase)/ decrease in other financial assets		(6 040)	(7 998)
(Increase)/ decrease in non-current receivables		4 825	544 558
Net cash flows from investing activities		(95 700 724)	(55 410 686)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		36 348 925	39 835 645
Increase/ (decrease) in non-current payables		(396 664)	(406 575)
Increase/ (decrease) in borrowings		393 102 033	351 244 139
Net cash flows from financing activities		429 054 294	390 673 209
Net increase/ (decrease) in cash and cash equivalents		(122 174 303)	(6 656 520)
Cash and cash equivalents at beginning of period		240 532 616	247 054 250
Unrealised gains and losses within cash and cash equivalents		(481 374)	134 886
Cash and cash equivalents at end of period	27	117 876 939	240 532 616

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

Revenue Fund at the end of the financial year are recognised as receivables in the Statement of 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 2024

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 2024

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 2024

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 2024

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

in the asset register of the department on completion of the project.

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 disclosure notes to the financial statement.

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

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

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 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

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 2024

	Notes	2023/24 R'000	2022/23 R'000
2	Revenue from Taxes, levies and Duties		
	Taxation		
	Income tax	1 008 563 649	988 512 751
	Value-added tax / Sales tax	447 556 730	422 416 399
	Fuel levies	87 223 482	76 544 091
	Customs duties	69 363 764	72 867 256
	Excise duties	58 732 533	58 287 750
	Skills Development Levy	22 604 347	20 892 489
	Environmental levies	13 229 764	13 343 681
	Transfer duties	9 581 333	11 452 101
	Securities transfer tax	5 484 989	5 400 599
	Road accident fund recoupment	4 284 624	3 928 753
	Estate duty	3 532 501	3 702 226
	Southern African Customs Union member duties	3 321 859	3 465 827
	State miscellaneous revenue	2 639 347	1 021 033
	Health promotion levy	2 359 484	2 304 893
	Air Passenger Tax	945 694	788 582
	Donations Tax	801 097	682 787
	Export Duty and Scrap Metal	411 108	843 695
	Other Taxation Revenue	241 424	249 953
	Total Taxation	1 740 877 729	1 686 704 866
	Non-taxation revenue		
	Road accident fund levy	48 545 535	48 620 722
	Mineral and petroleum resource royalty	24 414 477	23 162 161
	Unemployment Insurance Fund (UIF)	15 979 465	25 337 793
	Other non-taxation revenue	-	(157)
	Total Non-taxation	88 939 477	97 120 519
	Total Gross Revenue	1 829 817 206	1 783 825 385
	Less		
	Less: South African Customs Union Agreement	79 810 981	43 683 418
	Less: Payment to UIF	22 266 261	21 107 750
	Less: Payable by SARS to UIF	2 148 216	2 054 411
	Less: Payment to RAF	48 573 277	48 469 361
	Less: Payable by SARS to RAF	(179 103)	(72 152)
	Total	152 619 632	115 242 788
	Total Net Revenue for the Year	1 677 197 574	1 668 582 597
3	Departmental Revenue		
	NRF receipts	19 034 942	5 221 250
	Sales of goods and services other than capital assets	12 529 797	14 072 220
	Fines, penalties and forfeits	376 376	371 237
	Interest, dividends and rent on land	12 821 257	8 977 396
	Sales of capital assets	192 334	187 256
	Transactions in financial assets and liabilities	859 804	1 349 770
	Transfer received	599 867	647 453
	Total Revenue Collected	46 414 377	30 826 582
	Less: Own revenue included in appropriation	-	-
	Total	46 414 377	30 826 582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
4	Other Revenue		
	Surrenders	6 614 885	6 357 106
	Other revenue received	367 465	123 753
	Total	6 982 350	6 480 859
5	5.1 Aid assistance		
	Opening Balance	298 296	614 085
	Prior period error	-	-
	As restated	298 296	614 085
	Transferred from statement of financial performance	686 042	333 366
	Transferred to/from retained funds	(755)	2 548
	Paid during the year	(373 818)	(651 703)
	Closing Balance	609 765	298 296
	5.2 Analysis of balance by source		
	Aid assistance from RDP	295 569	246 557
	Aid assistance from other sources	24 392	15 231
	CARA	289 804	36 508
	Closing Balance	609 765	298 296
	Analysis of Balance		
	Aid assistance receivable	(97 927)	(112 658)
	Aid assistance unutilised	369 913	92 160
	Aid assistance repayable	337 779	318 794
	Closing Balance	609 765	298 296
	Aid assistance prepayments (expensed)		
5.2.1	Opening balance		
	Goods and services	6 978	57 183
	Transfers and subsidies	12 081	88 844
	Closing Balance	19 059	146 027
	Less: Received in the current year		
	Goods and services	159 466	22 905
	Transfers and subsidies	(12 055)	(76 763)
	Closing balance	147 411	(53 858)
	Less: Other		
	Goods and services	(149 179)	(73 110)
	Closing Balance	(149 179)	(73 110)
	Add: Current Year prepayments		
	Goods and services	40 919	-
	Closing balance	40 919	-
	Closing balance		
	Goods and services	58 184	6 978
	Transfers and subsidies	26	12 081
	Closing balance	58 210	19 059

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
5.3 Aid assistance expenditure per economic classification			
Current		2 255 518	994 889
Capital		258 790	22 675
Transfers and subsidies		125 759	118 313
Total aid assistance expenditure		2 640 067	1 135 877
5.4 Donations received in kind (not included in the main note)			
<i>List in kind donations received</i>			
Consumables, Inventory, Clothing and Protective gear (PPE)		-	11 657
Computer Equipment		13	-
Dogs		285	265
Furniture & Equipment		1 205	517
Machinery and Equipment		679	1 407
Medical Equipment		6 231	1 426
National Police day		-	2 184
Transport asset/Service and Equipment		6 439	69 230
Stationery		-	1 611
Travel & Accommodation and Training		18 504	9 277
Training		14 680	-
Excellence Awards		10 111	1 152
Maintenance & Repairs		368	-
Total		58 804	98 726
6 Appropriated funds			
Annual appropriation		(2 993 044)	(15 853 364)
Statutory appropriation		436 059 151	367 609 694
Total appropriation		433 066 107	351 756 330
7 Compensation of employees			
Salaries and Wages			
Basic Salary		127 545 107	118 699 756
Performance Award		111 254	85 819
Service Based		695 295	659 045
Compensative/circumstantial		8 176 205	7 743 035
Periodic Payments		204 361	233 702
Other non-pensionable allowances		25 491 166	29 721 369
Total		162 223 388	157 142 726
Social Contributions			
Employer contributions			
Pension		18 526 728	17 216 900
Medical		14 433 259	14 462 207
UIF		2 692	2 715
Bargaining Council		15 384	14 408
Official unions and associations		20 332	19 697
Insurance		39 040	38 365
Total		33 037 435	31 754 292
Total compensation of employees		195 260 823	188 897 018
Average number of employees		392 219	398 939

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
8	Goods and services		
	Administrative fees	586 403	680 248
	Advertising	347 191	399 272
	Minor assets	362 396	415 722
	Bursaries (employees)	105 643	109 326
	Catering	235 177	232 861
	Communication	1 326 490	1 437 071
	Computer services	8 595 036	6 713 161
	Consultants, contractors and outsourced services	4 888 208	4 363 112
	Infrastructure and planning services	255 830	144 500
	Laboratory services	104 376	139 031
	Scientific and technological services	688 969	458 152
	Legal services	1 342 256	1 054 163
	Contractors	7 342 879	7 214 617
	Agency and support / Outsourced services	5 419 326	5 903 487
	Entertainment	14 003	12 334
	Audit cost – external	663 866	714 719
	Fleet services	5 998 136	6 012 965
	Inventory	7 373 554	8 911 453
	Consumables	2 981 607	2 936 820
	Operating leases	11 205 477	11 819 647
	Property payments	8 693 482	8 273 000
	Rental and hiring	101 698	125 191
	Transport provided part of departmental activities	94 247	73 943
	Travel and subsistence	7 964 996	7 630 675
	Venues and facilities	560 734	512 304
	Training and staff development	602 601	855 816
	Other operating expenditure	2 618 735	2 064 808
	Total	79 018 064	79 733 494
8.1	Minor Assets		
	Tangible assets	362 174	395 230
	Buildings and other fixed structures	54	63
	Biological assets	191	2 314
	Machinery and equipment	361 826	390 252
	Transport assets	6	27
	Specialised military assets	97	2 574
	Intangible assets	222	20 492
	Software	222	20 492
	Total	362 396	415 722
8.2	Computer services		
	SITA computer services	3 215 212	3 486 360
	External computer service providers	5 379 824	3 226 801
	Total	8 595 036	6 713 161
8.3	Audit cost – external		
	Regularity audits	616 491	589 859
	Performance audits	1 300	2 444
	Investigations	20 588	101 052
	Computer audits	25 487	21 364
	Total	663 866	714 719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
8.4	Inventory	467 406	632 942
	Clothing material and accessories	672 768	1 058 345
	Farming supplies	2 790 602	2 584 115
	Food and food supplies	828 239	827 037
	Fuel, oil and gas	1 264 801	1 088 941
	Learning and teaching support material	239 014	254 323
	Materials and supplies	94 465	104 394
	Medical supplies	313 216	1 806 421
	Medicine	703 043	554 935
	Total	7 373 554	8 911 453
8.4.1	Other Supplies		
	Ammunition and security supplies	79 266	156 211
	Assets for distribution	223 948	167 399
	Machinery and equipment ⁹	160 173	123 583
	Sports furniture	6 622	3 559
	Sports and recreation	16 866	19 617
	Other assets for distribution	40 287	20 640
	Other	399 829	231 325
	Total	703 043	554 935
8.5	Consumables	1 367 240	1 467 800
	Consumable supplies	158 254	269 571
	Uniform and clothing	443 100	423 432
	Household supplies	118 915	101 830
	Building material and supplies	10 726	846
	Communication accessories	81 787	85 719
	IT consumables	554 458	586 402
	Other consumables	1 614 367	1 469 020
	Stationery, printing and office supplies	2 981 607	2 936 820
	Total	2 981 607	2 936 820
8.6	Property payments		
	Municipal services	5 631 296	5 209 686
	Property management fees	970 667	856 956
	Property maintenance and repairs	535 283	562 087
	Other	1 556 236	1 644 271
	Total	8 693 482	8 273 000
8.7	Travel and subsistence		
	Local	6 704 032	6 714 694
	Foreign	1 260 964	915 982
	Total	7 964 996	7 630 676
8.8	Other operating expenditure		
	Professional bodies, membership and subscription fees	174 767	162 899
	Resettlement costs	177 469	199 080
	Other	2 266 499	1 702 829
	Total	2 618 735	2 064 808
9	Interest and Rent on Land		
	Interest expense	247 603	229 495
	Rent on land	49 789	44 386
	Total interest and rent on land	297 392	273 881

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
10	Expenditure on capital assets		
10.1	Tangible assets	16 281 247	15 903 303
	Buildings and other fixed structures	10 484 266	9 061 777
	Heritage assets	64 215	57 904
	Machinery and equipment	5 112 913	5 238 017
	Specialised military assets	197 016	235 165
	Land and subsoil assets	410 127	1 302 808
	Biological assets	12 710	7 632
10.2	Intangible assets	452 306	737 442
	Computer software	452 259	737 289
	Patents, licences, copyright, brand names, trademarks	47	153
	Total	16 733 553	16 640 745
	Compensation for capital expenditure		
	Compensation of employees	6 511	6 911
	Goods and services	10 209	14 673
	Total	16 720	21 584
	Analysis of funds utilised to acquire capital assets		
	Tangible assets		
	Voted Funds	16 039 347	15 892 318
	Buildings and other fixed structures	10 476 252	9 058 124
	Heritage assets	64 215	57 904
	Machinery and equipment	4 879 027	5 230 685
	Specialised military assets	197 016	235 165
	Land and subsoil assets	410 127	1 302 808
	Biological assets	12 710	7 632
	Aid assistance	241 899	11 153
	Buildings and other fixed structures	8 015	3 409
	Machinery and equipment	233 884	7 744
	TOTAL	16 281 246	15 903 471
	Software and other intangible assets		
	Voted Funds	435 416	725 752
	Computer software	434 838	725 752
	Patents, licences, copyright, brand names, trademarks	578	-
	Aid assistance	16 891	11 522
	Computer software	16 891	11 522
	TOTAL	452 307	737 274
10.3	Finance lease expenditure included in expenditure for capital assets		
	Tangible assets		
	Buildings and other fixed structures	359 830	338 197
	Machinery and equipment	396 883	424 515
	Total	756 713	762 712

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
11	Unauthorised, Irregular and Fruitless and wasteful expenditure		
	Unauthorised expenditure	9 856 616	3 803 233
	Irregular expenditure	1 437 332	5 460 006
	Fruitless and wasteful expenditure	68 540	91 587
	Total	11 362 488	9 354 826
12	Transfers and subsidies		
	Provinces and municipalities	864 285 112	845 213 755
	Departments agencies and accounts	165 481 050	154 279 610
	Higher education institutions	49 722 078	52 122 583
	Foreign governments and international organisations	2 973 473	3 253 111
	Public corporations and private enterprises	42 090 990	41 216 960
	Non-profit institutions	3 492 657	3 296 873
	Households	266 731 520	247 261 369
	Total	1 394 776 880	1 346 644 261
13	Other financial assets		
	Current		
	Local	100	100
	Total	100	100
	Foreign		
	Rental deposits for employees based abroad	45 141	55 589
	Total	45 141	55 589
	Total Current other financial assets	45 241	55 689
14	Payments for financial assets		
	Material losses through criminal conduct	613	714
	Theft	613	714
	Purchase of equity	1 000 000	42 274 719
	Extension of loans policy purposes	950 841	972 618
	Other materials losses written off	16 883	17 756
	Debt written off	69 251	514 105
	Forex losses	1 603	1 480
	Debt take overs	-	23 736 424
	Total	2 039 191	67 517 816

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
15	Cash and Cash equivalents		
	Consolidated Paymaster General Account	11 968 412	24 182 991
	Cash receipts	20	29 704
	Disbursements	(20 879)	(21 637)
	Cash on hand	73 381 378	109 040 825
	Investments (Domestic)	779 059	483 049
	Investments (International)	96 395	102 107
	Foreign Currency Investment	101 199 516	127 998 646
	Other	(301 422)	112 386
	Total Cash and cash equivalents	187 102 479	261 928 071
16	Prepayments and Advances		
	Staff advances	31 273	10 391
	Travel and subsistence	310 830	309 147
	Prepayments (Not expensed) 16.2	135 621	152 994
	Advances paid (Not expensed) 16.1	656 941	878 755
	Total	1 134 665	1 351 287
16.1	Advances paid (Not expensed)		
	Balance at the beginning of the year		
	National departments	456 962	409 996
	Provincial departments	87 025	101 568
	Public entities	389 951	257 310
	Other institutions	118 127	335 194
	Total	1 052 065	1 104 068
	Less: Amount expensed in current year		
	National departments	(1 164 608)	(566 187)
	Provincial departments	(100 053)	(14 543)
	Public departments	(1 873 728)	(1 342 038)
	Other institutions	(996 565)	(1 779 224)
	Total	(4 134 954)	(3 701 992)
	Add/Less: Other		
	National departments	(23 828)	(25 535)
	Provincial departments	(29 314)	-
	Public entities	(5 920)	-
	Other institutions	(119 782)	(92 461)
	Total	(178 844)	(117 996)
	Add: Current year advances		
	National departments	1 230 515	638 688
	Provincial departments	76 151	-
	Public entities	1 774 187	1 474 679
	Other institutions	1 051 251	1 654 618
	Total	4 132 104	3 767 985
	Closing Balance at Year End		
	National departments	285 611	283 652
	Provincial departments	33 809	87 025
	Public entities	284 490	389 951
	Other institutions	53 031	118 127
	Total	656 941	878 755

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
16.2 Prepayments (Not expensed)			
Balance at the Beginning of the Year			
<i>Listed by economic classification</i>			
Goods and services		76 460	82 387
Transfers and subsidies		43 556	1 704
Capital assets		30 348	41 262
Other		2 630	2 160
Total		152 994	127 513
Less: Amount expensed in current year			
<i>Listed by economic classification</i>			
Goods and services		(678 274)	(341 766)
Interest and rent on land		-	(16 179)
Transfers and subsidies		(496 848)	(378 148)
Capital assets		(126 388)	(245 107)
Total		(1 301 510)	(981 200)
Add/Less: Other			
<i>Listed by economic classification</i>			
Goods and services		(1 073)	1 747
Capital assets		3 313	(9 000)
Total		2 240	(7 253)
Add: Current year payments			
<i>Listed by economic classification</i>			
Goods and services		701 721	334 092
Interest and rent on land		-	16 179
Transfers and subsidies		474 124	420 000
Capital assets		105 573	243 193
Other		479	470
Total		1 281 897	1 013 934
Closing Balance at Year End			
<i>Listed by economic classification</i>			
Goods and services		98 834	76 460
Transfers and subsidies		20 832	43 556
Capital assets		12 846	30 348
Other		3 109	2 630
Total		135 621	152 994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
16.3 Prepayments (Expensed)			
Balance at the Beginning of the Year			
<i>Listed by economic classification</i>			
Goods and services		887 193	1 125 046
Transfers and subsidies		16 991	29 521
Capital assets		93 557	23 830
Total		997 741	1 178 397
Less: Received in the current year			
<i>Listed by economic classification</i>			
Goods and services		(1 109 957)	(750 716)
Transfers and subsidies		(16 180)	(23 156)
Capital assets		(44 602)	(20 963)
Total		(1 170 739)	(794 835)
Add/Less: Other			
<i>Listed by economic classification</i>			
Goods and services		(452 440)	(322 001)
Capital assets		(31 256)	543
Total		(483 696)	(321 458)
Add: Current Year prepayments			
<i>Listed by economic classification</i>			
Goods and services		1 194 026	834 864
Transfers and subsidies		-	10 626
Capital assets		2 739	90 147
Total		1 196 765	935 637
Closing Balance at Year End			
<i>Listed by economic classification</i>			
Goods and services		518 822	887 193
Transfers and subsidies		811	16 991
Capital assets		20 438	93 557
Total		540 071	997 741

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
16.4 Advances paid (Expensed)			
Balance at the Beginning of the Year			
National departments		801 987	507 062
Provincial departments		14 010	15 880
Public entities		5 961 140	4 952 429
Other institutions		902 223	670 098
Total		7 679 360	6 145 469
Less: Received in the current year			
National departments		44 017	17 864
Provincial departments		2 766	457
Public entities		(1 280 164)	(954 289)
Other institutions		57 509	10 627
Total		(1 175 872)	(925 340)
Add/Less: Other			
National departments		(1 037 294)	(711 631)
Provincial departments		(115 261)	(87 795)
Public entities		(351 053)	(151 555)
Other institutions		(205 186)	(105 873)
Total		(1 708 794)	(1 056 854)
Add: Current Year advances			
National departments		784 774	988 692
Provincial departments		108 731	85 468
Public entities		1 911 808	2 114 555
Other institutions		219 644	327 370
Total		3 024 957	3 516 085
Closing Balance at Year End			
National departments		593 484	801 987
Provincial departments		10 246	14 010
Public entities		6 241 731	5 961 140
Other institutions		974 190	902 223
Total		7 819 651	7 679 360
17 Receivables			
Claims recoverable	17.1	6 296 539	6 303 601
Trade receivables	17.2	17 860	13 797
Recoverable expenditure	17.3	319 540	289 769
Staff debt	17.4	754 590	655 335
Other receivables	17.5	2 245 677	4 184 668
Voted funds to be surrendered to the Revenue Fund		567 789	1 204 977
Departmental Revenue to be surrendered to the Revenue Fund		-	109
Other		281 790	82 135
Total		10 483 785	12 734 391

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
Current			
Claims recoverable		5 740 444	5 228 062
Trade receivables		3 390	-
Recoverable expenditure		265 215	239 966
Staff debt		458 227	402 120
Other receivables		1 097 521	2 980 509
Voted funds to be surrendered to the Revenue Fund		567 789	1 204 977
Unauthorised expenditure to be surrendered		-	109
Other		281 790	82 135
Total Current		8 414 376	10 137 878
Non-current			
Claims recoverable		556 095	1 075 539
Trade receivables		-	13 797
Recoverable expenditure		14 470	49 803
Staff debt		54 322	253 215
Other receivables		296 362	1 204 159
Total Non-current		2 069 409	2 596 513
17.1 Claims Recoverable			
National departments		2 513 260	2 717 960
Provincial departments		2 405 753	2 472 471
Foreign government		3 558	1 889
Public entities		1 198 282	947 939
Private enterprises		167 974	155 762
Households and non-profit institutions		1 547	1 386
Local governments		6 165	6 194
Total		6 296 539	6 303 601
17.2 Trade receivables			
Trade receivables		17 860	13 797
Other		-	-
Total		17 860	13 797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
17.3 Recoverable expenditure			
Salary related		43 186	44 486
Damages & Losses		57 543	50 190
Disallowance Miscellaneous		183 223	169 505
Dept suspense account		20 868	13 178
Supplier overpayment & other		14 720	12 410
Total		319 540	289 769
17.4 Staff debt			
Debt Account		340 554	305 280
Salary and other related debt		373 459	312 792
Bursary & Student Debt		40 577	37 263
Total		754 590	655 335
17.5 Other debtors			
Salary related		345 397	102 119
Receivable Related Line Items		987 347	3 293 174
Bursaries		90 793	87 927
Miscellaneous		822 140	701 448
Total		2 245 677	4 184 668
17.6 Impairment of receivables			
Estimate of impairment of receivables		3 101 815	3 263 093
Total		3 101 815	3 263 093

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	<i>Notes</i>	2023/24 R'000	2022/23 R'000
18	Loans		
	Public corporations	32 028 203	28 527
	Higher education institutions	161	319
	Total Loans Balance	32 028 364	28 846
	Less: Current	32 000 969	1 188
	Total Non-Current	27 395	27 658
	Analysis of Total Loans Balance		
	Opening balance	28 846	30 852
	New Issues	32 000 032	45
	Repayments	(514)	(2 051)
	Closing balance	32 028 364	28 846

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
19	Investments		
	Non-Current Investments		
	Foreign	596 299 770	558 226 819
	Shares and other equity	449 607 412	402 207 412
	Total non-current	1 045 907 182	960 434 231
	Analysis of non-current investments		
	Opening balance	402 207 412	362 347 853
	Additions in cash	3 400 000	39 859 559
	Non-cash movements	44 000 000	-
	Closing balance	449 607 412	402 207 412
	Impairment of Investments		
	Estimate of impairment of Investments	125 408 647	97 457 139
	Total	125 408 647	97 457 139
	Number of shares		
	International Finance Corporation	132 805	132 805
	International Bank for Reconstruction and Development	20 793	20 050
	Multilateral Investment Guarantee Agency	1 662	1 662
	African Development Bank	729 818	727 321
	New Development Bank	100 000	100 000
	Special Drawing Rights		
	International Monetary Fund Quota-Subscription	3 051 200	3 051 200
	International Monetary Fund SDR Holding	4 426 236	4 426 236
	Issue price per share		
	Foreign:		
	<i>Issued in American dollars</i>		
	International Finance Corporation	19 307	17 777
	International Bank for Reconstruction and Development	2 296 504	2 144 474
	Multilateral Investment Guarantee Agency	205 978	192 342
	New Development Bank	1 903 680	1 777 655
	<i>Issued in unit of account</i>		
	African Development Bank	229 650	214 447
	Exchange rates as at year end used to convert issue price		
	American dollar (USD)	19,04	17,78
	Special Drawing Rights (SDR)	25,19	23,91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
Non-Current Investments- Shares and other equity			
Major investments per National Department:			
Agriculture, Land Reform and Rural Development			
Onderstepoort Biological Products Ltd		1	1
		1	1
Communications and Digital Technologies			
Telkom SA Limited		2 070 381	2 070 381
South African Post Office Limited		10 564 116	8 164 116
Sentech (Pty) (Ltd)		75 892	75 892
Vodacom Group Limited		3 743	3 743
Broadband Infraco		1 351 130	1 351 130
SABC		3 200 000	3 200 000
		17 265 262	14 865 262
Human Settlements			
National Housing Finance Corporation		2 363 635	2 363 635
SERVCON		604	604
		2 364 239	2 364 239
Mineral Resources and Energy			
Nuclear Energy Corporation of South Africa		2 205	2 205
		2 205	2 205
National Treasury			
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	13 397 655
		36 597 656	35 597 656
Public Enterprises			
Alexkor SOC Ltd		400 000	400 000
Denel SOC Ltd		15 203 961	15 203 961
Eskom SOC Ltd		285 550 276	241 550 276
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
		383 391 733	339 391 733
Defence			
ARMSCOR		75 000	75 000
Special Defence activities		104 156	104 156
		179 156	179 156
Trade, Industry and Competition			
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
		1 392 969	1 392 969
Transport			
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 Ltd.		1 091 044	1 091 044
		8 414 191	8 414 191
Total Investments - Shares and other equity		449 607 412	402 207 412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/2023 R'000
20	Departmental revenue and NRF receipts to be surrendered to the Revenue Fund		
	Opening balance	189 122	64 843
	As restated	189 122	64 843
	Transfer from Statement of Financial Performance	(9 346 578)	(10 267 213)
	Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	(524 708)	(3 094)
	Paid during the year	9 951 397	10 394 586
	Closing balance	269 233	189 122
21	Bank Overdraft		
	Consolidated Paymaster General Account	25 225 532	21 395 445
	Overdraft with commercial banks (Local)	9	10
		25 225 541	21 395 455
22	Payables		
22.1	Payables- Current		
	Amounts owing to other entities	91 152	110 481
	Advances received	22.1.1 1 006 986	915 637
	Clearing accounts	22.1.2 43 894	63 596
	Other payables	22.1.3 1 353 936	3 986 894
	Voted funds to be transferred	800 857	3 325 250
	Other	2 374 952	2 290 313
	Total	5 671 777	10 692 171
22.1.1	Advances received		
	Provincial departments	742 834	521 571
	Public entities	236 821	385 235
	Other institutions	27 331	8 831
	Total	1 006 986	915 637
22.1.2	Clearing accounts		
	Clearing accounts	3 784	5 472
	Government Employee Housing Scheme	6 700	6 392
	Pension Fund	101	481
	Sal: Income Tax	6 198	13 120
	Sal: Medical and Other	16 499	30 121
	Supplier, Payables and Other	9 126	6 529
	SETA contributions for the Heritage Expo	1 486	1 481
	Total	43 894	63 596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
22.1.3	Other payables		
	Restitution: Bank Account & Unclaimed vouchers	349 953	418 766
	Agency services	150 854	268 428
	SAPO	-	2 400 000
	Disallowance and Salary related	308 260	113 874
	Liquor licence deposits	2 447	2 874
	Payables, suspense account & RDP	261 889	280 243
	Total	280 533	502 709
		1 353 936	3 986 894
22.2	Payables-Non-current		
	Amounts owing to other entities	-	522 279
	Advances received	22.2.1 212	212
	Other payables	22.2.2 906 820	781 205
	Total	907 032	1 303 696
	One to two years		
	Other payables	71 146	-
	Total	71 146	-
	Two to three years		
	Other payables	89 451	-
	Total	89 451	-
	More than three years		
	Advances received	212	-
	Other payables	746 223	-
	Total	746 435	-
22.2.1	Advances received		
	Provincial departments	212	212
	Public entities	-	-
	Total	212	212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
22.2.2	Other Payables		
	SASSA - Unallocated receipts, Claims payables and others	33 523	38 052
	Salary related	14 884	3 738
	Debt receivable interest and income	841 085	725 279
	SASSA Claim Payable	9	3 871
	Disallowance and unallocated receipts	-	1 173
	Vukuphile Epwp projects	687	687
	Damaged vehicles	-	-
	Suppliers	98	172
	Onderstepoort Biological Products Ltd	1	8 232
	Other	16 533	1
	Total	906 820	781 205
23	Borrowings		
	Current		
	Domestic	612 902 758	533 206 240
	Foreign	38 435 771	44 906 080
	Total Current Borrowings	651 338 529	578 112 320
<p>In 2023/24, the retail savings bond unit incurred financial losses amounting to R2 266 502. 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.</p>			
23.1	Domestic short-term bonds, debentures and other loans		
	Debt as at 1 April	533 206 240	82 257 432
	Created	12 019 995	11 902 537
	Reduced	(134 728 368)	(93 495 684)
	Transfer from long-term	89 416 231	60 918 324
	Revaluation premium on inflation-linked bonds	24 316 547	49 000 764
	Treasury bills	88 672 113	422 615 900
	Other Loans	612 902 758	6 966
	Total	533 206 240	533 206 240
23.1.1	Composition of short-term bonds, treasury and other loans		
	Composition of short-term bonds, treasury bills and other loans		
	1-day Treasury bills	72 585	145 170
	91-day Treasury bills	14 255 000	6 692 460
	182-day Treasury bills	84 830 000	69 383 640
	273-day Treasury bills	166 358 160	143 714 350
	365-day Treasury bills	245 111 420	202 680 280
	CPD borrowing	660 849	-
	Fixed-rate bonds	-	664 286
	Inflation-linked bonds	100 587 538	109 150 991
	Retail Bonds	1 020 240	768 097
	Other	6 966	6 966
	Total	612 902 758	533 206 240
23.2	Foreign short-term bonds, debentures and other loans		
	Debt as at 1 April	44 906 079	7 115 000
	Created	-	-
	Reduced	(44 906 079)	(7 115 000)
	Transfer from long-term	35 260 792	29 655 596
	Revaluation of foreign loans	3 174 979	15 250 484
	Total	38 435 771	44 906 080

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
24	Non-current Borrowings		
	Long Term		
	Domestic	4 054 958 170	3 676 564 988
	Foreign	553 187 500	510 750 845
	Total Long-Term Borrowings	4 608 145 670	4 187 315 832
	Domestic long-term bonds, debentures and other loans		
24.1	Debt as at 1 April	3 676 564 988	3 130 763 402
	Created	468 176 280	387 613 814
	Reduced	(249 067 229)	-
	Transfer to short-term	(88 395 990)	(60 918 324)
	Revaluation premium on inflation-linked bonds	247 680 121	219 067 229
	Former Regional Authorities	-	38 867
	Total	4 054 958 170	3 676 564 988
24.1.1	Composition of long-term bonds and other loans		
	Fixed-rate bonds	3 895 674 039	3 518 377 216
	Inflation-linked bonds	247 680 121	219 067 229
	Floating-linked bonds	(88 395 990)	(60 918 324)
	Former Regional Authorities	-	38 867
		4 054 958 170	3 676 564 988
24.1.2	Redemption Analysis		
	Financial year(s)		
	2023-2026	265 414 208	266 373 638
	2026-2029	728 436 885	433 093 542
	2029-2032	681 866 904	822 369 176
	2032-2035	529 467 507	461 410 139
	2035-2039	682 610 064	497 270 055
	2039-2042	185 434 167	298 103 286
	2042-2045	335 052 078	223 030 511
	2045-2049	472 310 957	507 652 884
	2049-2052	172 023 787	167 222 821
	2052-2055	2 341 613	68
		4 054 958 170	3 676 526 121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
24.2 Foreign long-term bonds and other loans			
Debt as at 1 April		510 750 845	374 612 146
Created		45 662 970	64 465 587
Reduced		-	-
Transfer to short-term		(38 435 771)	(29 655 596)
Revaluation premium on inflation-linked bonds		35 209 457	101 328 707
		553 187 500	510 750 845
24.2.1 Redemption analysis			
Financial years(s)			
2023-2026		100 720 739	90 276 863
2026-2029		119 647 911	85 215 892
2029-2032		81 026 565	60 440 270
2032-2035		26 387 939	24 887 170
2035-2039		21 406 809	20 894 048
2039-2042		23 901 943	18 340 577
2042-2045		26 280 382	29 375 215
2045-2049		122 609 790	63 995 580
2049-2052		31 205 421	88 882 750
2052-2055		-	28 442 480
		553 187 499	510 750 845
24.2.2 Currency analysis			
South African Rand		5 008 164	5 008 164
Euro		40 890 442	28 825 855
Special Drawing Rights		19 217 886	54 723 763
United States dollar		486 390 240	422 193 063
Canadian Dollar		1 680 768	
		553 187 500	510 750 845
25 LIABILITIES IN MULTI-LATERAL INSTITUTIONS			
IMF- Securities Account		118 089 410	130 331 396
IMF – SDR Allocations		160 273 269	149 663 063
International Bank for Reconstruction and Development		152 294 400	142 212 400
Multilateral Investment Guarantee Agency		118 659 436	112 629 299
African Development Bank		44 324 481	40 115 492
New Development Bank		277 349	258 988
Total Multi-lateral Institutions		593 918 345	575 210 638

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

INTERNATIONAL MONETARY FUND-SECURITIES ACCOUNT

25.1		118 089 410	130 331 396
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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 2024

	Notes	2023/24 R'000	2022/23 R'000
25.2	AFRICAN DEVELOPMENT BANK	44 324 481	40 115 492
	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.		
25.3	NEW DEVELOPMENT BANK	277 349	258 988
	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.		
25.4	INTERNATIONAL MONETARY FUND – SDR ALLOCATIONS	160 273 269	149 663 063
	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.		
25.5	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	152 294 400	142 212 400
	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.		
25.6	MULTI-LATERAL INVESTMENT GUARANTEE AGENCY	118 659 436	112 629 299
	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 2024

	Notes	2023/24 R'000	2022/23 R'000
26	Net cash flow available from operating activities		
	Net surplus/(deficit) as per Statement of Financial Performance	(453 218 191)	(464 584 226)
	Add back non-cash/cash movements not deemed operating activities	1 750 192	159 931 196
	(Increase)/decrease in receivables – current	20 650 614	11 976 119
	(Increase)/decrease in prepayments and advances	176 502	(66 100)
	(Increase)/decrease in other current assets	1 904 388	18 220 164
	Increase/(decrease) in payables – current	(2 546 610)	967 768
	Proceeds from sale of capital assets	(193 514)	(187 409)
	Proceeds from sale of investments	(256 829)	(357 404)
	(Increase)/decrease in other financial assets	17 202	(4 932)
	Expenditure on capital assets	16 733 553	16 640 745
	Surrenders to Revenue Fund	(112 960 491)	(11 903 292)
	Surrenders to RDP Fund/Donor	(373 818)	(651 703)
	Voted funds not requested/not received	(2 981 044)	(13 453 364)
	Own revenue included in appropriation	(37 395)	724 128
	Other non-cash items	81 617 635	138 026 476
	Net cash flow generated by operating activities	(455 527 876)	(341 919 043)
27	Reconciliation of cash and cash equivalents for cash flow purposes		
	Consolidated paymaster General Account	(13 257 120)	2 787 546
	Fund requisition account	20	29 704
	Cash receipts	(20 879)	(21 637)
	Disbursements	222 255	138 164
	Cash on hand	73 938 173	109 385 700
	Cash with commercial banks (Local)	101 295 911	128 100 753
	Cash with commercial banks (Foreign)	(44 000 000)	-
	ALM PMG Balance	(301 422)	112 386
	Total cash and cash equivalents for cash flow purposes	117 876 938	240 532 616

The cost of investment in Eskom for the 2023/24 financial year increased by R44 billion. The amount is reflected as a non-cash movement as the payments were disbursed by National Treasury directly to Eskom.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
28	Reconciliation of prior year net surplus to current comparatives		
	Net surplus as reported in prior year	(478 964 823)	
	Restatement	(950 034)	
	Restated Net Surplus for the Year	(479 914 857)	
	Reconciliation of cash and cash equivalents reported in prior year and Restated cash and cash equivalents in the current year		
	Cash and cash equivalents as reported in prior year	261 797 631	
	Restatement	130 439	
	Restated cash and cash equivalents	261 928 070	
	Reconciliation of statement of position reported in prior year and Restated amounts in current year		
	ASSETS		
	Current assets as reported in prior year	273 084 226	
	Restatement	423 335	
	Restated current assets for the financial year	273 507 561	
	Non-current Assets		
	Non-current assets as reported prior year	963 147 874	
	Restatement	-	
	Restated non-current assets for the financial year	963 147 874	
	LIABILITIES		
	Current liabilities		
	Current liabilities as reported in prior year:	632 992 209	
	Restatement	(22 078 758)	
	Restated current liabilities for the financial year	610 913 451	
	Non-Current Liabilities		
	Non-current liabilities as reported prior year	4 763 830 167	
	Restatement	226 446	
	Restated non-current liabilities for the financial year	4 764 056 613	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
NET ASSETS/(LIABILITIES)			
Net Liabilities as reported in prior year (Capital Reserves)		402 127 958	
Restatement		-	
Restated net liabilities for the year		402 127 958	
Net Liabilities as reported in prior year (Recoverable Revenue)		1 054 410	
Restatement		14 592	
Restated net liabilities for the year		1 069 002	
Net Liabilities as reported in prior year (Retained Funds)		(4 027 516 965)	
Restatement		(513 994 627)	
Restated net liabilities for the year		(4 541 511 592)	
Net Liabilities as reported in prior year (Total)		(4 160 590 277)	
Restatement		22 275 645	
Restated net liabilities for the year		(4 138 314 632)	
29 Contingent liabilities and contingent Assets			
29.1			
Housing loan guarantees		1 407	2 045
Other guarantees		433 062 506	432 602 904
Claims against the department		37 870 508	38 028 775
Other departments (interdepartmental unconfirmed balances)		5 356 115	4 367 485
Environmental rehabilitation liability		1 580 977	1 497 694
Other		871 421	2 904 921
Total		478 742 934	479 403 825
Other			
QCC		-	510 051
Funds required by SAA to complete business rescue		-	1 566 000
EOH /IDEMIA		115 200	115 200
SITA, Public Works		66 447	68 437
Claims from government entities; Claim for Repatriation flights		61 490	61 490
Basic Education		28 134	52 122
Pension and Injury on Duty		488 722	478 007
Miscellaneous		111 428	53 614
		871 421	2 904 921

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
<i>Underwritten by government</i>			
Telkom SA Ltd		-	99 436
Absa		20 000	20 000
KFW		150 655	148 389
S.A. National Roads Agency Ltd.		28 941 626	38 173 817
KOBWA (21)		371 992	370 811
Irrigation Board		34 647	35 989
TCTA		7 894 221	8 747 382
Development Bank of Southern Africa		6 204 700	5 724 150
Land and Agricultural Development Bank of South Africa		-	551 312
South African Reserve Bank		7 749 701	9 294 839
Denel		-	3 446 149
Transnet		25 240 582	3 757 096
Eskom		356 924 805	346 236 854
SAA		110 348	332 724
Total		433 643 277	416 938 948

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.

It is not possible to determine the portion of these guarantees which will realise as liabilities to the National Government. Amounts guaranteed and the interests thereon if also guaranteed, are disclosed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
Road Accident Fund		32 305 295	32 305 295
<p>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.</p>			
Export Credit Insurance Corporation of South Africa Ltd		11 584 974	11 584 974
<p>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.</p>			
South African Reserve Bank (SARB)		111 446	111 446
<p>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.</p>			
29.2 Contingent Assets			
Assets seized		13 010	13 010
Legal claims		448 785	165 880
Section 24G and 22A administration fines		2 398	2 398
Rental overpayment		-	12 662
Breach of contract		12 283	12 283
Refunds		13 292	13 292
Ditsebi Solutions		32 000	32 000
Noncompliance with Procurement processes		11 828	10 241
Advisory Services		17 900	17 900
Giyani Project		4 298 617	3 890 151
Bucket Eradication Project		15 095	15 095
Other		478 847	419 244
Total		5 344 054	4 604 156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24	2022/23
	Notes	R'000	R'000
30	Capital Commitments		
	Buildings and other fixed structures	25 709 416	23 245 742
	Heritage assets	200 516	154 033
	Machinery and equipment	873 215	1 354 853
	Specialised military assets	9 094 068	9 704 270
	Land and subsoil assets	850	676
	Biological assets	21 054	6 216
	Intangible assets	407 629	253 315
	Total Commitments	36 306 748	34 719 105

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
31	Accruals and Payable not recognised		
	Accruals not recognised		
	Goods and services	2 558 172	2 513 806
	Interest and rent on land	3 103	3 243
	Transfers and subsidies	6 065 222	3 712 389
	Capital assets	388 407	395 779
	Other	114 112	99 070
	Total	9 129 015	6 724 287
	30 Days		
	Accruals not recognised		
	Goods and services	1 956 970	
	Interest and rent on land	3 103	
	Transfers and subsidies	347 256	
	Capital assets	287 911	
	Other	85 534	
	Total	2 680 774	
	30+ Days		
	Accruals not recognised		
	Goods and services	601 202	
	Transfers and subsidies	5 717 966	
	Capital assets	100 496	
	Other	28 578	
	Total	6 448 242	
	Payables not recognised		
	Goods and services	3 963 733	2 294 708
	Interest and rent on land	3 115	70
	Transfers and subsidies	283 923	397 501
	Capital assets	1 212 516	475 916
	Other	5 076	5 485
	Total	5 468 363	3 173 680
	30 Days		
	Payables not recognised		
	Goods and services	2 083 954	
	Interest and rent on land	3 115	
	Transfers and subsidies	255 058	
	Capital assets	886 230	
	Other	184	
	Total	3 228 541	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
30+ Days			
Payables not recognised			
Goods and services		1 879 779	
Transfers and subsidies		28 865	
Capital assets		326 286	
Other		4 892	
Total		2 239 822	
Confirmed balances			
Confirmed balances with departments		1 800 280	824 279
Confirmed balances with other government entities		1 381 821	1 070 755
Total		3 182 101	1 895 034
32 Employee benefits			
Leave entitlement		7 822 544	7 747 144
Service bonus		5 289 290	4 867 634
Performance awards		1 240	9 253
Capped leave		4 735 038	5 258 430
Other		515 955	527 800
Total		18 364 066	18 410 262
33 Lease commitments			
33.1 Operating lease expenditure			

2023/2024	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	50 838	2 661 105	408 638	3 120 581
Later than 1 year and not later than 5 years	-	20 999	3 906 382	252 684	4 180 065
Later than five years	-	39 963	405 489	-	445 452
Total lease commitments	-	111 800	6 972 976	661 322	7 746 098

2022/2023	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	2 428	24 347	2 650 654	384 611	3 062 040
Later than 1 year and not later than 5 years	4 787	17 541	4 519 766	456 004	4 998 098
Later than five years	-	43 857	278 302	-	322 159
Total lease commitments	7 215	85 745	7 448 721	840 616	8 382 297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

33.2 Finance lease expenditure

2023 / 2024	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	293 632	293 632
Later than 1 year and not later than 5 years	-	-	-	371 284	371 284
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	664 916	664 916

2022 / 2023	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	185 645	185 645
Later than 1 year and not later than 5 years	-	-	-	157 299	157 299
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	342 944	342 944

33.3 Operating lease revenue

2023 / 2024	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	12 677	-	2 467	15 144
Later than 1 year and not later than 5 years	-	61 818	-	2 402	64 220
Later than five years	-	2 274 801	-	-	2 274 801
Total operating lease revenue receivable	-	2 349 296	-	4 869	2 354 165

2022 / 2023	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	9 960	-	-	9 960
Later than 1 year and not later than 5 years	-	53 785	-	-	53 785
Later than five years	-	2 233 033	-	-	2 233 033
Total operating lease revenue receivable	-	2 296 778	-	-	2 296 778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
34	Accrued departmental revenue		
	Sales of goods and services other than capital assets	1 025 229	1 082 173
	Fines, penalties and forfeits	307 327	302 122
	Interest, dividends and rent on land	1 151 387	2 371 442
	Sale of capital assets	97	544
	Transactions in financial assets and liabilities	46 184	41 828
	Transfers received (incl conditional grants to be repaid by prov depts)	301 197	158 270
	Other	18 438	29 150
	Total	2 849 859	3 985 529
	Analysis of accrued departmental revenue		
	Opening balance	3 981 446	3 075 495
	Less: Amounts received	2 568 971	2 323 180
	Add: Amounts recognised	1 579 379	3 313 594
	Less: Amounts written-off/reversed as irrecoverable	134 743	84 570
	Less: Amounts transferred to receivables for recovery	-	12 650
	Other	(7 252)	16 840
	Closing balance	2 849 859	3 985 529
	Accrued department revenue written off		
	Long outstanding fees	69 199	912
	Penalty imposed by the United Nations	64 761	78 747
	Other	783	4 911
	Total	134 743	84 570
	Impairment of accrued departmental revenue		
	Estimate of impairment of accrued departmental revenue	631 297	766 997
	Total	631 297	766 997

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
35	Related-party transactions		
	Revenue received (paid)		
	Interest, dividends and rent on land	40 626	55 428
	Transactions in financial assets and liabilities	7 859	4 006
	Total	48 485	59 434
	Payments made		
	Compensation of employees	324 518	316 681
	Goods and services	1 595 899	1 027 772
	Payments for financial assets	6 514	57 615 562
	Transfers and subsidies	19 324	3 133
	Total	1 946 255	58 963 148
	Year end balances arising from revenue/payments		
	Receivables from related parties	30 649	18 271
	Payables to related parties	14 105	21 578
	Total	44 754	39 849
	Loans to/from related parties		
	Non-interest bearing loans to/(from)	-	-
	Interest bearing loans to/(from)	27 391	27 391
	Total	27 391	27 391
	Guarantees issued		
	Mineral Resources and Energy - Necsa	20 000	20 000
	Guarantees issued - CGS	22 500	22 500
	S.A. National Roads Agency (SOC) Ltd.	28 941 628	38 173 817
	Public Enterprises	52 556 723	60 924 313
	Trade, Industry and Competition	150 654	148 388
	Communications and Digital Technologies	-	334 485
	Total	81 691 505	99 623 503
	In kind goods and services provided/received		
	Compensation of employees	28 848	42 095
	Deeds Registration Trading account has rendered services	356 923	343 657
	The Department paid for the Office space for the Deeds	(13 112)	(6 657)
	Deeds Registration Trading account has rendered	150	2 059
	The Agricultural Land Holdings Accounterservices	(15 151)	(18 123)
	The Dept paid for the office space for the OVG	(715)	300
	Commission on Restitution of Land Rights	(62 520)	-
	The Dept paid for the office space for the OVG	180	-
	Total	294 603	363 331

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
36	Key management personnel		
Description			
Political office bearers		174 905	152 491
Officials:		9 518	8 023
Salary level 15 to 16		797 587	735 355
Salary level 14		1 283 609	1 206 850
Salary level 13		259 758	339 774
Family members of key management personnel		55 870	41 634
Total		2 581 249	2 484 128
Description			
Speaker to Parliament/the Legislature		5 996	5 820
Deputy Speaker to Parliament/the Legislature		4 196	4 074
Secretary to Parliament/ the Legislature		8 729	5 747
Deputy Secretary		2 453	2 453
Chief Financial Officer		2 408	2 130
Legal Advisor		2 634	2 393
Other		63 882	59 978
Total		90 298	82 595
37	Public Private Partnership		
Concession fee received		-	34
Other fees received		-	34
Unitary fee paid		2 528 701	2 440 603
Fixed component		1 088 338	761 450
Indexed component		1 440 363	1 679 153
Analysis of indexed component		1 440 428	1 679 153
Goods and Services (excluding lease payments)		1 279 508	1 536 662
Operating leases		-	1 718
Interest		160 920	140 773
Capital/ (Liabilities)		2 359 681	2 353 689
Property		2 302 211	2 296 219
Plant and equipment		57 470	57 470
Other		18 555 087	23 369 410
Prepayments and advances		-	33 152
Other Obligations		18 555 087	23 336 258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
38	Impairment		
	Staff debtors	39 580	41 482
	Other debtors	2 686	2 629
	Ex-employee debtors	42 812	41 493
		85 078	85 604
39	Provisions		
	Claims	940 675	898 066
	Armscor	968 921	811 276
	Environmental Liability	491 986	591 198
	Disall Damages & Losses	76 074	82 966
	Shared Economic Infrastructure Fund	103	103
	Special Pension	42 139	40 041
	Medical Benefits	13 131	7 436
	Declarator: Adoption Orders	131	131
	Long service awards	378	341
	Total	2 533 538	2 431 558

39.1 Reconciliation in movement in provisions – 2023/24

	Claims and Admin R'000	Environment and related R'000	Fees R'000	Other R'000	TOTAL R'000
Opening balance	1 069 987	769 996	539 960	51 615	2 431 558
Increase in provision	796 005	405 320	169 884	107 646	1 478 855
Settlement of provision	(877 900)	(310 225)	(85 330)	(98 305)	(1 371 760)
Unused amount reversed	(84 463)	(76 780)	(3 489)	-	(164 732)
Change in provision due to change in estimation of inputs	96 293	6882	56 442	-	159 617
Closing balance	999 922	795 193	677 467	60 956	2 533 538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

39.2 Reconciliation in movement in provisions – 2022/23

	Claims and Admin R'000	Environment and related R'000	Fees R'000	Other R'000	TOTAL R'000
Opening balance	769 617	573 101	391 130	44 089	1 777 937
Increase in provision	813 219	402 629	109 909	66 576	1 392 333
Settlement of provision	(583 989)	(171 344)	(64 414)	(59 050)	(878 797)
Unused amount reversed	(47 780)	(35 014)	(607)	-	(83 401)
Change in provision due to change in estimation of inputs	118 920	624	103 942		223 486
Closing balance	1 069 987	769 996	539 960	51 615	2 431 558

40 Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	375 763	-	-	186	375 577
Heritage assets	375 763	-	-	186	375 577
MACHINERY AND EQUIPMENT	60 502 627	-	4 831 495	2 383 885	62 950 237
Transport assets	28 387 678	-	2 451 885	1 674 365	29 165 198
Computer equipment	11 513 520	-	1 263 111	470 136	12 306 494
Furniture and office equipment	2 646 747	-	162 021	45 036	2 763 732
Other machinery and equipment	17 954 683	-	954 478	194 348	18 714 813
SPECIALISED MILITARY ASSETS	51 150 115	-	177 089	168 085	51 159 119
Specialised military assets	51 150 115	-	177 089	168 085	51 159 119
BIOLOGICAL ASSETS	152 837	31 204	24 989	34 506	174 524
Biological assets	152 837	31 204	24 989	34 506	174 524
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	112 181 342	31 204	5 033 573	2 586 662	114 659 458

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

40.2 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Prior Period Error R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	375 978	-275	60	-	375 763
Heritage assets	375 978	-275	60	-	375 763
MACHINERY AND EQUIPMENT	57 590 721	44 656	5 659 613	2 792 364	60 502 627
Transport assets	27 170 892	51 620	2 612 415	1 447 249	28 387 678
Computer equipment	10 804 463	-14 083	1 338 490	615 351	11 513 520
Furniture and office equipment	2 507 288	6 694	188 224	55 458	2 646 747
Other machinery and equipment	17 108 078	425	1 520 485	674 305	17 954 683
SPECIALISED MILITARY ASSETS	49 737 711	-	1 412 417	13	51 150 115
Specialised military assets	49 737 711	-	1 412 417	13	51 150 115
BIOLOGICAL ASSETS	789 254	-617 944	29 079	47 552	152 837
Biological assets	789 254	-617 944	29 079	47 552	152 837
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	108 493 664	-573 563	7 101 169	2 839 929	112 181 342

41 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5 803	4 790	5 343 950	15 661	5 370 204
Value adjustments	-	-	-	-	484	484
Additions	-	150	-	206 783	4 937	211 870
Disposals	-	1 310	4	326 723	7 316	335 353
TOTAL MINOR ASSETS	-	4 643	4 786	5 224 010	13 766	5 247 205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

41.2 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	10 694	4 787	5 781 912	14 214	5 811 607
Prior period error	-	-3 188	3	-85 388	-1 229	-89 802
Additions	-	208	-	224 707	6 980	231 895
Disposals	-	1 911	-	577 281	4 304	583 496
TOTAL MINOR ASSETS	-	5 803	4 790	5 343 950	15 661	5 370 204

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	7 133	186	1 762 730	56 395	1 826 444
	-	7 133	186	1 762 730	56 395	1 826 444

41.4 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	480	18 193	-	1 743 178	42 766	1 804 617
	480	18 193	-	1 743 178	42 766	1 804 617

42 Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	8 937 387	-	427 989	153 973	9 211 403
Mastheads and Publishing titles	36	-	-	-	36
Patents, Licences, Copyright, Brand names, Trademarks	102 445	-	3 875	-	106 320
Recipes, Formulae, Prototypes, Designs, Models	4 822 355	-	3 780	-	4 826 135
Services and Operating rights	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	13 862 223	-	435 644	153 973	14 143 894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

42.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Prior Period Error R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software	8 879 520	-348 188	505 674	99 619	8 937 387
Mastheads and Publishing titles	36	-	-	-	36
Patents, Licences, Copyright, Brand names, Trademarks	54 315	41 517	34 053	27 440	102 445
Recipes, Formulae, Prototypes, Designs, Models	4 831 518	4 726	50 615	64 504	4 822 355
Services and Operating rights	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	13 765 389	-301 945	590 342	191 563	13 862 223

43 Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	56 982 513	-	4 240 742	3 352 947	57 870 307
Dwellings	3 778 032	-	25 609	24 968	3 778 673
Non-residential buildings	28 877 738	-	1 279 326	1 652 182	28 504 881
Other fixed structures	24 326 743	-	2 935 807	1 675 797	25 586 753
HERITAGE ASSETS	3 055 539	-	59 660	5 728	3 109 471
Heritage assets	3 055 539	-	59 660	5 728	3 109 471
LAND AND SUBSOIL ASSETS	13 919 217	-	20 538	48 983	13 890 772
Land	13 919 217	-	20 538	48 983	13 890 772
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	73 957 269	-	4 320 940	3 407 658	74 870 550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

43.2 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	Prior Period Error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	54 181 565	398 892	4 941 040	2 538 984	56 982 513
Dwellings	3 779 041	24 255	8 947	34 211	3 778 032
Non-residential buildings	27 154 623	33 480	2 551 962	795 367	28 877 738
Other fixed structures	23 247 901	408 117	2 380 131	1 709 406	24 326 743
HERITAGE ASSETS	3 064 864	275	921	10 521	3 055 539
Heritage assets	3 064 864	275	921	10 521	3 055 539
LAND AND SUBSOIL ASSETS	13 906 421	7 843	45 658	40 705	13 919 217
Land	13 906 421	7 843	45 658	40 705	13 919 217
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	71 152 850	407 010	4 987 619	2 590 210	73 957 269

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44.1 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2024

	Opening Balance 1 April 2023 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2024 R'000
Heritage assets	434 987	56 829	58 936	432 880
Buildings and other fixed structures	31 178 517	7 574 619	2 121 220	36 631 916
Land and subsoil assets	783 424	410 127	850 760	342 791
TOTAL	32 396 928	8 041 575	3 030 916	37 407 587

44.2 Accruals and payables not recognised relating to Capital WIP

	2023/24 R'000	2022/23 R'000
Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress	197 417	128 435
TOTAL	197 417	128 435

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

44.3 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2023

	Opening Balance 1 April 2022 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2023 R'000
Heritage assets	378 065	-	56 922	-	434 987
Buildings and other fixed structures	28 120 228	(299 281)	6 062 495	2 709 335	31 178 517
Land and subsoil assets	447 311	-	1 302 808	966 695	783 424
TOTAL	28 945 604	(299 281)	7 422 225	3 676 030	32 396 928

	Notes	2023/24 R'000	2022/23 R'000
45	Agent-principal arrangements		
45.1	Department acting as the principal		
	Cooperative Governance	52 419	173 133
	Public Works and Infrastructure	92 769	91 077
	Agriculture, Land Reform and Rural Development	28 309	54 716
	Environment, Forestry and Fisheries	640	185
	National Treasury	74 030	67 890
	Correctional Services	3 147	9 542
	Sports, Arts and Culture	-	75
	Basic Education	179 480	212 080
	Health	48 282	42 822
	Total	479 076	651 520
45.2	Department acting as the agent		
	Revenue received for agency activities		
	National Skills Fund	9 682	-
	Total	9 682	-
46	Change in accounting estimate		
46.1	Changes in accounting policies		
	Nature of change in accounting policy		
	Movable Tangible Capital Assets	2 770	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
47	Prior period errors		
	Correction of prior period error for secondary information		
	Revenue: (e.g. Annual Appropriation, Departmental Revenue, Aid assistance, etc.)		
	Donations received in-kind		27
	Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)		1
	Departmental Revenue		647
	Transfers received: Donations		(3 871)
			4 669
	Net effect on the note		2 472
	Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)		
	Operating leases Machinery and Equipment		82
	- Audit Committee		(473)
	- Risk Committee		(63)
	- Commission of Examiners		(16)
	Movement in immovable tangible assets		291 969
	Movement in movable tangible capital assets		(54)
	Movement in movable tangible minor assets		12
	Immovable tangible assets Capital Work-in-progress		(291 232)
	Goods and Services		(61)
	Multidisciplinary Task Committee		2 416
	Inventory (new note)		12 289
	Minor Asset opening balance		124
	Tangible Capital Assets		3 664
	Minor Assets		7 685
	Intangible Assets		(470 027)
	Intangible Assets (C-WIP)		237 454
	Net effect on the note		(206 231)
	Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)		
	Intangible assets		(2 788)
	Movable tangible capital assets		62 429
	Minor capital assets		(2 014)
	Immovable Tangible Assets		(54 981)
	Consolidated paymaster general acc		(5 744)
	Investments (Cash with commercial bank)		5 744
	Machinery and Equipment		(32)
	Immovable assets: Land and Subsoil assets		7 843
	Operating leases revenue		(4 407)
	Movable Assets		(1 290 555)
	Accrued departmental revenue		(3 745)
	Contingent Asset		560
	Receivables		6 233
	Advances and Prepayments		90 712
	Intangible capital assets		10 603
	Analysis of Accrued Departmental Revenue - Closing balance		(17 713)
	WIP TCA: Current year WIP		(1 300)
	Building and other Fixed Structures (non - residential Building: Opening bal		(4 321)
	Net effect on the note		(1 203 476)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)			
Contingent Liabilities: QCC			387 091
Commitments			253 610
Principal Agent Arrangement			2 238
Contingent Assets: PSSC Legal			5 000
Capital Commitments			161
Commitments			(105 433)
Accruals			31 424
Operating lease Commitment			162 509
Provisions			122 021
Being a correction of prior year error for SAMHS claims			(287)
Bank Overdraft			491
Payables			129 935
Contingent assets			(3 168)
Net effect on the note			985 592
Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)			
Fruitless and Wasteful Expenditure			32 574
Irregular Expenditure			506 046
Contingent Liability (Claims Against The State)			(309 374)
Contingent Assets (Counter Claims)			(9 354)
Provisions			47 571
Cash and cash Equivalent			130 439
Related Party transactions			402 048
Minor Assets: Items removed from the Minor Asset Register			(23)
Gifts, Donations and Sponsorships received			(19)
Unauthorised expenditure			109
Principal Agent Arrangement			(1 718)
Net effect on the note			798 299
48	Inventory		
Opening balance		62 481	74 091
Add/(less): Adjustment to prior year balances		6 859	(107)
Add: Additions/Purchases - Cash		1 010 688	870 271
Add: Additions - Non-Cash		(6)	299
(Less): Disposals		(7 264)	(4 275)
(Less): Issues		(1 037 924)	(881 207)
Add/(Less): Received current, not paid (Paid current year, received prior year)		(5 160)	3 356
Add/(Less): Adjustments		2	53
Closing balance		29 675	62 481
49	Departures and Exemptions		

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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Financial Sustainability

The 2024 Medium Term Budget Policy Statement (MTBPS) sets out a pro-growth agenda to address South Africa's prolonged economic and fiscal weakness. Since the outbreak of the COVID-19 pandemic, government has been working to restore economic growth and the stability of the public finances. This commitment has been strengthened by a more supportive environment and an emphasis on the quality of reforms and delivery.

The 2024 elections and subsequent formation of a government of national unity, forged in the spirit of unity and cooperation, reflect the effectiveness of the country's Constitution and institutions. The domestic financial market remains strong and macroeconomic policy has achieved important milestones, such as a reduction in inflation during 2024 and a primary budget surplus – meaning revenue exceeds non-interest spending – in the 2023/24 financial year. These gains will be aided by reforms to unlock infrastructure investment and fiscal prudence. Over the medium term, government will focus on maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment.

The economy is forecast to grow by 1.1 per cent in 2024, after expanding by just 0.4 per cent in the first half of 2024 and is projected to grow by an annual average of 1.8 per cent over the next three years. This subdued performance underscores the need for stronger policy measures to accelerate growth, tackle poverty and unemployment and – because economic growth is the source of sustainable government revenues – ensure long-term fiscal stability.

South Africa's economic growth prospects are closely tied to the success of structural reforms, including those led by Operation Vulindlela (OV), to improve competitiveness and productivity and boost investment. By alleviating load shedding, improving the performance of the logistics system, reducing the cost of data, improving water supply, and enabling the country to attract the skills it needs, the reforms already underway through OV Phase I will provide a significant boost to the economy in the medium term.

Government will also support the repositioning of strategic state-owned enterprises by strengthening their balance sheets, enabling higher levels of private investment in infrastructure, and improving their operational performance. The immediate priority is to sustain the momentum and follow through on the implementation of existing reforms. To achieve not only higher, but more inclusive long-term growth, a new Phase II of OV will target additional reforms which will address both long-standing and emerging constraints, such as the deteriorating performance of local government and spatial inequality to identify priorities for Phase II based on their potential impact on growth and jobs.

Budgeting always involves difficult choices, particularly in the context of limited resources. In the short term, government can choose between increasing taxes, cutting spending or continuing to spend without increasing the tax burden. Higher taxes reduce the amount that households and businesses have for their current needs and their ability to build up savings. Spending cuts, if not well targeted, can reduce the quality and quantity of critical public services. Spending that is not matched by increased revenues leads to further increases in debt, resulting in higher interest costs that can crowd out service delivery and increase the cost of doing business.

In light of these trade-offs, government's fiscal strategy aims to balance spending and tax choices while promoting measures that grow the economy. This approach improves the fiscal position and, over the longer term, makes more resources available for social and economic programmes.

The medium-term fiscal strategy focuses on achieving fiscal sustainability, supporting economic growth and critical social services, and addressing significant fiscal and economic risks. The strategy prioritises stabilising government debt by maintaining sufficiently large primary surpluses over the rest of the decade by stabilising and reducing borrowing costs and protecting critical services in the context of limited budget resources. Currently the social wage averages 59.9 per cent of consolidated non-interest spending over the medium term. South Africa's average spending on public-sector salaries is well above that of many countries. Cabinet has approved an early retirement programme to reduce government employment costs while retaining critical skills and promoting the entry of younger talent into the public service. Financial support to state-owned companies will be limited, while completing the resolution of the debt obligations of Eskom and SANRAL.

Despite underperformance in near-term revenue collections, the tax-to-GDP ratio remains resilient and tax collections are expected to remain buoyant. Slower renewable energy-related imports lowered import VAT collections, while weaker in-year fuel levy collection limits growth over the medium term. An improved profitability outlook raises expectations for medium-term corporate tax collections. Stronger tax revenue collections over the medium to long term are reliant on more sustainable economic growth and further gains in tax compliance and tax administration. Regardless of the slower-than-expected revenue growth, government is on track to achieve primary surpluses in 2024/25 and over the medium term.

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Consolidated government spending is expected to increase from R2.4 trillion in 2024/25 to R2.77 trillion in 2027/28, growing by an annual average rate of 4.9 per cent. Over the same period, revenues are projected to underperform compared to the 2024 Budget projections. In this context, major spending pressures still need to be funded mainly from current baselines, reprioritisations or shifts between programmes. The consolidated budget deficit is projected to narrow from 5 per cent of GDP in 2024/25 to 3.2 per cent of GDP in 2027/28.

Government is transforming the way it prepares and delivers infrastructure projects. It is mobilising private-sector resources that will augment public-sector capability and provide new channels for financing. In parallel, work is under way to improve government's capital budgeting process and strengthen institutional arrangements and governance across the ecosystem to facilitate private investment. Over the medium term, economic development is the fastest-growing function at 7.8 per cent, driven by increased infrastructure allocations. Spending on payments for capital assets is the fastest-growing item by economic classification, increasing at an annual average of 10.6 per cent over the three-year period.

Debt is expected to stabilise at 75.5 per cent of GDP in 2025/26. In turn, this will enable government to arrest the trend of mounting debt-service costs, which will peak as a proportion of revenue at 21.7 per cent in 2025/26 and decline thereafter. Debt redemptions will increase from R173.7 billion in 2025/26 to R306 billion in 2027/28, averaging R211.5 billion over the medium term. The gross borrowing requirement will average R557.5 billion or 6.5 per cent of GDP over the medium term.

The 2024 Budget announced that a debt-stabilising primary budget surplus would anchor fiscal policy over the next three years. Furthermore, technical work and consultation are under way on proposals to ensure that budgets are compiled in such a way that public debt remains sustainable over time. Adopting such an approach would enable government to reduce the likelihood and severity of spending cuts and tax increases to rein in debt.

Government is pursuing policies to achieve rapid, inclusive and sustainable economic growth. The economy is forecast to grow by an annual average of 1.8 per cent over the next three years, underscoring the need for continued implementation of structural reforms. The fiscal strategy remains on course. Economic reforms are beginning to bear fruit namely electricity availability has improved, the logistics system is stabilising and the cost of doing business is declining in some areas of the economy. Stronger infrastructure investment will underpin the growth agenda. However, the risks to the fiscal outlook remain elevated in the near to medium term.

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Subsequent Events

Eskom Debt Relief

On 08 April 2024, the Eskom Debt Relief Amendment Act was gazetted to amend section 2 of the Eskom Debt Relief Act, to provide for the payment of interest by Eskom on amounts advanced as a loan, furthermore, empowering the Minister of Finance to reduce the amounts for the requirements of Eskom as highlighted in subsection 1 of the Eskom Debt Relief Act in the event of non-compliance with conditions.

This amendment will not have any impact on the amounts disclosed in the Annual Financial Statements of the National Treasury for the 2023/24 financial period and the estimate for the financial effects of interest chargeable to Eskom cannot be estimated yet as the process will only become effective after the Minister of finance has signed an Implementation agreement with Eskom. Interest will apply prospectively to disbursements made to Eskom after the implementation agreement is signed.

Debt Relief Support to Municipalities

National government continues to support municipalities with debt relief for arrears debt to Eskom, to be written off in equal annual tranches over a three-year period provided they comply with set conditions. This programme, operating on rolling 12-month cycles, aims to mitigate fiscal risks by improving compliance with financial management and revenue collection. By combining debt relief and revenue enhancement, it aims to change the nonpayment culture for municipal services and support Eskom's balance sheet. Despite these efforts, the financial situation of the top 14 Eskom defaulters remains critical, requiring alternative solutions. The National Treasury, with stakeholder departments and Eskom, is exploring additional strategies in this regard. Further to this, cabinet has approved an early retirement programme to reduce government employment costs while retaining critical skills and promoting the entry of younger talent into the public service. Financial support to state-owned companies will be limited, while completing the resolution of the debt obligations of Eskom and SANRAL.

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GNU Changes in Government Departments Structure

Following the GNU formation, the announcement of the new cabinet during June 2024 came with changes in government departments that involve the merger of the Ministries of Electricity and Energy as well as the announcement of a separate Ministry of Mineral and Petroleum Resources. The President also announced the separation of the Ministry of Agriculture from the Ministry of Land Reform and Rural Development as well as the Ministry of Higher Education from the ministry of Science, Technology and Innovation. Furthermore, the president announced that the Department of Public Enterprises (DPE) will be closed down and state-owned enterprises (SOEs) moved to different ministries within government.

Gross Borrowing and GFECRA

Special Appropriation Act, 2024 was passed for the requirements of the State for the 2024/25 financial year; and to provide for matters connected therewith. R5.117 billion is tabled in the Special Appropriation Act, 2024 to provide mainly for the South African National Roads Agency Limited debt repayment for the Gauteng freeway improvement project, as well as for costs related to South Africa's genocide case against Israel at the International Court of Justice.

In terms of Section 16 of the Public Finance Management Act, R2.1 billion was allocated to the South African National Defence Force (SANDF) troop deployment in the Democratic Republic of the Congo.

In the 2024 MTBPS, the gross borrowing requirement for 2024/25 has decreased from R457.7 billion to R424.76 billion, relative to the 2024 Budget. As at 31 October 2024, a total of R226.25 billion of has been funded through the issuance of domestic short-term loans (R19.55 billion), domestic long-term loans (R206.7 billion).

As announced in the 2024 Budget, the Minister of Finance and the Governor of the SARB entered into a new GFECRA settlement agreement in June 2024. In terms of the Agreement, R250 billion will be withdrawn from the GFECRA, R100 billion into a contingency reserve account at the SARB, and R150 billion will be disbursed to the National Treasury in tranches of R100 billion (2024/25), R25 billion (2025/26) and R25 billion (2026/27). As at the end of August 2024, the full R100 billion due in 2024/25 was disbursed to the National Treasury. In addition, the R100 billion for the SARB's contingency reserve requirements was disbursed from the Gold and Foreign Exchange Contingency Reserve Account on 1 July 2024.

In September 2024, Fitch 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, a high level of poverty and inequality, a high government debt-to-GDP ratio, and a rigid fiscal structure that hampers deficit reduction. The ratings are supported by a favourable debt structure with long maturities and mostly local-currency-denominated, strong institutions and a credible monetary policy framework.

On 15 November 2024, S&P 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.

South Africa Credit Rating

In January 2024, Fitch 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. Rating agencies remain concerned about South Africa's low economic growth, with the Financial Action Task Force (FATF) having grey listed South Africa on February 2023 where 22 action items linked to the strategic deficiencies were identified. The deadlines for addressing the action items fall between January 2024 to January 2025. During October 2024, the FATF Plenary announced nine upgrades for South Africa from its 22-item Action Plan, including eight to "largely addressed" and one to "partly addressed". If South Africa is successful in addressing all remaining action items, the FATF Africa Joint Group will recommend to the June 2025 FATF Plenary that South Africa be delisted from the FATF grey list.

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Financial Risk Management

Market Risk

Government's debt portfolio during 2023/24 was assessed for the tenth year against the strategic risk benchmarks which were implemented in 2014/15. Government's funding programme 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 R5.2 trillion consists of domestic (R4.7 trillion) and foreign debt (R591.6 billion). Domestic debt comprises short-term debt (Treasury bills) and long-term debt (fixed-rate plus inflation-linked bonds, floating-rate notes, sukuk bonds, retail, and other loans). For purposes of calculating the risk benchmarks, borrowings from, retail bonds and other non-marketable loans are excluded from the gross loan debt figure. This is because these items are generally small in nominal values and are not subject to market valuation methods.

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 R197 bond in December 2023, the share of ILBs as a percentage of total domestic debt decreased to 22.2 per cent (as at the end of March 2024) from 23.7 per cent as at the end of March 2023.

Inflation-linked bonds as a per cent of domestic debt

Indicator	31 March 2024	31 March 2023
Domestic debt ¹	R4 639.2 bn	R4 185.0 bn
Inflation-linked bonds	R1 027.5 bn	R 992.2 bn
ILBs as % of domestic debt	22,2	23,7

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.

Although government does not enter hedge transactions to limit its exposure to foreign currency volatility, foreign currency cash deposits provide a natural hedge to a portion of the foreign debt portfolio. Foreign currency deposits are held in US dollar and other currencies. For the period under review, government's exposure to USD denominated debt increased by 1.4 percentage from 80.8 per cent in March 2023 to 82.2 per cent as of 31 March 2024. EURO denominated debt exposure also increased by 1.7 percentage from 5.2 per cent to 6.9 per cent. The Canadian dollar debt was acquired through the multi-lateral loan that was sourced during the 2023/24 fiscal year.

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Composition of foreign debt

Indicator Percentage	31 March 2024	31 March 2023
As % of total debt		
- Gross foreign debt	11,3	11,7
- Net foreign debt	9,7	9,5
Currency composition		
- US Dollar	82,8	80,8
- Euro	6,9	5,2
- XDR	9,7	13,1
- ZAR	0,9	0,9
-CAD	0,3	0

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. Refinancing risk is reduced through an active switch programme whereby shorter-dated bonds are exchanged for longer-term bonds. During 2023/24; a sum of R48.9 billion was switched out of the FRBs and ILBs bonds (i.e., R186 and R2030) and (i.e., R197 and I2025), respectively.

Refinancing risk benchmarks

Indicator	31 March 2024	31 March 2023
Treasury bills as % of domestic debt	11	10,1
Long-term debt maturing in 5 years as % of bonds	15,4	15,7
Weighted term-to-maturity of fixed-rate bonds plus Treasury bills (in years)	10,6	11,2
Weighted term-to-maturity of inflation-linked bonds (in years)	13,0	13,7

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 amount of approved guarantees to public institutions is increased by R29.2 billion to R499.5 billion by 31 March 2024 from R470.3 billion as at 31 March 2023. The main driver of the increase in issued guarantees is due to an additional guarantee of R47 billion granted to Transnet in December 2023 in addition to the existing R3.5 billion, resulting in a total guarantee amount of R50.5 billion.

The exposure amount increased by R16.7 billion to R433.6 billion by 31 March 2024 from around R416.9 billion as at 31 March 2023 on the back of drawdowns by Transnet on the issued guarantee, while the Eskom exposure increased largely due to revaluations of its inflation linked debt. Land Bank, the SARB, TCTA and SANRAL saw reductions in the exposure amounts as the debt continued to be paid off. Denel's guarantee expired on 30 September 2023 and no longer exist. As a result, the Minister of Finance has withdrawn the historical guarantee of R5.9 billion granted to Denel in terms of sections 66 and 70 of the Public Finance Management Act in October

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2023 because there are no more obligations related to the guarantee. Eskom remains the entity with the largest exposure amount and accounts for 82 per cent of the total exposure.

As at 31 March 2024, the value of the guarantee issued for the IPP programme amounted to R270.4 billion. The exposure increased to R202.5 billion, while the exposure from PPPs declined to R6.2 billion as exposure to individual projects continue to decline

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 2024, the total surplus cash invested with the banks amounted to R18.3 billion (2022/23: R85.5 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.

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).

In July 2023, Fitch 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 hampered by power shortages, a high level of inequality, a high government debt-to-GDP ratio, and a modest path of fiscal consolidation. 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.

In November 2023, S&P affirmed South Africa's 'BB-' credit rating and stable outlook. The stable outlook balances South Africa's credit strengths - particularly a credible central bank, a flexible exchange rate, an actively traded currency, and deep capital markets - against infrastructure-related pressures on growth, and downside risks to the fiscal and debt position.

Moody's did not publish a credit rating announcement following its review; however, it published a 'Credit Opinion' report in November 2023. According to the agency, South Africa's stable rating outlook reflects Moody's expectation that the government's debt burden will likely stabilise over the medium term as the government remains committed to fiscal consolidation. While risks related to social demands and SOCs remain, the government is likely to continue to re-prioritise spending to try to mitigate any negative impact on the fiscal deficits.

In January 2024, Fitch 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. Growth is hampered by power shortages and a struggling logistic sector. The ratings are supported by a favourable debt structure with long maturities and denominated mostly in local currency, strong institutions as well as a credible monetary policy framework.

Rating agencies remain concerned about South Africa's low economic growth (exacerbated by electricity shortages), slow pace of economic reforms implementation as well as socioeconomic inequalities which complicate policy efforts and intensify tensions that fuel political risk in South Africa.

The table below shows the current ratings from the solicited rating agencies. Credit ratings from all the credit rating agencies now carry stable outlooks.

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

Rating Agency	Latest credit rating action	Action	LTFC ¹	LTLC ²	Outlook
Moody's	01 April 2022	Affirmation	Ba2	Ba2	Stable
S&P	17 November 2023	Affirmation	BB-	BB	Stable
Fitch	19 January 2024	Affirmation	BB-	BB-	Stable

¹LTFC = Long Term Foreign Currency Rating, ²LTLC = Long Term Local Currency Rating

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Non-adjusting events after reporting date

In terms of section 22 of the 2023 Division of Revenue Act the approval for roll over was only received 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 R1,554 billion. See breakdown below:

Province	2023/24	2022/23
<i>Preliminary 2023/24</i>		
North West	195 278	320 620
Western Cape	127 010	3 201
Gauteng	659 286	2 058 079
Eastern Cape	69 732	62 764
Kwazulu Natal	310 449	38 914
Mpumalanga	33 651	64 066
Free State	18 688	665 882
Northern Cape	67 010	98 181
Limpopo	73 362	179 787
	1 554 466	3 491 494

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CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE (CY)

	Note	Central Cluster 2023/24	Economic Cluster 2023/24	Financial Cluster 2023/24	Justice Cluster 2023/24	Social Cluster 2023/24
REVENUE						
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	4 005 771	323 830
NRF Receipts						
Aid assistance	4	72 197	264 585	159 466	855 560	1 974 301
TOTAL REVENUE		141 617 423	188 060 809	729 122 366	228 656 176	502 694 490
EXPENDITURE						
Current expenditure						
Compensation of employees	5	7 044 241	11 961 409	3 669 941	157 723 633	14 861 599
Goods and services	6	8 318 054	13 358 827	2 559 114	48 170 508	6 611 561
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
Total current expenditure		15 537 152	25 481 536	6 370 966	206 286 798	23 155 345
Transfers and subsidies						
Transfers and subsidies	9	122 044 474	154 022 250	631 464 601	13 925 632	473 365 817
Aid assistance	4		49 558			76 201
Total transfers and subsidies		122 044 474	154 071 808	631 464 601	13 925 632	473 442 018
Expenditure for capital assets						
Tangible assets	10	244 843	5 790 860	358 766	6 525 152	3 361 626
Intangible assets	10	32 035	159 511	1 955	242 247	16 558
Total expenditure for capital assets		276 878	5 950 371	360 721	6 767 399	3 378 184
Unauthorised expenditure approved without funding	11					
Payments for financial assets						
	8	13 823	16 303	1 952 972	35 362	20 731
TOTAL EXPENDITURE		137 872 327	185 520 018	640 149 260	227 015 191	499 996 278
SURPLUS/(DEFICIT) FOR THE YEAR		3 745 096	2 540 791	88 973 106	1 640 985	2 698 212
Reconciliation of Net Surplus/(Deficit) for the year						
Voted Funds		3 466 929	1 623 980	76 258 637	-2 621 851	2 151 596
- Annual appropriation		2 670 617	1 618 992	256 500	-2 721 622	2 151 596
- Conditional grants		310 980				
Departmental revenue and NRF Receipts	19	218 465	787 877	12 696 914	4 005 771	323 830
Aid assistance	4	59 702	128 934	17 555	257 065	222 786
SURPLUS/(DEFICIT) FOR THE YEAR		3 745 096	2 540 791	88 973 106	1 640 985	2 698 212

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

FOR THE YEAR ENDED 31 MARCH 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CY)

	Note	Central Cluster 2023/24	Economic Cluster 2023/24	Financial Cluster 2023/24	Justice Cluster 2023/24	Social Cluster 2023/24
Assets		5 261 670	1 888 127	32 906 167	10 178 574	3 747 543
Current Assets						
Unauthorised expenditure	11	4 846 622	1 601 848	674 999	4 010 394	1 911 399
Cash and cash equivalents	12	26 319	431			
Other financial assets	13	86 834	140 574	106 748	702 101	210 119
Prepayments and advances	14	301 895	130 613	124 420	5 466 079	1 541 790
Receivables	16		808	32 000 000		161
Loans	4					84 074
Aid assistance prepayments	4		13 853			
Aid assistance receivable	4					
Non-Current Assets		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			
TOTAL ASSETS		5 599 943	31 442 093	452 935 511	11 095 156	4 760 554
LIABILITIES						
Current Liabilities		5 404 599	3 900 685	2 057 715	6 827 738	18 972 897
Voted funds to be surrendered to the Revenue Fund	18	3 107 690	1 618 993	384 808	170 368	2 151 595
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	1 706	4 988	2 137	99 771	
Bank overdraft	20	272 052	43 022	154 505	424 824	84 543
Payables	21	1 048 687	1 676 945	1 130 966	5 180 998	16 187 945
Aid assistance repayable	4	923 347	441 571	368 033	659 003	317 444
Aid assistance unutilised	4	35 870	90 774	17 265	15 233	178 637
Non-Current Liabilities						
Payables	22	9 151	127		14 911	882 843
TOTAL LIABILITIES		5 413 750	3 900 812	2 057 715	6 842 649	19 855 740
NET ASSETS		186 193	27 541 281	450 877 796	4 252 507	-15 095 186
Represented by:						
Capitalisation reserve			29 466 257	451 989 389	71 992	161
Recoverable revenue		6 140	110 732	10 072	735 142	57 350
Retained funds		1 807 654			10 726 598	252
Revaluation reserves						
Unauthorised Expenditure		-1 627 601	-2 035 708	-1 121 665	-7 281 225	-15 152 949
TOTAL		186 193	27 541 281	450 877 796	4 252 507	-15 095 186

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

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CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE (PY)

		Note	Central Cluster 2022/23	Economic Cluster 2022/23	Financial Cluster 2022/23	Justice Cluster 2022/23	Social Cluster 2022/23
Statement of Financial Performance							
REVENUE							
Annual appropriation		1	134 603 330	205 420 316	77 833 979	214 823 173	471 399 907
Statutory appropriation		2	479 413	12 034	586 581 868	3 645 624	20 808 850
Departmental revenue		3	280 671	944 905	8 824 326	3 710 633	1 577 584
NRF Receipts							
Aid assistance		4	4 642	241 797	25 025	30 847	1 166 932
TOTAL REVENUE			135 368 056	206 619 052	673 265 198	222 210 277	494 953 273
EXPENDITURE							
Current expenditure							
Compensation of employees		5	6 624 081	11 634 323	3 541 056	152 976 554	14 121 004
Goods and services		6	7 875 828	12 724 447	3 660 370	47 809 334	7 663 515
Interest and rent on land		7	142 204	87 595	16	4 293	39 773
Aid assistance		4	8 452	68 681	18 058	26 719	872 979
Total current expenditure			14 650 565	24 515 046	7 219 500	200 816 900	22 697 271
Transfers and subsidies							
Transfers and subsidies		9	115 330 629	145 934 605	615 978 996	11 390 292	458 054 784
Aid assistance		4	4 642	15 608			98 063
Total transfers and subsidies			115 335 271	145 950 213	615 978 996	11 390 292	458 152 847
Expenditure for capital assets							
Tangible assets		10	275 781	5 550 907	381 018	6 554 915	3 140 682
Intangible assets		10	92 207	70 545	4 970	540 132	29 588
Total expenditure for capital assets			367 988	5 621 452	385 988	7 095 047	3 170 270
Unauthorised expenditure approved without funding		11					
Payments for financial assets							
		8	24 350	26 163 351	40 835 677	153 057	341 381
TOTAL EXPENDITURE			130 378 174	202 250 062	664 420 161	219 455 296	484 361 769
SURPLUS/(DEFICIT) FOR THE YEAR			4 989 882	4 368 990	8 845 037	2 754 981	10 591 504
Reconciliation of Net Surplus/(Deficit) for the year							
Voted Funds			4 717 796	3 278 099	13 744	-956 717	8 825 987
- Annual appropriation			4 339 144	3 267 607	877 317	-1 154 877	8 825 987
- Conditional grants			421 375				
Departmental revenue and NRF Receipts		19	280 671	944 905	8 824 326	3 710 633	1 577 584
Aid assistance		4	-8 585	145 986	6 967	1 065	187 933
SURPLUS/(DEFICIT) FOR THE YEAR			4 989 882	4 368 990	8 845 037	2 754 981	10 591 504

UNAUDITED SUPPLEMENTARY SEGMENT REPORTS

FOR THE YEAR ENDED 31 MARCH 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PY)

Statement of Financial Position	Note	Central Cluster 2022/23	Economic Cluster 2022/23	Financial Cluster 2022/23	Justice Cluster 2022/23	Social Cluster 2022/23
ASSETS						
Current Assets		5 824 528	5 573 948	1 106 829	13 142 630	9 732 022
Unauthorised expenditure	11	5 294 380	2 817 763	899 846	7 724 934	8 177 455
Cash and cash equivalents	12	9 538	724			
Other financial assets	13	44 831	210 632	102 718	636 275	496 358
Prepayments and advances	14	467 194	2 515 377	104 265	4 781 421	982 400
Receivables	16		869			319
Loans	4					
Aid assistance prepayments	4	8 585	28 583			75 490
Aid assistance receivable	4					
Non-Current Assets		357 276	27 166 294	375 030 411	1 383 699	983 375
Investments	15		27 038 867	374 989 389	179 156	
Prepayments and advances	13		1 250	17 686	8 510	6 337
Receivables	14	302 219	97 887	23 336	1 196 033	977 038
Loans	16		27 658			
Other financial assets	12	55 057	632			
TOTAL ASSETS		6 181 804	32 740 242	376 137 240	14 526 329	10 715 397
LIABILITIES						
Current Liabilities		6 043 883	7 601 524	2 131 220	6 979 086	24 995 190
Voted funds to be surrendered to the Revenue Fund	18	4 528 760	3 438 797	720 175	908 333	8 579 476
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	19	1 834	10 492		101 104	
Bank overdraft	20	269 271	78 827	9 859	1 673 257	374 391
Payables	21	447 120	796 798	1 014 810	3 761 280	15 375 447
Aid assistance repayable	4	796 898	3 115 454	379 398	498 648	459 520
Aid assistance unutilised	4		141 641	6 978	-	170 219
Non-Current Liabilities						
Payables	22	531 475	173		3 872	768 176
TOTAL LIABILITIES		6 575 358	7 601 697	2 131 220	6 982 958	25 763 366
NET ASSETS		-393 554	25 138 545	374 006 020	7 543 371	-15 047 969
Represented by:						
Capitalisation reserve			27 066 257	374 989 389	71 992	319
Recoverable revenue		6 839	107 996	9 989	839 770	104 409
Retained funds		709 004			9 633 454	252
Revaluation reserves						
Unauthorised Expenditure		-1 109 397	-2 035 708	-993 358	-3 001 845	-15 152 949
TOTAL		-393 554	25 138 545	374 006 020	7 543 371	-15 047 969

ANNEXURES: NAMES OF GOVERNMENT DEPARTMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Central Government Administration	
	The Presidency
	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 Technology

REVIEW OF OPERATING RESULTS

NATIONAL TREASURY 2024 CFS CONSOLIDATED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

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 2024

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.

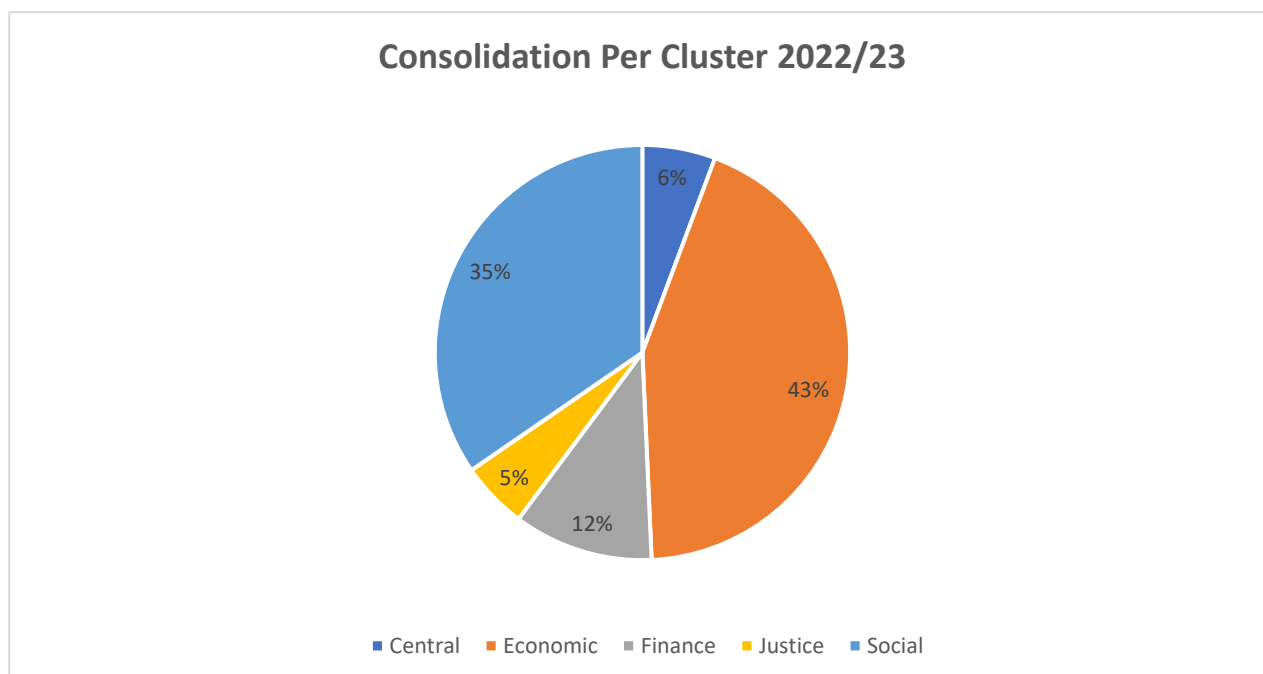
The following is a statistical consolidation summary:

	Actual 2023/24		Actual 2022/23	
	Listed entities	Non Listed entities	Listed entities	Non Listed entities
Total Entities	195	20	197	20
Consolidated	188	20	188	20
Not consolidated	7	0	9	0

In 2023/24, a total of 208 entities were consolidated, please refer to Annexure A. Of the total entities consolidated, a total of 188 (90%) are listed entities. The total number of listed consolidated entities in the current year is the same as the previous year. A total of 20 (100%) non listed entities were consolidated in 2022/23.

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 (6%) and lastly, the Justice and Protection Services cluster (5%).



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

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

inconsistency contributes to the variance in the opening balances or prior year figures as compared to figures published in the 2023/24 financial year.

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 2024
- **Annexure D** - Lists of entities consolidated based on draft annual financial statements

FINANCIAL PERFORMANCE

Total revenue

Total revenue for the year under review increased by 10.5% from R836 billion in 2022/23 to R923 billion in 2023/24. Non-exchange revenue consisting of government grants and subsidies, public contributions and donations, transfers and sponsorships, interest earned, fines and penalties, legislative and oversight functions, taxation revenue and licences and permits, increased by 5%.

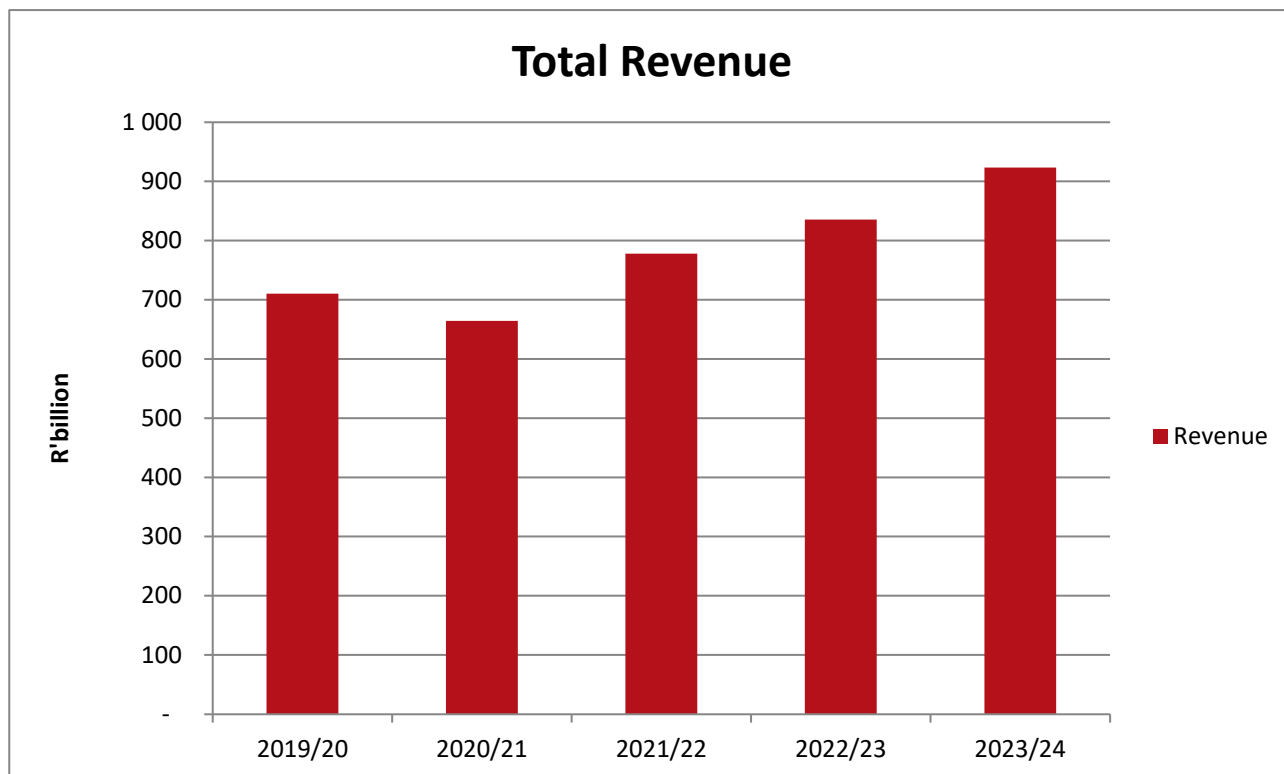
Exchange revenue for 2023/24 and 2022/23 constitute 73% and 72% of total revenue, respectively. The major drivers of exchange revenue are sale of goods and rendering of services, interest earned from external investments and other income. Sale of goods and rendering of services constitutes 81% of exchange revenue and 59% of total revenue in the current year.

Revenue	Actual 2023/24 R'million	Actual 2022/23 R'million
Revenue from non-exchange transactions		
Government grants and subsidies	110 124	103 321
Public contributions and donations	25 807	24 188
Transfers and Sponsorships	8 159	8 475
Interest Earned – Non - Exchange	6	3
Fines and Penalties	373	502
Legislative and Oversight functions	86 359	90 699
Taxation revenue	8 959	8 524
Licences and permits	420	374
Other Income	8 953	1 357
	249 160	237 442
Revenue from exchange transactions		
Sale of Goods & Rendering of Services	548 202	493 970
Rental of facilities and equipment	8 478	7 507
Interest earned - external investments	94 403	70 671
Interest earned - outstanding receivables	8 476	8 522
Licenses and Permits	975	1 069
Other income	13 505	16 390
	674 039	598 129
TOTAL REVENUE	923 199	835 571

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Total Revenue



Growth in revenue has remained relatively stable for the past years, with a growth of 7.5% in the previous year and growth of 10.4% in the current year. The finance cluster is the major driver of revenue making up 49% of total revenue followed by the economic cluster making up 34% of total revenue. Approximately 67% of the revenue generated from the finance cluster is through Eskom with total revenue of R302 billion. In 2023/24 financial year, RAF, CEF (Ltd), IDC and SANRAL collectively contributed 47.1% of the revenue within economic cluster. These entities derive revenue through exchange and non-exchange transactions.

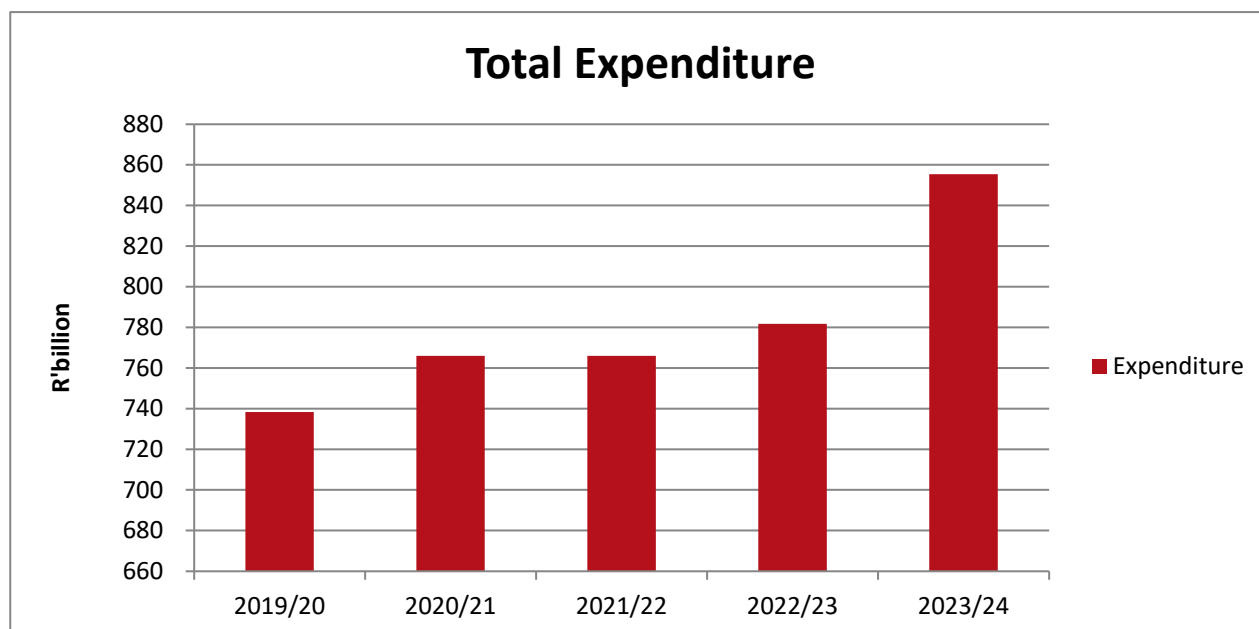
Total expenditure

Analysis of total expenditure	Actual 2023/24 R'million	Actual 2022/23 R'million
Employee related costs	153 792	140 677
Repairs and maintenance	42 645	33 819
Depreciation and amortisation expense	75 212	75 038
Contracted services	6 148	6 214
Grants and subsidies paid	20 420	19 360
Finance costs	93 421	83 905
General expenses	440 069	401 786
Bad debts	23 062	20 265
Project preparation expenditure	589	666
Total expenditure	855 357	781 731

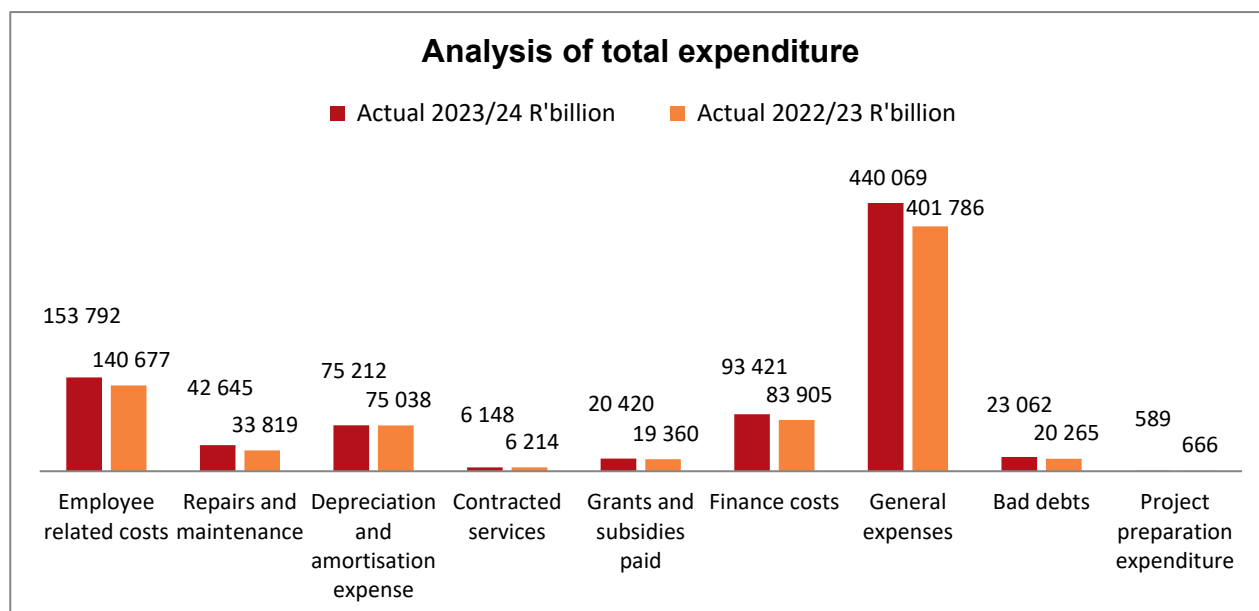
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Total expenditure



Analysis of Total expenditure



Total expenditure amounted to R855 billion for the current year which is a R73 billion increase from the prior year's total of R782 billion. The economic cluster and the finance cluster accounts for 30% and 56% of total expenditure, respectively.

Employee related costs and general expenses account for 69.4% of total expenditure; with general expenses at 51.4% and employee related costs at 18% of total expenditure. The main expenditure item under general expenses are cost of sales (55%).

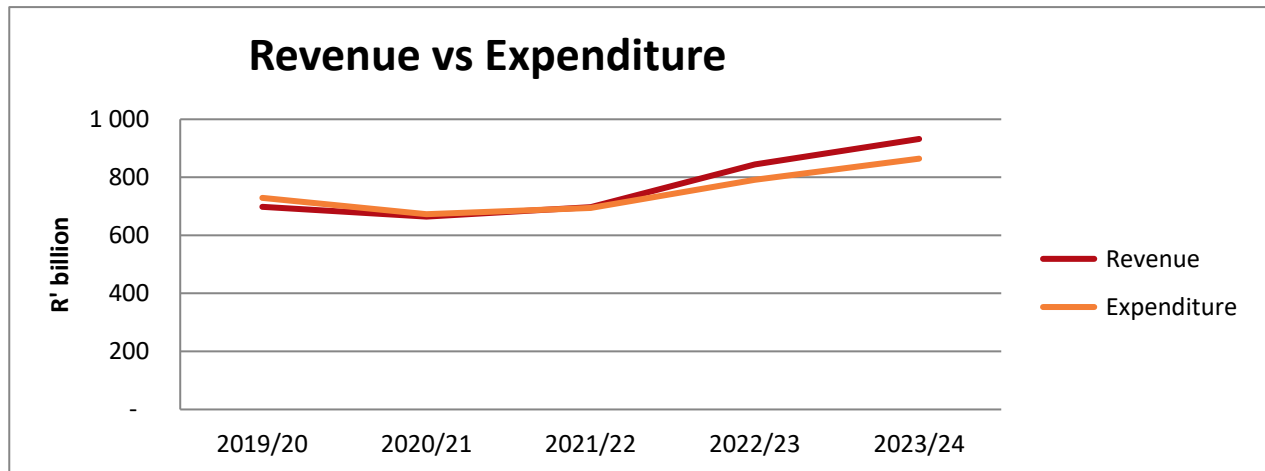
The table below shows a comparative of revenue, expenditure and the resultant surplus or (deficit) for the last five financial years.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Revenue vs. Expenditure R'million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Revenue	697 992	664 323	697 395	835 571	932 101
Expenditure	728 527	672 944	693 925	781 731	855 357
Surplus/(Deficit) from operations	(30 535)	(8 621)	3 470	53 841	76 744

Revenue vs. Expenditure



A surplus from operations has decreased from a surplus of R177 billion in the previous year to R126 billion. The decrease is due to revenue in the current year increasing slightly less than the increase in the current year expenditure as well as a R156 million reduction in the surplus of discontinued operations and in a R29.7 billion reduction in the surplus of continuing operations. The entities' major revenue comes from sale of goods & rendering of services contributing 59% of the total revenue. The number of loss-making entities have increased with an increase in the net value of deficit.

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 Schedule 1	2023/24 R'000	2022/23 R'000	Movement in Loss R'000
Pan South African Language Board	(42 462)	(22 577)	(19 885)
Commission for Gender Equality (CGE)	(2 586)	7 301	(9 887)
South African Human Rights Commission	(9 670)	8 237	(17 907)
Independent Communications Authority of South Africa	(14 395)	339 273	(353 668)
Independent Development Trust	(9 155)	36 458	(45 613)
Municipal Demarcation Board	(236)	1 080	(1 316)
Financial & Fiscal Commission	(3 063)	(13 127)	10 064
Independent Electoral Board	(111 007)	818 701	(929 708)
	(192 574)	1 175 346	(1 367 920)

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Name of Entity Schedule 2	2023/24 R'000	2022/23 R'000	Movement in Loss R'000
Broadband Infraco	(141 418)	(121 144)	(20 274)
CEF (Pty) Ltd	(522 153)	1 769 954	(2 292 107)
ESKOM*	(46 736 319)	(23 938 057)	(22 798 262)
South African Broadcasting Corporation Limited	(197 760)	(746 765)	549 005
Transnet Limited	(7 326 650)	(5 107 598)	(2 219 052)
	(54 924 300)	(28 143 610)	(26 780 690)

Name of Entity Schedule 3A	2023/24 R'000	2022/23 R'000	Movement in Loss R'000
National Youth Development Agency	(36 162)	(376 334)	340 172
Agrément South Africa	(846)	(3 166)	2 320
African Renaissance International Cooperation Fund	(24 457)	61 987	(86 444)
Competition Tribunal	(9 256)	1 490	(10 746)
Companies Tribunal	(768)	2 317	(3 085)
Marine Living Resources Fund	(106 997)	(2 439)	(104 558)
National Empowerment Fund	(298 502)	(585 340)	286 838
Agricultural Sector Education and Training Authority	(24 178)	(92 103)	67 925
Financial and Accounting Services SETA	(172 769)	117 163	(289 932)
Chemical Industries Education and Training Authority	(17 017)	69 377	(86 394)
Public Service Sector Education and Training Authority	(15 695)	3 003	(18 698)
Medical Research Council of South Africa	(21 367)	7 545	(28 912)
South African Diamond and Precious Metals Regulator	(14 399)	15 805	(30 204)
Universal Service and Access Fund	(106 369)	64 543	(170 912)
National Energy Regulator of South Africa	(43 338)	(40 055)	(3 283)
National Metrology Institute of South Africa	(58 715)	(29 385)	(29 330)
National Gambling Board of South Africa	(1 184)	13 713	(14 897)
Perishable Products Export Control Board	(1 067)	12 465	(13 532)
Nelson Mandela National Museum	(2 533)	5 099	(7 632)
National Regulator for Compulsory Specifications	(110 157)	(82 072)	(28 085)
Ports Regulator of South Africa	(5 781)	(4 752)	(1 029)
National Electronic Media Institute of South Africa	(7 033)	(1 318)	(5 715)
Inkomati-Usuthu Catchment Management Agency	(5 516)	14 830	(20 346)
Council for the Built Environment	(5 031)	273	(5 304)
National Film and Video Foundation of South Africa	(4 937)	22 364	(27 301)
Iziko Museums of South Africa	(6 539)	6 129	(12 668)
Legal Aid	(155 726)	23 599	(179 325)
Special Investigation Unit	(145 682)	64 394	(210 076)
Social Housing Regulatory Authority	(150 464)	59 276	(209 740)
Road Accident Fund	(1 590 625)	(8 428 661)	6 838 036
Film and Publication Board	(12 321)	(1 364)	(10 957)
Media Development Diversity Agency	(3 612)	(23 605)	19 993
Property Practitioners Regulatory Authority	(19 326)	40 090	(59 416)
Community Schemes Ombud Services	(97 632)	28 283	(125 915)
South African National Energy Development Institute	(58 956)	18 204	(77 160)
Amazwi South African Museum of Literature	(2 989)	(2 143)	(846)
Fibre Processing Manufacturing Sector Education and Training	(82 315)	16 425	(98 740)
Banking Sector Education and Training Authority	(49 589)	(98 709)	49 120
Boxing South Africa	(10 093)	(77)	(10 016)
Ditsong: Museums of Africa	(6 431)	(18 664)	12 233
Kwa-Zulu Natal Museum	(32)	(707)	675
Mining Qualifications Authority	(113 932)	(20 359)	(93 573)
National Development Agency	(1 696)	(23 846)	22 150
National Economic Development and Labour Council	(17 380)	(5 456)	(11 924)
Playhouse Company	(23 202)	(8 481)	(14 721)
South African National Space Agency	(17 612)	10 278	(27 890)

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Name of Entity Schedule 3A	2023/24 R'000	2022/23 R'000	Movement in Loss R'000
Productivity SA	(2 606)	(10 810)	8 204
Wholesale and Retail Sector Education and Training Authority	(270 621)	(41 723)	(228 898)
Office of Health Standards Compliance	(19 443)	(26 365)	6 922
Technology Innovation Agency	(12 450)	36 369	(48 819)
Human Sciences Research Council	(46 443)	11 426	(57 869)
	(4 011 791)	(9 201 487)	5 189 696

Name of Entity Schedule 3B	2023/24 R'000	2022/23 R'000	Movement in Loss R'000
Amatola Water Board*	(164 324)	(203 972)	39 648
Export Credit Insurance Corporation of South Africa Limited	(558 442)	(872 796)	314 354
Overberg Water*	(14 889)	(16 824)	1 935
State Diamond Trader	(10 353)	37 652	(48 005)
Sentech Limited	(146 244)	(135 918)	(10 326)
	(894 252)	(1 191 858)	297 606

Name of Entity Unlisted	2023/24 R'000	2022/23 R'000	Movement in Loss R'000
Property Management Trading Entity	(671 972)	(638 594)	(33 378)
Equalisation Fund*	(491 472)	(263 095)	(228 377)
South African Postbank SOC Ltd	(1 062 721)	(1 940 599)	(877 878)
Commission on Restitution of Land Rights	(147)	(12)	(135)
	(2 226 312)	(2 842 300)	615 988

*Public Entities with unaudited financial information

Loss/deficit making public entities accounts for 36% (30% in 2021/22) of entities consolidated while profit/surplus making entities accounts for 64% of the consolidated entities in the current year. Eskom had the highest loss with R46.7 billion in the current year from a loss of R2.9 billion in the 2022/23 financial year. This was mainly attributable to an increase of R28 billion in their general expenses which most is the cost of sales. There were 32 entities that had a surplus in the prior year and incurred a deficit in the current year of which Special Investigation Unit made the biggest move from a surplus of R64 million in 2022/23, to a deficit of R146 million in the current year.

FINANCIAL POSITION

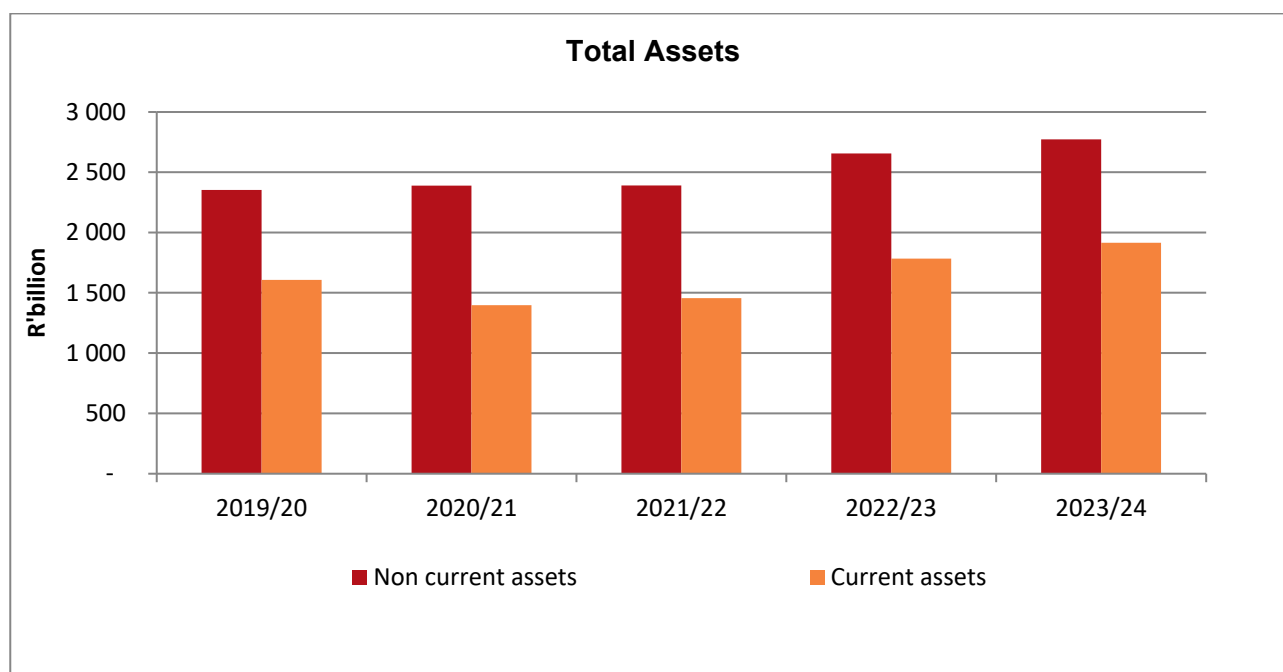
Total assets

Assets R'million	2023/24 R' million	2022/23 R' million
Non-current assets	2 771 456	2 654 764
Current assets	1 914 144	1 783 470
Total Assets	4 685 600	4 438 234

Total assets increased by R247 billion to R4.685 trillion (2022/23: R4.438 trillion) in the current year. This significant increase is mainly attributable to an increase in other current financial as well as deferred tax assets.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



Non-current assets constitute 59% (R2.771 trillion) of total assets in the current financial year. The significant contributors of non-current assets are Eskom (R720 billion), SANRAL (R594 billion) and Transnet (R360 billion). The three entities combined contribute 67% of the total non-current assets. In addition, SARB (R1.190 trillion) and Eskom (R125 billion) significantly contributed towards current assets. The two entities combined contribute 73% of the total current assets.

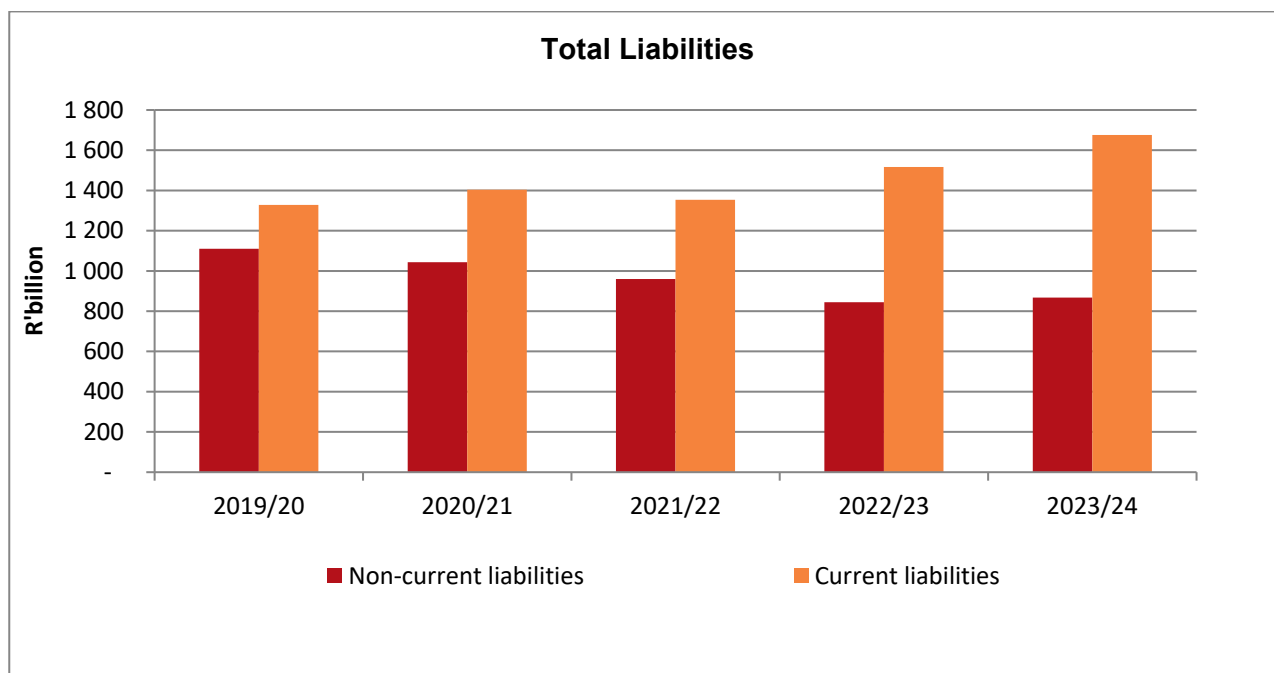
Total liabilities

Liabilities R'million	2023/24 R' million	2022/23 R' million
Non-current liabilities	867 773	844 578
Current liabilities	1 675 477	1 516 668
Total liabilities	2 543 251	2 361 246

Total liabilities increased by R182 billion to R2.543 trillion (2022/23: 2.361 trillion) in the current year. This is attributable to a 26% increase in other current financial liabilities, 11% increase in non-current deferred income, 15% increase in Trade and other payables from exchange transactions and 11% increase in Current portion of long-term borrowings. Current liabilities constitute 66% (2022/23: 64%) of total liabilities in the current year. SARB and Eskom combined contributed a significant 72% (R1.834 trillion) to total liabilities.

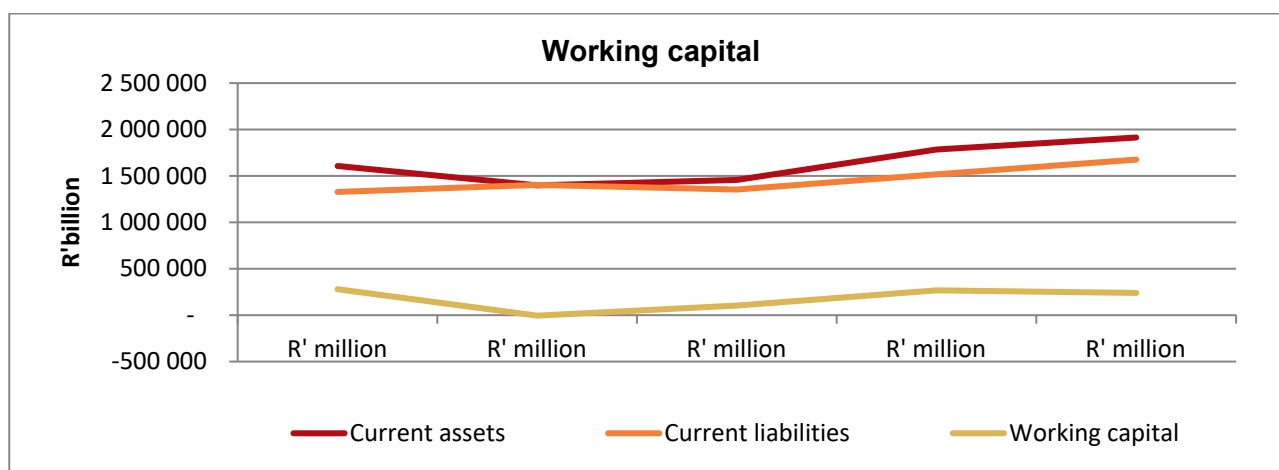
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



WORKING CAPITAL

Working Capital R'million	2019/20 R' million	2020/21 R' million	2021/22 R' million	2022/23 R' million	2023/24 R' million
Current assets	1 606 876	1 397 700	1 456 307	1 783 470	1 914 144
Current liabilities	1 328 336	1 403 459	1 353 279	1 516 668	1 675 477
Working capital	278 540	(5 759)	103 028	266 802	238 667



The working capital graph indicates a 10.5% decrease in liquidity for the 2023/24 financial year. This is a negative move due to growth of current assets being less than the growth of the current liabilities, indicating a regress in the confidence of entities being able to meet their short-term obligations.

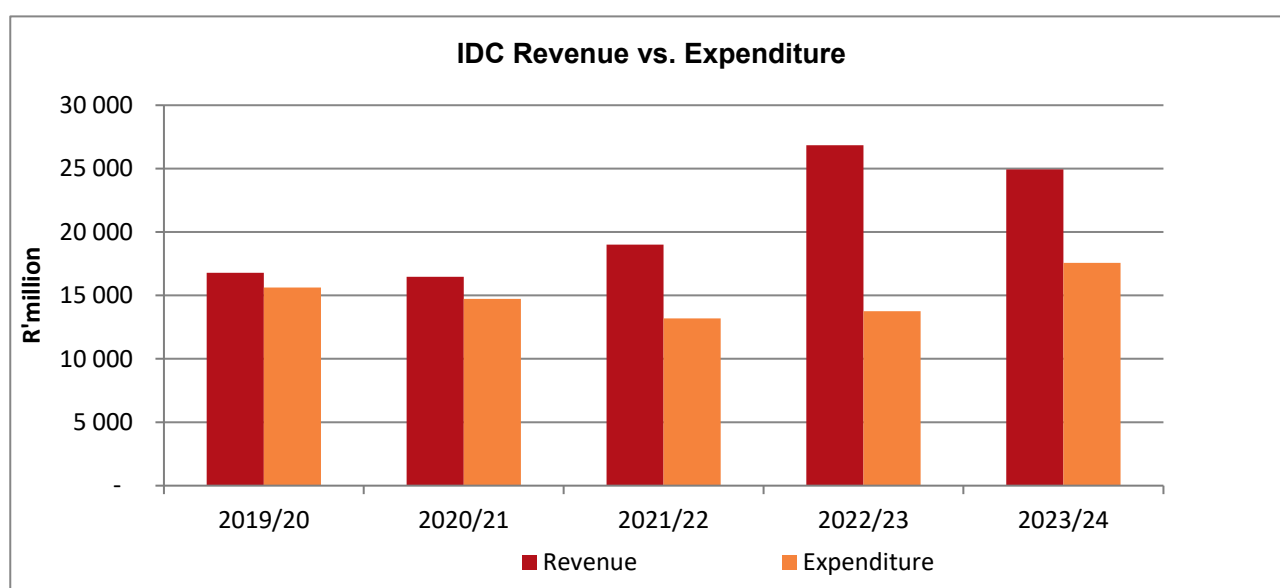
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

IDC

The Industrial Development Corporation of South Africa Limited (IDC) was established in 1940 through an Act of Parliament (Industrial Development Corporation Act No 22 of 1940) and is fully owned by the South African government. Since its establishment, the corporation has been instrumental in implementing South Africa's industrial development policy, establishing some of the industries that have since become cornerstones of the country's manufacturing sector. These include the petrol-chemicals, mining and mineral beneficiation industries, fabricated metals, agro-industries, and clothing and textiles among others. The IDC remains committed to its objectives of developing South Africa and the continent's industrial capacity and, in doing so, playing a major role in facilitating job creation.

IDC Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Revenue	16 780	16 467	19 005	26 839	24 929
Expenditure	15 614	14 730	13 190	13 754	17 561
Surplus/(Deficit) from Operations	1 166	1 737	5 815	12 085	7 368



In 2023/24 IDC generated a total revenue of about R25 billion which decreased by 7% from the 2022/23 financial year. Revenue from sale of goods & rendering of services decreased by 17% compared to a 30% increase in 2022/2023. This is mainly due to a decline in sales volume and revenue earned from contracts with customers, resulting from ongoing infrastructure-related constraints in particular the electricity supply shortages that have resulted in far more regular and intensive periods of loadshedding, constraints on the rail network and bottlenecks at ports. These factors, with escalating production costs and consumer prices, have had a profound impact on economic activity, curtailing production and export volumes, while also affecting household expenditure and being major deterrents to fixed investment activity.

Nevertheless, IDC recognized an operating surplus of R7.3 billion (39% decrease) from an operating surplus of R12 billion in the prior year, driven mostly by the significant decrease in revenue attributable to the decrease in the sale of goods and services rendered which is R16.6 billion (2022/23: R20 billion).

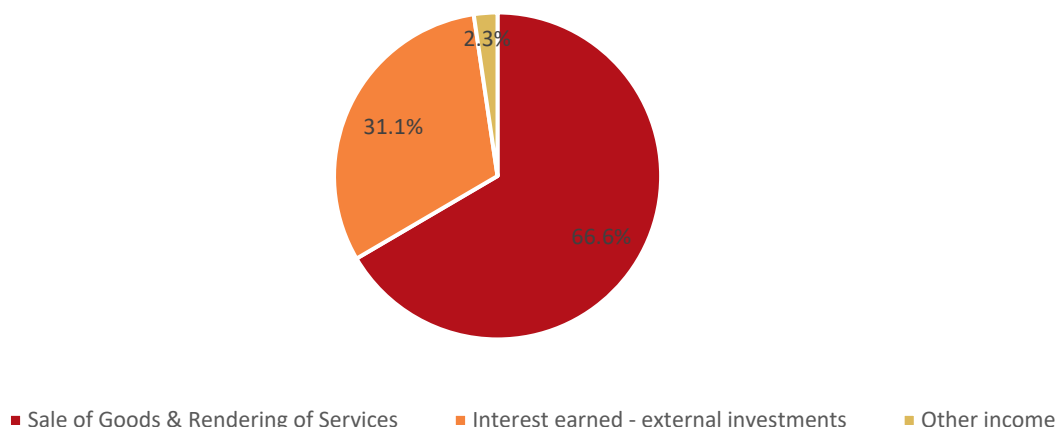
The key focus sectors for the IDC, particularly manufacturing and mining, continue to face difficult operating and trading conditions, however areas such as renewable energy generation and transmission and specific agricultural sub-sectors are continuing to perform well.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

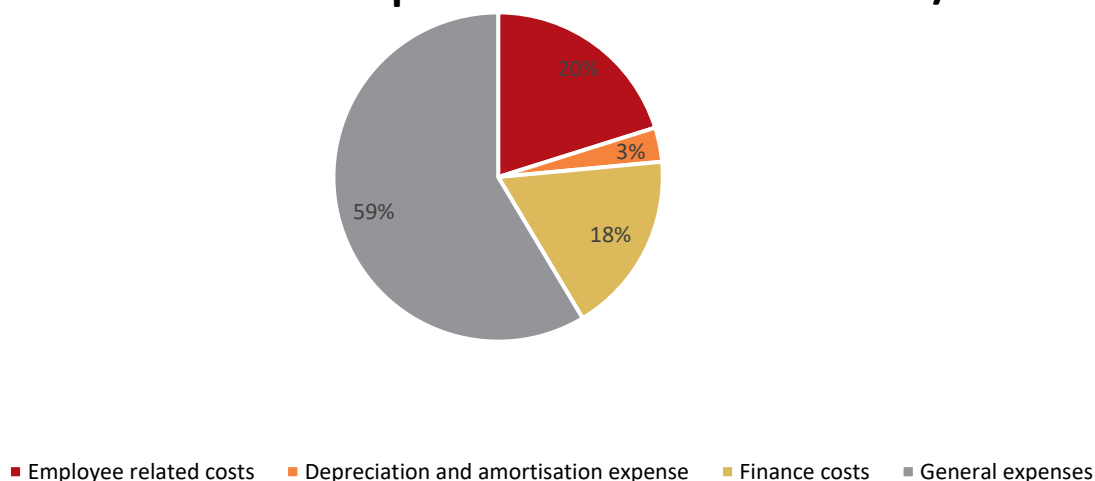
Expenditure increased by 28% to R17.6 billion (2022/23: R13.7 billion) in the current year. The increase is mainly attributable to the marginal increase in general expenses, depreciation and amortisation expenses, and employee related costs. Finance costs increased by 139% to R3.1 billion (2022/23: R1.3 billion) in the current year. This huge increase in finance costs is mostly as a result of an increase in finance lease charges as well as financial liabilities.

IDC Revenue Breakdown 2023/24



The sale of goods & rendering of services are the biggest contributor of revenue, contributing 66.6% of the total revenue, whilst interest earned from external investments and other income makes up the remaining 33.4% of which R6.6 billion (85%) of the interest earned is attributable to that earned from financial assets.

IDC Expenditure Breakdown 2023/24

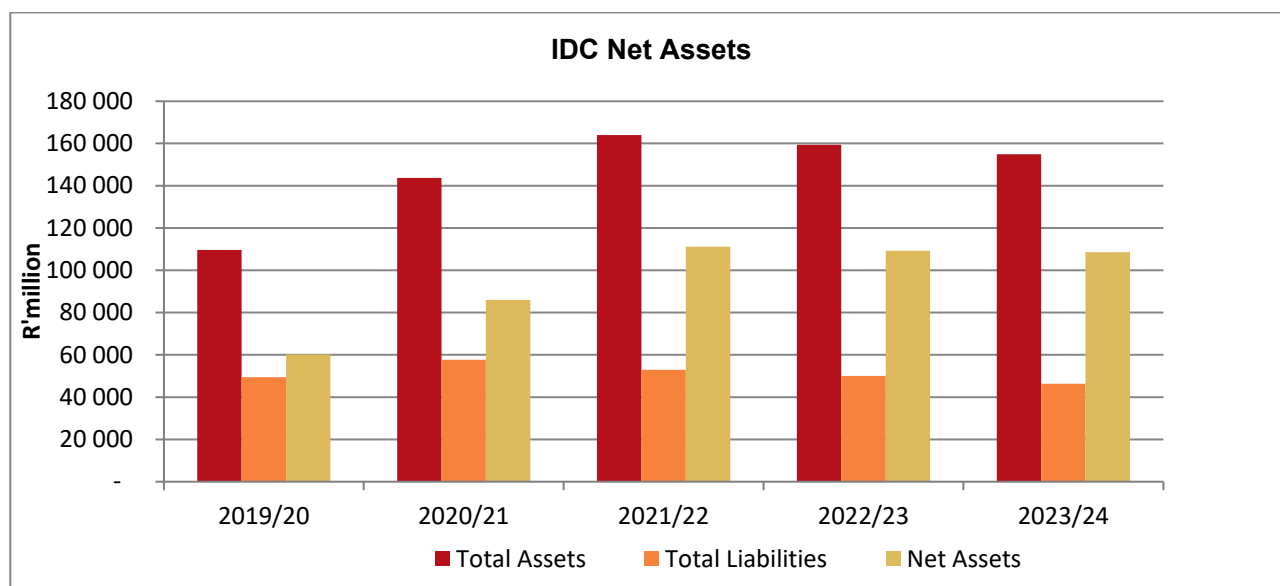


General expenses are the biggest contributor of expenditure, contributing 59% of the total expenditure. Included in general expenses is the operating expenses of IDC which include repairs and maintenance, expected credit losses, as well as cost of sales, and contributed 99.7% of general expenditure. Other costs included in total expenditure are employee costs, which contributed 20%, whilst depreciation costs accounted for 3% and finance costs 18%.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

IDC Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total Assets	109 631	143 712	164 002	159 322	154 907
Total Liabilities	49 441	57 695	52 890	50 061	46 332
Net Assets	60 190	86 017	111 112	109 261	108 575

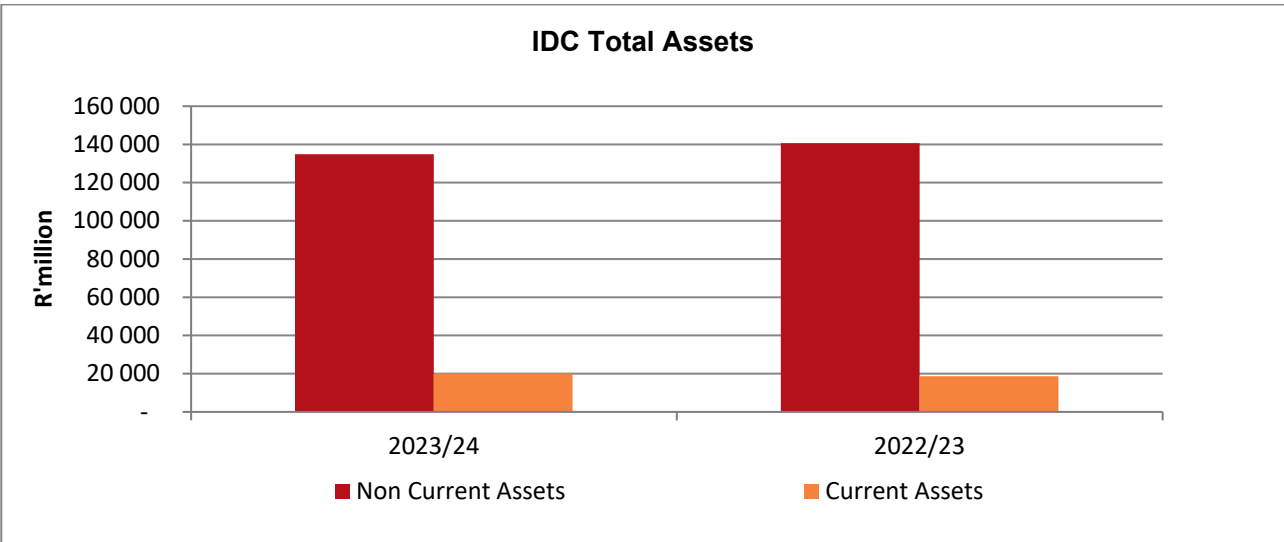


The net assets value of IDC has remained positive with a slight decrease to R108 billion (2022/23: R109 billion) in the current year. There was a decrease in both total assets and total liabilities of 3% and 7% respectively in 2023/24. IDC reported total assets of R155 billion and total liabilities of R46 billion in the current period under review. The decrease in total assets is largely attributable to a decrease in the fair values of both listed and unlisted investments. The decrease in total liabilities is largely driven by repayments to public bonds and foreign loans and a drawdown from existing committed facilities. Debt repayments were strategically made to reduce cost of debt and this strategy prompted lenders to renegotiate cost of debt reduction instead of debt repayment.

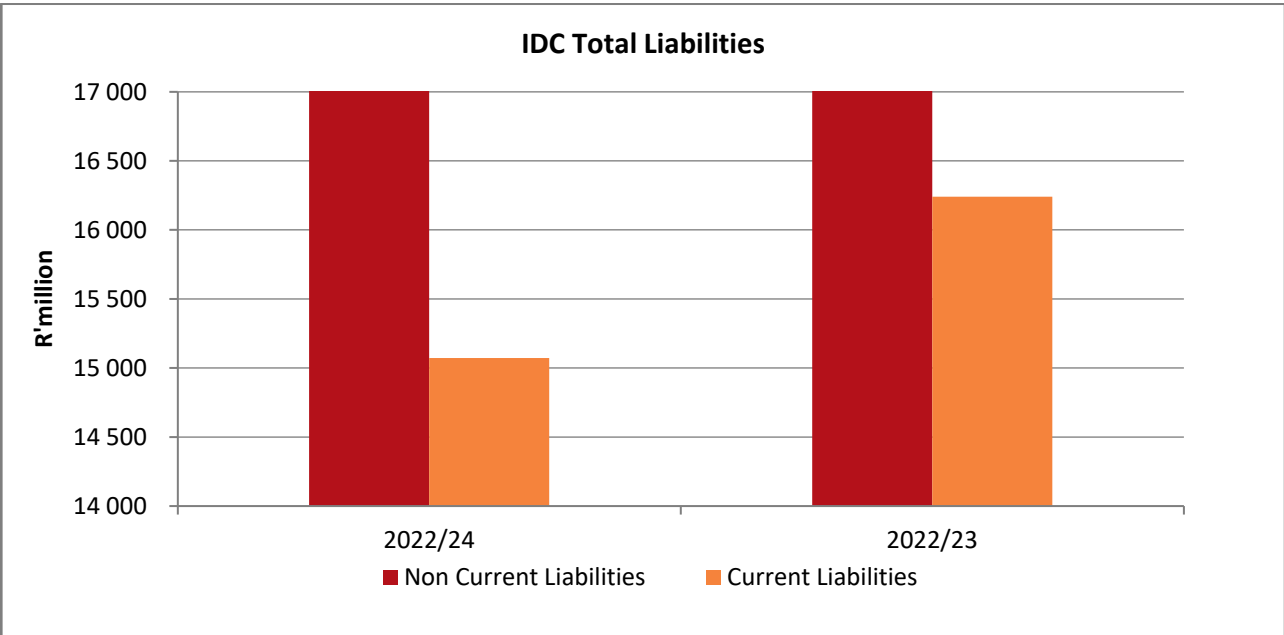
Non-current assets constitute 87% of the total assets of the entity, consisting mainly of investments in associates and non-current investments. Included in non-current assets are listed investments (48%), loans granted (44%) and other investments (8%). The current assets increased by 7% to R20 billion (2022/23: R18.6 billion) in the current year mainly attributable to the R850 million increase in other current investments and a R350 million increase in VAT receivable.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



IDC's non-current liabilities constitute 67% of the total liabilities of the entity and this is largely assigned to the long-term borrowings of the entity. The current liabilities decrease by 7% to R15 billion (2022/23: R16.2 billion) in the current year attributable to the decrease in short term borrowings and trade and other payables. In 2022/23 total liabilities of IDC decreased by 4% to R51 billion (2021/22: R52.8 billion) mainly attributable to the decrease in long-term borrowings.



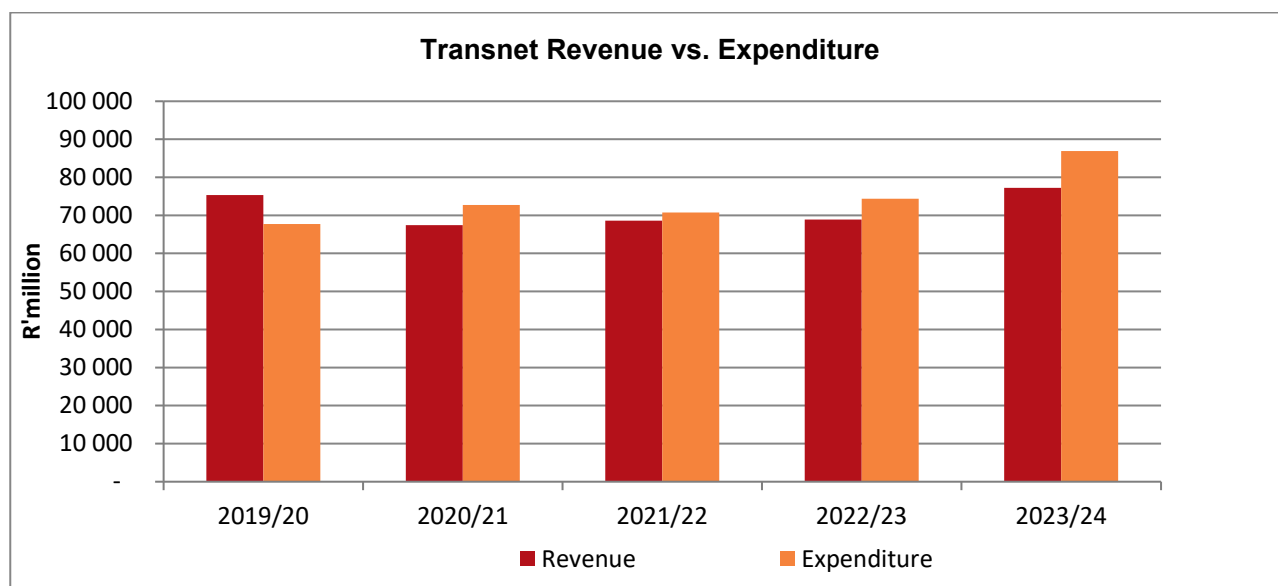
Transnet

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.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Transnet Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Revenue	75 338	67 273	68 585	68 901	77 208
Expenditure	67 693	72 927	70 731	74 361	86 882
Surplus/(Deficit) from Operations	7 645	(5 654)	(2 146)	(5 460)	(9 674)



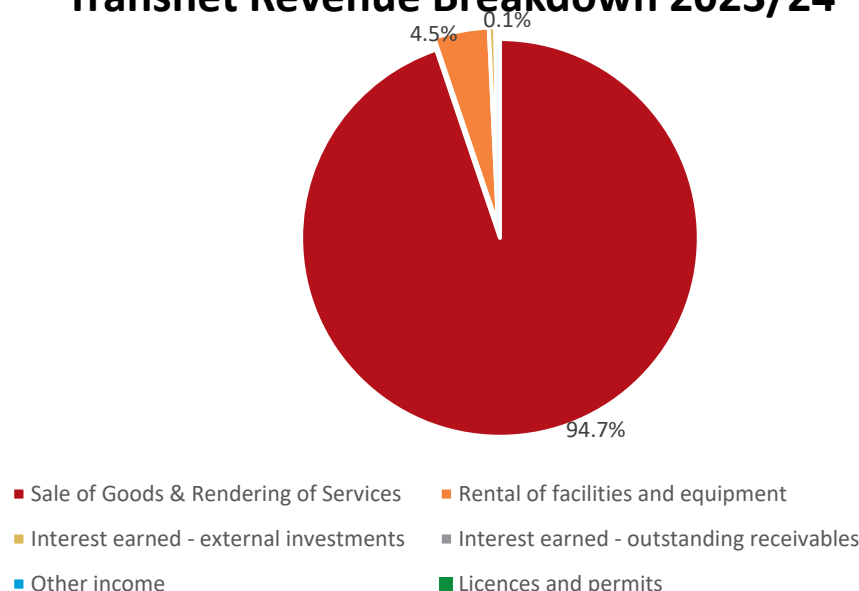
Transnet generated total revenue of R77 billion, which represents 8% of national public entities revenues. Total revenue increased by 12% of which its major revenue comes from sale of goods & rendering of services contributing 95% of the total revenue of Transnet which increased by 11% in the current year. Transnet has also earned interest on external investments of R406 million compared to R178 million in the previous year as reported in their financials. This also contributed to the total revenue increase.

Expenditure increased by 17% in the current year to R87 billion (2024/23: R74 billion). The increase is mainly attributable to increases in general expenses, employee-related costs and depreciation and amortisation expenses. The general expenses of Transnet which contribute the most are electricity, security and fuel and oil expenses which, together, contribute 49% (R11.9 billion) of the total general expenses (R24 billion). Overall, the financial performance deteriorated further during the current year to a deficit of R7.3 billion (2022/23: R5.1 billion deficit) as a result of the various challenges and the current economic climate.

REVIEW OF OPERATING RESULTS

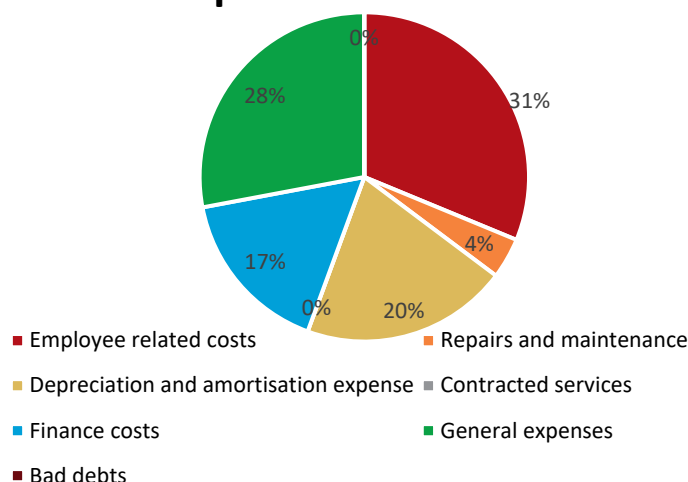
FOR THE YEAR ENDED 31 MARCH 2024

Transnet Revenue Breakdown 2023/24



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%.

Transnet Expenditure Breakdown 2023/24

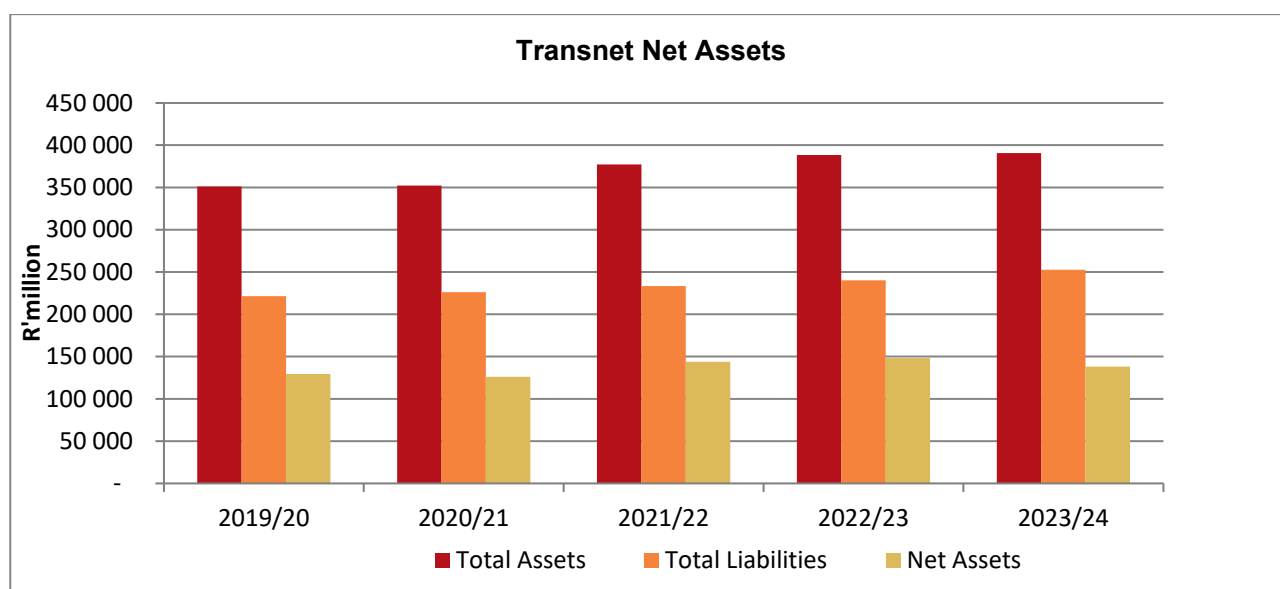


Employee related costs is the biggest contributor of expenditure, contributing 31% of the total expenditure, followed by general expenses contributing 28%, while depreciation and amortisation costs contributed 20% and finance costs 17%. Finance Costs include those related to finance leases, financial liabilities and borrowings. Finance costs related to borrowings alone contribute 97% of the total finance costs of Transnet.

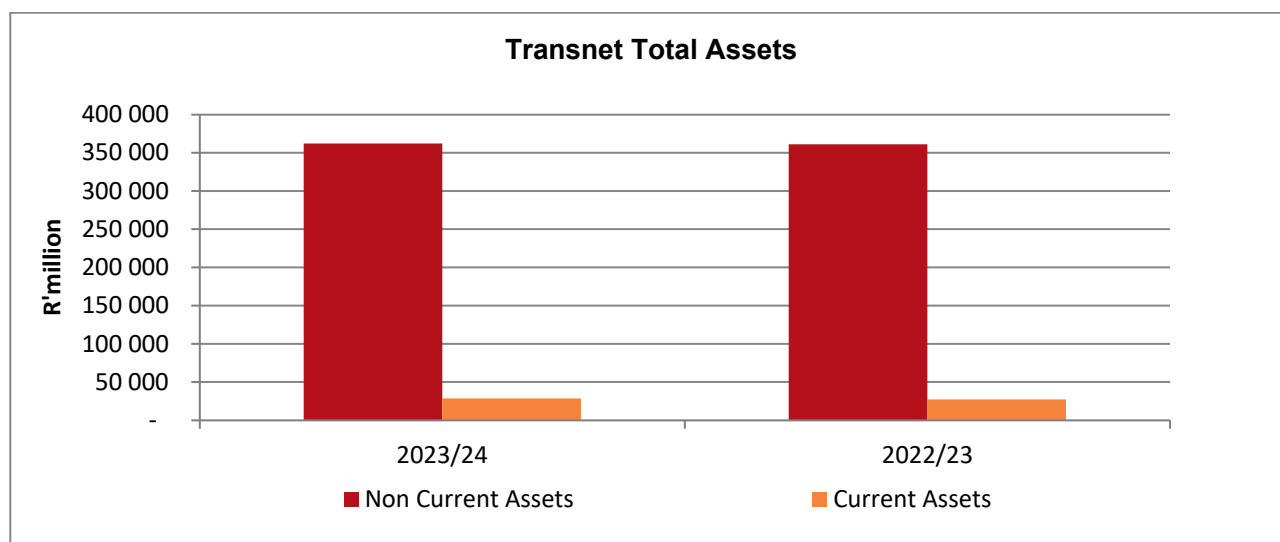
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Transnet Asset vs. Liabilities R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total Assets	351 006	354 457	377 179	388 349	390 661
Total Liabilities	221 499	226 637	233 401	240 121	252 566
Net Assets	129 507	127 820	143 778	148 228	138 095



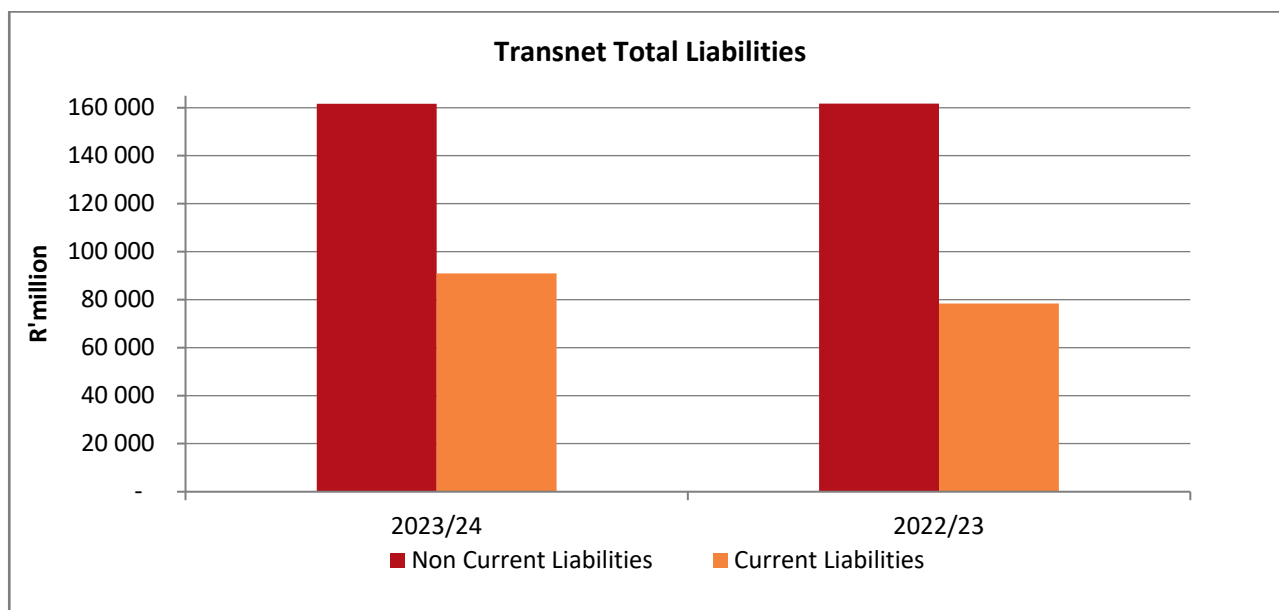
Transnet contributes 8% of the total assets of national public entities assets. Total assets slightly increased by 0.6% to R391 billion (2022/23: R388 billion) in the current year, with current assets increasing by 4% and non-current assets increasing by 0.3%.



Transnet total liabilities contributed 10% of the total liabilities of national public entities' liabilities. In 2023/24 total liabilities of Transnet increased by 5% to R253 billion (2022/23: R240 billion). The increase is mainly attributable to short term borrowings which increased to R39 billion (2022/23: R2 billion).

REVIEW OF OPERATING RESULTS

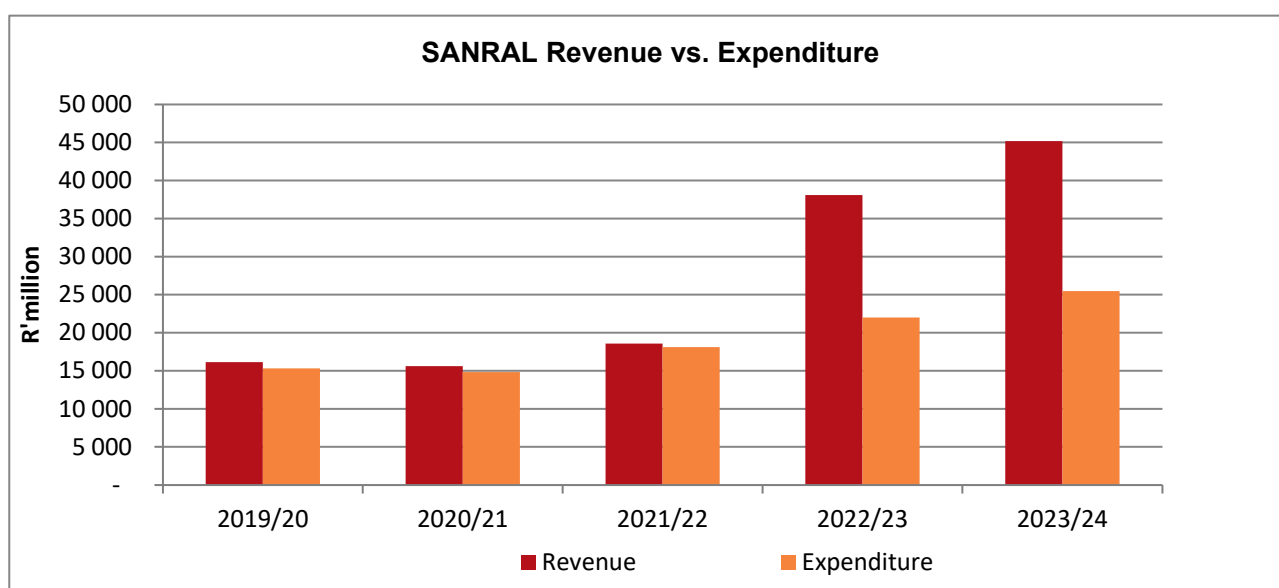
FOR THE YEAR ENDED 31 MARCH 2024



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.

SANRAL Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Revenue	16 139	15 605	18 578	38 081	45 178
Expenditure	15 308	14 832	18 119	22 000	25 479
Surplus/(Deficit) from Operations	831	774	458	16 081	19 699



There has been an increase in operating surplus from R16 billion to R20 billion in the current year under review. The total revenue in 2023/24 increased by 18.6% alongside an increase of 15.8% in total expenditure resulting in the slight improvement to the operating surplus.

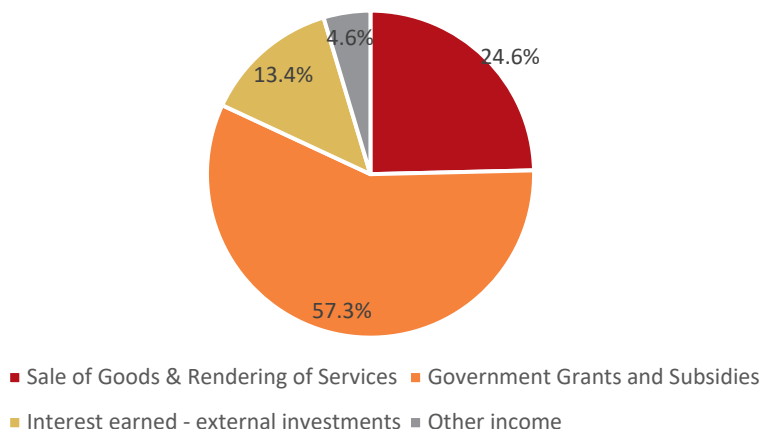
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Revenue in the current year increased to R45.1 billion (2022/23 R38 billion) which is mainly attributable to a 16% increase in government grants and an 80% increase in interest earned from external investments which is wholly interest earned from the bank.

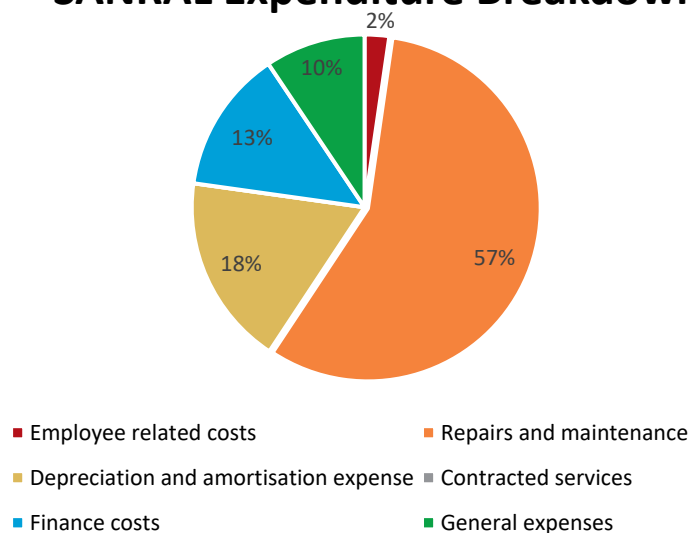
Below is the revenue breakdown of SANRAL.

SANRAL Revenue Breakdown 2023/24



Expenditure also increased by 15.8% to R25.4 billion (2022/23 R22 billion) in the current year. The increase is highly attributable to an increase of 35% in repairs and maintenance of property, plant, and equipment. Below is the expenditure breakdown of SANRAL.

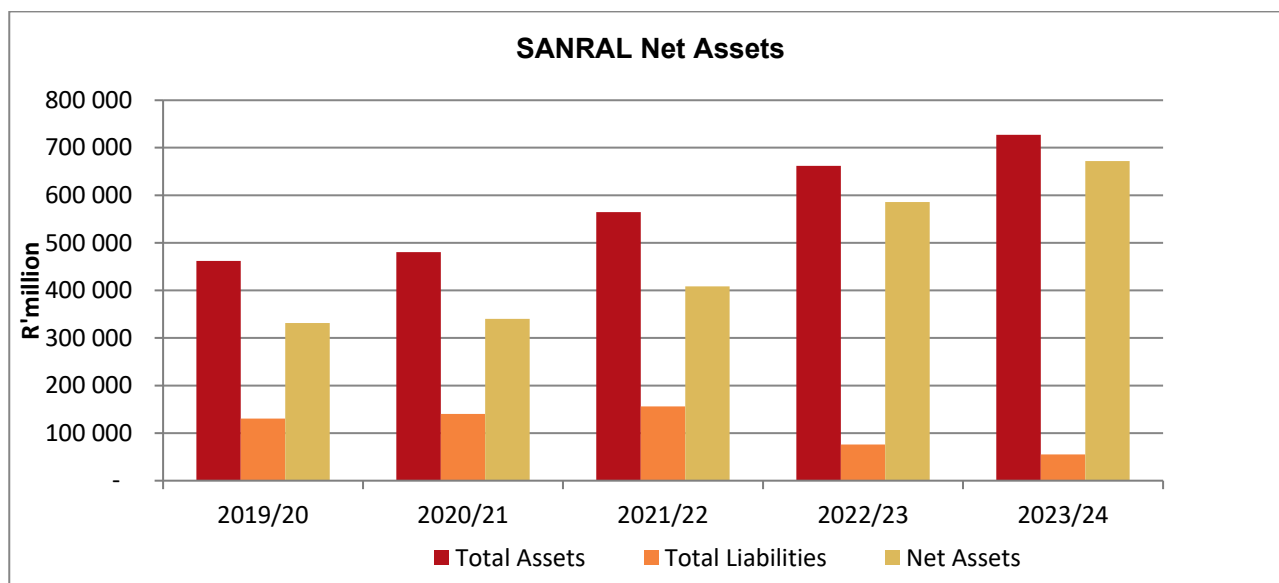
SANRAL Expenditure Breakdown 2023/24



SANRAL Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total Assets	462 082	480 509	564 553	661 964	727 012
Total Liabilities	130 586	140 357	156 171	76 052	55 173
Net Assets	331 496	340 152	408 382	585 912	671 839

REVIEW OF OPERATING RESULTS

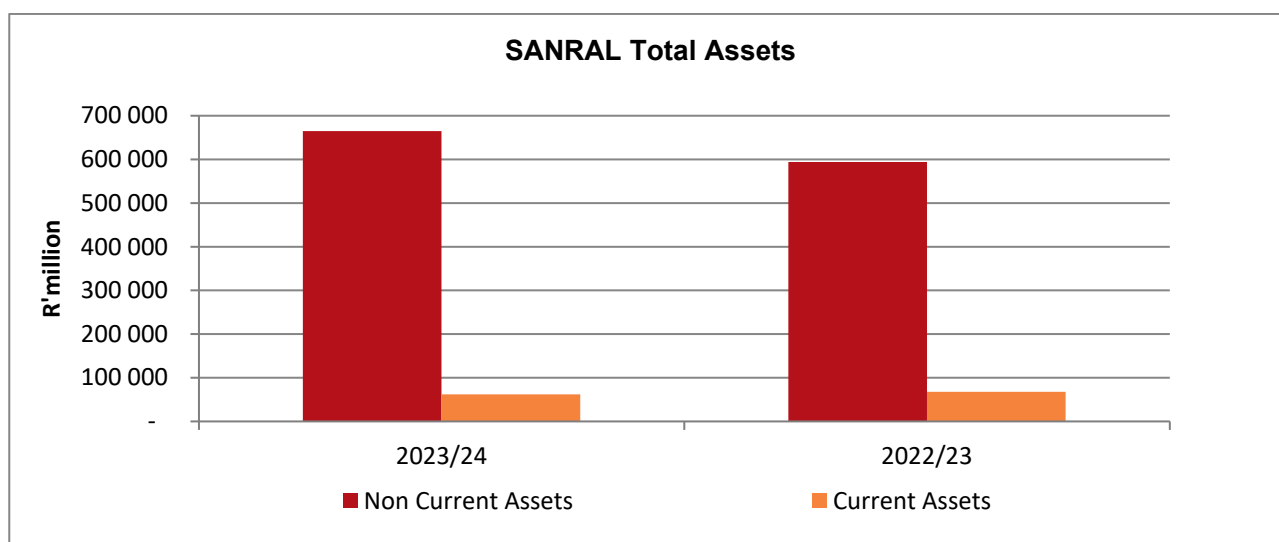
FOR THE YEAR ENDED 31 MARCH 2024



The net asset value of SANRAL has increased by 14.6% from R586 billion to R671 billion in the current financial year. This is mainly attributable to a R70 billion increase in property plant and equipment due to the revaluation of land and infrastructure assets during the current.

Total assets increased by 9.8% to R727 billion (2022/23: R662 billion) in the current year. Non-current assets constitute 91.4% of the total assets of the entity, with property plant and equipment contributing 91% of the total assets of the entity. The biggest contributor to the value of property, plant, and equipment, contributing R605 billion (91%), is the carrying value of infrastructure.

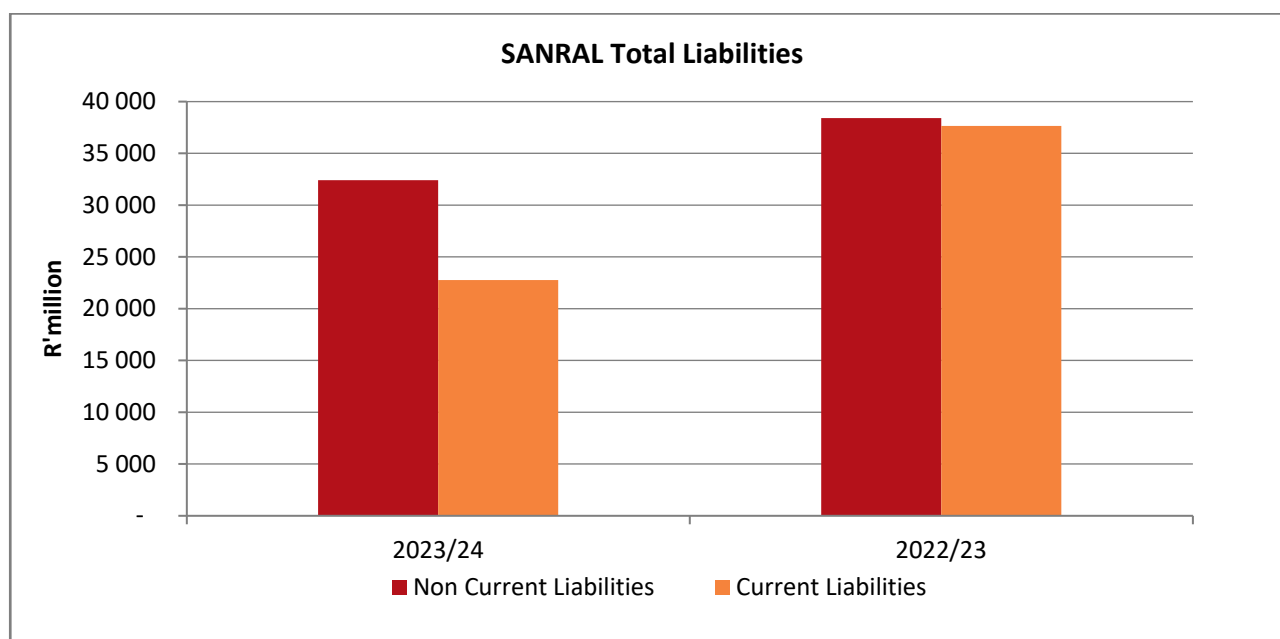
The current assets decreased by 8.2% to R62.1 billion (2022/23: R67.6 billion) in the current year mainly attributable to the decrease in cash and cash equivalents.



Total liabilities decreased by 27.5% to R55.1 billion (2022/23: R76 billion). This is mainly as a result of a R10.7 billion decrease in other financial liabilities and a R6.4 billion decrease in the current portion of long-term borrowings.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



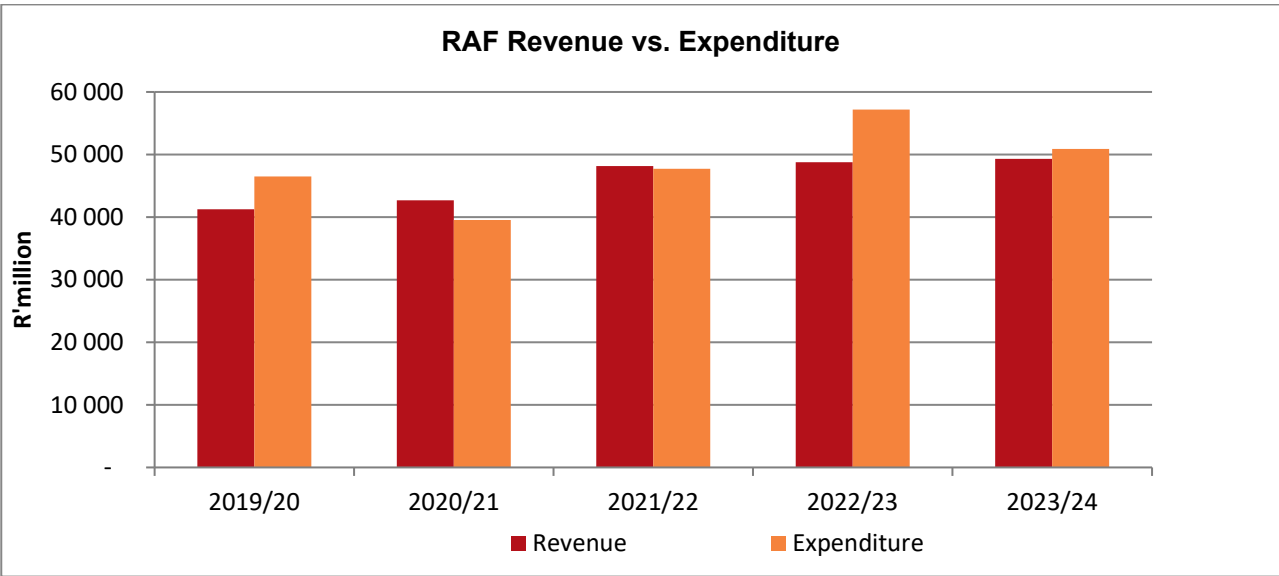
Road Accident Fund

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.

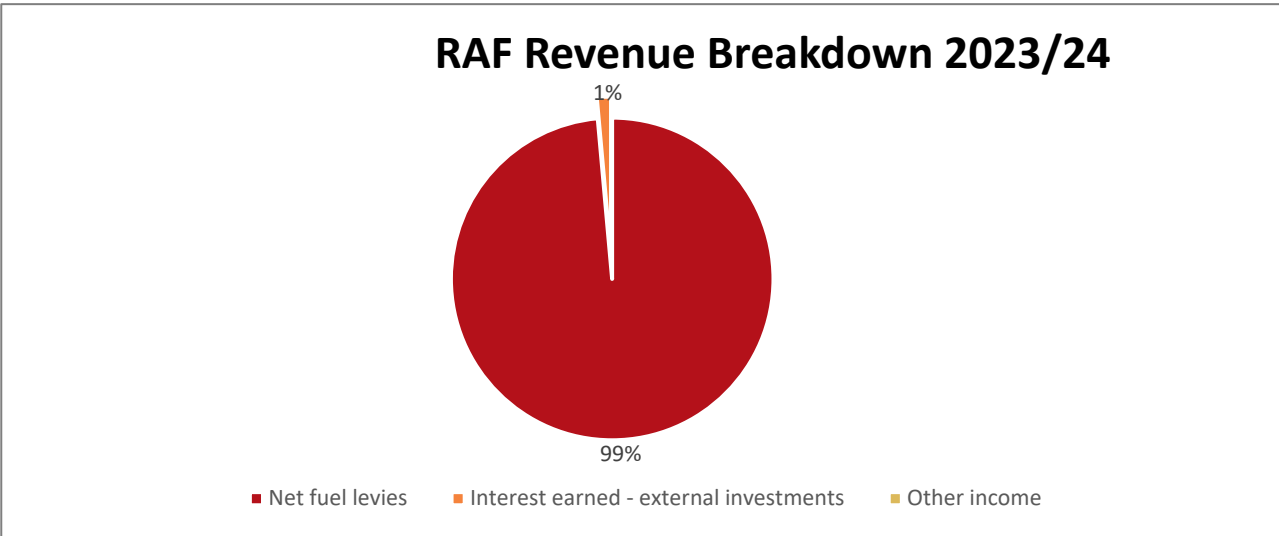
RAF Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Revenue	41 240	42 249	48 155	48 758	49 312
Expenditure	46 497	39 535	47 726	57 186	50 902
Surplus/(Deficit) from Operations	(5 256)	3 152	428	(8 429)	(1 590)

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



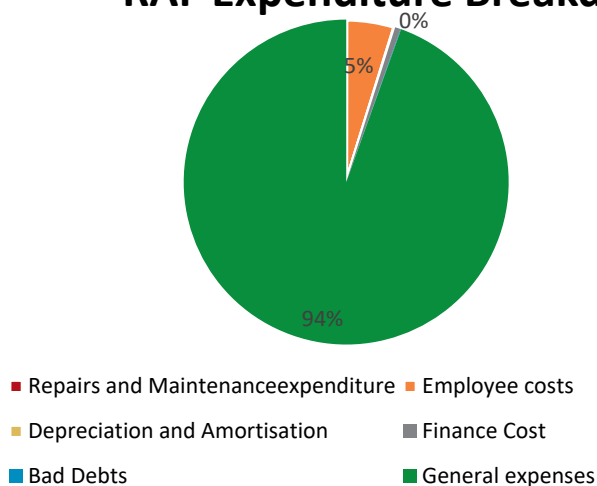
RAF’s revenue was generated mainly from fuel levy which comprises 99% of the total revenue and the remainder being other income and interest earned from external investments. Below is a graph depicting the breakdown of the total revenue during the year under review:



REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

RAF Expenditure Breakdown 2023/24



RAF reported an operating deficit of R1.6 billion in the current financial period compared to the deficit of R8.4 billion in the 2022/23 financial year. The reduced deficit or positive variance was due to the R6.4 billion (15.4%) decrease in general expenses of which R5 billion is attributable to movement in provisions. These provisions included the provision fuel levy refund for diesel usage in other economic sectors where vehicles are not used as well as the provision of incentive bonuses for employees.

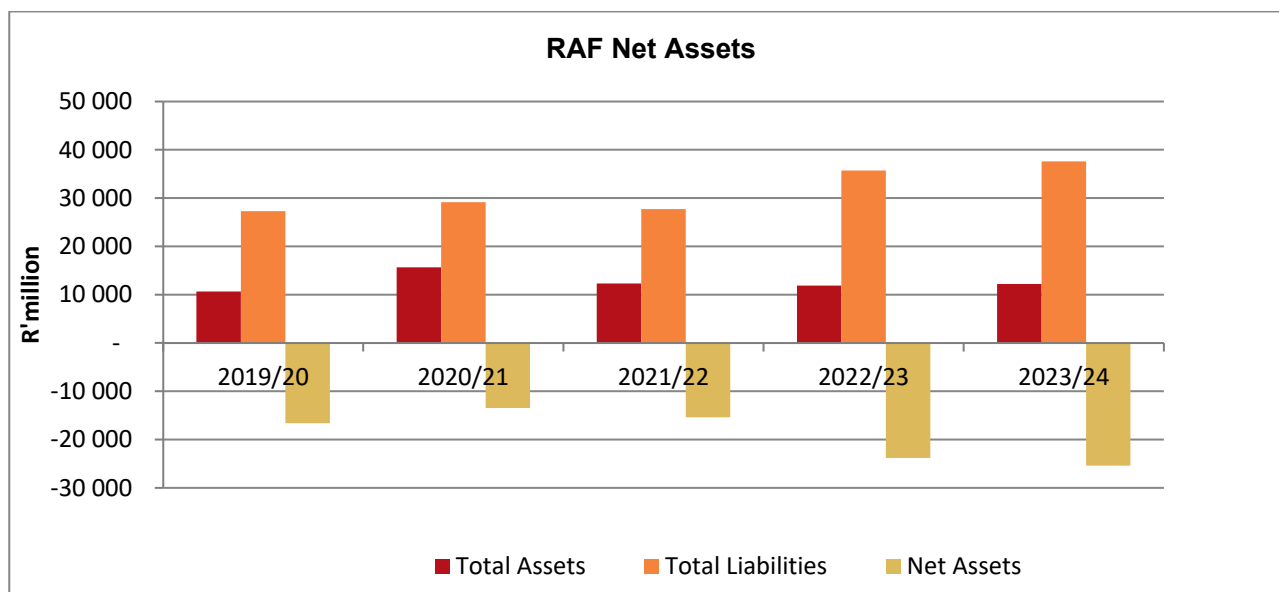
Total revenue increased by 1% to R49.3 billion from R48.7 billion in the previous financial year due to a marginal increase in the Fuel Levy income. The RAF fuel levy for the 2022/23 financial year was 218 c/l and the rate remained unchanged for the 2023/24 financial year. The total expenditure decreased by 11% to R50.9 billion in 2023/24 from R57.1 billion in the previous year, mostly attributable to a 11.7% decrease in general expenses.

The RAF has been technically insolvent for several years, with liabilities exceeding assets by R25.4 billion (2021/22: R23.8 billion) in the current year. These conditions are indicative of a material uncertainty on the ability of the entity to continue as a going concern. A liquidation application was lodged against the Fund in terms of the Companies Act for the RAF to be wound down. However, since the RAF is not a company incorporated under the Companies Act and is established in terms of section 2 of the RAF Act, it can only cease to exist in its current form by repealing the current legislation. RAF is incapable of being liquidated. To wind up the business will require an intervention through an Act of Parliament.

RAF Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total Assets	10 657	15 663	12 314	11 878	12 193
Total Liabilities	27 299	31 497	27 713	35 701	37 594
Net Assets	(16 642)	(15 834)	(15 399)	(23 823)	(25 401)

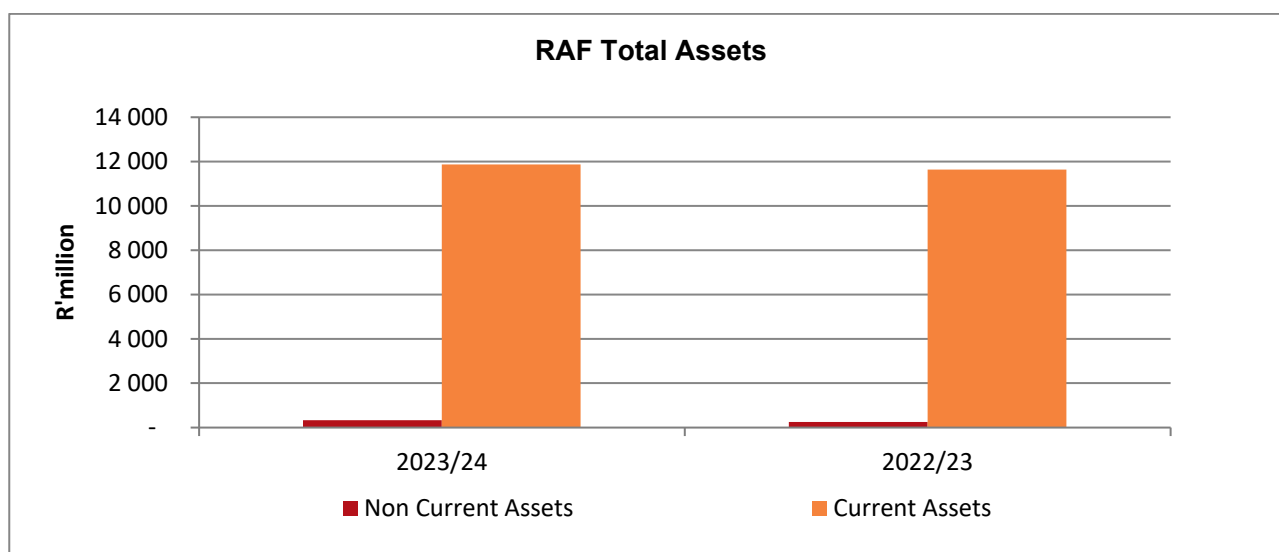
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



The net assets deficiency position has deteriorated further from R23.8 billion in the prior year to R25.4 billion in the current year. This was mainly driven by a 5.3% increase in total liabilities.

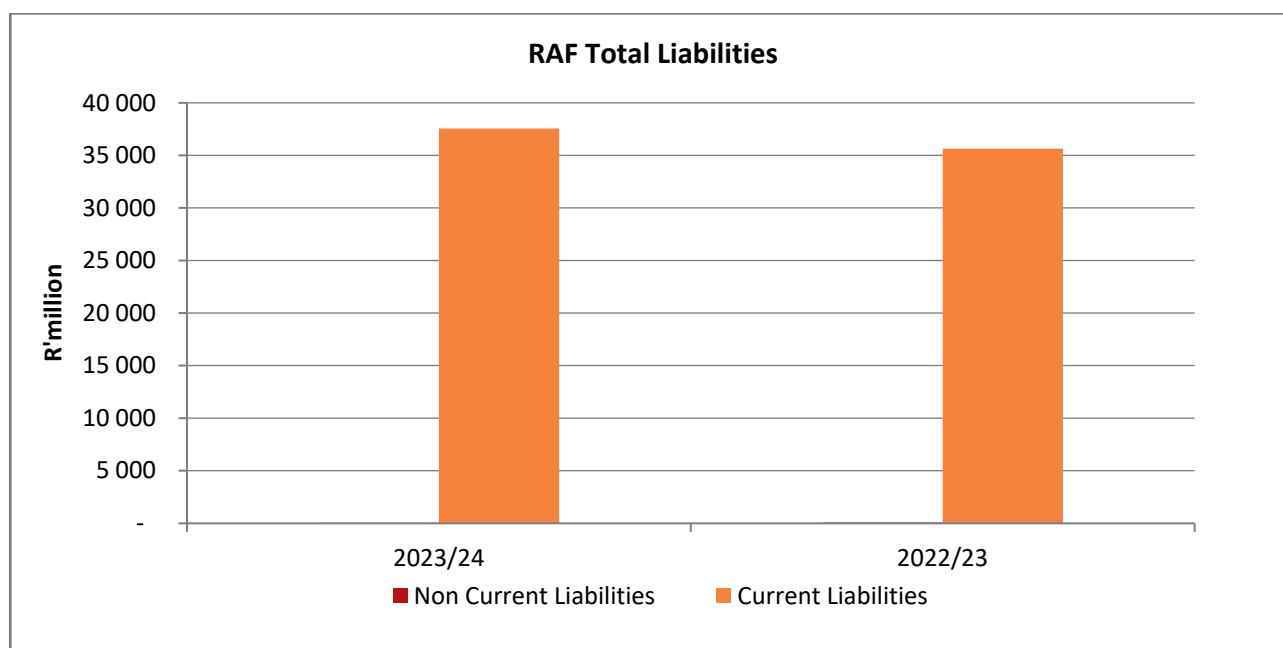
The total assets increased slightly from R11.8 billion in 2022/23 to R12.1 billion in the current year, and this is mainly due to an increase in non-exchange statutory receivables.



Total liabilities increased by 5.3% from R35.7 billion in 2022/23 to R37.6 billion in the current year. The increase is mainly attributable to a 11.2% increase in current provisions. The RAF current liabilities constitute 99.9% of total liabilities in the current year.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



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).

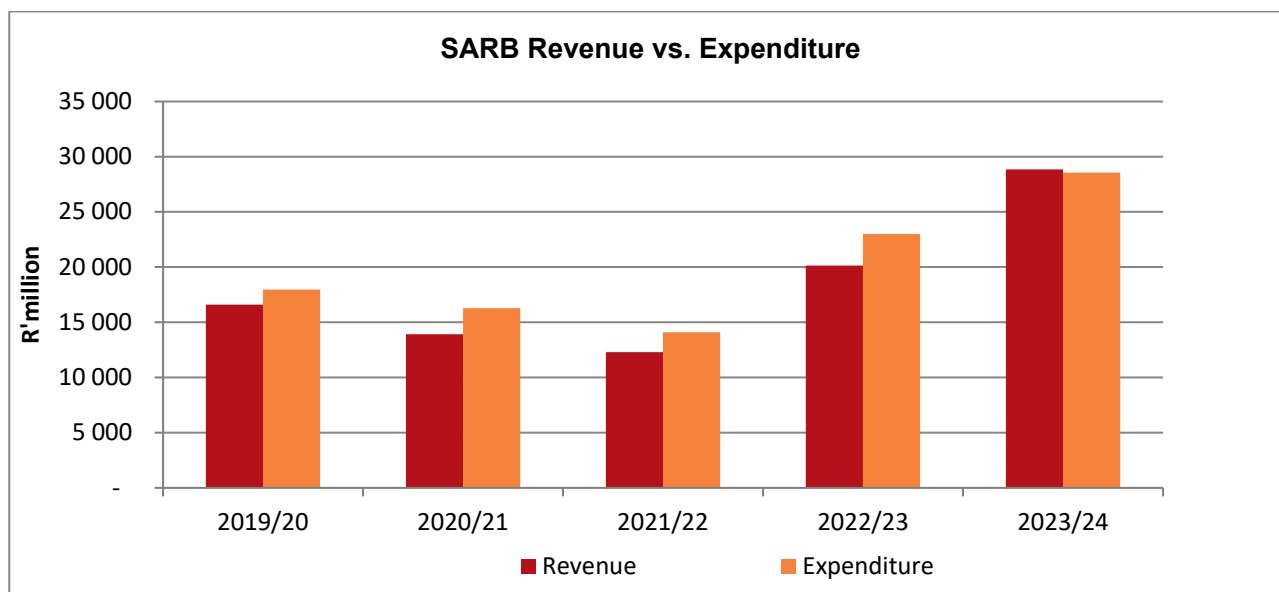
Some of the Functions of the bank are:

- 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 R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Revenue	16 596	13 910	12 282	20 133	28 853
Expenditure	17 959	16 280	14 092	22 994	28 554
Surplus/(Deficit) from Operations	(1 363)	(2 369)	(1 811)	(2 862)	(299)

REVIEW OF OPERATING RESULTS

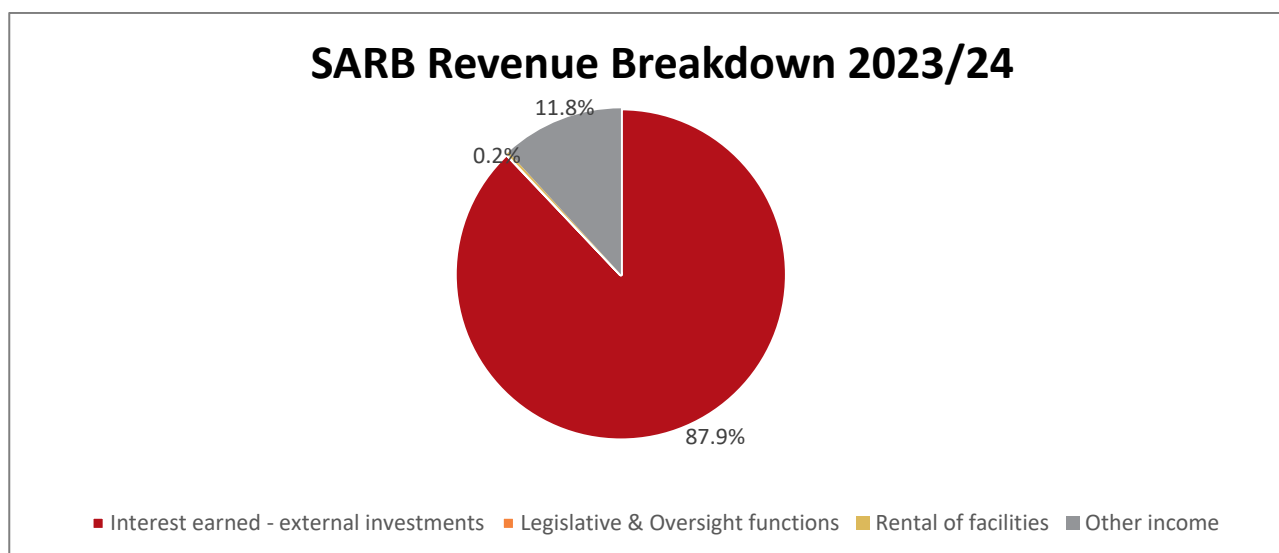
FOR THE YEAR ENDED 31 MARCH 2024



The SARB total revenue amounted to R28.8 billion in the current year comprising mainly of interest earned from external investments (foreign investments and accommodation to banks) and other income. Total revenue increased by 43.3% in the current year under review driven by the increase of 58.6% in interest earned from external investments.

Expenditure also increased by 24.2% to R28.6 billion (2022/23: R23 billion) in the current year, mainly attributable to finance costs which increased by 48.4% to R18.3 billion (2022/23: R12.4 billion) in the current year.

The net result of these factors was a R3 billion increase in the operating performance which resulted in an operating surplus of R299 million (2022/23: R2.9 billion deficit).

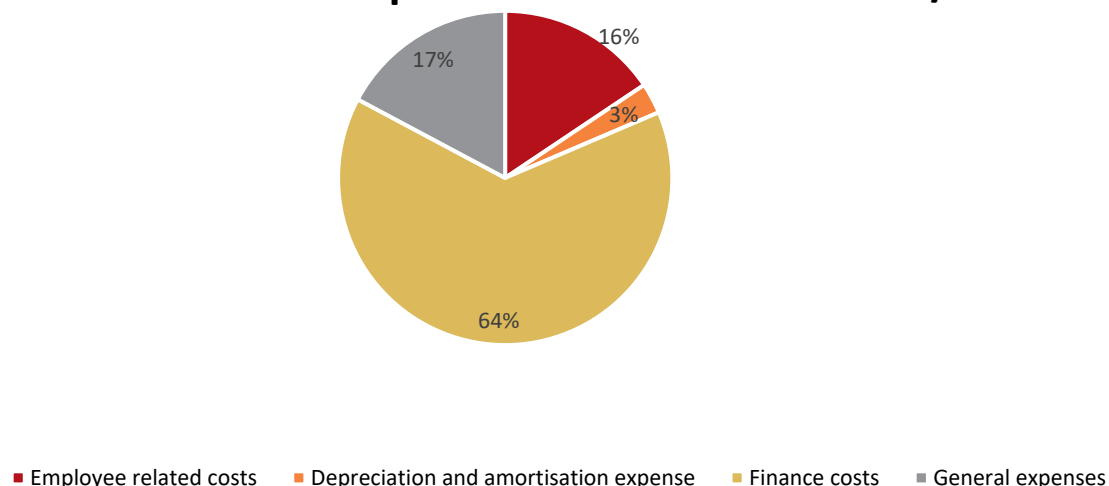


The interest earned from external investments is the biggest contributor of SARB revenue, contributing 87.9% of the total revenue while other income makes up the remaining 12.1%.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

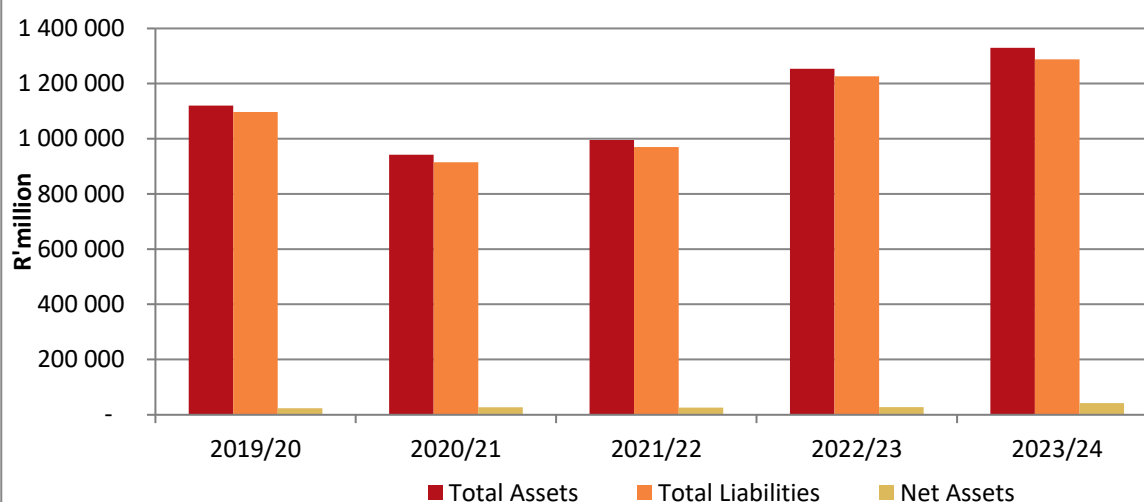
SARB Expenditure Breakdown 2023/24



Finance costs were the largest portion of the expenditure, contributing 64% of the total expenditure, followed by employee related costs with 16%, general expenses contributing 17% and depreciation and amortisation costs making up the remaining 3%.

SARB Summary R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Total Assets	1 120 122	941 792	995 489	1 253 408	1 329 569
Total Liabilities	1 096 796	914 967	970 018	1 226 103	1 287 583
Net Assets	23 326	26 824	25 471	27 304	41 986

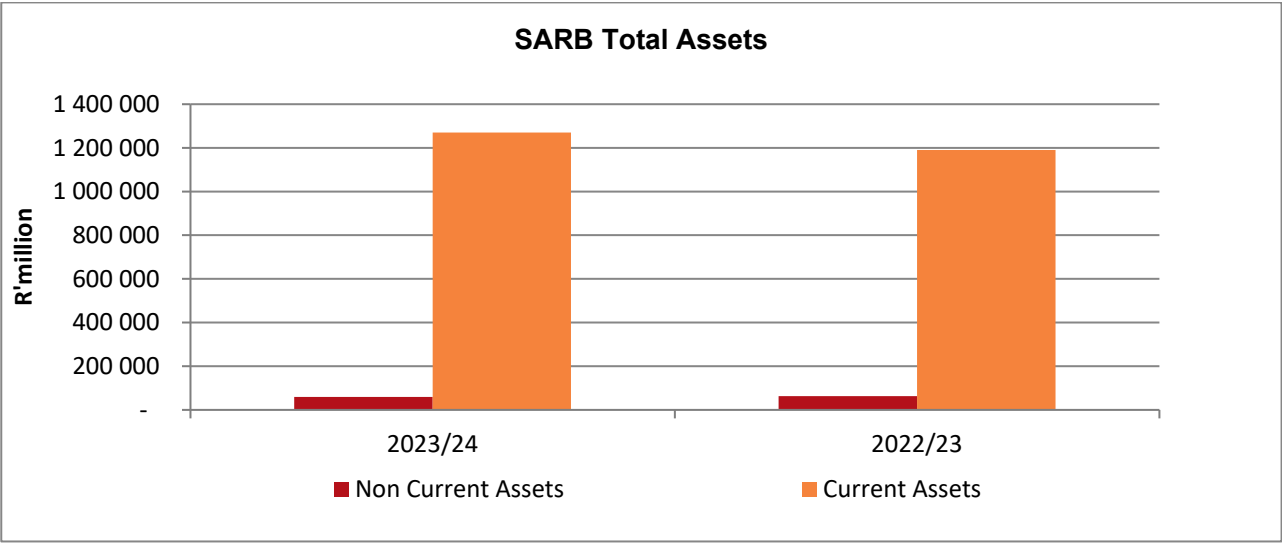
SARB Net Assets



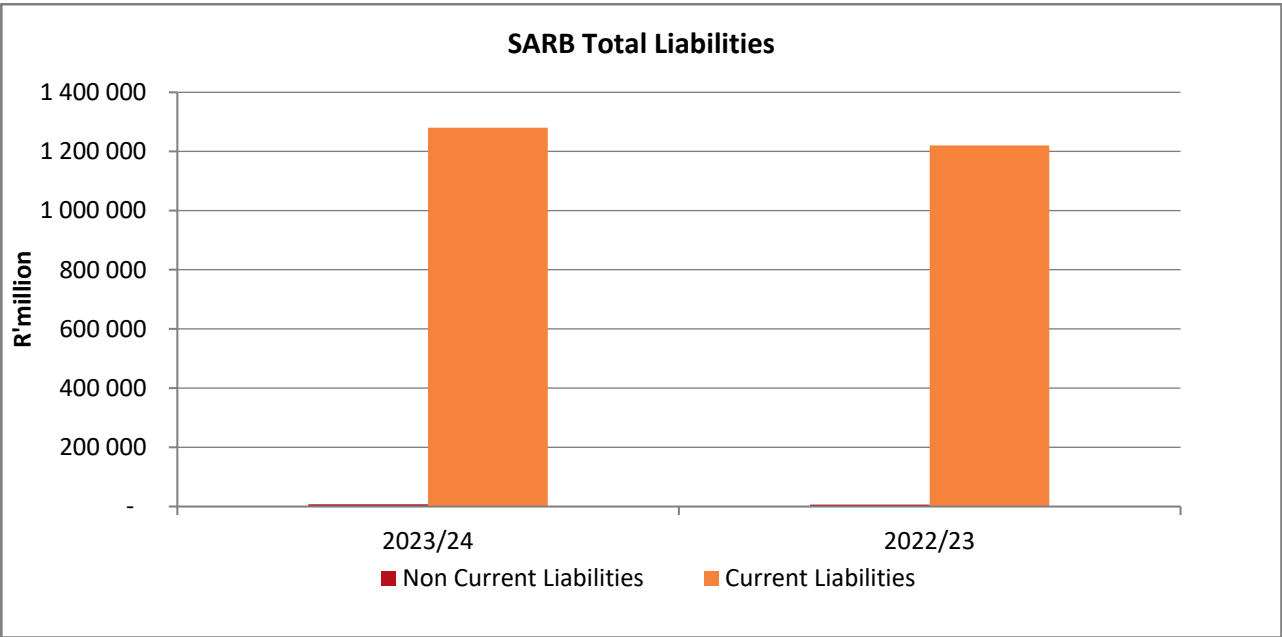
SARB reported total assets of R1.33 trillion and total liabilities of R1.29 trillion in the current period under review. There was an increase in both total assets and total liabilities of 2.6% and 5% respectively in 2023/24. The increase in total assets is driven by a 42.8% (R17.7 billion) increase in current investments.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



The increase in total liabilities is mainly attributable to the increase in other current financial liabilities by R66.8 billion. Current liabilities contributed 99.4% of the total liabilities same as last financial year and comprising mainly of other current financial liabilities.



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

NATIONAL TREASURY
2024 CFS
CONSOLIDATED
FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

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 2024, the consolidated statement of financial performance, statement of changes in net assets and 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 22ⁱ 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 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 Standards of Generally Recognised Accounting Practice (GRAP) 35, *Consolidated financial statements* (GRAP 35), as it excludes seven (7)ⁱⁱ public entities due to the non-submission of financial information for the 2023-24 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 2024 and its comparative, as it was impractical to do so.
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 government's systems and processes were not

ⁱ Independent Development Trust, Property Management Trading Entity, Amatola Water Board, Bloem Water Board, Export Credit Insurance of South Africa Limited, Lepelle Northern Water, Magalies Water, National Lotteries Commission, Overberg Water, Rand Water, Road Traffic Infringement Agency, South African Post Bank, South African Post Office Limited, uMngeni-uThukela Water, BroadBand Infrastructure Company, State Information Technology Agency, ESKOM, South African Forestry Company Limited, Boarder

Management Authority, Construction Education and Training, South African Library for the Blind, Unemployment Insurance Fund.

ⁱⁱ Alexkor Limited, Denel, LandBank, South African Airways, Freedom Park Trust, National Health Laboratory Service, National Student Financial Aid Scheme (Public Entities includes other entities as noted in the Group Accounting Policy: "Treatment of Departmental Trading Entities and Other Unlisted Entities, Trusts and Funds")

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

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 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* (GRAP 20).

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Compensation Fund, including Reserve Fund

6. I was unable to obtain sufficient appropriate audit evidence that the revenue from non-exchange transactions and statutory receivables for the current and prior year had been properly accounted for as required by GRAP 108, *Statutory receivables* and GRAP 23, 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 revenue from non-exchange transactions included in legislative and oversight functions in note 44 and statutory receivables – non-exchange included in note 14 to the consolidated financial statements by alternative means due to the status of the accounting records.

7. Additionally, the public entity did not correctly account for revenue from non-exchange transactions in accordance with GRAP 23. The public entity did not raise 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 such employers. Furthermore, there were instances where amounts were incorrectly included as revenue from non-exchange transactions and in other instances 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 and statutory receivables as it was impracticable to do so. Consequently, I was unable to determine whether any adjustment was necessary to revenue from non-exchange transactions stated at R249 159 859 000 (2022-23: R237 442 196 000) in the consolidated financial statements. There was an impact on the surplus for the period and on the accumulated surplus.

Community Schemes Ombud Services

8. I was unable to obtain sufficient appropriate audit evidence that levies and related receivables from non-exchange transactions had been properly accounted for, due to the status of the accounting records. I was unable to confirm the levies and related receivables from non-exchange transactions by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to levies included in legislative and oversight functions – administration, stated at R13 274 098 000 (2023: R21 112 452 000) in note 44 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

Onderstepoort Biological Products Limited

9. Appreciation of deferred government grants were not accounted for as required by GRAP 23, *Revenue from non-exchange transactions* (GRAP 23). The public entity did not have adequate systems of internal control for calculating the appreciation. Consequently, the appreciation of deferred grants amortised included in government grants and subsidies – conditions met in note 40 to the consolidated financial statements were overstated by R2 543 000 and deferred grants included in non-current unspent conditional grants and receipts in note 27 to the consolidated financial statements was understated by the same amount. This also has an impact on the surplus for the period and on the accumulated surplus.

GENERAL EXPENSES

Road Accident Fund (RAF)

10. All outstanding amounts meeting the definition of a liability were not recognised in accordance with GRAP 1, *Presentation of financial statements* (GRAP 1). During the 2020-21 financial year, the entity amended the accounting policy to recognise claims liabilities in accordance with International Public Sector Accounting Standards (IPSAS) 42, *Social benefits* (IPSAS 42). The use of IPSAS 42 is not appropriate as it fundamentally differs with the Standards of GRAP conceptual framework for general purpose financial reporting in terms of the timing of recognising liabilities. The RAF has continued to make use of IPSAS 42 principles for the 2023-24 financial year. Furthermore, the Accounting Standards Board (ASB) has prescribed the standards and pronouncements that are contained in the GRAP Reporting Framework for public entities which are included in Appendix A1 of Directive 5. The IPSAS 42 is not included as a standard that the public entities may use.

11. Consequently, claims liabilities, claims expenditure and related disclosure notes are understated. I was unable to quantify the misstatement amount as an actuarial valuation is required to compute the value of the liability based on the types of outstanding claims using certain judgements and assumptions. Therefore, I was unable to determine the full extent of the misstatement of claim liabilities, claims expenditure and related disclosure notes, as it was impracticable to do so. I was unable to determine if any further adjustments were necessary to the claims liabilities included in other current financial liabilities, stated at R1 237 379 244 000 (2023: R1 111 376 193 000) in note 25 to the consolidated financial statements, and current provisions stated at R80 643 562 000 (R76 723 386 000) in note 26 to the consolidated financial statements, and claims expenditure included in general expenses – admin fees of R48 673 337 000 (2023: R49 685 144 000) as disclosed in note 56 to the consolidated financial statements.

Compensation Fund, including Reserve Fund

12. 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.
13. In addition, compensation benefits were not accounted for in accordance with the requirements of GRAP 1, as the recorded amounts differed from the supporting evidence. I was unable to determine the full extent of the misstatement of compensations benefits as it was impractical to do so. There was an impact on the surplus for the period and on the accumulated surplus.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

14. Consequently, I was unable to determine whether any adjustment was necessary to compensation benefits included in the general expenses – cost of sales, stated at R240 964 112 000 (2023: R218 536 135 000) in note 56 to the consolidated financial statements.

South African Tourism

15. The public entity recognised marketing expenditure using purchase orders instead of actual invoices from suppliers, which constitutes a departure from GRAP 1. Consequently, I was unable to determine whether any further adjustments to marketing expenditure included in general expenses – advertising, stated at R3 041 555 000 (2023: R2 592 038 000) in note 56 to the consolidated financial statements were necessary.

Universal Service and Access Fund

16. I was unable to obtain sufficient and appropriate audit evidence that management had properly accounted for all inventory redemptions and installations included in general expenses – other, stated at R71 295 163 000 (2023: R56 683 807 000) in note 56 to the consolidated financial statements, as internal controls had not been established to maintain records for inventory management and installation of this inventory. I could not confirm whether all inventory redemptions and installation costs were recorded by alternative means. Consequently, I was unable to obtain sufficient appropriate audit evidence to determine whether any adjustments were necessary to account for all accruals included in trade and other payables from exchange transactions – other creditors, stated at R42 615 816 000 (2023: R44 949 638 000) in note 22 to the consolidated financial statements.

Onderstepoort Biological Products Limited

17. I was unable to obtain sufficient appropriate audit evidence to substantiate the amount recognised as cost of sales and inventories in relation to raw materials, intermediate and finished goods, as the public entity did not implement effective systems of internal control to maintain reliable accounting records and information to support the amounts disclosed in the consolidated financial statements. I could not confirm the amount for cost of sales and inventories by alternative means as the public entity's records did not permit the application of alternative audit procedures.
18. In addition, inventories carried in the consolidated statement of financial position at R56 928 196 000 were not stated at the lower of cost and net realisable value but solely at cost, which constitutes a departure from GRAP 12, *Inventories* (GRAP 12). Had the inventories been stated at the lower of cost and net realisable value, an amount of R3 242 000 would have been required to write the inventories down to their net realisable value.
19. Consequently, I was unable to determine any adjustments relating to inventories stated at R56 928 196 000, and cost of sales included in general expenses stated at R240 964 112 000 in notes 7 and 56 respectively, to the consolidated financial statements were necessary. This also has an impact on the surplus for the period and on the accumulated surplus.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

20. The public entity did not correctly account for the forex losses (realised and unrealised) in accordance with GRAP 4, *The Effects of Changes in Foreign Exchange Rates* (GRAP 4). This was due to the incorrect daily exchange rates used to calculate the foreign exchange losses. Consequently, the forex losses (realised and unrealised) included in general expenses - other, were overstated by R15 412 000 and revenue included in other income stated at R13 504 588 000 in note 50 to the consolidated financial statements was understated by the same amount. This also has an impact on the surplus for the period and on the accumulated surplus.

Office of The Valuer

21. Total expenditure was materially misstated by R1 350 000 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:
- general expenses included in repairs and maintenance stated at R42 644 566 000 in note 34.5;
 - general expenses included contracted services stated at R6 148 086 000 in note 53; and
 - general expenses stated at R440 068 597 000 in note 56 respectively, was overstated by R775 000.

Government Printing Works

22. The government component did not recognise some inventories in accordance with GRAP 12. The results of standard costing for raw materials did not always approximate cost and resulted in an understatement of raw materials by R17,24 million. There is a consequential impact on cost of sales included in general expenses – cost of sales, stated at R240 964 112 in note 56 to the consolidated financial statements. Additionally, during 2023, the government component did not recognise finished goods in accordance with GRAP 12, in respect of inventory issued items. Goods issued transactions that occurred in the prior years were incorrectly recorded in 2023 resulting in an overstatement of inventories in note 7 as well as receivable from exchange transactions in note 2 to the consolidated financial statements by R69,15 million. There is a consequential impact on the accumulated surplus.

Boxing South Africa

23. I was unable to obtain sufficient appropriate audit evidence for general expenses, as supporting evidence was not provided for certain travel-local expenses. I was unable to confirm the expenditure by alternative means. Consequently, travel-local expenses included in general expenses – travel and subsistence (local), stated at R7 107 530 000 in note 56 are overstated by R1 454 000.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

Supported Employment Enterprises

24. Cost of sales and operating expenses were not accounted for in accordance with GRAP 12 and GRAP 1 as the entity incorrectly calculated the rate used in the calculation of cost of sales and operating expenses. I was unable to determine the full extent of the misstatement for the following items included in cost of sales and operating expenses as it was impractical to do so:

Fixed manufacturing overheads, variable manufacturing and direct labour included in general expenses – cost of sales, stated at R240 964 112 000 (2023: R218 536 135 000) in note 56 to the consolidated financial statements. Under or over recovery fixed overheads included in general expenses – other, stated at R71 295 163 000 (2023: R56 683 807 000) in note 56 to the consolidated financial statements. Abnormal labour idle time included in general expenses – other, stated at R71 295 163 000 (2023: R56 683 807 000) in note 56 to the consolidated financial statements. Under- / over-recovery variable overheads included in general expenses – other, stated at R71 295 163 000 (2023: R56 683 807 000) in note 56 to the consolidated financial statements. Additionally, there was an impact on the surplus and deficit for the current period and accumulated surplus.

CURRENT INVESTMENTS

Compensation Fund, including Reserve Fund

25. Investments were not properly accounted for in accordance with GRAP 104, *Financial Instruments* (GRAP 104). The public entity did not account for all the unlisted investments, resulting in understatement of investments. In addition, the public entity did not disclose the classification and measurement basis for investments in unlisted shares and the disclosure note 75 to the financial statements was not in accordance with GRAP 104. I was unable to determine the full extent of the misstatement of investments included in other current and non-current financial assets, stated at R1 284 090 898 000 (2023: R1 194 544 569 000) in note 4 and R153 268 824 000 (2023: R133 457 122 000) in note 17, respectively, to the consolidated financial statements as it was impractical to do so.
26. 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. In addition, the public entity did not disclose investments in unlisted loans in accordance with GRAP 104. 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 investment of unlisted loans included in the investment in associates – non-current assets, stated at R47 275 069 000 (2023: R49 894 181 000) in note 20 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

27. The limitations indicated above also have an impact on impairment of investments included in impairment – other financial assets, stated at R10 199 503 000 (2023: R7 870 001 000) in note 58 to the consolidated financial statements.

Local Government Education and Training Authority

28. Cash and cash equivalents and other financial assets were not accounted for in terms of GRAP 1 and GRAP 104. The public entity did not disclose all bank accounts in the name of the public entity as they were not recorded in the financial records and the public entity did not account for all the interest that accrued on the re-invested interest emanating from matured investments from other financial assets, resulting in an underestimate of cash and cash equivalents and other financial assets. I was unable to determine the full extent of the misstatement to cash and cash equivalents included in cash and cash equivalents – cash at bank, stated at R134 905 007 000 in note 1 and other financial asset included in current investments – deposits, stated at R61 912 462 000 in note 9 to the consolidated financial statements as it was impractical to do so.

29. Consequently, I was unable to determine whether any adjustments were necessary to the following financial statement items:

- Interest income included in interest earned – external investments (bank) stated at R18 551 394 000 (2023: R12 150 384 000) in note 48 to the consolidated financial statements.

- Interest receivables included in trade and other receivables from exchange transactions – other, stated at R91 810 951 000 (2023: R78 005 577 000) in note 2 to the consolidated financial statements.

OTHER CURRENT FINANCIAL LIABILITIES AND CURRENT PROVISIONS

Road Accident Fund

30. As a result of RAF changing its accounting policy to recognise claims liabilities as described in paragraph 13 of this report, the claims liabilities, claims expenditure and related disclosure notes are understated. I was unable to quantify the misstatement amount as an actuarial valuation is required to compute the value of the liability based on the types of outstanding claims using certain judgements and assumptions. Therefore, I was unable to determine the full extent of the misstatement of claim liabilities, claims expenditure and related disclosure notes, as it was impracticable to do so. I was unable to determine if any further adjustments were necessary to the claims liabilities included in other current financial liabilities, stated at R1 237 379 244 000 (2023: R1 111 376 193 000) in note 25 to the consolidated financial statements, and current provisions stated at R80 643 562 000 (R76 722 533 86 000) in note 26 to the consolidated financial statements, and claims expenditure included in general expenses – admin fees of R48 673 337 000 (2023: R49 685 144 000) as disclosed in note 56 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

Thubelisha Homes

31. I was unable to obtain sufficient appropriate audit evidence for the inter-entity transactions and balances, as the public entity was unable to provide supporting documents for the recorded transactions and balances. I requested, but did not receive, supporting documentation for the provision for refuse removal or the related claim.
32. This has resulted in a limitation of scope regarding the provision for the City of Cape Town refuse removal included in current provisions – other, stated at R17 793 343 000 (2023: R19 255 437 000) in note 26 to the consolidated financial statements.

Compensation Fund, including Reserve Fund

33. 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 to measure estimates in accordance with GRAP 19, *Provisions, contingent liabilities, and contingent assets* (GRAP 19). 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 following:
 - Provisions for outstanding claims included in current provisions – current portion of other non-current provisions, stated at R54 460 645 000 (2023: R49 229 292 000) in note 26 to the consolidated financial statements.

- Provisions for outstanding claims included in non-current provisions – other, stated at R116 898 934 000 (2023: R109 834 023 000) in note 31 to the consolidated financial statements.
34. The limitations indicated above also have an impact on the unwinding of the discount for outstanding claims which was not determined by the entity in the current year, included in finance costs – other financial liabilities, stated at R18 724 100 000 (2023: R21 184 965 000) in note 55 to the consolidated financial statements.
 35. I was unable to obtain sufficient appropriate audit evidence that the capitalised value of pensions for both the current and prior year had been 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 for the movement in the provision for capitalised value of pensions, resulting from payments and the measurement of estimates in accordance with GRAP 19. I was unable to confirm the capitalised value of pensions by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the following:
 - Capitalised value of pensions included in current provisions – current portion of other non-current provisions, stated at R54 460 645 000 (2023: R49 229 292 000) in note 26 to the consolidated financial statements.
 - Capitalised value included in non-current provisions – other, stated at R116 898 934 000 (2023: R109 834 023 000) in note 31 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

36. The limitations indicated above also have an impact on the unwinding of the discount for capitalised value of pensions which was not determined by the entity in the current, included in finance costs – other financial liabilities, stated at R18 724 100 000 (2023: R21 184 965 000) in note 55 to the consolidated financial statements

Services Sector Education and Training Authority

37. The method of estimations for discretionary grant provisions was not determined and assessed correctly in accordance with GRAP 19. As a result, discretionary grant provisions included in current provisions – other, stated at R17 793 343 000 (2023: R19 255 437 000) in note 26 to the consolidated financial statements was not disclosed at best estimated amounts. Consequently, discretionary grant expenditure included in grants and subsidies paid stated at R20 419 953 000 (2023: R19 359 799 000) in note 54 to the consolidated financial statements was impacted. I was unable to determine the value of the misstatement of discretionary grant provisions and discretionary grant expenditure, as it was impracticable to do so. In addition, I was unable to determine whether any adjustments to discretionary grant provisions and discretionary grant expenditure in the consolidated financial statements were necessary.

NON-CURRENT PROVISIONS

Compensation Fund, including Reserve Fund

38. 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 to measure estimates in accordance with GRAP 19. 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 following:

- Provisions for outstanding claims included in current provisions – current portion of other non-current provisions, stated at R54 460 645 000 (2023: R49 229 292 000) in note 26 to the consolidated financial statements.
- Provisions for outstanding claims included in non-current provisions – other, stated at R116 898 934 000 (2023: R109 834 023 000) in note 31 to the consolidated financial statements.

39. The limitations indicated above also have an impact on the unwinding of the discount for outstanding claims which was not determined by the entity in the current year, included in finance costs – other financial liabilities, stated at R18 724 100 000 (2023: R21 184 965 000) in note 55 to the consolidated financial statements.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

40. I was unable to obtain sufficient appropriate audit evidence that the capitalised value of pensions for both the current and prior year had been 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 for the movement in the provision for capitalised value of pensions, resulting from payments and the measurement of estimates in accordance with GRAP 19. I was unable to confirm the capitalised value of pensions by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the following:

- Capitalised value of pensions included in current provisions – current portion of other non-current provisions, stated at R54 460 645 000 (2023: R49 229 292 000) in note 26 to the consolidated financial statements.
- Capitalised value included in non-current provisions – other, stated at R116 898 934 000 (2023: R109 834 023 000) in note 31 to the consolidated financial statements.

41. The limitations indicated above also have an impact on the unwinding of the discount for capitalised value of pensions which was not determined by the entity in the current, included in finance costs – other financial liabilities, stated at R18 724 100 000 (2023: R21 184 965 000) in note 55 to the consolidated financial statements.

CAPITAL COMMITMENTS

Passenger Rail Agency of South Africa

42. Prasa did not maintain adequate records of the contractual information used to determine and disclose commitments, and as a result, not all commitments were disclosed in the financial statements, as required by GRAP 1, and GRAP 17, *Property, plant and equipment* (GRAP 17). In addition, I was unable to obtain sufficient appropriate audit evidence for commitments disclosed, as the supporting information was not provided. I was unable to confirm these commitments by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to commitments included in capital commitments stated at R256 001 802 000 (2023: R246 419 201 000) in note 68 to the consolidated financial statements.

Compensation Fund, including Reserve Fund

43. I was unable to obtain sufficient appropriate audit evidence that commitments were properly accounted for in the current and prior year, as the entity did not maintain accurate and complete records of the contractual information used to determine the commitments balance. I could not confirm the commitments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to commitments included in capital commitments and operating leases – lessee, stated at R256 001 802 000 (2023: R246 419 201 000) in note 68 and R36 134 252 000 (2023: R40 595 277 000) in note 69 to the consolidated financial statements respectively.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

Office of the Valuer-General

44. The disclosure for commitments was not prepared in accordance with GRAP 1. The public entity did not disclose an accurate balance for commitments as there were material differences from recalculation amounts and the amount recorded in the annual financial statements. Consequently, the commitments balance included in capital commitments stated at R256 001 802 000 (2023: R246 419 201 000) in note 68 to the consolidated financial statements was understated by R2 803 000.

AGGREGATED UNCORRECTED MISSTATEMENTS

Current assets

45. 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 with R14 259 000 000 (2023: R30 154 000 000), and the statement of financial position with R9 643 000 000 (2023: R59 745 000 000).

Emphasis of matter

46. 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

47. As disclosed on the consolidated financial statements basis of preparation accounting policy, the Minister of Finance 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 the 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

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

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

UNAUDITED SUPPLEMENTARY SCHEDULES

49. 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

50. The accounting officer is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of 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.
51. In preparing the consolidated financial statements, the accounting officer is responsible for assessing the 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 the national public entities 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

52. 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.
53. 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 2024

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

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

REPORT ON COMPLIANCE WITH LEGISLATION

55. The audit of compliance with legislation is not required, as section 8 of PFMA is not included in the scope of 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 6 December 2023 as per General Notice 49825.

OTHER INFORMATION IN THE ANNUAL REPORT

56. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the consolidated financial statements and the auditor's report.
57. 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.
58. 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.
59. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

INTERNAL CONTROL DEFICIENCIES

60. 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.
61. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion
62. Lack of consequences for poor performance and transgressions at national public entities impedes the preparation of credible, complete and accurate consolidated financial statements. Although the National Treasury issued group instructions to national public entities, these entities did not submit audited financial statements in time for the finalisation of the consolidated financial statements, while numerous entities did not provide credible information for elimination, with little or no apparent consequences. The National Treasury was thus not able to comply with the requirements of the PFMA regarding the preparation of credible, complete and accurate consolidated financial statements.
63. Leadership at entity level did not exercise sufficient oversight over financial reporting and related internal controls. The action plans developed to address prior year audit matters were not adequate, and they were also not effectively implemented and monitored, resulting in recurring audit findings.

Auditor-General

Pretoria,

07 December 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Annexure A

List of entities consolidated

31 March 2024	31 March 2023
1 Amatola Water Board	1 Academy of Science of South Africa
2 Border Management Authority	2 Accounting Standards Board
3 Academy of Science of South Africa	3 African Renaissance International Cooperation Fund
4 Accounting Standards Board	4 Agrément South Africa
5 African Renaissance International Cooperation Fund	5 Agricultural Land Holding Account
6 Agrément South Africa	6 Agricultural Sector Education and Training Authority
7 Agricultural Land Holding Account	7 Air Traffic and Navigation Services Company Limited
8 Agricultural Research Council	8 Airports Company of South Africa Ltd
9 Agricultural Sector Education and Training Authority	9 Amatola Water Board
10 Air Traffic and Navigation Services Company Limited	10 Amazwi South African Museum of Literature
11 Airports Company of South Africa Ltd	11 ARC
12 Amazwi South African Museum of Literature	12 ARMSCOR
13 Armaments Corporation of South Africa Limited (ARSMCOR)	13 Artscape
14 Artscape	14 Auditor General of South Africa
15 Auditor General of South Africa	15 Banking Sector Education and Training Authority
16 Banking Sector Education and Training Authority	16 Boxing South Africa
17 Boxing South Africa	17 Brand SA
18 Brand SA	18 Breede-Gouritz Catchment Management Agency
19 Breede-Olifants Catchment Management Agency	19 Broadband Infrastructure Company (Pty) Ltd
20 Broadband Infraco	20 Castle Control Board
21 Castle Control Board	21 CEF (Pty) Ltd
22 CEF (Pty) Ltd	22 Chemical Industries Education and Training Authority
23 Chemical Industries Education and Training Authority	23 Commission for Conciliation, Mediation & Arbitration
24 Commission for Conciliation, Mediation & Arbitration	24 Commission for Gender Equality (CGE)
25 Commission for Gender Equality (CGE)	25 Commission on Restitution of Land Rights
26 Commission on Restitution of Land Rights	26 Community Schemes Ombud Services
27 Community Schemes Ombud Services	27 Companies and Intellectual Property Commission
28 Companies and Intellectual Property Commission	28 Companies Tribunal
29 Companies Tribunal	29 Compensation Commissioner for Occupational Diseases
30 Compensation Fund, including Reserve Fund	30 Competition Commission
31 Competition Commission	31 Competition Tribunal
32 Competition Tribunal	32 Construction Education and Training Authority
33 Construction Education and Training Authority	33 Construction Industry Development Board
34 Construction Industry Development Board	34 Co-Operatives Banks Development Agency
35 Co-Operatives Banks Development Agency	35 Council for Geoscience
36 Council for Geoscience	36 Council for Medical Schemes
37 Council for Medical Schemes	37 Council for Mineral Technology
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 2024

31 March 2024	31 March 2023
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 Denel
45 Die Afrikaanse Taal Museum	45 Development Bank of Southern Africa
46 Ditsong: Museums of Africa	46 Die Afrikaanse Taal Museum
47 Driving License Card Trading Account	47 Ditsong: Museums of Africa
48 Education, Training and Development Practices SETA	48 Driving License Card Trading Account
49 Energy & Water Sector Education and Training Authority	49 ECIC
50 Equalisation Fund	50 Education, Training and Development Practices SETA
51 ESKOM	51 Energy & Water Sector Education and Training Authority
52 Export Credit Insurance Corporation of South Africa Limited	52 Equalisation Fund
53 Fibre Processing Manufacturing Sector Education and Training	53 ESKOM
54 Film and Publication Board	54 Estate Agency Affairs Board
55 Financial & Fiscal Commission	55 Fibre Processing Manufacturing Sector Education and Training
56 Financial and Accounting Services SETA	56 Film and Publication Board
57 Financial Intelligence Centre	57 Financial & Fiscal Commission
58 Financial Sector Conduct Authority	58 Financial and Accounting Services SETA
59 Food and Beverages Manufacturing Industry SETA	59 Financial Intelligence Centre
60 Government Pensions Administration Agency	60 Financial Sector Conduct Authority
61 Government Printing Works	61 Food and Beverages Manufacturing Industry SETA
62 Government Technical Advisory Centre (GTAC)	62 Freedom Park Trust
63 Health and Welfare Sector Education and Training Authority	63 Government Pension Administration Agency
64 Housing Development Agency	64 Government Printing Works
65 Human Sciences Research Council	65 Government Technical Advisory Centre (GTAC)
66 Independent Communications Authority of South Africa	66 Health and Welfare Sector Education and Training Authority
67 Independent Development Trust	67 Housing Development Agency
68 Independent Electoral Commission	68 Human Sciences Research Council
69 Independent Regulatory Board for Auditors	69 Independent Communications Authority of South Africa
70 Industrial Development Corporation of South Africa Limited	70 Independent Development Trust
71 Ingonyama Trust Board	71 Independent Electoral Commission
72 Inkomati-Usuthu Catchment Management Agency	72 Independent Regulatory Board for Auditors
73 Insurance Sector Education and Training Authority	73 Industrial Development Corporation of South Africa Limited
74 International Trade Administration Commission	74 Ingonyama Trust Board
75 Isimangaliso Wetland Park	75 Inkomati-Usuthu Catchment Management Agency

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

31 March 2024	31 March 2023
76 Iziko Museums of South Africa	76 Insurance Sector Education and Training Authority
77 Kwa-Zulu Natal Museum	77 International Trade Administration Commission
78 Legal Aid South Africa	78 Isimangaliso Wetland Park
79 Lepelle Northern Water	79 Iziko Museums of South Africa
80 Local Government Education and Training Authority	80 Kwa-Zulu Natal Museum
81 Luthuli Museum	81 LANDBANK
82 Magalies Water	82 Legal Aid SA
83 Manufacturing Engineering and Related Services Education Tra	83 Lepelle Northern Water
84 Marine Living Resources Fund	84 Local Government Education and Training Authority
85 Market Theatre Foundation	85 Luthuli Museum
86 Media Development Diversity Agency	86 Magalies Water
87 Media, Information and Communication Technologies Sector Edu	87 Manufacturing Engineering and Related Services Education Tra
88 Medical Research Council of South Africa	88 Marine Living Resources Fund
89 Mine Health and Safety Council	89 Market Theatre Foundation
90 Mines and Works Compensation Fund	90 Media Development Diversity Agency
91 Mining Qualifications Authority	91 Media, Information and Communication Technologies Sector Edu
92 MINTEK	92 Medical Research Council of South Africa
93 Municipal Demarcation Board	93 Mhlathuze Water
94 Municipal Infrastructure Support Agency	94 Mine Health and Safety Council
95 National Agricultural Marketing Council	95 Mining Qualifications Authority
96 National Arts Council of South Africa	96 Municipal Demarcation Board
97 National Consumer Commission	97 Municipal Infrastructure Support Agency
98 National Consumer Tribunal	98 National Agricultural Marketing Council
99 National Credit Regulator	99 National Arts Council of South Africa
100 National Development Agency	100 National Consumer Commission
101 National Economic Development and Labour Council	101 National Consumer Tribunal
102 National Electronic Media Institute of South Africa	102 National Credit Regulator
103 National Empowerment Fund	103 National Development Agency
104 National Energy Regulator of South Africa	104 National Economic Development and Labour Council
105 National Film and Video Foundation of South Africa	105 National Electronic Media Institute of South Africa
106 National Gambling Board of South Africa	106 National Empowerment Fund
107 National Heritage Council of South Africa	107 National Energy Regulator of South Africa
108 National Home Builders Registration Council	108 National Film and Video Foundation of South Africa
109 National Housing Finance Corporation Limited	109 National Gambling Board of South Africa
110 National Library of South Africa	110 National Health Laboratory Service
111 National Lotteries Commission	111 National Heritage Council of South Africa
112 National Metrology Institute of South Africa	112 National Home Builders Registration Council
113 National Museum, Bloemfontein	113 National Housing Finance Corporation Limited
114 National Nuclear Regulator	114 National Library of South Africa
115 National Radioactive Waste Disposal Institute	115 National Lotteries Commission
116 National Regulator for Compulsory Specifications	116 National Metrology Institute of South Africa
117 National Research Foundation	117 National Museum, Bloemfontein
118 National School of Government	118 National Nuclear Regulator
119 National Skills Fund	119 National Radioactive Waste Disposal Institute

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

31 March 2024	31 March 2023
120 National Youth Development Agency	120 National Regulator for Compulsory Specifications
121 Nelson Mandela National Museum	121 National Research Foundation
122 Office of Health Standards Compliance	122 National School of Government
123 Office of the Ombud for Financial Services Providers	123 National Skills Fund
124 Office of the Pension Fund Adjudicator	124 National Youth Development Agency
125 Office of the Valuer-General	125 Nelson Mandela National Museum
126 Ombud Council	126 Office of Health Standards Compliance
127 Onderstepoort Biological Products Limited	127 Office of the Ombud for Financial Services Providers
128 Overberg Water	128 Office of the Pension Fund Adjudicator
129 Pan South African Language Board	129 Office of the Valuer-General
130 Passenger Rail Agency of South Africa	130 Onderstepoort Biological Products Limited
131 Performing Arts Council of the Free State	131 Overberg Water
132 Perishable Products Export Control Board	132 Pan South African Language Board
133 Playhouse Company	133 Passenger Rail Agency of South Africa
134 Ports Regulator of South Africa	134 Performing Arts Council of the Free State
135 President's Fund	135 Perishable Products Export Control Board
136 Private Security Industry Regulatory Authority	136 Playhouse Company
137 Productivity SA	137 Ports Regulator of South Africa
138 Property Management Trading Entity	138 President Fund
139 Property Practitioners Regulatory Authority	139 Private Security Industry Regulatory Authority
140 Public Investment Corporation Limited	140 Productivity SA
141 Public Protector of South Africa	141 Property Management Trading Entity
142 Public Service Sector Education and Training Authority	142 Public Investment Corporation Limited
143 Quality Council for Trades and Occupations	143 Public Protector South Africa
144 Railway Safety Regulator	144 Public Service Sector Education and Training Authority
145 Rand Water	145 Quality Council for Trades and Occupations
146 Represented Political Parties Funding	146 Railway Safety Regulator
147 Road Accident Fund	147 Rand Water
148 Road Traffic Infringement Agency	148 Represented Political Parties Fund
149 Road Traffic Management Corporation	149 Road Accident Fund
150 Robben Island Museum	150 Road Traffic Infringement Agency
151 Safety and Security Education and Training Authority	151 Road Traffic Management Corporation
152 Sasria Limited	152 Robben Island Museum
153 Sentech Limited	153 Safety and Security Education and Training Authority
154 Services Sector Education and Training Authority	154 Sasria Limited
155 Small Enterprise Development Agency	155 Sentech
156 Social Housing Regulatory Authority	156 Services Sector Education and Training Authority
157 South African Broadcasting Corporation Limited	157 Small Enterprise Development Agency
158 South African Bureau of Standards	158 Social Housing Regulatory Authority
159 South African Civil Aviation Authority	159 South African Broadcasting Corporation Limited
160 South African Council for Educators	160 South African Bureau of Standards
161 South African Diamond and Precious Metals Regulator	161 South African Civil Aviation Authority
162 South African Forestry Company Limited	162 South African Council for Educators
163 South African Health Products Regulatory Authority	163 South African Diamond and Precious Metals Regulator

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

31 March 2024	31 March 2023
164 South African Heritage Resources Agency	164 South African Forestry Company Limited
165 South African Human Rights Commission	165 South African Health Products Regulatory Authority
166 South African Institute for Drug-Free Sport	166 South African Heritage Resources Agency
167 South African Library for the Blind	167 South African Human Rights Commission
168 South African Local Government Association	168 South African Institute for Drug-Free Sport
169 South African Maritime Safety Authority	169 South African Library for the Blind
170 South African National Accreditation System	170 South African Local Government Association
171 South African National Biodiversity Institute	171 South African National Accreditation System
172 South African National Energy Development Institute	172 South African National Biodiversity Institute
173 South African National Parks	173 South African National Energy Development Institute
174 South African National Roads Agency Limited	174 South African National Parks
175 South African National Space Agency	175 South African National Roads Agency Limited
176 South African Nuclear Energy Corporation Limited	176 South African National Space Agency
177 South African Post Office Limited	177 South African Nuclear Energy Corporation Limited
178 South African Postbank SOC Ltd	178 South African Post Bank SOC (Pty)
179 South African Qualifications Authority	179 South African Post Office Limited
180 South African Reserve Bank	180 South African Qualifications Authority
181 South African Revenue Services (SARS)	181 South African Reserve Bank
182 South African Social Security Agency	182 South African Revenue Services (SARS)
183 South African State Theatre	183 South African Social Security Agency
184 South African Tourism	184 South African State Theatre
185 South African Weather Service	185 South African Tourism
186 Special Investigation Unit	186 South African Weather Service
187 State Diamond Trader	187 Special Investigating Unit
188 State Information Technology Agency	188 State Diamond Trader
189 Supported Employment Enterprises	189 State Information Technology Agency
190 Takeover Regulation Panel	190 Supported Employment Enterprises
191 Technology Innovation Agency	191 Takeover Regulation Panel
192 The Commission for PPRCLC	192 Technology Innovation Agency
193 Thubelisha Homes	193 Telkom SA Limited - 40.5% Journal
194 Trans-Caledon Tunnel Authority	194 The Commission for PPRCLC
195 Transnet Limited	195 Thubelisha Homes (In Liquidation)
196 Transport Education and Training Authority	196 Trans-Caledon Tunnel Authority
197 uMalusi Council for Quality Assurance in General and Further	197 Transnet Limited
198 Umgeni Water	198 Transport Education and Training Authority
199 uMsunduzi Museum (Includes Voortrekker Museum)	199 uMalusi Council for Quality Assurance in General and Further
200 Unemployment Insurance Fund	200 Umgeni Water
201 Universal Service and Access Agency of South Africa	201 uMsunduzi Museum (Includes Voortrekker Museum)
202 Universal Service and Access Fund	202 Universal Service and Access Agency of South Africa
203 Vaal Central Water Board	203 Universal Service and Access Fund
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 2024

31 March 2024		31 March 2023	
206	Water Trading Account	206	Water Trading Entity
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

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

■ Annexure B

PFMA listed and unlisted entities not consolidated

31 March 2023	31 March 2023
1 Alexkor Limited	1 Alexkor Limited
2 DENEL	2 Bloem Water
3 LANDBANK	3 Compensation Fund, including Reserve Fund
4 South African Airways (Pty) Ltd	4 National Student Financial Aid Scheme
5 Freedom Park Trust	5 Sedibeng Water
6 National Health Laboratory Service	6 South African Airways (Pty) Ltd
7 National Student Financial Aid Scheme	7 South African Express (Pty) Ltd
	8 South African Maritime Safety Authority
	9 Unemployment Insurance Fund

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

■ Annexure C

List of entities consolidated with year ends other than 31 March

31 March 2024	31 March 2023
1 Amatola Water Board	1 Amatola Water Board
2 Lepelle Northern Water	2 Bloem Water
3 Magalies Water	3 Lepelle Northern Water
4 Overberg Water	4 Magalies Water
5 Rand Water	5 Mhlathuze Water
6 Umgeni Water	6 Overberg Water
	7 Rand Water
	8 Umgeni Water

ANNEXURES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Annexure D

List of entities consolidated based on draft AFS

31 March 2024	31 March 2023
1 Independent Development Trust	1 Agricultural Land Holding Account
2 Property Management Trading Entity	2 Amatola Water Board
3 Amatola Water Board	3 CEF (Pty) Ltd
4 Vaal Central Water Board	4 Denel
5 Export Credit Insurance Corporation of South Africa Limited	5 Equalisation Fund
6 Lepelle Northern Water	6 ESKOM
7 Magalies Water	7 Government Printing Works
8 National Lotteries Commission	8 Lepelle Northern Water
9 Overberg Water	9 Local Government Education and Training Authority
10 Rand Water	10 Magalies Water
11 Road Traffic Infringement Agency	11 Mhlathuze Water
12 South African Postbank SOC Ltd	12 Overberg Water
13 South African Post Office Limited	13 Passenger Rail Agency of South Africa
14 Umgeni Water	14 Railway Safety Regulator
15 Broadband Infraco	15 Rand Water
16 State Information Technology Agency	16 Represented Political Parties Fund
17 ESKOM	17 Road Traffic Infringement Agency
18 South African Forestry Company Limited	18 Special Investigating Unit
19 Border Management Authority	19 State Information Technology Agency
20 South African Library for the Blind	20 Umgeni Water
21 Unemployment Insurance Fund	
22 Construction Education and Training Authority	

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R '000	2022/23 R '000
REVENUE			
REVENUE FROM NON-EXCHANGE TRANSACTIONS		249 159 859	237 442 196
Government grants and subsidies	40	110 124 283	103 320 625
Public contributions and donations	41	25 806 858	24 187 764
Transfers and Sponsorships	42	8 159 181	8 474 675
Interest Earned – Non-Exchange		5 852	2 682
Fines and Penalties	43	372 758	502 425
Legislative and Oversight functions	44	86 358 667	90 698 851
Taxation revenue	45	8 958 834	8 524 230
Licences and permits		420 399	373 790
Other income		8 953 028	1 357 152
REVENUE FROM EXCHANGE TRANSACTIONS		674 039 139	598 128 935
Sale of Goods & Rendering of Services	46	548 202 268	493 970 020
Rental of facilities and equipment	47	8 478 485	7 506 574
Interest earned - external investments	48	94 403 189	70 671 340
Interest earned - outstanding receivables	49	8 476 070	8 521 777
Licences and permits		974 539	1 068 795
Other income	50	13 504 588	16 390 430
TOTAL REVENUE		923 198 998	835 571 130
EXPENSES			
Employee related costs	51	(153 791 937)	(140 677 401)
Repairs and maintenance	34.6	(42 644 566)	(33 819 485)
Depreciation and amortisation expense	52	(75 211 926)	(75 037 691)
Contracted services	53	(6 148 086)	(6 214 406)
Grants and subsidies paid	54	(20 419 953)	(19 359 799)
Finance costs	55	(93 420 849)	(83 905 039)
General expenses	56	(440 068 597)	(401 786 476)
Bad debts		(23 062 068)	(20 264 579)
Project Preparation Expenditure		(588 904)	(665 734)
TOTAL EXPENSES		(855 356 886)	(781 730 610)
OTHER GAINS / (LOSSES)		76 144 945	114 752 294
Gain / (Loss) on sale of assets	57	(262 154)	(4 434 816)
Impairment (Loss) / Reversal of impairment loss	58	(18 293 231)	(25 350 961)
Gain / (Loss) on fair value adjustment	59	93 657 254	145 287 532
Gain / (Loss) on revaluation of assets	60	(196 915)	94 994
Gain / (Loss) on sale of shares		1 010 000	-
Inventories: Reversal of write-down to net realisable value		-	-
Inventories: Write-down to net realisable value		229 991	(844 455)
Share of surplus/ (deficit) of joint venture using equity method	19	110 284	99 304
Share of surplus/ (deficit) of associate	20	4 405 278	509 444

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R '000	2022/23 R '000
Continuing Operations Surplus/ (Deficit) before tax		148 502 619	169 201 563
Taxation	61	(22 534 559)	7 215 440
Continuing Operations Surplus/ (Deficit) after tax		125 968 059	176 417 003
DISCONTINUED OPERATIONS SURPLUS / (DEFICIT) AFTER TAX	62	67 794	223 781
TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX		126 035 853	176 640 784
<i>Attributable to:</i>			
<i>Owners of the controlling entity</i>		125 900 906	175 853 182
<i>Non-Controlling Interests</i>		134 947	787 602

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R '000	2022/23 R '000
ASSETS			
Current assets		1 914 140 696	1 783 489 196
Cash and cash equivalents	1	336 457 106	301 618 464
Trade and other receivables from exchange transactions	2	101 403 391	85 790 279
Other receivables from non-exchange transactions	3	6 075 005	10 666 959
Other current financial assets	4	1 284 090 898	1 194 544 569
Current portion of non-current receivables	5	2 125 887	1 507 721
VAT receivables	6	2 108 552	2 749 460
Inventories	7	56 928 196	49 700 202
Prepayments	8	20 824 401	22 287 178
Current Investments	9	83 263 271	92 106 334
Construction contract receivables	10	854 526	722 361
Current assets held for sale	11	422 244	333 623
Finance lease receivable	12	611 450	520 395
Statutory receivables – Exchange	13	2 375 268	1 578 636
Statutory receivables – Non-Exchange	14	16 158 484	18 878 090
Operating Lease Asset		442 018	484 927
Non-current assets		2 771 456 417	2 654 764 113
Non-current receivables from exchange transactions	15	17 646 749	16 751 948
Non-current statutory receivables - Exchange	13	3 578 808	2 997 757
Non-current statutory receivables – Non - Exchange	14	289	207
Non-Current Investments	16	334 040 499	328 607 749
Non-Current Finance Lease Receivable	12	474 241	442 051
Other non-current financial assets	17	153 268 824	133 457 122
Investments in Subsidiaries	18	-	-
Investments in Joint Ventures	19	637 885	665 816
Investments in Associates	20	48 724 859	52 111 688
Deferred Tax Assets	21	36 713 296	50 108 087
Defined benefit plan assets	33	4 606 609	4 728 183
Property, plant and equipment	34	2 061 263 966	1 961 984 604
Heritage assets	35	11 809 988	11 730 526
Intangible assets	36	43 585 130	38 689 670
Investment property	37&38	47 571 436	45 408 670
Biological assets	39.1	4 736 897	4 211 555
Living resources	39.2	12 301	10 677
Operating Lease Assets		2 784 639	2 857 803
TOTAL ASSETS		4 685 597 113	4 438 253 309

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R '000	2022/23 R '000
LIABILITIES			
Current liabilities		1 675 477 319	1 516 668 453
Bank overdraft	1	3 899 204	2 077 823
Trade and other payables from exchange transactions	22	160 791 356	158 214 094
VAT payable	23	8 104 479	8 006 344
Taxes and transfers payable	24	4 968 961	6 211 686
Other current financial liabilities	25	1 237 379 244	1 111 376 193
Current provisions	26	80 643 562	76 723 386
Current portion of unspent conditional grants and receipts	27	12 231 701	8 912 673
Current portion of long-term borrowings	28	108 005 040	120 617 421
Short-Term Borrowings	29	46 933 347	11 919 972
Current portion of finance lease liability	30	2 671 192	1 960 406
Current portion of operating lease liability		514 798	559 982
Service Concession Arrangement	74	1 725 218	1 521 112
Deferred Income	50	7 609 216	8 567 361
Non-current liabilities		867 773 484	844 577 985
Deferred Tax Liabilities	21	79 485 349	79 039 846
Unspent conditional grants and receipts	27	5 678 623	4 961 241
Long-term borrowings	28	555 117 064	572 536 948
Finance lease liability	30	12 394 848	12 757 359
Non-current provisions	31	117 008 343	109 919 113
Other non-current financial liabilities	32	19 851 978	20 077 002
Defined benefit plan obligations	33	27 627 787	26 514 062
Deferred Income	50	40 320 910	7 536 400
Operating lease liability		1 295 175	1 396 154
Service Concession Arrangements	74	8 993 410	9 839 862
TOTAL LIABILITIES		2 543 250 803	2 361 246 438
NET ASSETS		2 142 346 310	2 077 006 871
Ordinary Shares		348 458 132	304 458 132
Preference Shares		2 650 000	250 000
Revaluation Reserve		665 067 571	611 282 765
Contributed Capital		40 260 244	30 287 655
Translation Reserve		8 454 388	8 890 675
Other Reserves		116 145 726	98 392 639
Accumulated Surplus/ (Deficit)		961 302 821	1 023 589 075
Non-Controlling Interests		7 429	(144 070)
TOTAL NET ASSETS AND LIABILITIES		4 685 597 113	4 438 253 309

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	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		
FOR THE YEAR ENDED 31 MARCH 2022	254 763 813	250 000	554 137 412	43 307 655	4 763 470	96 886 253	810 187 905	(813 705)	1 763 482 803
Changes in accounting policy							162 459		162 459
Correction of prior period error							(1 446 836)		(1 439 563)
FOR THE YEAR ENDED 1 APRIL 2022	254 763 813	250 000	554 137 412	43 307 655	4 763 470	96 893 526	808 903 528	(813 705)	1 762 205 699
Net of Tax Surplus/(Deficit) on revaluation of Property, Plant & Equipment			3 374 553						3 374 553
Net of Tax Surplus/(Deficit) on revaluation of Intangible Assets									-
Net of Tax Surplus/(Deficit) on revaluation of heritage assets			34 866						34 866
Net of Tax Surplus/(Deficit) on Revaluation of Investments									
Available For Sale			54 120 602						54 120 602
Net Of Tax Currency Translation Differences					3 632 793				3 632 793
Transfers to/from other reserves	22 000 000		(19 894)	(13 020 000)	418 525	4 798 271	(4 181 631)	1,000	9 996 271
Increase/(Decrease) in Share Capital / Capital Contributions	21 857 331								21 857 331
Surplus/(Deficit) for the period as per Statement of Financial Performance									
Transfers to/from accumulated surplus/(deficit)							175 853 182	787 602	176 640 784
Dividends Paid (Net Of STC)			(316 967)			(2 677 019)	3 340 281	60 485	406 780
Cash flow hedges						465 110	156 913	(179 355)	(22 442)
Contributions introduced	5 836 988								465 110
Other Movements			(47 807)		75 887	(1 087 249)	39 516 803	(97)	5 836 988
									38 457 537

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	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		
FOR THE YEAR ENDED 31 MARCH 2023	304 458 132	250 000	611 282 765	30 287 655	8 890 675	98 392 639	1 023 589 075	(144 070)	2 077 006 871
Changes in accounting policy									
BALANCE AT 1 APRIL 2023	304 458 132	250 000	611 282 765	30 287 655	8 890 675	98 392 639	1 023 589 075	(144 070)	2 077 006 871
Net of Tax Surplus/(Deficit) on revaluation of Property, Plant & Equipment			57 965 694						57 965 694
Net of Tax Surplus/(Deficit) on revaluation of Intangible Assets									
Net of Tax Surplus/(Deficit) on revaluation of heritage assets			9 151						9 151
Net of Tax Surplus/(Deficit) on Revaluation of Investments			(4 159 477)						(4 159 477)
Available For Sale									
Net Of Tax Currency Translation Differences					(610 947)				(610 947)
Transfers to/from other reserves			(15 236)	11 167 566		12 340 123	(13 985 412)	8 822	9 515 863
Increase/(Decrease) in Share Capital/Capital Contributions									
Surplus/(Deficit) for the period as per Statement of Financial Performance	44 000 000	2 400 000							46 400 000
Transfers to/from accumulated surplus/(deficit)							125 900 906	134 947	126 035 853
Dividends Paid (Net Of STC)			(352 531)		27 693	3 069 993	(3 052 328)	(858)	(308 031)
Cash flow hedges						(302 290)	(141 000)	(5 200)	(146 200)
Contributions introduced						605 105	(605 105)		(302 290)
Other Movements			337 206	(1 194 977)	146 967	2 040 156	(170 403 316)	13 788	-
FOR THE YEAR ENDED 31 MARCH 2024	348 458 132	2 650 000	665 067 571	40 260 244	8 454 388	116 145 726	961 302 821	7 429	2 142 346 310

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R '000	2022/23 R '000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS		864 272 402	792 295 487
Transfers and Subsidies		159 693 173	150 033 341
Taxation Revenue		5 587 618	4 899 612
Sale of goods and rendering of services		520 361 043	468 352 666
Other Operating Revenue		34 735 067	42 143 229
Service charges		12 088 923	14 347 120
Grants		23 642 896	22 438 792
Interest, Dividends and Rent on land		59 785 940	48 746 061
Fines, penalties and forfeits		1 741 149	1 613 187
Service in kind receipts		1 336 934	2 894 832
Other Receipts		45 299 659	36 826 648
PAYMENTS		(742 742 810)	(674 870 218)
Compensation of Employees		(145 942 369)	(132 821 974)
Goods and Services		(338 133 076)	(301 234 328)
Interest and Rent on land		(83 445 824)	(71 359 861)
Taxation Paid		(8 347 359)	(2 004 700)
Service in kind payments		(4 729 127)	(2 111 685)
Other payments		(162 145 056)	(165 337 670)
Net cash flows from operating activities	63	121 529 592	117 425 270
CASH FLOWS FROM INVESTING ACTIVITIES			
		(160 538 549)	(130 466 337)
Purchase of Property, Plant and Equipment		(111 395 961)	(86 033 953)
Purchase of Intangible Assets		(2 062 415)	(3 896 167)
Purchase of Investment Property		(812 823)	(1 240 547)
Purchase of Heritage Assets		(54 381)	(56 279)
Purchase of Biological Assets			
Purchase of Living Resources		1 048	(2 785)
Proceeds on Disposal of Property, Plant and Equipment		1 580 868	725 802
Proceeds on Disposal of Intangible Assets		(366)	280 338
Proceeds on Disposal of Investment Property		65 946	2 724
Proceeds on Disposal of Heritage Assets		1 732 755	2 011 335
Proceeds on Disposal of Biological Assets			
Proceeds on Disposal of Living Resources		12	84
Purchase of available-for-sale financial assets		(49 345 554)	(33 941 037)
Proceeds from sale of Investments		84 706 269	74 396 144
Purchase of controlled entity (net of cash acquired)		(44 730)	(2 516 959)
Dividend income		2 867 183	2 501 109
Movement in pension fund assets / liabilities			(1 016)
Loans granted to associates / other economic entities		(46 247 665)	(15 909 716)
Loan repayments received from associates / other economic entities		13 139 197	8 627 397
Borrowing costs capitalised		(1 359 000)	(1 338 735)
Acquisition of investments		(60 669 690)	(78 036 376)
Additional movements		7 360 757	3 962 301
Net cash flows from investing activities		(160 538 549)	(130 466 337)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2023/24 R '000	2022/23 R '000
CASH FLOWS FROM FINANCING ACTIVITIES		71 647 906	33 019 750
Proceeds from borrowings		187 942 429	125 252 430
Repayment of borrowings		(117 736 768)	(118 826 188)
Proceeds from issuance of ordinary shares / contributed capital		3 033 000	28 011 131
Proceeds from issuance of redeemable preference shares			
Proceeds from service concession arrangements		172 972	
Purchase of treasury shares			
Repayment / issuance of financial guarantee contracts		(219 414)	203 596
Finance lease payments		(1 590 319)	(1 519 843)
Distribution / dividends paid		46 005	(101 377)
Net cash flows from financing activities		71 647 906	33 019 750
Net increase/(decrease) in cash and cash equivalents		32 638 949	19 978 683
Cash and cash equivalents at the beginning of the year		299 540 641	277 240 746
Effect of exchange rate movement on cash balances		378 311	2 321 212
Cash and cash equivalents at the end of the year	1	332 557 901	299 540 641

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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 (ASB), 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

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Standards or 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.

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

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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.

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

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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.

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.

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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.

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.

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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.

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.

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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 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.

■ NON-CURRENT ASSETS HELD FOR SALE

RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

DERECOGNITION

Non-current assets and disposal groups held for sale are derecognised upon disposal of the item or where no further economic benefits or service potential is expected to flow from the asset or disposal group. Gains / losses that result from the derecognition of non-current assets or disposal groups held for sale are recognised in surplus / deficit in the period of the derecognition.

■ 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

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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 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 qualify 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
Land & Buildings	
<i>Buildings</i>	15 - 50
<i>Land</i>	<i>Indefinite Life</i>
Infrastructure Assets	
<i>Roads, Sidewalks & Storm water Networks</i>	5 – 100
<i>Beach Developments</i>	30 – 50
<i>Electricity Reticulation & Supply</i>	10 – 80
<i>Sewerage Mains & Purification Works</i>	15 – 80
<i>Waste Disposal Facilities</i>	20 – 100
<i>Water Supply & Reticulation</i>	10 – 50
<i>Dams & Treatment Works</i>	25 – 100
Other Assets	
<i>Bins & Containers</i>	10
<i>Emergency & Medical Equipment</i>	15
<i>Vehicles</i>	5
<i>Plant, machinery & Equipment</i>	30
<i>Furniture & Fittings</i>	10
<i>Office Equipment</i>	10
<i>Landfill Sites</i>	50

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CATEGORY OF ASSET	USEFUL LIFE RANGE IN YEARS
Security Systems	5 – 15
Tip Sites	30
Computer Equipment	4 – 8
Community Assets	
<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 & 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 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 & 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.

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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.

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
<i>Computer Software</i>	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

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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.

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>	15 - 50
<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

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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 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.

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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.

MIMPAIRMENT 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.

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

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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

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

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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

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

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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.

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

Finance lease receivables are recognised at an 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

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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.

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 capitals 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.

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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.

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

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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.

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

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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 2024

	2023/24 R '000	2022/23 R '000
1 Cash and Cash Equivalents		
Cash and cash equivalents consist of the following:		
Cash on hand	8 419 276	5 517 170
Cash at bank	134 905 007	123 771 809
Call deposits	178 919 187	159 616 947
Call investments	14 213 636	12 712 538
Less: Bank Overdraft	(3 899 204)	(2 077 823)
Total Cash and cash Equivalents	332 557 902	299 540 641

	Gross Balances R '000	Provision for Doubtful Debts R '000	Net Balance R '000
2 Trade and Other Receivables from Exchange Transactions			
Balance As At 31 March 2024			
Recoveries of staff expenses	74 167	(19 469)	54 698
Other Trade Receivables	167 227 595	(75 416 643)	91 810 951
Employee advances	69 447	(7 367)	62 080
Provincial Government	11 661 802	(5 499 628)	6 162 174
National Government	14 657 248	(11 343 760)	3 313 488
Total Trade & Other Receivables From Exchange Transactions As At 31 March 2024	193 690 258	(92 286 867)	101 403 391
Balance As At 31 March 2023			
Recoveries of Staff Expenses	57 857	(23 260)	34 598
Other Trade Receivables	142 049 296	(64 043 718)	78 005 577
Employee Advances	65 403	(8 148)	57 255
Provincial Government	9 950 432	(4 998 357)	4 952 075
National Government	12 410 672	(9 669 899)	2 740 774
Total Trade & Other Receivables From Exchange Transactions As At 31 March 2023	164 533 661	(78 743 382)	85 790 279

	2023/24 R '000	2022/23 R '000
Ageing of Trade & Other Receivables from Exchange Transactions (Net of Provision For Doubtful Debts)		
Current (0 – 30 days)	77 714 822	66 070 406
31 - 60 Days	(8 933 111)	(12 767 595)
61 - 90 Days	20 950 238	3 368 105
91 - 120 Days	5 914 078	22 980 451
121 + Days	5 757 365	6 138 913
Total	101 403 391	85 790 279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Summary of Debtors by Classification	Recoveries of Staff Expenses R '000	Other Trade Receivables R '000	Employee Advances R '000	Provincial Government R '000	National Government R '000
Balance as at 31 March 2024					
Current (0 – 30 days)	12 980	87 614 754	44 117	2 444 261	14 329 376
31 - 60 Days	565	8 252 743	1 836	1 708 018	(1 467 882)
61 - 90 Days	1 295	12 563 002	194	4 775 171	924 537
91 - 120 Days	6 907	7 919 962	240	222 217	14 080
121 - 365 Days	52 419	50 877 134	23 060	2 512 134	857 136
Total Debtors before Provision For Doubtful Debts	74 167	167 227 595	69 447	11 661 802	14 657 248
Less: Provision for doubtful debts	(19 469)	(75 416 643)	(7 367)	(5 499 628)	(11 343 760)
Total Debtors by Classification as at 31 March 2024	54 698	91 810 951	62 080	6 162 174	3 313 488

Summary of Debtors by Classification	Recoveries of Staff Expenses R '000	Other Trade Receivables R '000	Employee Advances R '000	Provincial Government R '000	National Government R '000
Balance as at 31 March 2023					
Current (0 – 30 days)	24 038	79 330 015	38 522	2 107 018	11 500 215
31 - 60 Days	1 923	5 749 920	4 830	1 575 155	(626 104)
61 - 90 Days	1 600	11 845 108	1 018	3 936 380	771 349
91 - 120 Days	7 113	5 364 568	917	249 683	69 669
121 - 365 Days	23 182	39 759 684	20 116	2 082 196	695 544
Total Debtors before Provision For Doubtful Debts	57 857	142 049 296	65 403	9 950 432	12 410 672
Less: Provision for doubtful debts	(23 260)	(64 043 718)	(8 148)	(4 998 357)	(9 669 899)
Total Debtors by Classification as at 31 March 2023	34 598	78 005 577	57 255	4 952 075	2 740 774

	2023/24 R '000	2022/23 R '000
2.1 Reconciliation of the doubtful debt provision		
Balance at beginning of the year	(78 743 382)	(47 081 799)
Contributions to provision	(14 539 868)	(16 762 932)
Doubtful debts written off against provision	4 908 420	4 232 848
Reversal of provision	(155 613)	790 985
Amounts used	(1 595 688)	(8 982 376)
Increase/ (Decrease) due to change in estimate	(2 160 736)	(10 940 109)
Change due to correction of errors		
Balance at end of year	(92 286 867)	(78 743 382)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
3 Other Receivables from Non-Exchange Transactions		
Insurance claims	-	-
Subsidies	70 224	24 629
Unauthorized expenditure	-	-
Other receivables	5 910 524	11 484 221
Provincial Government	2 861	3 172
National Government	91 396	(845 062)
Total Other Receivables	6 075 005	10 666 959
4 Other Current Financial Assets		
Other current financial assets	1 284 090 898	1 194 544 569
5 Current Portion of Non-Current Receivables		
Staff loans	885	457
Other Current Portion of Non-Current Receivables	2 125 002	1 507 263
Current Portion of Non-Current Receivables	2 125 887	1 507 721
6 VAT Receivable		
VAT receivable	2 108 552	2 749 460
7 Inventories		
7.1 Carrying value of inventory	56 928 196	49 700 202
Consumable stores	2 228 869	1 969 249
Raw Materials	25 545 013	21 263 144
Work in Progress	1 519 586	1 308 414
Finished Goods	5 594 868	3 876 536
Maintenance materials	21 581 530	20 886 079
Spare parts	30 941	18 909
Other goods held for resale	430 561	359 082
Water	(3 172)	18 788
Inventory carried at Net Realisable Value		
The following classes of inventory are carried at net realisable value:		
Consumable stores	2 866 156	2 463 574
Raw Materials	25 625 582	21 295 105
Work in Progress	1 492 621	1 311 677
Finished Goods	5 504 195	3 820 761
Maintenance materials	20 988 882	20 402 159
Spare parts	20 741	18 267
Other goods held for resale	398 894	331 557
Water	22 433	46 447
Total	56 919 504	49 689 547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000	
7.2 Inventory carried at current replacement cost			
The following classes of inventory are carried at current replacement cost:			
Consumable stores	2 566	2 661	
Raw Materials	-	-	
Work in Progress	-	-	
Finished Goods	5 698	7 854	
Maintenance materials	-	-	
Spare parts	428	140	
Other goods held for sale	-	-	
Water	-	-	
Total	8 692	10 655	
7.3 Write-downs of inventory to Net Realisable Value and Reversals			
Write-downs of inventory to Net Realisable Value	(119)	11 491	
Reversals of previous write-downs of inventory	25 000	19 000	
	24 881	30 491	
8 Prepayments			
Prepaid expenses	20 824 401	22 287 178	
9 Current Investments			
Deposits	61 912 462	75 915 002	
Equity investments	20 322 916	21 246 081	
Call Investments	-	-	
Other Investments	1 027 892	(5 054 750)	
	83 263 271	92 106 334	
10 Construction Contract Receivables			
Contracts in progress at reporting date:			
Construction contract receivables	854 526	722 361	
11 Non-Current Assets Held for Sale			
Property, Plant and Equipment	346 972	275 568	
Intangible Assets	6	6	
Investment Property	9 874	16 048	
Other non-current assets	65 391	42 001	
Non-Current Assets Classified as held for Sale	422 244	333 623	
12 Finance Lease Receivable			
2023/24	Minimum Lease Receivable	Future Finance Charges	Present Value of Minimum Lease Receipts
Amounts receivable under finance leases	R '000	R '000	R '000
Within after one year	650 866	(88 970)	561 896
Within two to five years	507 824	(80 277)	427 547
Later than five years	122 179	(25 931)	96 248
	1 280 869	(195 178)	1 085 691
Less: Amount due for settlement within 12 months (current portion)	(642 816)	31 366	(611 450)
	638 053	(163 812)	474 241

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2022/23	Minimum Lease Receivable	Future Finance Charges	Present Value of Minimum Lease Receipts
	R '000	R '000	R '000
Amounts receivable under finance leases			
Within after one year	673 375	(133 218)	540 157
Within two to five years	354 161	(98 495)	255 666
Later than five years	184 967	(18 344)	166 623
	1 212 503	(250 057)	962 446
Less: Amount due for settlement within 12 months (current portion)	(556 760)	36 365	(520 395)
	655 743	(213 692)	442 051
		2023/24	2022/23
		R '000	R '000
13 Statutory Receivables - Exchange			
Current statutory receivables			
Opening balance	1 578 636	1 189 254	
Current year receivables	2 093 486	1 711 871	
Accrued interest, fines, penalties or other changes	658	247	
Accumulated impairment losses	107 833	22 082	
Amounts derecognised / Settled amounts	1 189 678	1 300 654	
Closing balance at year end	2 375 268	1 578 636	
Non- Current statutory receivables			
Opening balance	2 997 757	2 274 820	
Current year receivables	1 169 472	1 052 920	
Accrued interest, fines, penalties or other charges	-	-	
Accumulated impairment losses	593 011	329 983	
Amounts derecognised/ settled amounts	(4 590)	-	
Closing balance at year end	3 578 808	2 997 757	
14 Statutory Receivables – Non - Exchange			
Current statutory receivables			
Opening balance	18 878 090	16 262 539	
Current year receivables	14 772 953	16 397 056	
Accrued interest, fines, penalties or other changes	15 270	51 877	
Accumulated impairment losses	5 975 296	2 022 366	
Amounts derecognised / Settled amounts	11 532 533	11 811 016	
Closing balance at year end	16 158 484	18 878 090	
Non- Current statutory receivables			
Opening balance	207	207	
Current year receivables	185	-	
Accrued interest, fines, penalties or other charges	-	-	
Accumulated impairment losses	-	-	
Amounts derecognised/ settled amounts	103	-	
Closing balance at year end	104	207	
15 Non-Current Receivables from Exchange Transactions			
Other non-current receivables	17 646 749	16 751 948	
Total Non-Current Receivables after transfers to current receivables	17 646 749	16 751 948	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
16 Non-Current Investments		
Financial Instruments		
Fixed Deposits	59 819	744 343
Listed Investments	45 758 529	55 679 161
Other Investments	127 988 843	112 859 963
Loans Granted	125 467 670	123 198 346
Debt Securities	34 765 637	36 125 935
	334 040 499	328 607 749
17 Other Non-Current Financial Assets		
Other Non-Current Financial Assets	153 268 824	133 457 122
18 Investments in Subsidiaries		
Investments in Subsidiaries	-	-
19 Investments in Joint Venture		
Share of the joint venture's statement of financial position:		
Current Assets	530 059	535 582
Non current assets	108 081	133 419
Current liabilities	(255)	(1 419)
Non current liabilities	-	(1 766)
Equity	637 885	665 816
Share of the joint venture's revenue and profit:		
Revenue	36,724	320 245
Other Expenses	(31,395)	(314 160)
Profit before tax	5,329	6 085
Income tax expense	104,955	93 219
Profit for the year from continuing operations	110 284	99 304
Net Profit for the year	110 284	99 304
20 Investments in Associates		
Share of the associate's statement of financial position:		
Current Assets	5 014 465	5 409 804
Non current assets	47 275 069	49 894 181
Current liabilities	(340 036)	(105 411)
Non current liabilities	(3 224 639)	(3 086 885)
Equity	48 724 859	52 111 688
Share of the associate's revenue and profit:		
Revenue	7 451 358	3 037 424
Cost of sales	(9 506)	(8 938)
Administrative expenses	(13 538)	(26 256)
Other Expenses	(2 086 612)	(1 864 305)
Other Income	37 952	(1 313)
Finance Income	(15 139)	544
Finance cost	(953 176)	(630 491)
Profit before tax	4 411 339	506 665
Income tax expense	(4 407)	3 248
Profit for the year form continuing operations	4 406 932	509 913
Profit from discontinued operations	(1 654)	(470)
Net Profit for the year	4 405 278	509 444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
21 Deferred taxation		
Deferred taxation liabilities/(assets)	42 772 052	28 931 758
- Opening balance	29 929 630	42 717 959
- Recognised in taxation	(9 421 944)	(10 025 937)
- Raised through Equity	(1 008 290)	1 853 250
- Raised through Other	23 272 655	(5 613 514)
Analysis of temporary differences:		
Deferred taxation assets	36 713 296	50 108 087
- Provisions	19 318 779	16 789 171
- Employee benefit obligations	7 058 840	6 858 309
- Revenue received in advance and deferred income	4 992 235	4 845 716
- Capitalised lease liability	1 120 654	1 011 190
- Doubtful debts	18 887 109	17 164 771
- Other	(14 664 320)	3 438 931
Deferred taxation liabilities	79 485 349	79 039 846
- Deferred expenditure	(633 992)	(1 545 478)
- Property, Plant and Equipment	68 721 714	70 936 888
- Future expenditure allowance	52 668	72 751
- Other	11 344 959	9 575 684
Net deferred taxation liability/(asset)	42 772 052	28 931 758
22 Trade and Other Payables from Exchange Transactions		
Trade payables	86 535 030	85 532 331
Payments received in advance	19 201 676	15 391 312
Retentions	2 820 743	2 937 822
Staff leave accrual	5 388 804	4 721 625
Accrued interest	4 229 287	4 681 365
Other payables	42 615 816	44 949 638
Total payables	160 791 356	158 214 094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
23 VAT Payable		
VAT payable	8 104 479	8 006 344
24 Taxes and Transfers Payable		
Taxes and transfers payable (Non-Exchange)	4 204 218	5 163 209
Income Tax Payable	764 743	1 048 477
Total Taxes and transfers payable	4 968 961	6 211 686
25 Other Current Financial Liabilities		
Notes and Coins in Circulation	169 504 000	171 565 000
Debentures	-	-
Forward Exchange Contract Liabilities	394 305	966 306
Gold and Foreign Exchange financial liabilities	531 989 000	458 715 000
Deposit Accounts	484 656 943	462 517 780
Foreign loans and deposits	101 224 000	127 489 000
Other Current Financial liabilities	(50 389 004)	(109 876 894)
Total Other Current Financial Liabilities	1 237 379 244	1 111 376 193

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

26 Current Provisions

26.1 Reconciliation of Movement in Current Provisions – 2023/24

	Performance Bonus	Provision for Leave Pay	Other Provisions	Current Portion of Other Non- Current Provisions	TOTAL
	R '000	R '000	R '000	R '000	R '000
Opening Balance	4 227 729	4 010 928	19 255 437	49 229 292	76 723 386
Provisions Raised	3 951 243	1 729 373	2 007 881	28 086 467	35 774 964
Unused Amounts Reversed	(49 382)	(41 870)	(488 445)	(10 443)	(590 140)
Unwinding of Time Value of Money		(107 056)	(106 613)	55 560	(158 110)
Amounts Used	(3 561 315)	(1 575 100)	(3 066 050)	(25 108 468)	(33 310 933)
Exchange differences	(59 787)	-	-	-	(59 787)
Transferred to disposal group/classified as held for sale	-	-	-	-	-
Settlement of Provision without cost to entity	-	-	-	-	-
Transfer from Non-Current Provision	-	-	81 588	3 664 879	3 746 467
Change in Provision due to change in Estimation inputs	(595)	1 255	68 419	(356 159)	(287 080)
Other Movements	(252 922)	117 074	41 126	(1 100 483)	(1 195 204)
Closing Balance	4 254 972	4 134 603	17 793 343	54 460 645	80 643 562

26.2 Reconciliation of Movement in Current Provisions – 2022/23

	Performance Bonus	Provision for Leave Pay	Other Provisions	Current Portion of Other Non- Current Provisions	TOTAL
	R '000	R '000	R '000	R '000	R '000
Opening Balance	3 729 156	3 993 206	28 958 684	45 468 603	82 149 650
Provisions Raised	3 517 896	1 621 873	764 937	24 885 417	30 790 123
Unused Amounts Reversed	(43 612)	(22 546)	(1 422 816)	(510)	(1 489 484)
Unwinding of Time Value of Money	(2 113)	(123)	(123 902)	73 642	(52 496)
Amounts Used	(3 319 980)	(1 710 039)	(10 287 974)	(17 177 137)	(32 495 129)
Exchange differences	-	-	-	-	-
Transferred to disposal group/classified as held for sale	-	-	-	-	-
Settlement of Provision without cost to entity	-	-	-	-	-
Transfer from Non-Current Provision	-	-	48 841	(3 723 393)	(3 674 552)
Change in Provision due to change in Estimation inputs	4	1 062	152 663	(490 306)	(331 703)
Other Movements	341 504	127 494	1 165 004	192 976	1 826 978
Closing Balance	4 227 729	4 010 928	19 255 437	49 229 292	76 723 386

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000	
27	Unspent Conditional Grants and Receipts		
	Non-current unspent conditional grants and receipts	5 678 6234 961 241	
	Current portion of unspent conditional grants and receipts	12 231 7018 912 673	
28	Long-Term Borrowings		
	Long-term interest bearing loans	491 603 064512 019 646	
	Government Loans: Other	27 39027 390	
	Other borrowings	171 491 651181 107 334	
	Less: current portion transferred to current liabilities	(108 005 040)(120 617 421)	
		555 117 064572 536 948	
29	Short-Term Borrowings		
	Short-Term Borrowings	46 933 34711 919 972	
30	Finance Lease Liability		
2023/24			
	Minimum Lease Payment R '000	Future Finance Charges R '000	Present Value of Minimum Lease Payments R '000
Amounts payable under finance leases			
	Within one year	4 024 528(1 253 139)	2 771 389
	Within two to five years	12 975 419(3 773 639)	9 201 780
	Later than five years	3 259 346(166 475)	3 092 871
		20 259 293(5 193 253)	15 066 040
	Less: Amount due for settlement within 12 months (current portion)	(3 644 836)973 643	(2 671 192)
		16 614 457(4 219 609)	12 394 848
2022/23			
	Minimum Lease Payment R '000	Future Finance Charges R '000	Present Value of Minimum Lease Payments R '000
Amounts payable under finance leases			
	Within one year	3 724 654(2 215 964)	1 508 690
	Within two to five years	12 894 523(4 260 479)	8 634 043
	Later than five years	5 053 440(478 409)	4 575 032
		21 672 617(6 954 852)	14 717 765
	Less: Amount due for settlement within 12 months (current portion)	(3 341 027)1 380 621	(1 960 406)
		18 331 590(5 574 231)	12 757 359

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

31

Non-Current Provisions

Reconciliation of Movement in Non-Current Provisions – 2023/24

	Provision for long-service awards R '000	Other Non- Current Provisions R '000	TOTAL R '000
Opening Balance	85 090	109 834 023	109 919 113
Provisions Raised	65 947	23 189 146	23 255 093
Unused Amounts Reversed	(7 210)	(11 463 503)	(11 470 713)
Unwinding of Time Value of Money		7 116 059	7 116 059
Amounts Used	(35 729)	(5 163 701)	(5 199 430)
Exchange differences	-	15 839	15 839
Transferred to disposal group/classified as held for sale	-	-	-
Settlement of Provision without cost to entity	276	19 790	20 066
Transfer to Current Provision		(3 833 488)	(3 833 488)
Change in Provision due to change in Estimation inputs	991	(3 104 659)	(3 103 668)
Other Movements	44	289 428	289 472
Closing Balance	109 409	116 898 934	117 008 343

Reconciliation of Movement in Non-Current Provisions – 2022/23

	Provision for long-service awards R '000	Other Non- Current Provisions R '000	TOTAL R '000
Opening Balance	86 227	115 308 951	115 395 178
Provisions Raised	70 839	18 503 369	18 574 208
Unused Amounts Reversed	-	(6 286 188)	(6 286 188)
Unwinding of Time Value of Money	-	8 174 174	8 174 174
Amounts Used	(68 326)	(12 170 360)	(12 238 687)
Exchange differences	-	53 049	53 049
Transferred to disposal group/classified as held for sale	-	-	-
Settlement of Provision without cost to entity	(3 599)	-	(3 599)
Transfer to Current Provision		2 781 370	2 781 370
Change in Provision due to change in Estimation inputs	(1 068)	(6 785 290)	(6 786 358)
Other Movements	1 017	(9 745 051)	(9 744 034)
Closing Balance	85 090	109 834 023	109 919 113

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
32 Other Non-Current Financial Liabilities		
Other non-current financial liabilities	19 851 978	20 077 002
33 Defined Benefit Plan		
Defined Benefit Plans		
Statement of Financial Position		
Present value of Defined benefit obligation	27 627 787	26 514 062
Fair value of plan assets	(4 606 609)	(4 728 183)
Total Defined benefit plan Liability/(Asset)	23 021 177	21 785 879
Pension benefits		
Present value of unfunded obligations	979 122	(426 505)
Present value of funded obligations	110 556 357	101 825 143
Total present value of obligations	111 535 479	101 398 638
Fair value of plan assets	(106 676 302)	(98 281 809)
Unrecognised past service costs	(2 891 727)	(2 049 321)
Defined pension benefit obligation/(asset) disclosed in Statement of Financial Position	1 967 450	1 067 508
Medical benefits		
Present value of unfunded obligations	20 224 134	19 741 955
Present value of funded obligations	1 242 345	1 387 187
Total present value of obligations	21 466 479	21 129 142
Fair value of plan assets	(82 390)	(75 002)
Unrecognised past service costs	(330 362)	(335 769)
Defined medical benefit obligation/(asset) disclosed in Statement of Financial Position	21 053 727	20 718 371
33.1 Changes in the present value of the defined benefit obligation are as follows:		
	Pension Plan(s) R '000	Medical Plan(s) R '000
Defined benefit obligation as at 1 April 2023	101 398 638	21 129 142
Current service costs	1 867 915	1 373 269
Contributions by plan participants	1 564 839	18 844
Past Service Cost	387 822	18 484
Curtailments	-	(77 390)
Settlements	(4 719 901)	(1 386 133)
Total Service Costs	100 499 313	21 076 216
Net Interest Expense/Revenue		
Interest costs	13 509 385	2 601 935
Benefits Paid	(1 231 186)	359 375
Net Interest (Expense)/Revenue	12 278 199	2 961 310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Pension Plan(s) R '000	Medical Plan(s) R '000
Remeasurements		
Return on plan assets	363 602	(1 151 985)
Exchange differences	-	-
Liabilities acquired in an entity combination	-	1 599
Actuarial losses/(gains)	(1 694 855)	(1 422 758)
Change in the effect of asset ceiling	33 633	(4 117)
Other	55 586	6 214
Total Remeasurements	(1 242 034)	(2 571 047)
Defined benefit obligation plan as at 31 March 2024	111 535 478	21 466 480
	Pension Plan(s) R '000	Medical Plan(s) R '000
Defined benefit obligation as at 1 April 2022	122 608 331	19 718 500
Current service costs	3 038 184	1 722 299
Contributions by plan participants	1 491 073	29 099
Past Service Cost	269 750	394 667
Curtailments	-	(44 370)
Settlements	(6 636 184)	(684 767)
Total Service Costs	120 771 153	21 135 429
Net Interest Expense/Revenue		
Interest costs	13 915 283	2 186 528
Benefits Paid	(991 309)	(12 277)
Net Interest (Expense)/Revenue	12 923 974	2 174 251
Remeasurements		
Return on plan assets	21 799	(1 040 075)
Exchange differences	-	-
Liabilities acquired in an entity combination	-	-
Actuarial losses/(gains)	(8 763 411)	(1 047 718)
Change in the effect of asset ceiling	30 014	(2 577)
Other	(23 584 891)	(90 168)
Total Remeasurements	(32 296 489)	(2 180 538)
Defined benefit obligation plan as at 31 March 2023	101 398 638	21 129 142

33.2 Changes in the fair value of plan assets are as follows:

	Pension Plan(s) R '000	Medical Plan(s) R '000
Fair Value of Plan Assets as at 1 April 2023	(100 331 131)	(410 771)
Expected return on plan assets	(12 728 084)	(51 425)
Actuarial losses/(gains)	1 360 907	27 903
Exchange differences	-	-
Employer contributions	(2 452 085)	(7 209)
Employee contributions	(1 420 563)	-
Benefits paid	6 011 150	30 256
Entity combinations	-	-
Other	(8 222)	(1 506)
Fair Value of Plan Assets as at 31 March 2024	(109 568 029)	(412 752)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	Pension Plan(s)	Medical Plan(s)
	R '000	R '000
Fair Value of Plan Assets as at 1 April 2022	(96 701 708)	(418 990)
Expected return on plan assets	(11 378 354)	(50 427)
Actuarial losses/(gains)	6 833 545	30 721
Exchange differences	-	-
Employer contributions	(2 335 811)	(1 917)
Employee contributions	(1 358 557)	-
Benefits paid	6 009 450	29 386
Entity combinations	-	-
Other	(1 399 696)	456
Fair Value of Plan Assets as at 31 March 2023	(100 331 131)	(410 771)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Property, Plant and Equipment

Reconciliation of Carrying Value

	2023/24			2022/23		
	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	118 471 535	(2 852 276)	115 619 260	114 771 867	(2 463 903)	112 307 963
Capital Work in Progress (Land)	3 701	-	3 701	3 701	-	3 701
Service Concession Assets	-	-	-	-	-	-
Buildings	209 154 091	(66 688 474)	142 465 617	205 938 042	(60 832 165)	145 105 877
Capital Work in Progress (Buildings)	4 531 234	(142 008)	4 389 226	3 497 182	(170 817)	3 326 365
Vehicles	15 239 121	(10 238 353)	5 000 769	13 775 102	(9 247 504)	4 527 598
Infrastructure	1 166 227 667	(413 264 590)	752 963 077	1 053 823 368	(359 544 940)	694 278 428
Capital Work in Progress (Infrastructure)	70 396 710	(5 826 416)	64 570 294	64 814 086	(5 845 175)	58 968 911
Finance Lease Assets	16 729 064	(8 394 186)	8 334 878	16 314 140	(7 734 821)	8 579 319
Furniture & Fittings	4 412 674	(3 341 072)	1 071 603	4 355 944	(3 243 069)	1 112 875
Plant, Machinery & Equipment	922 789 636	(345 385 355)	577 404 281	885 108 505	(314 265 700)	570 842 806
Capital Work in Progress (Plant, Mach & Equip)	154 260 054	-	154 260 054	132 732 178	-	132 732 178
Office Equipment	9 464 032	(6 293 058)	3 170 974	9 276 359	(5 892 429)	3 383 929
Computer Equipment	21 923 042	(14 123 519)	7 799 524	19 925 890	(12 863 979)	7 061 911
Aircraft	866 882	(633 274)	233 609	838 189	(556 884)	281 305
Capital Work in Progress (Aircraft)	-	-	-	-	-	-
Ships	5 924 692	(2 617 491)	3 307 201	5 771 241	(2 510 228)	3 261 013
Capital Work in Progress (Ships)	-	-	-	-	-	-
Other Assets	363 515 682	(170 889 645)	192 626 037	362 691 541	(168 599 971)	194 091 570
Capital Work in Progress (Other Assets)	28 112 752	(68 888)	28 043 865	22 151 261	(32 405)	22 118 856
Total	3 112 022 570	(1 050 758 603)	2 061 263 966	2 915 788 595	(953 803 990)	1 961 984 604

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34.1 Reconciliation of Property, Plant and Equipment – 2023/24

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Depreciation	R '000	Impairment (Loss) / Reversal of impairment loss	Revaluation	R '000	Discontinued Operations	R '000	Carrying Value Closing Balance
Land	112 307 963	525 541	(73 208)	810 598	(380 564)	(11)	2 428 939									115 619 260
Capital Work in Progress (Land)	3 701	0														3 701
Service Concession Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	145 105 877	3 057 991	(304 641)	991 480	(5 486 086)	(467 242)	(431 762)									142 465 617
Capital Work in Progress (Buildings)	3 326 365	1 404 482	(28 810)	(340 257)		27 459								(13)		4 389 226
Vehicles	4 527 598	974 288	(99 396)	253 632	(653 168)	(1 868)	(318)									5 000 769
Infrastructure	694 278 428	5 413 550	(696 006)	12 242 512	(11 447 860)	(448 833)	53 621 287									752 963 077
Capital Work in Progress	58 968 911	17 495 371	(86 904)	(11 743 420)	(491 438)	51 667	376 107									64 570 294
(Infrastructure)																
Finance Lease Assets	8 579 319	1 422 888	(12 428)	(2 088)	(2 061 642)	(0)	408 830									8 334 878
Furniture & Fittings	1 112 875	222 734	(29 106)	2 640	(233 551)	(1 558)	(2 020)							(412)		1 071 603
Plant, Machinery & Equipment	570 842 806	5 177 278	(873 238)	39 580 267	(37 184 798)	(139 101)	1 068									577 404 281
Capital Work in Progress (Plant, Mach & Equip)	132 732 178	61 400 350	(560 435)	(38 717 600)	5 415	(182 144)	(408 406)							(9 305)		154 260 054
Office Equipment	3 383 929	335 998	(19 408)	90 687	(615 086)	(5 934)	992							(204)		3 170 974
Computer Equipment	7 061 911	2 506 096	(99 543)	246 344	(1 804 372)	(113 794)	2 238	644								7 799 524
Aircraft	281 305	28 968	(23)	(25)	(76 616)											233 609
Capital Work in Progress (Aircraft)	-	214 220	(1 213)		(52 201)	(160 806)										-
Ships	3 261 013	53 831	(889)	129 109	(217 863)	82 000										3 307 201
Capital Work in Progress (Ships)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	194 091 570	6 105 107	(109 202)	3 725 967	(11 872 863)	(119 435)	804 927							(34)		192 626 037
Capital Work in Progress (Other Assets)	22 118 856	13 980 226	(1 136)	(8 027 272)	(5 943)	(20 389)								(477)		28 043 865
Total	1 961 984 604	120 318 918	(2 995 585)	(757 426)	(72 578 636)	(1 499 989)	56 801 881	(9 800)								2 061 263 966

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34.2 Reconciliation of Property, Plant and Equipment – 2022/23

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Depreciation	R '000	Impairment Reversal of impairment loss	Revaluation	R '000	Discontinued Operations	Prior Period Error	Carrying Value Closing Balance
Land	110 888 027	3 700	452 005	(252 839)	469 524	(245 563)	43	996 043	1	724						112 307 963
Capital Work in Progress (Land)																3 701
Service Concession Asset																-
Buildings	147 809 149	4 158 794	3 682 727	(281 206)	792 651	(6 038 207)	15 074	(872 085)		(2 225)						145 105 877
Capital Work in Progress (Buildings)			1 517 705	(1 983)	(555 790)		(1 792 361)									3 326 365
Vehicles	4 674 680		681 328	(138 663)	97 929	(783 271)	(5 541)	1 032							104	4 527 598
Infrastructure	625 764 048		8 563 940	(1 143 860)	5 372 361	(13 469 801)	(2 556 612)	71 748 352								694 278 428
Capital Work in Progress	54 788 953		14 062 756	(662 560)	(7 809 675)	(389 463)	(1 425 021)	403 921								58 968 911
(Infrastructure)																
Finance Lease Assets	9 786 083		1 221 107	(12 952)	(1 955)	(1 915 045)	(111 166)	(386 754)								8 579 319
Furniture & Fittings	1 148 110		204 561	(14 488)	2 308	(219 971)	(7 652)	7								1 112 875
Plant, Machinery & Equipment	535 383 594		13 203 041	(2 399 105)	63 368 780	(35 546 910)	(2 965 482)	(200 821)		(291)						570 842 806
Capital Work in Progress (Plant, Mach & Equip)	154 674 730		51 933 420	(1 403 183)	(73 115 113)		1	642 323								132 732 178
Office Equipment	3 528 470		300 137	(36 334)	163 000	(566 533)	(4 844)	34								3 383 929
Computer Equipment	7 123 721		1 652 143	(75 346)	165 352	(1 783 655)	(21 331)	1 027								7 061 911
Aircraft	313 487		40 476		850	(73 509)	1									281 305
Capital Work in Progress (Aircraft)																
Ships	3 318 961		52 420	(13)		(207 356)	97 001									3 318 961
Capital Work in Progress (Ships)						(16 857)	16 857									
Other Assets	196 029 142		4 257 578	(390 339)	3 524 489	(10 931 163)	(3 066 177)	4 668 040								196 029 142
Capital Work in Progress (Other Assets)	16 178 414		10 063 312	(32)	(4 102 914)	(7 701)	(12 223)									16 178 414
Total	1 875 572 064	111 888 654	6 812 904	(6 812 904)	(11 628 203)	(72 195 004)	(11 839 433)	77 001 120	(1 793)	104	1 961 984 604					

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34.3 Property Plant and Equipment – additional disclosure		2023/24 R '000	2022/23 R '000
Contractual commitments for the acquisition of PPE		218 314 569	160 602 719
Compensation from third parties for PPE impaired, lost or given up which are included in surplus or deficit		21	48
34.4 Disclosure on assets in the process of being constructed or developed		2023/24 R '000	2022/23 R '000
Cumulative expenditure recognised in the carrying value of PPE per class of asset		251 267 139	217 150 011
The carrying value of PPE that is taking a significantly longer period of time to complete than expected		14 102 101	8 145 130
The carrying value of PPE where construction or development has been halted either during the current or previous reporting period(s).		26 736	26 736
34.5 Repairs and Maintenance		39 015 773	30 717 447
Property, plant and equipment		7 191	6 179
- Land		-	-
- Service Concession		2 924 301	2 634 930
- Buildings		103 129	86 282
- Vehicles		681 897	568 471
- Infrastructure		(1 376 618)	(1 319 194)
- Capital Work in Progress		104	8 225
- Finance Lease Assets		1 280	1 024
- Furniture & Fittings		35 501 046	27 824 334
- Plant, Machinery & Equipment		108 374	102 228
- Office Equipment		1 059 407	797 807
- Computer Equipment		336	2 260
- Aircraft		5 325	4 901
- Ships		378 469	295 271
Intangible Assets		1 689	1 149
Investment Property		3 248 636	2 805 619
Other Assets		42 644 566	33 819 485

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35 Heritage Assets

Reconciliation of Carrying Value

	2023/24			2022/23		
	Cost R '000	Accumulated Impairment R '000	Carrying Value R '000	Cost R '000	Accumulated Impairment R '000	Carrying Value R '000
Art Collections	2 532 762	(6)	2 532 756	2 528 698	(5)	2 528 692
Service Concession Assets	-	-	-	-	-	-
Stamp Collections	38 855	-	38 855	38 847	-	38 847
Collections of rare books or manuscripts	95 077	(14)	95 063	95 041	(14)	95 027
Historical Buildings	6 837 376	(25 287)	6 812 090	6 788 090	(25 287)	6 762 804
Other Assets	2 331 873	(649)	2 331 223	2 305 805	(650)	2 305 155
Total	11 835 943	(25 955)	11 809 988	11 756 481	(25 955)	11 730 526

35.1 Reconciliation of Heritage Assets – 2023/24

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Impairment (Loss) / Reversal of impairment loss	R '000	Revaluation	R '000	Other	R '000	Dis- continued Operations	Carrying Value Closing Balance
Art Collections	2 528 693		8 909		(7 169)		59		(67)		2 248		84			2 532 757
Service Concession Assets	-														-	
Stamp Collections	38 847		9													38 856
Collections of rare books or manuscripts	95 028		245		(235)						25					95 063
Historical Buildings	6 762 804		53 446				(9 200)				5 040					6 812 090
Other Assets	2 305 156		27 283		(120)				(12)		18		(1 102)			2 331 223
Total	11 730 528		89 892		(7 524)		(9 141)		(79)		7 331		(1 018)		-	11 809 988

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35.2 Reconciliation of Heritage Assets – 2022/23

	Carrying Value Opening Balance	R '000	Additions	R '000	Disposals	R '000	Transfers	R '000	Impairment Reversal of impairment loss	R '000	Revaluation	R '000	Other	R '000	Discontinued Operations	R '000	Carrying Value Closing Balance
Art Collections	2 485 690		2 529								40 474						2 528 693
Service Concession Assets																	-
Stamp Collections	38 840		7														38 847
Collections of rare books or manuscripts	94 466		562														95 028
Historical Buildings	6 749 313		18 766		(5 259)		(169)		(200)		353						6 762 804
Other Assets	2 272 592		32 677						(113)								2 305 156
Total	11 640 901		54 541		(5 259)		(169)		(313)		40 827		-				11 730 526

36 Intangible Assets

Reconciliation of Carrying Value

	2023/24			2022/23		
	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	16 605 138	(11 264 181)	5 340 957	16 307 395	(11 516 719)	4 790 676
Copy rights	87 754	(83 729)	4 024	87 754	(81 429)	6 325
Internally Generated Software	1 665 710	(610 216)	1 055 494	842 999	(370 763)	472 236
Licenses	4 189 111	(3 373 418)	815 693	3 956 792	(3 169 506)	787 286
Service Concession Asset	-	-	-	-	-	-
Servitudes	3 867 625	(224 932)	3 642 692	3 815 631	(221 013)	3 594 617
Patents and models	60 941	(56 159)	4 782	61 003	(55 835)	5 168
Trademarks	18 506	(9 795)	8 711	18 075	(5 820)	12 256
Other	38 629 702	(5 916 925)	32 712 776	36 655 342	(7 634 236)	29 021 106
Total	65 124 486	(21 539 356)	43 585 130	61 744 991	(23 055 322)	38 689 670

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36.1 Reconciliation of Intangible Assets – 2023/24

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Internally Developed Operations	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	4 790 676	1 041 748	(164 717)	578 786	(914 465)	(34 120)	(41)	43 090		5 340 957
Copy rights and Trademarks Internally Generated	6 325				(2 301)					4 024
Software	472 236	389 916	(2 564)	436 560	(242 581)	(486)		2 413		1 055 494
Licenses	787 286	292 654	2 097	19 360	(267 704)	(18 000)				815 693
Service Concession Assets	0	24 388	(4 090)	32 444	(4 666)	-				0
Servitudes	3 594 617									3 642 693
Patents and models	5 168				(385)		(1)			4 782
Research assets	12 256				(4 168)			624		8 712
Other	29 021 106	6 060 940	(31 612)	(911 972)	(1 181 849)	(217 832)	(26 005)			32 712 776
Total	38 689 669	7 809 646	(200 886)	155 178	(2 618 118)	(270 438)	(26 047)	46 127	-	43 585 130

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36.2 Reconciliation of Intangible Assets – 2022/23

	Carrying Value Opening Balance	Additions	Disposals	Transfers	Amortisation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Internally Developed Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Computer Software	4 854 989	750 658	(191 115)	294 662	(897 351)	(44 571)	(3 916)	27 321	4 790 676
Copy rights Internally Generated	14 391				(8 066)				6 325
Software Licenses	443 891	117 581	(2 770)	(34 063)	(50 143)	(1 967)	(822)	530	472 236
Service Concession	832 108	121 992	(31 895)	233 000	(363 920)	(3 999)			787 286
Assets	267 808	133 487	(255 280)		(146 016)				0
Servitudes	3 535 102	(430)	(2)	62 268	(2 321)				3 594 617
Patents and models	2 794	2 728			(354)				5 168
Trademarks	16 143	51			(4 146)			207	12 256
Other	25 742 148	4 043 898	(2 305)	579 949	(1 355 324)	(20 040)	32 779		29 021 106
Total	35 709 374	5 169 965	(483 366)	1 135 816	(2 827 642)	(70 577)	28 041	28 058	- 38 689 670

36.3 Intangible assets – additional disclosure

Contractual commitments for the acquisition of Intangible assets	2023/24 R '000	2022/23 R '000
	544 488 113	7 554 914 522

36.4 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	3 366	4 150
The carrying value of intangible assets that is taking a significantly longer period of time to complete than expected, including reasons for any delays.	4 175	106 967
The carrying value of intangible assets where construction or development has been halted either during the current or previous reporting period(s).	1 010	-

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37 Investment Property Carried at Cost

Reconciliation of carrying value

	2023/24			2022/23		
	Cost	Accumulated Amortisation & Impairment	Carrying Value	Cost	Accumulated Amortisation & Impairment	Carrying Value
	R '000	R '000	R '000	R '000	R '000	R '000
Total	3 035 186	(182 817)	2 852 369	2 936 546	(168 686)	2 767 860

37.1 Reconciliation of Investment Property Carried at Cost – 2023/24

Carrying Value Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Carrying Value Closing Balance
R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
2 767 860	22 429	(35 790)	(4 851)	(13 846)	(380)	116 946	2 852 369

37.2 Reconciliation of Investment Property Carried at Cost – 2022/23

Carrying Value Opening Balance	Additions	Disposals	Transfers	Depreciation	Impairment (Loss) / Reversal of impairment loss	Revaluation	Carrying Value Closing Balance
R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
2 618 490	42 963	(9 585)	104 411	(13 953)	25 534		2 767 860

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37.3 Investment property – additional disclosure		2023/24 R '000	2022/23 R '000
Compensation from third parties for Investment property impaired, lost or given up, which are included in surplus or deficit (Provided that these are not disclosed separately on the face of the statement of financial performance)		5 496	1 795
37.4 Disclosure on assets in the process of being constructed or developed		-	61 623
Cumulative expenditure recognised in the carrying value of investment property per class of asset.			
38 Investment Property Carried at Fair Value			
Reconciliation of carrying value			
2023/24		2022/23	
Cost R '000	Fair Value Adjustments R '000	Carrying Value R '000	Cost R '000
		Fair Value Adjustments R '000	Carrying Value R '000
Total	43 369 067	1 350 000	44 719 067
			41 219 902
			1 420 908
			42 640 810
38.1 Reconciliation of Investment Property Carried at Fair Value – 2023/24			
Carrying Value Opening Balance R '000	Additions R '000	Disposals R '000	Transfers R '000
		Fair Value Adjustment R '000	Carrying Value Closing Balance R '000
Total	42 640 810	980 718	(469 122)
			752 084
			814 577
			44 719 067
38.2 Reconciliation of Investment Property Carried at Fair Value – 2022/23			
Carrying Value Opening Balance R '000	Additions R '000	Disposals R '000	Transfers R '000
		Fair Value Adjustment R '000	Carrying Value Closing Balance R '000
Total	40 824 539	417 963	(75 070)
			(6 862)
			1 480 240
			42 640 810

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39.1 Biological Assets

Reconciliation of Carrying Value

	2023/24			2022/23		
	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
Dairy Cattle	624	-	624	609	-	609
Other Assets	4 736 273	-	4 736 273	4 210 947	-	4 210 947
Total	4 736 897	-	4 736 897	4 211 555	-	4 211 555

39.1.1 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 sale costs	Depreciation	Impairment (Loss) / Reversal of impairment loss	Other movements	Transfers	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
Dairy Cattle	608		(159)	206			(32)			623
Other Assets	4 210 946			525 366			(39)			4 736 273
Total	4 211 554	-	(159)	525 572	-	-	(71)	-	-	4 736 897

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39.1.2 Reconciliation of Biological Assets – 2022/23

	Carrying Value Opening Balance	Purchases	Decrease due to harvest/ sales	Gains/losses from changes in fair value less estimated point of sales costs	Depreciation	Impairment (loss) / Reversal of impairment loss	Other move- ments	Transfers	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
Dairy Cattle	842		(164)	10			(81)			608
Other Assets	4 209 850		(206)	1 128			174			4 210 946
Total	4 210 692	-	(369)	1 138	-	-	93	-	-	4 211 555

39.2 Living Resources

Reconciliation of Carrying Value

	2023/24			2022/23		
	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
Animals	12 496	(3 146)	9 351	10 229	(2 583)	7 646
Other Assets	4 314	(1 364)	2 950	4 271	(1 241)	3 031
Total	16 810	(4 510)	12 301	14 500	(3 823)	10 677

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39.2.1 Reconciliation of Biological Assets – 2023/24

	Carrying Value Opening Balance	Purchases	Decrease due to harvest/ sales	Gains/losses changes in fair value less estimated point of sales costs	Depreciation	Impairment (Loss) / Reversal of impairment loss	Other move- ments	Transfers Discontinued Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Animals	7 646	1 289	(198)	130	(1 107)	(635)	2 232	(7)	9 351
Other Assets	3 030	69	(781)		(212)		844		2 950
Total	10 676	1 358	(979)	130	(1 319)	(635)	3 076	(7)	12 301

39.2.2 Reconciliation of Biological Assets – 2022/23

	Carrying Value Opening Balance	Purchases	Decrease due to harvest/ sales	Gains/losses changes in fair value less estimated point of sales costs	Depreciation	Impairment (Loss) / Reversal of impairment loss	Other move- ments	Transfers Discontinued Operations	Carrying Value Closing Balance
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Animals	4 841	3 882	(748)	28	(841)	(218)	701		7 646
Other Assets	2 692	111	(532)		(247)		1 006		3 030
Total	7 533	3 993	(1 280)	28	(1 088)	(218)	1 707	-	10 677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

40 Government Grants and Subsidies

	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Conditions still to be met - remain liabilities
	R '000	R '000	R '000	R '000
Reconciliation of Movement in Grant – 2023				
Other Government Grants and Subsidies	(16 255 425)	86 763 640	110 124 283	(39 616 068)
Total Government Grant and Subsidies	(16 255 425)	86 763 640	110 124 283	(39 616 068)

	Balance unspent at beginning of year	Current year receipts	Conditions met - transferred to revenue	Conditions still to be met - remain liabilities
	R '000	R '000	R '000	R '000
Reconciliation of Movement in Grant – 2022				
Other Government Grants and Subsidies	9 430 774	77 634 425	103 320 625	(16 255 425)
Total Government Grant and Subsidies	9 430 774	77 634 425	103 320 625	(16 255 425)

	2023/24 R '000	2022/23 R '000
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41 Public contributions and donations

Public contributions – Conditional	25 572 110	23 973 969
Public contributions – Unconditional	14 370	18 996
Donations	220 377	194 799
Total	25 806 858	24 187 764

42 Transfers and Sponsorships

Transfer payment from controlling entity	5 522 407	5 183 836
Transfer payment from other departments/entities	1 980 144	1 967 534
Local and foreign aid assistance	94 433	129 037
Gifts, donations and sponsorships received	304 235	194 347
Other Transfers and Sponsorships	257 962	999 921
Total	8 159 181	8 474 675

43 Revenue from Fines and Penalties

Fines	358 581	409 581
Penalties (including forfeits)	14 178	92 844
Total	372 758	502 425

44 Legislative and oversight functions

Administration	13 274 098	21 112 452
Legislation and Oversight	52 038 532	51 727 559
Public and International Participation	138 180	117 231
Associated Services	4 470 876	4 147 369
Statutory Appropriation	16 436 981	13 594 240
Total	86 358 667	90 698 851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R '000	2022/23 R '000
45	Taxation Revenue		
	Taxes on Income and Profits	(245 643)	(65 924)
	Taxes on payroll and workforce (incl SDL)	9 198 309	8 584 642
	Domestic taxes on goods and services	6 168	5 512
	Taxes on international trade and transactions		
	Total	8 958 834	8 524 230
46	Revenue from Exchange Transactions – Sale of goods and services		
	Revenue from Exchange Transactions - Sale of goods and services	548 202 268	493 970 020
47	Income from Rental of Facilities and Equipment		
	Rental of facilities	3 599 288	3 332 704
	Rental of equipment	280	690
	Other rentals	4 878 917	4 173 180
	Total	8 478 485	7 506 574
48	Interest Earned - External Investments		
	Bank	18 551 394	12 150 384
	Financial assets	74 057 195	57 286 117
	Other	1 794 600	1 234 839
	Total	94 403 189	70 671 340
49	Interest Earned - Outstanding Receivables		
	Interest Earned – Outstanding Receivables	6 034 211	6 811 490
	Interest Earned – Finance lease receivables	28 260	32 381
	Interest Earned from Statutory Receivables	2 413 600	1 677 906
	Total	8 476 070	8 521 777
50	Other income		
	Other income	10 800 634	11 913 969
	Revenue from Exchange Transactions - Sundry income	2 345 515	2 732 743
	Insurance commissions	37 867	1 436 728
	Bad debt recoveries	309 104	305 634
	Recovery of unauthorised, irregular, fruitless and wasteful expenditure	11 468	1 355
	Total Other Income	13 504 588	16 390 430
	Non-Current Portion of Deferred Income	40 320 910	7 536 400
	Current Portion of Deferred Income	7 609 216	8 567 361

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
51 Employee Related Costs		
Salaries - Employees - Salaries and Wages	90 766 293	84 488 227
Salaries - Employees - UIF, Pensions and Medical Aid	11 284 777	10 461 457
Salaries - Employees - Performance and other bonuses	5 052 434	3 904 096
Salaries - Employees - Overtime payments	6 840 352	6 006 870
Salaries - Employees - Other employee related costs	25 640 745	23 494 872
Salaries - Employees - Long-service awards	112 563	76 691
Salaries - Employees - Housing benefits and allowances	2 336 585	2 167 802
Salaries - Employees – Allowances	4 244 801	3 812 212
Salaries - Benefits Paid - Post-retirement medical aid contributions	264 289	286 949
Salaries - Benefits Paid - Movement in long-term employee benefits	(347 666)	(242 280)
Salaries - Accounting Authority - Basic remuneration	840 299	147 792
Salaries - Accounting Authority - Performance awards	12 226	11 932
Salaries - Accounting Authority - UIF	2 729	2 713
Salaries - Accounting Authority - Periodic payments	95 455	2 990
Salaries - Accounting Authority - Pension	20 426	18 701
Salaries - Accounting Authority - Other non-pensionable allowances	9 803	8 555
Salaries - Accounting Authority - Medical	74 076	5 248
Salaries - Accounting Authority - Insurance	5 166	4 849
Salaries - Accounting Authority - Gratuities	5 553	11 344
Salaries - Accounting Authority - Compensative or circumstantial	19 118	16 491
Employee benefits expensed - liability for long service leave	5 875	6 710
Employee benefits expensed - termination benefits	1 016 820	1 110 473
Employee benefits expensed - Other	652 488	567 305
Movement in Provision - Provision for Performance Bonus	1 946 050	1 485 614
Movement in Provision - Provision for Leave Pay	1 154 891	1 129 140
Movement in Long-term Provisions - Provision for Long Service Awards	5 186	(3 414)
Movement in Long-term Provisions - Other Long-term employee related provisions	1 730 603	1 694 063
Total	153 791 937	140 677 401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
52 Depreciation and Amortisation Expense		
Property, plant and equipment	72 578 636	72 195 004
Intangible assets	2 618 124	2 827 644
Investment property carried at cost	13 846	13 953
Living resources	1 320	1 089
Total Depreciation and Amortisation	75 211 926	75 037 691
53 Contracted Services		
Consultants on various projects	4 335 651	4 240 499
Agency fees	1 442 789	1 639 213
Research	369 646	334 694
	6 148 086	6 214 406
54 Grants and Subsidies Paid		
Total grants and subsidies paid	20 419 953	19 359 799
55 Finance Costs		
Borrowings	72 135 326	60 045 363
Interest Charged on Overdue Trade and other payables	374 631	628 998
Finance leases	1 880 446	1 944 767
Other financial liabilities	18 724 100	21 184 965
Bank overdrafts	51 979	22 745
Total Finance Costs	93 420 849	83 905 039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
56 General Expenses		
Included in general expenses are the following:		
Advertising	3 041 555	2 592 038
Admin fees	48 673 337	49 685 144
Audit fees	1 596 332	1 568 220
Bank charges	354 562	355 462
Bursaries	181 452	186 479
Cleaning	911 597	812 899
Conferences and delegations	390 019	524 996
Connection charges	597 450	518 260
Consulting fees	4 924 867	3 901 175
Consumables	(5 369 227)	(4 953 534)
Cost of sales	240 964 112	218 536 135
Debt collection commission	10 019	9 165
Departmental consumption	1 011	540
Entertainment	135 630	73 325
Electricity	9 936 030	9 385 264
Financial management grant	324 068	263 845
Fuel and oil	5 542 651	5 219 899
Insurance	2 671 754	2 393 656
Legal expenses	2 189 918	1 835 508
Levies paid	3 284 341	13 319 613
Licence fees – vehicles	21 758	18 083
Licence fees – computers	1 444 046	1 180 909
Membership fees	137 802	114 040
Movement in other provisions	4 645 581	(2 018 775)
Parking	29 256	30 865
Postage	259 454	161 730
Printing and stationery	550 105	469 986
Professional fees	2 913 886	2 597 096
Rental of buildings	8 131 417	8 239 915
Rental of office equipment	852 270	456 328
Rental of computer equipment	81 882	84 643
Other rentals	1 455 276	1 567 669
Security costs	6 518 350	5 434 441
Skills development levies	575 447	489 167
Stocks and material	8 883 890	10 071 607
Subscription & publication	180 564	153 608
Telephone cost	1 290 083	1 126 735
Training	1 468 231	1 139 211
Transport claims	184 145	179 468
Travel and subsistence – Local	7 107 530	6 024 305
Travel and subsistence – Foreign	362 010	255 925
Uniforms & overalls	51 480	41 698
Valuation costs	26 885	23 809
Water	1 240 608	1 032 118
Other	71 295 163	56 683 807
	440 068 597	401 786 476
57 Gain / (Loss) on Sale of Assets		
Property, plant and equipment	(330 941)	(4 071 919)
Intangible assets	(2 094)	(2)
Investment property	(23 087)	(1 077)
Heritage assets	(7 377)	-
Other financial assets	101 344	(361 818)
Total Gain / (Loss) on Sale of Assets	(262 154)	(4 434 816)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
58 Impairment (Loss) / Reversal of impairment loss		
Property, plant and equipment	(445 465)	(10 267 119)
Intangible assets	(264 333)	(26 877)
Investment property	(380)	(75 000)
Other financial assets	(10 199 503)	(7 870 001)
Heritage assets	(4)	(554)
Statutory Receivables	(7 383 544)	(7 111 409)
Total Impairment (Loss) / Reversal of impairment loss	(18 293 231)	(25 350 961)
59 Profit / (Loss) on Fair Value Adjustment		
Investment property carried at fair value	666 625	1 807 214
Biological Assets Carried at Fair value	4 746	3 581
Other financial assets	10 364 219	23 408 556
Other financial liabilities	(12 675 398)	(30 390 116)
Other fair value adjustment gain/(loss)	95 297 062	150 458 296
Total Profit / (Loss) on Fair Value Adjustment	93 657 254	145 287 532
60 Profit / (Loss) on Revaluation of Assets		
Gain/ (loss) on revaluation of heritage assets	-	(276)
Gain/ (loss) on revaluation of intangible assets	-	(6 598)
Gain/ (loss) on revaluation of property, plant and equipment	27 441	3 196
Gain/ (loss) on revaluation of investment property	243 095	(215 199)
Gain/ (Loss) on revaluation on other financial assets	(467 452)	313 871
Total Profit / (Loss) on Revaluation of Assets	(196 915)	94 994
61 Taxation		
Income tax expense		
South African normal taxation		
Current tax	7 128 463	2 961 901
Deferred taxation	15 320 096	(10 177 341)
- Movement in temporary differences	(1 784 924)	(191 442)
- Unused tax loss created	(6 128 292)	(10 203 266)
- Recognition of unused tax loss not previously recognised	(1 255 602)	(967,851)
- Unused tax loss utilised	1 845 449	792 034
- Change in tax rate	-	1 234
- Other movements in deferred taxation	22 643 464	391 950
SA normal tax	22 448 559	(7 215 440)
Foreign taxation	86 000	
TOTAL INCOME TAX EXPENSE	22 534 559	(7 215 440)
Tax rate reconciliation		
Accounting profit	(6 301 991)	(20 833 765)
Tax calculated at tax rate 28.00%	(1 701 538)	(5 625 117)
Tax effect of non-taxable/non-deductible items	24 236 097	(1 595 046)
- Dividends not taxable	(1 152 511)	(1 643 543)
- Donations not deductible	50 267	39 200
- Depreciation not deductible	(1 032 848)	187 346
- Unused tax loss not recognised	(535 616)	(1 364 031)
- Other movements of non-taxable/non-deductible items	26 906 805	1 185 981
Change in taxation rate	-	4 723
INCOME TAX EXPENSE	22 534 559	(7 215 440)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
62 Surplus / (Deficit) from discontinued operations		
Net Operating Expenses Excluding Depreciation and Amortisation	68 000	224 000
Surplus / (deficit) From Operations Before Depreciation, Amortisation and Other Items	68 000	224 000
Administrative Expenses	(206)	(219)
Profit/ (loss) Before Taxation	67 794	223 781
Taxation	-	-
Surplus / (Deficit) For The Year From Discontinued Operations	67 794	223 781
63 Cash flows from operating activities		
Surplus/(deficit) for the year from:		
Continuing operations	125 968 059	176 417 003
Discontinued operations	67 794	223 781
Adjustment for :		
(Gain) / loss on sale of tangible Assets	706 105	4 135 910
(Gain) / loss on sale of Intangible Assets	44 952	(1 189 415)
Amortisation	5 262 704	3 162 180
Contribution to provisions – current	3 062 614	8 466 110
Contribution to provisions - non-current	37 321	16 800
Depreciation	70 515 879	70 116 483
Discount on bonds amortised	66 000	52 000
Dividend Income	(7 127 888)	(8 571 748)
Fair value adjustments	(308 633)	(133 150)
Fair value losses on financial instruments	1 747 745	87 951
Finance Costs	25 040 160	22 329 920
Finance Costs: Service Concession	(28)	(10 318)
Finance Income	(7 305 806)	(5 520 521)
Foreign exchange (gains)/losses on operating activities	(2 364 011)	1 585 589
Increase/(decrease) in provisions	10 359 774	(10 058 735)
Interest received-Held-to-maturity investments	(18 168 178)	(14 924 647)
Increase in provision for post-retirement benefit obligation	572 404	(420 292)
Movements in other employee benefit items	(1 564 329)	(837 043)
Movement in rehabilitation liability	(920 497)	(2 784 133)
Net foreign exchange losses on translation	(195 234)	(572 969)
Provision for inventory obsolescence	179 284	365 736
Release of firm commitments	(7 521)	33 500
Revaluation of Assets	(242 532)	221 326
Share of (income)/loss from associates and Joint Ventures	(4 327 657)	(5 037 325)
Unrealised foreign exchange losses/(gains)	2 782 457	1 718 581
Impairment loss / (reversal of impairment loss)	26 334 454	28 577 474
Service costs: Service Concession	(1 844 979)	(1 462 664)
Other non-cash item	(84 924 556)	(163 477 397)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
Operating surplus before working capital changes:	143 445 860	102 509 986
(Increase)/decrease in inventories	(5 495 792)	(2 484 203)
(Increase)/decrease in trade and other receivables	(19 167 034)	(22 075 468)
(Increase)/decrease in statutory receivables	(4 148 646)	(3 358 306)
(Increase)/decrease in other operating lease assets	217 501	123 776
(Increase)/decrease in prepayments	(1 033 778)	(2 955 251)
Increase/(decrease) in conditional grants and receipts	3 633 709	474 472
Increase/(decrease) in consumer deposits	32 202	(10 471)
Increase/(decrease) in deferred income	(224 808)	133 116
Increase/(decrease) in trade and other payables	6 331 661	12 587 503
Increase/(decrease) in other payables	7 032 447	477 332
Increase/(decrease) in payments received in advance	5 428 008	6 260 419
Other working capital movements	(14 521 737)	25 742 365
Net cash flows from operating activities	121 529 592	117 425 270

64 Change in Accounting Policy

Financial statement line items affected as a result of a change in accounting policy:

Changes in other income/(expenses)	(536)	14 690 311
Other (Impairment on receivables)	(5 274)	(7 256 382)
Cost: Property, Plant and Equipment (PPE)	12 345	2 103 037
Accumulated Depreciation PPE	-	(621 295)
Accumulated Impairment and employee related project costs	(2 814)	(9 446)
Employer grant and project expenses	2 814	-

6 535

8 906 225

65 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 error correction	Prior period error	Restated amount
Depreciation	1 514 230	5 759 890	7 274 121
Employee cost related, General expenses, Revenue related	2 438 485 594	(387 620 970)	2 050 863 252
Operating expenses, ICT expenses, authorised capex	6 243 765	(38 511)	6 205 241
Write-offs and Opex	25 551 939	(25 783 198)	(231 260)
Net effect on surplus/(deficit) for the year	2 471 795 527	(407 682 789)	2 064 111 354

The Net effect of prior period error(s) relating to the Statement of Financial Position are as follows:

Property, plant and equipment	526 469 183	1 060 687	527 529 870
VAT receivable not previously recognised	2 595 677	5 885	2 601 562
Non current and current receivables.	160 911 716	(2 125 279)	158 786 437
Provisions	39 879 983	(700 666)	39 179 316
Accruals	(516 543)	54 762	(456 895)
Assets and equity	183 972 805	(8 453 509)	175 273 298
Net effect on Statement of Financial Position	913 312 821	(10 158 120)	902 913 588

The Net effect of prior period error(s) relating to the Statement of changes in Net Assets are as follows:

Accumulated Surplus/(Deficit)	(1 979 897 840)	(7 210 160)	(1 987 106 999)
Reserves, accumulated surplus, provisions	54 028 589	1 026 966	55 055 947
Retained earnings and unspent government funds	68 577 350	(15 485 504)	53 104 069
Net Effect on Statement of changes in Net Assets	(1 857 291 901)	(21 668 697)	(1 878 946 984)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

66 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 the original estimate (R '000)	Value derived using amended estimate (R '000)	Value impact of change in estimate (R '000)
Change in depreciation / amortisation resulting from reassessment of useful lives. The following categories are affected:	2 960 817	3 391 452	17 183
Buildings	13 680	5 267	2 552
Infrastructure assets		(2 196)	(2 639)
Community assets	1 512	793	718
Machinery	74 205	51 350	15 423
Office equipment	5 105	35 687	30 229
Furniture	139 566	186 824	45 098
Vehicles	134 196	137 471	(37 083)
Computer equipment	1 136 534	1 364 105	(3 779)
Computer software	1 432 953	1 538 880	(93 282)
Other intangible asset 1	620	432	188
Plant and Equipment, intangible assets	17 677	70 057	13 899
Leasehold improvement and radio equipment	4 767	2 784	45 858
Canteen	2	(3)	1

Change in depreciation resulting from reassessment of residual values. The following categories are affected:

categories are affected:	1 395 632	1 079 223	(187 379)
Community assets	455	298	157
Machinery	72 002	62 554	9 324
Office equipment	303	250	(8)
Furniture	54 852	18 390	(29 328)
Vehicles	1 531	(43 939)	(45 158)
Computer equipment	1 266 158	1 215 059	51 074
Computer software	320	(110 882)	(110 942)
Other intangible asset 1		(7 843)	(7 843)
Leasehold	11	1	9
Other		(54 664)	(54 664)

Change in depreciation / amortisation resulting from a change in the depreciation / amortisation method. The following categories are affected:

method. The following categories are affected:	2 085	296 536	(294 435)
Office equipment	209	194	15
Furniture	177	63	114
Computer equipment	988	993	11
Computer software	711	632	79
PPE	-	294 654	(294 654)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R '000	2022/23 R '000
67	Irregular, Fruitless and Wasteful Expenditure		
	Irregular Expenditure	25 231 385	66 455 116
	Fruitless and Wasteful Expenditure	1 096 782	8 449 224
	Total	26 328 168	74 904 340

68 Capital Commitments

Commitments in respect of capital expenditure:

- Approved and contracted for	256 001 802	246 419 201
Buildings and other fixed structures	125 653 719	115 943 765
Heritage assets	28 713	64 342
Machinery and equipment	7 221 170	4 523 490
Specialised military assets		
Land and subsoil assets	7 512	109 688
Biological assets		
Intangible assets	4 357 404	4 468 371
Other	118 733 285	121 309 545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R '000	2022/23 R '000
69	Operating leases		
	At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:		
	Operating lease arrangements		
	Lessee		
	At the reporting date the entity had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
	Up to 1 year	12 532 310	11 396 858
	1 to 5 years	18 345 321	23 939 435
	More than 5 years	5 256 621	5 258 984
		36 134 252	40 595 277
	Lessor		
	At the reporting date the entity had contracted with tenants for the following future minimum lease payments:		
	Up to 1 year	3 778 283	4 718 274
	1 to 5 years	6 523 445	6 769 481
	More than 5 years	1 947 495	2 374 450
		12 249 223	13 862 205
70	Contingent Liabilities		
70.1	Guarantees		
	Guarantees	1 314 668	1 277 445
70.2	Court proceedings		
	Legal court proceedings	67 566 566	63 923 101
70.3	Insurance claims		
	Insurance claims	254 565	121 052
70.4	Forensic investigation		
	Forensic investigation	50 899	502 998
70.5	Other contingent liabilities		
	Other contingent liabilities	16 999 126	19 630 738
	Total contingent liabilities	86 185 824	85 455 334
71	Contingent Assets		
71.1	Court proceedings		
	Legal court proceedings	3 289 718	2 966 946
71.2	Insurance claims		
	Insurance claims	23 854	1 168 497
71.3	Forensic investigation		
	Forensic investigation	45 114	46 151
71.4	Other contingent assets		
	Other contingent assets	152 576 489	152 388 484
	Total contingent assets	155 935 175	156 570 078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
72 Contributed Capital		
Opening balance	241 629 616 363	219 745 776 019
Contributions	(10 832 434)	21 883 840 344
	241 618 783 929	241 629 616 363

73 Events After Reporting Date**Adjusting Events****Commission for Gender Equality (CGE)**

The Minister of Finance has approved the shifting of funds between votes in terms of section 30(2)(e) of Public Finance Management Act, 1999. An amount of R13 million was shifted from other votes for reallocation to the Department of Women, Youth and Persons with Disabilities whose the parent department to the Commission. This reallocation will increase the baseline budget of the department for the 2024/25 financial year through roll-over, the approval of shifting funds between the votes through the second adjustment bill was tabled in Parliament on the 21 February 2024 pending publishing of the Second adjustment appropriation bill. The appropriation bill was due for adoption and publishing of the government gazette which was approved and published in May 2024. In terms of the government gazette, an allocation amounting to R13 million to Department of Women, Youth and Persons with Disabilities will be allocated and a tranche of R5 million will be allocated to the Commission for Gender Equality

Agricultural Land Holding Account

Trade and other receivable from non-exchange

Recognition of other receivable from Recapitalisation and Development grant recipients who have accepted debt subsequent to the report date, however the reconciliations to determine the unconditional right to the return of the funds were concluded in the current financial year. A total amount of R5,308million was adjusted on the financial statements.

Magalies Water

A salary benchmarking results that was approved by the Board in May 2023 was only implemented in July 2024.

This resulted in an adjustment being processed in the AFS to ensure that the salaries are accounted for in the correct accounting period

National Consumer Commission

During the 2023/24 financial year, an employee of the NCC was dismissed from employemny after disciplinary proceedings were concluded. The matter was referred to the Commission for Conciliation, Mediation and Arbitration. Settlement agreement to the value of R340 215 has been reached with the former employee during may 2024. The amount is payable no later than the 21st May 2024. The financial statements were adjusted to include the liability for settlement

National Housing Finance Corporation Limited

Subsequent to the submission date, there was a revised statement from the South African Revenue Service and the tax receivable have been amended from R 51.1 million to the current effect of R 53.9 million.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Onderstepoort Biological Products Limited

Subsequent to 31 March 2024, the entity was made aware of the result of the Vat refund being objected by SARS an amount of R3,001,400 Vat being liable to SARS as at end of March 2024

Railway Safety Regulator

During the 2022/23 financial year audit, the AGSA audit team raised an audit finding relating to the procurement of the RSR's Waterfall offices as irregular expenditure. The procurement of the Waterfall offices was concluded in the 2018/19 financial year, which the AGSA has been auditing this transaction since then. The RSR has disputed the audit finding and escalated the matter to the National Treasury. The National Treasury's outcome of the escalation was that it agrees with the AGSA team but raised a different finding which was unrelated to the disagreement between the RSR and the AGSA. The RSR further disagreed with the National Treasury and the RSR Board resolved that the management should escalate the matter to the Auditor General herself before resorting to resolve this matter through the courts. The dispute was escalated to the Auditor General who delegated the matter to the Head of Audit. On 31 July 2024, the Head of Audit concluded that the audit team correctly raised the procurement of RSR's Waterfall lease as irregular expenditure. Although management disagrees with the audit finding and conclusion, management considered it prudent to accept the conclusion of Head of Audit and continue finalising the annual financial statements. As a result of the RSR's acceptance of this conclusion, the irregular expenditure has been reported in note 26. This matter was reported as irregular expenditure under assessment in the annual report for the 2022/23 financial year.

South African Post Office Limited

In April and May 2024, the South African Post Office retrenched approximately 4,300 employees as part of its ongoing Business Rescue Process. The decision to retrench was finalized prior to the reporting date of 31 March 2024, and a provision for the retrenchment costs was recognized in the financial statements for the year ended 31 March 2024. South African Post office also plans to close 350 branches as part of its restructuring and cost-cutting measures. The decision to close these branches was made prior to 31 March 2024, and a provision has been raised in the financial statements for the costs associated with the closures. While the branch closure process commenced after the reporting date, the decision to close was made before year-end, thus constituting an adjusting event

Water Research Commission

In respect of the economic entity (Group), a resolution, dated 12 March 2024 was taken requesting the Companies and Intellectual Property Commission (CIPC) to strike the company from the register in terms of Section 82 (3) (ii) (aa) (bb) of the companies Act 2008, as amended. The deregistration application was submitted in March 2024 and the company, Erf 706 Rietfontein (Pty) Ltd, was deregistered at CIPC on the 4th of July 2024 (2024/2025 financial year).

Government Technical Advisory Centre (GTAC)

1. 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.

2. Transgressions/Irregular Expenditure cases invalid - In the process of applying for the condonation of irregular expenditure incurred in the financial year 2019/20 and 2020/21, the Office of the Chief Procurement Officer (OCPO) found that some transgression cases were invalid to be regarded as Irregular Expenditure. Those cases have been corrected and adjustments are made in the opening balance of 2022/23 FY, the following are the effects on the disclosure: Decrease in the 2022/23 FY IE confirmed R1,419,086.

Government Printing Works

The payment of R28 million from Gauteng Department of Health in respect of the debt owed

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Agricultural Sector Education and Training Authority

AgriSETA management has not identified any adjusting or non-adjusting event after reporting period date which would result in the financial statements being adjusted, or where such events required disclosure within the financial statements.

Commission for Conciliation, Mediation & Arbitration

The Governing Body's term will end on 31 May 2024. After due consideration, the Minister of Employment and Labour extended the term to 30 November 2024 while the process of appointing new board members is underway. The terms of the Governing Body and independent members (Audit and Risk Committee and Procurement Committee) will end on 31 May 2024. After consideration, the Minister of Employment and Labour extended the term to 30 November 2024 while the appointment of the new board members is underway. The Governing body reappointed the independent members effective from 01 June 2024 until 31 May 2027.

Productivity SA

Productivity SA deducted the full bursary cost of R31 600 from a former employee's salary in respect of a bursary deduction during the year. The former employee has referred the matter to the CCMA. On the 6th of May 2024 Productivity SA entered into a settlement agreement with the former employee and he will be refunded 50%(R15 800) of the amount that was previously. The effect on the current period is R15 800 on the Statement of Financial Position and Statement of Financial Performance deducted.

South African National Space Agency

Subsequent to year end SANSA was in discussions with Geoscience Australia in relation to the transfer of the Digital Earth Africa programme to a new host. It is anticipated that such a transfer would be completed in the year ending 31 March 2025 and this is a non-adjusting event.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Non-Adjusting Events

Municipal Demarcation Board

After the reporting date, 31 March 2024 the litigation matter that was pending between the Municipal Demarcation Board and the unsuccessful bidder was concluded by the appointed attorneys. The outcome resulted in MDB receiving a settlement amount of R463 627.38 in April 2024. This does not have an impact on the financials

Council for Geoscience

Acquisition of printing services in support of the Council for Geoscience head office. The estimated costs for this acquisition is R9.8 million.

Industrial Development Corporation of South Africa Limited

The value of the listed shares was R44.2 billion for Group and R35.8 billion for Company as at 31 March 2024. Subsequent to year end there has been no material movements in the share prices which would have resulted in an adjustment to the value of our listed shares as at 31 March 2024.

Magalies Water

The Chief Executive Officer, Mr S.P. Mkhize resigned from office effectively from 30 June 2024 and Mr O. Nthutang was appointed to act in the position.

National Consumer Commission

The Minister of dtic has appointed Mr Hardin Ratshisus as the Acting Commissioner of the NCC with effect from 1 May 2024

Onderstepoort Biological Products Limited

Subsequent to 31 March 2024, one of the major customers who was owing more than R11,196,202 for longer than 6 months, made payment 31 May 2024

Perishable Products Export Control Board

The process of procurement and acquisition of laboratory technical equipment to the value of R19 million was approved at financial year end. The procurement process was concluded subsequent to 31 March 2024. The members of the Board are not aware of any other matters or circumstances arising since the end of the financial year.

Road Traffic Management Corporation

During 2017, the CBRTA and the RTMC entered into an inter Agency Co-Operation agreement that was amended on 31 May 2018. The Minister in consideration of the parties resolved to terminate the Principal Agreement which termination will enable the CBRTA to perform the Road Transport Agency inspectorate law enforcement services from 1 April 2023 and both entities resolved that there will be no adjustments made in the current financial year.

Small Enterprise Development Agency

"The Executive Authority has appointed new Board of Directors of Seda effective from 1 May 2024 to replace the current Board of Directors; whose term of office has lapsed. The Board of Seda replaced Mr N Mbatha with Ms N Majola as acting CEO effective from 13 May 2024."

South African Broadcasting Corporation Limited

SABC bill addressing the funding model has been withdrawn by the minister in October 2024.

South African Postbank SOC Ltd

Subsequent to year end, on 31 July 2024 Postbank received a partial payment of R380 million from SAPO. This was received as part of the SAPO's business rescue settlement plan. The settlement agreement was reached in November 2023. As a result, the settlement has an impact on the calculation of expected credit loss on the SAPO exposure. Postbank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. However, the settlement amount received is considered a non-adjusting post-balance sheet event and has not been recognized in these financial statements. The Bank applies IFRS 9 Financial Instruments, which requires the recognition of Expected Credit Losses. The settlement of SAPO has been accounted for in accordance with the Bank's accounting policy.

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South African National Roads Agency Limited

Withdrawal of e-toll declaration

On 28 March 2024 Minister of Transport (MoT) published a notice to withdraw the toll declaration for the of e-tolls /Gauteng Freeway Improvement Project (GFIP) in terms of section 27 (1) (a) (ii) of SANRAL and National Roads Act, in Government Gazette (No. 50418). The GFIP road network will remain a declared national road network managed by SANRAL as non-toll road network, which is funded by the Government. The scrapping of e-toll gantries was effectively switched off on 11 April 2024. Thus, the billing and collection of e-toll fee stopped on 11 April 2024 mid-night. Motorists are still obliged to settle their outstanding debt up to the time of cancellation.

The Minister of Finance (MoF), the MoT, and the Premier of Gauteng have concluded an agreement regarding the outstanding debt on the toll portfolio, mainly resulting from the GFIP. A Memorandum of Agreement (MOA) to formalize alternative funding solutions for the GFIP debt repayment and address the backlog of maintenance and rehabilitation costs for road assets was

signed on 28 March 2024. The key terms of the MOA are as follows:

- Gauteng province will pay 30% (R12.93 billion) of SANRAL's debt to the national government.
- Gauteng will contribute R4.1 billion in tranches to national government for backlog maintenance.
- National Treasury will cover 100% of SANRAL's debt.

The average revenue from GFIP amounted to R540 million per annum, of which only approximately 7% was recognized as revenue. As the road network and structure will need to be maintained as usual, no cost savings are envisaged. Maintenance activities remain a priority for SANRAL and the Government on the GFIP (national) road network.

The GFIP resolution has addressed the borrowing capacity constraints. In April 2024, the MoF approved SANRAL's application to increase the borrowing limits under sections 66 (3) and 70 (1) of the PFMA. The approval allows borrowing up to R16.5 billion until 31 March 2028 for capital expenditure requirements on the toll portfolio and approved a foreign currency guarantee of R7 billion for a New Development Bank (NDB) loan. A guarantee framework agreement is yet to be concluded. The increased borrowing capacity will unlock further investment and the rollout of capital projects on the toll portfolio that were previously put on hold due to a lack of funding.

On 13 May 2024, the term of the appointment of Mr. E. Makhubela, a National Treasury-nominated non-executive director, ended. Mr. Makhubela served as the chair of the assets and liability committee and contracts committee of SANRAL.

The President of South Africa signed the National Health Insurance Act on the 14 May 2024. The impact on the post-retirement medical benefit is not known at the moment. It will be assessed and accounted for in future periods. The chair of the audit and risk committee (Ms N Noxaka) resigned from the Board, effective from 2 July 2024. The Board has announced the reconstitution of its sub-committees. In addition, the Board is engaging the Department of Transport and National Treasury for the appointment of suitable candidates to replace Ms N Noxaka.

The CFO of SANRAL (Ms Inge Mulder) resigned effective from 31 July 2024 after working for SANRAL for 21 years. The deputy CFO (Mr. D Maluleke, (CA (SA))) is currently acting as CFO until the vacancy is filled. The CFO was not a Board member.

The Minister of Transport has appointed Mr. Mahesh Fakir to the SANRAL Board as a non-executive director. Mr. Fakir is replacing Mr. Errol Makhubela, whose term expired, following his nomination by the Minister of Finance. This appointment is made in accordance with section 12(2)(c) of the SANRAL and National Roads Act. The appointment was effective from 22 August 2024 for a duration of three (3) years.

SA Reserve Bank

- CODI operations and guarantee

On 1 April 2024 the relevant provisions of the Financial Sector Regulation Act No. 9 of 2017 (FSR Act) and the secondary legislation for CODI, governing the operations of CODI became effective. From this date the depositors of member banks were covered and CODI was able to start charging annual levies and monthly premiums to the member banks.

The SARB has issued a guarantee to commercial banks for loan amounts provided to CODI for the liquidity tier of the deposit insurance fund (DIF), effective from 1 April 2024. Member banks are required to maintain a loan amount of 3% of their covered deposits' balance with CODI for as long as they are licenced. The loan will be repaid by CODI as the entity accumulates sufficient liquidity in the DIF.

The SARB has committed to provide CODI with an emergency funding loan, in the event that CODI is unable to meet its obligations as specified in section 166AA of the FSR Act. The total amount of the emergency funding loan will be mutually agreed upon by

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

both parties when CODI makes a request for the loan.

- Energy Bounce Back Scheme

In April and May 2024, a total of R203 million was advanced on the Energy Bounce Back Loan Scheme. Refer to note 32 for details on the scheme.

- GFECRA settlement framework

In June 2024, the SARB concluded a settlement framework agreement with the National Treasury for the settlement of the GFECRA liability. In terms of the agreement, the SARB will settle R250 billion of the GFECRA liability in installments over the next 3 financial years. The National treasury will transfer R100 billion to the SARB in the 2024/25 financial year, to promote the policy solvency of the SARB. Further settlement of the GFECRA liability may only occur if the SARB has an adequate contingency reserve level as well as an adequate estimated GFECRA balance level to absorb potential future currency reversals.

Transnet

Transnet appointed Ms RNM Maphumulo as Group Chief Financial Officer effective on 1 April 2024. Her appointment was part of a change in the key leadership positions of the Group. The changed leadership team in place has already made an impact and with stability in key positions, the expectations are that the 2025 financial year will see further improvement in how the executive team delivers on its mandate.

Transnet and the Special Investigating Unit (SIU) have jointly instituted proceedings against Nedbank out of the Johannesburg High Court to set aside interest rate swap transactions which took place in 2015 and 2016 between Transnet and Nedbank, and under which Nedbank profited. Transnet and the SIU also seek to recover the amounts that were unduly paid by Transnet to Nedbank under the transactions.

South African Post Office Limited

During the initial restructuring phase, management estimated the retrenchment of approximately 6,000 employees as part of the Business Rescue Process to ensure the financial sustainability of the South African Post Office. After further assessments, management revised the plan to reduce the number of job cuts in an effort to retain as many jobs as possible. Following this reassessment, the revised estimate indicates that approximately 4,300 employees will be retrenched. This decision reflects management's commitment to preserving employment while addressing operational efficiency and financial viability. The financial impact of these changes has been factored into the restructuring provisions in the financial statements

Universal Service and Access Fund

On 30th June 2024, His Excellency President Cyril Ramaphosa announced the seventh administration cabinet with the appointment of honourables Solly Malatsi and Mondli Gungubele respectively as the Minister and Deputy Minister of Communications and Digital Technologies.

National Radioactive Waste Disposal Institute

There were no material adjusting and non-adjusting events after reporting date, however it should be noted that at the end of April 2024, the contracts of the CEO and Executive Corporate Services were terminated. Also, a claim in respect of legal costs in the amount of R2,400,000 was received post year end, from attorneys acting on behalf of an employee that was subjected to a disciplinary hearing in which the organisation was unsuccessful.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Co-Operatives Banks Development Agency

The Small Enterprise Amendment Bill was assented by the President on the 23 July 2024. The Bill amends the National Small Enterprise Act of 1996 to establish a new entity, the Small Enterprise Development Finance Agency (sefa), which will incorporate the Small Enterprise Development Finance Agency (SEFA), the Small Enterprise Development Agency (SEDA) and the Cooperative Banks Development Agency (CBDA).

Development Bank of Southern Africa

On 27 June 2024, the Board authorised an annual dividend of R48 million to be distributed to the shareholder (National Treasury). The payment of dividend is subject to approval by the shareholder at the next AGM in line with the DBSA Act.

ESKOM

Changes to board - Mr J Mthembu was appointed as Group Executive Legal and Compliance on 1 May 2024. The Eskom Debt Relief Amendment Act, 2024 was enacted on 8 April 2024 to provide for the payment of interest by Eskom on amounts advanced as a loan and addressing non compliance events. Authorisation and issue of shares: The Department of Public Enterprises approved to increase the authorised share capital to 500 billion ordinary shares on 18 April 2024. Shares to the value of R44 billion were issued on 22 April 2024 for the loan amounts that were approved for conversion to equity by the Minister of Finance. Funds recovered by the SIU (R500 million).

The JSE has put Eskom on notice that it will suspend the trading of its bonds on the bourse should the energy producer not submit its annual financial statements for the year ended March 2024.

Independent Regulatory Board for Auditors

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial year to the date of this report, in respect of matters that would require adjustments to or disclosure in the annual financial statements except for the litigation regarding its authority to prescribe various fees in terms of the Act, refer to note 16.

Public Protector of South Africa

The Department of Public Works and Infrastructure entered into a lease contract with private lessors and assume the liability for the rental of PPSA offices; thus Head Office and Nelspruit provincial office. In the subsequent reporting period from April 2024, the funds in respect of the rental of the two offices have been devolved from DPW to the institution.

Government Printing Works

The appointment of the contractor for the refurbishment of the GPW head office building at Visagie street, was finalised in April 2024. The total contract value is R 162 323 840.

Independent Electoral Commission

The President and Premiers called and set 29 May 2024 as the date on which the National and Provincial elections would be held. Following that proclamation, the Commission has issued an election timetable after consultation with the National Political Liaison Committee. This is a legal requirement in terms of Section 20 of the Electoral Act 73 of 1998.

One of the milestones in the timetable is the date by which contestants ought to have submitted nomination documents and paid election deposits. Failure to pay a deposit and to submit a list of candidates or submit supporters document (in case of parties that don't have seats) leads to the disqualification of parties and contestants.

The period in which parties and contestants had to challenge the decisions of the Commission is also regulated in the timetable. The cut off date being 9 April 2024. Ordinarily, that date would signal or mark the finalization of candidate nomination processes. However, ahead of these elections there are atleast eight court applications pending finalization in the various courts. Five of the cases are in the Constitutional Court while three are in the Electoral Court.

The determination of the cases holds very serious implications for the freeness and fairness of the election including whether those elections may proceed on 29 May 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Border Management Authority

- After the balance sheet date the entity received section 42 certificates, request for transfer of assets from the Department of Home Affairs.
- It was impractical to recognise the assets given the requirements of GRAP 105. The total cost of assets to be transferred is estimated at R193 167 638.
- In accordance with Section 4(1) of the BMA Act of 2020, the BMA is established outside of the public service. As such in the current year under review the BMA has developed a Remuneration Framework that is awaiting approval from the Minister of Finance."

Banking Sector Education and Training Authority

On 10 April 2024, DHEt issued circular 2 of 2024/25 that allows utilisation of investment income to fund administration expenditure instead of discretionary grant expenditure. BANKSETA may apply this in 2024/25 year, as it would relieve the constraints within administrative expenditure and allow expansion of the staff structure in 2024/25 per the revised staff organogram.

Boxing South Africa

The Boxing SA Board appointed Mr Mandla Ntlanganiso as the Acting Chief Executive Officer from the 16 December, and continuing until further notice. No further adjusting or significant non-adjusting events have occurred between 31 March 2023 and the date of authorisation.

Construction Education and Training Authority

The National General Elections were held on 29 May 2024 and the country is moving from the 6th to the 7th Administration. The Minister of the Department of Higher Education and Training approved on the 29th of March 2024 the request by the CETA to procure the Head Office Building in Midrand through deviation at a purchase price of R45million. At the reporting date, the purchase agreement between the CETA and the seller was not yet signed or concluded.

Insurance Sector Education and Training Authority

The Chairperson of the board resigned with effect from 25 June 2024. The event is a non-adjusting event to the annual financial statements.

Iziko Museums of South Africa

On 24 May 2024, a Government Gazette number 50708 was published in which it was proclaimed by the Minister of Sport, Arts and Culture that two public entities under its control, viz William Humphreys Art Gallery located in Kimberley and the National Museum of Bloemfontein will be amalgamated into Iziko Museums of South Africa with effect from 1 April 2024.

The amalgamation could significantly impact the financial standing and operations of the museums. Currently all three entities receive an unconditional annual subsidy, relative to their size and mandate from the DSAC. All entities are solvent and are operating as going concerns. It is anticipated that the amalgamation will strengthen, not weaken, the financial stability of the combined entity. Indications are that the entities will continue to receive subsidies over the MTEF period for the next three years. Efficiency gains and cost savings through shared resources, economy

National Museum, Bloemfontein

Amalgamation of National Museum into Iziko Museums of South Africa

The Department of Sports, Arts and Culture has issued a gazette as at 24 May 2024 amalgamating National Museum into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act.

A merger between Iziko Museums of South Africa, The National Museum Bloemfontein and William Humphry Arts Gallery took place establishing a new combining entity called Iziko Museums of South Africa. This was due to the Minister of Sport, Arts and Culture acting in virtue of powers vested in him by section 3(3) and section 14 of the Cultural Institutions Act, Act 1998 (No. 119 of 1998). As a result, all assets, rights and liabilities of The National Museum Bloemfontein and William Humphry Arts Gallery will vest in Iziko Museums of South Africa flagship. No acquirer could be identified.

Productivity SA

Productivity SA has been allocated the 12th of August 2024 to attend the hearing of the main application and counter application of the PRMA case. Productivity SA attorneys to review the CCMA arbitration award that was in favour of one of the employees. The matter is set down for hearing on the 10th of October 2024. An employee who resigned referred his matter to CCMA for unfair dismissal. No legal fees incurred as yet, an estimate of R50 000 has been shared by HR. The Board approved condonation of irregular

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

expenditure of R16 346 relating to FY 2023 on 28 May 2024 and application for condonation from National Treasury is in process.

The request to retain unused balance from the total financial assistance received for FY 2024 was submitted to Department of Employment and Labour. No feedback received as yet.

Productivity SA deducted the full bursary cost of R31 600 from a former employee's salary in respect of a bursary deduction during the year. The former employee has referred the matter to the CCMA. On the 6th of May 2024 Productivity SA entered into a settlement agreement with the former employee and he will be refunded 50% (R15 800) of the amount that was previously deducted.

Quality Council for Trades and Occupations

There is reportable subsequent event identified as QCTO, PSETA, SAQA and DIRCO received the court summons on 11 June 2024. The applicant has now issued a Notice in terms of section 3(1) of the Institution of Legal Proceedings Against Certain Organs of State Act, 2002 wherein the applicant approached the court claiming alleged patrimonial loss to the amount of R 203 701 234. Should the case be decided in favour of the applicant, the court order for the loss could be shared amongst the four respondents. This legal case is still in progress and QCTO is not certain of the outcomes that will be determined by the court of law.

Services Sector Education and Training Authority

Application to retain surpluses for March 2024 will be submitted in August 2024

During the current financial year, Services seta embarked on an assignment to confirm statuses of the legacy discretionary grants projects.

Entities were contacted in relation to previously offered allocations. Some of the confirmations from third parties included in the commitment balance are being received post 31 March 2024 indicating lack of interest to continue with projects and are of material nature. Due to continuous receipt of confirmations the full effect of these confirmations will be accounted for during the 2024/25 financial year.

South African State Theatre

The Department of Sport, Arts and Culture is in the process of amalgamating certain entities within its portfolio. The process is not expected to be finalised at the end of the 2024/2025 financial year. No impact on the financial statements are anticipated.

William Humphreys Art Gallery

Disposal of Heritage Assets

On 24 May 2024 artworks valued at R31 million were disposed. The artwork were held on loan and the loan agreement was terminated.

Amalgamation of WHAG into Iziko

The Department of Sports, Arts and Culture has, as at 24 May 2024 amalgamated William Humphreys Art Gallery into Iziko Museums of South Africa (Iziko) in terms of sections 6(1) and 6(2) of the Cultural Institutions Act. Accordingly, WHAG is abolished as an entity, and all its assets, rights and liabilities will vest in Iziko.

Human Sciences Research Council

The National Health Insurance (NHI) Bill was signed by President Cyril Ramaphosa on 15 May 2024. The signing of the Bill is a signal of determination to advance citizens' rights to access health care as articulated in Section 27 of the Constitution. This will, however, not have any impact on the Annual Financial Statements.

FIC

The FIC opposed an application compelling the FIC's involvement in the disclosure of certain confidential information. The interlocutory application was subsequently withdrawn and the FIC launched an application for a court order against the applicant to pay the FIC's legal costs. In a subsequent event, judgment was handed down on 15 June 2024 where the court dismissed the FIC's application for costs, with costs. The FIC is awaiting the applicant's bill of cost.

OPFA

The OPFA signed a lease extension on 14 May 2024 with its current landlord for a further 11 months which commenced on 01 May 2024 and will end on 31 March 2025. The extension was provided at discounted rates below the initial original contract by at least 50%. The extension was necessitated by the OPFA failing to agree on contractual terms with the service provider that had been awarded a tender for these services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

74 Service Concession Arrangements

	2023/24 R '000	2022/23 R '000
Leased Service Arrangement Assets		
Minimum future payments		
No later than one year- Service concession	1 800	1 980
No later than one year- Operational cost	-	-
Later than one year but not later than 5 years	-	-
Present value of finance lease liability	1 800	1 980
 Service Concession Liability	 10 718 628	 11 360 974
Service Concession Asset	-	-
 Total Service Concession Liability		
Current Liability	1 725 218	1 521 112
Non-Current Liability	8 993 410	9 839 862
	10 718 628	11 360 974

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FOR THE YEAR ENDED 31 MARCH 2024

Segment Reporting

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2023/24										
STATEMENT OF FINANCIAL POSITION										
ASSETS										
Segment assets Investment in associates and joint ventures	164 601 281	1 396 109 451	2 742 581 459	16 648 598	334 977 939	(18 684 381)	4 636 234 347			
	-	40 852 030	4 217 934	9 565	4 283 215	-	49 362 744			
Total assets	164 601 281	1 436 961 480	2 746 799 394	16 658 162	339 261 155	(18 684 381)	4 685 597 091			
LIABILITIES										
Segment liabilities	18 431 124	294 331 192	2 251 036 533	4 095 175	76 293 272	(100 936 491)	2 543 250 804			
Total liabilities	18 431 124	294 331 192	2 251 036 533	4 095 175	76 293 272	(100 936 491)	2 543 250 804			
OTHER INFORMATION										
Capital expenditure	2 445 271	54 974 506	69 300 706	529 961	-	1 972 517	129 222 961			
Non-cash items excluding depreciation and amortisation	(5 222)	(4 615 512)	(3 589 441)	(362 899)	(5 836 418)	(8 652 577)	(23 062 068)			
Deferred Revenue	6 403 901	5 128 620	40 172 204	-	796 642	(4 571 241)	47 930 126			

2022/23	STATEMENT OF FINANCIAL POSITION											
ASSETS												
Segment assets	164 216 790	1 299 895 610	2 610 455 125	16 409 583	307 919 175	(13 420 505)						4 385 475 779
Investment in associates (equity method)	-	42 181 155	5 036 860	6 235	5 553 254	-						52 777 504
Total assets	164 216 790	1 342 076 765	2 615 491 986	16 415 819	313 472 429	(13 420 505)						4 438 253 284
LIABILITIES												
Segment liabilities	17 674 038	318 450 788	2 131 082 449	4 147 363	78 313 417	(188 421 618)						2 361 246 438
Total liabilities	17 674 038	318 450 788	2 131 082 449	4 147 363	78 313 417	(188 421 618)						2 361 246 438
OTHER INFORMATION												
Capital expenditure	2 813 087	53 928 862	59 078 915	247 365	-	1 509 638						117 577 867
Non-cash items excluding depreciation and amortisation	(27 873)	(4 930 013)	(1 410 911)	(222 911)	(2 039 944)	(11 632 925)						(20 264 579)
Deferred Revenue	6 970 214	4 177 924	30 484 892	-	857 324	(26 386 593)						16 103 760

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CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2023/24	STATEMENT OF FINANCIAL PERFORMANCE					CENTRAL	ECONOMIC	FINANCE	JUSTICE	SOCIAL	ELIMINATIONS	TOTAL
REVENUE	Revenue from non-exchange transactions	6 480 461	135 068 011	16 608 621	8 939 564	79 906 019	2 151 331	249 154 007				
	Revenue from exchange transactions	13 885 709	153 810 983	391 307 564	3 177 771	6 322 999	2 654 854	571 159 880				
	Inter-entity transfers	81 136	24 791 615	15 625 209	266 975	5 188 510	(45 953 445)	-				
	Share of surplus/ (deficit) of associate	4 405 278	-	4 277 892	164 791	-	-	8 847 961				
	Interest Revenue	1 214 498	30 427 048	45 350 492	665 609	26 037 770	(810 307)	102 885 111				
	Total Segment Revenue	26 067 083	344 097 657	473 169 778	13 214 711	117 455 298	(41 957 568)	932 046 959				
	EXPENSES											
Employee related costs	Depreciation and amortisation expense	(3 206 840)	(45 362 462)	(83 390 867)	(6 939 101)	(15 517 973)	625 305	(153 791 937)				
	Other expenses	(3 213 086)	(16 807 728)	(54 000 396)	(353 622)	(859 449)	22 355	(75 211 926)				
	Interest expenses	(13 520 040)	(185 592 359)	(264 290 937)	(5 128 858)	(60 942 553)	(3 457 426)	(532 932 174)				
	Total segment expenses	(2 695)	(12 892 617)	(81 519 458)	(65 221)	(317 869)	1 377 011	(93 420 849)				
	Total segment surplus/deficit	(19 942 661)	(260 655 166)	(483 201 658)	(12 486 802)	(77 637 844)	(1 432 755)	(855 356 886)				
Other unallocated revenue	Unallocated expenses	6 124 421	83 442 491	(10 031 879)	727 908	39 817 454	(43 390 323)	76 690 073				
	Surplus/Deficit for the period											
Reconciliation of the above surplus and the surplus as disclosed in the CFS	Surplus/Deficit for the period per segment report							3 995 877				
	Reversal of inter segment expenses eliminated							(1 432 755)				
	Other items not included in the segment							2 563 122				
	TOTAL SURPLUS / (DEFICIT) FOR THE PERIOD NET OF TAX AS PER CFS							79 253 195				
								(7 005 805)				
								53 788 464				
								126 035 853				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2022/23 STATEMENT OF FINANCIAL PERFORMANCE								TOTAL
	CENTRAL	ECONOMIC	FINANCE	JUSTICE	SOCIAL	ELIMINATIONS		
REVENUE								
Revenue from non-exchange transactions	6 282 141	131 002 842	14 973 642	7 066 830	75 575 503	2 538 555	237 439 513	
Revenue from exchange transactions	13 257 917	146 392 624	347 732 657	2 633 209	6 367 004	2 552 407	518 935 818	
Inter-entity transfers	90 054	16 492 609	15 152 700	194 178	4 402 299	(36 331 840)	-	
Share of surplus/ (deficit) of associate	-	573 806	196 463	-	(260 826)	-	509 444	
Interest Revenue	844 692	23 084 123	31 439 004	425 205	21 306 425	2 096 350	79 195 800	
Total Segment Revenue	20 474 805	317 546 005	409 494 466	10 319 421	107 390 405	(29 144 528)	836 080 574	
EXPENSES								
Employee related costs	(2 986 550)	(42 286 754)	(76 425 582)	(5 070 051)	(14 669 082)	760 619	(140 677 401)	
Depreciation and amortisation expense	(3 035 482)	(19 086 413)	(51 855 647)	(330 534)	(750 138)	20 523	(75 037 691)	
Other expenses	(13 240 938)	(186 378 744)	(222 744 319)	(4 113 537)	(49 278 674)	(6 354 266)	(482 110 479)	
Interest expenses	(2 489)	(13 242 768)	(69 652 514)	(59 415)	(2 630 003)	1 682 151	(83 905 039)	
Total segment expenses	(19 265 460)	(260 994 680)	(420 678 062)	(9 573 537)	(67 327 896)	(3 890 974)	(781 730 610)	
Total segment surplus/deficit	1 209 345	56 551 326	(11 183 596)	745 884	40 062 509	(33 035 502)	54 349 965	
Other unallocated revenue							7 187 312	
Unallocated expenses							(3 890 974)	
Net Surplus/Deficit for the period							3 296 338	
Reconciliation of above surplus with surplus disclosed in the CFS								
Surplus/Deficit for the period per segment report							57 646 302	
Reversal of inter segment expenses eliminated							(50 213 637)	
Other items not included in the segment							107 859 939	
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 2024

76 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.

	2023/24 R '000	2022/23 R '000
76.1 Financial Assets carried at Amortised Cost		
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	336 457 106	301 618 464
Trade and other receivables from exchange transactions	101 403 391	85 790 279
Other receivables from non-exchange transactions	6 075 005	10 666 959
Other current financial assets	1 284 090 898	1 194 544 569
Current Investments	83 263 271	92 106 334
Construction contracts and receivables	854 526	722 361
Finance lease receivable	1 085 691	962 446
Non-current receivables from exchange transactions	17 646 749	16 751 948
Non-Current Investments	334 040 499	328 607 749
Other non-current financial assets	153 268 824	133 457 122

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R '000	2022/23 R '000
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76.2 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	4 701 485	2 947 148
Financial guarantees	2 956 055	3 004 245
Trade and other receivables	43 162 930	37 005 818
Other	35 320 930	52 721 665

76.3 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.

2023/24

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Gross finance lease obligations	400 957	628 981	3 236 024	21 960 101
Borrowings	(20 367)	8 533 886	131 043 578	349 359 019
Trade and other payables	17 578 659	56 614 840	69 634 569	17 015 621
Bank overdraft	3 654 843	-	(191 352)	6 200 000
Other	259 507 209	6 016 612	148 279 965	559 396 945

2022/23

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years
Gross finance lease obligations	380 705	750 599	2 867 843	22 460 131
Borrowings	(9 458)	7 570 840	131 284 766	317 458 185
Trade and other payables	17 486 028	55 026 935	76 855 795	24 323 328
Bank overdraft	1 923 033	1 434	(111 810)	-
Other	5 653 189	6 267 378	159 157 685	5 767 309

76.4 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	3 407 668	1 786 838
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76.5 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 2024

(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.

76.6 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.

77	Principal-agent arrangements	2023/24 R'000	2022/23 R'000
77.1	Entity acting as the principal	Fee Paid	
	National departments	71 161	65 679
	Public Entities	1 433 134	1 327 841
	Municipalities	37 978	32 401
	Other	1 368 721	1 801 944
	Total	2 910 994	3 227 865
77.2	Entity acting as the agent	2022/23 R'000	2020/21 R'000
77.2.1	Revenue received for agency activities		
	National departments	1 381 104	1 381 263
	Public Entities	1 854 630	1 901 447
	Municipalities	8 298	-
	Other	660 085	729 706
	Total	3 904 118	4 012 415

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

77.2.2 Reconciliation of funds and disbursements 2023/24

	Total funds received R'000	Expenditure incurred against funds R'000
National departments	1 343 574	2 066 030
Public Entities	975 452	119 044
Municipalities	8 298	11 536
Other	2 140 784	1 168 314
Total	4 468 109	3 364 924

Reconciliation of funds and disbursements 2022/23

	Total funds received R'000	Expenditure incurred against funds R'000
National departments	1 358 579	1 241 275
Public Entities	1 088 060	580 259
Other	6 636 283	(3 003 175)
Total	7,744,793	(1 181 641)

77.2.3 Reconciliation of carrying amount of receivables and payables – 2023/24

	Opening balance R '000	Revenue/Expense R '000	Less: (Write offs/settlements)/ Cash Paid R '000	Cash received on behalf of principal R '000	Closing balance R '000
Receivables					
National departments	69 123	352 868	-	269 678	152 313
Public Entities	-	235 554	-	208 395	27 159
Municipalities	10 010	13 522	-	11 960	11 572
	79 133	601 944	-	490 033	191 043

	Opening balance R'000	Expenses incurred on behalf of principal R'000	Cash paid on behalf of principal R'000	Closing balance R'000
Payables				
National departments	2 475 298	(1 611 005)	81 731	782 562
Public Entities	2 125 909	(124 022)	-	2 001 887
Municipalities	(18 111)	37 978	41 627	(21 760)
Other	14 018	(10 765)	(4 727)	7 980
	4 597 114	(1 707 813)	118 631	2 770 670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Reconciliation of carrying amount of receivables and payables – 2022/23

	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
Receivables					
National departments	(840)	10 478	3 755	76 204	(62 812)
Public Entities	-	72 978	-	70 841	2 137
Municipalities	10 079	509	-	281	10 307
	9 239	83 964	3 755	147 326	(50 368)

	Opening balance	Expenses incurred on behalf of principal	Cash paid on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000
National departments	697 693	332 543	153 069	871 886
Public Entities	620 839	585 704	70 841	1 135 702
Municipalities	(14 875)	31 892	35 550	(18 533)
Other	36 430	(26 440)	(4 232)	14 222
Payables	1 340 087	923 699	255 228	2 003 278

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Related Party

Relationships

Constitutional Institutions, Schedule 2, 3A and 3B Public Entities and Trading Accounts

Transactions and balances

2023/24

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/ Commitments	Provisions for doubtful debts	Bad/ Doubtful debts
4 554 564 727	(234 349 499)	(118 101)	-
289 334	257 128	-	-
243 749	1 490	(5 233)	-
165 029 918	778 781 356	(2 138 262)	-
5 195 369	877 985	-	-
(4 792 814)	407 758	-	-
29 728 939	26 448	-	-
1 157 271 380	525 384 907	(66 469)	-

2022/23

Controlling entities
Entities with joint control or significant influence over another entity
Close Members of Family and Significant Influence
Controlled entities
Associates
Joint ventures in which the entity is a venturer
Management
Other related parties

Transactions	Balances/ Commitments	Provisions for doubtful debts	Bad/ Doubtful debts
4 635 649 570	469 230 829	(21 394)	-
134 641	76 432	-	-
11 462	6 962	(5 112)	-
176 801 275	1 322 468 316	(1 995 926)	-
136 142	1 188 969	-	-
(4 358 466)	444 094	-	-
29 555 117	6 162	-	-
1 300 435 842	337 005 757	(89 314)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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Financial Sustainability

The 2024 Medium Term Budget Policy Statement (MTBPS) sets out a pro-growth agenda to address South Africa's prolonged economic and fiscal weakness. Since the outbreak of the COVID-19 pandemic, government has been working to restore economic growth and the stability of the public finances. This commitment has been strengthened by a more supportive environment and an emphasis on the quality of reforms and delivery.

The 2024 elections and subsequent formation of a government of national unity, forged in the spirit of unity and cooperation, reflect the effectiveness of the country's Constitution and institutions. The domestic financial market remains strong and macroeconomic policy has achieved important milestones, such as a reduction in inflation during 2024 and a primary budget surplus – meaning revenue exceeds non-interest spending – in the 2023/24 financial year. These gains will be aided by reforms to unlock infrastructure investment and fiscal prudence. Over the medium term, government will focus on maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment.

The economy is forecast to grow by 1.1 per cent in 2024, after expanding by just 0.4 per cent in the first half of 2024 and is projected to grow by an annual average of 1.8 per cent over the next three years. This subdued performance underscores the need for stronger policy measures to accelerate growth, tackle poverty and unemployment and – because economic growth is the source of sustainable government revenues – ensure long-term fiscal stability.

South Africa's economic growth prospects are closely tied to the success of structural reforms, including those led by Operation Vulindlela (OV), to improve competitiveness and productivity and boost investment. By alleviating load shedding, improving the performance of the logistics system, reducing the cost of data, improving water supply, and enabling the country to attract the skills it needs, the reforms already underway through OV Phase I will provide a significant boost to the economy in the medium term.

Government will also support the repositioning of strategic state-owned enterprises by strengthening their balance sheets, enabling higher levels of private investment in infrastructure, and improving their operational performance. The immediate priority is to sustain the momentum and follow through on the implementation of existing reforms. To achieve not only higher, but more inclusive long-term growth, a new Phase II of OV will target additional reforms which will address both long-standing and emerging constraints, such as the deteriorating performance of local government and spatial inequality to identify priorities for Phase II based on their potential impact on growth and jobs.

Budgeting always involves difficult choices, particularly in the context of limited resources. In the short term, government can choose between increasing taxes, cutting spending or continuing to spend without increasing the tax burden. Higher taxes reduce the amount that households and businesses have for their current needs and their ability to build up savings. Spending cuts, if not well targeted, can reduce the quality and quantity of critical public services. Spending that is not matched by increased revenues leads to further increases in debt, resulting in higher interest costs that can crowd out service delivery and increase the cost of doing business.

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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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

NATIONAL REVENUE FUND

NATIONAL TREASURY 2024 CFS CONSOLIDATED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ACCOUNTING OFFICER'S APPROVAL

FOR THE YEAR ENDED 31 MARCH 2024

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 2024.



Karen Maree

Acting Accounting Officer

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

■ 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

ACCOUNTING OFFICER'S REVIEW

FOR THE YEAR ENDED 31 MARCH 2024

sufficient money in the National Revenue Fund. In this regard the deficit is funded in terms of section 66(2)(a) of 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 2024

Following more than a decade of low growth, South Africa confronts difficult fiscal choices. The economy is estimated to have grown by 0.6 per cent in real terms in the financial year. GDP growth has averaged only 0.8 per cent since 2012, a rate of economic growth that is insufficient to address high levels of unemployment and poverty. The negative impact of power cuts, the poor state of ports and freight rail, and inflation have taken a toll. In terms of section 2(1) of the Eskom Debt Relief Act, 2023 (Act No.7 of 2023) government paid R76 billion towards Eskom as a direct charge against the National Revenue Fund and attributed to the vote of National Treasury.

Household consumption is under pressure from high living costs, and investment remains low due to weak confidence and challenging business conditions linked to structural constraints. Improvements in confidence, employment and real incomes, In 2023, food inflation slowed less than expected due to power cuts and depreciation, keeping imported food costs high. An avian influenza outbreak also increased prices for poultry and eggs. These factors are expected to dissipate over the medium term.

Fiscal policy continues to prioritise stabilising debt and state debt service costs. Government remained on course to achieve a primary budget surplus in 2023/24. As a result of the measure implemented since the 2021 Budget, the budget deficit, which is the amount government has to borrow to cover the gap between spending and revenue has declined since 2020/21. Stabilising debt is a central policy objective as this hinders economic recovery.

South Africa's sovereign credit risk premium remains elevated, with public debt as a share of GDP accelerating from 35.1 per cent in 2010 to an estimated 73.9 per cent in 2023. Government is working to improve the fiscal position, complete structural reforms and strengthen the capacity of state to reduce borrowing costs, raise confidence, increase investment and put the economy on a high, job-creating growth path.

South Africa needs a capable state that promotes economic growth and that crafts and enforces regulations to improve the business climate. Government is committed to professionalising public administration, improving the governance of state-owned enterprises and fostering a more stable and attractive environment for investment.

REVIEW OF OPERATING RESULTS

NATIONAL TREASURY 2024 CFS CONSOLIDATED FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

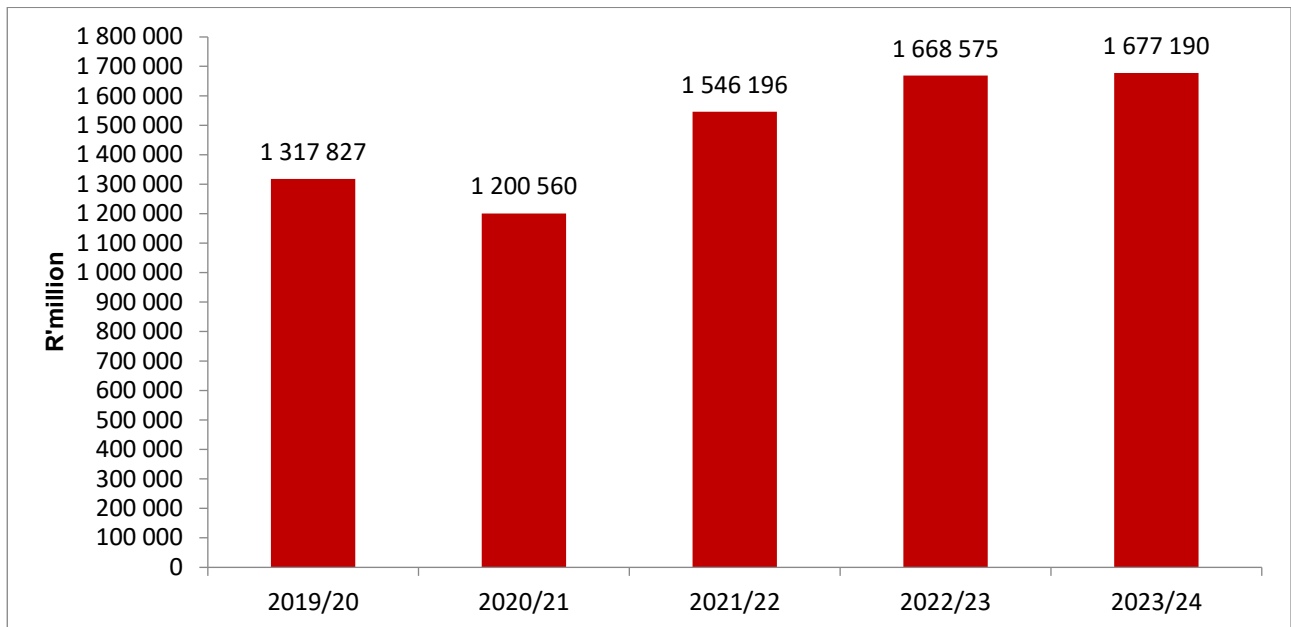
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Taxes, Levies & Duties	1 430 427	1 322 857	1 660 808	1 783 818	1 829 809
Less: South African Customs Union Agreement	50 280	63 395	45 966	43 683	79 811
Less: Payment to UIF	18 205	16 715	19 451	21 108	22 266
Less: Amount payable by SARS to UIF	1 896	1 681	1 982	2 054	2 148
Less: Payment to RAF	42 633	40 560	47 059	48 469	48 573
Less: Amount payable by SARS to RAF	(414)	(54)	155	(72)	(179)
Net Revenue for the Year	1 317 827	1 200 560	1 546 196	1 668 575	1 677 190
Movement in SARS revenue	6%	-9%	29%	8%	1%

REVENUE

South African Revenue Services (SARS) income increased by 1 per cent in 2023/24 (2022/23: 8 per cent).



The percentage growth in revenue collection has deteriorated substantially during 2023/24 due to weak economic conditions. Revenue from both corporate income tax and value-added tax (VAT) was under performing mainly due to the electricity crisis which resulted in low profitability in many sectors. Windfall tax gains from high commodity prices over the last two years have come to an end, leading to a sharp fall in mining tax revenue.

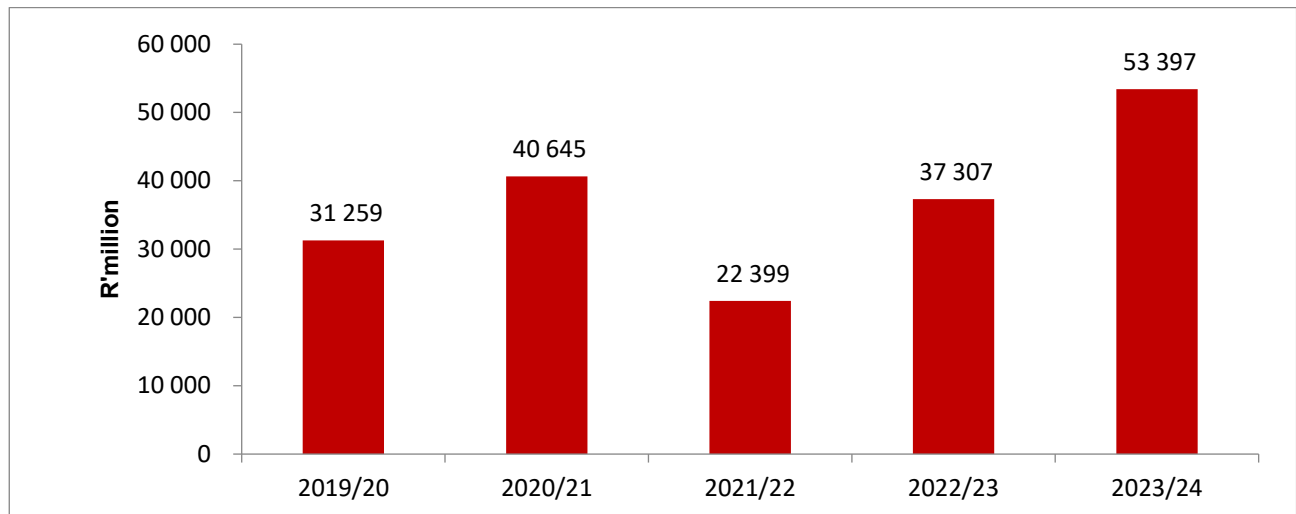
Other main sources of income are departmental revenue, inclusive of National Revenue Fund receipts. This amounts to R46 billion for the 2023/24 financial year. The increase in other revenue of 43 per cent for the 2023/24 financial year is mainly due to a increase in Departmental Revenue. For the full detailed analysis of what departmental revenue consist of refer to note 1.2 of the Notes to the Annual Financial Statements for the National Revenue Fund.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Departmental revenue	26 811	36 154	16 127	30 827	46 414
Other surrenders	2 808	2 689	4 177	6 357	6 615
Other revenue received	1 640	1 802	2 095	124	367
Total revenue	31 259	40 645	22 399	37 307	53 397
Movement in other revenue	-1%	30%	-45%	67%	43%

Other Revenue excluding CARA



EXPENDITURE

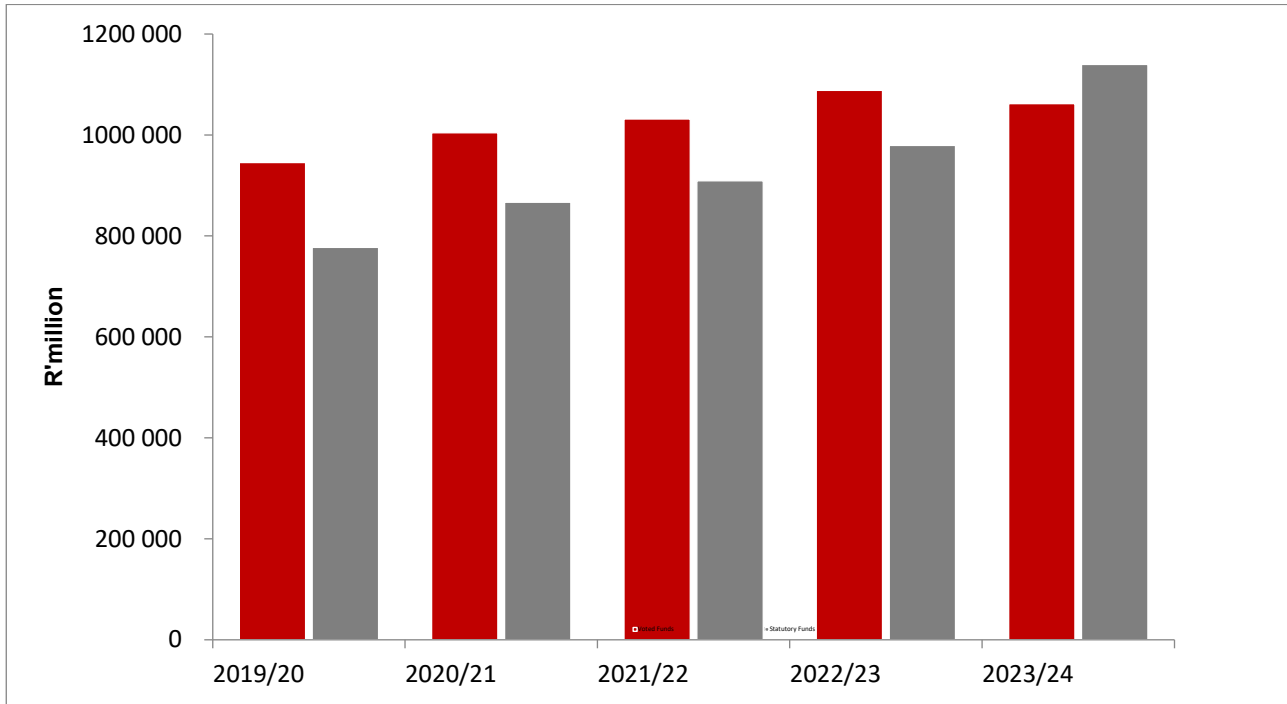
Net Appropriation is 7 per cent in 2023/24 (2022/23: 7 per cent)

Year Ended 31 March R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Voted Funds	945 187	1 004 427	1 031 636	1 088 182	1 062 049
Statutory Funds*	777 429	866 747	909 044	979 137	1 139 764
Net Appropriation	1 722 616	1 871 174	1 940 680	2 067 320	2 201 813
Movement in net appropriation	13%	9%	4%	7%	7%

*Included in Statutory Funds is National Revenue Fund payments.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024



STATUTORY FUNDS

Statutory Funds R' million	Actual 2022/23	Actual 2023/24
Equitable share	570 868	585 086
State Debt	366 622	435 003
Other	41 647	119 675
Presidency	6	12
Parliament	538	543
General Fuel Levy	15 335	15 433
Auditor General of South Africa	149	123
Section 70 of the PFMA payments		
Land Bank	889	500
Denel (Public Enterprise)	205	-
Eskom Debt Relief Act 2023	-	76 000
Higher Education and Training	20 809	22 424
Justice and Constitutional Development	2 297	2 319
Office of Chief Justice	1 155	1 219
ALM (National Revenue Fund payment)	263	1 093
Transport	2	8
Total	979 137	1 139 764

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 51 per cent in 2023/24 (2022/23: 58 per cent) of the total statutory budget.

Debt service costs consist mainly of interest paid on government debt. This amounts to 38 per cent in 2023/24 (2022/23: 37 per cent) of the total statutory budget.

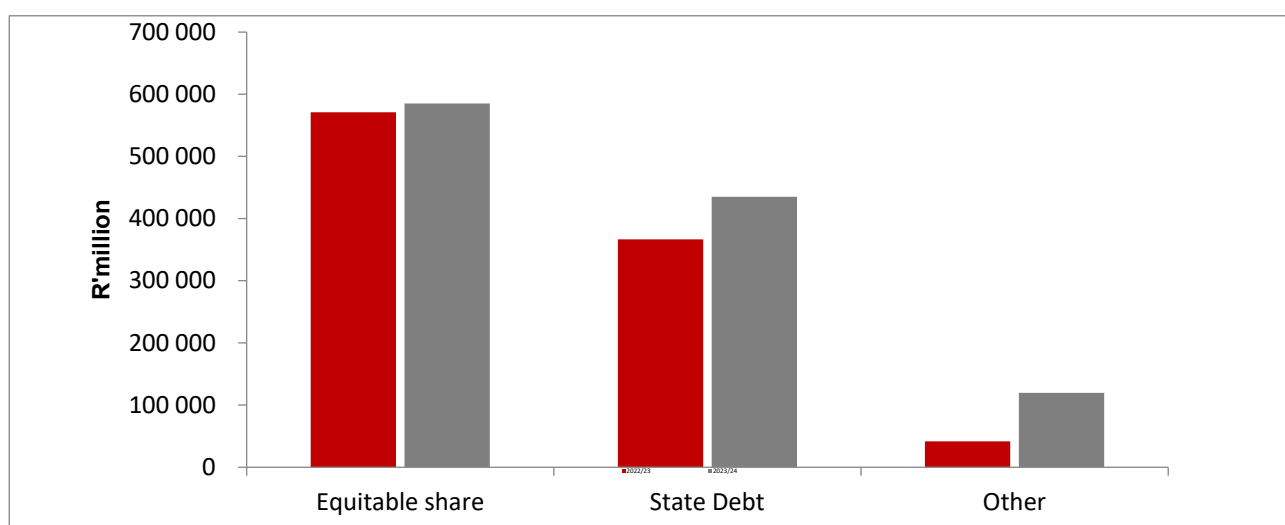
REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Section 70 payments in terms of the Public Finance Management Act were made to settle government guaranteed debt.

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.



ASSETS

Cash and Cash Equivalent <i>R' million</i>	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Cash and equivalent	251 689	310 115	259 832	237 014	174 057
Movement in cash and cash equivalent	16%	23%	-16%	-9%	-27%

Cash and cash equivalents amount to R174 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.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Break down of cash balances <i>R' million</i>	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Commercial banks					
Tax and Loan account	35 845	175 136	133 318	108 903	73 159
South African Reserve Bank					
Cash with SARB	67 157	41 157	41 157	-	-
Foreign Currency Investment	148 196	93 282	85 130	127 999	101 200
Other	491	540	227	112	(301)
Total Cash and cash equivalents	251 689	310 115	259 832	237 014	174 057

Non-current Investments

Investments <i>R' million</i>	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Investments	337 860	311 021	458 488	558 227	596 300
Movement in Investments	33%	-8%	47%	22%	7%

Total investment increased to R596 billion for the current year. This is a 7 per cent increase for 2023/24 against a 22 per cent increase in the prior year. The table below reflects the investment held by government for the past two years.

Investments <i>R' million</i>	Actual 2022/23	Actual 2023/24
International Monetary Fund quota subscription	72 965	76 872
African Development Bank	155 972	167 603
International Bank for Reconstruction and Development	42 997	47 751
International Monetary Fund SDR Holding	105 847	110 835
New Development Bank		
Paid up Shares	35 553	38 074
Callable Shares	142 212	152 294
International Finance Corporation	2 361	2 528
Multilateral Investment Guarantee Agency	320	342
Total	558 227	596 300

LIABILITIES

Non-current liabilities

Multilateral Institutions <i>R' million</i>	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Multilateral Institutions	307 747	334 944	474 746	575 211	593 918
Movement in Multilateral Institutions	35%	9%	42%	21%	3%

The balance presents the callable portion of South Africa's subscription in the various multilateral institutions. The total liabilities in multilateral institutions increased to R593 billion for the current year. This is a 3 per cent increase for 2023/24 against a 21 per cent increase in the prior year. The table below reflects Non-Current Liabilities held by government for the past two years.

REVIEW OF OPERATING RESULTS

FOR THE YEAR ENDED 31 MARCH 2024

Multilateral Institutions R' million	Actual 2022/23	Actual 2023/24
IMF-Securities Account	130 331	118 089
New Development Bank	142 212	152 294
African Development Bank	149 663	160 273
IMF-SDR Allocations	112 629	118 659
International Bank for Reconstruction and Development	40 115	44 324
Multi-Lateral Investment Guarantee Agency	259	277
Total	575 211	593 918

Current and non-current borrowings

Borrowings R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Current Borrowings	428 447	518 810	544 952	578 111	651 339
Non-Current Borrowings	2 832 896	3 416 890	3 732 511	4 187 316	4 608 146
Total	3 261 343	3 935 700	4 277 463	4 765 428	5 259 484
Movement in Borrowings	17%	21%	9%	11%	10%

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 259 billion for the current year. This is a 10 per cent increase for 2023/24 against a 11 per cent increase in the prior year. The table below reflects the breakdown between local and foreign debt:

National Government Debt R' million	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Domestic debt	2 874 118	3 543 266	3 865 359	4 209 771	4 667 861
Foreign debt	387 225	392 434	412 104	555 657	591 623
Total	3 261 343	3 935 700	4 277 463	4 765 428	5 259 484

The table below reflects the reconciliation of the deficit per National Revenue Fund to the budget review.

Net Surplus/(Deficit) reconciliation			
Reconciliation to Deficit as reflected in 2024 R'million	Revised Estimate 2023/24	Audited outcome NRF 2022/23	Audited outcome Budget Review 2022/23
Surplus/(Deficit) per Income Statement (NRF)	(552 816)	(496 135)	(409 060)
Revaluation gains/(losses)	84 080	143 743	36 022
Movement on National Treasury Financial Instruments	(2 521)	(6 394)	821
Increase/(Decrease) in revenue	(17 751)	(6 664)	(19 526)
Movement in Annual Appropriation: Net Financing	157 591	58 163	44 897
Other receipts:			
Recovery of criminal assets	(847)	(2 667)	(72)
Other payments:			
Recovery of criminal assets	878	16	30
Surplus/Deficit per Budget Review	(331 386)	(309 938)	(346 888)
GDP as per budget review	7 048 960	6 721 750	6 251 494
Surplus/(Deficit) as percentage of GDP	(4.7)	(4.6)	(5.5)

**REPORT OF THE
AUDITOR-GENERAL
TO PARLIAMENT ON
THE NATIONAL
REVENUE FUND**

NATIONAL TREASURY
2024 CFS
CONSOLIDATED
FINANCIAL STATEMENTS



**FOR THE YEAR ENDED
31 MARCH 2024**



national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

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 288 to 310, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue, Act 5 of 2023 (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 this matter.

Unaudited supplementary schedules

7. The supplementary information set out on pages 311 to 342 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 in its annual report that it is unable to identify all instances of non-compliance by taxpayers. This report therefore does not consider the taxation revenue implications of taxpayers whom SARS is unable to identify, as SARS revenue constitutes a significant portion of the fund's revenue.

Responsibilities of 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 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 2024

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 pages 280 to 281, forms part of our 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 6 December 2023 per General Notice 49825.

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 December 2023 per General Notice 49825.

OTHER INFORMATION IN THE ANNUAL REPORT

15. The accounting officer is responsible for the other information included in the annual report. The other information referred to 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 2024

■ 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
6 December 2024



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL

FOR THE YEAR ENDED 31 MARCH 2024

■ 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 2024

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 2024

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.

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2024

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

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

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2024

government owned. Gains or losses associated 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 2024

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

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS

FOR THE YEAR ENDED 31 MARCH 2024

recognised in 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 2024

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 2024

	Notes	2023/24 R'000	2022/23 R'000
REVENUE			
Revenue collected	1	1 724 451 287	1 702 068 890
By SARS		1 677 189 729	1 668 575 109
Departmental Revenue		46 414 377	30 826 582
CARA Receipts		847 180	2 667 199
Other Revenue	2	6 982 350	6 480 859
TOTAL REVENUE		1 731 433 636	1 708 549 749
EXPENDITURE			
Net Appropriation		2 201 812 511	2 067 319 779
Annual Appropriation	3	1 062 048 614	1 088 182 296
Statutory Appropriation	4	1 139 763 897	979 137 483
CARA Payments	5	877 839	15 617
Expenditure in terms of a separate Act of Parliament	6	-	-
TOTAL EXPENDITURE		2 202 690 350	2 067 335 396
SURPLUS/(DEFICIT)		(471 256 717)	(358 785 647)
Financial Instrument Valuation and Capital Subscription on Investments			
Valuation and Capital: Investment	7	(81 559 665)	(137 348 973)
Movement on National Treasury Financial Instruments		(84 080 165)	(143 743 373)
		2 520 500	6 394 400
SURPLUS/(DEFICIT) FOR THE YEAR		(552 816 381)	(496 134 620)

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8	174 057 217	237 013 692
Receivables	9	8 992 747	21 679 245
Funds to be surrendered to the Revenue Fund:			
Voted Funds		8 001 243	19 380 518
Unauthorised expenditure		-	109
Departmental Revenue		709 713	2 216 483
Other		281 790	82 135
Total		183 049 964	258 692 938
Non-current assets			
Investments	10	596 299 770	558 226 819
Total		596 299 770	558 226 819
TOTAL ASSETS		779 349 733	816 919 757
RESERVES AND LIABILITIES			
RESERVES			
		(5 104 670 679)	(4 551 854 302)
LIABILITIES			
Current liabilities			
Payables	11	3 175 809	5 615 563
Voted Funds to be transferred		800 857	3 325 250
Other		2 374 952	2 290 313
Borrowings	12	651 338 529	578 112 319
Total		654 514 338	583 727 882
Non-current liabilities			
Unauthorised expenditure	11	27 442 057	22 519 704
Multilateral Institutions	13	593 918 345	575 210 638
Borrowings	14	4 608 145 670	4 187 315 832
Total		5 229 506 073	4 785 046 175
TOTAL LIABILITIES		5 884 020 410	5 368 774 057
TOTAL RESERVES AND LIABILITIES		779 349 733	816 919 757

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	R'000
Opening balance as at 1 April 2022		(4 055 719 683)
Surplus / (Deficit) for the year 2023		(496 134 620)
Prior year errors for transactions 2022/23	22	-
Rounding		1
Balance at 31 March 2023		(4 551 854 302)
Surplus / (Deficit) for the year 2024		(552 816 381)
Adjustments and restatement		-
Rounding		4
Balance at 31 March 2024		(5 104 670 679)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Revenue collected	15	1 725 872 149	1 702 209 254
By SARS		1 677 103 821	1 668 569 429
Departmental Revenue collected		47 921 147	30 972 626
CARA Receipts		847 180	2 667 199
Surrenders from departments	16	19 380 627	15 019 464
Other revenue received by the revenue fund	17	6 982 350	6 480 859
		1 752 235 125	1 723 709 577
PAYMENTS			
Appropriated payments	18	2 204 968 383	2 079 411 599
Annual Appropriation		1 064 571 658	1 101 084 184
Statutory Appropriation		1 139 512 796	978 311 798
CARA Payments		877 839	15 617
Appropriation for Unauthorised Expenditure		6 090	-
Other Payments	19	3 325 250	18 360 528
		2 208 293 633	2 097 772 127
Net cash flow available from operating activities	23	(456 058 508)	(374 062 551)
CASH FLOWS FROM INVESTING ACTIVITIES			
Other investing activities	20	-	-
Net cash flows from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in borrowings	21	393 102 033	351 244 139
Net cash flows from financing activities		393 102 033	351 244 139
Net increase/(decrease) in cash and cash equivalents		(62 956 475)	(22 818 411)
Cash and cash equivalents at beginning of period		237 013 693	259 832 104
Cash and cash equivalents at end of period	8	174 057 217	237 013 693

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
1	Revenue collected		
1.1	By SARS		
	Revenue collected by SARS	WP 2A	
	Taxation	1 740 869 884	1 686 697 378
	Non-taxation	88 939 477	97 120 519
	Less: Payments by SARS	152 619 632	115 242 788
	Total Revenue collected by SARS*	1 677 189 729	1 668 575 109
	<i>*Refer to note 25 for Departures from the Modified Cash Standard granted to SARS</i>		
1.2	Departmental Revenue		
	Departmental Revenue collected	WP 2B & 2C	46 414 377
	National Revenue Fund Receipts	*	30 826 582
	Sales of goods and services other than capital assets		19 034 942
	Fines penalties and forfeits		12 529 797
	Interest dividends and rent on land		376 376
	Sales of capital assets		12 821 257
	Financial transactions in assets and liabilities		192 334
	Transfers received		859 804
	Total Departmental Revenue collected	46 414 377	30 826 582
	<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>		
1.3	CARA Receipts		
	CARA funds received	WP 1C	847 180
	Total CARA Receipts	847 180	2 667 199
2	Other Revenue		
2.1	Other		
	Other surrenders	WP 3B	6 614 885
	Other revenue received	WP 3C	367 465
	Total Other	6 982 350	6 480 859

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

			2023/24 R'000	2022/23 R'000
3	Net Appropriation		1 062 048 614	1 088 182 296
3.1	Annual Appropriation			
	Equitable Share / Voted Funds	WP 1A	1 065 041 658	1 104 035 660
	Total Annual Appropriation		1 065 041 658	1 104 035 660
3.2	Voted funds to be surrendered			
	Equitable Share / Voted Funds		2 993 044	15 853 364
	Total voted funds to be Surrendered		2 993 044	15 853 354
4	Net Appropriation - Statutory		1 139 763 897	979 137 483
4.1	Statutory Appropriation			
	Equitable Share / Statutory Funds	WP 1B	1 060 780 029	919 377 163
	Total Statutory Appropriation		1 060 780 029	919 377 163
4.2	Statutory funds to be surrendered			
	Equitable Share / Statutory Funds		(78 983 868)	(59 760 320)
	Total Statutory funds to be Surrendered		(78 983 868)	(59 760 320)
5	CARA Payments			
	Cara funds transferred to departments	WP 4C	877 839	15 617
	Total CARA Fund assistance		877 839	15 617
6	Expenditure in terms of a separate Act of Parliament			
	Unauthorised Expenditure in terms of an Act of Parliament	WP 5A	-	-
	Total Expenditure in terms of an Act of Parliament		-	-
7	Financial Instrument Valuation and Capital Subscription on Investments			
	Capital Subscription on Investments	WP 6	(2 520 500)	(6 394 400)
	Financial Instrument Valuation	WP 6	(81 559 665)	(137 348 973)
	Total Valuation and Capital on Investments		(84 080 165)	(143 743 373)
7.1	Movement			
	Movement on Capital Subscription	WP 6	12 602 500	31 972 000
	Movement on Multilateral Institutions	WP 6	(10 082 000)	(25 577 600)
	Total movement on capital subscription on Investments		2 520 500	6 394 400

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
8	Cash and cash equivalents		
	Exchequer account	-	-
	Cash with commercial banks	73 159 123	108 902 661
	Cash with SARB	-	-
	Foreign Currency Investment	101 199 516	127 998 646
	ALM PMG balance	(301 422)	112 386
	Total Cash and cash equivalents*	174 057 217	237 013 692
	<i>*Cash and Cash equivalents balances are net of outstanding transfer</i>		
9	Receivables		
9.1	Current		
9.1.1	Voted funds to be surrendered to the Revenue Fund		
	Opening Balance	19 380 518	15 195 514
	Prior period error*	-	-
	Restated opening balance	19 380 518	15 195 514
	Amounts to be surrendered	WP 1A & 1B 8 001 243	19 204 468
	Received during the year	WP 3A (19 380 518)	(15 019 464)
	Closing balance	8 001 243	19 380 518
	<i>*See disclosure note on restatements for more details</i>		
9.1.2	Departmental Revenue to be surrendered to the Revenue Fund		
	Opening Balance	2 216 483	2 362 527
	Prior period error*	-	-
	Restated opening balance	2 216 483	2 362 527
	Revenue collected	WP 2B 27 379 435	25 605 332
	Received during the year	WP 2B (28 886 205)	(25 751 376)
	Closing balance	709 713	2 216 483
	<i>*See disclosure note on restatements for more details</i>		
9.1.3	Other		
	Opening Balance	82 135	85 560
	Amounts to be received	WP 9A 281 790	82 135
	Received during the year	WP 9A (82 135)	(85 560)
	Closing balance	281 790	82 135
9.1.4	Unauthorised expenditure funded by NRF		
	Opening Balance	109	-
	Appropriation for unauthorised expenditure	WP 5B -	109
	Received during the year	WP 5B (109)	-
	Total Appropriation for unauthorised expenditure	-	109
	Total Receivables	8 992 747	21 679 246

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
10	Investments		
	Non-Current		
	Foreign	WP7B	
	New Development Bank	190 368 000	177 765 500
	International Monetary Fund quota subscription	76 871 542	72 965 018
	African Development Bank	167 603 022	155 972 105
	International Bank for Reconstruction and Development	47 751 215	42 996 706
	International Monetary Fund SDR Holding	110 835 472	105 847 003
	International Finance Corporation	2 528 182	2 360 815
	Multilateral Investment Guarantee Agency	342 336	319 673
	Total Investments - Non-current	596 299 770	558 226 819
	Number of shares		
	International Finance Corporation	132 805	132 805
	International Bank for Reconstruction and Development	20 793	20 050
	Multilateral Investment Guarantee Agency	1 662	1 662
	African Development Bank	729 818	727 321
	New Development Bank	100 000	100 000
	Special Drawing Rights (SDR)		
	International Monetary Fund Quota Subscription	3 051 200	3 051 200
	International Monetary Fund SDR Holding	4 339 303	4 426 236
	Issue price per share		
	Foreign:		
	<i>Issued in American dollars</i>		
	International Finance Corporation	19 307	17 777
	International Bank for Reconstruction and Development	2 296 504	2 144 474
	Multilateral Investment Guarantee Agency	205 978	192 342
	New Development Bank	1 903 680	1 777 655
	<i>Issued in unit of account</i>		
	African Development Bank	229 650	214 447
	Exchange rates as at year end used to convert issue price		
	American dollar (USD)	19.04	17.78
	Special Drawing Rights (SDR)	25.19	23.91

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

			2023/24 R'000	2022/23 R'000
11	Current Liabilities			
	Payables			
	11.1 Current			
	11.1.1 Voted funds to be transferred			
	Opening Balance		3 325 250	18 360 528
	Prior period error		-	-
	Restated opening balance		3 325 250	18 360 528
	Funds not transferred	WP 1A & 1B	800 857	3 325 250
	Paid during the year	WP 4A	(3 325 250)	(18 360 528)
	Closing balance		800 857	3 325 250
	11.1.2 Other			
	Opening Balance		2 290 313	2 396 442
	Amounts to be paid	WP 9C	2 374 957	2 290 318
	Amount paid during the year	WP 9C	(2 290 318)	(2 396 447)
	Closing balance		2 374 952	2 290 313
	Total Payables		3 175 809	5 615 563
	11.2 Non-Current Liabilities			
	11.2.1 Unauthorised Expenditure NOT funded by Revenue Fund			
	Opening Balance		22 513 614	18 710 490
	Prior period error		-	-
	Restated opening balance		22 513 614	18 710 490
	Amount paid Approved by Finance Act	WP 5A	-	-
	Unauthorised reported in current financial year	WP 5B	4 928 443	3 803 124
	Total Appropriation for unauthorised expenditure		27 442 057	22 513 614
	11.2.2 Unauthorised Expenditure Funded by Revenue Fund			
	Opening Balance		6 090	6 090
	Prior period error		-	-
	Appropriation for unauthorized expenditure (Finance Act passed)	WP 5A	-	-
	Amount paid during the year	WP 5A	(6 090)	-
	Total Appropriation for unauthorised expenditure		-	6 090
12	Borrowings			
	Current			
	Domestic	WP 8A	612 902 758	533 206 240
	Bonds		612 902 758	533 206 240
	Foreign	WP 8B	38 435 771	44 906 080
	Bonds		38 435 771	44 906 080
	Total Current Borrowings		651 338 529	578 112 320
	Foreign loans are revalued at the closing exchange rate at 31 March.			
	The face value of these bonds at the date of issue was R29.7 bn (2022/23: R35.3 bn).			
	In 2023/24, the retail savings bond unit incurred financial losses amounting to R2 266 502. 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.			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
12.1	Domestic short-term bonds treasury bills and other loans		
	Debt as at 1 April	533 206 240	572 036 709
	Created	12 019 995	11 902 537
	Reduced	(134 728 368)	(93 495 684)
	Transfer from long-term	89 416 231	60 918 324
	Revaluation premium on inflation-linked bonds	24 316 547	7 337 294
	Treasury bills	88 672 113	(25 492 940)
	Other Loans	-	-
	Total	612 902 758	533 206 240
12.1.1	Composition of domestic short-term bonds treasury bills and other loans		
	1-day Treasury bills	72 585	145 170
	91-day Treasury bills	14 255 000	6 692 460
	182-day Treasury bills	84 830 000	69 383 640
	273-day Treasury bills	166 358 160	143 714 350
	365-day Treasury bills	245 111 420	202 680 280
	CPD Borrowing	660 849	-
	Fixed-rate bonds	-	664 286
	Inflation-linked bonds	100 587 538	109 150 991
	Retail bonds	1 020 240	768 097
	Other	6 966	6 966
	Total	612 902 758	533 206 240
12.2	Foreign short-term bonds and other loans		
	Debt as at 1 April	44 906 079	7 115 000
	Created	-	198 857
	Reduced	(44 906 079)	(7 115 000)
	Transfer from long-term	35 260 792	29 655 596
	Revaluation of foreign loans	3 174 979	15 051 626
	Total	38 435 771	44 906 079
13	Non-current Liabilities		
	Multilateral Institutions		
	WP 8D		
	IMF-Securities Account	118 089 410	130 331 396
	African Development Bank	160 273 269	149 663 063
	New Development Bank	152 294 400	142 212 400
	IMF-SDR Allocations	118 659 436	112 629 299
	International Bank for Reconstruction and Development	44 324 481	40 115 492
	Multilateral investment Guarantee Agency	277 349	258 988
	Total Multilateral Institutions	593 918 345	575 210 638
	These liabilities in multi-lateral institutions are revalued at closing exchange rate as at 31 March.		
13.1	African Development Bank	160 273 269	149 663 063
	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.		
13.2	IMF-Securities Account	118 089 410	130 331 396
	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 ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

		2023/24 R'000	2022/23 R'000
13.3 IMF-SDR Allocations		118 659 436	112 629 299
	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.		
13.4 International Bank for Reconstruction and Development		44 324 481	40 115 492
	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.		
13.5 New Development Bank		152 294 400	142 212 400
	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.		
13.6 Multi- Lateral investment Guarantee Agency		277 349	258 988
	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.		
14 Borrowings			
Long Term			
Domestic	WP 8A	4 054 958 170	3 676 564 988
Bonds		4 054 958 170	3 676 564 988
Foreign	WP 8B	553 187 500	510 750 845
Bonds		553 187 500	510 750 845
Total Long-Term Borrowings		4 608 145 670	4 187 315 832
Included in domestic non-current borrowings are inflation-linked bonds with the revalued amount of R926.9 bn (2022/23: R883.0 bn). The face value of these bonds are R679.3 bn (2022/23: R664.0 bn). Foreign bonds are revalued at the closing exchange rate at 31 March. The face value of these bonds at the date of issue was R419.8 bn (2022/23: R409.4 bn).			
14.1 Domestic long-term bonds debentures and other loans	WP 8A		
Debt as at 1 April		3 676 564 988	3 130 763 402
Created		468 176 280	387 613 814
Reduced		(249 067 229)	-
Transfer to short-term		(88 395 990)	(60 918 324)
Revaluation premium on inflation-linked bonds		247 680 121	219 067 229
Former Regional Authorities		-	38 867
Total		4 054 958 170	3 676 564 988

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
14.1.1 Composition of Domestic long-term bonds debentures and other loans		
Fixed-rate bonds	2 962 423 732	2 718 432 138
Inflation-linked bonds	926 935 200	883 014 206
Floating-linked bonds	118 340 000	51 225 000
Retail bonds	26 834 371	23 854 776
Sukuk bonds	20 386 000	-
Former Regional Authorities	38 867	38 867
Total	4 054 958 170	3 676 564 988
14.1.2 Redemption analysis of foreign long term and other loans financial year(s)		
2024-2027	265 414 208	266 373 638
2027-2030	728 436 885	433 093 542
2030-2033	681 866 904	822 369 176
2033-2036	529 467 507	461 410 139
2036-2040	682 610 064	497 270 055
2040-2043	185 434 167	298 103 286
2043-2046	335 052 078	223 030 511
2046-2050	472 310 957	507 652 884
2050-2053	172 023 787	167 222 821
2053-2058	2 341 613	68
Total	4 054 958 170	3 676 526 121
14.2 Foreign long-term bonds and other loans	WP 8B	
Debt as at 1 April	510 750 845	374 612 146
Created	45 662 970	64 465 587
Reduced	-	-
Transfer to short-term	(38 435 771)	(29 655 596)
Revaluation premium on inflation-linked bonds	35 209 457	101 328 707
Total	553 187 500	510 750 845
14.2.1 Redemption analysis of foreign long term and other loans financial year(s)		
2024-2027	100 720 739	90 276 863
2027-2030	119 647 911	85 215 892
2030-2033	81 026 565	60 440 270
2033-2036	26 387 939	24 887 170
2036-2040	21 406 809	20 894 048
2040-2043	23 901 943	18 340 577
2043-2046	26 280 382	29 375 215
2046-2050	122 609 790	63 995 580
2050-2053	31 205 421	88 882 750
2053-2058	-	28 442 480
Total	553 187 500	510 750 845
14.2.2 Currency analysis of foreign long-term loans		
South African Rand	5 008 164	5 008 164
Euro	40 890 442	28 825 855
Special Drawing Rights	19 217 886	54 723 763
United States dollar	486 390 240	422 193 063
Canadian Dollar	1 680 768	-
Total	553 187 500	510 750 845

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

			2023/24 R'000	2022/23 R'000
15	Revenue collected			
	By SARS		1 677 103 821	1 668 569 429
	Departmental Revenue collected	WP 2B & 2C	47 921 147	30 972 626
	CARA Fund assistance	WP 1C	847 180	2 667 199
	Total Revenue collected		1 725 872 149	1 720 209 254
16	Surrenders from Departments			
	Equitable Share / Voted & Statutory funds surrendered	WP 3A	19 380 518	15 019 464
	Unauthorised Expenditure funded by Revenue Fund	WP 5B	109	-
	Total Surrenders from Departments		19 380 627	15 019 464
17	Other revenue received by the Revenue Fund			
	Other surrenders	WP 3B	6 614 885	6 357 106
	Other revenue received	WP 3C	367 465	123 753
	Total Other revenue received		6 982 350	6 480 859
18	Appropriated Payments			
	Annual Appropriation: Funds transferred	WP 1A	1 064 571 658	1 101 084 184
	Statutory Appropriation: Funds transferred	WP 1B	1 139 512 796	978 311 798
	CARA Fund assistance	WP 4C	877 839	15 617
	Appropriation for Unauthorised Expenditure approved		6 090	-
	Total Appropriated Payments		2 204 968 383	2 079 411 599
19	Other Payments			
	Amounts transferred to departments for previous appropriated funds	WP 4A	3 325 250	18 360 528
	Total Other Payments		3 325 250	18 360 528
20	Other investing activities			
	Other investing activities	WP 7C	-	-
	Total Other investing activities		-	-
21	Increase/Decrease in borrowings			
	Changes in borrowings	WP 8C	393 102 033	351 244 139
	Total Other financing activities		393 102 033	351 244 139
22	Adjustments and Restatements			
	Restatements: Before prior period 2022/23		-	-
	Restatements: Prior period 2022/23		-	-
	Adjustments		-	-
	Total Adjustments and Restatements		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
23		
Net cash flow available from operating activities		
Net surplus /(deficit) as per Statement of Financial Performance	(552 816 381)	(496 134 620)
Add back non-cash/cash movements not deemed operating activities	96 757 874	122 072 069
Increase/(decrease) in receivables-current	19 380 627	(15 019 464)
Increase/(decrease) in other current assets	1 904 388	18 220 164
Increase/(decrease) in payables-current	(6 090)	-
Voted funds not requested/not received	(2 523 044)	(12 901 888)
Approved Statutory Overdrawn	251 101	825 685
Other non-cash items	81 559 665	137 348 973
Net cash flow generated by operating activities	(456 058 507)	(374 062 551)

24 RESTATEMENTS

Restatement done by Departments 2022/23

2023/24

2022/23

Voted funds to be transferred

Transport

Department restated voted funds to be surrendered for 2022/2023

-

109

Departmental Revenue

Sports, Arts and Culture

Department restate departmental revenue for 2022/2023

-

3 871

Summary of above-mentioned prior period errors

	Revenue	Expenditure	Equity	Assets	Liability
2022/23					
Transport restated voted funds to be surrendered for 2022/23	-	(109)	109	109	-
Sports, Art and Culture restated departmental revenue	(3 871)	-	(3 871)	(3 871)	-
Sub Total	(3 871)	(109)	(3 762)	(3 762)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 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

FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 R'000	2022/23 R'000
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26 Contingent Asset

26.1 Contingent Asset

GEFECRA

531 989 355

458 714 641

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

Special Appropriation Act, 2024 was passed for the requirements of the State for the 2024/25 financial year; and to provide for matters connected therewith.

R5.117 billion is tabled in the Special Appropriation Act, 2024 to provide mainly for the South African National Roads Agency Limited debt repayment for the Gauteng freeway improvement project, as well as for costs related to South Africa's genocide case against Israel at the International Court of Justice.

In terms of Section 16 of the Public Finance Management Act, R2.1 billion was allocated to the South African National Defence Force (SANDF) troop deployment in the Democratic Republic of the Congo.

In the 2024 MTBPS, the gross borrowing requirement for 2024/25 has decreased from R457.7 billion to R424.76 billion, relative to the 2024 Budget. As at 31 October 2024, a total of R226.25 billion of has been funded through the issuance of domestic short-term loans (R19.55 billion), domestic long-term loans (R206.7 billion).

As announced in the 2024 Budget, the Minister of Finance and the Governor of the SARB entered into a new GFEFRA settlement agreement in June 2024. In terms of the Agreement, R250 billion will be withdrawn from the GFEFRA, R100 billion into a contingency reserve account at the SARB, and R150 billion will be disbursed to the National Treasury in tranches of R100 billion (2024/25), R25 billion (2025/26) and R25 billion (2026/27). As at the end of August 2024, the full R100 billion due in 2024/25 was disbursed to the National Treasury. In addition, the R100 billion for the SARB's contingency reserve requirements was disbursed from the Gold and Foreign Exchange Contingency Reserve Account on 1 July 2024.

In September 2024, Fitch 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, a high level of poverty and inequality, a high government debt-to-GDP ratio, and a rigid fiscal structure that hampers deficit reduction. The ratings are supported by a favourable debt structure with long maturities and mostly local-currency-denominated, strong institutions and a credible monetary policy framework.

On 15 November 2024, S&P 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.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

27.2 Non adjusting events

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:

	2023/24 R'000	2022/23 R'000
Province/Agency		
<i>Audited 2023/24</i>		
Eastern Cape	62 692	62 764
Free State	19 339	665 882
Gauteng	465 354	2 058 079
KwaZulu Natal	-	38 914
Limpopo	61 819	179 787
Western Cape	224 396	3 201
<i>Preliminary 2023/24</i>		
Mpumalanga	33 651	64 066
Northern Cape	67 010	98181
North-west	195 278	320 620
Total	1 129 539	3 491 494

28. Financial Risk Management

28.1 Market risk

Government's debt portfolio during 2023/24 was assessed for the tenth year against the strategic risk benchmarks which were implemented in 2014/15. Government's funding programme 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 R5.2 trillion consists of domestic (R4.7 trillion) and foreign debt (R591.6 billion). Domestic debt comprises short-term debt (Treasury bills) and long-term debt (fixed-rate plus inflation-linked bonds, floating-rate notes, sukuk bonds, retail, and other loans). For purposes of calculating the risk benchmarks, borrowings from, retail bonds and other non-marketable loans are excluded from the gross loan debt figure. This is because these items are generally small in nominal values and are not subject to market valuation methods.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 R197 bond in December 2023, the share of ILBs as a percentage of total domestic debt decreased to 22.2 per cent (as at the end of March 2024) from 23.7 per cent as at the end of March 2023.

Inflation-linked bonds as a per cent of domestic debt

Indicator	31 March 2024	31 March 2023
Domestic debt ¹	R4 639.2 bn	R4 185.0 bn
Inflation-linked bonds	R1 027.5 bn	R 992.2 bn
ILBs as % of domestic debt	22.2%	23.7%

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.

Although government does not enter hedge transactions to limit its exposure to foreign currency volatility, foreign currency cash deposits provide a natural hedge to a portion of the foreign debt portfolio. Foreign currency deposits are held in US dollar and other currencies. For the period under review, government's exposure to USD denominated debt increased by 1.4 percentage from 80.8 per cent in March 2023 to 82.2 per cent as of 31 March 2024. EURO denominated debt exposure also increased by 1.7 percentage from 5.2 per cent to 6.9 per cent. The Canadian dollar debt was acquired through the multi-lateral loan that was sourced during the 2023/24 fiscal year.

Composition of foreign debt

Indicator Percentage	31 March 2024	31 March 2023
As % of total debt		
- Gross foreign debt	11.3	11.7
- Net foreign debt	9.7	9.5
Currency composition		
- US Dollar	82.2	80.8
- Euro	6.9	5.2
- XDR	9.7	13.1
- ZAR	0.9	0.9
- CAD	0.3	0.0

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 2023/24; a sum of R48.9 billion was switched out of the FRBs and ILBs bonds (i.e., R186 and R2030) and (i.e., R197 and I2025), respectively.

Refinancing risk benchmarks

Indicator	31 March 2024	31 March 2023
Treasury bills as % of domestic debt	11.0%	10.1%
Long-term debt maturing in 5 years as % of bonds	15.4%	15.7%
Weighted term-to-maturity of fixed-rate bonds plus Treasury bills (in years)	10.6	11.2
Weighted term-to-maturity of inflation-linked bonds (in years)	13.0	13.7

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 amount of approved guarantees to public institutions is increased by R29.2 billion to R499.5 billion by 31 March 2024 from R470.3 billion as at 31 March 2023. The main driver of the increase in issued guarantees is due to an additional guarantee of R47 billion granted to Transnet in December 2023 in addition to the existing R3.5 billion, resulting in a total guarantee amount of R50.5 billion.

The exposure amount increased by R16.7 billion to R433.6 billion by 31 March 2024 from around R416.9 billion as at 31 March 2023 on the back of drawdowns by Transnet on the issued guarantee, while the Eskom exposure increased largely due to revaluations of its inflation linked debt. Land Bank, the SARB, TCTA and SANRAL saw reductions in the exposure amounts as the debt continued to be paid off. Denel's guarantee expired on 30 September 2023 and no longer exist. As a result, the Minister of Finance has withdrawn the historical guarantee of R5.9 billion granted to Denel in terms of sections 66 and 70 of the Public Finance Management Act in October 2023 because there are no more obligations related to the guarantee. Eskom remains the entity with the largest exposure amount and accounts for 82 per cent of the total exposure.

As at 31 March 2024, the value of the guarantee issued for the IPP programme amounted to R270.4 billion. The exposure increased to R202.5 billion, while the exposure from PPPs declined to R6.2 billion as exposure to individual projects continue to decline.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 2024, the total surplus cash invested with the banks amounted to R18.3 billion (2022/23: R85.5 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 2024, the prescribed ratios for the investment of surplus cash with the four banks was 25 per cent for each of the banks. 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).

In July 2023, Fitch 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 hampered by power shortages, a high level of inequality, a high government debt-to-GDP ratio, and a modest path of fiscal consolidation. 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.

In November 2023, S&P affirmed South Africa's 'BB-' credit rating and stable outlook. The stable outlook balances South Africa's credit strengths - particularly a credible central bank, a flexible exchange rate, an actively traded currency, and deep capital markets - against infrastructure-related pressures on growth, and downside risks to the fiscal and debt position.

Moody's did not publish a credit rating announcement following its review; however, it published a 'Credit Opinion' report in November 2023. According to the agency, South Africa's stable rating outlook reflects Moody's expectation that the government's debt burden will likely stabilise over the medium term as the government remains committed to fiscal consolidation. While risks related to social demands and SOC's remain, the government is likely to continue to re-prioritise spending to try to mitigate any negative impact on the fiscal deficits.

In January 2024, Fitch 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. Growth is hampered by power shortages and a struggling logistic sector. The ratings are supported by a favourable debt structure with long maturities and denominated mostly in local currency, strong institutions as well as a credible monetary policy framework.

Rating agencies remain concerned about South Africa's low economic growth (exacerbated by electricity shortages), slow pace of economic reforms implementation as well as socioeconomic inequalities which complicate policy efforts and intensify tensions that fuel political risk in South Africa.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 ¹	LTLC ²	Outlook
Moody's	1 April 2022	Affirmation	Ba2	Ba2	Stable
S&P	17 November 2023	Affirmation	BB-	BB-	Stable
Fitch	19 January 2024	Affirmation	BB-	BB	Stable

¹LTFC = Long Term Foreign Currency Rating, ²LTLC = Long Term Local Currency Rating.

29. Financial sustainability

The 2024 Medium Term Budget Policy Statement (MTBPS) sets out a pro-growth agenda to address South Africa's prolonged economic and fiscal weakness. Since the outbreak of the COVID-19 pandemic, government has been working to restore economic growth and the stability of the public finances. This commitment has been strengthened by a more supportive environment and an emphasis on the quality of reforms and delivery.

The 2024 elections and subsequent formation of a government of national unity, forged in the spirit of unity and cooperation, reflect the effectiveness of the country's Constitution and institutions. The domestic financial market remains strong and macroeconomic policy has achieved important milestones, such as a reduction in inflation during 2024 and a primary budget surplus – meaning revenue exceeds non-interest spending – in the 2023/24 financial year. These gains will be aided by reforms to unlock infrastructure investment and fiscal prudence. Over the medium term, government will focus on maintaining macroeconomic stability, implementing structural reforms, building state capability and supporting growth-enhancing public infrastructure investment.

The economy is forecast to grow by 1.1 per cent in 2024, after expanding by just 0.4 per cent in the first half of 2024 and is projected to grow by an annual average of 1.8 per cent over the next three years. This subdued performance underscores the need for stronger policy measures to accelerate growth, tackle poverty and unemployment and – because economic growth is the source of sustainable government revenues – ensure long-term fiscal stability.

South Africa's economic growth prospects are closely tied to the success of structural reforms, including those led by Operation Vulindlela (OV), to improve competitiveness and productivity and boost investment. By alleviating load shedding, improving the performance of the logistics system, reducing the cost of data, improving water supply, and enabling the country to attract the skills it needs, the reforms already underway through OV Phase I will provide a significant boost to the economy in the medium term.

Government will also support the repositioning of strategic state-owned enterprises by strengthening their balance sheets, enabling higher levels of private investment in infrastructure, and improving their operational performance. The immediate priority is to sustain the momentum and follow through on the implementation of existing reforms. To achieve not only higher, but more inclusive long-term growth, a new Phase II of OV will target additional reforms which will address both long-standing and emerging constraints, such as the deteriorating performance of local government and spatial inequality to identify priorities for Phase II based on their potential impact on growth and jobs.

Budgeting always involves difficult choices, particularly in the context of limited resources. In the short term, government can choose between increasing taxes, cutting spending or continuing to spend without increasing the tax burden. Higher taxes reduce the amount that households and businesses have for their current needs and their ability to build up savings. Spending cuts, if not well targeted, can reduce the quality and quantity of critical public services. Spending that is not matched by increased revenues leads to further increases in debt, resulting in higher interest costs that can crowd out service delivery and increase the cost of doing business.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

In light of these trade-offs, government's fiscal strategy aims to balance spending and tax choices while promoting measures that grow the economy. This approach improves the fiscal position and, over the longer term, makes more resources available for social and economic programmes.

The medium-term fiscal strategy focuses on achieving fiscal sustainability, supporting economic growth and critical social services, and addressing significant fiscal and economic risks. The strategy prioritises stabilising government debt by maintaining sufficiently large primary surpluses over the rest of the decade by stabilising and reducing borrowing costs and protecting critical services in the context of limited budget resources. Currently the social wage averages 59.9 per cent of consolidated non-interest spending over the medium term. South Africa's average spending on public-sector salaries is well above that of many countries. Cabinet has approved an early retirement programme to reduce government employment costs while retaining critical skills and promoting the entry of younger talent into the public service. Financial support to state-owned companies will be limited, while completing the resolution of the debt obligations of Eskom and SANRAL.

Despite underperformance in near-term revenue collections, the tax-to-GDP ratio remains resilient and tax collections are expected to remain buoyant. Slower renewable energy-related imports lowered import VAT collections, while weaker in-year fuel levy collection limits growth over the medium term. An improved profitability outlook raises expectations for medium-term corporate tax collections. Stronger tax revenue collections over the medium to long term are reliant on more sustainable economic growth and further gains in tax compliance and tax administration. Regardless of the slower-than-expected revenue growth, government is on track to achieve primary surpluses in 2024/25 and over the medium term.

Consolidated government spending is expected to increase from R2.4 trillion in 2024/25 to R2.77 trillion in 2027/28, growing by an annual average rate of 4.9 per cent. Over the same period, revenues are projected to underperform compared to the 2024 Budget projections. In this context, major spending pressures still need to be funded mainly from current baselines, reprioritisations or shifts between programmes. The consolidated budget deficit is projected to narrow from 5 per cent of GDP in 2024/25 to 3.2 per cent of GDP in 2027/28.

Government is transforming the way it prepares and delivers infrastructure projects. It is mobilising private-sector resources that will augment public-sector capability and provide new channels for financing. In parallel, work is under way to improve government's capital budgeting process and strengthen institutional arrangements and governance across the ecosystem to facilitate private investment. Over the medium term, economic development is the fastest-growing function at 7.8 per cent, driven by increased infrastructure allocations. Spending on payments for capital assets is the fastest-growing item by economic classification, increasing at an annual average of 10.6 per cent over the three-year period.

Debt is expected to stabilise at 75.5 per cent of GDP in 2025/26. In turn, this will enable government to arrest the trend of mounting debt-service costs, which will peak as a proportion of revenue at 21.7 per cent in 2025/26 and decline thereafter. Debt redemptions will increase from R173.7 billion in 2025/26 to R306 billion in 2027/28, averaging R211.5 billion over the medium term. The gross borrowing requirement will average R557.5 billion or 6.5 per cent of GDP over the medium term.

The 2024 Budget announced that a debt-stabilising primary budget surplus would anchor fiscal policy over the next three years. Furthermore, technical work and consultation are under way on proposals to ensure that budgets are compiled in such a way that public debt remains sustainable over time. Adopting such an approach would enable government to reduce the likelihood and severity of spending cuts and tax increases to rein in debt.

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Government is pursuing policies to achieve rapid, inclusive and sustainable economic growth. The economy is forecast to grow by an annual average of 1.8 per cent over the next three years, underscoring the need for continued implementation of structural reforms. The fiscal strategy remains on course. Economic reforms are beginning to bear fruit namely electricity availability has improved, the logistics system is stabilising and the cost of doing business is declining in some areas of the economy. Stronger infrastructure investment will underpin the growth agenda. However, the risks to the fiscal outlook remain elevated in the near to medium term.

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

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 and Government Communication and Information	119 973 742	119 973 742	3 258 461	-	-	84 813	116 800 094
Home Affairs	743 546	743 546	5 178	-	-	-	738 368
International Relations and Cooperation	12 379 954	12 179 954	691	200 000	-	-	12 379 263
National School of Government	6 910 636	6 830 636	77 961	80 000	-	435 643	7 268 318
National Treasury	221 140	221 140	2 942	-	-	-	218 198
Planning Monitoring and Evaluation	34 350 278	34 350 278	275 227	-	-	-	34 075 051
Public Enterprise	465 483	465 483	27 815	-	-	-	437 668
Public Service and Administration	275 277	275 277	16 878	-	-	-	258 399
Public Service Commission	541 627	541 627	34 071	-	-	-	507 556
Public Works and Infrastructure	300 753	288 753	-	10 514	-	-	299 267
Statistics SA	8 405 966	8 405 966	101 927	-	-	-	8 304 039
Traditional Affairs	2 643 002	2 643 002	47 395	-	-	128 307	2 723 914
Basic Education	193 121	193 121	6 308	-	-	-	186 813
Higher Education and Training	30 028 595	30 028 595	67 352	-	-	-	29 961 243
Health	107 830 340	107 830 340	117 182	-	-	-	107 713 158
Social Development	58 549 994	58 549 994	237 847	-	-	-	58 312 147
Women	260 893 975	260 893 975	1 593 634	-	-	-	259 300 341
Civilian Secretariat for Police	1 006 944	993 944	2 319	-	-	-	991 625
Correctional Services	154 152	154 152	3 922	-	-	-	150 230
Defence	26 570 966	26 570 966	-	-	-	614 257	27 185 223
Independent Police Investigative Directorate	52 468 184	52 468 184	-	-	-	3 373 664	55 841 848
Justice and Constitutional Development	364 386	364 386	304	-	-	-	364 082
	20 558 303	20 508 303	301	50 000	-	291 759	20 849 761

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

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
Total	1 065 041 658	1 064 571 658	7 892 641	441 154	-	4 928 443	1 062 048 614

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 1A STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2023

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
Presidency	618 283		618 283	75 589	-	-	-	-	-	-	542 694		
Parliament	2 367 311		2 367 311	-	-	-	-	-	-	-	2 367 311		
Cooperative Governance	115 027 438		115 027 438	4 318 357	-	-	-	-	-	-	110 709 081		
Government Communication and Information	729 664		729 664	5 759	-	-	-	-	-	-	723 905		
Home Affairs	11 096 232		10 796 232	398 201	-	-	-	-	-	-	10 398 031		
International Relations and Cooperation	6 784 318		6 784 318	76 761	-	-	-	-	-	-	6 707 557		
National School of Government	231 097		231 097	11 046	-	-	-	-	-	-	220 051		
National Treasury	38 837 684		38 837 684	1 346 257	-	-	-	-	-	-	37 491 427		
Planning Monitoring and Evaluation	481 394		481 394	38 795	-	-	-	-	-	-	442 599		
Public Enterprise*	34 145 398		34 145 398	256 941	-	-	-	-	-	-	33 888 457		
Public Service and Administration	550 123		550 123	34 401	-	-	-	-	-	-	515 722		
Public Service Commission	295 541		295 541	16 615	-	-	-	-	-	-	278 926		
Public Works	8 152 729		8 152 729	242 562	-	-	-	-	-	-	7 910 167		
Statistics SA	2 999 427		2 999 427	9 766	-	-	-	-	807 987	-	3 797 648		
Traditional Affairs	180 143		180 143	5 691	-	-	-	-	-	-	174 452		
Basic Education	29 693 160		29 464 584	37 925	-	-	-	-	-	-	29 426 659		
Higher Education and Training	109 737 633		109 737 633	462 916	-	-	-	-	-	-	109 274 717		
Health	64 555 731		64 533 041	1 637 000	-	-	-	-	-	-	62 896 041		
Social Development	247 854 892		247 854 892	6 133 028	-	-	-	-	-	-	241 721 864		
Women, Youth and Person with Disabilities	991 714		991 714	8 455	-	-	-	-	-	-	983 259		
Civilian Secretariat for Police	155 920		155 920	3 279	-	-	-	-	-	-	152 641		
Correctional Services	26 535 984		26 535 984	106 744	-	-	-	-	-	-	26 429 240		
Defence	51 601 612		51 601 612	-	-	-	-	-	2 995 137	-	54 596 749		
Independent Police Investigative Directorate	363 529		363 529	4 519	-	-	-	-	-	-	359 010		
Justice and Constitutional Development	20 482 024		20 482 024	125 531	-	-	-	-	-	-	20 356 493		

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 1A (CONTINUED)

STATEMENT OF EQUITABLE SHARE/VOTED FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2023

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	670 032	670 032	54 424	-	-	-	615 608
Office of the Chief Justice	1 362 878	1 362 878	68 014	-	-	-	1 294 864
Police	102 554 962	102 554 962	55 078	-	-	-	102 499 884
Agriculture, Land Reform and Rural Developments*	17 533 643	17 533 643	427 883	-	-	-	17 105 760
Communications and Digital Technologies	5 327 777	2 927 777	-	2 293 565	-	-	5 221 342
Employment and Labour	4 107 776	4 107 776	210 658	-	-	-	3 897 118
Forestry, Fisheries and the Environment	8 994 839	8 994 839	168 022	-	-	-	8 826 817
Human Settlements	33 478 474	33 478 265	620 760	-	-	-	32 857 505
Minerals Resources and Energy	10 447 537	10 447 537	328 953	-	-	-	10 118 584
Science and Innovation	9 145 262	9 145 262	24 407	-	-	-	9 120 855
Small Business Development	2 532 889	2 532 889	18 968	-	-	-	2 513 921
Sports, Arts and Culture	6 305 453	6 305 453	68 787	-	-	-	6 236 666
Tourism	2 502 357	2 502 357	28 637	-	-	-	2 473 720
Trade, Industry and Competition	10 913 553	10 913 552	115 119	-	-	-	10 798 433
Transport	95 134 237	95 134 237	591 026	-	109	-	94 543 102
Water and Sanitation	18 555 010	18 555 010	861 594	-	-	-	17 693 416
Total	1 104 035 660	1 101 084 184	18 998 468	2 293 565	109	3 803 124	1 088 182 296

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

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		-		-		585 085 919	
General Fuel Levy	15 433 498		15 433 498		-		-		15 433 498	
Auditor General of South Africa	123 052		123 052		-		-		123 052	
Section 70 of the PFMA payment										
Land Bank	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	645 854		1 093 075		-		-		1 093 075	
Transport	12 564		12 564		4 988		-		7 576	
Total	1 060 780 029		1 139 512 796		108 602		359 703		1 139 763 897	

¹National 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 2024

WORKING PAPER 1B

STATEMENT OF EQUITABLE SHARE/STATUTORY FUNDS TRANSFERRED TO DEPARTMENTS AS AT 31 MARCH 2023

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	7 704		7 704		1 834		-		5 870	
Parliament	471 709		471 709		-		66 538		538 247	
National Treasury					-		-		-	
Provinces	570 868 206		570 868 206		-		-		570 868 206	
General Fuel Levy	15 334 823		15 334 823		-		-		15 334 823	
Auditor General of South Africa	72 582		72 582		-		76 000		148 582	
Land Bank	101 557		-		-		889 130		889 130	
Section 70 of the PFMA payment					-		-			
Denel (Public Enterprise)	204 700		204 700		-		-		204 700	
State Debt Cost	-		-		-		-		-	
Interest	306 936 884		308 302 798		33		-		308 302 765	
Management	60 000		17 414		-		17		17 431	
Cost of raising loans	160 000		58 302 075		-		-		58 302 075	
Higher Education and Training	21 238 137		20 808 850		-		-		20 808 850	
Justice and Constitutional Development	2 398 506		2 398 506		101 104		-		2 297 402	
Office of the Chief Justice	1 247 118		1 247 118		92 537		-		1 154 581	
ALM (National Revenue Fund Payments) ¹	263 203		263 279		-		-		263 279	
Transport	12 034		12 034		10 492		-		1 542	
Total	919 377 163		978 311 798		206 000		1 031 685		979 137 483	

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 1C

STATEMENT OF CRIMINAL ASSET RECOVERY ACCOUNT (CARA) RECEIPTS

	2023/24		2022/23	
	Amount Received	Amount Received by Revenue Fund	Amount Received	Amount Received by Revenue Fund
	R 000	R 000	R 000	R 000
Non-operating Income Items				
CARA	847 180	847 180	2 667 199	2 667 199
Total	847 180	847 180	2 667 199	2 667 199

WORKING PAPER 2A

STATEMENT OF REVENUE COLLECTED BY SARS

Revenue Items	2023/24		2022/23	
	Amount Collected	Amount Collected	Amount Collected	Amount Collected
	R 000	R 000	R 000	R 000
Taxation				
Income tax	1 008 555 804	988 505 263		
Value-added tax / Sales tax	447 556 730	422 416 399		
Fuel levy	87 223 482	76 544 091		
Customs duties	69 363 764	72 867 256		
Excise duties	58 732 533	58 287 750		
Skills Development Levy	22 604 347	20 892 489		
Environmental levy	13 229 764	13 343 681		
Transfer duties	9 581 333	11 452 101		
Securities transfer tax	5 484 989	5 400 599		
Road accident fund recoupment	4 284 624	3 928 753		
Estate duty	3 532 501	3 702 226		
Southern African Customs Union member duties	3 321 859	3 465 827		
State miscellaneous revenue	2 639 347	1 021 033		
Health promotion levy	2 359 484	2 304 893		
Air Passenger Tax	945 694	788 582		
Donations Tax	801 097	682 787		
Export Duty and Scrap Metal	411 108	843 695		
Other Taxation Revenue	241 424	249 953		
Total Taxation	1 740 869 884	1 686 697 378		

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 2A (CONTINUED)

STATEMENT OF REVENUE COLLECTED BY SARS

Revenue Items	2022/23 Amount Collected R 000	2021/22 Amount Collected R 000
Non-taxation		
Road accident fund levy	48 545 535	48 620 722
Mineral and petroleum resource royalty	24 414 477	23 162 161
Unemployment Insurance Fund (UIF)	15 979 465	25 337 793
Other non-taxation revenue	-	(157)
Total Non-taxation	88 939 477	97 120 519
Total Revenue	1 829 809 361	1 783 817 897
Less: South African Customs Union Agreement	79 810 981	43 683 418
Less: Payment to UIF	22 266 261	21 107 750
Less: Payable by SARS to UIF	2 148 216	2 054 411
Less: Payment to RAF	48 573 277	48 469 361
Less: Payable by SARS to RAF	(179 103)	(72 152)
Net Revenue for the Year	1 677 189 729	1 668 575 109
Amount payable by SARS to UIF		
Amount collected by SARS	24 414 477	23 162 161
Less: Amount requested by UIF	22 266 261	21 107 750
	2 148 216	2 054 411
Amount payable by SARS to RAF		
Amount collected by SARS	48 545 535	48 620 722
Less: Amount requested by RAF	48 573 277	48 469 361
Sub total	(27 742)	151 361
Recover/(refund) of receivable/(payable)	(151 361)	(223 513)
Total amount payable by SARS to RAF	(179 103)	(72 152)

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 2B

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	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	-	16 292	-	-	725 902	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

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

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
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
Military Veterans	-	42	-	9	-	3 070	-	3 121	2 204
Independent Police Investigative Direct	-	143	-	5	897	979	-	2 024	2 021
Justice and Constitutional Development	-	242 628	206 666	859	845	39 121	8 053	498 172	481 827
Office of the Chief Justice	-	636	189	-	492	1 397	-	2 714	3 987
Police	-	399 329	56 290	2 320	162 284	130 201	-	750 424	745 961
Civilian Secretariat for the Police Service	-	48	-	-	-	-	-	48	16
Agriculture, Land Reform and Rural Development	-	282 702	-	42 486	6 599	23 519	102	355 408	355 474
Communication and Digital Technologies	-	7 763 723	-	7 507	-	9 089	-	7 780 319	7 771 746
which includes Independent 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	-	-	-	-	-	-	-	-	-
Police	-	(26 430)	-	-	-	-	-	(26 430)	(26 430)
Total	-	12 529 797	376 376	12 821 257	192 334	859 804	599 867	27 379 435	28 886 205

* See disclosure note on restatements for more details

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 2B

STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2023

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	-	260	-	26	-	457	-	743	815
Cooperative Governance	-	200	-	1 356	-	7 893	-	9 449	20 877
Home Affairs	-	994 979	8 869	360	6 840	14 965	-	1 026 013	1 597 217
International Relations and Cooperation	-	1 137	34	2 940	1 531	180 512	-	186 154	201 537
Traditional Affairs	-	51	-	-	-	-	-	51	51
Planning Monitoring and Evaluation	-	95	-	16	60	2 301	-	2 472	2 368
Public Works and Infrastructure	-	323	3	17 862	-	15 127	-	33 315	21 522
Women, Youth and Persons with disability	-	62	-	-	7	318	-	387	393
Government Communication and Inform	-	681	-	78	-	503	-	1 262	896
National Treasury	-	8 452	-	8 789 001	-	20 482	-	8 817 935	8 815 549
Public Enterprises	-	67	-	800	487	160	-	1 514	1 513
Public Service Commission	-	117	-	14	9	222	-	362	408
National School of Government	-	75	-	3	33	147	-	258	223
Public Service and Administration	-	179	-	12	-	104	-	295	288
Centre for Public Service Innovation	-	4	-	-	-	-	-	4	6
Statistics SA	-	847	-	88	-	1 761	-	2 696	2 705
Sport, Arts & Culture*	-	276	-	83	-	608	-	967	11 439
Basic Education	-	3 607	-	7 760	4	684	-	12 055	8 179
Higher Education and Training	-	10 977	-	899	-	35 182	-	47 058	16 979
Health	-	1 151 210	-	8 981	188	5 354	-	1 165 733	1 229 563
Employment and Labour	-	8 417	1 853	1 502	599	6 637	-	19 008	18 687
Social Development	-	-	-	2 251	488	329 336	-	332 075	26 098
Correctional Services	-	97 581	12 619	386	1 846	35 710	-	148 142	147 696
Defence	-	499 049	1 178	5 049	18 408	100 027	639 820	1 263 531	1 137 609

STATEMENT OF DEPARTMENTAL REVENUE COLLECTED AS AT 31 MARCH 2023

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	-	40	-	5	-	305	-	350	303
Independent Police Investigative Direct Justice and Constitutional Development	-	141	-	5	-	132	-	278	324
Office of the Chief Justice	-	234 031	228 989	2 869	7 582	29 571	-	503 042	498 383
Police	-	590	110	-	9	3 200	-	3 909	2 575
Civilian Secretariat for the Police Service	-	383 341	35 415	2 159	146 264	194 857	-	762 036	771 699
Agriculture, Land Reform and Rural Development	-	75	-	-	162	1	-	238	270
Communication and Digital Technologies* which includes Independent Communications Authority of South Africa	-	300 001	-	43 251	1 175	19 559	145	364 131	356 665
Small Business Development Forestry, Fisheries and the Environment	-	10 179 580	-	5 628	-	321	-	10 185 529	10 185 653
Human Settlements	-	10 179 509	-	-	-	-	-	10 179 509	10 179 509
Mineral Resources and Energy	-	56	-	5	-	-	-	61	86
Science and Innovation	-	33 639	550	2 355	98	50 219	-	86 861	87 409
Tourism	-	215	-	210	633	784	-	1 842	1 847
Trade, Industry and Competition* which includes Competition Commission	-	19 206	2 404	13 606	-	1 526	-	36 742	39 324
Transport	-	74	-	63	-	551	-	688	696
Water and Sanitation	-	188	-	65 157	70	919	-	66 334	38 981
Refunds for previous financial years	-	173 087	75 943	955	601	66 158	7 488	324 232	325 539
Police	-	172 290	-	-	-	-	-	172 290	172 290
	-	988	-	515	-	202 760	-	204 263	204 309
	-	1 714	3 270	1 146	162	20 417	-	26 709	8 087
Total	-	(33 392)	371 237	8 977 396	187 256	1 349 770	647 453	(33 392)	(33 392)
	-	14 072 220	371 237	8 977 396	187 256	1 349 770	647 453	25 605 332	25 751 376

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 2C
STATEMENT OF NATIONAL REVENUE FUND RECEIPTS

Items	2023/24	2022/23
	Amount Received by Revenue Fund	Amount Received by Revenue Fund
	R 000	R 000
Non- Cash	19 034 942	5 221 250
Revenue Fund Receipts: Penalties on Retail Bonds	8 207	3 370
Revenue Fund Receipts: Premium Received	5 112	-
Revenue Fund Receipts: Premium on Bonds issued	307 579	442 779
Revenue Fund Receipts: Profit on Foreign Currency Investment	18 714 044	4 775 102
Revenue Fund Receipts: Profit on Switch	-	-
Revenue Fund Receipts: Profit on IMF Revaluation	-	-
Total	19 034 942	5 221 250

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3A

STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS

Name of Department	2023/24		2022/23	
	Appropriated funds/ Equitable Share		Appropriated funds/ Equitable Share	
	R	000	R	000
Presidency	77 423		88 204	
Cooperative Governance and Traditional Affairs	4 318 357		2 817 111	
Home Affairs	398 203		-	
International Relations and Cooperation	76 761		480 862	
Planning Monitoring and Evaluation	38 795		62 494	
Public Works and Infrastructure	242 576		272 015	
Women, Youth and Persons with Disabilities	8 455		6 398	
Communications and Digital Technologies	1		314 992	
National Treasury	1 346 263		-	
Public Enterprise	256 941		262 789	
Public Service and Administration	34 402		72 579	
Statistics SA	9 768		283 324	
Sport, Arts and Culture	68 787		104 691	
Basic Education	42 680		68 019	
Health	1 637 002		-	
Higher Education and Training	462 915		473 996	
Employment and Labour	210 657		584 327	
Social Development	6 133 033		-	
Correctional Services	106 745		249 619	
Defence	-		20 507	
Independent Police Investigative Directorate	4 518		5 870	
Justice and Constitutional Development	226 630		630 337	
Office of the Chief Justice	160 550		140 697	
Police	55 078		878 441	
Agriculture, Land Reform and Rural Development	599 179		1 062 973	
Mineral Resources and Energy	328 952		337 927	

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3A (CONTINUED)
STATEMENT OF VOTED FUNDS SURRENDERED FOR PREVIOUS APPROPRIATIONS

	2023/24		2022/23	
	Appropriated funds/ Equitable Share		Appropriated funds/ Equitable Share	
Name of Department	R	000	R	000
Forestry, Fisheries and the Environment	168 022		1 609 724	
Human Settlements	620 749		720 253	
Science and Innovation	24 405		43 594	
Tourism	28 639		7 561	
Trade, Industry and Competition	115 123		192 093	
Transport	601 520		530 489	
Water and Sanitation	861 594		2 531 543	
Small Business Development	18 969		13 845	
Asset and Liability Management	37		-	
Civilian Secretariat for the Police Service	3 279		12 636	
Public Service Commission	16 614		20 500	
Traditional Affairs	5 691		18 032	
National School of Government	11 047		6 795	
Military Veterans	54 423		91 793	
Government Communication and Information	5 758		2 426	
Rounding	-23		7	
Total	19 380 518		15 019 464	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3B

STATEMENT OF OTHER SURRENDERS

Name of Department	2023/24		2022/23	
	Amount Surrendered		Amount Surrendered	
	R	000	R	000
National Departments				
Rounding of surrenders received in excess	-		-8	
Centre for Public Service Innovation	4 519		7 673	
Public Entities	2 763 437		1 850 842	
SASSA	292 933		774 307	
Independent Development Trust	234 782		-	
Industrial Development Corporation	-		234 782	
Driving Licence Card Account	-		32 851	
South African Tourism (SAT)	-		175 437	
National Youth Development Agency (NYDA)	1 000		59 500	
Telecommunication: USAASA	8 881		10 222	
Road Traffic Infringement Corporation	-		7 300	
Rail Safety	-		147 000	
National Development Agency	-		7 737	
Community Scheme Ombud Services	-		105 200	
Commission on Gender Equality	5 675		3 500	
Ports Regulator	-		13 830	
Office of the Valuer General	-		62 394	
National Electronic Media Institute of South Africa	-		1 364	
Universal Service and Access Agency of South Africa (USAASA)	153 690		-	
National Student Financial Aid Scheme (NSFAS)	55 068		-	
Valuer General	21 900		-	
Government Printing Works (GPW)	1 194 977		-	
Freedom park	22 396		-	
South African Medical Research Council (SAMRC)	20 275		-	
Housing Development Agency	367 432		-	
Social Housing Regulatory Authority	282 400		-	
National Housing Finance Corporation	191 883		-	
DTIC - CIPC	144 926		197 316	

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3B (CONTINUED)
STATEMENT OF OTHER SURRENDERS

Name of Department	2023/24 Amount Surrendered R 000	2022/23 Amount Surrendered R 000
Conditional Grants	3 564 100	4 294 433
Basic Education: Gauteng	26 197	204 226
Basic Education: Free State	43 221	20 605
Basic Education: Limpopo	59 744	92 996
Basic Education: Eastern Cape	44 791	
Basic Education: Kwazulu Natal	38 811	43 451
Basic Education: Northern Cape	9 456	7 587
Basic Education: Mpumalanga	-	-
Basic Education: North West	50 224	25 834
Health: Limpopo	2 671	74 172
Health: Northern Cape	83 885	5 090
Health: North West	32 379	6 497
Health: Mpumalanga	12 884	1 200 335
Health: Free State	909	92 120
Health: Kwazulu Natal	-	16 222
Health: Western Cape	-	-
Health: Eastern Cape	3 344	1 581
Health: Gauteng	124 059	-
Human Settlement: Free State	607 914	6 558
Human Settlement: North West	308	-
Human Settlement: Gauteng	7 883	95 265
Human Settlement: Limpopo	-	149 666
Human Settlement: Kwazulu Natal	-	116 730
Human Settlement: Mpumalanga	7	11
Human Settlement: Northern Cape	-	69 147
Human Settlement: Eastern Cape	4	2 201
Human Settlement: Western Cape	-	30 856
Sports Arts & Culture: Northern Cape	3 894	14 412
Sports Arts & Culture: Mpumalanga	4 135	20 001
Sports Arts & Culture: Limpopo	9 490	38 937
Sports Arts & Culture: Free State	1	1
Sports Arts & Culture: Eastern Cape	5 687	350 867

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3B (CONTINUED)

STATEMENT OF OTHER SURRENDERS

Name of Department	2023/24		2022/23	
	Amount Surrendered		Amount Surrendered	
	R	000	R	000
Sports Arts & Culture: Gauteng	44 290		64 691	
Sports Arts & Culture: North West	20 077		25 627	
Sports Arts & Culture: Kwazulu Natal	5		-	
Sports Arts & Culture: Western Cape	-		-	
Public Works: Eastern Cape	6 794		101	
Public Works: Free State	1 429		1 707	
Public Works: Gauteng	263		2 837	
Public Works: Limpopo	2 265		6 537	
Public Works: Mpumalanga	2 070		2 024	
Public Works: Kwazulu Natal	98		-	
Public Works: Western Cape	58		-	
Public Works: North West	1 974		1 110	
Public Works: Northern Cape	751		2 687	
Social Development: Eastern Cape	-		36 216	
Social Development: Kwazulu Natal	-		-	
Social Development: Gauteng	-		67 264	
Social Development: Free State	-		-	
Social Development: Mpumalanga	-		-	
Social Development: Northern Cape	-		-	
Social Development: Western Cape	-		-	
Social Development: North West	762		-	
Agriculture, Land Reform and Rural Development: Eastern Cape	16 968		3 601	
Agriculture, Land Reform and Rural Development: Free State	11 312		17 570	
Agriculture, Land Reform and Rural Development: Kwazulu Natal	-		680	
Agriculture, Land Reform and Rural Development: Gauteng	37 749		6 601	
Agriculture, Land Reform and Rural Development: Limpopo	5 248		91 835	
Agriculture, Land Reform and Rural Development: Mpumalanga	104		20 875	
Agriculture, Land Reform and Rural Development: Northern Cape	174		-	
Agriculture, Land Reform and Rural Development: North West	34 641		85 087	
Agriculture, Land Reform and Rural Development: Western Cape	-		3 272	
Cooperative Governance: Limpopo	-		738	
Cooperative Governance: Kwazulu Natal	-		23 902	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3B (CONTINUED)

STATEMENT OF OTHER SURRENDERS

Name of Department	2023/24		2022/23	
	Amount Surrendered		Amount Surrendered	
	R 000		R 000	
Transport: Limpopo	82 998		150 574	
Transport: Free State	1 091		-	
Transport: Gauteng	486 136		634 282	
Transport: Mpumalanga	4 001		32 954	
Transport: Northern Cape	-		5 263	
Transport: North West	-		152 434	
Transport: Eastern Cape	2 210		-	
Municipalities	293 119		219 197	
Local Government Surrender	293 119		219 197	
Refunds	(10 290)		(15 031)	
Water and Sanitation	-		(16)	
Home Affairs	-		(100)	
DTPS: South African Broadcasting Corporation	-		(14 914)	
NT:Elundini Local Govern Surrender Refund	(931)		-	
Basic Education	(9 359)		-	
Total	6 614 885		6 357 106	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 3C

STATEMENT OF OTHER REVENUE RECEIVED

Name of Department	2023/24		2022/23	
	Amount to be Received R 000	Amount Received by Revenue Fund R 000	Amount to be Received R 000	Amount Received by Revenue Fund R 000
Reallocated from Departmental Revenue				
DTI: Various entities	-	316 830	-	57 199
		316 830		57 199
Other	-	50 635	-	66 554
Prevention of Organised Crime Act (POCA)		1 363		21 749
Financial Intelligence Centre (FIC)		15 656		4 227
SARB: Sanctions		20 598		20 664
Secret Service Account		3 686		9 181
Financial Sector Conduct Authority (FSCA)		10		10 733
Government Pensions Administration Agency (GPAA)		9 323		-
Total	-	367 465	-	123 753

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 4A

STATEMENT OF AMOUNTS TRANSFERRED TO DEPARTMENTS FOR PREVIOUS APPROPRIATED FUNDS

Name of Department	2023/24		2022/23	
	Equitable Share	Amount Transferred	Equitable Share	Amount Transferred
	R 000	R 000	R 000	R 000
Asset and Liability Management	18	18	309	309
Health	-	-	366 350	366 350
Parliament	66 538	66 538	30 170	30 170
National Treasury	965 130	965 130	16 893 197	16 893 197
Social Development	-	-	962 616	962 616
Public Enterprise	-	-	107 886	107 886
Communication and Digital Technologies	2 293 565	2 293 565	-	-
Total	3 325 250	3 325 250	18 360 528	18 360 528

WORKING PAPER 4B

STATEMENT OF OTHER EXPENDITURE

NOT APPLICABLE TO NRF

WORKING PAPER 4C

STATEMENT OF CRIMINAL ASSET RECOVERY ACCOUNT (CARA) PAYMENTS

Name of Department	2023/24		2022/23	
	Amount Approved	Amount transferred by Revenue Fund	Amount Approved	Amount transferred by Revenue Fund
	R 000	R 000	R 000	R 000
CARA	877 839	877 839	15 617	15 617
Total	877 839	877 839	15 617	15 617

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

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

WORKING PAPER 4F

STATEMENT OF ADDITIONAL INFORMATION ON NATIONAL REVENUE FUND PAYMENTS

Items	2023/24		2022/23	
	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
GFECLA				
Premium paid	52 568		53 695	
Loss on Foreign Currency Investment	877 081		138 317	
Loss on Scriptlending	-		70 725	
IMF revaluation losses	414		543	
	163 011		-	
Total	1 093 075	-	263 279	-

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 5A

STATEMENT OF APPROPRIATION FOR UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2024

Name of Department	Unauthorised approved by Finance Act						Amount Refunded Funded by NRF
	Finance Act No	Financial Year	With Funding			Without Funding	
			Amount Approved Funded by Revenue Fund	Amount Transferred	Amount Approved Not funded by Revenue Fund	Amount Approved Not funded by Revenue Fund	
			R 000	R 000	R 000	R 000	R 000
Unauthorised expenditure refund: DPW1							6 090
Total			-	-	-	-	6 090

WORKING PAPER 5A

STATEMENT OF APPROPRIATION FOR UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2023

	Unauthorised approved by Finance Act								
			With Funding				Without Funding		
			Amount Approved	Amount Transferred	Amount Approved	Amount Transferred	Amount Approved		
Finance Act	No	Financial Year	Funded by Revenue Fund		Not funded by Revenue Fund			Not funded by Revenue Fund	Amount Refunded
Name of Department			R 000	R 000	R 000	R 000	R 000		Funded by NRF
No Finance Act Passed			-	-	-	-	-		
Total			-	-	-	-	-		

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

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 (Exceeding of vote) From Working Paper 1A 1B & 1D	Funded by Revenue Fund	Financial Year	Amount
	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	3 373 664			
Justice and Constitutional Development	291 759		2023	109
Transport				
Total	4 928 443	-		109

WORKING PAPER 5B

STATEMENT OF UNAUTHORISED EXPENDITURE AS AT 31 MARCH 2023

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
	R 000	R 000	R 000	R 000
Defence	2 995 137		-	-
Statistics SA	807 987		-	-
Transport*		109		
Total	3 803 124	109	-	-

*See disclosure note on restatement

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 6

STATEMENT OF FINANCIAL INSTRUMENTS VALUATION AND CAPITAL SUBSCRIPTION OF INVESTMENTS

	2023/24		2022/23	
	Amount		Amount	
	R 000		R 000	
Capital Subscription on Investments				
Paid up Shares in New Development Bank	(2 520 500)		(6 394 400)	
Financial Instrument Valuation	(81 559 665)		(137 348 973)	
Foreign revaluation reconciliation	(88 871 912)		(158 762 793)	
ALM - Movement on Paymaster General Account	(413 808)		(114 391)	
Increase/(decrease) in Investments	35 552 450		93 344 550	
Increase/(decrease) in Multi-Lateral Institutions	(18 707 707)		(100 464 189)	
Revaluation Exchequer Investments including net movement of ALM restatement Rounding	(9 118 688)		28 647 850	
Total	(84 080 165)		(143 743 373)	
MOVEMENT IN CAPITAL SUBSCRIPTION OF INVESTMENTS				
New Development Bank purchase price in 2022/23	12 602 500		31 972 000	
Value of subscription: 1 April 2022	12 602 500		31 972 000	
Additional Purchase: Value of subscription	-		-	
MOVEMENT ON MULTILATERAL INSTITUTIONS	(10 082 000)		(25 577 600)	
Value of subscription: 1 April 2023	(12 602 500)		(31 972 000)	
Additional Purchase: Value of subscription	-		-	
Net Investment: 1 April 2023	2 520 500		6 394 400	
Additional Purchase: Net Investment	-		-	
Nett movement	2 520 500		6 394 400	

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 7A

STATEMENT OF CURRENT INVESTMENTS

Not applicable to NRF

WORKING PAPER 7B

STATEMENT OF NON-CURRENT INVESTMENTS

Investee	2023/24			2022/23		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	R 000	R 000	R 000	R 000	R 000	R 000
International Monetary Fund quota subscription		76 871 542	76 871 542		72 965 018	72 965 018
African Development Bank		167 603 022	167 603 022		155 972 105	155 972 105
International Bank for Reconstruction and Development		47 751 215	47 751 215		42 996 706	42 996 706
International Monetary Fund SDR Holding		110 835 472	110 835 472		105 847 003	105 847 003
International Finance Corporation		2 528 182	2 528 182		2 360 815	2 360 815
Multilateral Investment Guarantee Agency		342 336	342 336		319 673	319 673
New Development Bank					-	-
Paid up Shares		38 073 600	38 073 600		35 553 100	35 553 100
Callable Shares		152 294 400	152 294 400		142 212 400	142 212 400
Total	-	596 299 770	596 299 770	-	558 226 819	558 226 819

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 8A

STATEMENT OF DOMESTIC BORROWINGS AS AT 31 MARCH 2024

Borrowings	Opening balance as at 1 April 2023	Issued	Repaid	Closing balance as at 31 MARCH 2024		
	R 000	R 000	R 000	Total R 000	Current R 000	Non-current R 000
Domestic long-term	3 835 849 119	468 176 280	249 067 229	4 054 958 170	-	4 054 958 170
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
Former Regional Authorities	-	-	-	-	-	-
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
Domestic short-term	533 206 240	125 008 655	45 312 137	612 902 758	612 902 758	-
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 as at 31 March 2020	-	-	-	-	-	-
Transfer from long-term as at 31 MARCH 2022	-	-	(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)	-	88 672 113	-	88 672 113	88 672 113	-
Other Loans	-	-	-	-	-	-
Total	4 369 055 359	593 184 935	294 379 366	4 667 860 928	612 902 758	4 054 958 170

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 8A

STATEMENT OF DOMESTIC BORROWINGS AS AT 31 MARCH 2023

	Opening balance as at 1 April 2022	Issued	Repaid	Closing balance as at 31 MARCH 2023		
	R 000	R 000	R 000	Total R 000	Current R 000	Non-current R 000
Borrowings						
Domestic long-term	3 288 951 174	387 613 814	-	3 676 564 988	-	3 676 564 988
Domestic long-term bonds debentures and other loans	3 130 763 402	387 613 814	-	3 518 377 216	-	3 518 377 216
Former Regional Authorities	38 867	-	-	38 867	-	38 867
Transfer to short term	(60 918 324)	-	-	(60 918 324)	-	(60 918 324)
Revaluation of inflation bonds	219 067 229	-	-	219 067 229	-	219 067 229
Domestic short-term	572 036 709	19 239 831	58 070 300	533 206 240	533 206 240	-
Debt at 1 April	572 036 709	-	-	572 036 709	572 036 709	-
Bonds created	-	11 902 537	-	11 902 537	11 902 537	-
Bonds reduced	-	-	93 495 684	(93 495 684)	(93 495 684)	-
Transfer from long-term as at 31 March 2020	-	-	-	-	-	-
Transfer from long-term as at 31 March 2021	-	-	(60 918 324)	60 918 324	60 918 324	-
Revaluation of inflation bonds	-	7 337 294	-	7 337 294	7 337 294	-
Treasury Bills (Net movement)	-	-	25 492 940	(25 492 940)	(25 492 940)	-
Other Loans	-	-	-	-	-	-
Total	3 860 987 883	406 853 645	58 070 300	4 209 771 228	533 206 240	3 676 564 988

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 8B

STATEMENT OF FOREIGN BORROWINGS AS AT 31 MARCH 2024

	Opening balance as at 1 April 2023	Issued	Repaid	Closing balance as at 31 MARCH 2024		
	R 000	R 000	R 000	Total R 000	Current R 000	Non-current R 000
Borrowings						
Current borrowings	83 341 850	-	44 906 079	38 435 771	38 435 771	-
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	-
Non- current borrowings	507 524 531	45 662 970	-	553 187 500	-	553 187 500
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
Total	590 866 381	45 662 970	44 906 079	591 623 271	38 435 771	553 187 500

WORKING PAPER 8B

STATEMENT OF FOREIGN BORROWINGS AS AT 31 MARCH 2023

	Opening balance as at 1 April 2022	Issued	Repaid	Closing balance as at 31 MARCH 2023		
	R 000	R 000	R 000	Total R 000	Current R 000	Non-current R 000
Borrowings						
Current borrowings	51 822 222	198 857	7 115 000	44 906 079	44 906 079	-
Loans	7 115 000	198 857	7 115 000	198 857	198 857	-
Transfer from long-term	29 655 596	-	-	29 655 596	29 655 596	-
Revaluation	15 051 626	-	-	15 051 626	15 051 626	-
Non- current borrowings	446 285 257	64 465 587	-	510 750 845	-	510 750 845
Loans	374 612 146	64 465 587	-	439 077 734	-	439 077 734
Transfer to short-term	(29 655 596)	-	-	(29 655 596)	-	(29 655 596)
Revaluation	101 328 707	-	-	101 328 707	-	101 328 707
Total	498 306 337	64 465 587	7 115 000	555 656 924	44 906 079	510 750 845

UNAUDITED SUPPLEMENTARY WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 8C

STATEMENT OF CHANGES IN BORROWINGS

Other financing activities	2023/24			2022/23		
	Received	Paid	Increase/ Decrease	Received	Paid	Increase/ Decrease
	R 000	R 000	R 000	R 000	R 000	R 000
Treasury Bills	712 104 871	624 093 607	88 011 265	601 025 890	626 518 830	(25 492 940)
IGCC	144 918 863	144 138 419	780 444	79 198 491	79 198 491	-
Late request non-voted: ALM	226 741	84 489	142 252	84 489	184 938	(100 449)
Bonds	421 172 596	103 298 401	317 874 194	391 823 801	85 804 435	306 019 366
Non voted funds to be surrendered ALM	(253 494)	(82 135)	(171 359)	(82 135)	(85 560)	3 425
Foreign Loans						
Payment ito Section 239 of the Constitution	45 662 970	47 144 736	(1 481 767)	64 465 587	15 761 600	48 703 987
Payment ito Section 58 Act 11 of 1977 IMF	-	-	-	-	-	-
Revaluation of exchequer investments: FCI	-	-	-	-	28 311	(28 311)
and ALM PMG balance						
Rounding	(12 052 995)	-	(12 052 995)	22 139 060	-	22 139 060
Total	1 311 779 550	918 677 517	393 102 033	1 158 655 184	807 411 045	351 244 139

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)
FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 8D
STATEMENT OF MULTILATERAL INSITUCTIONS

	2023/24		2022/23	
		Current Year Increase/(Decrease)		
	Amount R 000		Amount R 000	
IMF-Securities Account	118 089 410	(12 241 986)	130 331 396	
IMF-SDR Allocations	118 659 436	6 030 138	112 629 299	
International Bank for Reconstruction and Development	44 324 481	4 208 988	40 115 492	
Multi- Lateral Investment Guarantee Agency	277 349	18 361	258 988	
African Development Bank	160 273 269	10 610 206	149 663 063	
New Development Bank	152 294 400	10 082 000	142 212 400	
Total	593 918 345	18 707 707	575 210 638	

WORKING PAPER 9A
STATEMENT OF OTHER RECEIVABLES

Name of Department / Entity	2023/24		2022/23	
	Amount to be received	Amount Received	Amount to be received	Amount Received
	R 000	R 000	R 000	R 000
SARS to RAF	27 742	-	-	-
SARS intransit	554	-	-	-
ALM Non - voted funds	253 494	82 135	82 135	85 560
Total	281 790	82 135	82 135	85 560

UNAUDITED SUPPLEMENTARY
WORKING PAPERS (WP)

FOR THE YEAR ENDED 31 MARCH 2024

WORKING PAPER 9B

STATEMENT OF OTHER FUNDS TRANSFERRED TO NATIONAL GOVERNMENT

Not applicable to NRF

WORKING PAPER 9C

STATEMENT OF OTHER PAYABLES

	2023/24		2022/23	
	Amount to be Paid R'000	Amount Paid R'000	Amount to be Paid R'000	Amount Paid R'000
Name of Department / Entity				
Payable SARS to RAF	-	151 361	151 361	223 513
Payable SARS to UIF	2 148 216	2 054 411	2 054 411	1 981 687
SARS in transit	-	57	57	6 309
Late request for Non - Voted: ALM	226 741	84 489	84 489	184 938
Total	2 374 957	2 290 318	2 290 318	2 396 447

2024 CFS

**CONSOLIDATED
FINANCIAL STATEMENTS**

for the year ended 31 March 2024

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA