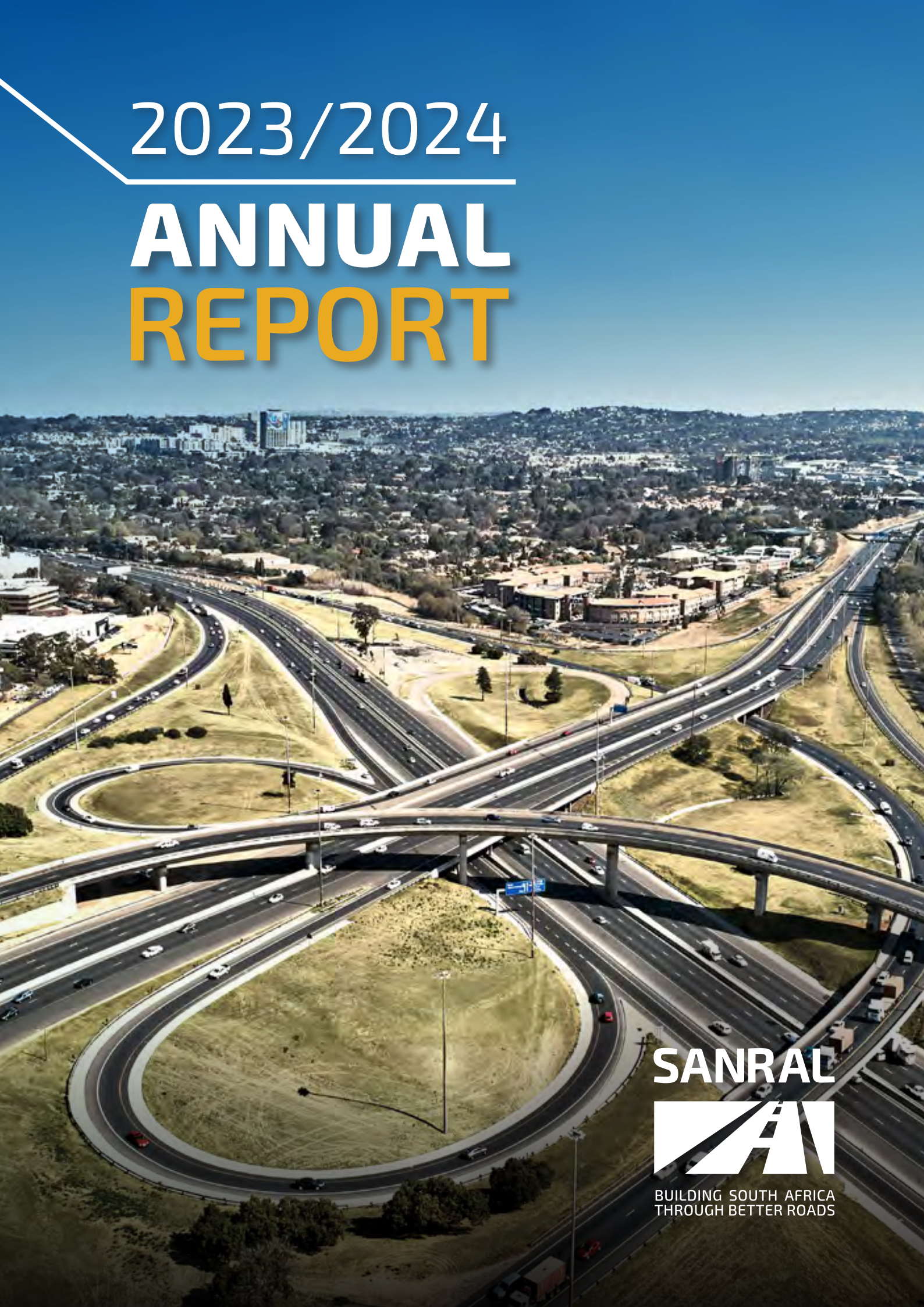
2023/2024

ANNUAL REPORT



SANRAL

BUILDING SOUTH AFRICA
THROUGH BETTER ROADS

The South African National Roads Agency SOC Limited

Annual Report 2023/2024

The 2023/2024 Annual Report of the South African National Roads Agency SOC Limited (SANRAL) covers the period 1 April 2023 to 31 March 2024 and describes how the Agency gave effect to its statutory mandate during this period.

The report, which is available in print and electronic formats, is a narrative and statistical description of major developments during the year and of value generated in various ways.

The annual financial statements contain the corporate governance report in addition to the financial statements. In selecting qualitative and quantitative information for the report, the Agency has strived to be concise but reasonably comprehensive and has followed the principle of materiality – content that shows the Agency's value creation in the short, medium and long term.

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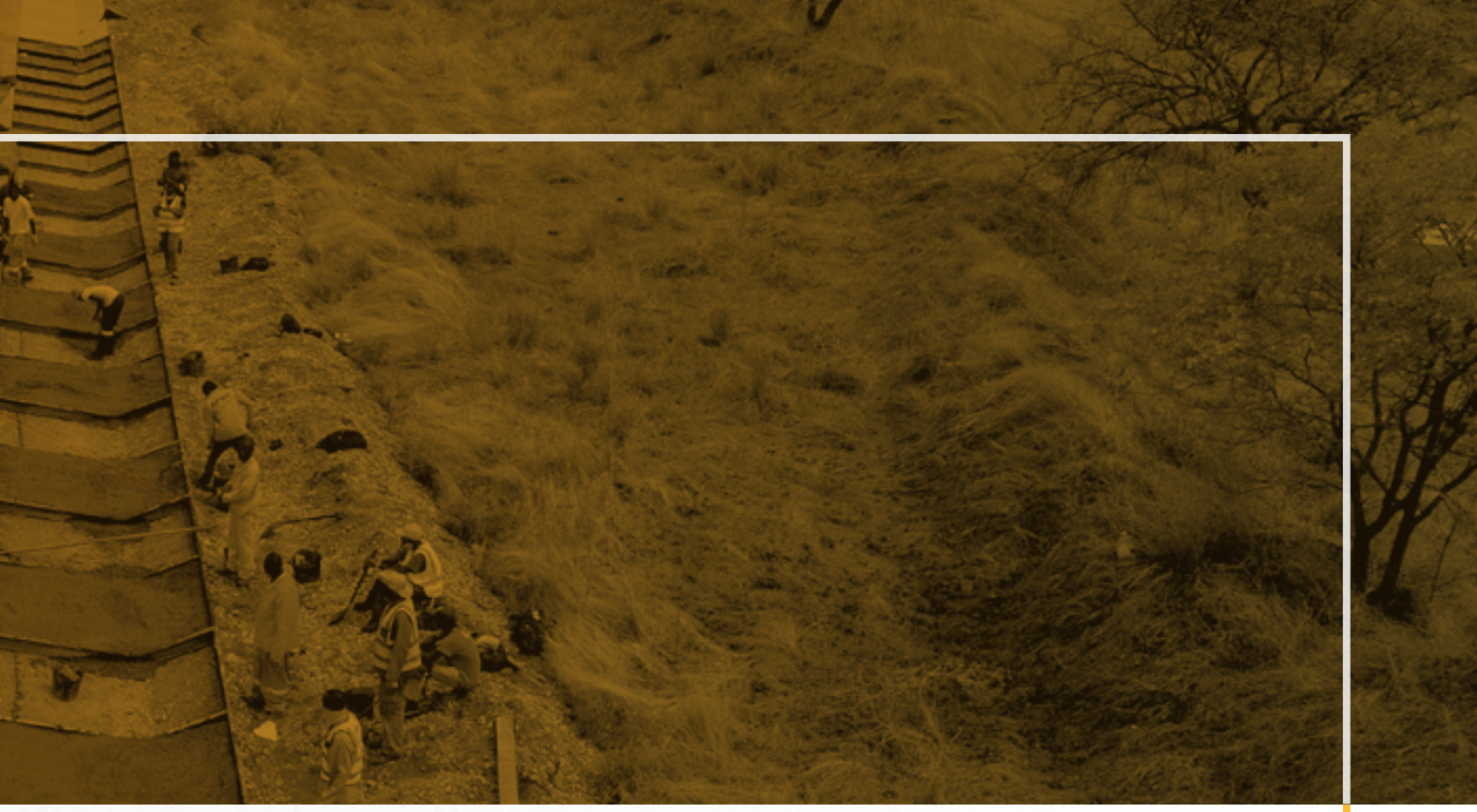

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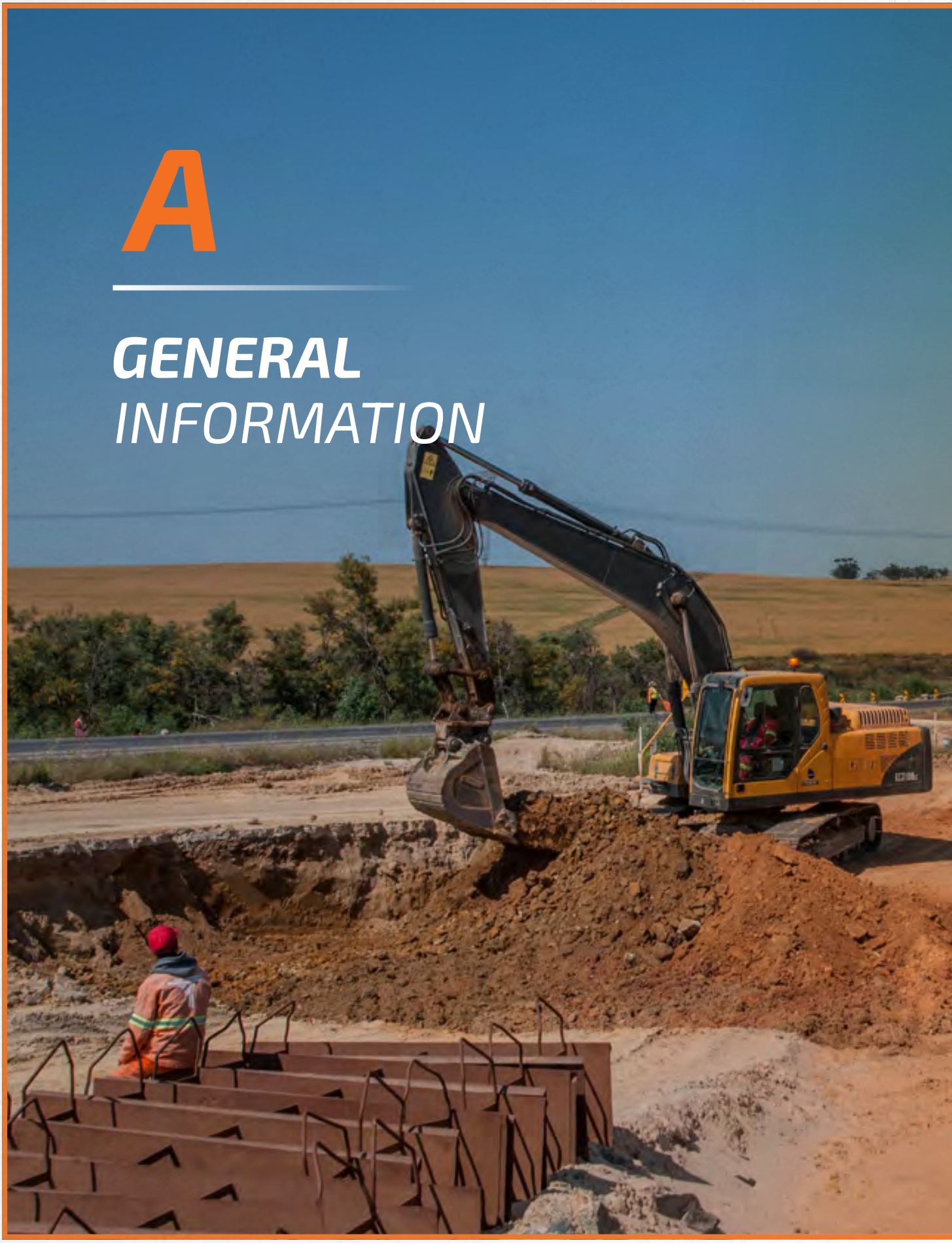
GENERAL *INFORMATION*



1 PUBLIC ENTITY'S GENERAL INFORMATION

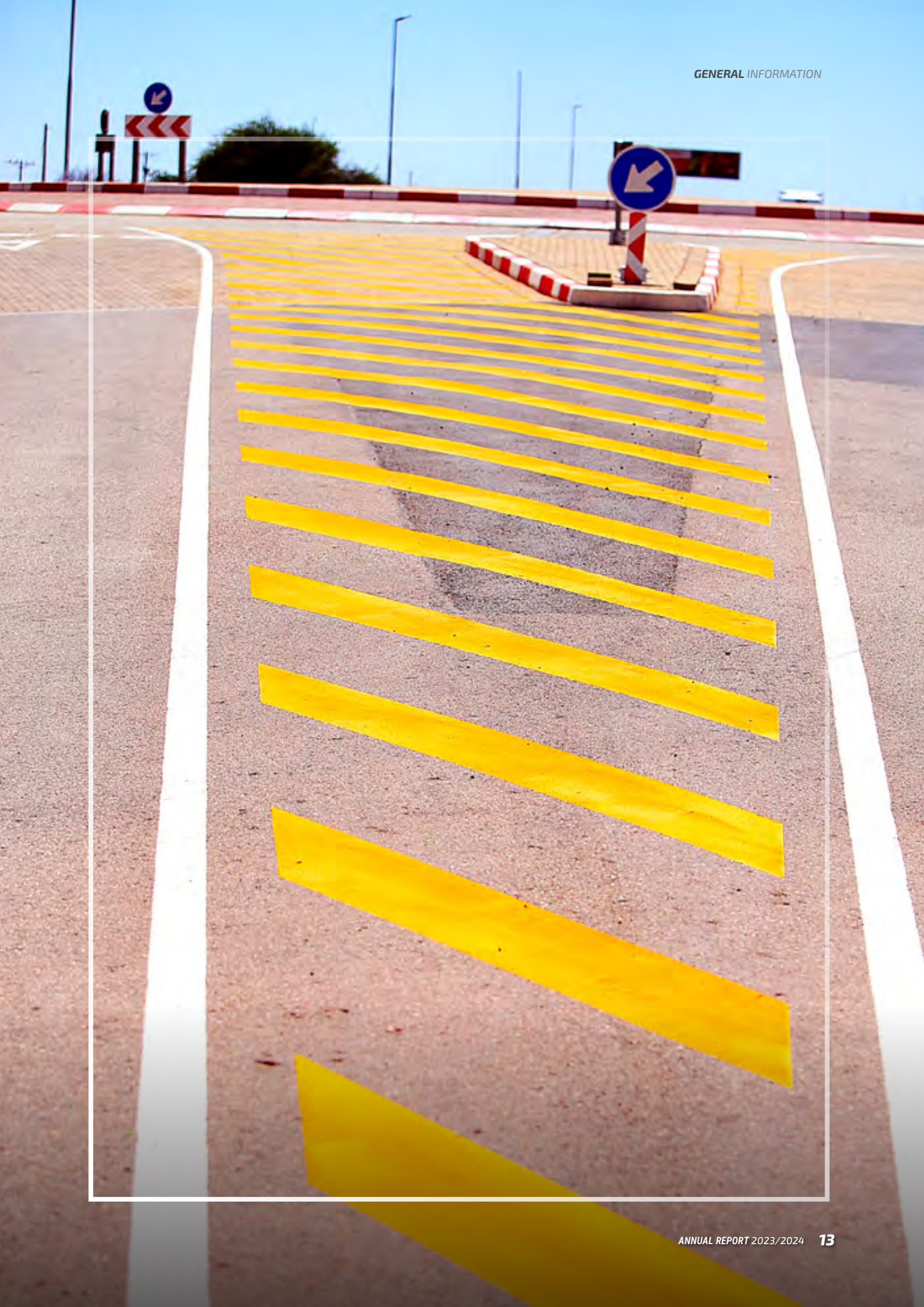
REGISTERED NAME: REGISTRATION NUMBER	The South African National Roads Agency SOC LTD (SANRAL) 1998/009584/30
PHYSICAL ADDRESS:	48 Tambotie Avenue Val de Grace Pretoria 0184
POSTAL ADDRESS:	PO Box 415 Pretoria 0001 South Africa
TELEPHONE NUMBER/S:	+27 12 844 8000
FAX NUMBER:	+27 12 844 8200
EMAIL ADDRESS:	info@nra.co.za
WEBSITE ADDRESS:	www.nra.co.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Nedbank Group ABSA Group Limited
COMPANY/ BOARD SECRETARY:	Adv Sinomtha SM Linda

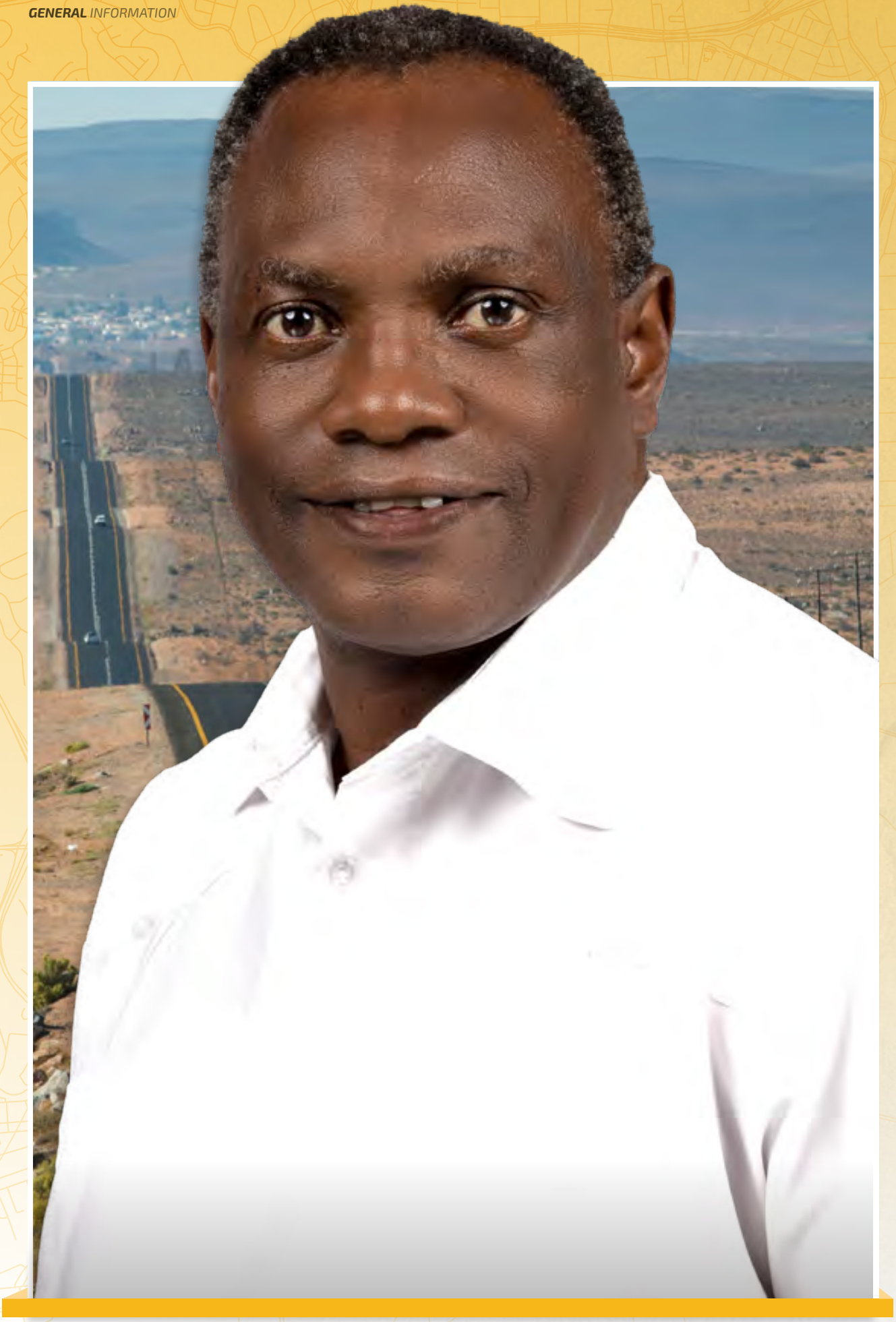
2 ACRONYMS

- **ADAT:** Advanced data analytics tools and optimisation
- **AFS:** Annual Financial Statements
- **AGSA:** Auditor-General of South Africa
- **ARC:** Audit and Risk Committee
- **B-BBEE:** Broad-Based Black Economic Empowerment
- **BEd:** Bachelor of Education
- **CapEx:** Capital expenditure
- **CD:** Community Development
- **CEO:** Chief Executive Officer
- **CESA:** Consulting Engineers South Africa
- **CETA:** Construction Education & Training Authority
- **CFO:** Chief Financial Officer
- **CIA1ET:** Certified Internal Auditor Part 1 Exam Techniques
- **CIDB:** Construction Industry Development Board
- **CIS:** Center for Internet Security
- **COI:** Conflicts of interest
- **CPD:** Continuous professional development
- **CPI:** Consumer Price Index
- **CSIR:** Council for Scientific and Industrial Research
- **CTROM:** Comprehensive toll road operations and maintenance
- **DBE:** Department of Basic Education
- **DBOM:** Design-build-operate-maintain
- **DoT:** National Department of Transport
- **DRC:** Depreciated Replacement Cost
- **Eapasa:** Environment Assessment Practitioners' Association of South Africa
- **ECSA:** Engineering Council of South Africa
- **EDMS:** Enterprise Document Management Systems
- **EE:** Employment equity
- **EESD:** Employment equity and skills development
- **EME:** Exempted micro-enterprise
- **EIO:** Expression of Interest
- **ERP:** Enterprise resource planning
- **ESDD:** Electronic Supplier Development Desk
- **EXCO:** Executive committee
- **FEM:** Federated Employers' Mutual Assurance Company
- **FMS:** Freeway Management System
- **FTC:** Fixed-term contract
- **FTE:** Full-time equivalent
- **GCR:** Global credit ratings
- **GDP:** Gross domestic product
- **GFA:** Guaranteed framework agreement
- **GFIP:** Gauteng Freeway Improvement Project
- **GORT:** Gauteng Open Road Tolling
- **GPG:** Gauteng Provincial Government
- **GRAP:** Generally Recognised Accounting Practices
- **GRC:** Gross replacement cost
- **HO:** Head Office
- **HR:** Human resources
- **ICT:** Information and Communications Technology
- **IDC:** Industrial Development Corporation
- **IDP:** Individual Development Plan
- **IIA SA:** Institute of Internal Auditors South Africa
- **IP:** Investment property
- **IPM:** Institute of People Management
- **IRMSA:** Institute of Risk Management South Africa
- **ISACA:** Information Systems Audit and Control Association
- **ISO:** International Organization for Standardization
- **ITS:** Intelligent Transport Systems
- **ITS/TP JV:** Innovative Transport Solutions (Pty) Ltd/ Tolplan (Pty) Ltd JV
- **JSE:** Johannesburg Stock Exchange
- **MBAC:** Management Bid Adjudication Committee
- **MEA:** Modern equivalent asset
- **MEC:** Member of Executive Council
- **MEng:** Master of Engineering
- **MoA:** Memorandum of Agreement
- **MoF:** Minister of Finance
- **MoT:** Minister of Transport
- **MTEF:** Medium-Term Expenditure Framework
- **NDB:** New Development Bank
- **NEMA:** National Environmental Management Act
- **NIST:** National Institute of Standards and Technology
- **OCI:** Overall Condition Index
- **OHS:** Occupational health and safety
- **OMR:** Operating Model Review

ACRONYMS CONTINUED

- **OpEx:** Operational expenses
- **Paud:** Performance Auditing in the Public Sector
- **PFMA:** Public Finance Management Act, Act 1 of 1999
- **PLC:** Project Liaison Committee
- **PP&E:** Property, plant and equipment
- **PPP:** Preferential Procurement Policy
- **PPPFA:** Preferential Procurement Policy Framework Act
- **PrEng:** Professional engineer
- **Psalm:** Public Sector Property and Asset Management Conference
- **QSE:** Qualifying small enterprise
- **RBAC:** Review Bid Adjudication Committee
- **RCI:** Root cause identification
- **RFI:** Request for information
- **RFQ:** Request for quotation
- **RRM:** Routine road maintenance
- **S4F:** Science-for-the-Future
- **SAAPAM:** South African Association of Public Administration and Management
- **Sabita:** Southern African Bitumen Association (Rf)
- **SADC:** Southern African Development Community
- **SAICE:** South African Institute of Civil Engineering
- **SAIOSH:** South African Institute of Occupational Safety and Health
- **SANRAL:** South African National Roads Agency Limited
- **SAQA:** South African Qualifications Authority
- **SARF:** South African Road Federation
- **SARS:** South African Revenue Service
- **SARWA:** South African Right of Way Association
- **SATC:** South African Transport Conference
- **SCM:** Supply chain management
- **SD:** Skills development
- **SDF:** Skills development facilitator
- **SIP:** Strategic Integrated Projects
- **SMME:** Small, medium and micro-sized enterprise
- **SOP:** Standard operating procedure
- **STE:** Smooth travel exposure
- **STEM:** Science, technology, engineering and mathematics
- **TEA:** Technical Excellence Academy
- **TR:** Treasury regulations
- **TRAC:** Trans African Concessions
- **TRM:** Total reward model
- **TSD:** Technical Services Department
- **VAT:** Value-added tax
- **WAN:** Wide-area network
- **WIL:** Work-integrated learning





3 CHAIRPERSON'S FOREWORD

Audit Outcome

I am pleased to present, on behalf of the Board of Directors of the South African National Roads Agency SOC Limited (SANRAL), the organisation's Annual Report for the 2023/2024 financial year and, proudly but humbly, yet another unqualified audit outcome from the Auditor-General of South Africa.

Core Business Delivery, National Service and Commitment to Transformation

As a now twenty-six years old state-owned company under the Minister of Transport, SANRAL is mandated to deliver a safe, efficient, reliable and resilient national road network for the benefit of all the people of South Africa. While the Annual Report shows that the organisation's performance can be further enhanced, the core business of investing in, building and maintaining world-class quality road infrastructure remains solidly and concretely in place, and on track.

Our service delivery, via projects totalling hundreds of billions of rand at any given time, translates into the macroeconomic development of the country as it sustains major businesses in the civil construction industry, empowers small to medium sized enterprises (SMMEs), creates job opportunities for the country's citizens, and contributes to the development of local communities wherever it works. This statement is particularly affirmed by the fact that the national character of SANRAL has in recent years been defined, too, by an ever-expanding adoption of some provincial roads and support to municipalities, latterly through its coordination of the Vala Zonke pothole patching campaign. We're also often roped in to assist during crises, an example being during and after the tragically devastating floods in KwaZulu-Natal (KZN), which had forced the closure of numerous roads.

It is against the above background that SANRAL can confidently say it has, over the past five years, massively contributed to making the country - particularly in the KZN and the Eastern Cape Provinces - a construction site as per the President's injunction. This has been in spite of and despite highly organised monolithic opposition to our transformation efforts - with court interdicts of our tender policies and processes often used to stymie our transformation programme. This of course then forces us into maintaining the status quo as we can ill-afford the non-award of tenders as this would hamper national economic growth and throttle SMMEs as well as designated groups-owned construction firms. The President's recent signing of the Public Procurement Act will help re-establish tangible transformation as a constituent part of the economic development of the country. Where SANRAL is concerned, it will help inform our preferential procurement policy development process and content.

Notwithstanding some of our setbacks, we've made our resolute commitment to the meaningful participation of the previously marginalised in our projects clear by elevating transformation into one of the key pillars of our Horizon 2030 Strategy. State-owned entities such as SANRAL have a responsibility to contribute to government's efforts in fostering economic growth, social inclusion and equitable development. We have to strike a balance between sustaining our big companies with major projects while supporting the growth of the SMMEs throughout the value chain of our industry.

Responsiveness to Audit Findings and Recommendations

SANRAL's contribution to national development has continued without any deleterious impact on the organisation's performance, as indeed for the fifth consecutive year the organisation has received an unqualified audit opinion. Our continued success in maintaining our strong financial performance is partly attributable to the Audit War Room we established last year. This year the War Room should help us finally come to grips with the incidence of repeat findings, particularly as it will be buttressed by the reinforcement of our independent internal audit function through a significant infusion of additional, and highly skilled, human resources.

While we celebrate our latest unqualified status we note, with appreciation, the AG's identification of lapses with regard to aspects of our performance information as well as elements of our procurement management. Our performance where the latter is concerned should finally improve given our elevation of the headship of procurement in our organisation to an Executive level, and the resultant appointment of the Chief Procurement Officer (CPO). It requires constant reminding that all our billions' worth of thousands of projects begin with procurement, unavoidably meaning that supply chain management challenges will almost always remain the most prevalent of all our risks and sources of contention. It comes as no surprise, then, that the AG zeroes in on the need for procurement improvements. We shall

therefore respond effectively and efficiently to the AG's recommendations pertaining to possible interventions for improvements in this regard.

The year under review is the first full year under our relatively new Chief Executive Officer (CEO), Mr Reginald Demana, who assumed the position at the beginning of 2023, and under whose operational leadership SANRAL has focused, more than ever before, on our core business of building and maintaining quality road infrastructure, streamlining our financial performance, and advancing transformation. Through our Organisational Model Review (OMR) process he should be able to further restructure the organisation for management excellence, add greater service delivery capacity, and enhance its performance.

The year under review also marks the first full financial year of the Board in its current form, though some members bring the experience of having served some months of what is now their second term under then Minister Sindisiwe Chikunga, MP, and then Deputy Minister Mr Lisa Mangcu, both of whom laid critical asphalt on the road to making SANRAL a public institution responsive to its mandate, the development of the construction industry, and government's ongoing fight against the economic deprivation of the masses of our people.

Stakeholder Relationship Management

A key focus area of the Board during the year under review was continued stakeholder relationship building and management mainly to secure the buy-in, in particular, of communities among which SANRAL's projects are implemented. It is this deliberate investment in maintaining sound relations with communities where our projects are taking place that ensures minimal to no disruption of SANRAL projects, in the process literally saving the organisation billions of rand in potential losses. It is not fortuitous that SANRAL's projects have, over the past five years, been generally shielded from the so-called construction mafia.

Strategic Response to a Changing National Economic and Political Landscape

This report is produced just as Minister Barbara Creecy, MP, deputised by Mr Mkhuleko Hlengwa, MP, has just assumed Executive Authority over SANRAL, following her appointment as the Minister of Transport in the Government of National Unity (GNU) and in the Seventh Administration. Minister Creecy has already set the tone for greater fiscal prudence, accountability, continued industry development, and operational excellence as some of the cornerstones in pursuit of inclusive economic growth, reduced poverty, and building a capable state - the three main priorities of the Seventh Administration.

These priorities broadly gel with SANRAL's current five-year Strategic Plan, which emanates from Horizon 2030, SANRAL's long-term Strategy Framework, which the Board has directed should be updated to take recent policy, regulatory, legislative, technological and financial changes into account. These changes include the exploration of greater public-private partnerships as well as the need for new funding regimes and streams, including business development, in the age of dwindling public resources ironically amidst increased public demands.

Central to a strategic realignment in time with evolving times is greater investment in information systems and technology. Accordingly the relevant function has been elevated to an Executive-level one with the appointment of a Chief Information Officer (CIO) to drive the translation of the principles of people, processes, technology, information security and IT governance to ensure business sustainability and continuity.

Besides the already-alluded to positions of CPO and CIO supplementing the Chief Financial Officer and Chief Audit Executive posts, SANRAL has created Executive-level positions in Engineering Planning and Design; Engineering Operations and Maintenance; Corporate Affairs; Legal, Risk and Compliance; Human Capital; and the Company Secretariat to build high-level internal management capacity commensurate with the corporate management architecture of a multi-billion rand infrastructure development institution - in the process contributing to the national imperative of building the capacity of the state. We have also decided to switch from the regional model to a provincial one so as to better align with the district development model and

pay special attention to our core business operations in each province. The recruitment of provincial managers is accordingly in progress.

We also welcome the accountability that the new Portfolio Committee on Transport has already started subjecting us to. In this regard we recognise the importance of independent, critical but constructive appraisal of our work by public representatives. This talks to our accountability as custodians of vast amounts of public funds and resources, an obligation which must be accompanied by consequence management in instances of fruitless and wasteful expenditure and wilful causes of irregular expenditure. Pursuant thereto we shall, as required by law, address the said maladies as identified by the AG.

Good Governance and Strategic Relationships

It is paramount for SANRAL to maintain a clear focus on its primary mandate of constructing and maintaining the national road network. Our governance framework is designed to support this mandate seamlessly, ensuring that governance practices complement rather than overshadow it. Accordingly, our Delegation of Authority Framework - which is subject to ongoing review - seeks to ensure Board oversight with respect to the ongoing implementation of our project pipeline.

In the future, our emphasis will be on engaging with the bond market to facilitate the growth and enhancement of our toll portfolio. Additionally, we are committed to delivering value to all stakeholders across the country, with a particular focus on projects in rural areas. Through these efforts, we aim to advance our core mission while fostering sustainable development and prosperity for communities nationwide.

In the above regard relevant collaboration with various partners, including local communities and interest groups, industry associations, sister agencies, municipalities and provincial and national government departments is a sine qua non. This proactive approach ensures that their interests - sometimes divergent - are considered and integrated into our planning and decision-making.

Our Future

We enter the uncharted waters of the GNU safe in the knowledge that our going concern status has finally been resolved with government's resolution of the e-tolls debacle.

Towards the end of the financial year under review, significant progress was made on this issue, as various stakeholders – including the Department of Transport, the National Treasury and the Gauteng Provincial Government – reached an agreement to bring an end to e-tolls.

This development marks a positive step forward for the continued enhancement of South Africa's transportation infrastructure. It means that SANRAL can once again access the bond market to pursue the completion of existing projects, as well as initiate new road projects, especially ones centering on tolling for heavy duty vehicles whose loads exact heavy damage on our roads.

Looking ahead, one of SANRAL's major challenges will be effectively managing the road network. Inadequate maintenance of existing infrastructure and insufficient investment in future capital projects could impede South Africa's growth trajectory. It is imperative for SANRAL to prioritise proactive management and strategic investment to ensure the continued development and sustainability of the road network for the benefit of all South Africans.

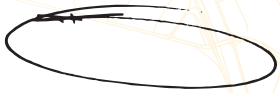
Acknowledgements

As we present this Annual Report and celebrate our achievement of another unqualified audit opinion, we must take sole accountability for all lapses which remain in our space.

For the improvements we are grateful to our former Minister Ms Chikunga, the Deputy Minister Mr Mangcu; Parliament's Portfolio Committee on Transport; the DG, DDGs and officials in the Department of Transport; our Auditor-General; and our executive management and staff, under the leadership of the CEO.

At a personal level I must thank my fellow Board members for continuing to act in the best interests of SANRAL even as they are sometimes subjected to various - often subtle and subliminal - forms of abuse. The aggregate of their knowledge, experience and humility in the service of SANRAL always humbles me.

The last word of thanks goes to the people of our country, who are ultimately, through our government, our deployers into these critical functions we are expected to discharge with diligence. As we commemorate the 30th anniversary of our democracy in 2024, let us remain inspired to contribute more to improving the lives of all South Africans.



Themba Mhambi

Chairperson

4 CHIEF EXECUTIVE OFFICER'S OVERVIEW

It gives me great pleasure to introduce the 2023/24 annual report, which details the financial and operational performance of the South African National Roads Agency SOC Limited (SANRAL). This report represents the first comprehensive overview of the Agency during my tenure as the Chief Executive Officer.

In the reporting period, SANRAL continued to accelerate investment in the construction industry. By directing billions of rands towards the maintenance and construction of roads, the Agency is making a positive impact on one of the most vital economic sectors. This not only enhances critical road infrastructure but also transforms communities by injecting resources into local and regional economies.

This investment is creating thousands of jobs and fostering a more inclusive economy by empowering small, medium and micro-sized enterprises (SMMEs), particularly those led by youth, women, people with disabilities and military veterans.

Last year also marked a significant milestone for SANRAL as we celebrated 25 years since our establishment in 1998 during the inaugural administration of President Nelson Mandela. We are very proud of our achievements in developing South Africa's national road network while also making a meaningful difference in the lives of the communities we serve.

Financial outlook

SANRAL is in a solid financial position, poised for continued investment in South Africa's road network. By both re-capacitating the organisation and driving ongoing business activity, we have achieved exceptional performance.

Several other factors have contributed to our firm financial footing:

Healthy cash reserves: Grants from previous years have provided a substantial cushion, with a balance of around R53 billion available for accelerated spending.

Government support: The National Treasury's planned allocation of R87 billion over the next three years demonstrates ongoing government commitment to road infrastructure development.

Increased borrowing capacity: SANRAL now has the ability to access the market to raise additional funding, with an increased borrowing limit of R16.5 billion valid until 31 March 2028.

Existing debt resolution: Agreement by the National Government and Gauteng Provincial Government to cover all of SANRAL's Gauteng Freeway Improvement Project (GFIP) debt frees up significant resources for future investments and has a positive impact on SANRAL's balance sheet.

The discontinuation of the GFIP tolling system represents a significant positive development for SANRAL's financial health. While the actual switch-off falls outside this reporting period, the announcement itself, made during the 2023/24 financial year, marked a turning point. GFIP debt constituted nearly all of SANRAL's outstanding debt and its revenue contribution was minimal, accounting for approximately 10% of annual toll revenue. This meant a disproportionate debt burden was carried for a relatively small revenue stream. Discontinuation is therefore expected to have a minimal impact on revenue but significantly reduce our overall debt obligations.

Moving forward, a key focus will be securing long-term funding solutions aligned with our infrastructure assets. Previously, the uncertainty surrounding e-tolls necessitated a reliance on short-term financing instruments such as bonds with shorter maturities. This approach was not ideal for long-term infrastructure projects. With the e-tolls issue now resolved, SANRAL can pursue long-term funding structures with maturities that match the lifespan of the toll road assets (typically 15–20 years). This approach will ensure a more sustainable financial footing for SANRAL.

Additionally, as existing road concessions approach the end of their terms and revert to SANRAL, the organisation will experience a significant increase in medium- to long-term cash-flow generation. This shift positions SANRAL to become a more viable and self-sustaining business model in the coming years.

The presence of unspent grant funds carried over from previous years reflects both the nature of SANRAL's projects and its commitment to responsible financial management. SANRAL awards project tenders only when secure funding is available. This model, where awarded projects represent 'cash in the bank', is a core principle and contributes to our financial stability.

The multi-year nature of SANRAL's projects necessitates the retention and rollover of funds. Awarded projects often span two to four years, requiring disbursement of funds throughout the project lifecycle. Therefore, the current cash balance reflects both a slowdown in past business activity and the ongoing commitment to multi-year projects. It is important to emphasise that these funds are not simply unspent grants; they are strategically allocated to ensure the successful completion of awarded projects.

We are determined to accelerate spending on new projects, which will result in the reduction of cash balances during the Medium-Term Expenditure Framework.

Spending trends

SANRAL's road infrastructure projects extend their reach far beyond construction. They act as catalysts for economic inclusion, empowering previously marginalised communities to access and participate meaningfully in the national economic landscape. This exemplifies government's commitment to fostering economic recovery, creating jobs with dignity for our people, and ultimately combating poverty and inequality.

In the past reporting year, SANRAL spent just over R10 billion on operational expenses (OpEx) and more than R12 billion on capital expenditure (CapEx) for its non-toll portfolio. This combined expenditure amounted to over R23 billion. Looking ahead, our budget for the next financial year will exceed R37 billion.

For the toll portfolio, spending reached over R4.1 billion, with OpEx consuming the majority at just under R4 billion and CapEx reaching R335 million. Fuelled by ongoing construction projects, both OpEx and CapEx are trending upwards, reflected in the nearly R8 billion budget allocated for the next financial year. CapEx on the toll portfolio has been constrained by borrowing limits. With the approval of increased borrowing limits, there will be a significant uptick in expenditure on the toll portfolio starting from 2024/25 onwards.

In the past financial year, SANRAL advertised 278 tenders with a value of just over R44 billion. The Agency also closed 209 tenders with a value of more than R35 billion and awarded 170 tenders with a value of around R23 billion. Most importantly, there is a healthy pipeline of tenders currently under evaluation, which will result in early awards of more projects during the new financial year.

Breakdown of tenders advertised and awarded

278
Advertised in 2023/2024 financial year
(status as at 31 March 2024)

- **81** awarded
- **97** at adjudication stage
- **30** at adjudication stage
- **1** cancelled
- **TOTAL: 209** (closed)
- ***69** still on tender advertisement (not closed)

170
Tenders awarded

- **87** (brought over from 2022/23)
- **81** (advertised in the 2023/24 financial year)

Breakdown of expenditure on contractors, jobs created and training per region over the past financial year.

Region	*Number of contractors*	*Value of work*	*Number of full-time equivalent jobs*	*Cost of full- time equivalent jobs*	*RRM contracts*
Eastern Region	14	R5.651 billion	6,041	R1.2 billion	16 contracts 1,395 jobs R1.208 billion
Northern Region	30	R3.465 billion	7,346	R8 billion	R4.869 billion
Southern Region	419 (subcontractors)	R7.510 billion	6,450 (3,001 youth)	R6.6 billion	23 contracts 1,247 jobs R2.019 billion
Western Region	286 (subcontractors)	R2.6 billion	554	R277 million	27 contracts R1.346 billion

Constraints and challenges

GFIP, or e-tolls, has been the biggest challenge for SANRAL, spanning multiple years. As outlined above, this has now been resolved, eliminating a significant burden on the Agency and removing a threat to the ongoing viability of the business. Recognising the need for decisive action, SANRAL took a proactive role in the resolution process. This experience underscores the value of proactive problem-solving as a guiding principle for our future endeavours.

We also experienced challenges in the area of procurement. In 2023, our Board adopted a more progressive Preferential Procurement Policy (PPP) following a Constitutional Court ruling that effectively nullified our previous policy. However, major construction companies contested our new PPP in court, prompting our Board's bold decision to retract it in October of that year. Guided by legal counsel, we also cancelled numerous tenders that were already advertised.

In November, after extensive nationwide consultations with various stakeholders, we implemented an interim PPP and put 167 tenders awarded in quick succession. Despite encountering these significant hurdles, we demonstrated exceptional agility in regaining momentum. This is evident in the 167 tenders awarded and the continued acceleration in the business.

Going forward, we plan to engage with the construction sector to seek input on a new policy. Our aim is for this policy to align with the new Public Procurement Act. We will conduct consultations with relevant stakeholders to gather feedback and ensure that all affected and interested parties have the opportunity to contribute to the process.

These procurement challenges highlight the ongoing need for a unified national approach to transformation. The Public Procurement Act offers a promising path forward. A clear legislative framework will empower state-owned entities to develop consistent policies, fostering industry acceptance and propelling us towards a more inclusive future.

Flagship projects

SANRAL is rolling out massive projects across the country in the coming years, some of which will take us well into the next decade. While some projects previously faced delays due to borrowing limitations, we have now addressed this challenge and are moving forward.

Flagship Non-Toll Projects

N2 and N3 in KwaZulu-Natal 135km of upgrades

Estimated cost: **R40 billion**
Estimated FTE jobs: **17,000**

Moloto Road (R573) upgrade in Gauteng, Mpumalanga and Limpopo

139km of upgrades
Estimated cost: **R11.5 billion**
Estimated FTE jobs: **6,250**

N2 Wild Coast Road in the Eastern Cape

112km of new greenfield road
Estimated cost: **R23.5 billion**
Estimated FTE jobs: **8,000**

N2 Richards Bay to Ermelo in KwaZulu-Natal and Mpumalanga

415km of upgrades
Estimated cost: **R48 billion**
Estimated FTE jobs: **19,500**

Flagship Toll Projects

N1 Bella Bella to BeitBridge, Limpopo

380km of upgrades
Estimated cost: **R10.8 billion**
Estimated FTE jobs: **6,000**

N1 Corridor

Upgrades from Louis Trichardt to Masekwaspoort; Musina south to Musina north; Scottland to Winburg South; Zandkraal and Scottland; Rietvlei to Polokwane; and the Huguenot Tunnel North Bore

Estimated cost: **R14 billion**

N2 Corridor

Upgrades on the Tongaat Toll Plaza to Ballito Interchange, the Ballito Interchange to Tinley Manor, Tinley Manor to New Guelderland and Mtunzini to Richards Bay

Estimated cost: **R3.9 billion**

N3 Corridor

Upgrades on the Mariannhill Plaza to Key Ridge Road, Paradise Valley to Mariannhill Plaza and the Mariannhill Toll Plaza upgrade

Estimated cost: **R9.5 billion**

Organisational changes

For SANRAL, one key area for improvement lies in fostering greater collaboration across different spheres, since siloed approaches tend to limit effectiveness. We are actively addressing this by strengthening partnerships, exemplified by our closer collaboration with the National Department of Transport.

This collaborative, results-driven approach will optimise service delivery. SANRAL has implementation capabilities across all government spheres, including provincial and municipal levels. We plan to expand our impact there and are actively forging new partnerships with municipalities and provinces to tackle non-SANRAL roads.

All of this means that the Agency's role has become increasingly multifaceted. Recognising the growing demands placed upon us, we have been strategically expanding our footprint. This will allow us to better support the former Minister of Transport across various spheres of government and to deliver on our national infrastructure mandate.

To address critical skills gaps that have hampered our operational capacity, we implemented a comprehensive recruitment initiative, filling close to 100 positions in the last year, with a strong focus on frontline engineering roles. This strategic approach has bolstered our workforce with the necessary skills and expertise, enabling a significant turnaround in business activity. Additionally, the expansion of our executive team ensures we have the capacity to effectively manage SANRAL going forward.

We have also identified opportunities to streamline our internal operations and foster greater regional collaboration. This commitment to operational excellence is reflected in our new initiative, which brings all SANRAL regional branches together regularly to foster problem-solving and accelerate project approvals.

Acknowledgements

In conclusion, I extend my thanks to the former Minister of Transport and her department for granting us the autonomy to excel in our core mission: building and maintaining roads. I am deeply grateful to the SANRAL Board, led by the Chairperson, Mr Themba Mhambi, for their unwavering support and guidance in steering our executive team and holding us accountable.
My sincere thanks go out to the dedicated and competent management and staff of SANRAL, who consistently go above and beyond to fulfil their duties in the best interest of all South Africans. I also want to say thank you to communities across the country, many of them rural, for their support, trust and collaboration as we work together to construct roads within their areas, improving accessibility and connectivity for all.

Finally, I want to extend my gratitude to all the road users who travel on our roads across South Africa. Your support fuels our determination to strive for excellence every day. Together, let us continue our journey towards safer and more efficient roads for all.

Reginald Demana

Chief Executive Officer

250 m
km
100

5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with generally accepted accounting practice (GRAP). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with GRAP and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 31 July 2024 and, in light of this going concern review and the current financial position, they are satisfied that the company has or will have access to adequate resources to continue in operational existence for the foreseeable future.

Further, the CEO, Mr Reginald Demana (executive director) and the ACFO, Mr. Dumisani Maluleke (CA (SA)), hereby confirm that –

- "the annual financial statements set out on pages 344 to 450, fairly present in all material respects the financial position,financial performance and cash flows of the issuer in terms of GRAP;
- no facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls. There has been no fraud involving directors and therefore no remedial action has been necessary in that regard".

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 330.

The annual financial statements set out on pages 344 to 450, which have been prepared on the going concern basis, were approved by the board on 30 May 2024 and were signed on their behalf.

Signed on behalf of the Board of Directors by:

TB Mhambi (Chairperson)
Tuesday, 30 May 2024

6 STRATEGIC OVERVIEW

6.1. Vision

Ensuring our national road transport system delivers a better South Africa for all.

6.2. Mission

Delivering a safe, efficient, reliable and resilient national road transport system for the benefit of all the people of South Africa.

6.3 Principal tasks

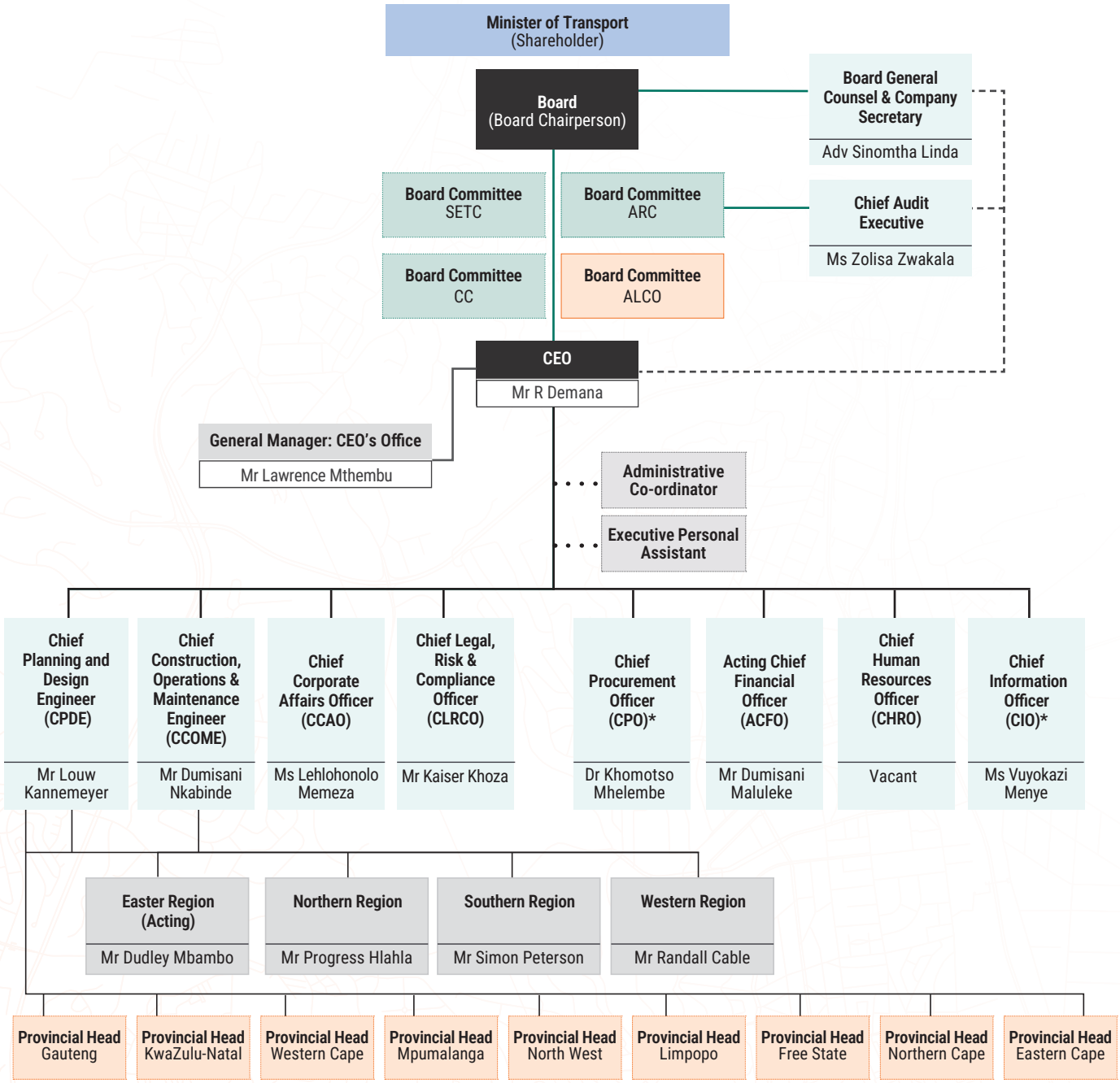
- Plan, design, construct, operate, maintain and rehabilitate South Africa's national roads.
- Generate revenue from the development and management of assets.
- Undertake research and development to advance knowledge in the design and construction of roads and related fields.
- Advise the Minister of Transport on matters relating to South Africa's roads.

7 LEGISLATIVE AND OTHER MANDATES

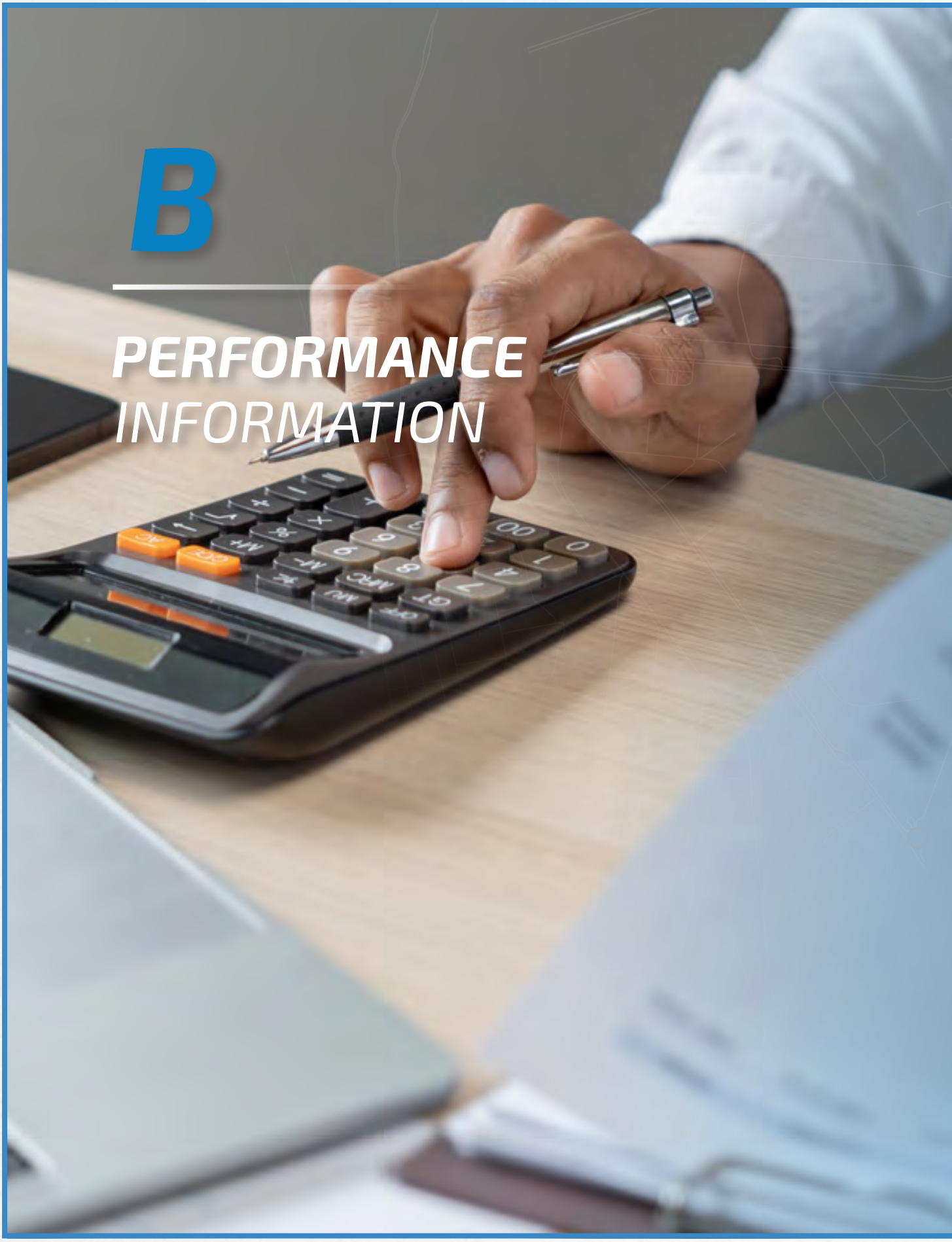
LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999 (PFMA)	51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56(1); 56(2); 57(b); 66(3)(c); 66(5)
Preferential Procurement Policy Framework Act 5 of 2000	Section 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2022 (PPR, 2022)	4(1); 4(2); 4(3); 4(4); 5(1); 5(2); 5(3); 5(4); 6(1); 6(2); 6(3); 6(4); 7(1); 7(2); 7(3); 7(4); 8(1); 8(2); 9(1); 9(2)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	34(1)
Broad-Based Black Economic Empowerment Act 53 of 2003 (B-BBEE)	12(2); 13G(1)

LEGISLATION	*SECTIONS OR REGULATIONS*
Treasury Regulations	8.2.1; 8.2.2; 16A6.1; 16A3.1; 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(d); 16A6.3(e);16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1 (f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.2.5; 31.2. 7(a); 31.3.3; 32.1.1 (a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Basic Conditions of Employment Act, 75 of 1997; Labour Relations Act, 66 of 1995; Promotion of Access to Information Act, 2 of 2000; Promotion of Administrative Justice Act, 3 of 2000; and Protection of Personal Information Act, 4 of 2013.	
Construction Industry Development Board Act 38 of 2000 (CIDB)	18(1)
CIDB Regulations	17; 25(7A)
Companies Act 71 of 2008	45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); , 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)

8 ORGANISATIONAL STRUCTURE OF SANRAL



*CPO and *CIO positions were filled after the reporting period.



B

PERFORMANCE INFORMATION

1 AUDITOR'S REPORT PREDETERMINED OBJECTIVES

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

Refer to page 330 of the Report of the External Auditor, published as Part F: Financial Information.

2 OVERVIEW OF PERFORMANCE

2.1 Service delivery environment

The past year 2023/24 marks the conclusion of the Medium-Term Strategic Framework and the fourth year of implementation of SANRAL's Strategic Plan. The network has expanded significantly, with SANRAL taking over an additional 2,118km of roads in the last two years. This expansion has strained resources, necessitating extensive patching and repairs as tactical interventions to ensure the roads remain safe for travel.

SANRAL is also not immune to numerous economic headwinds, including high unemployment, low growth, high inflation, challenges with ports and rail, and infrastructure deterioration. These factors intensify demand for limited opportunities, making SANRAL's efforts to implement infrastructure projects in communities where opportunities are scarce even more critical. Consequently, SANRAL focuses on advancing transformation objectives to distribute opportunities more equitably and mitigate the potential for project disruptions and civil unrest.

SANRAL measures its operational performance through 29 key performance indicators (KPIs) spanning a number of areas, including asset management performance exposure metrics, operational expenditure (OpEx), capital expenditure (CapEx), transformation, job creation, skills development, road safety, marketing and governance. Targets were met or exceeded for 23 of these KPIs. In certain cases, underperformance was only marginal or due to factors beyond SANRAL's control.

Under 'Programme 1: Road Infrastructure Asset Management' there was underperformance in several areas, including the percentage of smooth travel exposure (STE), kilometres of road strengthened, improved and new (CapEx) and job creation. There was significant overperformance in the provision of the newly introduced SETA learnerships and/or employment opportunities for SETA graduates on SANRAL projects. Although the role of an ethics officer was created, it could not be filled as the Legal, Risk and Compliance Unit was recently established. The implementation of action plans to address audit findings fell short of the target due to certain initiatives that were implemented experiencing delays before being fully effective. There was also marginal underperformance in compliance with a 30-day payment requirement for service providers.

Notable performance was achieved in the transformation indicators, with targets in the area of skills development successfully attained. Similarly, the majority of targets related to road safety were met. Moreover, performance in marketing metrics exceeded the set targets.

Significant out-performance was observed in several key areas, including the kilometres of road maintained and network resurfaced, primarily due to multiple projects moving into construction on-site. Furthermore, there was notable growth in the number of SMMEs working for SANRAL and community development projects in construction. The presence of routine road maintenance contractors across the network has played a crucial role in ensuring well-maintained roads, resulting in a satisfactory riding quality for the public.

2.2 Organisational environment

Key developments included the appointment of executive roles within the organisation, notably the Chief Legal, Risk and Compliance Officer, as well as the Chief Construction Operations and Maintenance Engineer. The position of Board Counsel and Company Secretary was also filled. Within the organisation, the amalgamation of the Transformation and Stakeholder Engagement Divisions was implemented. Capacity across various disciplines has been augmented through several new hires, with

critical engineering vacancies being successfully filled. SANRAL is also progressing towards the establishment of provincial offices to expand its presence and outreach.

2.3 Key policy developments and legislative changes

While there were no legislative changes directly impacting the organisation, it is essential to highlight several developments for their historical significance and implications for SANRAL.

In 2023/24, SANRAL drafted its Preferential Procurement Policy (PPP) with the aim of further advancing its transformation objectives. The drafting and approval of the May 2023 PPP stemmed from a directive from the National Treasury, which aimed to pull back the Preferential Procurement Policy Framework Act (PPPFA) and organs of the state were given the authority to formulate their own specific goals to advance their transformation objectives.

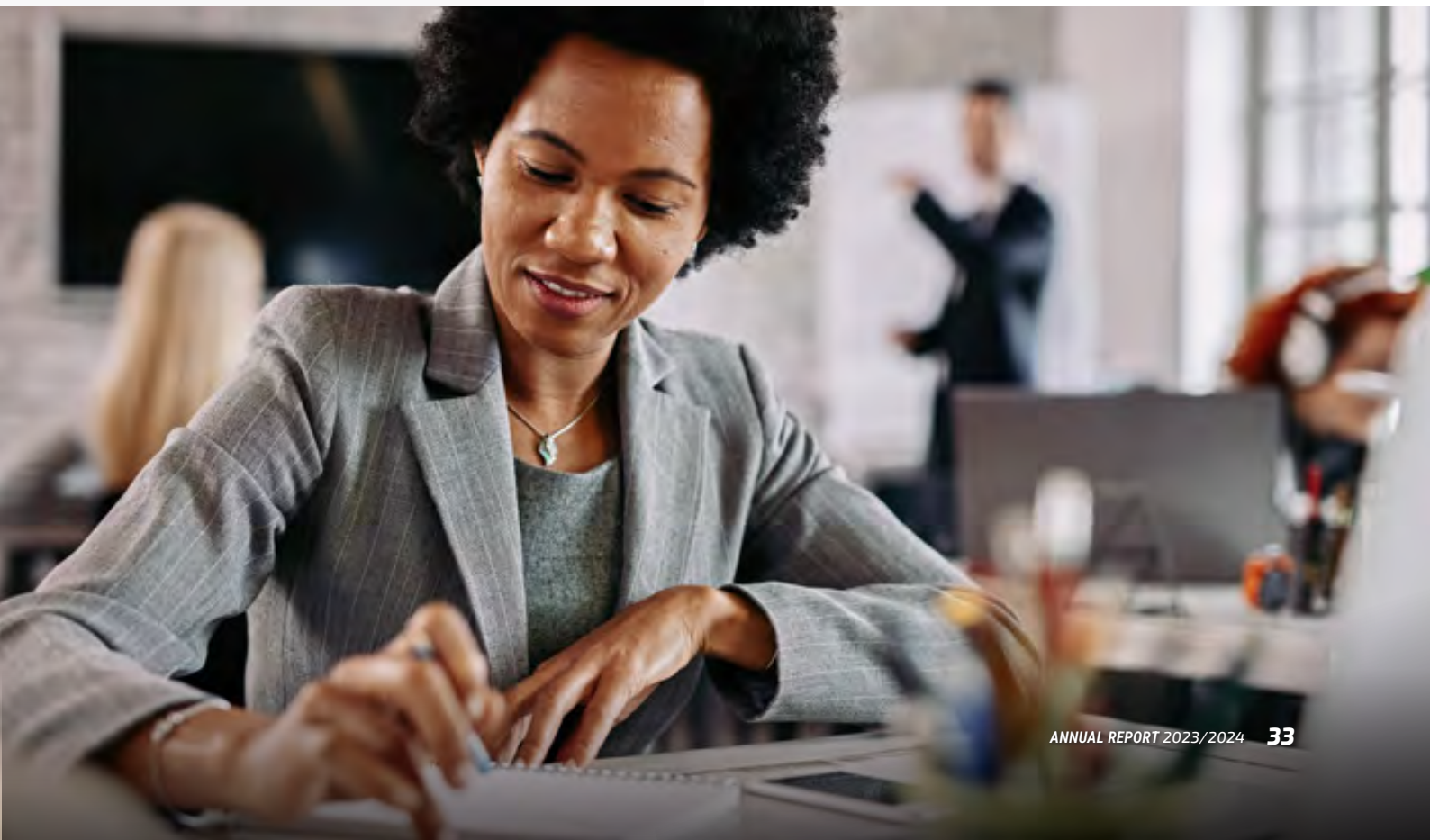
In anticipation of a potentially protracted legal dispute, the policy was withdrawn and replaced with an interim PPP. This underwent comprehensive public consultation, engaging stakeholders through multiple forums. With no significant objections from the market, the interim PPP was implemented.

Consequently, SANRAL was required to cancel all existing tenders that had not closed, initiate new tender processes, and subsequently adjudicate these tenders in accordance with the interim PPP.

The second major development was the decision to cancel the Gauteng Freeway Improvement Project (GFIP), leading to the end of e-tolls. The former Minister of Transport published a notice in the *Government Gazette* in March 2024 withdrawing the GFIP toll declaration.

E-toll gantries were scheduled to be switched off at midnight on 11 April 2024. Against a backdrop of public discontent over the funding mechanism, policy uncertainties regarding future road infrastructure funding and enforcement challenges, this development provided a much-needed resolution. It also presents an opportunity for the development of a new Road Infrastructure Funding Policy and sets the stage for the relaxation of SANRAL's borrowing limits, enabling access to the capital markets for private finance.

A directive has been issued for SANRAL to expand its network to a target of 35,000km by further incorporating the strategic and primary route network. This expansion not only places additional strain on SANRAL's resources but also lowers its Overall Condition Index (OCI) due to the transfer of roads in poor condition. It is imperative that transfers are accompanied by requisite funding and acknowledgement of the need to further enhance SANRAL's capacity.



2.4 Progress towards achievement of institutional impacts and outcomes

Outcome	*Outcome Indicator*	*Actual 2021/22*	*Actual 2022/23*	*Actual 2023/24*	*Five-year target*	*Annual target as per strategic plan*	*Deficit/ surplus against annual average towards five-year target (at Year 4)*
Optimally maintained national road network	Overall Condition Index (OCI) of the SANRAL road network	69.60	69.30	66.80	Maintain at desired level as per the baseline (OCI≥70)	(OCI≥70)	-3.2 (-4.57%)
Transformed industry and jobs created on projects (Full-Time Equivalent)	Number of jobs created (Full-time equivalent)	9,129 jobs	11,366 jobs	12,652 jobs	50,000 jobs in total over the five-year period (target/ average of 10,000 jobs per year)	10,000	-790 jobs (-1.97%)
Transformed industry and jobs created on projects	Number of SMMEs working on SANRAL projects	1,684 SMMEs	1,928 SMMEs	2,249 SMMEs	7,500 SMMEs in total over the five-year period (target /average of 1,500 SMMEs per year)	1,500	+1,126 SMMEs (+18.76%)
Creating delivery capacity for the country	Number of candidate professionals that complete the Technical Excellence Academy programme	7 candidate engineers completed all phases of the training programme	6 candidate engineers completed all phases of the training programme	5 candidate engineers completed all phases of the training programme	100 candidate profession-als having completed all phases of the training programme	20 candidate engineers	-56 candidate engineers (-70%)
Safer roads	Equivalent accident number (EAN) per vehicle	3.63 EAN per 1,000,000 vehicle km travelled	4.49 EAN per 1,000,000 vehicle km travelled (includes new-ly incorporat-ed routes)	4.41 EAN per 1,000,000 vehicle km travelled (includes new-ly incorporat-ed routes	1 EAN per 1,000,000 vehicle km travelled (EAN/1,000 VKT)	1 EAN per 1,000,000 vehicle km travelled (EAN/1,000 VKT)	-3.41 EAN per 1,000,000 vehicle km travelled
Improved reputation of SANRAL	Results from research and/ or surveys analysing brand equity	Research was conduct-ed and the brand equity score was maintained at 10.4%	Research was conducted and the Brand Equity score was 62.9. The results show SANRAL was slightly above the mean average of the entities tested and the mean was 59.9	The research conducted in 2023/24 showed the Brand Equity score of 64 which is above the mean score of 61	Maintain at desired level as per the base-line (brand equity ≥10.4 %	Research conducted yearly	Exceeded the mean score

The deterioration in the Overall Condition Index (OCI) is due to the poor condition of provincial roads transferred to SANRAL. In certain cases, SANRAL will need to perform extensive patching and repair just to get the road in a safe condition for travel before reconstruction is planned in the future subject to budget availability and prioritisation.

Improving the deficit with regards to job creation entails effective rollout of the OpEx and CapEx programme and full capture of jobs on site.

The Technical Excellence Academy has not been able to achieve the target number of graduate professionals completing the programme due to the following:

- ECSA submissions were delayed as a result of delays on the projects related to procurement red tape.
- The ratio of ECSA mentors to candidate engineers must be reduced to a manageable number, such as 10 mentees to one mentor. Current workforce planning activities include the planned appointment of additional mentors which will improve the ratio of mentors to mentees.
- A number of candidates have resigned as a result of attractive offers from the market. SANRAL Human Resources are creating an overall employee value proposition inclusive of remuneration and benefit changes aimed at improving the employment offering.

The approval of the Graduate Placement Framework policy addresses the permanency of graduate placement and will be complimented by career pathing efforts which are planned. Certification of the SANRAL TEA is an important goal which is planned in the medium term and will go a long way to creating the environment which supports the development of professional engineers.

The deterioration in the Equivalent Accident Number (EAN) is due to the poor condition of provincial roads transferred to SANRAL. In certain cases, SANRAL will need to perform extensive patching and repair just to get the road in a safe condition for travel before reconstruction is planned in the future subject to budget availability and prioritisation. The CapEx project is then required to address the hazards.

2.5 Information and communication technology

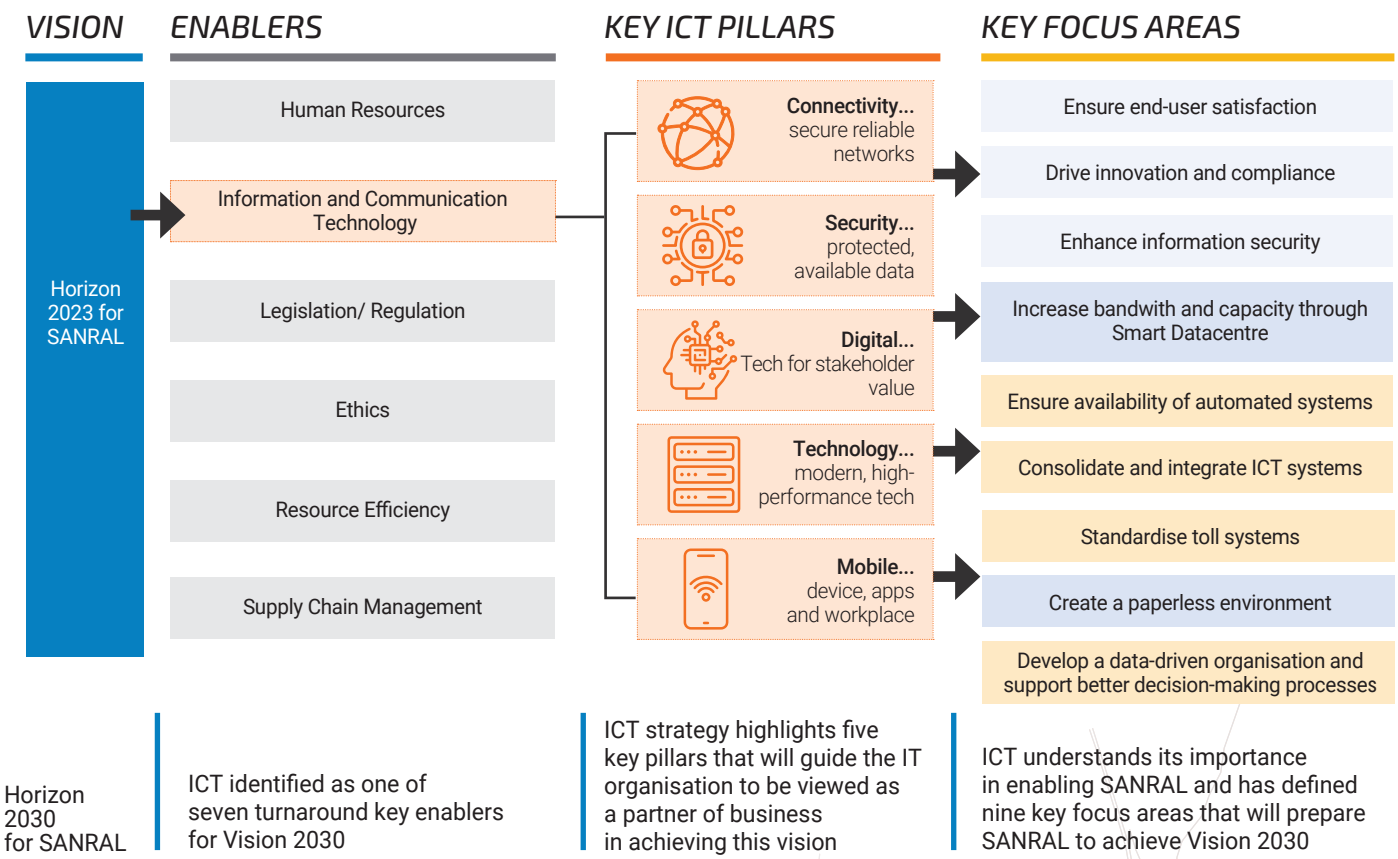
SANRAL's Information and Communication Technology (ICT) Strategy aims to align its initiatives with the strategic objectives outlined in Horizon 2030. The strategy emphasises leveraging technology not only for operational efficiency but also for strategic advancement, recognising the potential of ICT to elevate SANRAL's work through data analysis and sharing.

The ICT Strategy is designed to support SANRAL's overarching goal of providing an improved road transport system for South Africa. It aims to deliver greater value by aligning closely with business priorities, with a focus on core business operations.

The strategy outlines several strategic projects, each with specific timelines and objectives, such as enhancing the wide-area network (WAN), implementing enterprise document management systems (EDMS) and upgrading the Freeway Management System (FMS). These projects are aimed at consolidating various ICT services and systems under the management of the ICT Department, hosted within the SANRAL privately-owned National Datacentre (NDC).

Strategic alignment: ICT strategy

How IT initiatives align with the overall business or organisational goals. Overview of the IT strategic plan.



Horizon 2030 for SANRAL

ICT identified as one of seven turnaround key enablers for Vision 2030

ICT strategy highlights five key pillars that will guide the IT organisation to be viewed as a partner of business in achieving this vision

ICT understands its importance in enabling SANRAL and has defined nine key focus areas that will prepare SANRAL to achieve Vision 2030

Key achievements for 2023/24

Ensuring end-user satisfaction

- We have consistently prioritised end-user satisfaction by modernising our ICT environment through the deployment of business enablement tools such as O365 and upgrading our enterprise resource planning (ERP) system, as well as ensuring high-performance information technology infrastructure to maintain IT service availability and responsiveness.
- Our focus on automation and paperless initiatives has significantly boosted productivity. Electronic document signing exemplifies our commitment to enhancing user experience.

Driving innovation and compliance

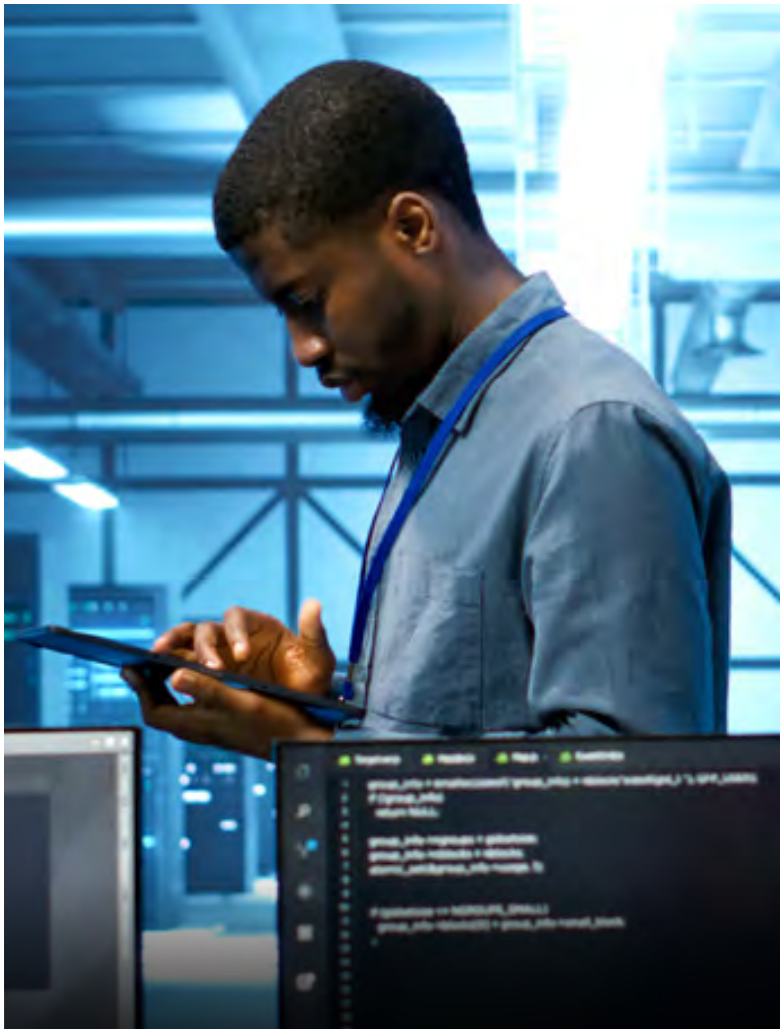
- Continuous improvement has been a cornerstone of our approach, resulting in the implementation of best practices and the achievement of clean ICT audits performed by the Auditor-General and Internal Audit for the past five years.
- Innovation remains at the forefront of our strategic priorities. As we look to the future, we are actively exploring the potential of artificial intelligence (AI) to further enhance productivity and drive automation.

Enhancing information security

- Our focus on enhancing information security has led to significant gains, with technology improvements and alignment with best practices contributing to our strengthened security measures.
- By aligning with standards such as those from the Center for Internet Security (CIS), International Organization for Standardization (ISO), National Institute of Standards and Technology (NIST) and the SysAdmin, Audit, Network, and Security (SANS) Institute, we have enhanced our information security position, though we recognise the need for continuous monitoring and adjustment.
- We acknowledge that the threat landscape is dynamic and remain vigilant in continuously monitoring and adjusting our controls to prevent major breaches and exploitation.

Increasing maturity level and business partnership

- Over the past five years, we have strived to increase our maturity level, positioning ourselves as a trusted



business partner through continuous alignment with the business objectives.

- By working closely with business stakeholders, we ensure that our ICT initiatives contribute to the collective success of the organisation.

2.5.1 Looking forward

As we approach the final phase of our 2018–2025 ICT strategy, we are introducing several major initiatives that will propel us closer to our goals of driving innovation, enhancing compliance and ensuring the robustness of our ICT infrastructure.

National datacentre architecture framework: This initiative focuses on establishing a comprehensive architecture framework for our national datacentres. By standardising and optimising our datacentre architecture, we aim to improve efficiency, scalability and resilience across our infrastructure.

Datacentre policy (completed): Our datacentre policy serves as a crucial cornerstone in governing the management, operation, and security of our datacentres. With its completion, we solidify our commitment to best practices and compliance standards.

National call centre: The establishment of a national call centre (NCC) represents a significant step towards enhancing customer service and support capabilities. By centralising our call centre operations, we streamline communication channels and ensure a consistent and efficient service experience for our stakeholders.

Nationally hosted toll system: This initiative focuses on consolidating and hosting our toll systems on a national scale. By standardising and centralising toll system operations, we improve reliability, interoperability and data consistency across our network.

Nationally hosted Freeway Management System: This initiative focuses on consolidating and hosting our Freeway Management Systems (FMS) on a national scale. The project is already at an advanced stage and aims to eliminate duplication and reduce siloed services across our regional offices. It will improve reliability, interoperability and data consistency across our network.

Network and Security Operations Centre (NSOC): This initiative aims to establish a dedicated centre for monitoring, managing and responding to network and security incidents. By centralising our operations, we enhance visibility, responsiveness and resilience in safeguarding our ICT infrastructure.

2.5.2 Artificial intelligence

The integration of AI within SANRAL will focus on optimising productivity, automating processes, streamlining procurement and enhancing stakeholder interactions. This will help to unlock new opportunities for growth, efficiency and success, while ensuring responsible and ethical use aligned with our organisational values.

Productivity optimisation: Implement AI-powered resources to optimise workflows and enhance overall efficiency. Utilise predictive analytics to anticipate potential bottlenecks and proactively address them.

Enhanced automation: Integrate AI-driven machinery and robotics for tasks to reduce reliance on manual processes and improve efficiency.

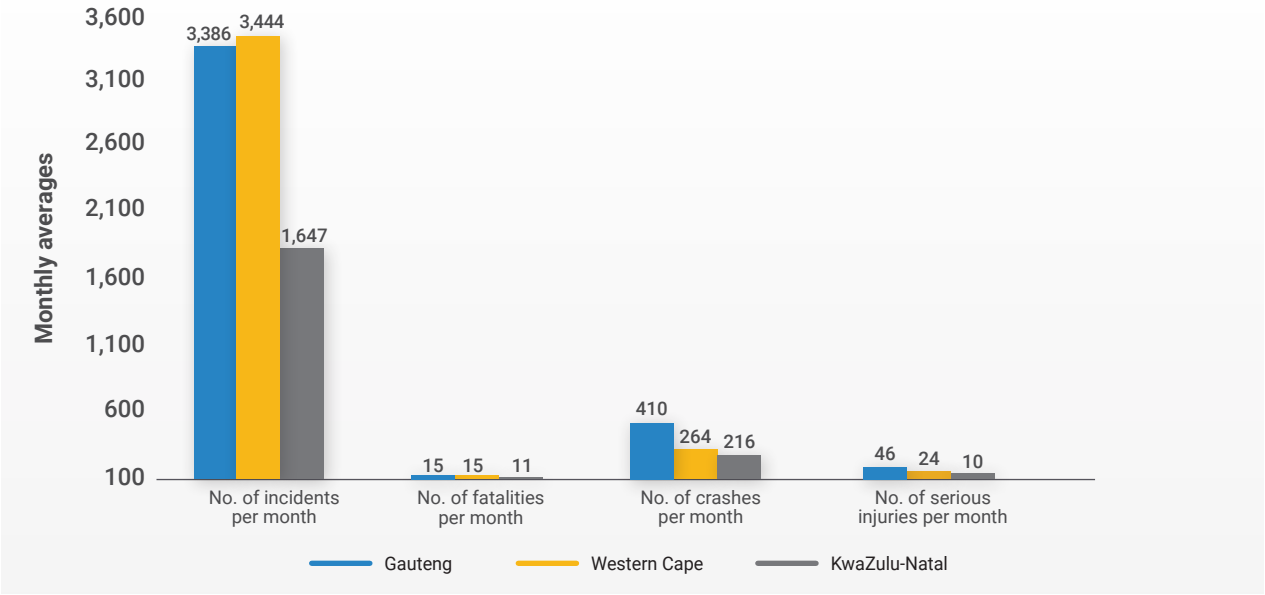
Streamlined procurement: Use AI-based systems for predictive maintenance, optimising inventory management and predicting procurement needs. Implement AI-powered supplier relationship management tools to streamline the procurement process, reduce the procurement cycle (from 180 days to 30 days) and ensure timely execution of our core business initiatives.

Improved stakeholder interactions: Implement AI-driven chatbots or virtual assistants to provide real- time updates to stakeholders, address inquiries and resolve issues promptly. Use sentiment analysis to gauge stakeholder satisfaction and proactively address concerns.

2.6 Freeway Management Systems

During the reporting period, the following incident statistics were recorded on SANRAL's Freeway Management Systems (FMS) in Gauteng, KwaZulu-Natal and the Western Cape.

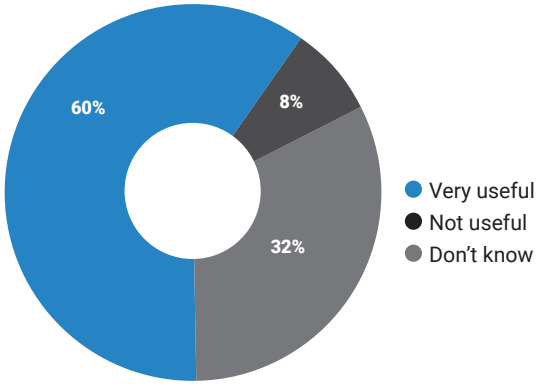
Incident statistics - April 2023 to March 2024



Public opinion survey

The FMS aims to provide a valuable service to freeway motorists. A recent survey at strategic locations gathered feedback on SANRAL's current information dissemination methods. Results showed road users appreciate the variable message sign (VMS) information, but also requested improvements, particularly via radio and social media. Based on this feedback, SANRAL will enhance communication with road users.

How useful do you find the travel times posted on the message boards?



2.6.1 Gauteng FMS

The Gauteng FMS works to reduce delays and congestion caused by incidents affecting freeway traffic. Through effective travel demand management, it also enhances overall freeway road safety.

The system infrastructure consists of CCTV cameras, vehicle detection stations (VDS) and variable message signs (VMS), controlled from the FMS Traffic Management Centre (TMC). TMC operations are supported by an On-Road Services (ORS) component, where response units are dispatched to incident scenes as required.

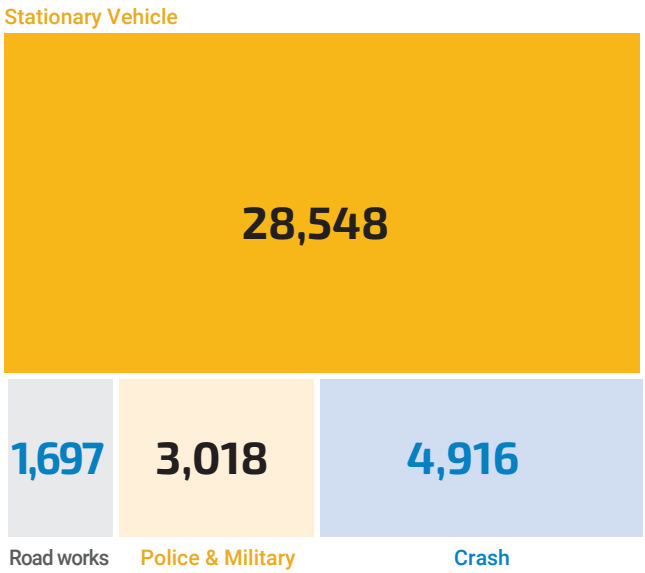
302
CCTV cameras

59
Variable Message Signs

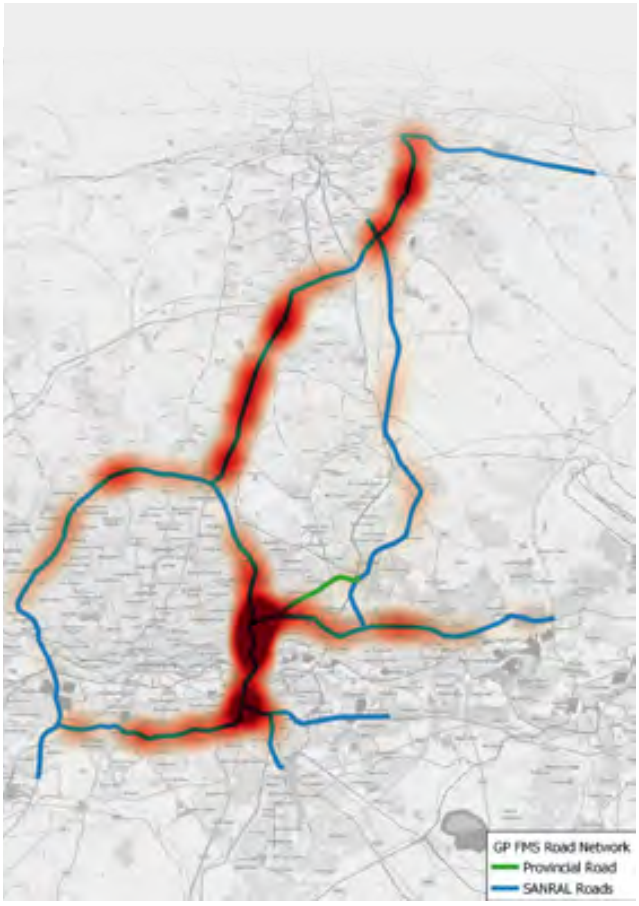
111
Vehicle Detection Stations

In the reporting period, the TMC recorded a total of 40,629 incidents. The figures below indicate the proportional breakdown of incident types, as well as hotspot locations. A yearly average detection time of 4 minutes and 8 seconds was achieved for all incidents. The ORS service responded to 14,253 incidents. An average of 17 monthly fatalities were recorded on Gauteng freeways.

Proportion of incident types



FMS network incident hotspot location



4:08
average incidents detection time

14,253
no. of incidents responded to

17
average number of monthly fatalities

Gauteng FMS operations data from the previous financial year reveal an average of 3,386 monthly incidents. Of these, a significant portion involved stationary vehicles (2,379 per month on average), with crashes accounting for the remaining 410 incidents per month.

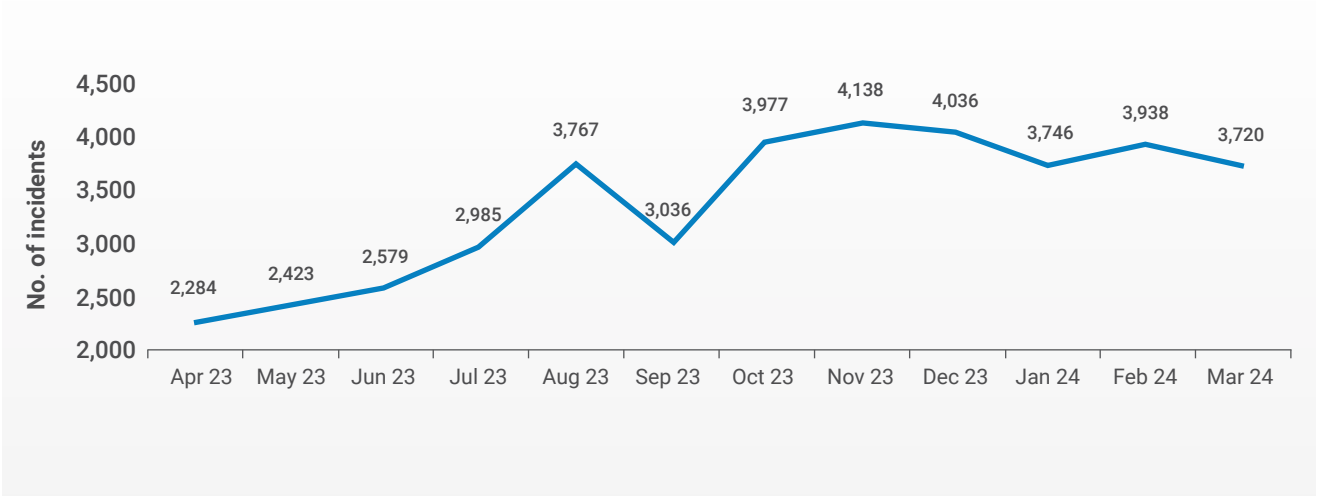
3,386
incidents/month

410
crashes/month

2,379
stationaries/month

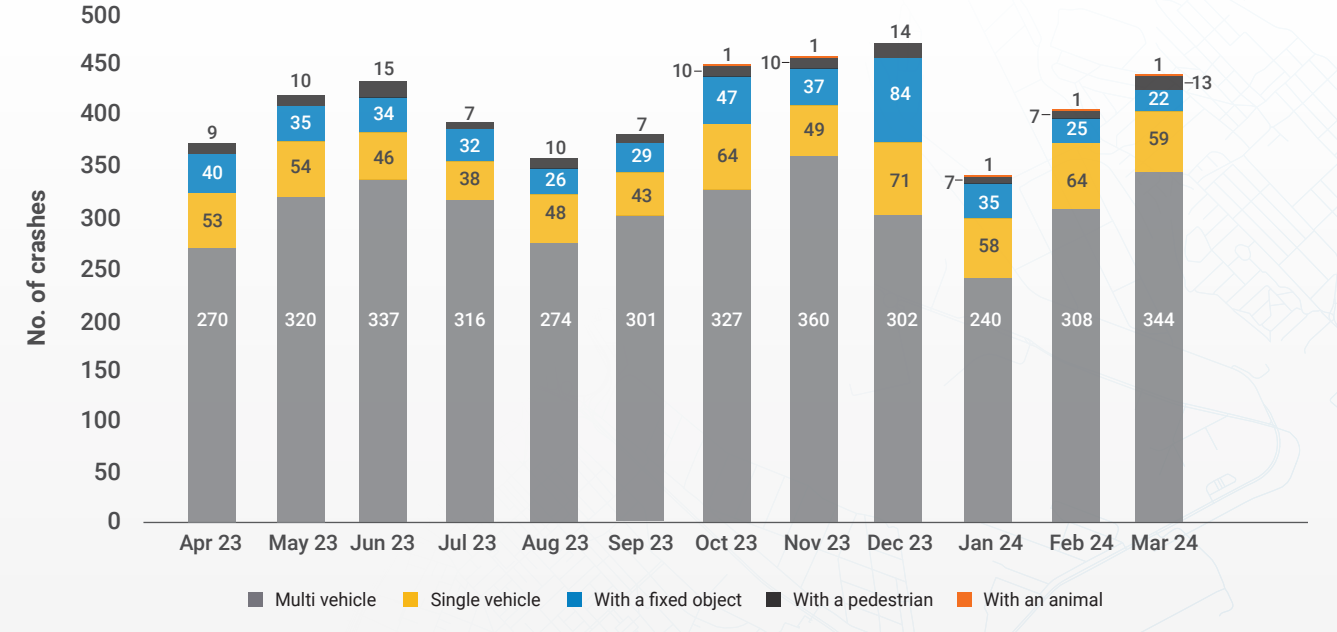
The figure below shows the variation in the total number of monthly recorded freeway incidents.

Total number of monthly incidents



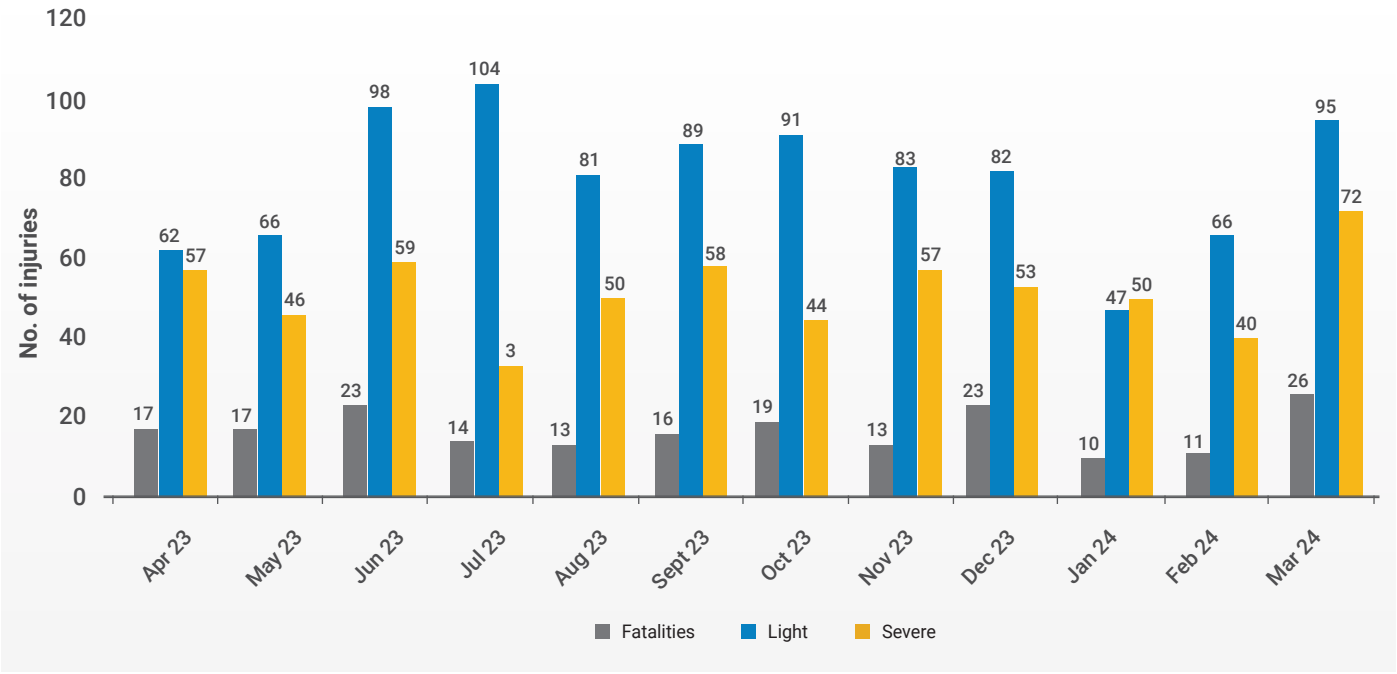
The figure below illustrates the monthly proportional split of crash types observed on the FMS network. Multi-vehicle crashes accounted for 75%, single-vehicle crashes for 13%, crashes involving a fixed object for 9%, and pedestrian-related crashes for only 2%.

Types of crashes



The graph below details the monthly distribution of injury types from the aforementioned crashes. Fatalities (202) incurred an estimated annual cost of R1,151,400,000 while serious injuries (619) cost an estimated R473,946,016 for the past year.

Injuries per month



On-Road Services

Gauteng FMS operations rely on a well-functioning ORS component that is directly linked to the TMC operations. The current ORS fleet consists of the following vehicles:

8 incident response units

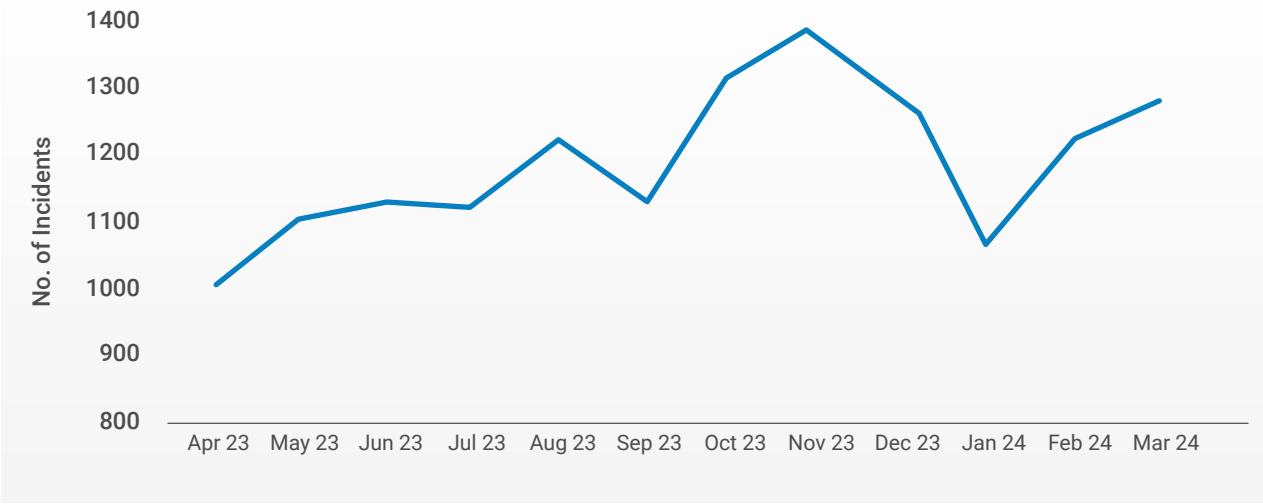
6 light towing & recovery units

3 heavy towing & recovery units

The ORS vehicle fleet is in the process of being renewed. Efforts are underway to replace ageing vehicles to improve incident response.

The figure below illustrates the monthly incident volume handled by the ORS service in the past year. Overall, the trend is positive.

ORS total monthly incident responses



Gauteng FMS upgrades

The FMS system is undergoing an asset upgrade of ageing technology and operational systems. Significant progress has been made.

- A full upgrade of all CCTV cameras is underway, with 63 upgraded thus far. This is to ensure 100% functionality across the system.
- A systematic infill of camera blind spots is taking place to provide 100% coverage across the network. To develop capacity and create opportunities within the industry, this initiative is engaging targeted enterprises (TEs).
- To improve traveller information to the road user, 20 new VMS have been earmarked for replacement.
- The TMC is housed at the SANRAL Central Operations Centre in Samrand and features an operations room housing the Traffic Management Operators (TMOs) and Metro Police co-located staff. A video wall displays key operational video streams while TMOs monitor further detail on separate screens. The TMC has received a state-of-the-art video wall upgrade, enhancing technology, infrastructure and operational support. All workstations have been replaced.
- A new and updated Advanced Traffic Management System (ATMS) software is being rolled out to drive incident management and response protocols, as well as information dissemination procedures. Training on the new system has already been concluded. Key functions include real-time video feeds, digital dissemination and decision support.
- Battery backup of FMS devices is being implemented to improve device uptime and ensure uninterrupted operation during load shedding.
- To address the high rate of infrastructure and cable theft on the SANRAL network, the Agency is implementing a multi-pronged security approach that includes intrusion detection, device hardening (to protect digital devices against cyber attacks), alarms and armed response services.

Subcontractors engaged on FMS camera infill projects

TMC video wall and workstations

New technologies

As a technology-driven project, the FMS aims to incorporate new, state-of-the-art technologies. The following are some current and future initiatives in this area:

- An upgrade of the overall Advanced Traffic Management System (ATMS)
- Improved incident detection through Automated Incident Detection (AID)
- Improved communications systems with key stakeholders
- Enhancing the system with AI features
- Thermal camera incorporation into the TMC operations

TMC thermal cameras in use

2.6.2 Western Cape FMS

The Western Cape Freeway Management System (FMS) is an application of Intelligent Transport Technology which was completed in 2010. The project was a collaboration between the City of Cape Town (CCT), the Western Cape Government (WCG) and the South African National Road Agency Limited (SANRAL). SANRAL, the lead agency contracted a service provider, Tolcon for the design, build, operations and maintenance of the system.

The FMS consists mainly of a network of Closed-Circuit Television (CCTV) Cameras, Variable Message Signs (VMS), and other field devices deployed along the freeway network. These devices are connected to the Transport Management Centre (TMC) in Goodwood via a network of fiber optic cables and wireless radio links.

A team of Transport Management Operators (TMO's) in the TMC monitor the devices for any incidents and manage the incident accordingly in cooperation with the other services co-located in the TMC.

The WC FMS covers approximately 179 km of the busiest freeways in the Cape Town Metropolitan area.

179km
WC FMS coverage

The WC FMS system consists of different types of devices to measure and monitor the network.

262
CCTV cameras

54
Variable Message Signs

88
Vehicle Detection Stations

54
Environmental Sensor Stations

Crashes

The average first response time to crashes was 00:05:55 and for all incidents, 00:20:35 for the reporting period.

It took on average 3 hours 25 minutes to clear a fatal crash. Crashes with no to severe injuries took approximately 1 hour 30 minutes to clear. This was possible because of the improved co-operation of the different services in the TMC.

Average first response time

00:05:55
crashes

00:20:35
All incidents

Number of incidents

The overall number of incidents, crashes and fatalities by the FMS operators for the reporting period are summaried as follows:

41,216
incidents

185
known fatalities

3,154
crashes

86
known pedestrian fatalities

All incidents are captured on the Advanced Traveller Management System (ATMS). In the reporting period all relevant details pertaining to the incident were added by the TMOs.

Incident types in the reporting period 2023/24

Incident Type	*2023/2024*	
	No. of incidents	*Proportion (%)*
Animals	295	0.7%
Congestion	3,001	7.3%
Crash	3,154	7.7%
Fire & Smoke	439	1.1%
Lost Load	130	0.3%
Police & Military	1,631	4.0%
Protesting	70	0.2%
Other	146	0.4%
Roadblock	287	0.7%
Roadworks	2,667	6.5%
Stationery Vehicle	29,352	71.2%
Weather & Road Conditions	44	0.1%
Total	**41,216**	**100%**

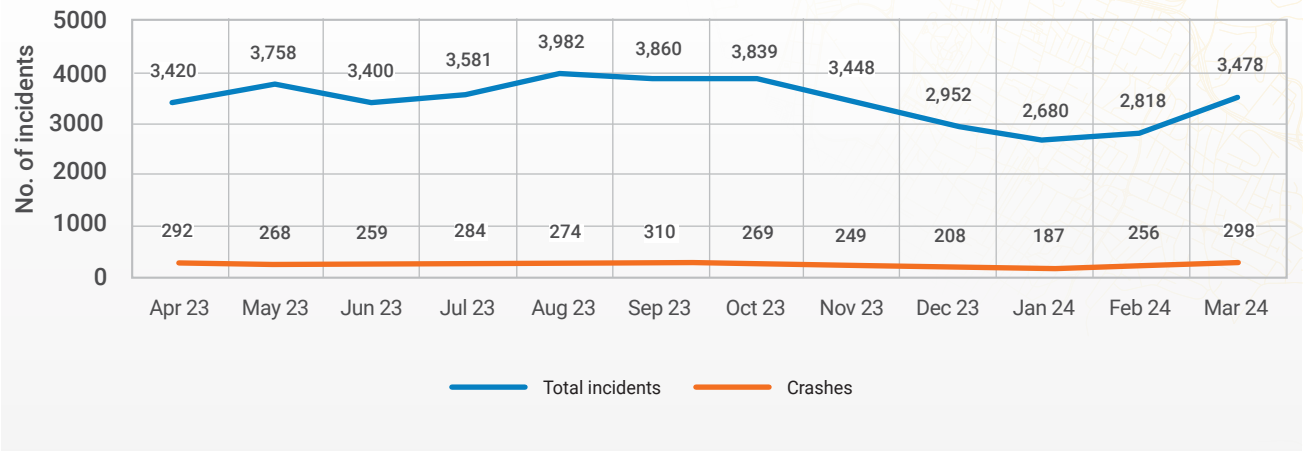
Incidents per month

For the reporting period, there was an average of 3,435 incidents per month to an average of over 100 incidents per day.

Crashes

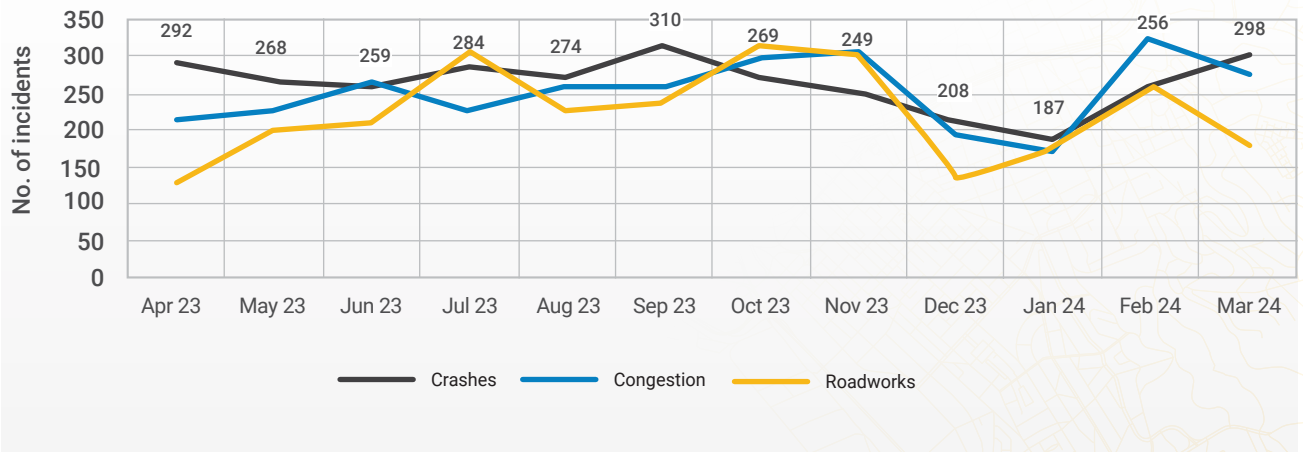
On average there were 263 crashes per month, which equates to an average of 9 crashes per day. This is higher than the previous year average (227 per month).

Total crashes and incidents



The graph below highlights the number of crashes per month, congestion and road works. It is evident that the number of incidents and crashes has declined over December holidays when the roads are less congested and road works are stopped.

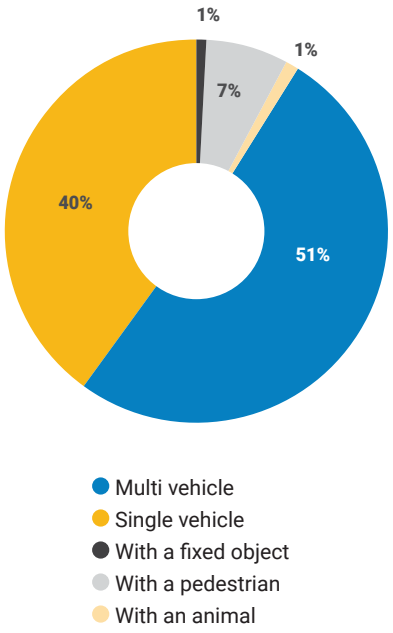
Total incidents and crashes by incident type



Crash types

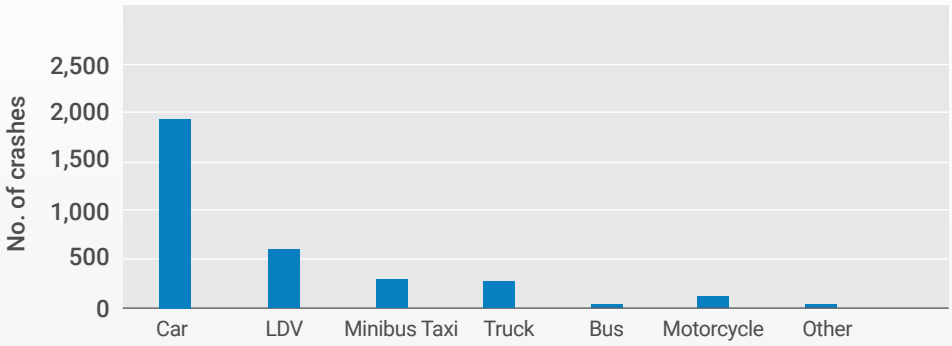
Multi-vehicle crashes are the highest constituting 51% of the total crashes followed by single vehicles at 40% and crashes involving pedestrians at 7%.

Crash type proportion



Vehicle types involved in crashes

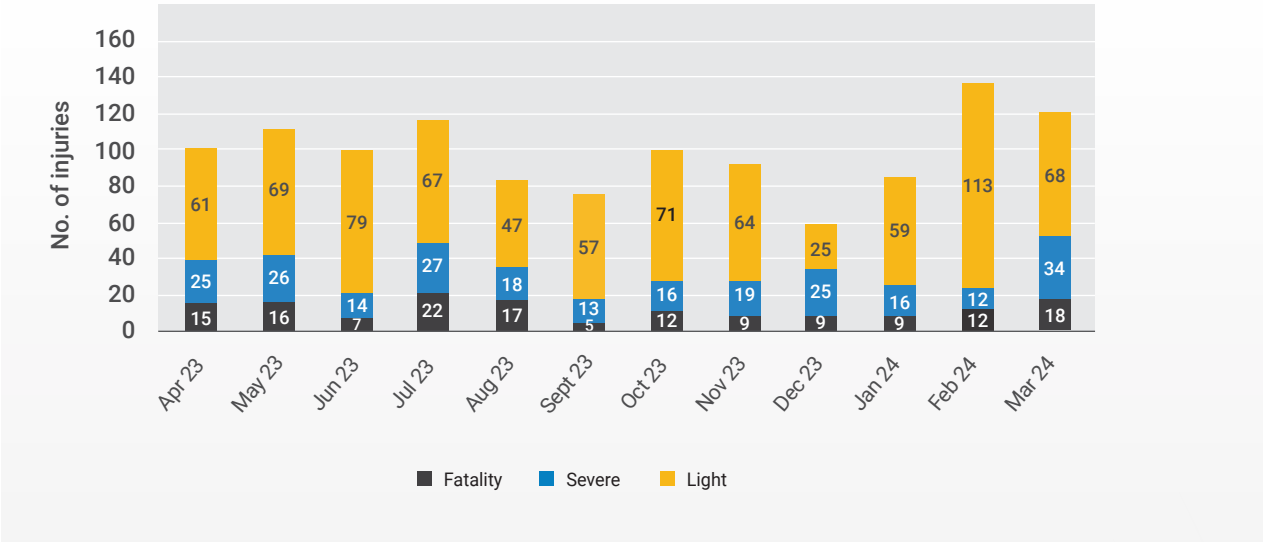
Most crashes involve cars, followed by light delivery vehicles (LDV's), trucks and minibuses.



Fatalities and injuries

The type and number of injuries on-scene are indicators of the severities of the crashes. There were largely light injuries reported that averaged 65 per month. The average number of severe injuries reported was 20 per month. There was an increased number of pedestrian crashes in 2023 with the proportion of fatalities among pedestrians having increased even higher.

Injuries per month



Total number of vehicle crashes and pedestrian crashes with fatalities

The table shows that 2.2% of the vehicle crashes resulted in fatalities while 39.1% of the pedestrian crashes resulted in fatalities. More than 50% off all fatalities on the network were pedestrians.

Incident Type	*Vehicle crashes*	*Pedestrian crashes*	*Total*	*% Pedestrian of Total*
#Crashes	2,934	220	3,154	7.0%
Confirmed Fatalities	65	86	151	57.0%
% Fatalities of Total	2.2%	39.1%	4.8%	

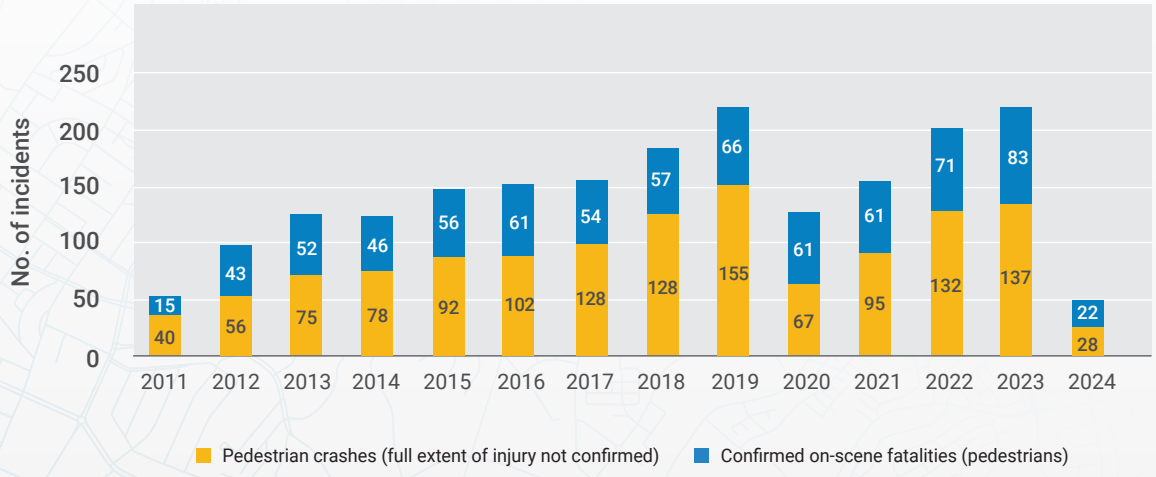
2,934 vehicle crashes

151 confirmed fatalities

220 pedestrian crashes

Number of pedestrian crashes

Below is an illustration of pedestrian crashes from 2011 until early 2024. The number of pedestrian crashes increased gradually from 2011 to 2019. Thereafter, numbers decreased sharply in 2020 due to the global COVID-19 pandemic. In 2023 the totals again increased to similar levels of 2019. Throughout this period, the proportion of pedestrian fatalities had increased even higher.



2.7 Mobility

Through its toll portfolio, SANRAL has implemented advanced technology and systems that allow for the development of many innovative and smart projects to better serve road users. Through the years, these initiatives have been conceptualised and are in various phases of implementation, creating opportunities to leverage and optimise road safety, efficiency and mobility.

2.7.1 Account-based ticketing

The development of SANRAL's account-based ticketing (ABT) solution on behalf of the National Department of Transport (NDoT) began in 2019. It is a convenient and efficient solution for public transport fare collection. The solution utilises card-fare media based on open standards as issued by the Open Standard for Public Transport (OSPT) Alliance. The solution facilitates interoperability between public transport operators that accept the same fare media. Contactless fare media in compliance with CIPURSE™ specifications are utilised as a Mobility Account identifier for the initiation of transactions on fare validators and transaction transfer to the back-office account hosting system at the Transaction Clearing House (TCH).

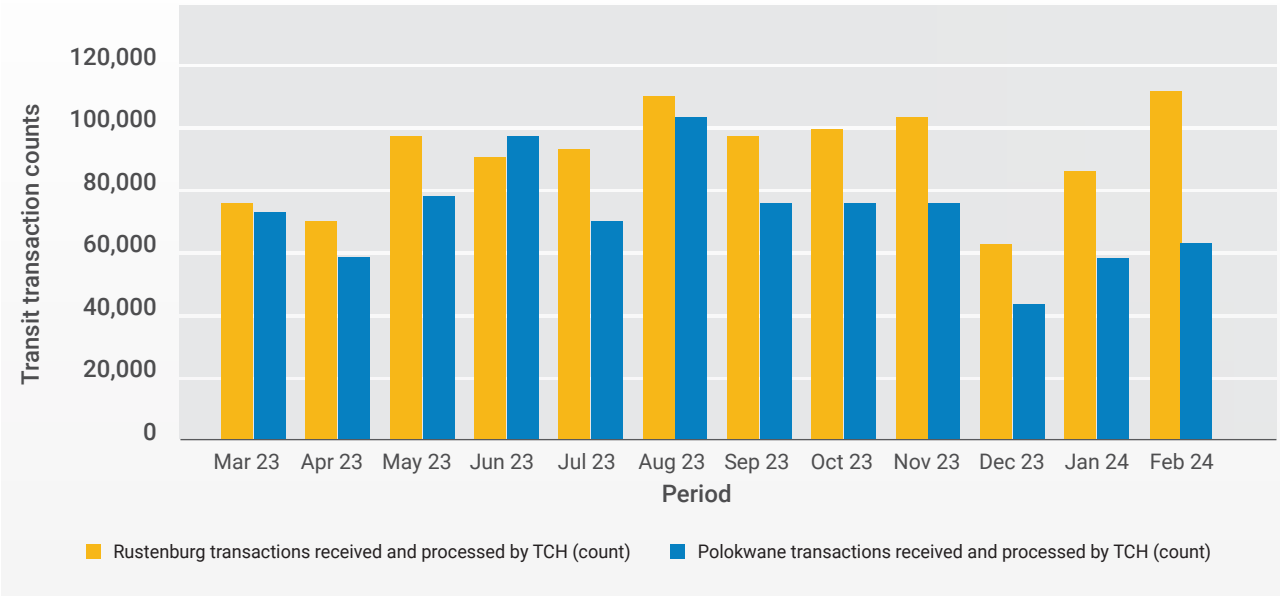
Mobility Accounts can be managed as either registered or anonymous on the TCH system. Public transport commuters load value into their Mobility Account either at public transport operator top-up kiosks, SANRAL- appointed top-up agents, the SANRAL App, or via electronic funds transfer (EFT). The top-up agents settle their obligations with SANRAL. A commuter taps their travel card on a bus or station gate validator and SANRAL pays the public transport operators the fare transaction by debiting the card holder's Mobility Account with the cost of the fare.

During the reporting period, ABT pilot implementations in Rustenburg Local Municipality (Yarona Rustenburg Service) and Polokwane Local Municipality (Leeto la Polokwane Service) stabilised and the implementation of pilots in various other municipalities continued. Commuter numbers, fare transactions and top-ups to Mobility Accounts are rising steadily. Rustenburg Local Municipality will soon be entering into full production mode with the signing of their public transport operator and top-up agent agreements. Polokwane is expected to follow soon thereafter.

Rustenburg Local Municipality averages 90,500 transit transactions per month to the average value of R905,000. Polokwane Local Municipality averages 73,000 transit transactions per month to the average value of R690,000.

Ticketpro, the first of the top-up agents appointed to accept top-ups where they have services available, has been deployed to 10 sites each in Rustenburg and Polokwane and their footprint is planned to expand soon. The SANRAL appointed top-up agent network will be expanded to include additional top-up agents in the next reporting cycle.

Transit transaction volumes for Rustenburg and Polokwane pilots



ABT pipeline

Various ABT implementation initiatives are in progress:

- City of Ekurhuleni Metropolitan Municipality will be the next integrated public transport system (IPTS) to implement ABT via their incumbent automatic fare collection (AFC) solution provider, TMT (Pty) Ltd. TMT's fare validation equipment and top-up solution have been certified.
- Mangaung Metropolitan Municipality has appointed The Naked Scientist (TNS) as their AFC and top-up solution provider and their solution is in the process of being certified for compliance.
- The City of Tshwane integrated rapid transport network is in the planning stages of implementing ABT via their incumbent AFC solution provider, Kubapay. Kubapay's fare validation equipment has been certified.
- eThekwini Metropolitan Municipality and the City of Cape Town have gone out on tender to appoint AFC vendors. George Municipality and the City of Johannesburg have also expressed interest in implementing ABT.
- Commuters are being encouraged through public transport operator-driven communication campaigns to register their ABT travel cards with SANRAL via the mobile App. Benefits to the commuter include:
  - Lost, stolen or damaged cards can be reported to SANRAL to prevent misuse and ensure any remaining balance on the ABT Mobility Account is retained when the replacement card is linked.
  - Multiple cards can be linked to an ABT Mobility Account. Topping up the account automatically adds funds to all linked cards, while any travel transactions will deduct from the shared balance.
  - Passengers can use the SANRAL App to top up their accounts, report queries and obtain a transaction history.

Self-service terminals

In the near future, self-service terminals (SSTs) will also be rolled out to the municipalities, allowing commuters to both register and top-up their Mobility Accounts.

In 2023/24, SANRAL approved the implementation of a proof of concept (PoC) for SSTs, which was highly successful. As a result, 26 tag-dispensing SSTs were deployed to various SANRAL comprehensive toll road operations and maintenance (CTROM) locations, including toll concessionaire sites on all major routes within the SANRAL network.

The SST revenue collection for the past financial year was R5.1 million, with 5,100 new account registrations and 4,200 new tags dispensed.

Following the success of the tag-dispensing device, SSTs for dispensing travel cards were developed to distribute ABT cards in cities currently piloting ABT systems. Ongoing efforts are underway to ensure that these machines achieve universal acceptance. Upon completion of this work, these machines will be deployed accordingly.

Initially designed for internal placement, SST devices now have an external shelter option due to concessionaire requests. This weatherproof shelter protects both the device and users. The primary objective of the SSTs is to promote tag adoption, bolster vehicle registration and facilitate easy account top-ups.

SST device in external shelters

SST benefits

- SSTs enable users to independently conduct transactions and access services, eliminating the need for human intervention. This is particularly valuable in remote areas and during peak periods at busy toll plazas.
- SSTs provide 24/7 service, extending access beyond business hours, weekends and holidays.
- SST dashboards are accessible to SANRAL and all toll concessionaires, providing valuable insights.

Business benefits

- Improved tag accessibility for road users
- Enhanced tag adoption leading to broader toll acceptance
- Road user satisfaction
- Improved customer service for SANRAL and toll concessionaires
- Increased revenue for SANRAL through increased top-ups and toll transactions
- Improved SANRAL brand image through a better road user experience
- Improved toll collection for Bakwena and TRAC

2.7.2 Digitisation platforms

The digitisation platform has fast-tracked service delivery and broadened reach among road users. Using the technologies and infrastructure currently operated within the GFIP infrastructure, various other value-added Apps and software services can be enabled. This financial year saw the development of proof of concepts for a border queue management scheduling App and web service for customs officials, a Special Investigations Unit (SIU) App and Road Incident Management (RIMS) App.

Special Investigations Unit App

The SIU App was developed to specifically address the numerous requests for information received from law enforcement personnel, allowing them access to real-time crime-related information.

Additionally, the App is being enhanced to offer Cross-Border Road Transport Agency (CBRTA) functionality for enforcing cross-border permits and traffic laws related to these permits.

Road Incident Management App

SANRAL requested a review of the RIMS platform and App to improve incident reaction time and decrease

scene-clearance time. This is to ensure the collection of accurate crash and event data. Consolidating this information on a single platform helps to eliminate duplicate and unnecessary activations.

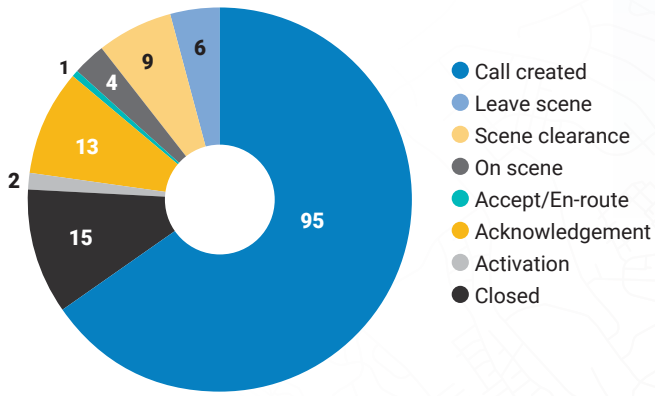
System benefits:

- Standardise and improve business processes with easy configuration per province/district
- Digitise capturing of data (ensure data accuracy and availability)
- Empower all role-players, Central Command Centre (CCC) employees, first responders and scene managers
- Provide management with transparent dashboards
- Enhance planning ability
- Improve response times based on accurate data collected and information flow of crash data to all stakeholders
- Improve service delivery

Through the contractor, SANRAL has been able to scope the requirements from the CCCs and create a user platform that will automatically synchronise with a mobile application to allow for back-and-forth communication between responders and the CCC in the event of emergencies. This back-end platform is ready to be used, with final development being done on the mobile platform. A district pilot will take place to test the App in the 2024/25 financial year.

Active incidents

Calls by status



Demographic Analyzer
P.I.D. USER PRI NI
5107 netcon0 55 08
5108 netcon1 87 12
5109 netcon2 17 00
5110 netcon3 18 54
5111 netcon4 28 28
5112 netcon5 77 24

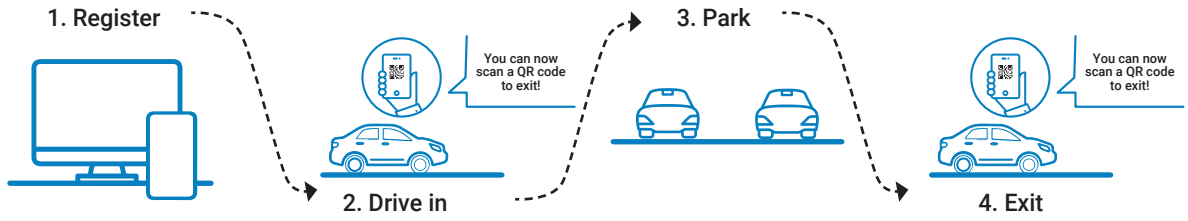
2.7.3 Ticketless parking solutions

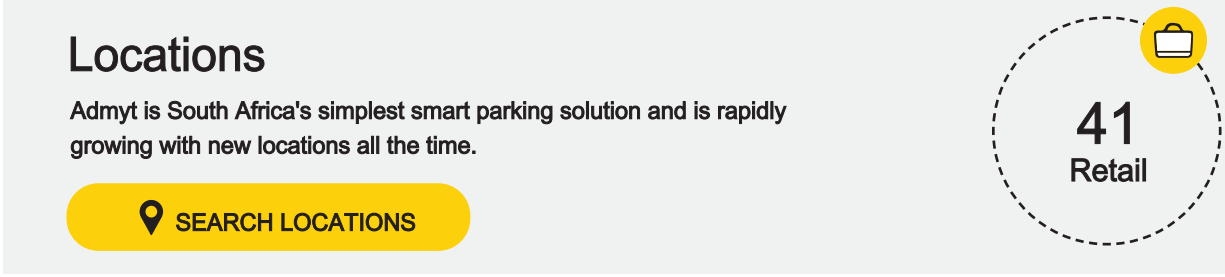
SANRAL continues to provide this value-added service to all registered road users through its partnership with Admyt. Admyt is a proven and patented ticketless parking solution that uses advanced licence plate recognition (LPR) software through the SANRAL App. The technology effortlessly opens the boom and processes payments.

This streamlined approach eliminates the need for paper tickets, queues and cash.

The functionality is accessible through the SANRAL App, requiring a minimum balance of R20.

The parking solution has significantly expanded, doubling from last year to encompass 41 sites nationwide. This expansion has led to an increase in the average number of parking transactions, surpassing 3,500 per month.





2.8 Vala Zonke pothole campaign

The Vala Zonke initiative aims to address the prevalence of potholes across South Africa through labour-intensive repair measures. SANRAL was designated the coordinating Agency to oversee the process.

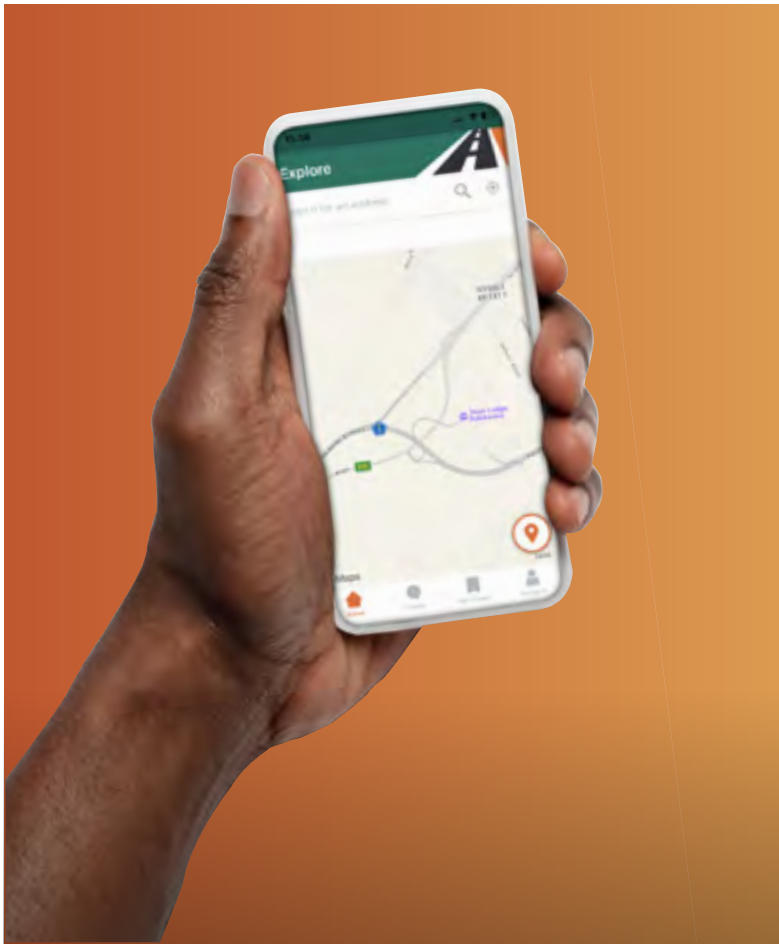
Launched in August 2022, the App was marketed to road users as Vala Zonke.

2.8.1 Vala Zonke App functionality and statistics

The Vala Zonke pothole-reporting App allows the public to report potholes they encounter. Users can upload pictures and view real-time locations of potholes on an interactive map showing road ownership. The App allows users to track the repair status of potholes they have reported.

Potholes around the country are also recorded through other App channels and merged into the Vala Zonke App. Currently, integrated Apps include Total Potholes Fix (CSIR) and MySmartCity. The goal is to link all independent pothole-reporting Apps for a comprehensive picture of potholes across the country.

The App assists road authorities with scheduling and tracking pothole repairs within a 14-day turnaround time. An additional feature of the App is the secure verification, which enables authorities to report on the backlog of reported potholes and the status of current logged potholes.



Potholes logged by channel

44,489	Total Vala Zonke App
7,809	Total Potholes Fix App (CSIR)
6,086	Total MySmartCity App

Potholes repair stats

58,384	Total potholes logged
46,860	Total potholes created
1057	Pothole not repaired
544	Pothole not found
9,392	Pothole repaired

Pothole verification job instructions

3,441	Job instructions created
9,732	Job instructions allocated
206	In progress
4,185	Verification completed

Potholes logged per province group 1

29,815	Gauteng
3,221	North West
2,330	Limpopo

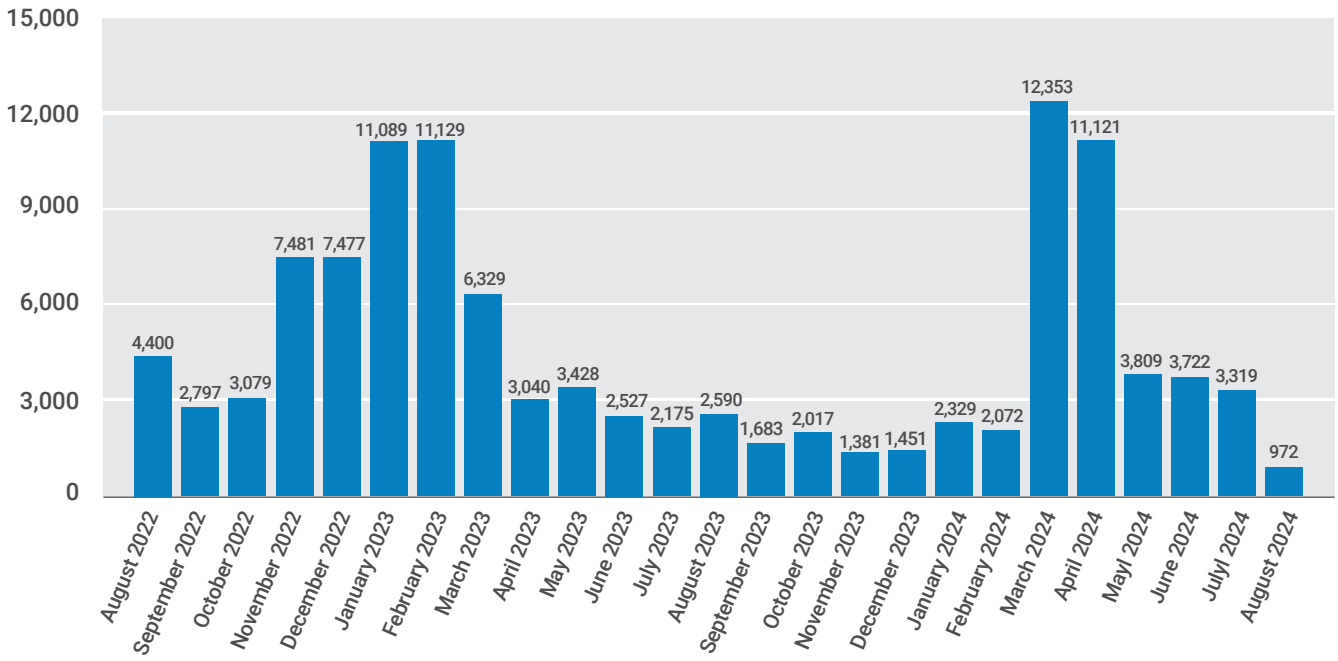
Potholes logged per province group 2

7,076	Free State
7,147	KwaZulu-Natal
3,862	Mpumalanga

Potholes logged per province group 3

2,414	Eastern Cape
1,073	Western Cape
1,371	Northern Cape

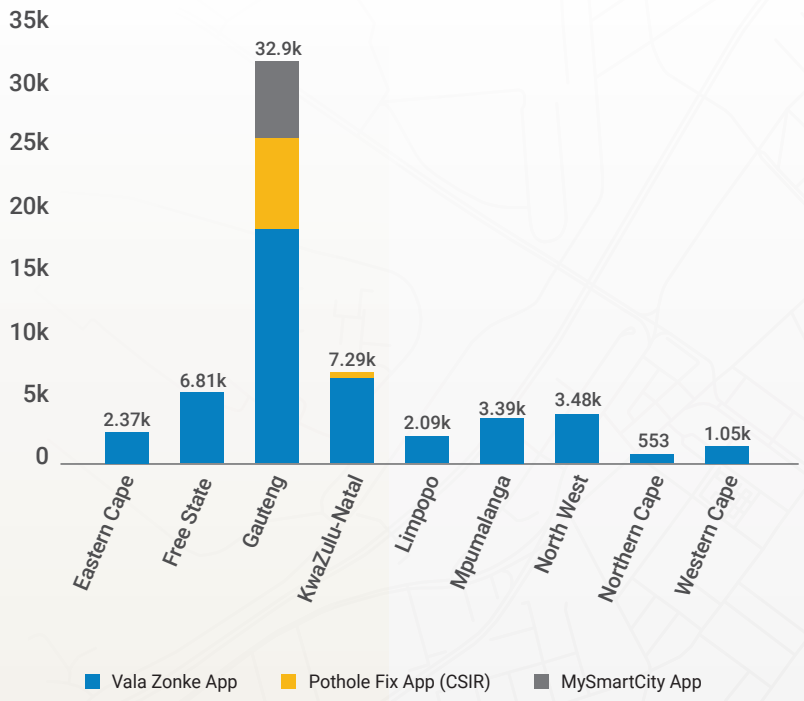
Potholes logged



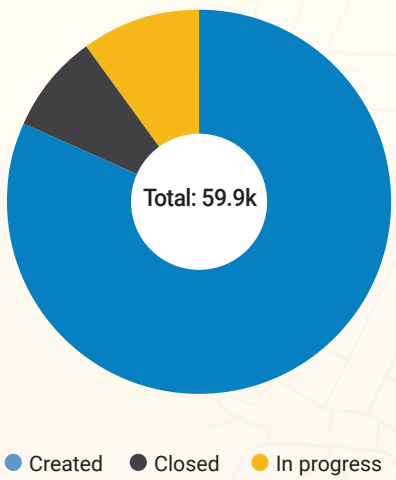
Potholes per province

Potholes per province - Ageing (Hours)					
	120	*240*	*336*	*>336*	*TOTAL*
Eastern Cape	2	2	9	2,398	2,411
Free State	213	3	7	7,053	7,276
Gauteng	41	32	39	29,678	29,790
KwaZulu-Natal	12	14	11	7,126	7,163
Limpopo	3	1	1	2,318	2,323
Mpumalanga	1	13	30	3,812	3,856
North West	23	2	-	3,214	3,239
Northern Cape	6	-	45	600	651
Western Cape	1	4	4	1,065	1,074
Total	**302**	**71**	**146**	**57,264**	**57,783**

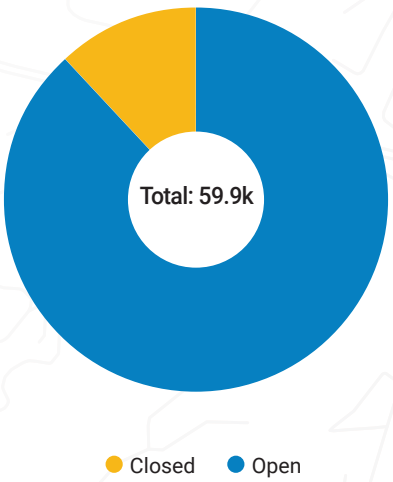
Potholes by province and source



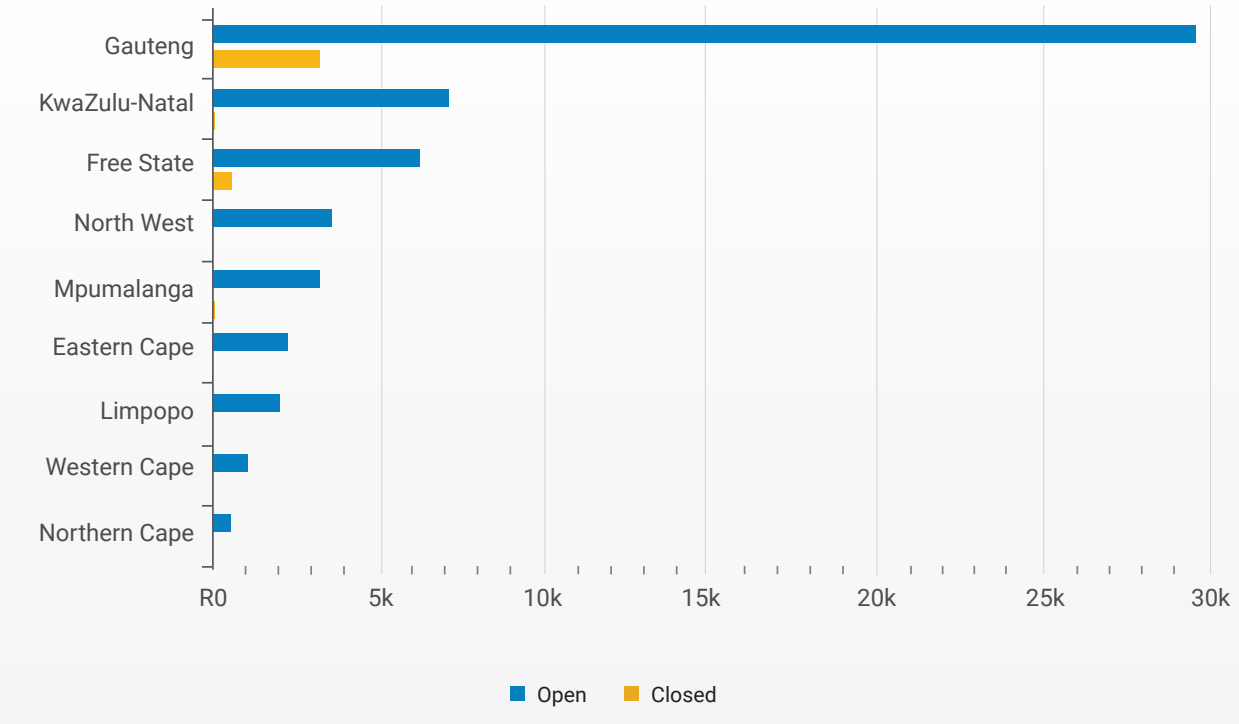
Potholes by status



All potholes by open/closed status



Potholes by province and status



2.8.2 War room

Government's efforts to eradicate potholes was intensified by centralising oversight and management of pothole repairs nationwide.

In July 2023, a physical 'war room' was established at SANRAL's Central Operations Centre (COC) to facilitate the management and monitoring of pothole repairs by the government. Constructed and staffed within a six-week period, it continues to operate effectively.

War room staff actively monitor the assignment of reported potholes to maintenance teams and follow up on repairs. Regular meetings and escalation processes ensure progress and address challenges. A toll-free number is available to road authorities to resolve any Vala Zonke App problems.

2.8.3 Pothole repairs

SANRAL works in partnership with various provincial and local departments to implement Vala Zonke projects across the country and ensure the road network is maintained at an acceptable overall condition index.

In the Northern Region, urgent repairs have been carried out in Standerton, Mpumalanga. These include:

- R546 municipality jurisdiction (George Street, Walter Sisulu Drive and FO Viljoen Road), total length of 7.8km
- R546 provincial jurisdiction, from Standerton to Mpumalanga/Free State border, total length of 23.93km
- R546 provincial jurisdiction, from Lekwa municipal border to Standerton, total length of 10km
- R50 municipality jurisdiction to FO Viljoen Road, total length of 2.2km
- R39 municipality jurisdiction from FO Viljoen Road, total length of 1.6km
- R39 provincial jurisdiction from the municipality jurisdiction to Lekwa municipal border, total length of 14.21km
- R38 provincial jurisdiction from the R39 to Lekwa municipal border, total length of 22.7km
- Beyers Naude Street municipality jurisdiction from R39 to R23, total length of 2.9km
- Krogh Street municipality jurisdiction from Walter Sisulu Drive to Paarl Street, total length of 1km

2.9 Marketing and communications

2.9.1 Advertising, marketing and media-buying

SANRAL's advertising, marketing and media-buying strategy focuses on building a strong national brand identity. The aim is to position SANRAL as a leader in infrastructure development and economic transformation, showcasing how its projects contribute to a better South Africa for all. By transparently communicating its service delivery, budget utilisation and role in supporting government policies, SANRAL strives to earn public respect for the lasting value it delivers.

In the past reporting year, we focused on showcasing priority projects alongside the socio- economic benefits they deliver, particularly for previously disadvantaged communities. This ensured that communities were made aware of upgrades and maintenance in their areas, as well as the related socio-economic opportunities.

Recent advertising campaigns effectively communicate SANRAL's dedication to South Africa's infrastructure development. The 'We Showed Up' campaign celebrates achievements from the past five years. The N2 Wild

Coast campaign showcases ongoing work with the slogan 'Siyasebenza' (We are Working). The relaunched 'Operation Vala Zonke' campaign addresses the national pothole challenge, while the 25th-anniversary campaign marked a quarter-century of excellence in road building.

2.9.2 Public relations

SANRAL's public relations strategy prioritises solidifying its leadership role in road infrastructure development, job creation and economic transformation. The aim is to enhance public understanding of the Agency's work and its national contribution. The approach strengthens SANRAL's brand reputation as a trusted and capable state-owned entity, while also emphasising the positive social and economic impact that projects deliver to communities.

The PR approach has been proactive, positioning SANRAL as a thought leader in infrastructure development through tailored media relationships, opinion editorials by key personnel and participation in various forums and platforms. The 'Newsroom', a unique SANRAL initiative, highlighted the Agency's role in economic recovery and transformation through major projects and community development.

News coverage of SANRAL has remained mainly positive over the past year. However, there was a dip in public confidence in the third quarter when SANRAL's Preferential Procurement Policy was challenged in court. Targeted media relations turned the tide in SANRAL's favour at the start of the fourth quarter, following the release of tenders worth over R20 billion.

Negative sentiment also stemmed from perceived indecision about the Gauteng Freeway Improvement Project (e-tolls). This issue has now been resolved.

The Newsroom produced more than 120 stories over the past financial year, many of them published in mainstream and community publications. Increased use of multimedia releases helped to amplify SANRAL's messages.

Sentiment of media articles

Month	*Positive*	*Neutral*	*Negative*	*Mixed*
April 2023	369	106	15	147
May 2023	176	122	96	79
June 2023	185	136	44	44
July 2023	152	129	33	67
August 2023	294	79	11	68
September 2023	150	89	46	80
October 2023	198	189	60	235
November 2023	267	161	35	125
December 2023	259	19	79	0
January 2024	203	123	27	0
February 2024	375	389	65	0
March 2024	330	261	165	27
Totals	**2,958**	**1,803**	**676**	**872**

Measures of media engagement													
	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Total
Media releases	5	8	4	8	14	8	14	20	17	3	6	8	**115**
Interviews	8	10	11	11	13	11	13	15	20	17	17	25	**171**
Media queries	13	8	6	10	10	16	13	13	14	9	8	8	**128**
Traffic advisories	10	3	8	12	7	6	8	9	10	9	13	18	**113**

Media engagement over five years					
	2019/20	2020/21	2021/22	2022/23	2023/24
Media releases	47	63	113	126	115
Interviews	57	57	124	143	171
Media queries	135	129	145	107	128
Traffic advisories	64	39	68	66	113
Totals	**303**	**288**	**450**	**442**	**527**

2.9.3 Thought leadership

The thought leadership strategy aims to build SANRAL's reputation, foster positive stakeholder perceptions and affirm its leadership in road infrastructure. These initiatives offer insights on strategic issues aligned with SANRAL's Horizon 2030 strategy and the government's broader developmental objectives.

Activities include opinion editorials by SANRAL leaders and experts on infrastructure development, as well as the development of strategic content for engagements like the University Lecture Tours undertaken since 2022.

In 2023, 12 opinion editorials were written and published in the media.

2.9.4 Internal and external publications

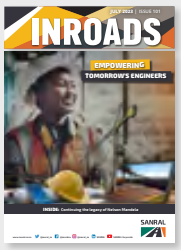
SANRAL's internal and external publications serve as a cornerstone in articulating the Agency's mandate, brand essence and ongoing projects to diverse stakeholders.

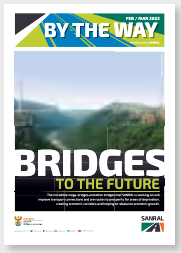
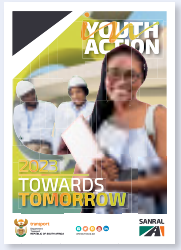
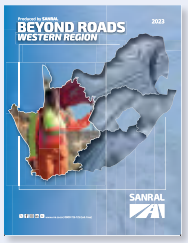
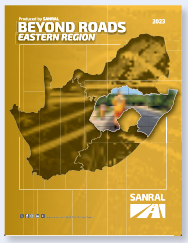
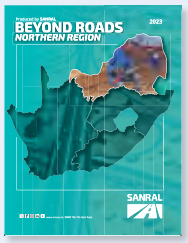
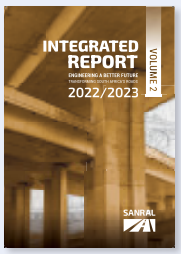
Internally, publications ensure that leadership, management and employees remain well informed.

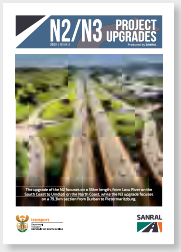
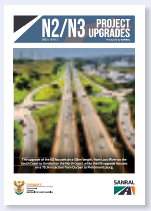
Externally, outreach encompasses government entities, media outlets, the general public, civil society organisations and service providers.

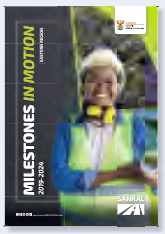
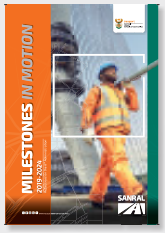
To celebrate the achievements of SANRAL between 2019-2024, national and regional publications titled Milestones in Motion were developed and widely distributed.

SANRA
BY THE WAY
Refresh
Rethink
Renew
SANRAL

INTERNAL PUBLICATIONS		
INROADS		11
ON THE ROAD		4
TRANSFORMATION NEWSLETTER		2
APP REPORTS		4
PREFERENTIAL PROCUREMENT POLICY PUBLICATION		1
	TOTAL ISSUES: 22	
	TOTAL TITLES: 5	

EXTERNAL PUBLICATIONS		
BY THE WAY		6
INVESTING IN SERIES		3
HELLO SERIES		10
BEYOND ROADS	  	4
N-ROUTE		4
INTEGRATED REPORT		2

EXTERNAL PUBLICATIONS (continued)		
PEOPLE'S GUIDE TO INTEGRATED REPORT		1
TOLL TARIFF BOOKLET & POSTER		1
MOLOTO ROAD BOOKLET (ENGLISH, SEPEDI, isiNDEBELE)		3
N2WCR BOOKLET (ENGLISH, isiXHOSA)		2
N2N3 PROJECT UPGRADES		1
N2N3 PROJECT UPGRADES		1

EXTERNAL PUBLICATIONS (continued)		
BURSARY AND SCHOLARSHIP BROCHURES		2
MILESTONES IN MOTION (REGIONS)		4
MILESTONES IN MOTION (NATIONAL)		1
THOUGHT LEADERSHIP COLLECTION PUBLICATION		1
25 YEARS OF BUILDING SOUTH AFRICA		1
PREFERENTIAL PROCUREMENT POLICY PUBLICATION		1
TOTAL ISSUES:		48
TOTAL TITLES:		18

2.9.5 Preferential Procurement Policy Roadshow

SANRAL conducted a nationwide public consultation process to gather feedback on its interim Public Procurement Policy (PPP). The proposed interim PPP document was available for public comment on SANRAL's website and social media platforms from 30 October 2023 to 17 November 2023.

Additionally, a PPP Roadshow report summarising key roadshow highlights from each SANRAL region was produced.

2.9.6 Digital marketing

SANRAL's digital marketing team curates compelling online content to keep stakeholders informed, drive website traffic and showcase the positive impact of SANRAL's projects on infrastructure, job creation and society.

The SANRAL website experienced a notable increase in both organic social and search traffic compared to the previous reporting period. Organic social traffic rose by 23.9%, pointing to greater engagement on social media platforms. This was due to improved content quality, stronger social media presence and targeted marketing efforts. Organic search traffic surged by 62%, indicating better search engine optimisation (SEO) tactics, improved website indexing and better alignment with user search queries.

SANRAL significantly expanded its live streaming efforts, completing 52 recent live streams. These generated over 300,000 impressions, a substantial increase from the previous reporting period. This can be attributed to the diverse range of content covered, which provides viewers with valuable insights, project updates and interactive experiences.

3 INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Programme 1: *Road Asset Infrastructure Management*

The purpose of the programme is to maintain the national road network.

- Sub-programme OpEx
- Sub-programme CapEx

Outcomes, outputs indicators, targets and actual achievement

As per the tables below SANRAL has seen significant over-performance in the following Key Performance Indicators:

- Kms of roads maintained through ensuring the deployment of Routine Road Maintenance (RRM) contractors
- Kms of the network that were resealed or resurfaced.
- Achievement of its Transformation objectives through the outperformance of percentage of RRM expenditure performed by Black-owned SMMEs and contractors; along with percentage of non-RRM expenditure performed by Black-owned SMMEs and contractors.
- Number of SMMEs working for SANRAL
- Jobs created on projects that were rolled out.
- Number of road safety audits completed.
- Number of Internships that were provided on sites.
- Number of SETA Learnerships and/or employment opportunities provided.
- Number of Road Safety Education and Awareness programmes held at selected educational sites.
- Number of positive stories published in the financial year.
- Number of round table discussions held in the financial year.
- Percentage reduction in cases of Irregular Expenditure.

Applying a bottom-up approach achievement of the key performance indicators in the Annual Performance Plan supports the achievement of outcomes and the outcome indicators. The implementation of the OpEx and CapEx programme is a significant contributor to ensuring and Optimally Maintained Network as demonstrated in the Overall Condition Index (OCI) indicator. Through the OpEx and CapEx programme SANRAL is able to create jobs, provide opportunities for SMME participants and resolve road safety hazards which should assist in achieving the target Equivalent Accidnet Number (EAN) as safer roads is amongst the outcomes. The pipeline of bursaries and scholarships culminates in the entry and exit of graduate professional engineers in the Technical Excellence Academy (TEA). The creation of delivery capacity for the country entails ensuring an optimal and targeted number of graduate professionals complete all phases of the training programme at the TEA. The outcome of an improved reputation is primarily supported by engagements with civil society through number of positive messages in the media and holding stakeholder engagement sessions.

The job creation figures through SANRAL's programmes and targeted procurement do include women, youth and persons with disabilities.

KOMATSU
HILIARY

Outcomes, outputs indicators, targets and actual achievement

Programme/Sub-programme: Road Asset Infrastructure Management								
Outcome	*Output*	*Output indicator*	*Audited actual performance 2021/22*	*Audited actual performance 2022/23*	*Annual target 2023/24 as per Annual Performance Plan (APP)*	*Actual achievement*	*Deviation from planned target to actual achievement 2023/24*	*Reason for deviation*
Optimally maintained national road network	Management of road network	Percentage of smooth travel exposure (STE)	95.94%	95.88%	≥ 95%	94.90%	-0.1%	The latest available condition data combined with traffic data has been used. The performance exposure measures may change year-on-year. The statistic captures the effect of maintenance actions on the network and their impact of improving the road users' experience. As such, there are many factors that can influence the results. Factors that improve performance are the impact of improved road conditions due to maintenance actions and the effectiveness of these actions. Deterioration of infrastructure will lead to a decrease in the score. The rate of deterioration can be affected by temperature, rainfall and other environmental effects, amount of traffic on the road, the distribution of the traffic between heavy vehicles and passenger vehicles, and particularly the number of overloaded vehicles. Due to the nature of infrastructure deterioration, such deterioration will not be immediately apparent but will accelerate over time if maintenance is not performed. Therefore, the work conducted in previous years will continue to have a positive effect in following years. Finally, the statistic will also be affected by continuing changes in traffic volumes and the distribution of this traffic across the network. It also indicates the impact of 2,118km transferred in the last two years.
	Management of road network	Percentage of low rut exposure (LRE)	98.34%	98.43%	≥ 95%	99.01%	+4.01%	
	Management of road network	Percentage of High Texture Exposure (HTE)	99.37%	99.31%	≥ 95%	99.08%	+4.08%	
	Management of road network	Percentage of bridge condition exposure (BCE)	93.54%	93.54%	≥ 90%	91.51%	+1.51%	

Programme/Sub-programme: Road Asset Infrastructure Management (continued)								
Outcome	Output	Output indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Annual target 2023/24 as per Annual Performance Plan (APP)	Actual achievement	Deviation from planned target to actual achievement 2023/24	Reason for deviation
	Maintenance of national road network	Routine Maintenance km	22,266km	23,556.69km	23,559km	24,384km	+825km	Additional road transfers were included from the Free State.
	Maintenance of national road network	Network resurfaced km	48.959km	687.989km	1,200km	1,984km	+784km	Previously awarded projects moved into construction on site.
	Maintenance of national road network	Road-strengthened, improved and new (CapEx) km	92.609km	133.219km	270km	170km	-100km	Target was not met due to legal challenges related to the Preferential Procurement Policy (PPP). This prevented closing and award of tenders which had to be readvertised.
	Transformation of the industry	Percentage of RRM (Routine Road Maintenance) expenditure performed by Black-Owned SMMEs and Contractors (Based on Black-ownership of main contractor)	96.6%	97.5%	>75%	99.6%	+24.6%	The annual target for RRM Project Value is exceeded. This is based on the actual expenditure on RRM projects, most of which have now been procured in terms of SANRAL transformation requirements.

Programme/Sub-programme: Road Asset Infrastructure Management *(continued)*								
Outcome	*Output*	*Output indicator*	*Audited actual performance 2021/22*	*Audited actual performance 2022/23*	*Annual target 2023/24 as per Annual Performance Plan (APP)*	*Actual achievement*	*Deviation from planned target to actual achievement 2023/24*	*Reason for deviation*
	Transformation of the industry	Pecentage of Non-RRM (Routine Road Maintenance) expenditure performed by Black-Owned SMMEs and Contractors (Based on Black-ownership of main contractor)	60.4%	67.6%	>60%	71.7%	+11.7%	The annual target for non-RRM Project Vaue is exceeded. This is based on the actual expenditure on non-RRM projects, most of which have now been procured in terms of SANRAL transformation requirements.
	Transformation of the industry	Number of SMMEs working for SANRAL	1,684	1,928	1,800	2,249	+449	The annual target for SMME is exceeded. The SMME numbers increased as most contracts have moved from mobilisation to actual construction.
	Community Development Project	Number of Community development infrastructure projects in construction and/or completed.	3 projects in construction and/or completed	6 projects in construction and/or completed	14 projects in construction and/or completed	24 projects in construction and / or completed	+10	Additional projects could be put out under second-tier procurement. Main contracts are going into construction.

Note KPI 1.1 – 1.4: Due to ongoing maintenance activities, SANRAL can only measure up to 90% of the national road network over a two-year period. Certain road conditions are not suitable for measurement, including those encountered during construction projects like ring roads and half-width zones, as well as stop-and-go traffic lanes. Recently resurfaced or wet sections of road pose challenges for laser sensors due to reflections from the surfaces. Consequently, SANRAL has set a realistic target of 90% network coverage over a two-year period, acknowledging that roughly 10% of the network may be unmeasurable at any given time.

Note KPI 1.5: The length of the SANRAL road network is subject to continuous amendment (increase or decrease) during a financial year due to various proclamations by the Minister of Transport published in the Government Gazette. As these amendments are also approved by the Minister of Transport, their impact on network length will be reflected in the quarterly targets and actuals.

Note KPIs 1.5, 1.6 and 1.7: As per the SANRAL Roadworks Classification Document and under construction.

Note KPI 1.7: Breakdown at year-end is as follows: 170km achieved through the non-toll allocation and 1km achieved through the toll portfolio (impact of toll portfolio borrowing limit restrictions).

Note KPIs 1.8 and 1.9: As per the SANRAL Roadworks Classification Document.

Note KPIs 1.8, 1.9 and 1.10: There may be cases where skilled labour is included. Figures are calculated using the BEE Certificate and exempt micro enterprise (EME)/qualifying small enterprise (QSE) rating at time of contract award. For calculation purposes, these are regarded as unchanged for the life of the contract and figures are not based on the latest valid BEE certificate or EME/QSE rating.

Note KPI 1.10: The number includes SMMEs counted more than once when providing services on different project types (routine maintenance, special maintenance, strengthening, toll and non-toll projects). The total number of unique SMMEs is 2,047 (this includes the non-compliant category).

Note KPI 1.11: Includes all community development projects in construction and completed during the financial year. There were fourteen projects in construction (of which three were completed during the year).

Category	*Unique SMME number (instances)*
More than 51% Black-Owned EME	1,625
More than 51% Black-Owned QSE*	216
Less than 51% Black-Owned EME**	158
Less than 51% Black-Owned QSE	18
Total	**2,017**

* Exempted micro-enterprises, which are entities with an annual turnover of R10 million or less.

** Qualifying small enterprises with an annual turnover of between R10 million and R50 million.

*** A total of 30 vendors became non-compliant with BEE requirements during the course of the project.

Outcome	Output	Output indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Annual target 2023/24 as per Annual Performance Plan (APP)	Actual achievement	Deviation from planned target to actual achievement 2023/24	Reason for deviation
Jobs created on projects (Full-Time Equivalent)	Creation of jobs 2.1	Jobs created on project (Full-Time Equivalent)	9,129 F = 2,482 M = 8,330 FY = 1,339 MY = 3,096 PWD = 62	11,366 F = 3,231 M = 8,135 FY = 1,701 MY = 3,735 PWD = 85	12,000	12,652 F = 3,716 M = 8,936 FY = 1,850 MY = 3,881 PWD = 101	+652	Over-performance attributable to jobs efficiently captured into ITIS and supporting evidence provided from site being aligned when reviewed at War Room
Safer roads	Provision and management of safe road infrastructure	Number of pedestrian hazardous locations investigated, and solutions proposed: Identify, Investigate- and Propose Remedial Measures for 12 Pedestrian Hazardous Locations	13 pedestrian hazardous locations have been identified, investigated and had remedial measures proposed	20 hazardous locations- identified, investigated, and remedial measures proposed	Identify, investigate, and propose remedial measures at 12 pedestrian hazardous- locations per year	13 hazardous locations identified, investigated, and remedial measures proposed	+1 Pedestrian Hazardous Location	Marginal overperformance as work progressed faster
	Provision and management of safe road infrastructure	Number of road safety audits conducted	11 road safety audits completed	12 road safety audits completed	12 road safety audits completed	26 road safety audits completed	+14 road safety audits	Over-performance as a result of a substantial number of consulting engineering services projects progressing further than expected in the financial year. This allowed additional RSAs to be conducted this financial year but may result in a significant drop in RSAs in the next financial year.

Note 2.1: This refers to full-time equivalents and the calculation is based on actual hours worked. Beneficiary data are based on unskilled and semi-skilled labour. There may be cases where skilled labour is included.

3.2 Programme 2: Administration

The purpose of the programme is to fund operational costs and other related costs.

Outcome	Programme
Optimally maintained national road network	Road Asset Infrastructure Management
Jobs created on projects (full-time equivalents)	Road Asset Infrastructure Management
Creating delivery capacity for the country	Administration
Safer roads	Road Asset Infrastructure Management
Improved SANRAL reputation	Administration
Improved governance and strengthened control environment	Administration

Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24 as per Annual Performance Plan (APP)	Actual Achievement	Deviation from planned target to Actual Achievement 2023/24	Reason for deviation
Creating delivery capacity for the country	Provision of internships	Number of internships (practical experience for undergraduate-studies)	239 ER - 54 NR - 57 SR - 80 WR - 48	275 ER - 93 NR - 40 SR - 112 WR - 30	200	240 ER - 93 NR - 40 SR - 112 WR - 30	+40	Increase of projects on sites led to high demand for interns for practical exposure.
	Provision of bursaries	Number of external-bursaries (tertiary)	135	154	135	109	-26	Not all awarded bursaries resulted in finalised contracts.
	Provision of scholarships	Number of scholarships	225	260	250	251	+1	An additional learner could be accommodated due to cost savings from other scholars with less expenses.
	Provision of SETA accredited learnerships	Number of SETA learnerships and/or employment opportunities			1,000	1,747	+747	A new indicator was introduced in 2023/24 for which no historic base data existed for setting the target.

Outcome (continued)	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24 as per Annual Performance Plan (APP)	Actual Achievement	Deviation from planned target to Actual Achievement 2023/24	Reason for deviation
	Improved Public Road Safety Education and Awareness	Road safety education and awareness programmes at selected educational sites in a 5km radius of the national network and/or linked to SANRAL construction projects.	185 sites	204 sites	30 sites	89	+59	Overperformance is a result of a higher number of schools accessible in Gauteng and Limpopo.
Improved-SANRAL-reputation	Improvement and management of reputation	Number of positive messages in national/regional media (print, broadcast or online) per month	33 positive stories per month were profiled	A total of 520 positive stories were profiled	Profile at least 440 positive messages in national/regional media (print, broadcast or online per month	529 positive stories published in the financial year	89 stories over the target	The proudly building South Africa campaign was not planned and aided to exceed the number of positive messages put out.
	Constructive engagement with stakeholders	Number of Stakeholder engagement sessions/round tables	446 round tables carried out in the year -approximately 111 per quarter.	297 round table discussions were held	260 round table discussions with stakeholders held	295 round table discussions held in the financial year	+35 round table sessions over the target	The PPP Public consultation engagements and the ministerial events that did not form part of the annual plan attributed to exceeding the target.
Improved-governance and-strengthened control environment	Adequacy of responses to Parliament questions	Percentage responses to Parliament questions within stipulated-timelines	100% achieved 25 received 25 responded	100% achieved 25 received 25 responded	100% responses to Parliament questions	17 received 15 responded in stipulated timeframe	-2 parliamentary questions	1 question referred to RTMC 1 question referred back to the DoT Roads Branch

Note: 5.2 Stakeholder engagement sessions include Taking SANRAL to the People and information sharing sessions.

Outcome (continued)	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24 as per Annual Performance Plan (APP)	Actual Achievement	Deviation from planned target to Actual Achievement 2023/24	Reason for deviation
	Resolution of reported incidents of corruption	Percentage resolution of reported incidents of corruption	86% resolution of reported incidents of corruption	92% resolution of reported incidents of corruption	85% resolution of reported incidents of corruption	88% resolution of reported incidents of corruption	+3%	Marginal overperformance due to faster progress in resolving internal cases
	Functionality of ethics structures and adequate capacity	Ethics committees established and operationalised	The ethics officer role has been created and assigned to a newly established Executive: Compliance in line with SANRAL's new operating model. The recruitment process will commence as soon as the transition process into SANRAL's new organogram has been finalised.	The ethics officer role was created and assigned to a newly established Executive: Legal, Risk and Compliance in line with SANRAL's new operating model. The recruitment process will begin as soon as the transition process into SANRAL's new organogram has been finalised.	A structure dedicated to ethics management will be established within SANRAL	The ethics officer role was created and assigned to the new unit.	Target not met	The unit is new and the draft structure on Legal, Risk and Compliance which constitute an ethics officer and forensic investigators is before the Board for approval.
	Implementation of action plan to address audit findings	Percentage implementation of action plans to address audit findings	100% All 11 action plans were achieved, based on audit response plan	28 out of 29 actions were implemented resulting in 95.6% achievement	100% implementation of action plans to address audit findings	28% implementation of action plans to resolve audit findings 17 out of 60 findings were implemented (11 were partially resolved, 20 not resolved, 12 not ready for follow-up)	- 72% non-implementation of action plans to resolve audit findings -43 findings not resolved	Some initiatives were implemented or became effective later than envisaged, resulting in insufficient time to fully resolve by year-end. In some instances, capacity issues prevented early or full resolution of findings.

Outcome (continued)	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Annual Target 2023/24 as per Annual Performance Plan (APP)	Actual Achievement	Deviation from planned target to Actual Achievement 2023/24	Reason for deviation
	Unqualified Audit Report with no findings affecting the audit report	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Unqualified with five material findings affecting audit report	Not Achieved	Unqualified Audit Report with findings affecting the audit report	Unqualified Audit Report with findings in the audit report	AGSA reported 7 material findings in the audit report of which 5 related to performance information and 2 material findings from SCM.	Inconsistencies with regards to supporting evidence of the performance information. Non-compliance with competitive bidding process.
	Elimination of wasteful and fruitless expenditure	Percentage reduction of cases of wasteful and fruitless expenditure	Not achieved	0% R33.813km	100% reduction of cases of wasteful and fruitless expenditure	0%	No deviations	The reduction is due to approval of the Loss Control Committee (LCC) recommendation to write off by Board on 30 May 2024.
	Reduction of irregular expenditure	Percentage reduction of cases of irregular expenditure	This has increased from R175.283 million to R3,917 billion (increase of 2,135%), no reduction	+71.65% R6.736 billion 75% Reduction of irregular expenditure by R365.25 million was not achieved. Irregular Expenditure increased by R6.736 billion (71.65%)	75% reduction of cases of irregular expenditure as Per Minister's Performance Agreement	92.88% reduction from the R6.736bn of 2023FY as disclosed in AFS. 2024 irregular expenditure is at R479.794m	+17.88% outperformance in the reduction of cases of irregular expenditure	The reduction of irregular expenditure is due to the condonation of the board resolution for irregular contracts.
	Compliance to 30-day payment requirement	Percentage compliance to 30-day payment requirement	95%	99.17%	100% compliance to 30-day payment requirement	99.15% compliance to 30-day payment requirement	-0.85% (non- compliance to 30-day payment requirement)	Travel invoices received prior to travel. Late creation of purchase orders. Late recommendation and approval of invoices. Purchase orders to be created and approved timeously. Invoices to be recommended and approved timeously.

Strategy to overcome areas of underperformance

The table below outlines areas where significant underperformance occurred or where actions were warranted:

Output Indicator	Annual target 2023/24 as per Annual Performance Plan (APP)	Achieved	Variance	Corrective measures
Road strengthened, improved and new (CapEx) km	270km	170km	-100km	Completion of advertisement, evaluation and adjudication and award of CapEx projects. This process is monitored through bi-weekly operational excellence meetings. Appointment of required human resources for workload.
Number of external bursaries (tertiary)	135 bursaries	109 bursaries	-26 bursaries	Streamline the application and award process to address inherent risks in the process linked to students who are not able to conclude contracts.
Percentage implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	28% implementation of action plans to resolve audit findings. 17 out of 60 findings were resolved. (11 were partially resolved, 20 not resolved, 12 not ready for follow-up)	-43 findings not resolved	Audit war room was formed and is continuously reviewing and implementing action plans to resolve prior year audit findings. A recruitment drive was initiated in the latter part of 2023, extending into 2024 in an effort to address structural and capacity issues.

Linking performance with budgets

	2022/2023			2023/2024		
Programme/ activity/ objective	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	6,651,506	5,931,332	720,174	6,378,561	5,954,410	424,151
Road Asset Infrastructure Management	32,814,828	18,756,864	14,057,964	31,785,811	26,426,140	5,359,671
Total	**39,466,334**	**24,688,196**	**14,778,138**	**38,164,372**	**32,380,550**	**5,783,822**

In 2023/24 an 84.84% expenditure rate was achieved.

Road Asset Infrastructure Management mainly includes OpEx and CapEx works, along with community development. OpEx and CapEx are included in both the non-toll and toll budgets.

The Administration Programme mainly includes overhead costs that are included in the non-toll budget, which consists of salaries, administrative support and costs not directly related to a specific route but of a technical nature. The bulk of expenditure is related to marketing and communications activities at the SANRAL head and regional offices, followed by skills development (training and tertiary education support). The technical support expenditure is related to traffic monitoring (counting of daily traffic movements), followed by research and the operations of our Asset Management System (condition surveys of road and structural assets, ITIS and GIS software development and support). Property services costs relate to land surveys, property administration and valuation services.

4 REVENUE COLLECTION

The Agency has four areas from which it generates revenue, transfers from the fiscus for non-toll business, revenue generated from toll fees ringfenced to the Toll portfolio, other income received from sundry, concession, rentals on lease property and income from investments.

Total toll revenue realised on these routes during 2023/24 was R4.6bn, representing a 19% increase from the previous year. The 2022/23 decline in revenue was mainly due to suspension of toll fee collection on the N2 North due to KZN Flood Disaster. Grant allocations include VAT. The tariff adjustment for the year was restricted to a CPI-related rate. Sundry Income are in the form of income from concessionaires, Investments, rental property, cellular mast, levies on oil and gas from SANRAL asset base hence the substantial increase in those streams.

The interest earned on investments is attributable to sustained higher balance of excess cash invested through the financial year due to non-spending as a result of procurement challenges experienced during the financial year.

Toll fees exclude the GFIP revenue of R6.502bn (2023: R6.508 bn). Other Income excludes non-cash item which relates to deferred exchange considerations (R1.662 bn).

The overperformance of the interest Income from Investments was largely driven by carrying cash balances significantly greater than expected and increases in the repo rate. In addition to effective optimisation of the Investment Strategy by the SANRAL Treasury.

	2022/2023			2023/2024		
Sources of revenue	*Estimate*	*Actual Amount Collected*	*(Over)/ Under Collection*	*Estimate*	*Actual Amount Collected*	*(Over)/ Under Collection*
	R'000	R'000	R'000	R'000	R'000	R'000
Grant Allocation	22,894,975	22,894,975	0	26,123,630	26,123,630	0
Toll Fees	5,204,740	3,885,903	1,318,837	4,244,601	4,625,895	(381,294)
Other Income (Sundry, Concession & Rental property)	652,990	284,654	368,336	498,505	428,994	69,511
Income from Investments	1,499,502	3,000,196	(1,500,694)	2,834,650	6,072,960	(3,238,311)
Total	**30,252,207**	**30,065,728**	**186,479**	**33,701,386**	**37,251,479**	**(3,550,094)**

5 CAPITAL INVESTMENT

SANRAL prioritises preventative maintenance through a 'maintenance first' approach. This strategy focuses on long-term asset improvement. Capital expenditure goes towards extending the initial design life of existing infrastructure, as well as funding expansions and entirely new construction projects.

Strengthening: Strengthening includes increasing the structural capacity of an existing pavement through the recycling of existing layers and/or addition of new granular layers or structural asphalt overlays >80mm thick.

Improvements: This focuses on upgrading roads with an unacceptable service level. Measures include widening specific sections (adding climbing/passing lanes) or the entire project length (adding paved shoulders), along with localised geometric and intersection improvements. In some cases, complete pavement rehabilitation may be necessary.

New construction: New construction comprises works to improve network capacity. This includes the upgrading of single-carriageway roads to four-lane or dual-carriageway roads. Other works include the construction of entirely new surfaced roads (brown/greenfields construction), the construction of new bridges, and the replacement of intersections with new interchanges.

The below reflects the underspending for 2022/23 and 2023/24 financial year, this is mostly due to:

a) Tenderers that were cancelled due to non-responsive bidders and those that needed to be re-advertised in line with new interim procurement policy as per SANRAL Board resolution that the initial PPP be withdrawn due to legal challenges.

b) Historical delays due to slow progress on site, during 2019/20 a total of 83 SANRAL construction projects were affected to various extent by sometimes violent site stoppages by community/business forums. The heart of the protesters demands relates to Preferential Procurement Regulations 2017 (PPR 2017), issued by National Treasury in terms of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000). The key issues related to PPR 2017 are confined to the 30% subcontracting provision, the definition of the local area from which this 30% must be procured and applicability to projects advertised before 1st April 2017 and inconsistencies on how these are interpreted by local stakeholders (i.e. communities, business forums, ward councillors, mayors, etc). The most widely reported SANRAL project affected by the above is the termination of N2 Mtentu construction project by the contractor on 30th January 2019, citing 84 days of force majeure due to community/business forum protest action, which SANRAL disputes. As a result, SANRAL developed the 14-point plan to better govern procedures on all our construction sites regarding sub-contractor procurement.

The legal challenge to SANRAL's PPP which was then subsequently withdrawn and replaced with the Interim PPP.

The normal "binding constraints": EIA approvals, mining permits; the added requirement for an Occupational Health and Safety permit from the Department of Labour, which is required before site establishment, has resulted in more delayed expenditure on capital projects.

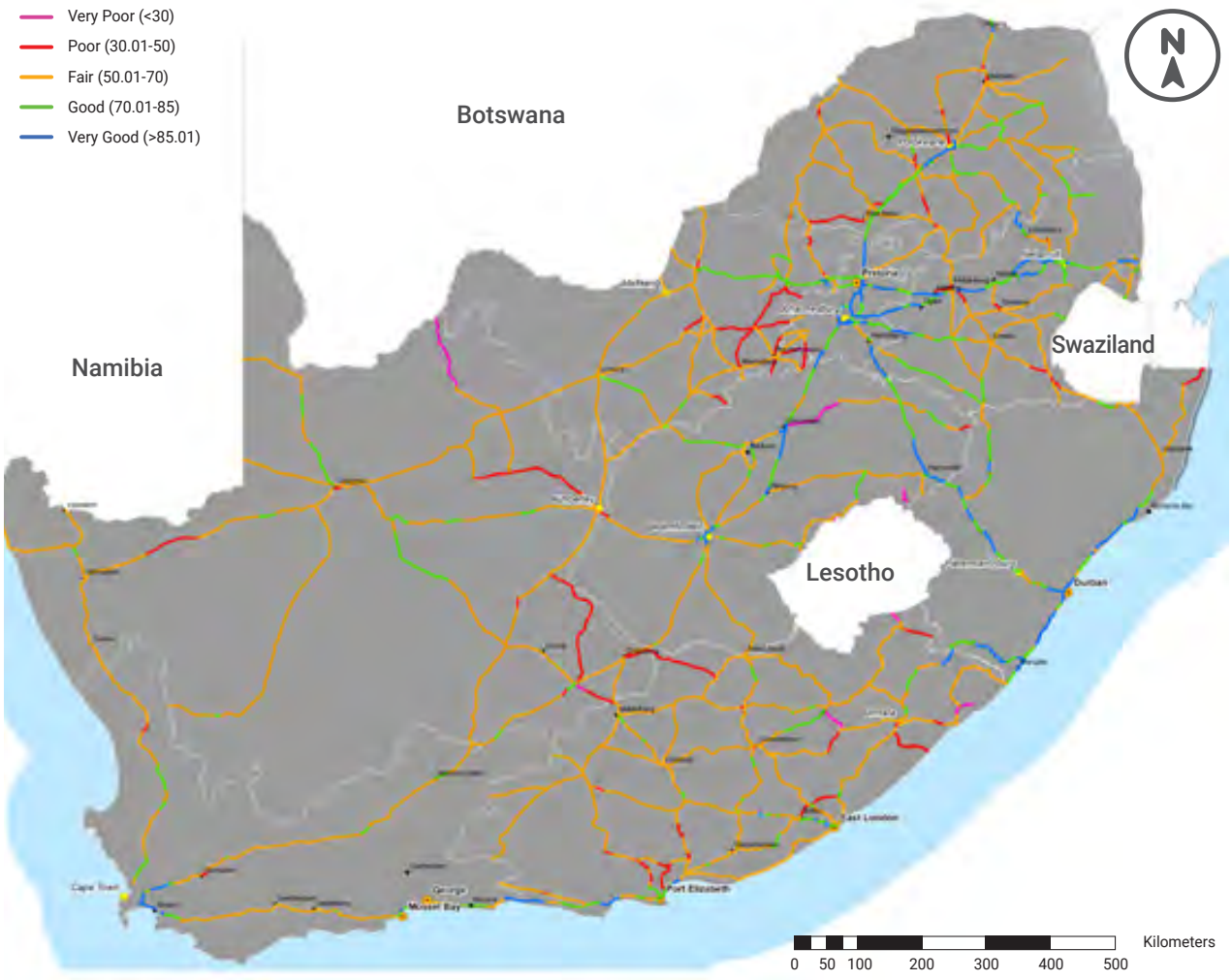
Total capital expenditure on capital investment on construction projects roads amounted to R8.49bn in 2022/23 compared to R12.630bn in 2023/24 financial year. The under expenditure was mainly due to underspending CapEx projects because of delays on procurement processes coupled with legal challenges to the Preferential Procurement Policy, projects being delayed/cancelled for various reasons. The impasse on borrowing and guarantee limits on the Toll portfolio has adversely impacted SANRAL's ability to source private finance for toll priority capital projects from the capital markets resulting in no awards made in this portfolio. With the cancellation of GFIP SANRAL has proactively made submissions to National Treasury for the relaxation of its borrowing limits to resume tapping the capital markets for funding.

The entity has put measures in place to improve its operational efficiency with regards to the procurement lifecycle in order to further accelerate the rollout of projects.

There are no plans to close down or down-grade any current facilities.

	2022/2023			2023/2024		
Infrastructure projects (toll and non-toll)	*Budget*	*Actual expenditure*	*(Over)/Under expenditure*	*Budget*	*Actual expenditure*	*(Over)/Under expenditure*
	R'000	R'000	R'000	R'000	R'000	R'000
Sundry capital expenditure	734,684	107,551	627,133	908,850	120,832	788,018
Strengthening	1,178,772	811,560	367,212	1,523,613	1 ,256,434	267,179
Improvements and community development	7,848,728	5,084,402	2,764,326	8,490,534	7,733,116	757,418
New facilities and land acquisition	6,322,104	2,486,732	3,835,372	3,786, 837	3,520,103	266,734
Total	**16,084,288**	**8,490,245**	**7,594,043**	**14,709,834**	**12,604,835**	**2,079,349**

SANRAL Pavement Overall Condition Index



Network road condition	Km length	
OCI range	Centreline	Carriageway
Very poor (OCI < 30.01)	241	241
Poor (30.01 ≤ OCI < 50.01)	3,180	3,261
Fair (50.01 ≤ OCI < 70.01)	11,733	12,118
Good (70.01 ≤ OCI < 85.01)	7,646	8,979
Very Good (OCI ≥ 85.01)	1,584	2,551
Total	**24,384**	**27,150**

Below is a list of CapEx projects in various stages of progress or completed over the 2023/24 financial year:

Project category	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total-length completed (km)	Progress
Improvement	N.002- 070-2016/1	DICIC: Sandkraal/Thembalethu I/C	Non-toll	76%	3km	1.22	2.29	In progress
Improvement	N.002- 070-2019/1	DIAHV: Kraaibosch to Touw River	Non-toll	6%	10km	0.55	0.56	In progress
Improvement	N.002- 145-2012/1	DIAHV: Green River to Buffalo River	Non-toll	84%	8.819km	1.68	7.43	In progress
Improvement	N.002- 145-2016/1	DIAHV: Phase3: Ght to Fish River Pass	Non-toll	40%	15.913km	5.99	6.41	In progress
Improvement	N.002- 190-2013/1	DILPS: Nqadu to Mzeke rivers and Dan's	Non-toll	98%	18.6km	4.47	18.24	Completed
Improvement	N.002- 250-2024/1	DICIC: Capacity Imp. - EB Cloete (Constr)	Non-toll	7%	8.1km	0.59	0.59	In progress
Improvement	N.002- 260-2018/9	DICAL: KwaMashu I/C - Mdloti I/C	Non-toll	45%	16.151km	4.99	7.35	In progress
Improvement	N.003- 010-2017/9	DICIC: Westville Viad. - Paradise Valley	Non-toll	6%	5.7km	0.35	0.37	In progress
Improvement	N.003-020-2017/7	DIAHV: Key Ridge - Hammarsdale	Non-toll	8%	6.025km	0.44	0.49	In progress
Improvement	N.003-020-2017/8	DICAL: Cato Ridge to Dardanelles	Non-toll	71%	6.4km	2.11	4.57	In progress
Improvement	N.003-020-2017/9	DICAL: Dardanelles - Lynnfield Park	Non-toll	70%	4km	1.04	2.80	In progress
Improvement	N.003-023-2017/9	DICAL: Lynnfield to Ashburton I/C	Non-toll	90%	4.508km	1.81	4.08	In progress
Improvement	N.003-030-2017/8	DICAL: Gladys Manzi to New England I/C	Non-toll	9%	3.1km	0.24	0.27	In progress

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total-length completed (km)	Progress
Improvement	N.003-030-2024/1	DICAL: Ashburton I/C - Murray Rd	Non-toll	9%	5km	0.43	0.44	In progress
Improvement	N.007-020-2020/1	DILPL: Rooikraal to Moorreesburg	Non-toll	77%	26.41km	9.93	20.25	In progress
Improvement	N.011-090-2016/1	DILPS: Hendrina Power St. to N4 I/C	Non-toll	1%	23.47km	0.15	0.32	In progress
Improvement	N.014- 067-2021/1	DIAHV: Inters Impr N14 Olifanthoek-Kathu	Non-toll	100%	4.05km	1.17	4.05	Completed
Improvement	R.022-050-2012/1	DICAL: Manguzi Town Road Widening	Non-toll	98%	3.87km	1.25	3.79	In progress
Improvement	R.037-020-2005/1	DILPS: Modikwa mine - Burgersfort	Non-toll	100%	25.87km	10.03	25.87	Completed
Improvement	R.056-080-2023/1	DIAHV: Matatiele to KZN border 38.6km	Non-toll	17%	38.56km	6.37	6,42	In progress
Improvement	R.063-130-2015/1	DIAHV: Fort Beaufort to Alice	Non-toll	96%	23.09km	2.75	22.27	In progress
Improvement	R.063-156-2014/1	DIAHV: Design R63 Bhisho to N6 Bridge	Non-toll	15%	23.71km	3.15	3.48	In progress
Improvement	R.063-160-2016/1	DIAHV: Phase 1 Km 21.7 to Km 43.64	Non-toll	10%	21.94km	1.70	2.14	In progress
Improvement	R.067-050-2016/1	DIAHV: Swart Kei River to Queenstown	Non-toll	100%	18.1km	1,55	18.10	Completed
Improvement	R.081-010-2013/1	DILPS:- Munnik to GaSekgopo	Non-toll	100%	9.93km	0.13	9.93	Completed
Improvement	R.335-010-2017/1	DIAHV: Motherwell to Addo Phase 1	Non-toll	5%	37.72km	1.07	2.00	In progress

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total-length completed (km)	Progress
Improvement	R.510-012-2016/1	DILPS: NW/LP Border to Bierspruit	Non-toll	62%	26.871km	11.33	16.59	In progress
Improvement	R.510-020-2016/1	DILPS: Bierspruit to Thabazimbi	Non-toll	99%	27.5km	12.64	27.28	Completed
Improvement	R.555-030-2020/1DIL	Steynsdrift to Old P169/1	Non-toll	6%	19km	0.78	1.15	In progress
New facilities	N.001-040-2020/1	DNURT: Monument River to Doornfontein	Non-toll	13%	17km	1.93	2.19	In progress
New facilities	N.002-150-2008/1	DNNIN: N2/15 New Breidbach & Belstone I/C	Non-toll	76%	4.4km	1.25	3.33	In progress
New facilities	N.002-170-2013/1	DNNIN: Ndabakazi I/C	Non-toll	33%	2km	0.58	0.66	In progress
New facilities	N.002-200-2016/2	DNNBN: N2WCR -Msikaba Bridge	Non-toll	87%	7.5km	1.27	6.49	In progress
New facilities	N.002-200-2016/3	DNNS2: N2WCR-Msikaba to Mtentu Bridges	Non-toll	17%	17.7km	2,60	3.01	In progress
New facilities	N.002-201-2023/1	DNNBN: Mtentu Bridge and roads (3.7km)	Non-toll	3%	24.1km	0,69	0.70	In progress
New facilities	N.002-210-2020/1	DNNIN: New Kokstad I/C and TCC	Non-toll	81%	3km	1.29	2.44	In progress
New facilities	N.002-340-2013/1	DNNBN: New Panbult Intersection	Non-toll	44%	1km	0.41	0.44	In progress
New facilities	N.012-150-2021/1	DNURS: N12 Street Lighting in Matlosana	Non-toll	45%	5.3km	2.25	2.39	In progress
New facilities	R.023-020-2020/1	DNNBN:- Completion 6 bridges and Km 0-4	Non-toll	100%	6km	2.18	6.00	Completed

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total-length completed (km)	Progress
New facilities	R.033-130-2019/3	DNURT: Vaalwater Town Road Upgrade	Non-toll	9%	4.57km	0.34	0.41	In progress
New facilities	R.033-140-2016/1	DNND2: 573 Sec 3 Km 20.3 to 43.7	Non-toll	98%	0.2km	0.03	0.20	Completed
New facilities	R.072-040-2021/1	DNNBN: Kids Beach I/C - Developer	Non-toll	28%	1km	0,28	0.28	Completed
New facilities	R.573-020-2019/4	DNND2: R573 S2 (Km 24.7 - Km 36.2)	Non-toll	63%	11.5km	3.63	7.25	In progress
New facilities	R.573-030-2019/1	DNND2: R573 Sec 3km 6.5 to 13.3	Non-toll	100%	6.8km	3.08	6.80	Completed
New facilities	R.573-030-2022/1	DNNBN: Merriespruit New Bridge	Non-toll	1%	23.4km	0.26	0.26	In progress
New facilities	R.574-010-2017/1	DNURT: Groblersdal (R33)- Morwaneng (R579)	Non-toll	2%	38.1km	0.39	0.88	In progress
Strengthening	N.002-200-2011/1	DSRGS: Mt Frere to Ngcweleni River	Non-toll	17%	39.4km	5.75	6.74	In progress
Strengthening	N.008-120-2017/1	DSRGS: Thaba'Nchu North - Tweespruit	Non-toll	8%	20km	0.96	1.66	In progress
Strengthening	N.011-020-2015/1	DSRGS: Ladysmith S(0) - Elandslaagte(28)	Non-toll	21%	28km	5.44	5.80	In progress
Strengthening	R.021-010-2017/9	DSCPR: Pomona Rd to Olifantsfontein Rd	Toll	7%	13.33km	0.91	0.93	In progress
Strengthening	R.061-070-2020/1	DSRGS: Baziya to Mthatha Airport	Non-toll	100%	27.39km	6.51	27.39	Completed

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total-length completed (km)	Progress
Strengthening	R.336-010-2017/1	DSRGS: Kirkwood to Addo Phase 1	Non-toll	62%	13.25km	5.62	8.21	In progress
Strengthening	R.336-010-2017/2	DSRGS: Kirkwood to Addo Phase 2	Non-toll	18%	18.2km	3.37	3.37	In progress
Strengthening	R.504-030-2018/1	DSRAC: Wolmaranstad to Leeuwdoringstad	Non-toll	105%	28.9km	14.52	28.90	Completed
Strengthening	R.504-040-2018/1	DSRAC: Leeuwdoringstad to NW/FS border	Non-toll	46%	24.1km	9.62	11.03	In progress
Strengthening	R.511-030-2017/2	DSCPR: Beestekraal to NW/Limpopo border	Non-toll	13%	42km	4.92	5.42	In progress

Below is a list of OpEx projects in various stages of progress or completed over the 2023/24 financial year:

Project category	*Project number*	*Description*	*Toll/ Non-toll*	*Percentage spent of planned total*	*Project length*	*2023/24 Length completed (km)*	*Total length-completed (km)*	*Progress*
Periodic Maintenance	N.001-010-2019/4	MPRAC: Koelenhof to Market St 22.65km	Non-toll	71%	22.65km	15.86	16.14	In progress
Periodic Maintenance	N.001-020-2021/1	MPRS2: Florence to Worcester West	Non-toll	82%	18.2km	14.55	14.99	In progress
Periodic Maintenance	N.001-034-2021/1	MPPS9: Sand Hills to Monument River	Non-toll	100%	99.808km	99.81	99.81	Completed
Periodic Maintenance	N.001-050-2019/1	MPRS2: Grootfontein to Dwyka	Non-toll	64%	34.46km	21.43	22.12	In progress
Periodic Maintenance	N.001-050-2020/1	MPRS2: Laingsburg to Grootfontein	Non-toll	71%	35km	24.33	24.97	In progress
Periodic Maintenance	N.001-069-2021/1	MPPS9: Weltevrede to Richmond 167km	Non-toll	100%	167.462km	154.32	167.46	Completed
Periodic Maintenance	N.001-078-2019/1	MPRS2: Steyn Station to Beaufort W	Non-toll	76%	26.206km	19.66	19.93	In progress
Periodic Maintenance	N.001-101-2020/1	MPRS2: Bontebok to Hanover	Non-toll	80%	33.872km	26.54	26.98	In progress
Periodic Maintenance	N.001-110-2020/1	MPRS2: Mooifontein to Colesberg	Non-toll	42%	26.3km	10.36	11.14	In progress
Periodic Maintenance	N.001-110-2022/1	MPRS2: Hanover Station to Mooifontein	Non-toll	43%	25.4km	10.16	11.03	In progress
Periodic Maintenance	N.001-130-2020/1	MPRS2: N1 Orange River - Driekuil	Non-toll	100%	20km	0.63	20.00	Completed
Periodic Maintenance	N.001-130-2020/2	MPRS2: Driekuil to Mount Rd	Non-toll	100%	21.6km	0.84	21.60	Completed
Periodic Maintenance	N.001-190-2017/2	MPRAC: Vaal River to Klein Rietspruit	Toll	83%	10.1km	8.37	8.37	In progress
Periodic Maintenance	N.002-020-2021/2	MPRAC: Houwhoek pass to Caledon(32.44)	Non-toll	10%	32.444km	2.96	3.23	In progress
Periodic Maintenance	N.002-050-2022/1	MPRS2: Swellendam to Lizmore 32.12km	Non-toll	42%	32.12km	12.90	13.55	In progress

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total length-completed (km)	Progress
Periodic Maintenance	N.002-050-2022/2	MPRS2: Lizmore to Heidelberg 25km	Non-toll	18%	25km	4.04	4.62	In progress
Periodic Maintenance	N.002-060-2021/1	MPRS2: Riversdale to Dekriet	Non-toll	27%	25.4km	6.19	6.94	In progress
Periodic Maintenance	N.002-060-2021/2	MPRS2: Dekriet to Gouritz River	Non-toll	23%	27.6km	6.00	6.33	In progress
Periodic Maintenance	N.002-060-2022/1	MPRS2: Gouritz River to Mossel Bay West	Non-toll	17%	29.5km	4.85	5.14	In progress
Periodic Maintenance	N.002-078-2022/1	MPPS9: Die vleie to White Bridge 33.8km	Non-toll	62%	33.819km	20.95	20.95	In progress
Periodic Maintenance	N.002-080-2021/1	MPRMC: Gouwkamma River to Harkerville	Non-toll	11%	21.195km	1.82	2.41	In progress
Periodic Maintenance	N.002-100-2019/2	MPRS2 Jeffreys Bay/39.2 Gamtoos Rv/54.5	Non--toll	93%	14.8km	13.51	13.82	In progress
Periodic Maintenance	N.002-110-2019/1	MPRS2: St Albans to Linton	Non-toll	18%	16.07km	2.69	2.87	In progress
Periodic Maintenance	N.002-160-2018/1	MPRS2: Mooiplaas to Komga	Non-toll	20%	20.3km	3.74	4.04	In progress
Periodic Maintenance	N.002-220-2018/2	MPRS2: Mtamvuma 0 - Kandandlovu 12.4	Non-toll	100%	12.4km	0.50	12.40	Completed
Periodic Maintenance	N.002-267-2015/1	MPPCJ: Umhloti - New Geulderland	Toll	100%	43.564km	0.11	43.47	Completed
Periodic Maintenance	N.002-290-2018/1	MPRS2: Empangeni T-Junc. 13 to Km 28.8	Non-toll	98%	15.8km	0.38	15.51	Completed
Periodic Maintenance	N.002-290-2019/3	MPRS2: Km 28.8 to Eteza Weighbridge 44.6	Non-toll	100%	15.8km	0.53	15.80	Completed
Periodic Maintenance	N.004-112-2017/1	MPRS2: Rebecca Street to Pelindaba	Toll	42%	20.8km	5.25	8.67	In progress
Periodic Maintenance	N.005-030-2019/1	MPRS2: Vals River to Paul Roux	Non-toll	100%	18.5km	5.98	18.47	Completed

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total length-completed (km)	Progress
Periodic Maintenance	N.006-050-2017/2	MPRS2: Jamestown to Km 14	Non-toll	65%	14km	8.37	9.06	In progress
Periodic Maintenance	N.007-046-2021/2	MPPS9: ClanW to Trawal & VRhyns to Garies	Non-toll	76%	220.522km	168.21	168.21	In progress
Periodic Maintenance	N.007-030-2022/1	MPRS1: Cederberg I/C-Kransvleikloof	Non-toll	100%	18.3km	17.98	18.30	Completed
Periodic Maintenance	N.008-060-2021/1	MPRS1: Rooisand to Waterford	Non-toll	22%	36.83km	6.58	8.21	In progress
Periodic Maintenance	N.008-060-2021/2	MPRS1: Waterford to Volop	Non-toll	77%	45km	30.80	34.43	In progress
Periodic Maintenance	N.008-060-2021/3	MPRS1: Volop to Griekwastad	Non-toll	33%	45.3km	13,84	14.80	In progress
Periodic Maintenance	N.008-070-2021/1	MPRS1: Griekwastad to Campbell	Non-toll	34%	45.66km	14.52	15.39	In progress
Periodic Maintenance	N.008-080-2020/1	MPRS1: Campbell to Sinovel (20km)	Non-toll	96%	20km	18.77	19.21	In progress
Periodic Maintenance	N.008-080-2020/2	MPRS1: Sinovel to Zandplaats (20km)	Non-toll	95%	20km	18.25	18.90	In progress
Periodic Maintenance	N.008-080-2020/3	MPRS1: Zandplaats to Doornlaagte	Non-toll	100%	17.2km	16.63	17.20	Completed
Periodic Maintenance	N.008-080-2020/4	MPRS1: Doornlaagte to Secretaris	Non-toll	78%	22.8km	17.33	17.83	In progress
Periodic Maintenance	N.008-080-2020/5	MPRS1: Secretaris to Kimberley	Non-toll	66%	19.5km	12.46	12.81	In progress
Periodic Maintenance	N.009-070-2020/1	MPRS2: Carlton Hghts to Wolwefntn (39.4km)	Non-toll	24%	39.4km	8.92	9.58	In progress
Periodic Maintenance	N.009-070-2022/3	MPRS1: Noupoort to Wolwefontein	Non-toll	100%	19.9km	24.00	19.84	Completed
Periodic Maintenance	N.009-070-2022/4	MPRS2: Wolwefontein to Vaalkop 15.1km	Non-toll	100%	15.1km	14.85	15.10	Completed

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total length-completed (km)	Progress
Periodic Maintenance	N.009-070-2022/5	MPRS2: Vaalkop to Colesberg 15.93km	Non-toll	62%	15.3km	9.11	9.48	In progress
Periodic Maintenance	N.010-050-2020/1	MPRS2: Ludlow to Leuwe kop(20km)	Non-toll	8%	20km	1.27	1.64	In progress
Periodic Maintenance	N.010-050-2020/2	MPRS2: Leeuwekop to Luiperts kop(20km)	Non-toll	7%	20km	1.07	1.39	In progress
Periodic Maintenance	N.010-060-2021/1	MPRS1: Hanover to Dieprivier	Non-toll	20%	20km	3.62	4.08	In progress
Periodic Maintenance	N.010-060-2021/3	MPRS1: Stuurmanskuil to De Aar	Non-toll	17%	23.8km	3.55	4.06	In progress
Periodic Maintenance	N.010-112-2021/1	MPPS9: Groblershoop to Nakop BP	Non-toll	94%	200.31km	189.05	189.05	In progress
Periodic Maintenance	N.011-040-2018/1	MPRAC: Ingogo Station to Kwaggasnek	Non-toll	82%	18km	2.99	14.76	In progress
Periodic Maintenance	N.011-050-2018/1	MPRS2: Volksrust to Oudehoutskloof	Non-toll	21%	21km	3.95	4.33	In progress
Periodic Maintenance	N.011-050-2018/2	MPRS2: Oudehoutskloof to Amersfoort	Non-toll	4%	21.8km	0.55	0.81	In progress
Periodic Maintenance	N.012-140-2019/1	MPRS2: Rietpan to Wolmaransstad	Non-toll	100%	23.1km	0.03	23.10	Completed
Periodic Maintenance	N.012-200-2019/1	MPRAC: Delmas to Petroport	Non-toll	88%	20km	17.41	17.58	In progress
Periodic Maintenance	N.012-200-2019/2	MPRAC: Petroport to Ogies	Non-toll	50%	22.5km	10.99	11.28	In progress
Periodic Maintenance	N.014-010-2021/1	MPPS9: Springbok to Pofadder+N7/8	Non-toll	100%	232.18km	232.18	232.18	Completed
Periodic Maintenance	N.014-057-2021/1	MPPS9: Upington to Kuruman	Non-toll	100%	255.303km	254.89	255.30	Completed
Periodic Maintenance	R.030-010-2021/1	MPRS2: N1 Glen Lyon to Brandfort North	Toll	94%	20km	3.60	18.80	In progress

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total length-completed (km)	Progress
Periodic Maintenance	R.030-012-2019/1	MPRS2: Glen Lyon to Brandfort North Pack 2	Toll	97%	19.449km	2.47	18.88	In progress
Periodic Maintenance	R.030-020-2021/1	MPRS2: Brandfort to Theunissen (25-44.3)	Toll	100%	19.3km	1.75	19.30	Completed
Periodic Maintenance	R.030-030-2021/1	MPRS2: Theunissen to Virginia	Toll	100%	19km	2.11	19.00	Completed
Periodic Maintenance	R.036-060-2019/2	MPRS2: Manchabeni 4.7 to Tzaneen 33.5	Non-toll	100%	28.8km	2.61	28.80	Completed
Periodic Maintenance	R.058-050-2016/1	MSPGS: Lady Grey to Barkley East	Non-toll	99%	66.12km	8.90	65.43	Completed
Periodic Maintenance	R.061-020 -2017/1	MPRS2: Reseal R61/2: N9 to Km 13	Non-toll	101%	13km	0.65	13.00	Completed
Periodic Maintenance	R.555-034-2019/1	MPRS2: Old P169/1 (63)-Ga-Mapodila (17.4)	Non-toll	100%	27.26km	22.40	27.26	Completed
Periodic Maintenance	R.555-040-2019/2	MPRS2: Ga-Mapodila(17.4)-Burgersf(37.4)	Non-toll	100%	20km	15.49	20.00	Completed
Periodic Maintenance	R.572-020-2019/1	MPRS1: Monte Christo to Rooigrond	Non-toll	100%	24km	0.68	24.00	Completed
Periodic Maintenance	R.572-020-2019/2	MPRS1: Rooigrond to Tom Burke	Non-toll	100%	23.95km	0.78	23.95	Completed
Periodic Maintenance	R.578-010-2019/4	MPRS2: N1 to Moholisi (16km)	Non-toll	100%	16km	0.17	16.00	Completed
Periodic Maintenance	R.578-010-2019/6	MPRS2: Mahodlogwa to Nwamatatani (56km)	Non-toll	100%	20.2km	0.05	20.20	Completed
Periodic Maintenance	R.579-020-2019/2	MPRS2: Morwaneng to Maleetsi	Non-toll	101%	26.1km	1.98	26.10	Completed
Periodic Maintenance	R.730-023-2017/1	MPRS2: Sand River Street Junction to R34	Toll	100%	18.5km	16.41	18.50	Completed

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total length-completed (km)	Progress
Periodic Maintenance	R.730-023-2018/1	MPRS2: Harmony I/S to Jan Hofmeyer I/S	Toll	100%	11.11km	5.20	11.11	Completed
Periodic Maintenance	X.004-074-2020/1	MPRS2: Theunissen to Virginia Package 2	Toll	100%	17.7km	0.42	17.70	Completed
Special Maintenance	N.001-100-2019/1	MSPGS: Richmond to Kantfontein	Non-toll	99%	19.6km	18.87	19.36	Completed
Special Maintenance	N.001-140-2019/1	MSPGA: Trompsburg - Fonteintjie repairs	Non-toll	100%	20km	7.58	20.00	Completed
Special Maintenance	N.001-190-2017/1	MSPCF: Klein Rietspruit to N12/Potch I/C	Toll	69%	50.628km	18.21	34.94	In progress
Special Maintenance	N.002-100-2016/1	MSPGS: Gamtoos/55.5 to van Stadens/74.5	Non-toll	100%	19km	14.25	19.00	Completed
Special Maintenance	N.002-240-2019/1	MSPGA: Settlem. Repairs-Mkomazi River-Lovu	Non-toll	100%	12km	11.43	12.00	Completed
Special Maintenance	N.014-080-2022/1	MSPGS: Kuruman to Tsaelengwe 27km	Non-toll	14%	27km	2.91	3.83	In progress
Special Maintenance	N.014-080-2022/2	MSPGS: Tsaelengwe (27)- NW/NC border(54.6)	Non-toll	19%	27.56km	4.36	5.12	In progress
Special Maintenance	N.017-050-2021/1	MSPGS: Chrissiesmeer 35 to KXm 85	Non-toll	100%	50km	2.02	49.92	Completed
Special Maintenance	N.017-050-2021/2	MSPGS: Km 85 to Oshoek 122.7	Non-toll	75%	37.7km	26.13	28.40	In progress
Special Maintenance	R.052-010-2019/1	MSPGS: Biesiesvlei to Lichtenburg	Non-toll	33%	38.43km	11.72	12.66	In progress
Special Maintenance	R.056-012-2016/1	MSPGS: Middelburg 0-16 Molteno 0-57.9	Non-toll	96%	74.367km	13.91	71.32	In progress

Project category (continued)	Project number	Description	Toll/ Non-toll	Percentage spent of planned total	Project length	2023/24 Length completed (km)	Total length-completed (km)	Progress
Special Maintenance	R.056-030-2023/1	MSPGS: Vlakftn Km 18 to N6 I/S at Km 35.04	Non-toll	33%	17.037km	5.57	5.57	In progress
Special Maintenance	R.056-040-2016/1	MSPGS: N6 to Dordrecht	Non-toll	83%	35.3km	17.91	29.34	In progress
Special Maintenance	R.056-050-2016/1	MSPGS: Dordrecht to Indwe	Non-toll	85%	36.7km	23.47	31.16	In progress
Special Maintenance	R.056-067-2020/1	MSPGS: Indwe-Maclear (0-58.3) + (0- 68.51)	Non-toll	97%	126.81km	55.21	123.17	In progress
Special Maintenance	R.058-040-2016/1	MSPGS: Aliwal 0 to Lady Grey 49.79	Non-toll	99%	49.79km	5.39	49.09	Completed
Special Maintenance	R.063-120-2017/1	MSPGS: N10 to Bedford	Non-toll	95%	20.7km	12.99	19.71	In progress
Special Maintenance	R.075-020-2018/1	MSPGS: Km 39.6 to Km 72.0	Non-toll	100%	32.4km	0.14	32.40	Completed
Special Maintenance	R.390-010-2018/1	MSPGS: Cradock to Hofmeyr	Non-toll	36%	62.5km	22.30	22.78	In progress
Special Maintenance	R.512-030-2019/1	MSPGA: R104 to Brits	Non-toll	33%	10.71km	3.40	3.50	In progress

5.1 Eastern Region

In the reporting period, SANRAL Eastern Region made significant progress in KwaZulu-Natal and the Free State, focusing on the N1, N2 and N3 corridors. These corridors are vital for regional connectivity and economic activity. SANRAL's work on upgrading and expanding these routes aims to improve road safety, reduce travel times and boost economic growth.

In addition to managing national roads, SANRAL has taken over several provincial roads, including new transfers from the Free State provincial government, thereby expanding its oversight of extensive networks in both provinces. These transfers are part of a broader effort to enhance road infrastructure across the region, ensuring better maintenance and development.

SANRAL's initiatives have brought economic upliftment to local communities, creating jobs and opportunities for emerging contractors, service providers and suppliers. Despite economic challenges, SANRAL's infrastructure investments are crucial contributors to the GDP of KwaZulu-Natal and the Free State, providing an economic lifeline to many rural and remote areas. The Agency's efforts frequently extend beyond its mandate, addressing various service delivery needs in these two provinces.

5.1.1 Overview

During the 2023/24 financial year, SANRAL invested R7.4 billion in road infrastructure development in KwaZulu-Natal and the Free State, creating approximately 6,041 job opportunities for local communities. Notably, 3,081 of these positions were filled by youth. Additionally, R1.2 billion of the investment directly benefitted targeted enterprises and designated groups, including youth, women, people with disabilities and military veterans.

SANRAL's commitment to skills development and training across all its projects has enhanced the capabilities of beneficiaries, setting them on a path to self-sufficiency beyond the completion of these projects. In the 2023/24 financial year, the Eastern Region undertook a total of 14 construction capital projects to build new roads, improve existing ones and rehabilitate roads in sub-optimal condition.

These projects, spanning 114.86km across KwaZulu-Natal and the Free State, have benefitted local communities and regional economies. As part of these efforts, 1,122 SMMEs were trained, and over 500 students participated in the mentorship and training programme. The upgraded roads, bridges and community access roads will make the region more attractive for foreign and direct investment.

The region completed the following projects during the reporting period:

- **Emergency repair of Mhlali River Bridge (B999A)**
  The scope of works included the repair and jacking of the uMhlali River Bridge (northbound) back to its original position, as well as repairing the bridge approaches after the April 2022 floods. For an extended period, northbound traffic was diverted onto the southbound lanes, causing delays and frustration among road users and commuters over this 3km stretch on the N2 freeway. The R32,179,847 emergency repairs were awarded to DT Mlangeni Projects, a Black-owned company, with a total spend of R5,287,425 awarded to SMMEs.
- **Widening of R22 Section 5, Km 22 to through Km 25 KwaNgwanase**
  The work covered a 3km stretch of road and a 2.8km bypass road on the national road that connects the N2 at Hluhluwe with the Mozambique border at Kosi Bay, via Mbazwana and KwaNgwanase. The R340 million

upgrade project was awarded Leomat Construction (Pty) Ltd. More than 434 families benefitted from work opportunities arising from this project. About R93.7 million was spent on local SMMEs owned by women and youth within the uMhlabuyalingana Local Municipality.

- **Reconstruction of N3 from Sanctuary Road (Km 15.2) to Link Road (Km 21.2)**
  More than 322 families benefitted from work opportunities arising from this project. About R80.5 million was spent on local SMMEs owned by women and youth within the Msundizi Local Municipality.
- **Manufacture of precast concrete barriers to be used as a temporary vehicle restraint system for the upgrading of the N2 and N3**
  More than 220 families benefitted from work opportunities arising from this project. About R81.6 million was spent on local SMMEs owned by women and youth within the Mkhambathini Local Municipality.
- **The region completed 11 additional projects**
  These include periodic maintenance, special maintenance and flood repairs.

Capital projects and length of road to be beneficiated

Type of capital project	*Non-toll*		*Toll*	
	Projects	*Km beneficiated*	*Projects*	*Km beneficiated*
Strengthening and improvement	11	109.06	0	0
New facilities	3	5.8	0	0
Total	**14**	**114.86**	**0**	**0**

Major projects completed

Section of road	*Percentage complete*	*Value of work*	*Scope of work*	*Main contractor*
R22 Section 5 through kwaNgwanase (previously Kosi Bay Town)	100%	R129,476,873	Upgrade and widening of the main carriageway through the addition of a parking lane on both sides, new pedestrian facilities and lighting	Leomat Construction (Pty) Ltd
N3 Section 3 from Sanctuary Road to Link Road	100%	R46,260,666	Slow-lane reconstruction	Raubex KZN (Pty) Ltd
N2/N3 New Jersey Barrier Supply	100%	R74,561,811	Manufacture of precast concrete barriers to be used as a temporary vehicle restraint system for the upgrade of the N2 and N3	Martin & East (Pty) Ltd

Major contracts awarded for projects on non-toll roads

Project number	Section of road	Percentage complete	Value of work	Scope of work	Main contractor
N.008- 120-2017/1	N8 Section 12 from Thaba 'Nchu North to Tweespruit	15%	R17,700,044	Rehabilitation of the existing layer, adding new base course and reseal	Tau Pele Construction (Pty) Ltd
R.022- 020-2013/1	R22 Section 1 between Km 4.5 and Km 6.5	1%	R 1,253,576	Elimination of at- grade railway crossing on the R22 near the R102/ R22 intersection east of Hluhluwe	TCT Civil and Construction
S.004- 002-2018/1R	D1021 and P423	0%	R0	Upgrade of the uMshwathi river bridges and the Msunduzi river bridge	WSM Group (Pty) Ltd

Infrastructure projects in progress

Project number	Project description	Value of work	Percentage complete	Main contractor	Construction end date
N.002-250-2024/1	Capacity improvement to EB Cloete I/C	R454,651,369	15%	CSC Base Major Joint Venture	29 April 2028
N.002-260-2018/9	Upgrade of N2 from Kwamashu I/C to Mdloti I/C	R630,462,898	46%	Raubex Construction (Pty) Ltd	21 July 2026
N.003-020-2017/7	Realignment of N3 from Key Ridge to Hammarsdale	R450,566,887	13%	WBHO	16 August 2028
N.003-020-2017/8	Upgrade of N3 from Cato Ridge to Dardanelles	R703,143,117	69%	Raubex Construction	1 August 2025
N.003-020-2017/9	Upgrade of N3 from Dardanelles to Lynnfield Park	R667,209,392	75%	Raubex Construction	2 May 2025
N.003-023-2017/9	Upgrade of N3 from Lynnfield to Ashburton I/C	R756,676,790	90%	Rumdel Construction Cape (Pty) Ltd	1 February 2025
N.003-030-2024/1	Upgrade of N3 from Ashburton I/C to Gladys Manzi	R195,256,763	15%	CSC Base Major Joint Venture	1 November 2026
N.011-020-2015/1	Upgrade of N11 from Ladysmith to Elandslaagte	R216,188,562	15%	Raubex Construction	15 September 2026
N.003-030-2017/8	Upgrade of N3 from Gladys Manzi to New England I/C	R186,974,207	10%	New England JV	18 February 2027
N.003-010-2017/9	Upgrade of N3 from Westville Viad to Paradise Valley	R308,644,810	10%	EXR Aqua JV	30 September 2027

Project number (continued)	Project description	Value of work	Percentage complete	Main contractor	Construction end date
N.008-120-2017/1	Rehabilitation of N8 from Thaba 'Nchu North to Tweespruit	R17,700,044	10%	Tau Pele Construction (Pty) Ltd	14 December 2025
N.002-210-2020/1	New Kokstad I/C and TCC on National Route 2	R270,588,847	68%	H&I Construction	14 December 2024

Major projects on SANRAL-managed toll roads

Project number	Project description	Section of road	Percentage complete	Value of work done	Scope of work	Main contractor
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Major maintenance projects

Project number	Project description	Value of work	Percentage complete	Main contractor	Construction end date
N.002-270-2022/1	Emergency repair of Mhlali River Bridge (B999A)	R36,574,749	100%	DT Mlangeni	28 July 2023
N.002-250-2022/1	Emergency repair of Louis Botha Overpass (B810)	R5,000,400	100%	Sizakala Plant and Civils (Pty) Ltd	21 July 2023
N.002-250-2022/2	Emergency repair of Nandi Dr IC Ramp (B3018)	R13,915,824	100%	Sizakala Plant and Civils (Pty) Ltd	20 September 2023
N.002-250-2020/3	Sarnia Road Bridge repair	R15,023,171	100%	Afrostructures (Pty) Ltd	1 June 2023
N.001-140-2019/1	Special Maintenance of N1 from Tromps-burg - Fonteintjie repairs	R57,493,333	100%	Tau Pele Construction (Pty) Ltd	13 December 2023
R.730-023-2017/1	Periodic Maintenance of R34 from Sand River Street to Junction to R34	R238,221,831	100%	Tau Pele Construction (Pty) Ltd	14 November 2023
R.730-023-2018/1	Periodic Maintenance of R730 from Harmony I/S to Jan Hofmeyer I	R98,038,654	100%	Roadmac Surfacing (Pty) Ltd	13 September 2023
R.030-010-2021/1	Periodic Maintenance of R30 from Glen Lyon to Brandfort North	R6,548,465	100%	Actophambili Roads	21 April 2023
N.011-040-2018/1	Periodic Maintenance of N11 from Ingogo Station to Kwaggasnek	R41,824,124	100%	Raubex KZN (Pty) Ltd	18 February 2027
P.004-052-2022/1	Emergency repair to Tongati Bridge River Bridge	R54,644,810	100%	EMPA structures (Pty) Ltd	29 January 2024
N.002-220-2018/1	Repair of Mtamvuna River Bridge	R13,936,260	100%	Smart Civils Con-struction (Pty) Ltd	28 March 2024

Slope management

SANRAL undertakes proactive management of unstable slopes in all regions.

The recent completion of the new TMH 21 Manual for the Visual Assessment of Road Slopes provides an updated methodology for the visual assessment and risk classification of slope hazards.

In the Eastern Region, no slope assessment was undertaken during the period under review. However, a service provider was appointed for the proactive management of slopes in the 2024/25 financial year using the Draft TMH 21 Manual.

Routine road maintenance teams continuously monitor and report any serious slope incidents or maintenance requirements. The teams were able to address concerns stemming from the exceptional weather conditions that occurred during November 2023 and February 2024.

The Eastern Region took over sections of roads from the Free State Department of Police, Roads and Transport. An initial assessment of the roads indicated

sections of slope failures that are being attended to as emergency projects.

Routine road maintenance

Currently, there are 16 routine road maintenance (RRM) contracts in construction, including three emergency RRM contracts. A total of R1,208,811,520 was spent on these RRM projects, creating 1,395 jobs.

5.2. Northern Region

The Northern Region comprises four provinces: Gauteng, Mpumalanga, Limpopo and the North West. Together, these provinces account for approximately 9,400km of the national road network, making this the largest region within SANRAL. This network includes both toll and non-toll roads, with about 900km managed by concessions.

Given its size, the region maintains a robust portfolio of approximately 400 active projects across various stages of development, from planning through to construction. The 2023/24 financial year saw the successful awarding of new construction projects, alongside the completion of several others.

The region is also actively pursuing the incorporation of over 2,000 km of additional roads from Limpopo, Mpumalanga and the North West. Once these roads are assessed as suitable for transfer to SANRAL, they will be formally designated as national roads and thereafter actively managed by the Northern Region.

The region exhibits significant socioeconomic disparities, with Gauteng standing out as the nation's primary economic hub and the remaining three provinces experiencing only limited urbanisation. To address these disparities, creating opportunities for small, medium and micro-sized enterprises (SMMEs) and local labour remains crucial. An analysis of unemployment rates across the four provinces underscores the urgent need to enhance community participation in SANRAL's endeavours.

5.2.1 Overview

The region made significant strides in infrastructure development over the past reporting year. Over R8 billion was invested in infrastructure projects, with an additional R16 billion advertised for tender across the four provinces. Over 30 construction projects have been awarded across the four provinces, indicating a significant contribution to local economies.

This investment prioritises local participation, with 30% earmarked for local SMMEs. The region created 7,346 jobs for local labour across its network. A commitment to inclusivity ensures opportunities for military veterans and people with disabilities in all regional projects.

Extensive work has been carried out on various roads across the region.

- The R37 project in Limpopo has been completed at a cost of R1 billion. This project created 423 jobs and trained 149 individuals. A total of R80 million was spent as part of community development initiatives. Additionally, resurfacing projects were completed on the R555, which is a key link between Burgersfort and Mpumalanga, as well as other economic hubs.
- The region is also engaged in improvements to the R510, a vital link to key mining areas in Thabazimbi. This project aims to facilitate the efficient flow of freight, ultimately boosting productivity in the affected towns. Early signs indicate that enhanced transportation networks are already having a positive impact on local economies.
- The region also completed 7km of the Moloto Road project in Limpopo. Both the Limpopo and Mpumalanga sections remain in construction. In the coming financial year, the whole corridor will be in construction, including the Gauteng section.
- The Mpumalanga R23 project reached completion, providing a high-mobility road for local residents. Construction efforts are currently underway on the N17 corridor leading to Eswatini, the N4 to Mozambique, and other key corridors connecting to Southern African Development Community (SADC) countries. This work complements the previously completed R33 corridor project. Additionally, the N2 corridor is under close monitoring, with significant capital works scheduled to commence in the coming financial year.
- Work continues on various other corridors, including the N12, R52, R504, R511 and R512 in the North West. This is contributing significantly to the creation of opportunities for local labour and SMMEs. Work on the R30 and N14 corridors is scheduled to commence in the coming financial year.
- In Gauteng, significant repair work has been carried out on the concrete section of the N1 in the Vaal region. Good progress has also been made in repairing sinkholes on the R21 and N1. The R21 between OR Tambo International Airport and the capital is currently being rehabilitated. Travellers can look forward to improved road quality in the coming months.

Capital projects and length of road to be beneficiated

Type of capital project	Non-toll		Toll	
	Projects	Km beneficiated	Projects	Km beneficiated
Strengthening and improvement	R.037-020-2005/1 R.510-020-2016/1 R.504-030-2018/1 R.510-012-2016/1 R.511-030-2017/2 R.504-040-2018/1 R.555-030-2020/1	25.87 27.4 28.9 26.8 42 24.1 19	N.001-290-2022/1	5.79
New facilities	R.033-140-2016/1 R.573-020-2019/4 R.573-030-2019/1 R.023-020-2020/1 N.002-340-2013/1 N.012-150-2021/1 R.573-030-2022/1 R.033-130-2019/3 S.002-008-2020/1	Bridges & culverts 11.5 6.8 4.0 Interchange 5.3 23.4 2.2 12.79	-	-
Total	**16**	**260.06**	**1**	**5.79**

Major projects completed

Section of road	Percent complete	Value of work	Scope of work	Main contractor
R.037-020-2005/1 Modikwa Mine (Km 117) to Burgersfort (Km 142.87)	100%	R801,140,964.51	Improvement	Edwin Construction (Pty) LTD
R.033-140-2016/1 Merriespruit bridges between Vaalwater and Lephalale	100%	R57,318,807	New bridges	G4 Civils
R.573-030-2019/1 Slovo (Km 6.5) to Siyabuswa (Km 13.3)	100%	R519,141,629.67	Upgrade	Raubex Construction (Pty) Ltd
R.023-020-2020/1 Completion of six bridges and Km 0 to Km 4.0	100%	R294,885,534	New facilities	Raubex Enza JV
R.555-034-2019/1 R555 Section 3 & 4 from Steelpoort River (Km 63.0 on Section 3) to Ga-Mapodila (Km 17.4 on Section 4)	100%	R20,399,998	Resurfacing	Roadmac Surfacing (Pty) Ltd
R.555-040-2019/2 R555 Section 4 from Ga-Mapodila (Km 17.4) to Burgersfort (Km 37.4)	100%	R20,520,791	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.001-200-2019/1 Bridge repairs on N1 Section 20 and 21 Repairs to the Hans Schoeman Bridge no. 262 A and B	100%	R5,227,200	Special Maintenance	Teichman Structures (Pty) Ltd

Major contracts awarded for projects on non-toll roads

Project number	Section of road	Percent complete	Value of work	Scope of work	Main contractor
R.510-020-2016/1	R510 Bierspruit (Km 6.4) to Thabazimbi (Km 33.8)	70%	R263,293,466	Improvement	Raubex
R.573-020-2019/4	R573 Section 2 (work package A from Km 24.70 to Km 36.20)	80%	R408,567,493.57	Upgrade	King Civil Engineering Contractors
R.573-030-2016/1	Siyabuswa Km 19.2 to Km 43.7 Mathys Zyn Loop to Marble Hall	67%	R 0	Upgrade	KPMM/CBE JV (contract terminated)
R.504-030-2018/1	Wolmaranstad to Leeuwdoringstad (Km 0 to Km 28.9)	99%	R172,060,053	Strengthening	Tau Pele
N.004-112-2017/1	N4 Section 11 and 12 between Rebecca Street and Pelindaba	19%	R672,651	Resurfacing	Phagama Civils and Maintenance cc
R.510-012-2016/1	R510 Sections 1 and 2 from Northwest / Limpopo border (Km 72.0) to Bierspruit (Km 6.3)	19%	R92,905,414	Improvement	Lonerock Jodan JV
N.012-160-2016/1	N12 Section 16 Stilfontein urban area, between Buffelsfontein Road (Km 11.6) and Wintervogel Road (Km 12.6)	95%	R39,709,459	Special Maintenance	Udumo Trading 26 T/A Ultimate Dynamics
R.511-030-2017/2	R511 Sections 3 from Beestekraal (Km 36.0) to Northwest/Limpopo border (Km 75.4)	0%	R 0	Strengthening	WBHO Construction (Pty) Ltd
R.574-010-2022/1	R574 Section 1 at Km 12.42	61%	R16,014,031.89	Special Maintenance	Vide Investments (Pty) Ltd T/A CSA Construction
N.017-050-2021/2	N17 Section 5 from (Km 85.0) to Oshoek (Km 122.7)	75%	R191,196,730	Special Maintenance	Roadspan Edwin JV
R.504-040-2018/1	R504 Section 4 from Leeudoringstad (Km 0) to North West/Free State border (Km 24.1)	15%	R72,758,969,31	Strengthening	Actophambili Roads / Imvula Roads and Civlis JV
N.012-200-2019/1	N12 Section 20 between Delmas (Km 0) and Petroport (Km 20)	90%	R165,862,328.30	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.012-200-2019/2	N12 Section 20 between Petroport (Km 20) and Ogies (Km 42.2)	30%	R94,427,313.42	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.002-340-2013/1	Panbult Intersection (linking D803 and P97/2) across N2 Section 34	0%	R 0	Upgrade/ New facilities	WBHO Construction (Pty) Ltd
R.052-010-2019/1	MSPGS: [3] Biesiesvlei to Lichtenburg	0%	R 0	Special Maintenance	Actophambili Roads (Pty) Ltd
R.512-030-2019/1	MSPGA[4] : R104 to Brits	58%	R36,233,090.78	Special Maintenance	Actophambili Roads (Pty) Ltd

Project number	*Section of road*	*Percent complete*	*Value of work*	*Scope of work*	*Main contractor*
R.555-030-2020/1	DILPS: [5] Steynsdrift to Steelpoort River	0%	R 0	Improvement	Edwin Construction (Pty) Ltd
N.001-190-2017/2	MPRAC: [6] Vaal River to Klein Rietspruit	92%	R68,030,893	Resurfacing	Tau Pele Construction (Pty) Ltd
N.011-050-2018/1	MPRS2: [7] Volksrust to Oudehoutskloof	0%	R 0	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.012-150-2021/1	DNURS: [8] N12 in Matlosana	44%	R12,282,195.75	Upgrade	Isidingo Electrical (Pty) Ltd
R.573-030-2022/1	DNND2: [9] R573 Section 3 (Km 20.3 to Km 43.7)	0%	R 0	New facilities	Edwin Construction (Pty) Ltd
N.011-050-2018/2R	MPRS2: [10] Oudenhoutskloof to Amersfoort	0%	R 0	Resurfacing	Actophambili Roads (Pty) Ltd
R.033-130-2019/3	DNURT: [11] Vaalwater Town Road	0%	R 0	Upgrade	Edwin Construction (Pty) Ltd
S.002-008-2020/1	DNUSC: [12] D3878 from Calais (Km 0.0) to Ga- Sekoro-ro (Km12.4)	0%	R 0	Upgrade	Axton Matrix Construction (Pty) Ltd
X.001-260-2018/1R	MPRS2: [13] R101 Section X26 from Mokopane (Km 0.2) to Duvenhageskraal (Km 50.6)	0%	R 0	Resurfacing	Roadspan Surfacing (Pty) Ltd

Major projects on SANRAL-managed toll roads

Project number	Section of road	Percent complete	Value of work	Scope of work	Main contractor
N.001- 290-2022/1	N1 section 29 from Musina South (Km 89.65) to Musina North (Km 95.44)	0%	R0	Strengthening	Hillary Construction (Pty) Ltd
N.001-190-2017/2	N1 Section 19 from Vaal River (Km 0.0) to Klein Rietspruit (Km 10.1)	0%	R0	Resurfacing	Tau Pele Construction (Pty) Ltd
N.001-190-2017/1	N1 Section 19 from Klein Rietspruit (Km 10.0) to N1 Section 20 N12/Potchefst-room (Km 7.0)	35%	R80,393,076	Resurfacing	Roadmac Surfacing (Pty) Ltd
R.021-010-2017/9	R21 Section 1 from Pomona (Km 12.06) to Olifantsfontein (Km 26.05)	10%	R32,002,439.67	Special Maintenance	Roadmac Surfacing (Pty) Ltd
N.001-210-2021/1	N1 Section 21 (Km 1.42)	0%	R0	Repairs to new road bridge parapets	Vide Investments (Pty) Ltd T/A CSA Construction
R.021-020-2022/1	R21 Section 2 northbound at Km 3.2	0%	R0	Special Maintenance	Raubex/Escor
N.001-210-2022/1	N1 Section 21 southbound at Km 22.1	0%	R0	Special Maintenance	Jodan

Routine road maintenance projects

Contract description	*Contract number*	*Contract end date*	*Service providers*
Tshwane freeway N4 Section 1 N4 Section 11 & 12 N1 Section 21 R21 Section 2 R104 Section 1 & 2 R573 Section 1	X.002-088-2019/1 & R.104-012- 2019/1F X.002-088-2019/1 & R.104-012- 2019/1	31 October 2024	Consultant: Ndodana / Oarona JV Contractor: VEA Roads Maintenance & Civils
Johannesburg freeway N1 Section 19 N1 Section 20 N1 Section 21 N3 Section 12 N12 Section 18 N17 Section 1	X.002-128-2019/1 & N.017-010- 2019/1F X.002-128-2019/1 & N.017-010- 2019/1	31 October 2024	Consultant: Ndodana / Oarona JV Contractor: VEA Roads Maintenance & Civils
Ekurhuleni freeway R21 Sections 1 & 2 N12 Sections 18 & 19 N3 Sections 11 & 12 N17 Section 2	X.002-129-2019/1 & N.003-112- 2019/1F X.002-129-2019/1 & N.003-112- 2019/1	31 October 2024	Consultant: Ndodana / Oarona JV Contractor: VEA Roads Maintenance & Civils
Merafong N12 from Rand West City municipal border to Gauteng/North West border N14 from Rand West City municipal border to Gauteng/North West border R54 from Emfuleni municipal border to Gauteng/North West border R500 from Gauteng/North West border to Carletonville R501 from Rand West City municipal border to Gauteng/North West border	X.002-119-2019/1F X.002-119-2019/1	31 October 2024	Consultant: SKI Civils & Structural Engineers Contractor: VEA Roads Maintenance & Civils
Brits R511 Section 2 & 3 from Gauteng border to Limpopo border R512 Section 2 & 3 from Gauteng border to Brits and N4 Section 12 from R512 to N4	X.002-066-2018/1F X.002-066-2018/1	31 October 2024	Consultant: KBK Engineers Contractor: VEA Roads Maintenance & Civils
Koster R24 Rustenburg to Gauteng border R52 from Koster to N4 Rustenburg R30 from JB Marks municipal border to Olifantsnek	X.002-067-2018/1F X.002-067-2018/1	31 October 2024	Consultant: Cinfratec Consulting Contractor: VEA Roads Maintenance & Civils

Contract description (continued)	Contract number	Contract end date	Service providers
Potchefstroom R53 from N12 Potchefstroom to Free State border R54 from Gauteng border to N12 Potchefstroom R500 from Parys to Gauteng border R501 from Free State border to Gauteng border N12 from Gauteng border to border of Merafong Municipality	X.002-068-2018/1F X.002-068-2018/1	31 October 2024	Consultant: Siroccon International Contractor: VEA Roads Maintenance & Civils
Klerksdorp R30 from Free State border to JB Marks municipal border R503 from Klerksdorp to Ditsobotla municipal border N12 from Maquassi Hills municipal border to JB Marks municipal border	X.002-069-2018/1F X.002-069-2018/1	31 October 2024	Consultant: Siroccon International Contractor: VEA Roads Maintenance & Civils
Lichtenburg R52 from Biesiesvlei to Lichtenburg R503 from Matlosana municipal border to Lichtenburg R505 from Tswaing municipal border to Mahikeng municipal border N14 from Tswaing municipal border to JB Marks municipal border	X.002-070-2018/1F X.002-070-2018/1	31 October 2024	Consultant: Cinfratec Consulting Contractor: VEA Roads Maintenance & Civils
Zeerust R49 from Mahikeng municipal border to Kopfontein border post	X.002-071-2018/1F X.002-071-2018/1	31 October 2024	Consultant: Cinfratec Consulting Contractor: VEA Roads Maintenance & Civils
Bloemhof R34 from Naledi municipal border to Free State border N12 from Northern Cape border to Maquassi Hills municipal border	X.002-072-2018/1F X.002-072-2018/1	31 October 2024	Consultant: Cinfratec Consulting Contractor: VEA Roads Maintenance & Civils
Wolmaransstad N12 from Lekwa-Teemane municipal border to Matlosana municipal border R504 from Wolmaransstad to the Free State border R505 from Wolmaransstad to Tswaing municipal border	X.002-110-2019/1F X.002-110-2019/1	31 October 2024	Consultant: Q&A Consulting Contractor: Shonisani Rambau Construction
Rustenburg R510 from Rustenburg to the Limpopo border R556 from R510 intersection to R565 intersection R565 from Rustenburg to R556 intersection	X.002-114-2019/1F X.002-114-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: Shonisani Rambau Construction

Contract description (continued)	*Contract number*	*Contract end date*	*Service providers*
Taung N14 from the North West/Northern Cape border to Vryburg N18 from the North West/Northern Cape border to Vryburg	X.002-122-2019/1F X.002-122-2019/1	31 October 2024	Consultant: Q&A Consulting Contractor: Razzmatazz Civil
Vryburg N14 from Vryburg to Tswaing municipal border N18 from Vryburg to Ratlou municipal border R34 from Vryburg to Mamusa municipal border	X.002-123-2019/1F X.002-123-2019/1	31 October 2024	Consultant: DeltaBEC Consulting Contractor: Razzmatazz Civil
Sannieshof N14 from Naledi municipal border to Ditsobotla municipal border R505 from Maquassi Hills municipal border to Ditsobotla municipal border	X.002-124-2019/1F X.002-124-2019/1	31 October 2024	Consultant: DeltaBEC Consulting Contractor: Rail Refurb
Mafikeng N18 from the Naledi municipal border postR49 from Mahikeng to the Ramotshere Moiloa municipal border R505 Ditsobotla municipal border to the R49 intersection	X.002-125-2019/1F X.002-125-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: Rainbow Civils
Ventersdorp N14 from Ditsobotla municipal border to Gauteng border R30 from Kgetlengrivier municipal border through Ventersdorp to Matlosana municipal border R53 from Potchefstroom to Ventersdorp	X.002-127-2019/1F X.002-127-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance & Civils

Project description	Contract number	Contract end date	Service providers
Mkhondo Local Municipality R33 from Mpumalanga/ KwaZulu-Natal provincial boundary to Mkhondo municipal boundary N2 from Mpumalanga/KwaZulu-Natal provincial boundary to Mkhondo municipal boundary	X.002-091-2019/1	31 October 2024	Consultant: Zimile Consulting Contractor: VEA Roads Maintenance & Civils
Dr Pixley Ka Isaka Seme Local Municipalities N11 from KwaZulu- Natal/Mpumalanga provincial boundary to Pixley ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley ka Isaka Seme municipal boundary R23 from Volksrust to Pixley ka Isaka Seme Municipal boundary	X.002-092-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance & Civils
Lekwa and Dipaleseng Local Municipalities R23 from Lekwa/Pixley ka Isa-ka Seme municipal boundary over Standerton to Mpumalanga/Gauteng provincial boundary S27 (R51) from Vaaldraai Interchange to Malanskraal R35 from Pixley Ka Seme municipal boundary to Lekwa municipal boundary	X.002-093-2019/1	31 October 2024	Contractor: VEA Roads Maintenance & Civils
Msukaligwa 1 Local Municipality N11 Section 7 from the Msukaligwa municipal boundary to Ermelo N11 Section 8 from Ermelo to the Msukaligwa municipal boundary N2 Section 34 from Ermelo to the Msukaligwa municipal boundary	X.002-097-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: Penny Farthing Engineering
Msukaligwa 2 Local Municipality Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary	X.002-098-2019/1 N.017-040- 2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance & Civils
Steve Tshwete Local Municipality R555 from Emalahleni municipal border to Middelburg R35 from Govan Mbeki municipal border to Middelburg R38 from Msukaligwa municipal border to Chief Albert Luthuli municipal border N11 from Msukaligwa municipal border over Middelburg to the Limpopo border	X.002-104-2019/1	31 October 2024	Consultant: Zimile Consulting (Pty) Ltd Contractor: Botle ba Afrika Roads (Pty) Ltd

Project description (continued)	*Contract number*	*Contract end date*	*Service providers*
eMalahleni, Victor Khanye, Dr JS Moroka and Thembisile Hani Local Municipalities R555 from Jackaroo Park to the Steve Tshwete municipal boundary N12 from Gauteng/Mpumalanga boundary to Emalahleni R573 from Moloto to Moteti and within Dr JS Moroka Municipality	X.002-105-2019/1	31 October 2024	Consultant: Zimile Consulting Contractor: Rail Refurb CC
Nkomazi Local Municipality R570 from Malelane Kruger Gate to the Jeppes Reef border post R571 from the Crocodile River over Komatipoort to the Mananga border post R581 from R570 to R571 R582 from R571 to N4	X.002-106-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance and Civils
Thaba Chweu Local Municipality R37 from Limpopo/Mpumalanga boundary over Mashishing to Mbombela municipal border	X.002-107-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance and Civils
Mbombela and Bushbuckridge Local Municipalities R38 from the Chief Albert Luthuli municipal boundary to Barberton R37 from Thaba Chweu municipal boundary to Mbombela R40 from Barberton over Mbombela to the Limpopo boundary N4 from Enos Mabuza intersection to Crocodile Valley	X.002-108-2019/1	31 October 2024	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance and Civils
Molemole Local Municipality R81 from Polokwane municipal boundary to Molemole municipal boundary R521 from Polokwane municipal boundary to Molemole municipal boundary R36 from Greater Letaba municipal boundary to Molemole municipal boundary N1-28X from Polokwane municipal boundary to Molemole municipal boundary	X.002-079-2019/1F (Non-Toll) N.001-280-2019/1F (Toll) X.002-079-2019/1 (Non-Toll) N.001-280-2019/1 (Toll)	31 October 2024	Consultant: ROMH Consulting (Pty) Ltd Contractor: Rainbow Civils CC
Lephalale Local Municipality 2 R510 from Lephalale to Monte Christo R572 from Monte Christo to Tom Burke R518 from Lephalale to Mogalakwena municipal boundary N11 from Blouberg municipal boundary to Groblersbrug border post	X.002-085-2019/1F (Non-Toll) X.002-085-2019/1 (Non-Toll)	31 October 2024	Consultant: Wanoza Consulting Engineers CC Contractor: Botle ba Africa (Pty) Ltd

Project description (continued)	*Contract number*	*Contract end date*	*Service providers*
Mogalakwena Local Municipality 1 R518 from the Lephalale municipal border to Mokopane N11 from the Mogalakwena municipal border to R101 intersection R101 from the Mogalakwena municipal border to Mokopane	X.002-086-2019/1F (Non-Toll) X.002-086-2019/1 (Non-Toll)	31 October 2024	Consultant: Marumo Consulting Engineers (Pty) Ltd Contractor: Razzmatazz Civil (Pty) Ltd
Polokwane Local Municipality 1 R101 from Mogalakwena municipal border to Polokwane R37 from Polokwane to Lepelle- Nkumpi municipal border R71 from Polokwane to Greater Tzaneen municipal border R81 from Polokwane to Molemole municipal border	X.002-087-2019/1F (Non-Toll) N.001-260-2019/1F (Toll) N.001-278-2019/1F (Toll) X.002-087-2019/1 (Non-Toll) N.001-260-2019/1 (Toll) N.001-278-2019/1 (Toll)	31 October 2024	Consultant: Wanoza Consulting Engineers CC Contractor: BCB Solutions (Pty) Ltd
Lepelle Nkumpi Local Municipality R37 from Polokwane municipal border to Fetakgomo-Greater Tubatse municipal border R518 from Mogalakwena municipal border to R37 R579 from R37 to Makhuduthamaga municipal border	X.002-089-2019/1F (Non-Toll) X.002-089-2019/1 (Non-Toll)	31 October 2024	Consultant: Marumo Consulting Engineers (Pty) Ltd Contractor: VEA Roads Maintenance and Civils (Pty) Ltd
Mogalakwena Local Municipality 2 N11 from Mokopane to Blouberg municipal border, R518 from Mokopane to Lepelle- Nkumpi municipal border R101 from Mokopane to Polokwane municipal border	X.002-090-2019/1F (Non-Toll) X.002-090-2019/1 (Non-Toll)	31 October 2024	Consultant: Endecon Ubuntu Africa (Pty) Ltd Contractor: BCB Solutions (Pty) Ltd
Greater Letaba and Greater Giyani Local Municipalities R81 from Molemole municipal boundary to Giyani R578 from Collins Chabane municipal boundary to Giyani R529 from Greater Giyani municipal boundary to Giyani R36 from Greater Tzaneen municipal boundary through Modjadjiskloof to Molemole municipal boundary	X.002-094-2019/1F (Non-Toll) X.002-094-2019/1 (Non-Toll)	31 October 2024	Consultant: ROMH Consulting (Pty) Ltd Contractor: VEA Roads Maintenance and Civils (Pty) Ltd
Ephraim Mogale / Makhuduthamaga Local Municipality N11 from Mookgopong municipal border through Marble Hall to Elias Motsoaledi municipal border R573 from Dr JS Moroka municipal border to Marble Hall R579 from Elias Motsoaledi municipal border through Nebo to Lepelle- Nkumpi municipal border	X.002-100-2019/1F (Non-Toll) X.002-100-2019/1 (Non-Toll)	31 October 2024	Consultant: Wanoza Consulting Engineers CC Contractor: BCB Solutions (Pty) Ltd

Project description (continued)	*Contract number*	*Contract end date*	*Service providers*
Polokwane Local Municipality 2 R521 from Polokwane to Molemole municipal border R567 from Mogalakwena municipal border to Seshego	X.002-101-2019/1F (Non-Toll) X.002-101-2019/1 (Non-Toll)	31 October 2024	Consultant: Endecon Ubuntu Africa (Pty) Ltd. Contractor: Rail Refurb CC
Makhado Local Municipality 1 R521 from Molemole municipal border through Vivo to Louis Trichardt municipal border R523 from Blouberg municipal border to Masekwaspoort N1 from Louis Trichardt to BeitBridge border post	X.002-102-2019/1F (Non-Toll) N.001-290-2019/2F (Toll) X.002-102-2019/1 (Non-Toll) N.001-290-2019/2 (Toll)	31 October 2024	Consultant: Cinfratec Consulting Engineers (Pty) Ltd Contractor: BCB Solutions (Pty) Ltd
Makhado Local Municipality 2 R524 from Louis Trichardt to Punda Maria Gate R578 from Louis Trichardt to Greater Giyani municipal border R36 from Molemole municipal border to Bandelierskop N1 from Molemole municipal border to Louis Trichardt	X.002-103-2019/1F (Non-Toll) N.001-280-2019/2F (Toll) X.002-103-2019/1 (Non-Toll) N.001-280-2019/2 (Toll)	31 October 2024	Consultant: Cinfratec Consulting Engineers (Pty) Ltd Contractor: Shonisani Rambau Construction (Pty) Ltd
Fetakgomo / Tubatse Local Municipality R555 from Elias Motsoaledi municipal border to Burgersfort R37 from Lepele-Nkumpi municipal border over Burgersfort to Mpumalanga border R36 from Mpumalanga border to Maruleng municipal border R532 from Mpumalanga border to the R36	X.002-109-2019/1F (Non-Toll) X.002-109-2019/1 (Non-Toll)	31 October 2024	Consultant: THM Engineers (Pty) Ltd Contractor: Itumeleng Construction
Maruleng Local Municipality R36 from Greater Tubatse border to Greater Tzaneen border R40 from Mpumalanga border to Ba-Phalaborwa border R526 from Mica to Ba-Phalaborwa border R531 from R40 to Orpen Kruger Gate	X.002-120-2019/1F (Non-Toll) X.002-120-2019/1 (Non-Toll)	31 October 2024	Consultant: Wanoza Consulting Engineers CC Contractor: BCB Solutions (Pty) Ltd
Ba-Phalaborwa Local Municipality R40 from Maruleng border to R71 R71 from Greater Tzaneen border to Phalaborwa Kruger Park Gate R526 from Maruleng border to Gravelotte	X.002-121-2019/1F (Non-Toll) X.002-121-2019/1 (Non-Toll)	31 October 2024	Consultant: Wanoza Consulting Engineers CC Contractor: Rainbow Civils CC
Bela-Bela, Mookgophong and Mogalakwena Local Municipalities N1 Sections 23, 24 & 25 from Bela- Bela to the Polokwane municipal border	N.001-246-2018/1F (Toll N.001-246-2018/1 (Toll)	31 October 2024	Consultant: KBK Engineers (Pty) Ltd Contractor: VEA Roads Maintenance and Civils (Pty) Ltd

Summary of budgets for routine road maintenance contracts

Summary of contract extensions

Project name	*Appointed service provider*	*Original contract amount (incl.contingencies & 15% VAT)*	*Contingencies available (incl 15% VAT)*	*Contract end date*	*Approved contingencies (released to date) (incl 15% VAT)*	*Approved additional contract amount (released overexpenditure to date) (incl 15%VAT)*	
Madibeng RRM: X.002- 066-2018/1	KBK Engineers	R14,884,450.98	R3,434,873.30	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R74,143,143.85	R0.00		R12,357,900.00	R14,087,197.33	
Rusternburg RRM: X.002-067-2018/1	Cinfratec Engineers	R13,510,165.50	R3,117,730.50	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R59,346,532.92	R0.00		R9,891,088.82	R9,891,088.82	
JB Marx RRM: X.002- 068-2018/1	Siroccon International	R13,828,600.50	R3,191,215.50	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R82,886,744.50	R0.00		R13,814,950.00	R15,439,051.17	
Matlosana RRM: X.002-069-2018/1	Siroccon International	R13,821,125.50	R3,189,490.50	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R91,004,563.68	R0.00		R15,167,427.28	R15,167,427.28	
Ditsobotla RRM: X.002- 070-2018/1	Cinfratec Engineers	R13,441,246.00	R3,101,826.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R90,317,881.20	R0.00		R14,847,676.45	R16,134,590.31	
Ramotsh ere RRM: X.02- 071-2019/1	Cinfratec Engineers	R13,394,341.30	R3,111,814.90	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R63,851,555.80	R10,641,925.20		R0.00	R0.00	
Lekwa Teemane RRM: X.002-072-2018/1	Cinfratec Engineers	R13,502,242.00	R3,115,902.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R77,005,998.70	R0.00		R12,835,150.00	R13,187,061.50	

Processes are underway to extend RRM contracts to end of the financial year.

CPA (incl 15% VAT)	Additional contract amount (additional expenditure over the 20%) (incl 15% VAT)	Total additional contract amount (incl 15% VAT)	Revised contract amount (incl 15% VAT)	Addi-tional months	Revised contract period	Revised contract end date
R2,256,422.73	R0.00	R0.00	R14,884,450.98	7	48	31 October 2024
R9,030,358.12	R50,189,166.83	R64,276,364.16	R138,419,508.01	7	48	
R2,048,086.59	R0.00	R0.00	R13,510,165.50	7	48	31 October 2024
R5,934,653.29	R64,917,363.17	R74,808,451.99	R134,154,984.91	7	48	
R2,096,360.05	R0.00	R0.00	R13,828,600.50	7	48	31 October 2024
R10,297,417.71	R45,456,862.94	R60,895,914.11	R143,782,658.61	7	48	
R2,095,226.87	R0.00	R0.00	R13,821,125.50	7	48	31 October 2024
R11,298,334.42	R51,787,423.30	R66,954,850.58	R157,959,414.26	7	48	
R2,037,638.67	R0.00	R0.00	R13,441,246.00	7	48	31 October 2024
R8,908,605.87	R53,478,759.50	R69,613,349.81	R159,931,231.01	7	48	
R2,044,202.05	R0.00	R0.00	R13,394,341.30	7	48	31 October 2024
R5,385,155.67	R37,075,198.45	R37,075,198.45	R100,926,754.25	7	48	
R2,046,885.42	R0.00	R0.00	R13,502,242.00	7	48	31 October 2024
R9,589,464.68	R37,356,198.45	R50,543,259.95	R127,549,258.65	7	48	

Summary of contract extensions

Project name (continued)	*Appointed service provider*	*Original contract amount (incl. contingencies & 15% VAT)*	*Contingencies available (incl 15% VAT)*	*Contract end date*	*Approved contingencies (released to date) (incl 15% VAT)*	*Approved additional contract amount (released overexpenditure to date) (incl 15%VAT)*	
Maquassi Hills RRM:X.002-110-2019/1	ROMH Engineers	R16,458,800.00	R4,267,650.00	31 March 2024	R0.00	R0.00	
	Shonisani Rambau	R99,888,327.14	R0.00		R16,648,054.52	R12,569,654.97	
Moses Kotane RRM:X.002-114-2019/1	Cinfratec Engineers	R16,321,950.00	R4,232,000.00	31 March 2024	R0.00	R0.00	
	Shonisani Rambau	R99,888,327.14	R0.00		R16,648,054.52	R8,548,359.95	
Merafong RRM: X.002-119-2019/1	SKI Engineers	R17,501,505.00	R4,537,900.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R126,981,380.34	R0.00		R21,163,563.39	R22,729,478.26	
Taung RRM: X.002-122-2019/1	Q&A Engineers	R16,653,150.00	R4,318,250.00	31 March 2024	R0.00	R0.00	
	Razzmatazz	R69,659,964.30	R0.00		R11,609,994.05	R9,630,760.10	
Naledi RRM: X.002-123-2019/1	Q&A Engineers	R16,458,800.00	R4,267,650.00	31 March 2024	R0.00	R0.00	
	Razzmatazz	R70,325,098.08	R0.00		R11,720,849.68	R13,043,237.16	
Tswaing RRM: X.002-124-2019/1	Deltabec	R16,369,905.00	R4,244,650.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R26,852,902.88	R6,961,863.71		R0.00	R0.00	
Mahikeng RRM: X.002-125-2019/1	ROMH Engineers	R16,231,560.00	R4,209,000.00	31 March 2024	R0.00	R0.00	
	Rainbow Civils	R108,074,215.11	R0.00		R18,012,369.19	R20,600,296.31	
JB Marx02 RRM: X.002-127- 2019/1	ROMH Engineers	R16,477,200.00	R4,272,250.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R88,789,187.30	R0.00		R14,798,197.88	R17,313,891.52	

CPA (incl 15% VAT)	Additional contract amount (additional expenditure over the 20%) (incl 15% VAT)	Total additional contract amount (incl 15% VAT)	Revised contract amount (incl 15% VAT)	Addi-tional months	Revised contract period	Revised contract end date
R1,545,039.86	R0.00	R0.00	R16,458,800.00	7	48	31 October 2024
R7,674,620.04	R35,726,121.30	R48,295,776.27	R148,184,103.41	7	48	
R1,527,824.96	R0.00	R0.00	R16,321,950.00	7	48	31 October 2024
R9,988,832.71	R44,890,234.17	R53,438,594.12	R153,326,921.26	7	48	
R1,708,035.82	R0.00	R0.00	R17,501,505.00	7	48	31 October 2024
R14,894,314.73	R42,016,336.06	R64,745,814.32	R191,727,194.66	7	48	
R1,206,709.26	R0.00	R0.00	R16,653,150.00	7	48	31 October 2024
R6,965,996.43	R40,470,689.60	R50,101,449.70	R119,761,414.00	7	48	
R1,583,529.14	R0.00	R0.00	R16,458,800.00	7	48	31 October 2024
R9,087,386.28	R42,201,860.50	R55,245,097.66	R125,570,195.74	7	48	
R0.00	R0.00	R0.00	R16,369,905.00	7	48	31 October 2024
R2,685,290.29	R38,179,597.12	R38,179,597.12	R65,032,500.00	7	48	
R1,528,854.44	R0.00	R0.00	R16,231,560.00	7	48	31 October 2024
R11,230,002.08	R37,041,500.00	R57,641,796.31	R165,716,011.42	7	48	
R1,543,016.04	R0.00	R0.00	R16,477,200.00	7	48	31 October 2024
R11,125,024.10	R48,300,000.00	R65,613,891.52	R154,403,078.82	7	48	

Summary of contract extensions

Project name (continued)	Appointed services provider	Original contract amount (incl. contingencies & 15% VAT)	Contingencies available (incl 15% VAT)	Contract end date	Approved contingencies (released to date) (incl 15% VAT)	Approved additional contract amount (released overexpenditure to date) (incl 15%VAT)	
Johannesburg RRM(Toll): X.002-128-2019/1	Ndodana Consulting	R26,399,086.05	R6,844,800.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R161,689, 536.78	R0.00		R26,948,256.13	R16,560,463.22	
Johannesburg RRM(NonToll): N.017-010-2019/1	Ndodana Consulting	R1,390,272.95	R361,100.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R42,129,587.37	R0.00		R7,021,597.90	R0.00	
Ekurhuleni RRM(Toll): X.002-129-2019/1	Ndodana Consulting	R22,230,567.20	R5,763,800.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance		R0.00				
Ekurhuleni RRM(NonToll): N.003-112-2019/1	Ndodana Consulting	R5,557,641.80	R1,440,950.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance		R0.00				
Tshwane RRM(Toll): X.002-088-2019/1	Ndodana Consulting	R13,894,679.50	R3,602,950.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance		R0.00				
Tshwane RRM(NonToll): R.104-012-2019/1	Ndodana Consulting	R13,894,679.50	R3,602,950.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance		R0.00		R0.00	R0.00	
Polokwane 02 RRM:X.002-101-2019/1	Endecon	R16,061,383.00	R4,164,150.00	30 June 2024	R0.00	R0.00	
	Rail Refurb CC	R61,912,364.60	R10,318,727.43		R0.00	R11,144,225.63	
Makhado 01 RRM:X.002-102-2019/1&N.001-290-2019/2	Cinfratec Engineers	R16,055,978.00	R4,163,000.00	30 June 2024	R0.00	R0.00	
	BCB Solutions	R87,859,106.22	R0.00		R14,643,184.37	R16,107,502.81	

CPA (incl 15% VAT)	Additional contract amount (additional expenditure over the 20%) (incl 15% VAT)	Total additional contract amount (incl 15% VAT)	Revised contract amount (incl 15% VAT)	Addi-tional months	Revised contract period	Revised contract end date
R2,613,650.45	R0.00	R0.00	R26,399,086.05	7	48	31 October 2024
R7,674,620.04	R51,750,123.11	R68,310,586.33	R230,000,123.11	7	48	
R137,560.55	R0.00	R0.00	R1,390,272.95	7	48	31 October 2024
R9,988,832.71	R11,500,000.00	R11,500,000.00	R53,629,587.37	7	48	
R0.00	R0.00	R0.00	R22,230,567.20	7	48	31 October 2024
R14,894,314.73	R0.00	R0.00	R0.00	7	48	
R550,242.24	R0.00	R0.00	R5,557,641.80	7	48	31 October 2024
R6,965,996.43	R0.00	R0.00	R0.00	7	48	
R0.00	R0.00	R0.00	R13,894,679.50	7	48	31 October 2024
R9,087,386.28	R0.00	R0.00	R0.00	7	48	
R0.00	R0.00	R0.00	R13,894,679.50	7	48	31 October 2024
R2,685,290.29	R0.00	R0.00	R0.00	7	48	
R1,514,682.01	R0.00	R0.00	R16,061,383.00	4	46	30 October 2024
R7,119,921.93	R41,495,169.63	R52,639,395.26	R114,551,759.86	4	46	
R1,530,421.45	R10,103,797.21	R0.00	R16,055,978.00	4	46	30 October 2024
R10,103,797.21	R86,690,882.56	R102,798,385.37	R190,657,491.59	4	46	

Summary of contract extensions

Project name (continued)	Appointed services provider	Original contract amount (incl. contingencies & 15% VAT)	Contingencies available (incl 15% VAT)	Contract end date	Approved contingencies (released to date) (incl 15% VAT)	Approved additional contract amount (released overexpenditure to date) (incl 15%VAT)	
Fetakgomo RRM: X.002-109- 2019/1	THM Engineers	R17,115,450.00	R4,437,850.00	31 July 2024	R0.00	R0.00	
	Itumeleng Construction	R92,374,676.35	R15,395,779.39		R0.00	R16,935,357.33	
Makhado 02 RRM:X.002-103-2019/1&N.001-280-2019/2	Cinfratec Engineers	R16,106,060.05	R4,176,800.00	30 June 2024	R0.00	R0.00	
	Shonisani Rambau	R118,385,975.34	R0.00		R19,730,995.89	R11,162,138.42	
Maruleng RRM: X.002-120-2019/1	Wanoza Consulting	R15,807,532.00	R4,098,600.00	31 July 2024	R0.00	R0.00	
	BCB Solutions	R69,101,340.99	R11,516,890.17		R0.00	R0.00	
Ba-Phalaborwa RRM:X.002-121-2019/1	Wanoza Consulting	R15,807,428.50	R4,098,600.00	31 July 2024	R0.00	R0.00	
	Rainbow Civils	R57,749,033.71	R9,624,838.96		R0.00	R0.00	
N1 RRM: N.001-246- 2018/1	KBK Engineers	R15,730,689.23	R2,431,781.54	31 July 2024	R0.00	R0.00	
	Vea Road Maintenance	R74,248,902.45	R17,242,671.97		R0.00	R0.00	
Lekwa RRM: X.002-093-2019/1	ROMH Engineers	R14,654,450.00	R3,799,600.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R95,172,112.62	R0.00		R15,862,018.77	R10,558,887.38	
Pixley Ka Seme RRM: X.002-092- 2019/1	ROMH Engineers	R14,772,900.00	R3,830,650.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R0.00	R0.00		R0.00	R0.00	
Mkhondo RRM: X.002-091-2019/1	Zimile Consulting	R14,572,800.00	R3,778,900.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R0.00	R0.00		R0.00	R0.00	

CPA (incl 15% VAT)	Additional contract amount (additional expenditure over the 20%) (incl 15% VAT)	Total additional contract amount (incl 15% VAT)	Revised contract amount (incl 15% VAT)	Addi-tional months	Revised contract period	Revised contract end date
R1,691,623.23	R0.00	R0.00	R17,115,450.00	3	46	31 October 2024
R9,852,573.16	R50,559,839.81	R67,495,197.14	R159,869,873.49	3	46	
R1,531,405.18	R0.00	R0.00	R16,106,060.05	4	46	30 October 2024
R7,441,425.63	R67,742,349.91	R78,904,488.33	R197,290,463.67	4	46	
R1,495,302.42	R0.00	R0.00	R15,807,532.00	3	46	31 October 2024
R6,910,134.10	R55,639,633.88	R55,639,633.88	R124,740,974.87	3	46	
R1,495,302.42	R0.00	R0.00	R15,807,428.50	3	46	31 October 2024
R5,774,903.37	R40,103,495.64	R40,103,495.64	R97,852,529.35	3	46	
R1,651,205.65	R0.00	R0.00	R15,730,689.23	3	46	31 October 2024
R10,345,603.18	R17,242,671.97	R17,242,671.97	R91,491,574.42	3	46	
R1,380,332.82	R0.00	R0.00	R14,654,450.00	7	48	31 October 2024
R11,163,907.62	R57,636,143.65	R68,195,031.03	R163,367,143.65	7	48	
R1,422,269.00	R0.00	R0.00	R14,772,900.00	7	48	31 October 2024
R0.00	R0.00	R0.00	R0.00	7	48	
R1,385,608.03	R0.00	R0.00	R14,572,800.00	7	48	31 October 2024
R0.00	R0.00	R0.00	R0.00	7	48	

Summary of contract extensions

Project name (continued)	Appointed services provider	Original contract amount (incl. contingences & 15% VAT)	Contingencies available (incl 15% VAT)	Contract end date	Approved contingencies (released to date) (incl 15% VAT)	Approved additional contract amount (released overexpenditure to date) (incl 15%VAT)	
Msukaligwa01 RRM:X.002-097-2019/1	ROMH Engineers	R16,477,200.00	R4,272,250.00	31 March 2024	R0.00	R0.00	
	Penny-Farthing	R0.00	R0.00		R0.00	R0.00	
Msukaligwa02 RRM:X.002-098-2019/1&N.017-040-2019/1	ROMH Engineers	R16,595,650.00	R4,303,300.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R0.00	R0.00		R0.00	R0.00	
EMalahleni RRM: X.002-105- 2019/1	Zimile Consulting	R16,541,887.50	R4,288,637.50	31 March 2024	R0.00	R0.00	
	Rail Refurb CC	R115,673, 611.64	R0.00		R16,060,747.05	R19,079,129.34	
Steve Tshwete RRM:X.002-104-2019/1	Zimile Consulting	R16,542,750.00	R4,289,500.00	31 March 2024	R0.00	R0.00	
	Botle Ba Afrika	R129,651,683.10	R21,608,613.85		R0.00	R0.00	
Nkomazi RRM: X.002-106-2019/1	ROMH Engineers	R16,477,200.00	R4,272,250.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R93,555,248.41	R0.00		R13,484,208.07	R12,650,000.00	
Thaba Chweu RRM:X.002-107-2019/1	ROMH Engineers	R16,477,200.00	R4,272,250.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R80,905,248.41	R0.00		R13,484,208.07	R12,650,000.00	
Mbombela RRM: X.002-108- 2019/1	ROMH Enginners	R16,477,200.00	R4,272,250.00	31 March 2024	R0.00	R0.00	
	Vea Road Maintenance	R97,500,334.91	R0.00		R16,250,055.82	R16,250,055.82	

CPA (incl 15% VAT)	Additional contract amount (additional expenditure over the 20%) (incl 15% VAT)	Total additional contract amount (incl 15% VAT)	Revised contract amount (incl 15% VAT)	Addi-tional months	Revised contract period	Revised contract end date
R1,417,513.51	R0.00	R0.00	R16,477,200.00	7	48	31 October 2024
	R0.00	R0.00	R0.00	7	48	
R2,364,464.95	R0.00	R0.00	R16,595,650.00	7	48	31 October 2024
	R0.00	R0.00	R0.00	7	48	
R1,470,390.00	R0.00	R0.00	R16,541,887.50	7	48	31 October 2024
R9,636,448.23	R31,678,900.00	R50,758,029.34	R166,431,640.98	7	48	
R1,557,811.98	R0.00	R0.00	R16,542,750.00	7	48	31 October 2024
R20,744,269.90	R36,181,198.00	R36,181,198.00	R165,832,881.10	7	48	
R1,458,554.29	R0.00	R0.00	R16,477,200.00	7	48	31 October 2024
R9,304,103.57	R41,111,345.12	R53,761,345.12	R147,316,593.53	7	48	
R1,480,418.74	R0.00	R0.00	R16,477,200.00	7	48	31 October 2024
R9,304,103.57	R38,234,111.13	R50,884,111.13	R131,789,359.54	7	48	
R1,458,554.29	R0.00	R0.00	R16,477,200.00	7	48	31 October 2024
R9,750,033.49	R50,123,567.90	R66,373,623.72	R163,873,958.63	7	48	

5.3 Southern Region

During the reporting period, SANRAL made significant progress in fulfilling its mandate across the Southern Region, which spans the Eastern Cape. Its road infrastructure development programme has reached all corners of the province, focusing on improvements and maintenance of the road network.

While SANRAL's primary responsibility lies with developing, managing and maintaining the national road network, it has also taken on the upgrading and maintenance of several transferred provincial roads. This brings the total road network under SANRAL's management in the Southern Region to 5,334km.

Investing in infrastructure plays a crucial role in the region's development. Recognising the Eastern Cape's economic challenges and predominantly rural landscape, SANRAL acknowledges the positive impact its initiatives have on local communities. These road infrastructure investments directly contribute to the province's GDP by creating economic opportunities.

SANRAL's projects act as an economic lifeline for many remote areas. The Agency acts as a major jobs creator and facilitates opportunities for targeted enterprises, including emerging contractors, service providers, suppliers and communities at large. As a result of its positive impact, SANRAL often receives requests for assistance in areas outside its core mandate.

5.3.1 Overview

In the reporting period, SANRAL invested R6.6 billion towards road infrastructure development in the province and created around 6,450 job opportunities for local communities. Notably, 3,001 of these positions were filled by youth. Thirty percent of this investment directly benefitted targeted enterprises and designated groups, namely youth, women, people with disabilities and military veterans.

SANRAL's dedication to skills development and training across all its projects has not only enhanced the capabilities of beneficiaries but has also set them on a path to self-sufficiency that extends well beyond the completion of these projects.

The Southern Region successfully completed the following projects during the reporting period:

- The upgrade of the R63 between Fort Beaufort and Alice, valued at R714 million, was completed in August 2023. The project created 845 job opportunities and 103 subcontracting opportunities.
- The upgrade of the R67 Section 5 from Swart Kei River to Komani, valued at R500 million, was completed in April 2023. The project created 708 job opportunities and 67 subcontracting opportunities.
- The special maintenance of the R58 between Maletswai and Lady Grey, valued at R271 million, was completed in August 2023. The project created 243 job opportunities and 80 subcontracting opportunities.
- The special maintenance of the R58 between Lady Grey and Barkly East, valued at R452 million, was completed in October 2023. The project created 572 job opportunities and 59 subcontracting opportunities.
- Improvements on the N2 between Nqadu and Mbokotwana River and safety improvements at Dan's Place were completed in the last quarter of 2023. Valued at R816 million, the project created 495 job opportunities and 86 subcontracting opportunities.
- Improvements of the R61 between Baziya and Mthatha Airport were completed in November 2023. The R238 million project created 419 job opportunities and 24 subcontracting opportunities.
- The flagship N2 Wild Coast Road programme is progressing smoothly, with the Mtentu Bridge now under construction following the re-awarding of the contract in November 2022. Construction of the Msikaba Bridge is at an advanced stage, with the pylon structures surpassing 80% completion.

Capital projects and length of road to be beneficiated

Type of capital project	Project number	Description	Km beneficiated
Strengthening			
	N.002-200-2011/1	Upgrade of N2 Section 20 from Mt Frere (Km 0) to Ngcweleni River (Km 39.4)	39.4
	R.056-080-2023/1	Upgrade on R56 Section 8 from Matatiele (Km 131) to KZN border (Km 168.7)	37.70
	R.061-070-2020/1	Upgrade of R61 Section 7 from Baziya (Km 12) to Mthatha Airport (Km 39.39)	27.39
	R.336-010-2017/1	Upgrade of R336 Section 1 Kirkwood to Addo (phase 1 from Km 16.75 to Km 30.5)	13.75
	R.336-010-2017/2	Upgrade of R336 Section 1 Kirkwood to Addo (phase 2 from Km 30.5 to Km 48.2)	17.70
Improvement			
	N.002-145-2012/1	Improvement on N2 Section 14 and 15 from Green River (Km 60) to Buffalo River Bridge (Km 32)	34.5
	N.002-145-2016/1	Upgrade of N2 between Grahamstown and Fish River Pass (phase 3 from Section 13, Km 92.6 to Km 103.6, and Section 14, Km 0 to Km 5.05)	16.05
	N.002-190-2013/1	Rehabilitation of N2 Section 19 between Nqadu (Km 21.40) and Mbokotwana River (Km 38) and safety improvements at Dan's Place (Km 17 to Km 19)	18
	R.063-130-2015/1	Upgrade of R63 Section 13 between Fort Beaufort (Km 35.77) and Alice (Km 59.86)	24.09
	R.063-160-2016/1	Upgrade of R63 Section 16 (from Km 21.70 to the N2 past Komga, Km 43.64)	21.94
	R.063-156-2016/1	Improvement of R63 Section 15 and 16 from Bhisho (Km 5.8) to N6 intersection (Km 1)	23.1
	R.067-050-2016/1	Upgrade of R67 Section 5 from Swart Kei River (Km 14.9) to Queenstown (Km 32.91)	18.01
	R.335-010-2017/1	Improvement of R335 Section 1 (phase 1 from Motherwell, Km 5.16 to Addo, Km 27.5)	21.9

Type of capital project (continued)	Project number	Description	Km beneficiated
New facilities			
	N.002-150-2008/1	Construction of the new Belstone (Km 8.2) and Breidbach (Km 9.8) Interchanges	1.6
	N.002-170-2013/1	Construction of Ndabakazi intermodal interchange on N2 Section 17 (Km 23.4)	2.5
	N.002-200-2016/2	Msikaba River Bridge on the N2 Wild Coast Toll Road	1.0
	N.002-200-2016/3	Construction of the N2 Highway between Msikaba Bridge and Mtentu Bridge	18.5
	N.002-201-2023/1	Construction of the Mtentu River Bridge and associated roads on the N2 Wild Coast Toll Road	4.7
Total			**341.83**

Major projects completed

Section of road	Percentage complete	Value of work	Scope of work	Main contractor
N.002-190-2013/1	100%	R949,511,979.59	Upgrade of major access roads linking to the N2 Section 19 Upgrade of community access roads linking to the major access roads to the N2 Section 19 Construction of taxi holding area	H&I Construction (Pty) Ltd
N.002-190-2020/2	100%	R132,874,638.14	Geotechnical slope repair on N2 Section 19 (between Km 72 and Km 73.5)	CIV 2000
R.056-067-2020/1	100%	R627,957,362.67	Special maintenance of R56 Section 6 from Indwe (Km 0) to Elliot (Km 58.3) and section 7 from Elliot (Km 0) to Maclear (Km 68.51)	Tau Pele Construction (Pty) Ltd
R.058-040-2016/1	100%	R318,190,096.96	Special maintenance of R58 Section 4 from Aliwal North (Km 0) to Lady Grey (Km 49.79)	Tau Pele Construction (Pty) Ltd
R.058-050-2016/1	100%	R431,721,963.20	Special maintenance R58 Section 5 from Lady Grey (Km 0) to Barkly East (Km 66.12)	Roadmac Surfacing Cape (Pty) Ltd
R.061-070-2020/1	100%	R356,719,429.04	Upgrade of R61 from Baziya to Mthatha Airport	H&I Construction (Pty) Ltd
R.063-130-2015/1	100%	R864,340,758.57	Upgrade of R63 Section 13 between Fort Beaufort (Km 35.77) and Alice (Km 59.86)	Rumdel Construction Cape (Pty) Ltd
R.067-050-2016/1	100%	R613,340,758.57	Upgrade of R67 Section 5 from Swart Kei Rover (Km 14.9) to Queenstown (Km 32.91)	RBX/RMX JV

Major contracts awarded for projects on non-toll roads

Contract number	*Description*	*District*	*Value*
R.063-156-2014/1	Improvement of R63 Section 15 and 16 from Bhisho (Km 5.8) to N6 intersection (Km 1)	Buffalo City Metropolitan Municipality/ Amathole District Municipality	R1,347,079,099.50
R.063-160-2016/1	Upgrade of R63 Section 16 (from Km 21.70 to the N2 past Komga, Km 43.64)	Amathole District Municipality	R983,000,000.00
N.002-145-2016/1:	Upgrade of N2 between Grahamstown and Fish River Pass (phase 3 from Section 13, Km 92.6 to Km 103.6, and Section 14, Km 0 to Km 5.05)	Amathole District Municipality	R746,858,000.00
R.335-010-2017/1	Improvement of R335 from Motherwell (Km 5.6) to Addo (Km 38.25) (phase 1: Km 5.6 to Km 27.5)	Nelson Mandela Bay Municipality	R766,327,849.82

Slope management

The Southern Region has been actively engaged in slope management activities.

Project number	*Description*	*Status*
X.003-017-2017/1	Consulting engineering services for geotechnical services	Concluded in November 2023
X.003-062-2022/1	Consulting engineering services for geotechnical services	Awarded in February 2024 and commenced in March 2024 This project will be in place for five years
X.003-054-2019 X.003-054-2022/1	Two slope reinstatement contracts for six separate slope locations	Let in 2023 and now in final stages of evaluation/award
X.003-081-2023/1	Slope stabilisation in Port St Johns	Awarded

- Project X.003-017-2017/1 for Consulting Engineering Services for Geotechnical Services for the Southern Region was concluded in November 2023.
- A new project, X.003-062-2022/1 for Consulting Engineering Services for Geotechnical Services for the Southern Region was awarded in February 2024 and handed over / commenced in March 2024. This project will be in place for a period of five years.
- Two slope reinstatement contracts were let in 2023 and are in final stages of evaluation / award. These tenders, X.003-054-2019/1 and X.003-054-

2022/1, include six separate slope locations in the Southern Region.

- Contract X.003-081-2023/1 was awarded for slope stabilisation in Port St Johns.

Routine road maintenance

Eight routine road maintenance (RRM) contracts were awarded in the reporting period to complete all the RRM awards of 23 contracts for the Southern Region.

A total of R2,019,700,026 was spent on the 23 RRM contracts and 1,247 jobs were created, with a total expenditure of R70,693,302.

Contracts awarded
X.003-033-2019/1
X.003-035-2019/2
X.003-039-2019/1
X.003-041-2019/2
X.003-042-2019/1
X.003-043-2019/1
X.003-048-2019/1
R.072-014-2019/1

Partnership with the Eastern Cape provincial government

SANRAL continues to work with the Eastern Cape provincial government to address the province's long-standing backlog in the upgrading and maintenance of its road network. Around 319km of strategic provincial roads have been transferred to the Agency.

SANRAL has already begun addressing the maintenance backlog that accumulated while the transferred road sections were under provincial government control.

The strategic provincial routes transferred to SANRAL's portfolio in the last financial year are now undergoing intensive restoration.

These routes include:

- 76km stretch of the R411 between Viedgesville and Coffee Bay (DR08031 and DR1803)
- 23km gravel road (DR08012) from Maluti to Qacha's Nek (at the Lesotho border)
- MR00710 from the R61 to the R58 (Satan's Nek), with a total length of 40.7km
- R61, also known as DR08004 and DR08005, from Tombo to Port St Johns and to Mzamba at the Mtamvuna River, a total length of about 180km

5.4 Western Region

The Western Region encompasses the vast Northern Cape, known for its sand dunes and deserts, and the scenic Western Cape, boasting majestic mountains, fertile valleys and the renowned Cape Winelands. These contrasting landscapes necessitate a nuanced approach to managing the national road network.

Throughout the reporting period, the Western Region remained dedicated to improving national connectivity and fostering a better future for all South Africans. Capital projects are a cornerstone of our efforts. These involve significant investments in road infrastructure, creating a ripple effect of benefits that extend to neighbouring communities.

5.4.1 Overview

In 2023/24, SANRAL invested R3.4 billion (Opex R2,779 million and Capex R627 million) in the Western Region's national road capital expenditure and maintenance portfolios, creating 4,951 job opportunities, of which 1,437 were females and 2,582 were youth. More than R2.6 billion was spent on majority Black-owned companies. A total of 286 small Black-owned companies (QSE and EME) received work to the value of R587 million. It is important to note that a significant portion of the region's project budget is currently in the design phase. This means we can expect further substantial spending increases in the medium term as these projects move into construction.

The Western Region successfully delivered the following projects during the reporting period:

- The Monument River to Doornfontein project is the first of many planned initiatives to upgrade the N1 to a dual carriageway, improving mobility and road safety. This road is a vital link for the region, carrying significant heavy vehicle traffic and transporting goods and services around the country. With an estimated value of approximately R650 million, the project has created 217 jobs and has thus far expended R102,615,245.27. The region intends to implement several initiatives to upgrade the N1 corridor.
- The N7 upgrades from Rooikraal to Moorreesburg are part of the region's continued efforts to develop the N7 corridor all the way to the Namibian border. The route not only connects countries, but also serves as a corridor for mining products to ports along South Africa's West Coast.
- The Sandkraal/Thembalethu Interchange improvement reaffirms the region's commitment to improving the lives of all its stakeholders. This project is located on the N2 Garden Route, which is known for its scenery. The Sandkraal/Thembalethu Interchange project will link underserved communities to George's urban hubs. The project has created 179 jobs and has thus far expended R92,669,402.64.
- The iconic Huguenot Tunnel, Africa's longest road tunnel since its construction in the 1980s, is poised for a historic expansion. The development of the North Bore represents a national flagship project, breathing new life into this essential artery while honouring its rich heritage. The project is currently undergoing detailed design, with construction slated to begin in 2025/26.

Capital projects and length of road to be beneficiated (Non-Toll)

Type of capital project	Non-toll	
	Projects	Km beneficiated
Strengthening and improvement	N.001-023-2020/1: Worcester West to Worcester East (Design)	8.11
	N.001-010-2021/1: Old Oak to Brighton Road (Design)	16.10
	N.001-010-2021/2: Brighton Road to Koelenhof (Design)	14.00
	N.001-030-2021/1: Worcester East to Glen Heatlie (Design)	10.50
	N.002-010-2020/1 Swartklip to Baden Powell (Design)	11.53
	N.002-070-2016/1: Sandkraal/Thembalethu Interchange (Construction)	1.00
	N.002-070-2019/1: Kraaibosch to Touw River (Construction)	8.20
	N.002-080-2016/1: Plettenberg Bay Intersection (Construction)	1.00
	N.007-020-2020/1: Rooikraal to Moorreesburg (Construction)	26.50
	N.007-030-2020/1: Moorreesburg to Piketberg (Design)	31.50
	N.007-030-2020/2: Piketberg to Piekenierskloof (Design)	33.80
	N.014-023-2020/2: Alheit to Keimoes (Design)	48.63
	N.014-030-2020/1: Kakamas to Orange River (Design)	1.40
	N.014-060-2016/1: Intersection Improvement N14 Olifanthoek to Kathu (Construction)	6.00
	N.014-060-2021/2: Olifantshoek to Jenkinsfarms (Design)	22.40
	N.001-100-2020/3: Waaikraal to Bontebok (Design)	12.50

Type of capital project (continued)	Non-toll	
	Projects	Km beneficiated
New facilities	N.001-040-2020/1: Monument River to Doornfontein (Construction)	17.00
	N.001-040-2020/2: Doornfontein to Laingsburg (Design)	18.70
	N.002-010-2021/1: De Beers I/C to Broadlands (Design)	6.80
	N.002-012-2021/1: Broadlands to Sir Lowry's Pass (Design)	5.60
	N.002-050-2016/1: Heidelberg to Riversdale (Design)	28.04
	N.002-050-2017/1: Swellendam to Lizmore (Design)	32.12
	N.002-050-2017/2: Lizmore to Heidelberg (Design)	25.00
	N.002-070-2020/2: Touw River to Die Vleie (Design)	6.78
	N.002-070-2016/2: Gwaing River 2nd Bridge (Design)	4.00
Total		**397.21**

Capital projects and length of road beneficiated (toll)

Type of capital project	Non-toll	
New facilities	N.001-010-2020/1: Upgrade Huguenot Tunnel North (Design)	7.00
Total		**7.00**

Major projects awarded

Project description	District	Amount
N.002-070-2019/1: Kraaibosch to Touw River	Garden Route	R657,160,000
N.001-040-2020/1: Monument River to Doornfontein	Central Karoo	R689,000,000

Periodic maintenance

In the short to medium term, the majority of the Western Region's projects fall within the operational expenditure works category. This focus ensures our existing capital assets receive the necessary maintenance to remain functional and in good condition. Within the periodic maintenance portfolio, we currently manage 85 projects in various stages of completion. Notably, during 2023/24, we successfully completed 22 of these maintenance projects.

Project description	District Municipality	Km beneficiated
N.007-046-2021/1MPPS9: Clan William to Trawal and Vanrhynsdorp to Garies	West Coast District Municipality	187.1
N.008-080-2020/1MPRS1: Campbell to Sinovel	Siyancuma Local Municipality	20
N.008-080-2020/2MPRS1: Sinovel to Zandplaats	Sol Plaatje Local Municipality	20
N.008-080-2020/3MPRS1: Zandplaats to Doornlaagte	Sol Plaatje Local Municipality	17.2
N.008-080-2020/4MPRS1: Doornlaagte to Secretaris	Sol Plaatje Local Municipality	20
N.008-080-2020/5MPRS1: Secretaris to Kimberley	Frances Baard District Municipality	20
N.009-070-2022/3MPRS1: Noupoort to Wolwefontein	Pixley Ka Seme District Municipality	19.9
N.009-070-2022/4MPRS1: Wolwefontein to Vaalkop	Pixley Ka Seme District Municipality	15.1
N.010-112-2021/1MPPS9: Groblershoop to Nakop BP	Z F Mgcawu District Municipality	200.3
N.014-010-2021/1MPPS9: Springbok to Pofadder+N7/8	Namakwa District Municipality	232
N.014-023-2022/1MPPS9: Pofadder to Keimoes	Z F Mgcawu District Municipality	171.33
N.014-057-2021/1MPPS9: Upington to Kuruman	Z F Mgcawu District Municipality	255.31
N.001-020-2021/1MPRS2: Florence to Worcester West	Cape Winelands District Municipality	18.2
N.001-034-2019/1MPPS9: Sand Hills to Monument River	Cape Winelands District Municipality	99.76
N.001-050-2019/1MPRS2: Grootfontein to Dwyka	Central Karoo District Municipality	35
N.001-050-2020/1MPRS2: Laingsburg to Grootfontein	Central Karoo District Municipality	35
N.001-067-2020/1MPPS9: Weltevrede to Steyn Station	Central Karoo District Municipality	203.24
N.001-069-2021/1MPPS9: Weltevrede to Richmond	Central Karoo District Municipality	203.24

N.001-078-2019/1MPRS2: Steyn Station to Beaufort West	Central Karoo District Municipality	26.2
N.002-078-2019/2MPPS9: Die vleie to White Bridge	Garden Route District Municipality	33.81
N.007-030-2022/1MPRS1: Cederberg I/C to Kransvleikloof	West Coast District Municipality	18.36
N.007-046-2021/2MPPS9: Clan William to Trawal	Namakwa District Municipality	187
Total kms		**2,038.05**

Routine road maintenance

The Western Region has a total of 27 routine road maintenance projects spanning the Western and Northern Cape. The entire Western Region network is covered for daily maintenance activities, which aids in the preservation of our assets. Listed below are the current active RRM contracts.

Local Municipality	*Project*	
City of Cape Town	X.005-048- 2023/1F	City of Cape Town Network
Theewaterskloof, Swellendam, Overstrand, Cape Agulhas	N.002-025- 2023/1	N2 Sec 2 to 5, Elgin Forest Reserve to Riet Kuil Outspan
Hessequa, Mossel Bay, Kannaland	N.002-057-2023/1	N2 Sec 5 to 7, Riet Kuil Outspan to Rondeheuwel
George, Knysna, Bitou, Oudtshoorn	N.002-078- 2023/2	N2 Sec 7 to 8, Rondeheuwel to Natures Valley
Stellenbosch, Drakenstein, Breede Valley, Witzenberg, Langeberg	N.001-012- 2022/1 & N.001-014-2022/1	N1 Sec 1 to 4 Joostenbergvlakte to Constable

Laingsburg, Prince Albert	N.001-047- 2022/1	N1 sec 4 to 7 Constable to Remhoogte
Beaufort West	N.001-079-2022/1	N1 sec 7 to 9 Remhoogte to Schietkuil
Ubuntu, Emthanjeni, Kareeberg	N.010-058-2023/1	N10 sec 5 to 8 Kopieskraal to Omdraai Vlei
	N.012-057- 2023/1	N12 sec 5 to 7 Three Sister to Pretorius Baken
	N.001-091- 2023/1	N1 sec 9 to 11 Schietkuil to Flaauwe Kop & R389 sec 2 Hanover to Emthanjeni/Renosterberg border
Umsobomvu, Renosterberg	X.005-044- 2023/1	N1 Sec 11 to 13 Flauuwe Kop to Stockenstroms, N9 Sec 7 Tweefontein to Colesberg, N10 Sec 5 Kopieskraal to Elandsheuwel, R58 Sec 1 Colesberg to Norvalspont, R389 Sec 2 Emthanjeni/Renosterberg border to Phillipstown, R48 Sec 3 to 4 Phillipstown to R48/R369 1/S and R369 Sec 2 from R48/R369 1/S to Renosterberg/Thembelihle border
Thembelihle, Siyancuma	N.012-079- 2023/1	N12 sec 7 to 9 Pretorius Baken and Klipdrift & R369 sec 2 Renosterberg/Thembelihle municipal border
	N.008-068- 2023/1	N8 sec 6 to 8 Rooisand to Vaal River
Sol Plaatjie, Magareng, Phokwane, Dikgatlong	X.005-046- 2023/1	N8 sec 8 to 9 Vaal River to NC/FS border & N12 sec 9 to 11 Riet River to Northern Cape/North West border & N18 sec 1 Warrenton to NC/NW border & R31 sec 6 to 8 Danielskuil to Kimberley South
!Kheis, Siyathemba	X.005-047- 2023/1	N8 sec 6 Groblershoop to Rooisand & N10 sec 8 to 11 Omdraai to Boegoeberg
Tsantsabane, Gamagara, Ga- Segonyana, Joe Morolong	N.014-058- 2023/1	N14 sec 5 to 8 Zonderhuis to NC/WC border
	X.005-055- 2024/1	R31 sec 4 to 5 Santoy to Kgatelopele/Ga-Segonyana border & R380 sec 2 Santoy to McCarthy's Rest
	X.005-054- 2024/1	R31 sec 5 to 6 Kgatelopele/Ga-Segonyana border to Kgatelopele/Dikgatlong border & R325 sec 2 N14/R325 I/S to Postmasburg & R385 sec 3 Postmasburg to Danielskuil
Swartland, Bergrivier, Cederberg, Saldanha Bay	N.007-014- 2022/1	N7 sec 1 to 4 Klipvlei to Melkboom
Matzikama, Kamiesberg	N.007-047-2022/1	N7 sec 4 to 7 Melkboom to Kerbosch Fontein
Nama Khoi, Richtersveld	X.005-045-2022/1	N7 sec 7 to 8 Kersbosch Fontein to Vioolsdrift & N14 sec 1 Springbok to Holte/Hunites
Hantam, Karoo Hoogland	R.027-070- 2022/1	R27 sec 7 to 10 NC/WC border to Groot Lemoenkop West
Kai !Garib, Khai-Ma	N.014-013-2022/1	N14 sec 1 to 3 Holte/Hunites to Keimoes
	X.005-041- 2022/1	R27 sec 10 to 11 Groot Lemoenkop West to Keimoes & N14 sec 4 Keimoes to Olyvenhouts Drift
Dawid Kruiper, Kai !Garib	X.005-043- 2023/1	N14 sec 4 to 5 Olyvenhoutsdrift to Zonderhuis & N10 sec 11 to 12 Boegoeberg to Nakop
	X.005-042- 2023/1	R31 Rietfontein to Askam & R360 Upington to Askam

Western Region Slope Stabilsation (2023/24)

Slope stabilisation is an area of geotechnical engineering that is very complex, and the risk of slope failure is not in the public discourse, until the slope fails. Needless to say, slope failure onto a roadway can have catastrophic consequences.

With many of South Africa's roads being well over 40 or 50 years old, extensive maintenance is key to sustainability. This applies not only to the road surface, but also slopes in the road reserve. To this end, slope stabilisation plays a pivotal role in road maintenance, and ultimately the safety of road users, in terms of the prevention of potential rockfall and landslides.

So, what exactly is slope stabilisation? Any raised roadside surface above the road, referred to as a cutting, or beyond (a fill embankment), which is more than 5m in height is considered a slope, and that requires monitoring and maintenance. In most cases, slopes are stable at the initial design angle (slope), but conditions change over time due to natural weathering processes, resulting in erosion, loosening of rocks, cracking and disintegration. Rain exacerbates the problem, resulting in saturation and reduced friction between the rock and soil particles. The risk of slope failures must therefore be assessed on a periodic basis to ensure that road users are not exposed to unnecessary risks. Slope stabilisation is therefore the process of solidifying and stabilising these slopes, to give them sufficient tenacity to sustain the load of constant traffic and stability to prevent loose material from entering the travelled road surface.

Two fully completed slope stabilisation projects with combined value of approximately R300 million on the N2 at Hartenbos and Groot Brak in the Western Cape, have collectively injected more than R27 million into local businesses in the Southern Cape, with an estimated R7 million spent on local labour. **These projects were completed in the reporting period.**

As part of our community development training, we gave opportunity to 6 people from the community that had no direct benefit from the project other than to obtain their code 10 driver's licence.

N2 Hartenbosch Slope Stabilisation (Construction).

The following details are applicable:

Slope stabilisation on National Route 2 Section 6 from km 89.4 to km 91.4 Hartenbos

The works constructed under the contract include the installation of a soil nailed gabion buttress along a section of the cutting, including ancillary drainage works.

The covered 2kms, actual cutting length ±400m. The communities of Mosselbay benefitted from this work. A total of 63 local workers employed on the contract.

The project was valued at R75.6 million consisting of nine (9) Targeted Enterprise subcontractors and two (2) Targeted Enterprise suppliers, namely:

Targeted enterprises – contractors

- Anda Lisakhanya General Trading (Pty) Ltd
- Nyanos Civil and Construction Works (Pty) Ltd
- Uya and Emihle Trading
- Timmi General Trading
- Matakane Trading
- Kuqityiwe Construction
- Thsangisa Trading and Projects (Pty) Ltd
- Gold Siyemba
- LVA Traiding

Targeted enterprises – suppliers

- Top Loos Sanitation (Pty) Ltd
- Crawford and Pheiffers Uyathembeka Services and Suppliers (Pty) Ltd

N2 Hartenbosch Slope Stabilisatio (Completed).

The slope stabilisation of national route 2 Section 7 from km 0.00 To km 2.00: Groot Brak

The project entailed the installation of 610 mm diameter concrete Rotary Percussion ("Down The Hole Hammer") type piles (reinforced with structural I sections) at varying levels along the length of the cuttings at a specified spacing. The scope of works includes the construction of a reinforced concrete capping beam (760 mm x 760 mm square) to tie the pile heads together in each row, the installation of 3.5 m high, shallow land slide fences, capable of resisting dynamic impacts of at least 150 kPa, and with a minimum impact absorption of 500 kJ, installed immediately above the upper pile. A total of 47 local workers were employed on the contract.

The project value was R254 million.

Five (5) Targeted Enterprise subcontractors and 2 (two) Targeted Enterprise suppliers were appointed, namely:

Targeted enterprises – subcontractors

- Riley Traffic and Civils
- Tendexpert
- Ndoni Civils
- Gwatyuza Marine And Industrial Outcomes (Pty) Ltd
- Ndoni Civils Cleophas Construction And Transport (Pty) Ltd

Targeted enterprises – suppliers

- Barry Harry Civils And Contract Surveyors Cc
- Crawford and Pheiffers Uyathembeka Services and Suppliers (Pty) Ltd

N2 Grootbrak Slope Stabilisation (Construction).

5.5 Concessionaires

5.5.1 TRAC

Below is a detailed overview on the progress of ongoing and new infrastructure projects, as well as those completed within the current year. The tables below summarise the project status.

Section of road	Start date	End date	Scope of work	Main contractor
TRAC				
Rehabilitation of N4 Section 7X (MDC Section 7B) from Alkmaar (Km 36.5) to Hall's Gateway (Km 48.0)	October 2023	March 2025	Rehabilitation of the N4 and resurfacing with a new asphalt overlay	TauPele
Rehabilitation of MDC Section 5a between Wonderfontein and Belfast	October 2023	June 2024	Rehabilitation of the N4 and resurfacing with a new asphalt overlay	Actophambili Roads
Upgrading of Schoemanskloof structures	February 2023	June 2024	Rehabilitation and widening of existing structures	Civilcon
Rehabilitation of MDC New 2F between Bossemanskraal I/C and Gauteng border	February 2023	June 2024	Rehabilitation of the N4 and resurfacing with a new asphalt overlay and construction of climbing lane	Actophambili Roads
Rehabilitation and upgrading of the Nelspruit Bypass from Mataffin to Crocodile Valley	February 2023	August 2024	Rehabilitation of the N4 and resurfacing with a new asphalt overlay and upgrading of the existing R36 interchange	Roadspan
Rehabilitation and upgrading of MDC Section 13 (Km 12.5 to Km 25.0)	July 2022	August 2024	Rehabilitation and Upgrading of the existing N4 to 4 lanes	Raubex

RRM is an ongoing process. Apart from day-to-day maintenance, the following special projects are underway:

- Lifting of signage gantries in the eMalahleni area to avoid damage by over-height vehicles
- Installation of 7km of guardrails in the Komatipoort area to curtail unsafe behaviour by truck drivers
- Replacement of faded and non-reflective road signs along the entire route

There is currently no significant backlog in RRM. However, the increased presence of trucks and related accidents has resulted in longer road closures and extended clean-up times. The damage to road furniture has increased exponentially but remains manageable within the requirements of RRM. There are no plans to close or downgrade any current facilities until 2028.

Current state of concessionaire capital assets

TRAC			
Asset	**Good condition**	**Fair condition**	**Bad condition**
N4 Mainline	95%	5%	0%
Bridges, tunnels and major culverts	80%	20%	0%
Toll plazas	100%	0%	0%
Maintenance buildings	100%	0%	0%
Offices and other	100%	0%	0%

Concessionaire projects

Capital projects by concessionaires to strengthen and improve the roads that fall within their jurisdiction continued during the reporting period. The total value of construction and rehabilitation work performed during 2023/24 on toll routes under concession was R2.8 billion.

Trac	R1,008,490,000
N3TC	R105,100,000
Bakwena	R1,715,470,000
TOTAL:	**R2,829,060,000**

New construction and rehabilitation contracts

Project	Start and end date	Value of contract	Scope of work	Main contractor
TRAC				
Rehabilitation of N4 Section 7X (MDC Section 7B) from Alkmaar (Km 36.5) to Hall's Gateway (Km 48.0)	October 2023 End date March 2025	R138.8 million	Rehabilitation of the N4 and resurfacing with a new asphalt overlay	TauPele Construction

Section of road	Percent complete	Value of work in 2023/24	Scope of work
TRAC			
Rehabilitation of MDC Section 5a between Wonderfontein and Belfast	80%	R141.44 million	Rehabilitation of the N4 and resurfacing with a new asphalt overlay
Upgrading of Schoemanskloof Structures	85%	R40.1 million	Rehabilitation and widening of existing structures
Rehabilitation of MDC New 2f between Bossemanskraal I/C and Gauteng border	70%	R71.77 million	Rehabilitation of the N4 and resurfacing with a new asphalt overlay and construction of climbing lane
Rehabilitation and Upgrading of the Nelspruit Bypass from Mataffin to Crocodile Valley	75%	R109.01 million	Rehabilitation of the N4 and resurfacing with a new asphalt overlay and upgrading of the existing R36 interchange
Rehabilitation and upgrading of MDC Section 13 (Km 12.5 to Km 25.0)	65%	R258.71 million	Rehabilitation and upgrading of the existing N4 to 4 lanes

Ongoing construction and rehabilitation projects

Completed construction and rehabilitation projects

Section of road	Percent complete	Value of work in 2023/24	Scope of work	Main contractor
TRAC				
Upgrading of Montrose Intersection to split-level interchange	100%	R248.66 million	New grade separated interchange and widening of the Crocodile River Bridge	WBHO / Motheo JV

5.5.2 N3TC

The total value of construction and rehabilitation work performed during 2023/24 on toll routes under concession was R105 million.

New construction and rehabilitation contracts on toll concessions awarded

Project	Start and end date	Value of contract	Scope of work	Main contractor
N3TC				
No new projects in construction	-	-	-	-

Ongoing construction and rehabilitation projects on concessioned toll road

Section of road	Percent complete	Value of work in 2023/24	Scope of work	Main contractor
N3TC				
No current rehabilitation projects	-	-	-	-

Completed construction and rehabilitation projects on toll route under concession

Section of road	Percent complete	Value of work in 2023/24	Scope of work	Main contractor
N3TC				
N3-4, Lions River, Slip Repair	100%	R16.1 million	Permanent repair of slip failure	Terra Strata
N3-10 NB, Vaaldraai to Malanskraal	100%	R75.8 million	Repair and resealing of N3	Roadspan / WBHO JV
N3-7X and 8X between Harrismith and Warden	100%	R13.2 million	Emergency patching and slurry seal	Roadspan / WBHO JV

5.5.3 Bakwena

Bakwena, the managing authority of the N1N4 route, is dedicated to maintaining and upgrading its road network to ensure the safety and convenience of travellers. The impact of climate change, particularly heavy rainfall, has necessitated constant maintenance to meet international engineering standards.

Under the concession contract with SANRAL, Bakwena engages in both periodic and routine maintenance, as well as upgrade works.

Currently underway is the construction of the second carriageway on the N4 within the Rustenburg Local Municipality between Buffelspoort Interchange and Dr Moroka Interchange, a 43-month endeavour. This includes the construction of an auxiliary lane, resurfacing and patching.

A rehabilitation project spanning 18km between Majakaneng to Buffelspoort was completed in April 2024.

The maintenance of bridges and toll plaza upgrades, including the Hammanskraal and Murrayhill plazas, is also part of Bakwena's 2024 extensive plan.

Completed projects

N4 between Kameeldrift and Ga-Rankuwa Interchanges

This 18-month project commenced in January 2022 and was completed in December 2023. The rehabilitation

entailed extensive removal and reconstruction of layer works, followed by a 40mm asphalt overlay on the main carriageway in both directions, including some of the key interchanges on the route i.e., R80 and R566 Rosslyn.

The second rehabilitation project completed during this period took place on the N1 between Pienaarsrivier and Bela Bela. The project started in July 2022 and was completed in July 2023. The work entailed milling and reconstruction of layer works, followed by a 40mm asphalt overlay.

N1 between Pumulani Plaza and Pienaarsrivier

The third rehabilitation project commenced in May 2023 and was completed in December 2023. This rehabilitation project was a follow-on from an earlier N1 rehabilitation project.

Wallmansthal Ramp Plaza

Both ramp plazas were upgraded to allow for additional capacity at the ramps to and from the N1 to alleviate congestion during peak hours. Construction commenced March 2023 and was completed by October 2023.

New construction and rehabilitation contracts on toll concessions awarded

Project	Start and end date	Value of contract	Scope of work	Main contractor
Bakwena				
Upgrade: Plaza Lane Expansions N1	15 Jan 2024/15 Nov 2024	R42.5 million	Add 1 lane at Murrayhill SB Plaza Add 1 lane at Hammanskraal on- and off-ramp	G4 Civils
Upgrade: Construction of Second Carriage-way N4 (N4/13 Km 2.8 to N4/13 Km 38.0)	15 Jan 2024/15 Aug 2027	R1.33 billion	Construct eastbound carriageway between Buffelspoort and Rustenburg	Raubex
Rehabilitation: N1N4 bridges	01 Feb 2024/01 Sept 2024	R5.08 million	Bridge joint replacement, repair spalling and balustrade repair	Bridge Jointing/Ama Joints JV
Rehabilitation: N4 Sector 6Bi – Reseal Work (N4/12 Km 46.8 to N4/13 Km 3.2)	15 Jan 2024/30 April 2024	R15.16 million	Construct single seal on eastbound carriageway between Buffelspoort and Majakaneng	Roadspan Surfaces

Ongoing construction and rehabilitation projects on concessioned toll road

Section of road	Percent complete	Value of work in 2023/24	Scope of work	Main contractor
Bakwena				
-	-	-	-	-

Completed construction and rehabilitation projects on toll route under concession in 2023/24

Section of road	Percent complete	Value of work in 2023/24	Scope of work	Main contractor
Bakwena				
Rehabilitation: N1/22 Km 2.6 to 32.0 (SB only) and N1/22 Km 32.0 to Km 40.8 and N1/23 Km 0.0 to 13.4	100%	R146.3 million	Milling of slow lane to various depths, bitumen base replacement, crack sealing and UTFC wearing course	Roadmac Surfacing
Rehabilitation: N4/9 Km 0.0 to 20.8	100%	R78.41 million	The sub-base and base of the slow lane will be rebuilt. The R80 and Kameeldrift Interchanges will receive medium to heavy rehabilitation. The slow lane will be surfaced with a 60mm AC modified binder.	G4 Civils
Upgrade: N1 Wall-mansthall Plaza Lane Expansion	100%	R18.67 million	Construction of one additional lane at both the Wallmansthal on- and off-ramps	G4 Civils
Rehabilitation: N1/23 Km 13.4 to Km 42.6	100%	R79.35 million	Rehabilitation will include crack sealing, milling of the slow lanes to various depths and widths, replace with bitu-men treated base and a 40 mm asphalt overlay across both carriageway widths with rolled in chips on both lanes and the fast shoulder. Mill and replace 40mm asphalt surfacing on Bela-Bela Interchange cross road.	Roadmac Surfacing

C

GOVERNANCE

1 INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance.

2 PORTFOLIO COMMITTEES

SANRAL appeared before the Portfolio Committee of Transport and presented on the following matters:

- **18 April 2023**
  Annual Performance Plan and the approved Budget for the 2023/24 financial year

  The purpose of this presentation was to brief the Portfolio Committee on the performance indicators and targets identified by SANRAL, which it sought to achieve for the financial year under discussion. Importantly the aim was to demonstrate the alignment of the organisation's performance plans with the approved Budget.

- **10 October 2023**
  The Annual Report for the 2022/23 financial year with the Auditor General of South Africa (AGSA) to discuss the AGSA's findings

  The Portfolio Committee required SANRAL to discuss the root cause of the findings, explain how SANRAL sought to address them, and to describe the internal controls implemented to prevent the future occurrence of such issues.

The Portfolio Committee noted a few areas of development that may have contributed to the findings made by the AGSA. Some of these areas included:

- One key area was the establishment of a dedicated multidisciplinary team to address all findings and proactively assist SANRAL with preventative internal controls. This initiative led to the creation of the Audit War Room and prompted an urgent intervention to fill vacant executive positions, resulting in the ongoing recruitment drive within SANRAL.

- Another key area was tracking the effectiveness of the Vala Zonke potholes campaign. This led to the establishment of the Vala Zonke War Room and the re-launch of the campaign, prompting SANRAL to extend its efforts to improve roads managed by other roads authorities, primarily municipalities.
- Finally, tracking the rehabilitation and repair of roads affected by the KwaZulu-Natal floods was another area of development. This prompted the expedited repair of key routes in the province, including Tongaat, to facilitate necessary repairs.

3 EXECUTIVE AUTHORITY

SANRAL submitted various reports to the Executive Authority. These included mandatory reports required by legislation and regulations, as well as ad-hoc reports, all within the purview of the SANRAL Act, 1998. Only the Executive Authority has the authority to approve these reports.

The reports included:

- The Annual Performance Plan and Budget
- The Shareholder's Compact
- Vala Zonke Campaign and progress monitoring
- The effects of e-toll disablement (switching off the E-toll gantries and the consequences thereof for SANRAL)
- An application for an increase in borrowing limits for the financial year in order for SANRAL to meet its performance and financial obligations
- Urgent roll-out on road infrastructure projects
- On the remodelled SANRAL structure, the recruitment drive to occupy executive vacancies and the expansion of SANRAL as it transitions from its current regional structure (with offices in four regions) to provincialisation (establishing offices in each province)

4 THE ACCOUNTING AUTHORITY / BOARD

The SANRAL Board, as the governing body of the Agency, plays a crucial role in overseeing its operations and ensuring that it fulfils its mandate effectively. The Agency is controlled and governed by the SANRAL Board and all acts of or under the authority of that Board are the acts of the Agency.

In terms of the South African National Roads Agency Limited and National Roads Act, 1998 ("the SANRAL Act"), the SANRAL Board must comprise:

- The Chairperson of the Board
- Two nominees of the Department of Transport (by Minister) and a nominee of the Department of Finance nominated by the Minister of Finance
- Four other persons (non-executive) having special qualifications, skills, expertise or experience in matters concerning national roads, corporate governance, financial management and business or operations acumen for overseeing the running of the Agency
- The Chief Executive Officer (CEO) – by virtue of office

The composition of the SANRAL Board, and the qualifications, skills, expertise or experience of its Board members, required by the Act, accord with the Act. The Board has appointed sub-committees to assist it in performing its functions and to fulfil its mandate in accordance therewith. The sub-committees lack decision-making authority; their role is to provide recommendations to the Board for approval.

The role of the Board

The SANRAL Board plays a critical role in guiding and overseeing the activities of the Agency to ensure that it effectively delivers on its mandate of developing and maintaining South Africa's national road infrastructure.

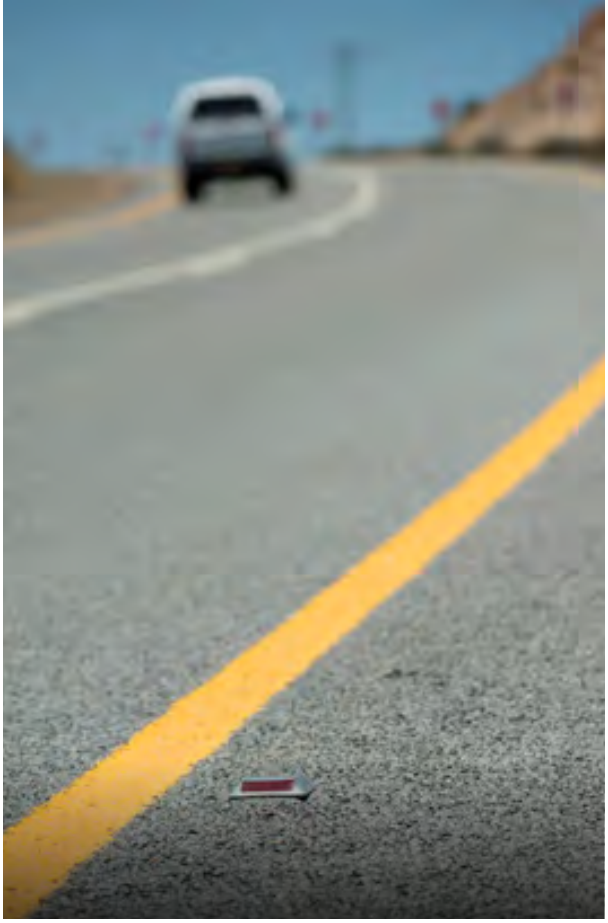
The responsibilities of the SANRAL Board are wide-ranging and indispensable in exercising oversight over the operations and management of the Agency.

Board responsibilities

- Set the strategic direction and long-term goals of SANRAL. This includes defining the Agency's mission, vision, values and strategic objectives.
- Provide governance and oversight of SANRAL's activities to ensure that the Agency operates in accordance with relevant laws, regulations and policies. This includes monitoring performance, financial management, risk management and compliance with legal and ethical standards.
- Approve the annual budget, financial statements and major financial decisions of SANRAL to ensure that resources are allocated efficiently and effectively to support the Agency's operations and strategic objectives.
- Represent SANRAL in its interactions with key stakeholders, including government agencies, industry partners, communities and the public. The Board plays a role in building relationships and fostering collaboration with stakeholders to support the Agency's mission.
- Oversee the risk-management processes within SANRAL, ensuring that risks are identified, assessed and managed effectively to protect the Agency's interests and reputation.
- Monitor the performance of SANRAL against its strategic objectives, key performance indicators and targets. The Board reviews performance reports and takes corrective actions as needed to ensure that the Agency achieves its goals.

Board Charter

The Charter of the SANRAL Board serves as a framework that enables the Board to fulfil its fiduciary duties and effectively govern SANRAL.



Purpose of the charter

- Delineate the roles, responsibilities and governance principles guiding Board decision-making and oversight.
- Define the powers of the Board and the roles of individual Board members.
- Outline policies and practices relating to corporate governance, composition, induction, training, declarations of interest, meeting procedures, and evaluations of Board members, among other pertinent matters.
- Outline Board duties such as setting the Agency's strategic direction, monitoring performance and ensuring compliance with legal and ethical standards.
- Specify meeting procedures, including frequency, agenda setting and decision-making processes.

Composition of the Board

The table below provides an overview of the composition of the SANRAL Board. Besides the listed members, the SANRAL Memorandum of Incorporation allows for alternative members, specifically for departmental nominees. Nevertheless, no such alternative members have been appointed to date.

The Board as at 31 March 2024 comprised eight members, as listed on page 156 - 163 in the Annual Report. The current Board was appointed effective 1 January 2023.

The Chairperson: Mr T Mhambi, Ms R Buthelezi, Mr R Haswell, Mr T Matosa and Ms N Noxaka are independent, non-executive members and were appointed on 9 January 2023.

The non-executive members were Mr E Makhubela, representative of the Department of Finance and Mr C Hlabisa, representative of the Ministry of Transport.

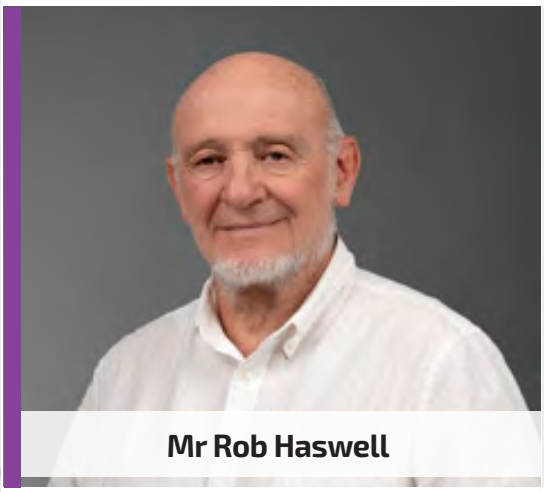
The CEO is the only executive member of the Board. Mr R Demana was appointed as CEO effective 1 January 2023.

All non-executive board members serve for a maximum of two terms of three years, in terms of section 13(1)(a) of the SANRAL Act.

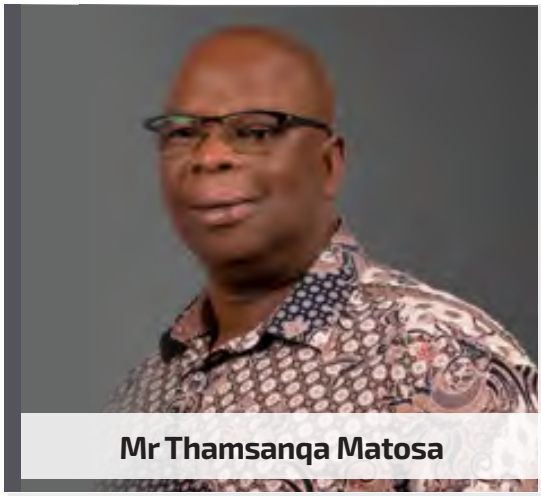
The Board members include engineering professionals, an employee relations expert, a chartered accountant, a finance professional and experts with knowledge of corporate governance and the public sector. The Board is of the view that this is an appropriate mix of skills that are relevant to SANRAL. However, the Board is concerned that its size is too small, which places limitations on the composition of the committees. The number of members is limited by the SANRAL Act and the Board has engaged with the Minister of Transport to effect amendments in this regard. The gender composition of the Board as at 31 March 2024 was 75% men and 25% women.

The chairperson is an independent, non-executive member of the Board. The SANRAL Act does not provide for a lead independent member. The Board appoints another voting member to serve as chair, if the chairperson is absent from any meeting. Mr R Haswell has been nominated by the Board to serve as acting chairperson in the event that the chairperson was unavailable.

Board members

Name	Age	Designation (in terms of the Public Entity Board structure)	Members' period of service on the board	Date appointed
Mr Themba Mhambi	61	Independent and Non-executive chairperson of the Board of SANRAL	2nd term – 1 year 7 months	09 January 2023
Mr Mhambi has extensive experience in the fields of education, public administration and policy and strategy development for organisations in a variety of sectors, including education, development, government, construction and insurance. After long service as a civil servant, Mr Mhambi moved into private sector business and consulting in the areas of corporate strategy development and corporate governance. He is in the retail business space. He has served on other public and private sector boards.				
 **Mr Rob Haswell**	80	Independent and Non-executive director	2nd term – 1 year 7 months	09 January 2023
Alderman Haswell has 26 years of experience in the municipal environment. He served as both the Mayor and City Manager of the Msunduzi Municipality, which appointed him as an alderman in 1994. He is committed to sustainable development for all sectors within the economy.				

Date resigned	*Qualifications*	*Board directorships (List the entities)*	*Other committees or task teams (e.g: Audit Committee / Ministerial task team)*
–	Teachers' Certificate (English, History, Guidance BA (English, Education, History) BA Honours (English) MA (English, Creative Writing Concentration)	ECM Trading Solutions, Braai & More, Food & More Holdings, Chill-A More, RZT Zelpy 4916 Pty Ltd	
–	BA BA Honours (Geography) MSc Geography)	None	Member of the Audit and Risk Committee and the Social and Ethics Committee

Name (continued)	Age	Designation (in terms of the Public Entity Board structure)	Members' period of service on the Board	Date appointed
 **Mr Thamsanqa Matosa**	55	Independent and Non-executive director	2nd term – 1 year 7 months	09 January 2023
Mr Matosa has held leadership positions in various trade unions and has extensive experience in labour economics, local government administration, and governance of national and international unions.				
Ms Refilwe Buthelezi	40	Independent and Non-executive director	1 year 7 months	09 January 2023
Ms Buthelezi brings diverse experience to the Board, having built a distinguished reputation in the various leadership positions with strong operational and technical experience in several entities. Her experience in leading the Engineering Council of SA (ECSA) enables her to bring engineering insights, corporate governance, policy and strategy development, and digital technology into the Board. She currently serves as a non-executive director on the board of Transnet, in addition she is the president of ECSA.				

Date resigned	*Qualifications*	*Board directorships (List the entities)*	*Other committees or task teams (e.g: Audit Committee / Ministerial task team)*
–	Executive Leadership Development Programme – Certificate in Municipal Management	Thahlakwena Trading Enterprise, Chitepata Enterprise (Pty) Ltd	Chairperson of the Social and Ethics Committee and member of the Audit and Risk Committee
–	BEng (Electrical) MEM (Engineering Management) Master's in Business Leadership IoDSA member	Coefficient Technologies, Phungashe Consortium, Pfuxani STEM	Chairperson of the Contracts Committee and member of the Assets and Liability Committee

Name (continued)	Age	Designation (in terms of the Public Entity Board structure)	Members' period of service on the Board	Date appointed
Ms Noluphumzo Noxaka	52	Independent and Non-executive director	1 year 5 months	09 January 2023

Ms Phumzo Noxaka, CA (SA), CD (SA), AMBCI, is a consummate professional with extensive experience acquired from working in various operational, executive, and strategic roles in the private and public sectors. Ms Noxaka has a multidisciplinary skill set: in corporate governance, financial management, risk management, business continuity management, compliance management, strategic planning, auditing, and performance management, among others.

She currently leads a consultancy providing business management and advisory services. She has also served on several boards of diverse profit-driven and altruistic private and public sector organisations over a period of 17 years.

Mr Chris Hlabisa	61	Nominated by the Minister of Transport	2nd term – 1 year 7 months	09 January 2023

As Deputy Director General (DDG) – Roads Branch in the Department of Transport, Mr Hlabisa's role encompasses responsibility for road engineering standards, road infrastructure and industry development, road regulation, driving license card entity oversight, public entity oversight and Strategic Integrated Projects (SIPs). Prior to his appointment to the Department of Transport in 2013, he was Head of Department at the KZN Department of Transport. His expertise is in the area of management of transport authorities, for which his engineering background is an asset.

Date resigned	*Qualifications*	*Board directorships (List the entities)*	*Other committees or task teams (e.g: Audit Committee / Ministerial task team)*
–	NDip (Financial Markets and Instruments) BAdmin HDip (Computer Auditing) BCom Honours (Accounting) CA (SA) MBA CD (SA) AMBCI	Homba Textiles, 8point8 Holdings, 8point8 Concepts, Alatha Consulting, Eastern Cape Government Fleet Management Services	Chairperson of the Audit and Risk Committee and member of the Social Ethics and Transformation Committee
–	BTech (Civil Engineering) Management Development Programme (MDP) PrTech (Engineering) MSAICE	DDG – Roads Branch of the Department of Transport	Member of the Contracts Committee and member of the Assets and Liability Committee

Name (continued)	Age	Designation (in terms of the Public Entity Board structure)	Members' period of service on the Board	Date appointed
Mr Errol Makhubela	47	Nominated by the Minister of Finance	1 year 11 months	09 January 2023

Mr Makhubela is an economist with over 20 years' experience. He is responsible for strategic policy making in the banking and financial sector and providing economic analysis on strategic capital flows matters.

Mr Reginald Demana	50	Executive director, Ex officio	1 year 7 months	01 January 2023

Reginald was appointed as Chief Executive Officer (CEO) of the South African National Roads Agency (SANRAL) in January 2023. He brings more than 24 years of working experience. Prior to joining SANRAL, Reginald was a Divisional Executive for Mining, Metals, Infrastructure & Energy at the Industrial Development Corporation (IDC) until 30 November 2022. During his tenure at the IDC, Reginald was responsible for the largest operations portfolio, constituting more than 50% and covering three sectors critical to South Africa's economy. Before joining the IDC he was a Group CEO of Wescoal Holdings Limited, a junior coal mining company listed on the JSE Limited's Main Board equities stock exchange, until 31 March 2021. The bulk of Reginald's experience has been gained in investment banking at Nedbank Limited where he spent about 15 years before his appointment at Wescoal. He has advised various South African mining and industrial companies and his broad experience is in Mergers & Acquisitions, Black Economic Empowerment structuring, capital raisings, public listings and mining valuations, spanning various commodities.

Date resigned	*Qualifications*	*Board directorships (List the entities)*	*Other committees or task teams (e.g: Audit Committee / Ministerial task team)*
–	PGDip (Law of Banking and Financial Markets) BCom Honours (Finance and Economics) Master's in Business Leadership Director Development Programme Part 1-5 (IoDSA)	Acting Chief Director: Financial Markets and Stability, National Treasury	Chairperson of the Assets and Liability Committee and member of the Contracts Committee
–	BSc Eng (Mining) MSc Eng (Mining)	None	Ex officio member of the Board and of all sub-committees Director in the Midstream Ridge Homeowners Association

Board committees

The Board has established four committees to assist it in performing its oversight responsibilities. Each committee is chaired by a Board member as per the SANRAL Act and is guided by a charter that specifies its roles and responsibilities.

Committee	Number of meetings held	Number of members	Members
Assets and Liability Committee	4	3	Mr Errol Makhubela Mr Chris Hlabisa Ms Refilwe Buthelezi
Audit and Risk Committee	5	3	Ms Noluphumzo Noxaka Mr Robert Haswell Mr Thamsanqa Matosa
Contracts Committee	8	3	Ms Refilwe Buthelezi Mr Errol Makhubela Mr Chris Hlabisa
Social Ethics and Transformation Committee	5	3	Mr Thamsanqa Matosa Mr Robert Haswell Ms Noluphumzo Noxaka

Contracts Committee

The Contracts Committee was responsible for reviewing the adjudicated decisions of the Management Bid Adjudication Committee for the award of major contracts with a value exceeding R750 million. It also had oversight of all contracts awarded by SANRAL while monitoring that the SCM processes were inclusive of SANRAL's transformation initiatives in the construction industry, and the empowerment of SMMEs and small contractors. The Committee reviewed the relevance and validity of the policies affecting the areas of SANRAL's operations over which it has oversight. Any proposed amendments are subject to approval by the Board.

The Contracts Committee comprised 3 non-executive members, Mr Errol Makhubela (Chairperson), Mr Chris Hlabisa, Ms Refilwe Buthelezi and the CEO.

The Committee does not have external advisors or invitees who attend committee meetings regularly. The Committee Secretary attends committee meetings, as does the Engineering Executive, the Contracts Manager, the Chief SCM Officer, the Legal Advisor, the CFO, the Risk Officer, the CAE and the Company Secretary, by invitation.

Key areas of focus during the year have been the consideration of large contracts for recommendation to the Board for award, the urgency for increasing the number of contracts awards, the implementation of the Transformation Policy and the provision of opportunities for smaller contractors.

To note is that the Delegation of Authority Framework has delegated all procurement related functions to Management. The Committee reviews contracts of value greater than R750 million prior to a similar review by the Board, and also reports from Management to ensure proper oversight of the supply chain management and procurement functions. In addition, it reviews reports from pro-active assurance structures (Internal Audit and Legal) on the contracts.

Eight meetings were held during the year and attendance at these is indicated in the table below:

Members	Position	15 March 2023	22 May 2023	3 August 2023	29 August 2023	6 November 2023	12 February 2024	Special Contracts Committee 16 February 2024	Special Contacts Committee 25 March 2024
Mr C Hlabisa	Member, non-executive	A	A	√	A	A	A	√	√
Ms R Buthelezi (from 24 Jan 2023 -)	Chairperson, non-executive	√	√	√	√	√	√	√	√
Mr E Makhubela	Non-executive	√	√	√	√	√	√	√	
Mr R Demana	CEO, executive	√	√	√	A	√	√	√	√

√: Present A: Absent - : Not a member

The Committee is satisfied that it fulfilled its responsibilities in accordance with its charter during 2023/24.

Audit and Risk Committee

The Audit and Risk Committee (ARC) functions in terms of its charter which details the responsibilities of the Committee as:

- Independent oversight of the Annual Report and the annual financial statements.
- Independent oversight of some assurance providers, internal financial controls, internal audit function and external audit.
- Ensuring that appropriate reporting procedures exist and that they operate effectively.
- Oversight of IT governance.
- Oversight of compliance, risk management and anti-fraud and corruption measures.
- Other functions such as the review of the annual performance plan, organisational performance report, annual budget, legal reports, public liability claims, etc.

Importantly, the ARC oversees risk governance within SANRAL. It reviews reports on the strategic risk register and the fraud hotline at least once every quarter. The Committee leads an annual risk session for the Board. This is an opportunity for Board members to identify new strategic risks and review the performance of internal controls implemented in the previous financial period. In addition, the Committee reviews the relevance and validity of the policies affecting the areas of SANRAL's operations over which it has oversight. Any proposed amendments are subject to approval by the Board.

The three committee members who served on the Committee during 2023/24 were: Mr N Noxaka (chair), Mr T Matosa and Mr T Matosa. All are independent, non-executive directors.

The committee met in-committee, as required, with the internal and external auditors and Management, to facilitate an exchange of views and concerns that were not appropriate for discussion in an open forum.

The internal audit team and the external audit team attend all ARC meetings by invitation as does the Committee Secretary. The CEO, CFO, the Management Accountant, the Engineering Executive, the Risk Manager, the Company Secretary and the Chief Audit Executive also attend by invitation, as do other managers who have

matters on the agenda. Key areas of focus during the year included the oversight of the internal audit function and the audit reports, audits related to GFIP, risk management, IT governance, policy review and external audit.

Five meetings were held during the year and the attendance of those meetings is shown in the tables below:

Member	Position	28 July 2023	3 August 2023	6 November 2023	23 January 2024	26 March 2024
Ms N Noxaka	Chairperson, non-executive and independent	√	√	√	√	√
Mr T Matosa	Member, non-executive and independent	√	√	√	√	√
Mr R Haswell	Member, non-executive and independent	√	√	√	√	√

√: Present A: Absent - : Not a member

The Report of the Audit and Risk Committee, included in the Annual Report on pages 206 to 208, provides detailed information on the committee's activities and its governance responsibilities.

The Committee is satisfied that it fulfilled its responsibilities in accordance with its charter during 2023/24.

Committee for nomination of members of accounting authority

The Board has agreed that a Nominations Committee be appointed as and when required. The Committee has a charter which has been approved by the Board previously.

The nomination and appointment of the non-executive members of the Board is the responsibility of the Minister of Transport, as legislated in the SANRAL Act. The representative from National Treasury on the Board is nominated by the Minister of Finance.

The Standard Operations Procedure relating to the processes followed in relation to the nomination and appointment of board members by the Department and the Minister of Transport by the end of June 2021 was provided by the National Department of Transport on 30 June 2021. It has been placed on SANRAL's website.

Social, Ethics and Transformation Committee

SANRAL has a Social, Ethics and Transformation Committee (SETC). It functions in terms of its charter and its responsibilities are governed by Regulation 43 of the Companies Act. These include oversight of:

- Labour and employment matters, including the review of the remuneration policy and annual remuneration adjustments.
- Social and economic development functions, including transformation, skills development, employment equity and good corporate citizenship endeavours.
- Stakeholder relations.
- Environmental, health and safety matters.

The activities of the SETC and key areas of focus are guided by an annual work plan to ensure that all the responsibilities are monitored effectively. The remuneration and adjustments are based on an annual remuneration survey. Moreover, the proposals received from the Union with respect to staff who are members are considered for recommendation to the Board by the Committee.

The Committee reviews the relevance and validity of the policies affecting the areas of SANRAL's operations over which it has oversight. Any proposed amendments are subject to approval by the Board.

The Committee consisted of three non-executive members during 2023/24: Mr T Matosa (Chair), Mr R Haswell and Ms N Noxaka. All are independent, non-executive directors and this is because the Committee deals with the oversight of employee remuneration (as required by the King IV Code – Principle 8).

The Committee held six meetings (including two special meetings) during 2023/24 and attendance is indicated below:

Member	*Position*	*11 May 2023*	*7 August 2023*	*24 October 2024*	*9 November 2023*	*26 March 2024*
Mr T Matosa	Member, non-executive and independent	√	√	√	√	√
Mr R Haswell	Member, non-executive and independent	√	√	√	√	√
Ms N Noxaka	Chairperson, non-executive and independent	-	-	-	-	-

√: Present A: Absent - : Not a member

The Committee does not have any advisors or external invitees who attend the committee meetings regularly.

The Committee Secretary attends every meeting. The CEO, the Acting Business Operations Executive, the Transformation Manager, the Company Secretary and other managers with matters on the agenda attend by invitation.

The Committee provides a report on its functions and activities to the shareholder meeting which serves as the Annual General Meeting.

The Committee is satisfied that it fulfilled its responsibilities in accordance with its charter during the financial year 2023/24.

The Assets and Liabilities Committee

The Assets and Liabilities Committee (ALCo) oversees SANRAL's borrowing activities and its property and financial asset portfolio. It monitors the implementation

of policies and controls governing SANRAL's financial risk management with respect to liquidity, investments, interest rates and credit. The Committee, which operates in terms of a charter, sets risk management parameters for each risk category and monitors compliance. Provisions of the Treasury Policy and Control Manual regulate the activities of the Treasury Function, performance of which is monitored by ALCo. The Committee reviews the relevance and validity of the policies affecting the areas of SANRAL's operations over which it has oversight. Any proposed amendments are subject to approval by the Board.

The Committee consisted of three non-executive members during 2023/24 until 9 January 2023: Mr E Makhubela (Chair), Ms L Madlala and Ms L Memeza.

With the appointment of the new Board effective 9 January 2023, the Board appointed the following members on the Committee effective 24 January 2023: Mr E Makhubela (Chair), Mr C Hlabisa, Ms R Buthelezi and Mr R Demana (CEO).

The Committee had no external advisors or regular invitees to its meetings. The Committee Secretary attends all meetings as does the Head of Treasury along with his team including the Financial Risk Manager and the dealers. The CFO and the Company Secretary also attend by invitation.

The main areas of focus were SANRAL's property portfolio, SANRAL's borrowing plan and liquidity management.

The committee held four meetings during 2023/24 and the attendance is listed below:

Director/ member	*Position*	*18 May 2024*	*14 August 2023*	*23 October 2023*	*22 January 2024*
Mr E Makhubela	Chairperson, non-executive	4	√	√	√
Mr C Hlabisa	Member, non-executive	5	-	-	A
Ms R Buthelezi	Member, non-executive and independent	8	-	-	√
Mr R Demana	CEO, member, executive	6	-	-	√

√: Present A: Absent - : Not a member

The Committee is satisfied that it fulfilled its responsibilities in accordance with its charter during the financial year 2023/24. Core executive members are regular invitees to the above committees.

Directors' fees of Board members

The SANRAL Act regulates the manner in which Board members are remunerated.

- Section 13(3)(a) provides that Board members will be remunerated, at a daily rate determined by the Minister from time to time, for each day in any month on which the member was officially occupied with the business or affairs of the Agency, subject to subsection 3(b).
- Section 13(3)(b) excludes any directors' fees for the Chief Executive Officer and any appointed member of the Board, who also holds any post or office in or under any department, administration or organisational component mentioned in Schedule 1 to the Public Service Act, 1994, or in or under any institution, organisation or body established by or under any other law and funded wholly or partly by the State, except if such appointed member, may, with the permission of that member's employer and the Minister of Finance, be paid an honorarium for services rendered as member of the Board. The honorarium will be determined by the Minister with the agreement of the Minister of Finance.

In the current configuration of the SANRAL Board, the Chief Executive Officer, along with two members from the Departments of Transport and Finance, appointed by their respective Ministries, do not receive any directors' fees for their roles in the Agency's operations.

Name	*Directors' fees*	*Other allowance*	*Other imbursements*	*Fees net of VAT*
Mhambi	R3,421,921.17	-	-	R3,421,921.17
Haswell	R1,704,397.43	-	-	R1, 704,397.43
Matosa	R1, 848,615.66	-	R29,271.32	R1,877,886.98
Buthelezi	R1,040,879.40	R14, 515.20 (Foreign subsistence)	R2,306.08	R1,057,700.68
Noxaka	R2,097,719.59	R14,515.20 (Foreign subsistence)	R25,943.89	R2,138,178.68

5 RISK MANAGEMENT

SANRAL adheres to applicable governance legislation and guidelines, including the King IV principles that guide good corporate governance practices. Specifically, SANRAL follows Principle 11 of King IV, which states that the accounting authority should govern risk in a manner that supports the organisation in setting and achieving its strategic objectives.

Based on the organisation's Risk Management Policy and Framework, SANRAL employs the ISO 31000 risk management methodology to assess both strategic and operational risks. At the operational management level, SANRAL has a Risk Focus Group that meets quarterly to review the organisation's operational risk profile and monitor the associated internal control environment.

The strategic risk profile is independently monitored by the Audit and Risk Committee, while the Board tracks the progress and effectiveness of risk management within the organisation. Strategic risks are identified annually during the Board Risk Workshop.

The strategic risk profile of the organisation for 2023/24 highlighted the following key strategic risks:

- Slow implementation of SANRAL's Transformation Policy
- Reputational damage stemming from misconceptions about the SANRAL brand and mandate
- Volatility and uncertainty of the regulatory environment governing SANRAL
- Risk of land invasions in and around the national road reserve
- General safety and physical security of SANRAL employees during official duties

5.1 King IV Declaration

The company subscribes to applicable governance legislation and guidelines including King IV principles, which guide good corporate governance practices within the organisation. SANRAL applies the first 16 principles of King IV, which are relevant to the Agency in the conduct of its business, striving to ensure efficient service delivery and to achieve the governance outcomes of ethical culture, good performance, effective control and legitimacy.

The intent of the Board and the management team is to run the business ethically and efficiently. The following section explains the application of each of the 16 principles and demonstrates the quality of governance practice in SANRAL.

5.1.1 Leadership

Principle 1: The accounting authority (Board) should lead ethically and effectively.

The tone for ethical business practice is set by the Board and it filters through every level of the organisation. This includes the imperatives of transparency and fairness in all of SANRAL's decisions, the avoidance of conflicts of interest across the organisation and the maintenance of clean procurement processes as it pursues its core function of the award and management of large road projects across the national road network. The functioning and conduct of the Board and its committees are guided by the Board and committee charters and the Board Code of Conduct.

SANRAL's Delegation of Authority Framework (DoA), as approved by the Board, has been in place since 1 April 2021. An update of the Framework is currently in progress. The current DoA maintains the practice that the Board is not involved in the procurement function or the award of contracts – that function has been delegated to bid adjudication committees whose members are employees. The awards are only escalated to the Board where the tender values are greater than R750 million and in the rare cases where the Management Bid Adjudication Committee vetoes a recommendation by the Bid Evaluation Committee,or the Regional Bid Adjudication Committee,or in cases where there are unresolved issues raised by the pro-active assurance structures, SANRAL's Internal Audit and Legal units. The Board and committee charters will be reviewed and aligned with the DoA and approved during 2023/24.

The importance of acting in the best interests of SANRAL is a key principle which informs the conduct of the Board members. Any conflicts of interest are managed through the annual disclosure of interests in writing and additionally through disclosures by the Board and Management at every Board and committee meeting. In terms of the Board Charter and Code of Conduct, Board members may not contract for any services with SANRAL in their individual capacities.

The Board's practice of declaration of interests and avoidance of any conflicts of interests are detailed in the Board Charter which is on SANRAL's website. In addition, SANRAL's Anti-Fraud and Corruption Policy, which is applicable to the Board and employees is also on the website. To the best of SANRAL's knowledge and given the practice of declaration of interests at every board or committee meeting, SANRAL is not aware of and has no record of any conflicts of interests involving the Board members.

The Board has also approved a Management of Prominent and Influential Persons (PIP) Policy which has also been published on SANRAL's website (further details under Principle 2 below).

The Board is provided with training or workshops, as required, with respect to governance and the core functions of SANRAL. This is to enable it to fulfill its main functions of driving good governance practice, setting strategic direction, monitoring implementation and performance, overseeing ongoing, effective risk management and ensuring timely and relevant disclosure of performance across the three areas of society, the economy and the environment.

5.1.2 Organisational ethics

Principle 2: The accounting authority should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The ethical conduct of SANRAL's employees is guided by a code of conduct. The upholding of values such as integrity, accountability, responsibility, fairness, confidentiality, transparency, independence of decisions and clean procurement processes are part of the code of conduct which become binding on signature of the employment contract. Interpersonal respect, loyalty to the organisation and respect for diversity are values which are defended vigorously by the SANRAL team.

In addition, the Board approves SANRAL's policies following their review by Management. These policies govern staff conduct and processes in relation to the various functions within the organisation. The adherence to and implementation of policies is the responsibility of Management, with assurance provided by internal audit. Important principles of conduct include the annual declaration of interests by all employees, with a requirement to provide updates as and when there may be changes to the declarations or potential conflicts of interest. Such declarations of interests are also required from all suppliers (as part of the tender process).

There is, in addition, a SANRAL supply chain practitioners' code of conduct, which all supply chain practitioners sign on an annual basis. Induction presentations to Board members and employees and the annual governance, legal, risk and compliance roadshows to all employees reinforce the importance of ethical behaviour.

Important policies include the Anti-Fraud and Corruption Policy and Risk Management Policy. SANRAL has an independently monitored fraud hotline for use by employees and external parties, including service providers, to report suspected fraud anonymously.

SANRAL has a zero-gifts policy – employees may not accept any gifts offered to them by service providers. This is to ensure that independence and transparency in decision-making are not compromised.

All supplier tender documents include the requirement to disclose any conflicting interests and connections to political or other influential persons. Employees serving as bid specification, evaluation and adjudication committee members for the evaluation and award of bids are also required to disclose any conflict of interest and recuse themselves from any further involvement. The same goes for any directors involved in the review of major contract awards (over R750 million), which instances are few, following the approval of the Delegation of Approval Framework (DoA) effective 1 April 2021.

Should any clause of the code of conduct or policies affecting conduct be breached, consequence management, which ranges from training to disciplinary action, is mandatory.

The recruitment and appointment of employees is preceded by the necessary checks on personal credentials, criminal history, credit standing, qualifications and references.

The Management of Prominent and/or Influential Persons Policy (PIP Policy) requires SANRAL to evaluate every business relationship to determine whether there is any reason to conclude that it brings the risk of questionable association, perception of corrupt dealings, conflict of interest or potential abuse leading to fraudulent financial transactions, money laundering, etc. The Policy has been placed on SANRAL's website.

The purpose of the Policy is to provide a framework and a process within which the acceptance, maintenance and monitoring of business relationships with prominent, influential stakeholders who have domestic and/or foreign influence are managed by SANRAL. This is done in order to mitigate SANRAL's perceived association, reputational, operational or legal risk, as it strives to foster and maintain fair and transparent business relations with relevant stakeholders.

Since the implementation of the PIP Policy and to the best of SANRAL's knowledge on the basis of the due diligence carried out in the SCM processes, SANRAL is not aware of and has no record of any business relationships involving any prominent or influential persons and the PIP register is empty. SANRAL has some internal resources to check such disclosures from service providers.

5.1.3 Corporate citizenship

Principle 3: The accounting authority should ensure that the organisation is, and is seen to be, a responsible corporate citizen.

The importance of the national road transport system cannot be understated as it forms the core of the nation's road network enabling mobility, access to economic opportunities, trade and is critical for supporting economic growth and development. SANRAL, as an agency of the Department of Transport, is responsible for the financing, management, control, planning, development, maintenance and rehabilitation of the South African national road network. The role of SANRAL within the country's transport system is significant as the national roads link cities, provinces and economic nodes and enable trade and mobility which lead to economic growth. The continuous improvement of the quality of the road infrastructure and the operating conditions for the user (as controllable by SANRAL) remain crucial to SANRAL.

SANRAL's mandate to manage South Africa's national road network offers it opportunities to contribute to the well-being, development and empowerment of the country and its citizens through the provision of an effective national road network and by driving internal and external transformation initiatives. Internally, these include promoting diversity and the provision of skills development opportunities to employees. External initiatives include the development of SMMEs and communities through job creation, enterprise development opportunities and skills development programmes. SANRAL sponsors scholarships, bursaries, learnerships, partnerships with universities and TVET colleges, and facilitates internships. Site or contractor staff are provided project-related training in business management and technical skills. Community development projects ensure the enhancement of access and mobility in rural communities and road safety related projects improve the safety on roads through pedestrian bridges, access roads, etc. SANRAL's efforts as a corporate citizen can be assessed by its contribution in the following areas:

(a) Employees - SANRAL endeavours to be an employer which values its employees by ensuring equity and development opportunities for them. Some policy positions to enable this are listed below:

Employment equity: SANRAL has a three-year Employment Equity Plan, the implementation of which is monitored by the Social, Ethics and Transformation Committee (SETC) of the Board. The achievement of organisational and individual targets is reported to the Board annually. There can be no compromise on the practice of and respect for equity in diversity and the provision of skills development opportunities to all employees.

Fair remuneration: Measures to ensure fair remuneration include a yearly salary review process, when an external company does an industry comparison to ensure that SANRAL's remuneration structure is in line with the market. The Board approves the yearly remuneration adjustment levels. Another measure is the evaluation and grading of positions to ensure that employees serving within a particular scope of work are remunerated fairly, based on experience and skills.

Safety, health and dignity: SANRAL subscribes to a wellness programme for employees. The safety of employees within SANRAL's offices, service provider staff and the public at project sites and site offices are of paramount importance to SANRAL. SANRAL ensures that contracts valued above R40m are registered with the Department of Labour and an occupational health and safety practitioner is appointed to oversee the site and ensure that all plans comply with safety regulations.

Development of employees: A workplace skills plan, which is derived from each employee's development plan, determines the career development path for each staff member. There are other benefits, such as bursaries, offered to staff who wish to further their education.

(b) Economy - The national road network is an economically strategic one and is critical for the mobility of people and goods across the nation. The infrastructure must be maintained in optimal condition to provide satisfactory road user experience and to service the South African economy effectively. SANRAL endeavours to provide the nation with an effective network of well-constructed and maintained national roads and, in doing so, seeks to promote transformation through an inclusive, well-structured procurement process.

The 14 Point Plan which encompasses the principles to create an inclusive process, was developed as a tactical response to growing demands for empowerment opportunities and as an instrument to tactically advance SANRAL's Transformation Policy. All contracts stipulate a minimum percentage of local subcontract opportunities, employment and training on the job, which help in the development of communities. Contractors are compelled to use local SMMEs where feasible. They must comply with all applicable legislation and adhere to the basic conditions of employment. Moreover, SANRAL also provides opportunities to SMMEs and small contractors to work on all the Agency's projects. This is achieved by the structuring (unbundling) of projects into smaller packages to create opportunities for the lower graded CIDB entities, such as for grades 5CE to 7CE. The SMMEs (largely from grade 1CE to Grade 5CE) benefit from the increased mandatory subcontracting.

SANRAL's Transformation Policy was launched by the Minister of Transport in September 2017. It was debated and consulted with various stakeholders prior to implementation. The document was also canvassed with government stakeholders for their recommendations and views. Several measures have been implemented to fast-track transformation within the construction industry. These include:

- the reduction of the size of projects where possible to create opportunities for the contractors with lower CIDB grading
- entering into MOUs with strategic equipment manufacturers/suppliers and mentoring and training service providers in order for the SMMEs to build up equipment of their own which would enable them to tender at lower unit rates and thus increase their competitiveness
- MOUs with DFIs (Development Finance Institutions) and commercial banks for new contractors to obtain financing at more competitive interest rates.

Additional such measures are under consideration, some of which require government's buy-in. MOUs have been entered into with training and mentoring service providers to train and mentor the small contractors in the effective and efficient operation and management of their respective entities.

(c) Environment - SANRAL's environmental ethos is one of integrated environmental management where SANRAL strives for a balance between road development and environmental sustainability. SANRAL reports on its activities aimed at ensuring environmental sustainability and covers SANRAL's performance with regard to legislative requirements, governance and risk management in the environmental management realm. It covers environmental authorisations received for key road projects as well as initiatives aimed at the preservation of natural and heritage capital. It also encompasses reporting on progress made toward the development of a road-specific measurement tool for consistent reporting of sustainability within the road sector.

(d) Society - SANRAL provides scholarships, external bursaries, learnerships and internships as a contribution to the national skills development objective. SANRAL also supports the Chair in Maths, Natural Science and Technology Education at the University of the Free State, the Chair in Pavement Engineering at the University of Stellenbosch and

the Chair in Transport Planning at the University of Cape Town. SANRAL's Technical Excellence Academy in Port Elizabeth provides the required training and exposure to accelerate professional engineering registration.

The impact of SANRAL's projects on society is carefully monitored and discussed with the communities they affect through regular, planned stakeholder engagements. Every project, whether a large multi-billion Rand highway or a modest community development road, has a positive developmental impact on society. Roads provide access and mobility, thus enabling economic activity and creating employment opportunities, business opportunities for the construction industry including SMMEs within the sector, skills development opportunities through on-site training, and general upliftment of the quality of life. SANRAL provides safe community mobility and access through pedestrian bridges, access roads and such other safety features. Moreover, a fair proportion of the project value is injected into the local community in the form of wages, purchase of local materials, supplies and services.

Targets pertaining to some of the above performance areas have been included in the Annual Performance Plan and performance against the Plan is monitored regularly, either quarterly or annually, as appropriate.

5.1.4 Strategy, performance and Reporting

Strategy and performance

Principle 4: The accounting authority should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value chain.

The Board is responsible for setting the organisation's strategic direction, which is aligned to the National Development Plan and government priorities. The Shareholder Compact requires that the Board shall integrate any governmental policy relating to the Agency into its Strategic Plan, key performance measures and borrowing programme in order to execute its legislative mandate. The provision of sustainable development opportunities for small and developing contractors, service providers and communities affected by SANRAL's projects are key strategic outcomes aimed for.

In 2017/18, the Board approved SANRAL's strategic framework, Horizon 2030. It was launched by the Minister of Transport in September 2017. Management's efforts are aimed at achieving the strategic objectives set out in this framework through concrete initiatives that are listed in the annual performance plan of the company. The Board reviews the risks which could influence the achievement of strategic objectives and is accountable for risk management.

The 10 strategic objectives have been translated into key performance indicators (KPIs) with annual targets, which are monitored quarterly, semi-annually or annually. The KPIs measure performance of important aspects of SANRAL's business, such as road asset performance, road safety, transformation efforts, financial efficiency, research and stakeholder relations. The performance report for 2023/24 can be found on pages 34 and 74 to 82. These KPIs are also linked to the individual performance agreements of employees.

5.1.5 Reporting

Principle 5: The accounting authority should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.

SANRAL's Annual Report, which includes the annual financial statements, is published on the SANRAL website. The report includes governance disclosures with respect to the King IV Code, as recommended under each principle in the Code.

The Board, supported by the Audit and Risk Committee, oversees the compilation of the Annual Report including the annual financial statements and the related accounting policies and materiality thresholds used for financial reporting. The Board has used reports from various assurance providers to ensure the integrity of the reports.

5.1.6 Governing structures and delegation

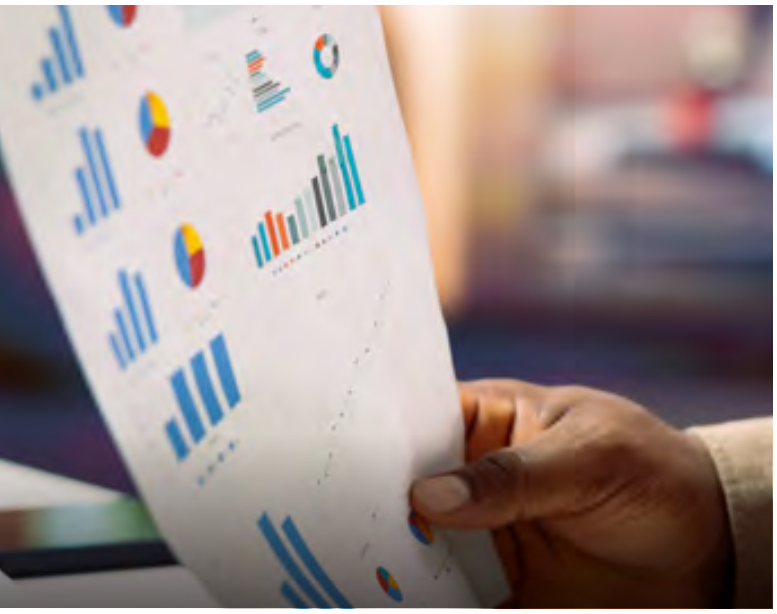
Primary role and responsibilities of the accounting authority

Principle 6: The accounting authority should serve as the focal point and custodian of corporate governance in the organisation.

The Board's role and responsibilities are detailed in the Board Charter. Its functions include the setting of strategic direction, the approval of policies governing operations, the oversight of implementation, and accountability through appropriate disclosure in the Annual Report and through performance management and reporting. The Board is comfortable that it has fulfilled its responsibilities with regard to key themes such as good corporate governance, fiscal discipline, improved audit outcomes, compliance and policy coherence which were imperatives pursued by the Board during FY 2023/24, as has been the practice over the years.

Four meetings were held this year.

The shareholder meeting (AGM) was held on 26 September 2023.



5.1.7 Composition of the accounting authority

Principle 7: The accounting authority should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

SANRAL's sole shareholder is the State, represented by the Minister of Transport. Other than the representative from National Treasury, who is nominated by the Minister of Finance and appointed by the Minister of Transport, the non - executive and independent board members are nominated and appointed by the Minister of Transport in terms of the SANRAL Act, No. 7 of 1998, as amended.

5.1.8 Committees of the accounting authority

Principle 8: The accounting authority should ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties.

Section 16 (1) of the SANRAL Act states that "the Board may from time to time appoint one or more committees to assist the Board in performing its functions".

The Board has established four committees to assist it in discharging its duties. These are the Contracts Committee, the Audit and Risk Committee, the Social, Ethics and Transformation Committee and the Assets and Liabilities Committee.

The committees do not assume any management or operational functions but have oversight of the functions which fall within their area of responsibility as per their respective charters and make recommendations to the Board in this regard. All committees have the responsibility of monitoring the management of risks within their area of oversight.

The Board has agreed that a Nominations Committee may be established on an ad-hoc basis as required.

All committees function in accordance with the mandate and delegations determined by the Board, as detailed in their respective charters.

The Board appoints the members of committees based on the skills required to fulfil the functions of the committees. The tenure of the committees is concurrent with that of the Board – three years as per the SANRAL Act, as amended. The Board may

reconstitute the membership of committees during its tenure depending on requirements or any changes to the members on the Board. The Board may appoint external, independent members (as permitted by law) or advisors to the committees should their skills be required for the effective functioning of the committees. Such appointments are always subject to an open and competitive recruitment process.

5.1.9 Evaluation of performance of the accounting authority

Principle 9: The accounting authority should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The performance of the Board and its committees was evaluated by an independent organisation which was appointed following an open tender process during 2023/24. Board performance is evaluated biennially as required by the Shareholder Compact.

SANRAL's policy and procedures relating to Board evaluation are detailed in the Board Charter which is on the SANRAL website.

5.1.10 Management appointments and delegates

Principle 10: The accounting authority should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

Delegation of powers

The Board has approved a Delegation of Authority Framework effective 1 April 2021, guided by the requirements of relevant legislation and general governance principles. This ensures adequate control and oversight on the part of the Board and at the same time ensures that the CEO has the authority to implement and execute the Board-approved strategy and to manage operations. The CEO, in turn, has delegated certain powers to the executive and management teams. Delegations of powers are routinely reviewed annually, and also when statutory changes necessitate their revision. The Board undertook an in-depth review of the Framework during 2019/20 and 2020/21. This review included obtaining legal advice, particularly with respect to the powers of committees and delegations relating to the procurement function.

The Board is satisfied that the SANRAL Delegation of Authority Framework contributes to role clarity and

the effective exercise of authority and responsibilities. A review and update of the Framework is ongoing.

Chief Executive Officer

The CEO reports to the Board. The Chairperson, in consultation with the Board, is responsible for the performance evaluation of the CEO and also for the recommendation of the annual salary adjustment to the Minister of Transport. The succession plan is overseen by the Board.

The CEO is accountable for the implementation and execution of the Board approved strategy and policies,and for leading operational planning and implementation. The primary responsibilities include delivering on the KPIs captured in the Annual Performance Report, managing business operations, driving company strategy, maintaining technical excellence in delivery and addressing key company challenges.

Neither the former CEO nor the Acting CEO had any other professional commitments during the year under consideration.

5.1.11 Risk governance

Principle 11: The accounting authority should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

SANRAL uses the ISO 31000 Risk Management Methodology in assessing both strategic and operational risks. At an operational management level, SANRAL has a Risk Focus Group, which meets quarterly and reviews the operational risk profile of the organisation and monitors the associated internal control environment. The strategic risk profile is monitored by the Audit and Risk Committee (ARC) and the Board tracks the progress and effectiveness of risk management within the organisation.

SANRAL follows a risk-based internal audit approach and therefore uses the risk assessments produced by the Risk Management unit to develop the annual Audit Plan.

The annual governance, risk and compliance roadshow at all SANRAL's offices provides a reminder to employees about SANRAL's anti-fraud and corruption philosophy and its approach to risk management. It is also an opportunity to highlight new risks or weaknesses identified, in order to improve the response or management thereof.

The Board is ultimately accountable for risk management and the Audit and Risk Committee monitors risk management on an ongoing basis on behalf of the Board.

5.1.12 Technology and information governance

Principle 12: The accounting authority should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.

Refer to Section ICT on page 36.

5.1.13 Compliance governance

Principle 13: The accounting authority should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

Ensuring compliance is integral to every activity or operation of the organisation. A Compliance Policy has been adopted. It confirms SANRAL's commitment to comply not only with legislation but also with codes, standards and best practice.

The identification of legislation and regulation that impact on SANRAL's activities is one of the processes to ensure compliance. A key area of focus has been on ensuring compliance with procurement legislation and regulations, changes which are closely monitored through SANRAL's Supply Chain Management Unit. The unit is required to give effect to such changes. Controls in this area continue to be strengthened. Strict adherence to SCM regulations is critical, as is the avoidance of any real or perceived conflict of interest.

The annual governance, risk and compliance roadshow to all employees informs staff of the importance of compliance in every function.

5.1.14 Remuneration governance

Principle 14: The accounting authority should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

SANRAL's remuneration philosophy and policy support its business strategy.

The Remuneration and Benefits Policy guides the determination of the remuneration of employees. The Policy is updated annually and approved by the Board, on the recommendation of the SETC, which has the responsibility for overseeing employee remuneration. It is also tabled and approved at the shareholder meeting which serves as the Annual General Meeting, most recently on 14 December 2022.

The purpose of the Policy and its implementation strategy is to:

- Attract, retain, motivate and reward high-performing employees who constructively contribute to the achievement of SANRAL's objectives.
- Enable appropriate transparency in the development of remuneration programmes and distribution of individual remuneration awards to ensure equity and fairness, based on valid and appropriate external and internal benchmarks and criteria.
- Promote efficient use of remuneration to derive value, ensure compliance and promote responsible use of limited public funds through the achievement of strategic objectives and positive outcomes in the short, medium and long term.

SANRAL is committed to the principle of fair and responsible remuneration for the whole company. Actions in this regard include:

- Assessment of remuneration conditions among employees at the same level, in accordance with the principle of "equal pay for work of equal value", to identify and address any unjustifiable remuneration disparities.
- Initiatives to invest in its people, including through talent management, development opportunities for all employees, various training courses as per identified needs, and an employee value proposition aligned with corporate values and culture.

SANRAL engages the services of a specialist service provider during most years to advise SANRAL on a range of reward issues, including, senior executive rewards and governance, tax and regulatory compliance, a "total" reward strategy and analytics, competitive benchmarking, incentive design and linkage to performance management. The SETC has been satisfied with the independence of the service providers.

Elements of the remuneration framework

SANRAL has two components of remuneration:

- Total guaranteed package (including benefits).
- Short-term incentives in the form of its STI scheme.

The guaranteed package is the total annual guaranteed cost to the company of employing an individual and includes components such as cash salary, travel allowance and the company's contributions towards retirement funding and medical insurance.

Guaranteed packages are benchmarked against the 50th percentile of the market for comparable companies utilising independent salary surveys. SANRAL currently uses the Emergence Growth South Africa's (EGSA) national survey, engineering circle and state-owned data for the annual salary surveys. Information on packages offered in comparator groupings in the industry and the state-owned environment allows SANRAL to develop market-related remuneration scales for all employee grades. Salary adjustments also take into account salary grade and performance and must always be within the limits approved by the Board.

Total guaranteed package (TGP)

Our employee pay reflects their skills, role and function. SANRAL offers benefits that are best practice and comply with legislation. In terms of our total cost to company philosophy, any change in the price of a benefit or contribution level will not have a cost impact on the employer but will affect the employee's net remuneration. As a standard, we offer the benefits detailed below to all permanent employees, including our executive team.

Retirement funding

The SANRAL Provident Fund, a defined contribution scheme, is compulsory for all permanent employees. Contributions to the retirement fund are based on pensionable salary and employees can select their pensionable salary at either 72.5%, 80%, 90% or 100% of the TGP. They can also choose where they would like their money to be invested based on their individual risk profile. The normal retirement age is 65 for all employees.

Insured benefits

The insured benefits include group life assurance, spouse cover, and disability benefit. These contributions are calculated as a percentage of pensionable salary.

Medical aid

Employees can choose to participate in any nominated medical aid scheme. The schemes available at SANRAL were selected to address the needs of the diverse SANRAL workforce. As part of the medical aid benefit offering, we have a full-time Alexander Forbes consultant to assist with any medical aid related queries.

Variable pay - short term incentives

Employees who exceed performance expectations are eligible for variable pay in the form of a short-term incentive (STI) scheme bonus in accordance with the approved STI scheme rules. The scheme is performance-based and is aimed at attracting, retaining and motivating employees and supporting implementation of SANRAL's strategy. Performance targets are agreed through a performance contract with each employee at the start of a financial year and vary in accordance with the grading of the individual and their ability to influence organisational performance. The performance rating agreed by the line managers and employees at the conclusion of the annual review cycle, combined with performance ratings for each region, division and SANRAL's organisational performance score, form the basis of the short-term incentive calculation. Performance and the incentive calculations are audited prior to payment.

Employees who are under investigation or have pending disciplinary action are not eligible for a performance bonus. Only after the finalisation of the investigation and/or disciplinary action proceedings will the performance bonus pay-out be considered and a retrospective payment may be made. In the event of resignation before financial year-end or dismissal for just cause, all STI will be forfeited.

The setting of remuneration of the CEO is the responsibility of the Board. The CEO's remuneration adjustment must be approved by the Minister of Transport in consultation with the Minister of Finance. This is done on the recommendation of the Board, based on its assessment of the CEO's performance.

Board Remuneration

The Minister approves the remuneration for the Chairperson and the independent, non-executive members of the Board. Those members were remunerated at a daily rate for every day spent on SANRAL business, as per S13 (3) (a) of the SANRAL Act. The remuneration for Board members has not been increased during the term of the current Board.

The remuneration of the Board and senior management is listed on pages 434 to 436.

5.1.15 Assurance

Principle 15: The accounting authority should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The Board is responsible for ensuring an effective internal control environment to ensure the integrity of information and operations and the implementation of Board-approved policies. To do so, the Board has ensured

that there is coordination of work amongst different assurance providers including line management, the risk management function and internal and external audit.

Internal auditor

The Internal Audit function followed the co-sourced model during FY 2022/2023. For the co-sourced and outsourced projects, the Internal Audit function utilised the Board-approved panel of service providers. As on 31 March 2023, the Internal Audit function completed 11 out of 32 audits which were planned for the year of the rest, 16 audits were in progress and 5 audits were approved for cancelation by the Board to avoid a duplication of audits as those audit areas were covered in the external auditor's (AGSA) audit scope.

The CAE reports functionally to the chairperson of ARC and administratively to the CEO and has direct access to the Board. The Board, on the recommendation of ARC, approved the FY22/23 internal audit charter, methodology and the three-year rolling internal audit plan, which takes a risk-based approach. The ARC and Board acknowledge and support the roll-out of the combined assurance model.

The Internal Audit function has confirmed to ARC that, for 2022/23, there was no material breakdown in the functioning of the systems, procedures and controls, which could lead to material losses, contingencies or uncertainties, or require disclosure in the financial statements. Any control deficiencies identified by the internal and external auditors were brought to the attention of the ARC and management implemented corrective action. Where internal controls did not operate effectively during the year, corrective action has been taken.

External auditor

In terms of the SANRAL Act and the PFMA, the Auditor-General of South Africa (AGSA) is the appointed external auditor. The ARC has considered the quality of the external audit done by the AGSA and is satisfied with the processes and audit deliverables.

The AGSA is mandated by the Public Audit Act No 25 of 2004, as amended, with the latest amendment in 2018, to conduct the audits in accordance with the International Standards on Auditing. The AGSA is required to comply with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. These require that any threats to independence be identified and mitigations put in place. The Board is satisfied that the external auditor is independent of the organisation. The external auditor did not provide any non-audit services.

The AGSA rotates engagement managers whenever a familiarity threat to independence is identified. The rotation policy stipulates that an engagement manager should be rotated on a five-year basis and this is monitored by the risk and ethics unit within the AGSA. However, if conditions suggest a significant threat to independence, the rotation can be done earlier than five years.

The AGSA attends the Audit and Risk Committee meetings regularly and also the Shareholder Meeting which serves as SANRAL's Annual General Meeting annually.

Assurance

The Board, on the recommendation of the Audit and Risk Committee approved the Combined Assurance Framework in the FY 22/23. The key objectives of the Framework are:

- To prevent or minimise duplication, wastage of resources and assurance fatigue.
- To ensure there is an optimised and comprehensive coverage of the most significant strategic and operational risks and how they are being managed.
- To confirm or challenge the risk exposures assessed by management.
- To improve commitment to the enhancement of controls and risk management.
- To assist the Accounting Authority with the discharge of its oversight duty on combined assurance.

5.1.16 Stakeholder relationships

Stakeholders

Principle 16: In the execution of its governance role and responsibilities, the accounting authority should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Refer to stakeholder section in report

6 INTERNAL CONTROL UNIT

Refer to section 15

7 INTERNAL AUDIT AND AUDIT COMMITTEES

Refer to section 15

8 COMPLIANCE WITH LAWS AND REGULATIONS

SANRAL prioritises compliance with laws and regulations to ensure ethical and lawful conduct in all its operations. Below are key elements of our commitment to compliance:

- Adherence to the Constitution and all relevant laws related to SANRAL's supply chain management (SCM)
- Compliance with the Labour Relations Act and the Employment Equity Act regarding employee matters
- Strict adherence to the Preferential Procurement Policy Framework Act (PPPFA), the Public Finance Management Act (PFMA) and Treasury regulations governing procurement, with segregation of SCM functions and appointment of relevant bid committees
- Proper delegations by the Board to management in accordance with the SANRAL Act and PFMA

- Conducting roadshows on the Constitution, relevant laws and compliance issues
- Proactive and ongoing legal advice provided by Legal Services to departments and units
- Legal vetting of standard operating procedures (SOPs) and agreements pertaining to SANRAL before signature
- Sharing and discussing decided cases with relevant units to assist in and improve compliance
- Advice on policy formulation and public participation

9 FRAUD AND CORRUPTION

The SANRAL Board sets the tone for ethical business practices, a standard that permeates every level of the organisation. This commitment entails upholding principles of transparency and fairness in all decisions made by SANRAL, diligently avoiding conflicts of interest, and ensuring the integrity of procurement processes as the organisation executes its primary function of awarding and managing large-scale road projects nationally. The functioning and conduct of the Board and its committees are guided by Board and committee charters and the Board Code of Conduct.

The Board outlines its practices regarding the declaration of interests and the prevention of conflicts of interest in presentations delivered to both Board members and employees. Additionally, annual governance, legal, risk and compliance roadshows for all employees reinforce the significance of ethical behaviour.

Important policies in this area include the Anti-Fraud and Corruption Policy and the Risk Management Policy.

The Agency upholds a zero-gifts policy, prohibiting employees from accepting any gifts from service providers. This measure safeguards the independence and transparency of decision-making processes.

SANRAL also operates an independently monitored National Fraud Hotline, accessible to both employees and external parties, including service providers, enabling them to report suspected fraud anonymously. The Agency achieved 88% in its annual performance rating related to the management of fraud, corruption and unethical behaviour reported via its hotline.

10 MINIMISING CONFLICT OF INTEREST

The committee process is based on the principle of "no conflict of interest". Therefore, no person that serves as a voting member on the Bid Specification Committee (BSC-non engineering) / Procurement Gate 3 (PG3) may be a voting member of the Bid Evaluation Committee (BEC).

No person that serves on the BSC-non engineering/ PG3 or BEC may be a voting member of the Bid Adjudication Committee (BAC).

The project manager or end-user representative who participated in the drafting of the specifications may not participate as a voting member of BEC or BAC for the same tender.

However, any BSC/PG3 or BEC member may attend any BAC meeting only as an observer or for administrative purposes or for matters of clarification.

All members and observers as well as the secretariat of the Bid Adjudication Committees must declare their financial interest or any conflict of interest, at every meeting by completing a declaration of interest form.

In addition, each member as well as all officials rendering an administrative support must sign a declaration at each meeting declaring that they will:

1. Accept the confidentiality of the meeting;
2. Not make known any information regarding the meeting unless officially authorised to do so; and
3. Not purposefully favour or prejudice anybody

Where an attendee has declared conflict of interest, they will be recused from the process and it will be recorded as such.

11 CODE OF CONDUCT

The SANRAL Code of Conduct outlines the principles guiding employee behaviour, emphasising the importance of upholding these principles in maintaining trust within the employment relationship. It underscores dedication and accountability, with a firm emphasis on ethical behaviour, professional conduct and alignment with the organisation's core values and mission.

SANRAL mission	*Values*	*Code of conduct principles*
Our purpose is to deliver a safe, efficient, reliable and resilient national road transport system for the benefit of all the people of South Africa.	Customer focus: We prioritise understanding our customers, delivering what truly matters to them and making decisions with empathy. Community relevance: We aim to remain relevant to the local communities in which we operate, promoting the transformation of the country and fostering environmental sustainability.	Professional standards: Employees pledge and commit to holding themselves to a standard consistent with the organisation's values, norms and code of conduct, including professional standards, while treating everyone with respect.
	Accountability: We promote accountability and trust through our consistent, open, honest and ethical actions.	Accountability: Employees will conduct themselves in a professional, just and honest manner in the execution of their responsibilities. This includes declaring and/or recusing themselves in situations of conflict in dealings with colleagues, stakeholders and the public we serve.
	Safety: We are committed to safety and continually seek innovative solutions to reduce harm.	Compliance: Employees are expected to be familiar with and adhere to corporate governance standards and policies, as well as legislative and regulatory requirements, to safeguard the image and reputation of SANRAL.
	Efficiency: We are dedicated to efficient service and strive for excellence and customer satisfaction.	Competence: Employees commit to providing excellent service, executing their duties with professionalism and competence, while working towards the achievement of SANRAL's objectives.

12 HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

During the reporting period, environmental challenges arose primarily from emergency works, requiring prompt action without the benefit of prior planning. Despite the urgency, it remains crucial to ensure that response measures align with environmental regulations and standards. Emergency works are authorised in terms of Section 30A of the National Environmental Management Act, 1998 (NEMA) as amended.

In February 2024, SANRAL received its first-ever Compliance Notice from the Department of Forestry, Fisheries and the Environment, on an emergency response project. The notice did not pertain to the Agency's emergency response measures per se, but rather to an interpretation of one of the activities outlined in the Environmental Impact Assessment Regulations.

This incident, along with other engagements with the Department regarding road projects affected by floods, highlighted the need for consistent definitions and application of the S30A Emergency Regulations, as well as a broader perspective when employing regulatory tools. It is essential to consider these tools not solely for rebuilding damaged infrastructure, as this process is well-established and effective, but also for mitigating the broader impacts of floods and other disasters.

SANRAL is thus planning to hold regular Coordination Meetings with the Department to debate, share experiences and ensure consistency in interpretation of regulatory requirements.

13 COMPANY/BOARD SECRETARY

- As of November 2023, the SANRAL Board appointed a Board General Counsel and Company Secretary to strengthen the Company Secretariat with essential legal and corporate governance skills, experience and expertise relevant to SANRAL's operational environment.
- In the capacity of Board General Counsel, the incumbent is obliged to provide the Board with sound advice on legal, governance and corporate matters and to ensure the Agency's compliance with legal and regulatory frameworks. This includes providing legal advice to the Board of Directors, managing litigation and legal risks, ensuring compliance with relevant laws and regulations, and overseeing and managing all legal matters affecting the Board.
- In the role of Company Secretary, the incumbent oversees the secretarial functions as outlined in King Code of Good Corporate Governance, the Companies Act and the SANRAL Act. In this regard, the incumbent is responsible for ensuring that the Board of Directors operates effectively and efficiently. This includes organising Board meetings, preparing meeting agendas and minutes, maintaining corporate records, ensuring compliance with corporate governance regulations, and acting as a key liaison between the Board, management and shareholders.
- Both roles, albeit combined, are crucial for maintaining good governance, managing legal risks and ensuring that the organisation operates ethically and within the boundaries of the law.

Certificate of the Company Secretary

I hereby confirm in terms of Companies Act, (Act No. 71 of 2008), as amended, that for the financial year ended 31 March 2024, the South African National Roads Agency SOC Limited has lodged with the Companies and Intellectual Property Commission, all returns as are required in terms of this Act, and that all such returns are true, correct and up to date.

Adv Sinomtha Linda
Board General Counsel and Company Secretary
May 2024

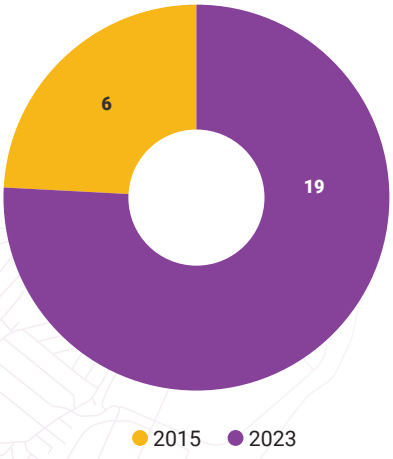
14 SOCIAL RESPONSIBILITY

Beyond its core function of maintaining and developing South Africa's national road network, SANRAL demonstrates a deep commitment to social responsibility and to empowering the communities it serves. Its multifaceted approach in this area encompasses a range of initiatives, from investing in educational programmes, bursaries and scholarships, to directly empowering communities through infrastructure development projects that foster local engagement and skills training. The period under review witnessed significant strides in the Agency's social responsibility efforts.

14.1 Educational initiatives

SANRAL is dedicated to supporting education and skills development as a fundamental aspect of its social responsibility. Initiatives in this area not only enhance SANRAL's technical expertise and foster innovation, but also cultivate a robust pipeline of skilled professionals. Furthermore, they contribute to the overall growth and development of South Africa.

SANRAL bursary students in tertiary institutions



14.1.1 Scholarships and bursaries programmes

SANRAL contributes to youth development by investing in tertiary education. This assistance is targeted towards deserving applicants who meet the requirements in fields related to transportation infrastructure, engineering, the built environment, smart technologies, public sector infrastructure development and administration, and other professions relevant to SANRAL's core business. Bursaries are available across 18 tertiary institutions and nine provinces.

ACCESS

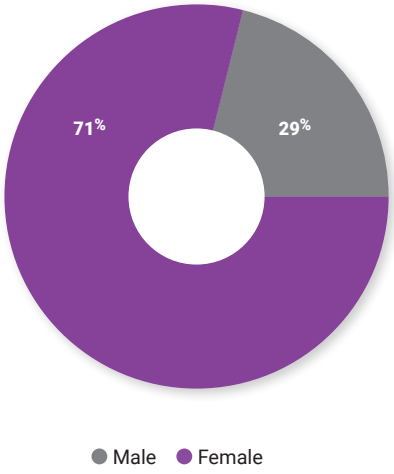
SANRAL also awards scholarships that provide financial, emotional and academic support, thereby enhancing the academic performance of learners upon completion of Grade 12. The scholarship programme caters to South African learners from Grade 8 to 12 without any subject-specific qualifying criteria. To meet the minimum requirements, learners must obtain an overall academic average of 60%. This approach allows SANRAL to reach a bigger pool of deserving learners who are in financial need.

In the reporting period, scholarships were awarded to 251 learners from 209 schools across South Africa, with 71% of the recipients being female. The total committed expenditure for these scholarships was approximately R10,144,593.57. Additionally, 33 matriculants achieved exceptional results, with a 100% matric pass rate.

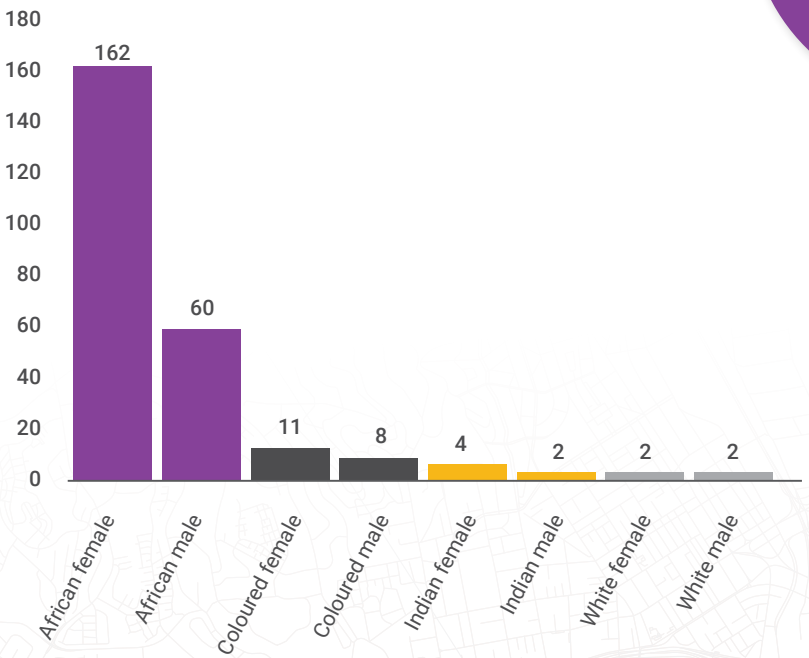
Scholarship recipients by population group

African female	African male	Coloured female	Coloured male	Indian female	Indian male	White female	White male	Total	Disability	Youth
162	60	11	8	4	2	2	2	251	0	251
88%		8%		2%		2%		100%		

Percentage of scholarship recipients by gender



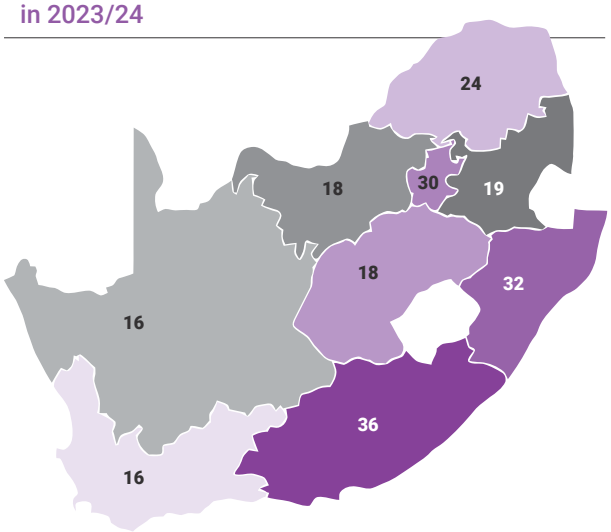
Percentage of scholarship recipients by population group



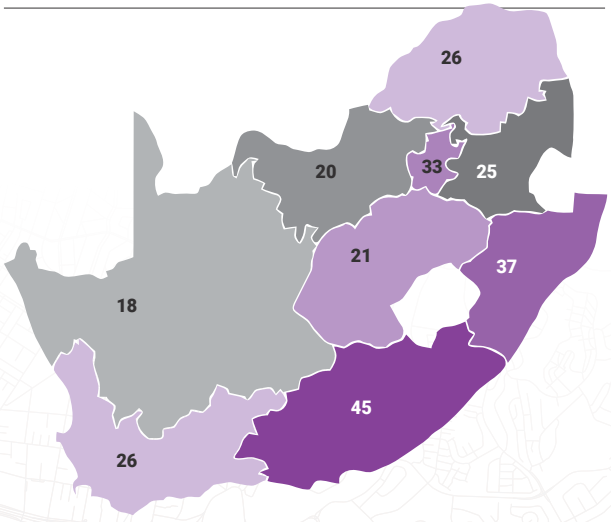
Scholarship recipients by province

Provinces	Number of learners	Number of schools
Gauteng	33	30
Limpopo	26	24
North West	20	18
KwaZulu-Natal	37	32
Eastern Cape	45	36
Western Cape	26	16
Mpumalanga	25	19
Free State	21	18
Northern Cape	18	16
Total	**251**	**209**

No. of schools awarded scholarships per province in 2023/24



No. of students awarded scholarships per province in 2023/24



14.1.2 Work-Integrated Learning Programme

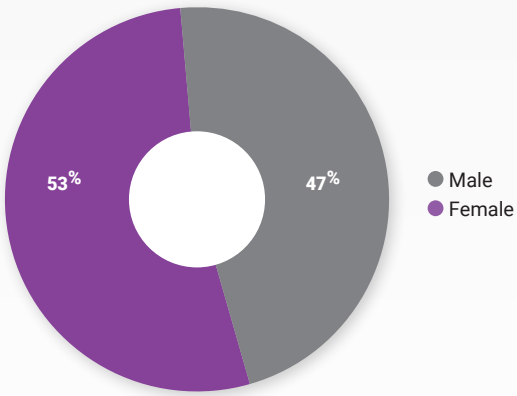
The Work-Integrated Learning (WIL) Programme aims to enhance capacity building in the public sector infrastructure development economy. The programme offers students opportunities to gain meaningful work experience that complements their academic qualifications. This experience is designed to facilitate the acquisition of skills and confidence, thereby supporting future employability.

WIL participants by gender and population group

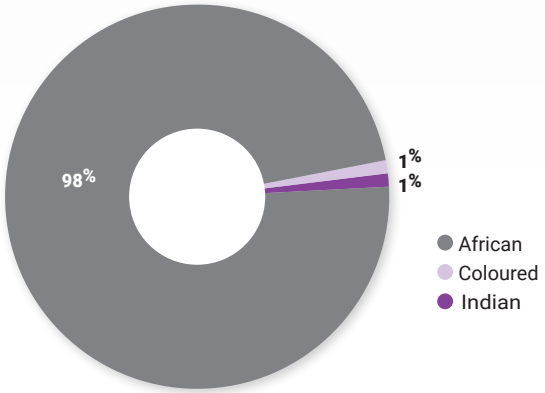
Gender		Race				Region				Dis-ability	Youth
Male	Female	A	I	C	W	NR	WR	ER	SR		
112	126	233	2	3	0	68	33	51	86	0	238
47%	53%	98%	1%	1%		29%	14%	21%	36%		100%

A - African I - Indian C - Coloured W - White

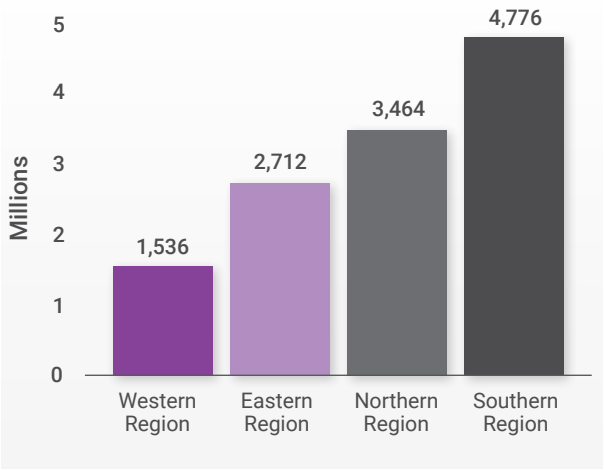
Percentage of WIL participants by gender



Percentage of WIL participants by population group



WIL expenditure per region in millions



14.1.3 Specialised Chairs at universities

SANRAL's investment in higher education institutions comprises two streams, one of which is the sponsorship of three specialised Chairs at universities. These Chairs are dedicated to promoting technical expertise and human capital development.

During the reporting period, these funding initiatives yielded several notable achievements, including exciting international research collaborations facilitated by the Chairs.

University of the Free State Chair in Mathematics and Science Education

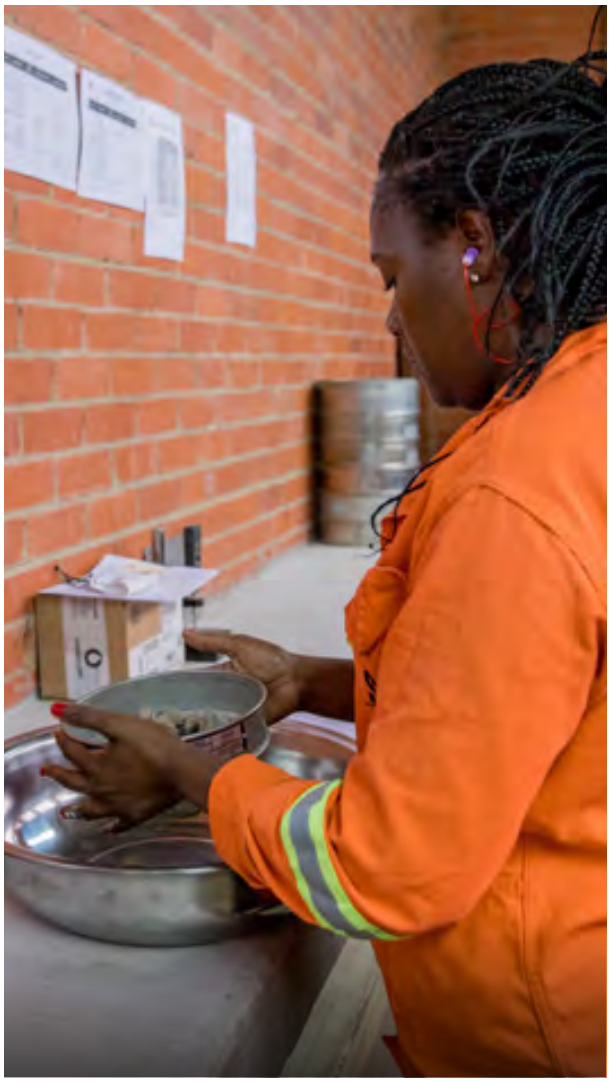
The role of the SANRAL Chair at the University of the Free State is to actively develop researchers in the fields of science and mathematics education and to support teaching and learning in schools.

During the reporting year, workshops were conducted to support students in the Bachelor of Education (BEd) Honours, Master of Education and PhD programmes, specifically focusing on proposal defence and academic writing for publications.

The SANRAL Alumni Programme, aimed at establishing a network of experts in mathematics, science and technology across the Southern African Development Community (SADC) region, continued successfully throughout 2023. It reached a significant milestone with the launch of its South African chapter during the third group event held at the Silverstar Hotel in Krugersdorp, Johannesburg, in September 2023.

The Chair's work in the school environment was supported by the teacher development workshops for maths and science education as delivered through subject advisor workshops. These workshops are in addition to the Family Math and Family Science project as discussed under the work of the university's Science for the Future (S4F) institution. The teacher development workshops focus on educators teaching maths and science while the subject advisor workshops are for the mentors and evaluators.

The Chair continued to support knowledge generation through research on best practices for science and mathematics education, accompanied by the regular publication of articles in high-impact accredited journals. Notable achievements include the awarding of five PhDs, along with the publication of book chapters, over 20 academic articles and 24 conference proceedings during the reporting period.



University of Cape Town Chair in Transportation Management

During the reporting period, the SANRAL Chair at the University of Cape Town continued to promote transportation-related research and foster the development of human capital within the field of transportation engineering. The Chair remains on the Board of Directors/Treasurer at the HealthBridge Foundation of Canada.

Notable achievements for the reporting year include the Chair now serving as Head of the Department, leading the development of a new Bachelor of Science (BSc) curriculum in civil engineering. This ambitious, problem-driven, decolonised curriculum directly responds to many of the challenges facing South Africa and sets a new standard for civil engineering curricula in the country.

In addition to conducting hybrid and hybrid-flexible teaching sessions for a minimum of 150 undergraduate and postgraduate students in the field of transportation management, the Chair also provided supervision for five undergraduate students and 25 postgraduate students.

The SANRAL Digital Laboratory, established in 2022, saw several exciting research projects during the reporting period. One of the research areas was machine learning and image recognition for freeway pedestrian crossing in collaboration with the University of Lisbon. Others included collaborative decision-making for gravel road upgrading, behavioural modelling of pedestrians along South Africa's freeways and the development of alternative road-funding models.

Research collaboration is essential for remaining relevant and informed about current industry developments worldwide. In line with this philosophy, the Chair successfully collaborated with various key players in academia and industry.

Institution	*Collaborative project*
Israel Institute of Technology	Transport Justice in Kigali, Rwanda and Blantyre, Malawi
University of Leeds, United Kingdom	Behavioural modelling and choice modelling in Africa
Technical University of Dresden	Impact of paratransit systems
Technical University of Dortmund and University of ABC in São Paulo	Impact of COVID-19 on livelihoods, mobility and accessibility of marginalised groups
SANRAL Research Panel (collaborations with University of KZN and University of Pretoria)	Non-motorised transport behaviour and road-funding models

Stellenbosch
UNIVERSITY
IYUNIVESITHI
UNIVERSITEIT

University of Stellenbosch Chair in Pavement Engineering

The SANRAL Chair at the University of Stellenbosch continued with its undergraduate and postgraduate education during the reporting period, as well as the development and management of the asphalt and pavements laboratories.

The Chair contributed to collaborative research locally through SANRAL, partnering with the Council for Scientific and Industrial Research (CSIR) and the Southern African Bitumen Association (Sabita). This collaboration resulted in research and development initiatives, postgraduate research projects and the development of industry guidelines.

Internationally, the Chair collaborated with esteemed institutions such as Delft University of Technology in the Netherlands, the University of Parma in Italy and the International Society of Asphalt Pavements. Additionally, collaborations with the *International Journal of Road Materials and Pavement Design* facilitated technology transfer and enriched educational programmes. These partnerships are key to the provision of world-class education in South Africa.

During the reporting period, the Chair's engagement in training and academic courses, facilitated through both local and international collaborations, presented an excellent opportunity for capacity building within the roads industry. Seven Master of Engineering (MEng) degrees were awarded in pavement engineering and four new postgraduate students enrolled for studies in pavement engineering. This brought the total number of registered postgraduate students to 18 at the start of 2023 (figures subject to graduation rates and application acceptance).

The Chair presented three postgraduate courses, along with webinars and a seminar focusing on pavements. These courses featured lectures from both international and local professors, doctors and specialists, providing invaluable exposure to cutting-edge global roads technology. The number of delegates attending each course varied between 5 and 32, reflecting significant interest and participation in these educational opportunities.

The construction and establishment of the Pavement and Geotechnical Research Laboratory (PGRL) in 2020, funded by Stellenbosch University, has provided significant momentum and enhanced the quality of research in the Chair's areas of focus. The laboratory remains a thriving hub of research activity, with its findings regularly shared with SANRAL and the wider industry.

The Chair's contribution to the roads industry is both pertinent and sustainable across all areas of operation.

14.1.4 Science and maths programmes for learners, parents and teachers

The second stream of SANRAL's investment in higher education institutions supports seven universities in implementing educational programmes designed to enhance the proficiency of school learners in mathematics and physical science. These initiatives include practical experiments at the ICT Laboratory for Science, as well as science and maths programmes for learners, parents and teachers.

UNIVERSITY OF THE FREE STATE
UNIVERSITEIT VAN DIE VRYSTAAT
YUNIVESITHI YA FREISTATA
UFS UV

Physical Sciences (ICT) Laboratory at the University of the Free State

Target group: *Grade 9–12 learners*

About the programme: A partnership between S4F, SANRAL and participating schools, the laboratory aims to promote effective science teaching and learning. By incorporating a philosophy of learning known as 'social constructivism', the programme encourages learners to engage in hands-on activities and interactions to develop their understanding of science concepts and acquire 21st-century skills. The programme fosters collaboration, communication and cross-cultural understanding, while also leveraging learners' digital literacy. This integrated approach combines theory, practice and technology within a single classroom, providing a unique environment for science education.

Duration: A key element of this approach is ensuring that each learner, on average, participates in at least 30 sessions over a three-year period (from Grade 10 to 12). This extended approach, as opposed to one-time engagements, maximises the programme's effectiveness.

Impact: A total of 271 learners from 20 different schools attended sessions at the laboratory and participated in regular curriculum-related activities. Participating learners received a total of 1,557 hours of training in two-hourly sessions during this period.

Additionally, learners had the opportunity to engage in events such as visits to Boyden Observatory and the Naval Hill Planetarium at Naval Hill. A career guidance session was organised, establishing an official link between the learners and the university's Unit for Prospective Students, Kovsie2B.

Science-for-the-Future (S4F)

Science-for-the-Future (S4F) is a SANRAL-funded programme designed to tackle the challenge of mathematics and science teaching and learning in South Africa. Particularly in rural areas, these challenges include teachers with insufficient content knowledge and skill, inadequate resources both in schools and at home, language barriers and limited parental involvement.

S4F aims to address these problems, and thus encourage and enable more young people to enter STEM-related studies and careers, including engineering and science teaching. Initiated by the University of the Free State (UFS), the programme has grown to become a collaboration involving several South African universities.

- **'Key Concepts in Science' programme**

  Target group: *Senior-phase teachers (with a focus on Grades 8 and 9)*

  About the programme: The programme was developed to address the significant challenges facing science education in South Africa and to improve learner performance, which currently falls far below international averages. It focuses on building a strong foundation in the natural sciences in Grades 8 and 9 to ensure success in later grades. Science teachers receive resources and support to integrate the programme into the curriculum effectively.

  Impact: During the reporting period, 4,845 project participants were enrolled in the UFS Key Concepts in Science roll-out and exit programmes.

- **'Family Math and Family Science' programme**

  Target group: *Learners, parents and teachers*

  About the programme: The programme aims to make mathematics and science more accessible and enjoyable for young learners. Through regular activities integrated into the curriculum, it improves learners' understanding and attitudes towards these subjects. Teachers are trained to integrate programme activities into the classroom and to conduct parents' training sessions, fostering parental involvement in children's education.

  S4F at the University of the Free State launched its 'Family Math & Family Science' roll-out initiative in the Free State and Northern Cape in 2009. With SANRAL's support, the programme experienced exponential growth, extending to Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, North West and the Eastern Cape by 2023.

  Impact: S4F enrolled 26,650 project participants across 142 schools in the roll-out, exit and exit support programmes during 2023. To ensure success, 24 subject advisors were trained to act as coordinators in their respective regions, with the responsibility of supporting local educators in the implementation of the programme.

- **South African universities collaboration**

  Through its partnership with SANRAL, S4F has expanded its Family Math and Family Science and Key Concepts in Science programmes to six other South African Universities. This was driven by significant growth in project participants and increasing demand for universities to contribute to the development of 21st-century teaching and learning skills.

  Managed by UFS, these initiatives have been implemented at Nelson Mandela University, Walter Sisulu University, Sol Plaatje University, University of Limpopo, University of KwaZulu-Natal and the University of Mpumalanga. This has expanded the reach of the project and allowed for knowledge sharing between the institutions to build further capacity.

  This collaboration followed a phased approach consisting of 13 milestones over three financial years. Milestones 10–13 were completed during the reporting period, as outlined below.

Year 3 milestones

Milestone 10 Confirmation of collaboration and project quality assurance at collaborating university	'Champions' received individual communication outlining 2023 project responsibilities. Detailed school information collected for timely distribution of training materials.
Milestone 11 Roll-out training of local teachers by collaborating universities	In collaboration with DBE officials, universities identified and enrolled a new group of educators to be trained for the first time. The focus in 2023 was on Grade 9 natural sciences content.
Milestone 12 Exit and exit-support mentoring of local teachers by collaborating universities	The programme is designed to ensure continuity and support for participating teachers from previous years. Facilitators from the universities visited the teachers at their local schools to provide guidance and assess the need for additional resources.
Milestone 13 Collaborating universities plan, organise and register teacher training for 2024	S4F liaised with the universities to confirm the collaboration and discuss the strategy for 2024. S4F received all the teacher enrolments during the first term of 2024.

Impact: A total of 22,067 project participants were included in the Universities Collaboration Family Math and Family Science roll-out and exit programmes during 2023. A total of 25,347 project participants were included in the Universities Collaboration Key Concepts in Science roll-out and exit programmes during 2023.

Key achievements for the reporting period

- Breaking new ground in integrating emerging universities into corporate outreach initiatives in order to impact local communities
- Training of over 30 facilitators/lecturers across six universities in various skill development components, with further growth anticipated
- Notable progress in the personal and professional growth of participating facilitators

13th Annual Family Math & Family Science Summit in 2023

The S4F unit of the Faculty of Education hosted the 13th annual 'Family Math & Family Science Summit' in the Centenary Complex on the Bloemfontein campus of the University of the Free State on 15 September 2023.

The purpose of the annual summit is to reflect on project implementation during a particular year. It also serves as a platform for participating teachers to network with colleagues across the country and in the process establish a professional learning community on a large scale.

The event drew about 300 teachers and representatives from the Department of Basic Education. SANRAL representatives, including Board Chairperson Mr Themba Mhambi and CEO Reginald Demana also attended.

14.2 Community development initiatives per region

While infrastructure development to stimulate economic recovery is a core priority for SANRAL, our projects are also driven by a people-centric approach. Community development (CD) projects are integral to our strategy, ensuring that our initiatives not only enhance infrastructure but also uplift local communities through job creation, skills development and socioeconomic empowerment.

14.2.1 Southern Region

During the reporting period, SANRAL intensified its efforts to address persistent structural deficiencies in the region inherited from the previous dispensation. The Agency is accelerating the rollout of community development projects aimed at constructing access roads that enhance connectivity to amenities and economic hubs.

The projects are primarily designed to engage and upskill local emerging contractors and labour. Construction of these community roads is reserved specifically for local participants and conducted under professional supervision. This initiative aims to address the skills gap and ensure that community members receive the necessary training and experience to pursue future opportunities in the construction sector.

The Southern Region is also planning to implement community legacy projects associated with some of our SANRAL projects. These legacy projects, which are in addition to the roads, training and CD components of each project, will aim to help local communities identify and develop potential businesses based on their existing needs, skills and assets.

Thus far, the Southern Region, in partnership with the Industrial Development Corporation (IDC), has implemented a community legacy project in Lusikisiki, assisting 1,000 locals with various activities such as agriculture, horticulture, crafting curios, and repairing fences and rest areas along the road. They are supported and trained by 110 supervisors over a 12-month programme.

14.2.2 Western Region

Noupoort community development project

In response to appeals from the Noupoort Community Forum and the Umsobomvu Local Municipality for assistance in upgrading internal roads in their area, SANRAL sought to address not only the infrastructure needs but also the broader challenges of poverty, unemployment and inequality.

A CD project was designed to maximise labour-intensive opportunities for locals, benefitting at least 100 individuals.

In line with SANRAL's transformation objectives, subcontracting was prioritised for emerging Black contractors, in particular enterprises owned by women, youth and people with disabilities. Thirteen work packages were designated for subcontracting, and all subcontractors were sourced from Noupoort. The project was completed successfully at a cost of R16 million.

For the people by the people: Noupoort residents now have access to improved roads.

EUREKAVILLE		*KWAZAMUXOLO*	
Street name	*Length (m)*	*Street name*	*Length (m)*
Akasia	174	Bushula	414
Claasen and Palm	555	Duda	320
Elim	396	Lauw	323
Magnolian	171	Maqhina	220
Plataan	305	Sipho Maqungu	344
Populier	444	Tshegare	157
		Mthamo	195
Total	**2,045**	**Total**	**1,973**
Total for both townships			**4,018**

Malmesbury community development project

Through a partnership between SANRAL and the Swartland Local Municipality, the community of Malmesbury and its surrounding areas benefitted from a R12 million CD project. The scope of works included the construction of pedestrian walkways and sidewalks, as well as a recreational park in Ilingelethu and Wesbank.

Approximately 49 residents were employed, with a focus on engaging women, youth and people with disabilities. A total of R1,240,978 was invested in local labour. Additionally, three subcontractors participated in the construction works, at a cost of R2,339,394. Workers also received extensive training.

An upgraded recreation park adds immense social development value to a community affected by many social challenges.

14.2.3 Northern Region

CD projects remain a key focus in the Northern Region, with various initiatives being implemented across its four provinces.

Key corridors such as the R573 Moloto Road and R504 in Wolmaransstad serve as crucial hubs for CD projects, training numerous SMMEs. Construction on the N2 corridor from Ermelo to the KwaZulu-Natal border will soon commence, creating further incubation opportunities for local enterprises and labour.

The region is also actively involved in the implementation of Presidential Employment Stimulus (PES) projects. Located in Limpopo on various provincial roads, these projects utilise innovative nano-modified emulsions (NME). To ensure all stakeholders are involved in this pioneering technology, SANRAL is committed to close collaboration with Roads Agency Limpopo, municipalities, traditional leadership roads forums, taxi and bus associations and communities in the affected areas:

- D2919 from Tshikanoshi to Malebitsa, Sekhukhune District Municipality (R144 million)
- D3878 from Calais to Ga-Sekororo, Mopani District Municipality (R152 million)
- D3187 from Mageva to Makhuva, Mopani District Municipality (R288 million)
- D3810 from Thomo to Hlomela, Mopani District Municipality (R260 million)

14.2.4 Eastern Region

The region is fast-tracking 38 projects, totalling R585 million, to be executed by local SMMEs. These projects include 26 on the N2/N3 upgrade corridor, 11 associated with the Kokstad Interchange upgrade, and one as part of the N8 rehabilitation project. The focus is on improving connectivity to local amenities and economic hubs by upgrading gravel roads to surface road, building new bridges, and creating access roads.

These projects will provide significant benefits to local SMMEs by creating jobs, developing skills, and expanding business opportunities.

14.3 Stakeholder relations

Stakeholder engagement is integral to social responsibility as it ensures inclusivity, transparency and responsiveness to the diverse needs and concerns of the communities we serve.

Stakeholder relations management is rooted in SANRAL's long-term Horizon 2030 strategy, which rests on five pillars: Roads, Road Safety, Mobility, Stakeholders and Transformation. The strategy demonstrates SANRAL's commitment to uplifting communities, promoting inclusive and sustainable stakeholder relationships, and aligning with broader societal goals.

The other overarching purpose of SANRAL's outreach activities and engagements is to foster, safeguard and, where necessary, strengthen the Agency's brand presence and reputation.

These portfolios also align with South Africa's National Development Plan and Public Participation Framework laws, stipulating that citizens impacted by public projects have the right to be consulted and engaged, as well as to contribute across the project lifecycle.

In light of the above, SANRAL prioritises engagements with its diverse stakeholders, particularly historically marginalised communities. Building trust through social facilitation and open communication fosters participatory development. Recognising that transformation is the Agency's 'social licence to operate', SANRAL actively empowers communities by fostering ongoing engagement.

The reporting period marked a new era for the implementation of SANRAL's Horizon 2030, with 'Transformation' now elevated to a strategic pillar.

SANRAL's stakeholder network spans an array of entities, ranging from public or governmental bodies such as the National Department of Transport and Development Bank of South Africa to private-sector entities such as taxi and bus associations, as well as equipment and engineering companies. However, significant emphasis is placed on engaging with specific civil society stakeholders and pressure groups, given their direct involvement and impact in road construction, use and maintenance activities.

Challenges

- There is a justified over-reliance by SMMEs on government subcontracting opportunities. SMMEs often expect to receive work from SANRAL after participating in training programmes due to the visibility of SANRAL projects and the extent of robust and frank engagements held. Moreover, they are motivated by the tangible benefits of transformation that SANRAL articulates and implements.
- Traditional authorities are vital stakeholders who participate and play a crucial role in structures such as the formation of Project Liaison Committees (PLCs). Their involvement is particularly significant in this context, given the inherent challenges posed by the diverse expectations of representatives involved in the structure.
- The lack of understanding among communities regarding the distinctions between road classifications governed by municipal, provincial and national mandates adds complexity to SANRAL's responsibilities. Addressing this challenge demands a cutting-edge approach to stakeholder relations.
- SANRAL faces reputational challenges arising from the competitive dynamics among communities vying for participation in local municipal projects. There is a concerning trend where certain groups, on occasion, attempt to sow division among local authorities and traditional leaders, forcefully asserting themselves into projects that fall outside their jurisdiction.

Stakeholder engagements ensure inclusivity, transparency and responsiveness to the communities we serve.

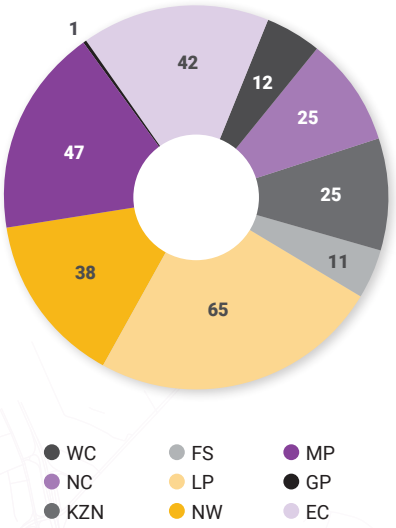
Highlights

- In November 2023, SANRAL held successful nationwide public consultations on its interim Preferential Procurement Policy (PPP). These sessions aimed to inform stakeholders about the policy, gather feedback and encourage participation in its development and implementation. Through interactive question-and-answer formats, SANRAL engaged attendees in hybrid sessions to gather their views on the interim PPP.
- A highly successful stakeholder engagement preceded SANRAL's inaugural Roads Indaba at the World Road Congress 2023 in the Czech Republic. Attendees included the Ambassador of South Africa, the Czech Republic's Ministry of Transport, and delegates from 29 countries, including road authorities, transport ministries and engineering firms. This collaborative approach ensures coherence in service delivery and development. In the past financial year, SANRAL hosted six ministerial activities spanning nearly all provinces.
- SANRAL actively fosters positive intergovernmental relations to promote integrated planning and implementation across all spheres of government.

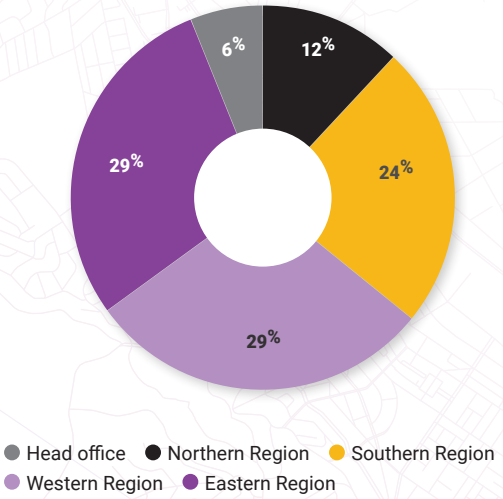
This collaborative approach ensures coherence in service delivery and development. In the past financial year, SANRAL hosted six ministerial activities spanning nearly all provinces.

- SANRAL recognises its employees as crucial brand ambassadors. Internal communication serves as a dedicated platform to equip, engage and inform employees about relevant matters. It also facilitates knowledge sharing to enhance synergy among staff. This year, we successfully hosted 22 staff activations as part of our internal communications efforts.

Number of stakeholder engagements per province 23/24



Percentage of outreach activities undertaken per region for 2023/24



Event types

Oversight visits

Oversight visits by key government officials to SANRAL's flagship projects nationwide are essential for ensuring accountability and transparency in largescale infrastructure developments. These visits enable officials to assess progress firsthand, engage with affected communities, and show the administration's commitment to public investment and community needs.

Information sessions

Information sessions were held with local municipalities, traditional leaders, SMMEs, communities and designated groups – including women, youth, people with disabilities and military veterans – on current and upcoming SANRAL projects and related subcontracting opportunities.

Roundtable engagements

Roundtable engagements were used as a platform to forge strategic partnerships with key stakeholders across respective municipal jurisdictions, as well as provincial and national spheres of government.

Stakeholder engagements

Stakeholder meetings and introductory meetings with main contractors were held, involving representation by various stakeholders, both inter-governmental and from the private sector.

Social facilitation

Social facilitation strategies and tactics were increasingly deployed to identify and map targeted stakeholders, such as people living with disabilities, military veteran associations, taxi associations and others. The aim was to assess their needs and capabilities in order to appropriately capacitate them to participate in SANRAL projects.

14.4 Strategic transformation initiatives

SANRAL is steadfast in its commitment to driving transformation initiatives while adhering to legal frameworks and regulations. This ensures responsible and lawful implementation of these initiatives. To further this goal, the Agency has introduced a range of initiatives aimed at promoting and advancing transformation within the construction industry and related sectors.

Contractor development

SANRAL is currently developing a contractor development programme aimed at advancing targeted enterprises in their Construction Industry Development Board (CIDB) grading, as well as promoting the participation of designated groups in SANRAL projects. These groups include Black-owned contractors, as well as women, people with disabilities, the youth and military veterans. The aim is to nurture sustainable contracting enterprises through continuous work opportunities obtained via competitive processes. The primary focus of this initiative will be on CIDB Grade 5 civil engineering contractors and higher.

Black industrialists

SANRAL's Horizon 2030 Strategy and Transformation Policy prioritise empowering Black industrialists in the construction sector. To achieve this, the Agency is actively seeking their participation across the entire value chain. SANRAL has advertised a request for information (RFI) on public platforms to identify Black industrialists. Through market analysis via the RFI, we aim to understand the root causes hindering their involvement in SANRAL projects. By uncovering these barriers, we can tailor our projects to better attract and support Black industrialist participation.

Supplier development

SANRAL's regional offices and headquarters feature physical (in-person) Supplier Development Desks. These provide SMMEs with a central hub for information, support and guidance relating to SANRAL and its initiatives.

The Electronic Supplier Development Desk (ESDD) provides the following information:

- How to establish a construction entity
- Connecting to relevant statutory government departments for compliance (e.g., SARS, CIDB)
- Step-by-step tender preparation
- Important SANRAL empowering documents (14-Point Plan, Section D1000, etc.)
- Contact details of SANRAL's MoU partners
- Multilingual pre-tender training application process
- SMME tender opportunities

SMME pre-tender training

SANRAL's pre-tender training aligns with the commitments outlined in its Transformation Policy, which emphasises support for contractors (CIDB grades 1–4), as well as professionals and suppliers. The training aims to remove barriers hindering their participation in SANRAL projects.

The programme provides comprehensive guidance on various aspects, including:

- Analysing tender rates
- Crafting a complete tender document
- Managing daily production calculations and resource allocation
- Strategies for business marketing
- Understanding the legal components of diverse construction contracts
- Ensuring alignment and comprehension of project scope, specifications and pricing schedules/ payment certificates

The training has had a significant impact on communities, resulting in over 63 CIDB Grade 1–4 contractors securing appointments on various contracts. Additionally, more than 5,000 SMMEs have benefitted from pre-tender training sessions.

Training per region	
Eastern Region	2,291
Southern Region	1,161
Northern Region	1,259
Western Region	382
Total	**5,093**

15 AUDIT AND RISK COMMITTEE REPORT

In compliance with Treasury Regulation 27(1) of the Public Finance Management Act of 1999 (PFMA), as amended, the Audit and Risk Committee (ARC) reports as follows for the financial year ended 31 March 2024:

15.1 Audit and Risk Committee members and meetings

The ARC consisted of three independent non-executive directors during the year under review. During the reporting year, five (5) meetings were held. The Chief Executive Officer, Acting Chief Financial Officer, Engineering Executive, Acting Business Operations Executive, Chief Audit Executive, Chief Legal, Risk and Compliance Officer, Chief Corporate Affairs Officer, Board General Counsel and Company Secretary, Committee Secretary, other members of the senior Management team and the external auditors attended meetings by invitation.

The Committee members were as follows:

- Ms Noluphumzo Noxaka: Chairperson (Independent non-executive Board member)*
- Ms Robert Haswell: Member (Independent non-executive Board member)
- Mr Thamsanqa Matosa: Member (Independent non-executive Board member)

*Ms. Noluphumzo Noxaka resigned from the Board effective 2 July 2024 and was replaced by Ms. Refilwe Buthelezi as Chairperson of the Audit and Risk Committee effective 30 July 2024.

The ARC is constituted in terms of the PFMA, No. 1 of 1999, as amended and the Companies Act, No. 71 of 2008, as amended, as a statutory Board Committee. The Committee has also been set up as per King IV principles. The ARC has adopted the Audit and Risk Committee Charter, which has been confirmed by the Board. The Charter sets out the mandate of the Committee.

15.2 Responsibilities of the Audit and Risk Committee

During the reporting year under review the Committee conducted its affairs with integrity, impartiality and objectivity. It complied with its roles and responsibilities as stated in the Act and its Charter. In executing its duties during the reporting period, the ARC:

- Reviewed and considered the Integrated Report and Financial Statements.
- Monitored and supervised the effective operation of internal controls and Internal Audit function.
- Oversaw the external audit process and review of the Report of the Auditor-General.
- Ensured that appropriate reporting procedures exist, and these procedures are operating effectively.
- Ensured that an effective, efficient and transparent system of risk management is maintained.
- Assisted the Board in carrying out its ICT governance and oversight responsibilities.
- Assisted the Board with the following:
  - Reviewing the strategic and annual performance plans prior to Board approval.
  - Reviewing strategic risk register and risk mitigation initiatives.
  - Reviewing the Internal Audit Charter prior to Board approval.
  - Reviewing the risk-based three-year rolling Internal Audit plan prior to Board approval.
  - Reviewing the Internal Audit Methodology and Quality Assurance and Improvement Programme.
  - Reviewing the annual budget prior to Board approval.
  - Monitoring the reporting of irregular, fruitless and wasteful expenditure including progress made by the Loss Control Committee.
  - Reviewing the Legal progress report and contingent liability claims.
  - Monitoring statistics from The Fraud Hotline and progress made in investigating complaints.
  - Monitoring SANRAL's going concern status and proposing actions to the Board to mitigate risk.
  - Performing such other oversight functions as determined by the Board.

15.3 Adequacy of internal controls

SANRAL's system of internal control is designed to provide reasonable assurance that key risks are mitigated, assets are safeguarded and that liabilities and working capital are efficiently managed.

The ARC is pleased to report that nothing came to its attention suggesting that any material breakdown had occurred in the functioning of the systems, procedures and controls that could lead to material losses, contingencies or uncertainties that would require disclosure in the financial statements.

Any control deficiencies identified by the internal and external auditors were brought to the attention of the Committee and management implemented corrective actions. Where internal controls did not operate effectively throughout the year, compensating controls, or corrective action or both were used to eliminate or reduce risks.

The Committee has further reviewed the written assessment from Internal Audit on the design, implementation, and effectiveness of internal financial controls. Based on the results of this review, the Committee is of the opinion that the internal financial controls form a sound basis for the preparation of reliable financial statements.

15.4 Internal audit

The ARC oversees and reviews the effectiveness of the Chief Audit Executive (CAE) and Internal Audit function annually. It is satisfied the Chief Audit Executive and Internal Audit function are independent and possess the appropriate expertise and experience to execute their responsibilities. Accordingly, the Committee considers the Internal Audit function effective in its mandate to evaluate and report on internal control, risk management and governance processes in order to improve the entity's operations.

The Board, on the recommendation of ARC, approved the FY23/24 Internal Audit Charter, methodology, annual operational and three-year rolling Internal Audit plans which followed a risk-based approach. Internal Audit progress reports were tabled and reviewed by the ARC on a quarterly basis.

The Internal Audit function follows a co-sourced model and is functioning as per the approved structure by the Board. The Chief Audit Executive (CAE) has reported functionally to the ARC and administratively to the CEO since appointment. All audits in the FY23/24 audit plan were successfully completed, including 14 (fourteen) audits carried forward from FY22/23, which resulted in a total of 44 audits concluded for the year under review. Seven (7) audits spanning FY22/23 and FY23/24 were cancelled and rescheduled to commence in FY24/25. Reasons for cancellation included, allowing enough time for management action plans (1), avoiding duplication of effort (1), follow-up was no longer necessary for one (1) audit and the remaining four (4) cancellations were due to service delivery issues encountered from service providers. This resulted in all historic and long outstanding audits being addressed and effectively dealt with. The Unit further concluded multiple proactive assurance reviews on high-value tenders before award and performed investigations commissioned by those charged with governance. The ARC monitored and supported the roll-out of the combined assurance model.

15.5 Expertise and effectiveness of the Acting Chief Financial Officer and the finance function

The ARC examines and reviews the competence of the Chief Financial Officer and the finance function annually. It is satisfied that the Acting Chief Financial Officer (ACFO) and the finance function have the appropriate expertise, resources and experience to execute their responsibilities. Accordingly, the Committee considered the ACFO and the finance function to be sufficiently effective to:

- Ensure and maintain effective, efficient and transparent systems of financial and risk management and internal control.
- Manage available working capital efficiently and economically.
- Manage and safeguard assets of the agency and manage its revenue, expenditure and liabilities.
- Comply with any tax, levy, duty, pension and audit commitments as required by legislation.

15.6 Evaluation of annual financial statements

Regarding Annual financial statements, the Committee has:

- Reviewed and discussed with the Auditor-General and the Board of Directors the audited annual financial statements to be included in the report.

- Reviewed the Auditor-General's management and audit reports.
- Reviewed changes in accounting policies and practices.
- Reviewed significant adjustments resulting from the audit.
- Reviewed the Integrated Report and recommended it to the Board for approval.

The ARC concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited financial statements be accepted and read together with the Report of the Auditor-General, subject to the outcome of the audit.

15.7 Risk management

The ARC has oversight of enterprise risk management within SANRAL with added emphasis on strategic, operational, fraud and information technology risks. The Committee also fulfils an oversight role regarding financial reporting risks and internal financial controls so as to ensure and strengthen the integrity of financial reporting.

The key strategic risks for 2023/24 included:

- Slow-paced implementation of SANRAL's Transformation Policy
- Reputational damage caused by the misconception of the SANRAL brand and mandate
- Volatility and uncertainty of the regulatory environment governing SANRAL
- Risk of land invasions in and around the national road reserve
- General employee safety and physical security threat of SANRAL employees while performing official business.

The strategic risk profile was independently monitored by the Audit and Risk Committee on a quarterly basis and overseen by the Board for progress and effectiveness. Enterprise risk management within the organisation continues to mature and is expected to strengthen further with the appointment of additional capacity and personnel. The Committee is committed to adherence to the principles of King IV on risk management and is focused on enhancing and maturing the governance of risk management throughout the organisation, to embed risk management principles in decision-making

15.8 Going concern

The Committee assessed the going concern premise of SANRAL to be in order for the foreseeable future and confirms this status to the Board. This assessment is supported among others by approval by the Minister of Finance of SANRAL's application to increase borrowing limits to R16.5 billion up to 31 March 2028 for toll portfolio capital expenditures and approval of a foreign currency guarantee of R7 billion for the New Development Bank (NDB) loan. The increased borrowing capacity will allow SANRAL to source funds from the capital markets for its toll portfolio capital projects.

A Memorandum of Agreement (MOA) between the National Department of Transport (NDoT), the National Treasury (NT), and the Gauteng Provincial Government (GPG), covering the Gauteng Freeway Improvement Programme (GFIP) debt repayment and maintenance backlog, was concluded on 28 March 2024. Implementation of the MOA will commence in the 2024/25 financial year. A significant portion of SANRAL's debt is government-guaranteed, and the government has historically provided special allocations to prevent default. It is envisaged the government will continue to support SANRAL's toll portfolio for the foreseeable future. has historically provided special allocations to prevent default. It is envisaged the government will continue to support SANRAL's toll portfolio for the foreseeable future

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

SANRAL continues to maintain its efforts and commitment to transform the construction industry.

D

HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

In our journey towards sustainable growth and staying ahead in a competitive landscape, Human Resources (HR) and skills development are the cornerstones of our success at SANRAL.

We believe in nurturing a workforce that thrives on excellence, diversity, and inclusivity. Our HR strategy is not just about attracting top talent, but about empowering every individual to reach their full potential. Through tailored training programmes, leadership development initiatives, and a commitment to fairness and transparency, we equip our employees with the tools they need to excel in an ever-evolving industry.

At SANRAL, compliance with legislative requirements isn't just a box to check; it's a commitment to fairness and equal opportunity. Through our unwavering dedication to the Employment Equity Act, we ensure that every individual, regardless of background, has the chance to shine.

This report is a testament to our dedication. It outlines our achievements and challenges in meeting our employment equity goals, while also shedding light on our strategies for the future. From workforce planning to employee wellness programmes, we are committed to driving continued progress in HR and skills development at SANRAL. Together, we're unlocking potential and shaping a brighter future for all.

At SANRAL, we prioritise compliance with legislative requirements concerning job creation and skills development. The Employment Equity Act aims to foster equal opportunity and fair treatment in employment by eliminating unfair discrimination. It also outlines affirmative action measures to address employment disadvantages experienced by designated groups, ensuring their equitable representation across all occupational categories and levels in the workforce.

SANRAL's recruitment targets are crafted in alignment with our approved Employment Equity (EE) Plan, which serves as the cornerstone of our Employment Equity Report. Moreover, our commitment extends to fostering talent through diverse training avenues, including internships and internal bursaries.

The EE Plan, which spans a three-year period (currently 2020–2023), is overseen by the Chief Executive Officer, who holds ultimate accountability. The plan is monitored by the EE Manager and the Employment Equity and Skills Development (EESD) Committee. The objectives of the EE Plan are designed for annual implementation while maintaining a continuous focus throughout the entire three-year term.

1.1 Priorities and impact for 2023/24

The overall objective of the 2020–2023 EE Plan was to eradicate employment barriers and practices that hinder the attraction and advancement of designated employees. This involves implementing specific affirmative action measures and aligning employment policies and practices with EE principles.

Time frame	*Objective*
Year 1 (1 October 2020–30 September 2021)	Implementation of affirmative action measures Monitoring and assessment of planned numerical targets and goals against workforce planning
Year 2 (1 October 2021–30 September 2022)	Evaluation of progress against the current EE Plan towards the achievement of planned targets and goals Monitoring and assessment of planned numerical targets and goals against skills development Implementation of plans to enhance representation of persons with disabilities
Year 3 (1 October 2022–30 September 2023)	Evaluation of progress against the current EE Plan towards the achievement of planned targets and goals Utilisation of learnings to forecast a successive EE Plan

During the reporting period, the Human Resources Department initiated a significant recruitment drive to bolster organisational capacity. Identifying 170 pivotal positions, we advertised 156 vacancies, leaving 14 positions to be filled through fixed-term contracts, prioritising the immediate filling of vacant roles. Commencing in the second quarter of the financial year, our efforts have yielded positive results, with 64% (100 positions) successfully filled in less than a year.

1.2 Workforce planning and recruitment strategies

To ensure the seamless execution and success of our recruitment initiative, a comprehensive framework was proposed and implemented. This framework guides us in harmonising recruitment processes across all offices, facilitating the acquisition of a skilled and capable workforce essential for our organisational objectives.

The framework below was implemented to align recruitment processes across all offices.

INTERNAL ACTIVITIES	
• Final list of positions per category / office / region • Updated and standardised job profiles signed off by line managers • Grading • Sourcing of CVs • Online platforms • LinkedIn • Pnet • Career Junction • SANRAL website • Current database of CVs collected over time, past recruitment and referrals • Encourage referrals • Bounty • CESA • ECSA • Relevant industry bodies	• Creating a mass hiring plan • Internal resources – dedicated recruitment team • Recruiters (SANRAL & FTC) • Administrators • Expanding candidate sourcing recruitment panel • Scope – end-to-end involvement • Advertising • Screening • Interview process • Appointment (address potential conflicts with agent and agent-only CVs) • Keeping track of candidates • Developing a fast but effective screening process • Pre-screening at initial application stage • Recruiter • Recruiting manager and recruiter • Effective interviewing • Close diaries • Communicating with candidates • Automated onboarding processes • Quality control mechanisms – ensure the quality of candidates

1.2.1 Succession planning

The SANRAL succession planning process is guided by the approved Succession Planning Framework, which mandates the periodic identification of scarce and critical roles that could pose capacity risks if not adequately planned for. This framework addresses skills shortages, diminishing bench reserves, skills transfer, and core and scarce skills deemed critical for SANRAL. It also aims to streamline recruitment needs and prioritise the skills required to build a strong, fit-for-purpose workforce.

This annual process involves management in identifying essential skills, coaching, implementing interventions to close skills gaps, and actively creating skilled bench reserves to ensure business continuity.

Core skills are critical, scarce roles essential for the organisation's continued operation and success. These hard to fill positions are affected by market scarcity, geographical challenges or salary constraints.

Core skills must also account for future expansion plans, industry developments, technological advancements and legislative changes that will impact the Agency's human capital.

SANRAL is currently undergoing significant change. Following the Operating Model Review (OMR), plans were made to transition into a new structure, but this process was suspended. As a result, gaps emerged in identifying structural needs, succession roles, and necessary skills development.

The organisation has been relying on a skills matrix created by the management team in 2019/2020. With the establishment of new divisions and leadership within each division, a fresh approach to identifying skills, positions and operational methods is now underway.

In the meantime, the organisation has decided to prioritise succession planning for the eight approved executive roles. All other positions will be identified as part of the ongoing 'reconstruction' process.

1.3 Employee performance management framework

At SANRAL, performance management is a carefully planned process aimed at directing, developing and supporting individual and team performance to ensure they are aligned with our organisational objectives. Through this process, we continuously strive to improve performance, enabling the sustained achievement of our goals.

Formal performance assessments occur bi-annually, providing comprehensive evaluations during September and March, ensuring accountability and progress tracking throughout the year.

1.4 Challenges

SANRAL identified various barriers to affirmative action that needed addressing to advance the transformational goals of the EE Plan. Specifically, the EESD Committee prioritised creating an accommodating environment for persons with disabilities. This involved collaborating with platforms focused on either constructing new or renovating existing SANRAL office spaces to ensure accessibility.

The committee also identified the need to explore remunerative attraction mechanisms by bringing flexibility to benefits that affect the bottom line. The rationale was that the organisation needs to be able to attract specialised talent from the market; in so doing, the offers are good, however the retirement benefit significantly affects the nett pay, and flexibility around contributions should therefore be sought.

Another significant challenge arose from delays in rolling out training and development programmes, primarily caused by rigorous procurement processes. This impeded the organisation's ability to implement necessary training interventions promptly. There is a need to improve and refine these processes in order to address this challenge.

While some progress has been made to address the above challenges, many of the corrective measures were delayed for various reasons. Looking ahead, they will need to be carried over to the next three-year EE Plan, as they remain relevant and necessary.

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1.4.1 Affirmative action barriers and measures

Barriers	*Affirmative action measures*	*Progress*
Recruitment practices not integrated with EE targets	Implement recruitment procedure • Monitoring of workforce planning against EE targets • Deviation approval by CEO • EE planning prior to recruitment of each position	• Improvement required • In hand. No deviations as yet • Improvement required
No SANRAL-managed electronic/social media recruitment platforms	Procurement process to enable HR to gain service providers for SANRAL-managed advertising platforms	• Success Factors Recruitment Module implemented • Currently using the SANRAL intranet and MarCom LinkedIn • Agencies using e-recruitment various services • Tender released and re-advertised for e-recruitment service
Difficulty attracting candidates due to the impact of retirement-benefits on nett pay	Flexibility required on the provident fund benefit	Decrease in provident contribution is under investigation
Facilities do not allow reasonable accommodation for persons with disabilities	Construct new or renovate existing facilities	The HO building tender has included aspects to accommodate persons with disabilities. The modifications and new builds in other regions to confirm plans.
Delays in implementing training plans	Improve/refine procurement processes to enable easier procurement of training interventions	SD staff can now create procurement requisitions, which improves the workflow. Training panels have been requested for procurement, and new requests for document compliance are being addressed. SDF is also being recruited to take responsibility for this space.
No EE key performance area for Heads of Department to drive transformation	Annual performance agreements for Heads of Department to include EE key performance areas aligned to annual EE targets	EE target has been loaded on the performance management and goal management (PMGM) platform PMGM for use by all line managers. Each office to confirm the inclusion of the KPIs, and a standard measure to be implemented.
Internal employees acting in roles or positions without meeting inherent/minimum requirements	Develop Employee Movements Policy to incorporate the minimum criteria for action/temporary assignments	Employee movements policy consulted and approved. Effective 1 April 2021. The applicable clauses are incorporated for temporary assignments.

1.5 Employee wellness programmes

Employee wellness is a strategic priority, driving SANRAL's commitment to fostering a safe, healthy and vibrant work environment. The goal is to empower employees to thrive both personally and professionally, while also advancing our organisational objectives.

Each year we develop and implement evidence-based wellness programmes that are designed to address the evolving needs of our workforce and their dependants, informed by regular reports and feedback.

We aim for excellence through continuous benchmarking, keeping our wellness services aligned with industry best practices and emerging trends.

1.6 Occupational health and safety

SANRAL recognises the importance of occupational health and safety (OHS) and its interconnectedness with social well-being.

SANRAL is committed to ensuring a safe and healthy work environment for its employees. This commitment is upheld through the identification and mitigation of workplace hazards, strict adherence to relevant OHS legislation, regulations and standards and the effective management of service providers in terms of OHS compliance.

OHS considerations are prioritised across all SANRAL operations and projects. This ensures employee well-being and safety for the betterment of themselves and their families.

In each SANRAL office an emergency response team is appointed to address potential emergencies and proactively identify and mitigate any hazards that may endanger the safety of employees.

During the reporting period, the OHS department carried out the following important interventions:

- Effectively provided guidance to consulting engineers regarding the responsibilities of designers during project design phases, emphasising the importance of designing for health and safety
- Conducted monthly OHS audits on all construction projects, facilitated by an external Construction Health and Safety Agent and complemented by random internal OHS audits
- Conducted eight successful OHS induction sessions for new employees
- Developed OHS policies and procedures to ensure a safe and healthy workplace
- Earned third place in the Federated Employers' Mutual Assurance Company (FEM) Health and Safety Awards of Excellence, in the 'Medium Risk, Large Employer' category
- During reporting period, minor incidents were reported by three SANRAL employees while on duty that resulted in lost time injuries (LTIs)

1.7 Future plans and goals

Key Focus Areas	*Activity*	*Deliverable*	*Milestone*
Analyse, revise and implement a total reward model (TRM)	Develop pay scales that align with Paterson Classic Grading System and clarity on role definitions to enable SANRAL to make competitive offers	Approved job profiles slotted into applicable Paterson Classic Grades that allow conduct of accurate salary benchmarks and establishment of market-related salaries	Undertake remuneration surveys and benchmark ideal market-related pay
			Development of Paterson Classic Scales and full adoption and alignment of Paterson Classic Grades
			Development of Paterson Classic Scales and full adoption and alignment of Paterson Classic Grades
Leadership development	Develop culture of leadership	Train executives on leadership Celebrate leadership endeavours in internal communications	Train executives on leadership

Key Focus Areas (Continued)	Activity	Deliverable	Milestone
Drive succession planning by using talent management methods	Draft new succession plan and management framework	A well-communicated succession plan Implement succession plan in line with the EE Plan	Initiate new succession plan process Align with EE Plan and succession planning framework
Effective recruitment	Identify and recruit roles required in terms of critical skills	Effecting filling of all vacancies on critical list	Critical skills in each Regional and Head Office approved

2 HUMAN RESOURCE OVERSIGHT STATISTICS

2.1 Personnel-related expenditure

During the period under review, a total of R497,910,629.00 was allocated to the overall compensation of 594 employees.

Employee classification	Total expenditure for the entity	Personnel expenditure	Personnel expenditure as a percentage of total expenditure	Number of employees	Average personnel cost per employee
All employees	R497,910,629	100%	16%	594	R838,233.38

2.2 Personnel cost by salary band

Programme/Activity/ Objective	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	R35,941,738.00	7%	11	R3,267,430.73
Senior Management	R185,891,121.00	37%	116	R1,602,509.66
Professional qualified	R146,718,673.00	29%	168	R873,325.43
Skilled	R118,231,906.00	24%	268	R441,163.83
Semi-skilled	R9,222,698.00	2%	24	R384,279.08
Unskilled	R1,904,493.00	0%	7	R272,070.43
TOTAL	**R497,910,629.00**	**100%**	**594**	**R838,233.38**

2.3 Performance rewards

The table below outlines incentives awarded to employees according to occupational levels during the reporting period.

Programme/Activity/ Objective	Performance rewards	Number of personnel	% of performance rewards to total personnel cost (R 000)
Top Management	R4,537,527.00	11	1%
Senior Management	R34,750,502.00	116	7%
Professional qualified	R18,896,198.00	168	4%
Skilled	R8,524,885.00	268	2%
Semi-skilled	R950,697.00	24	0%
Unskilled	R207,315.00	7	0%
TOTAL	**R67,867,124.00**	**594**	**14%**

2.4 Employee development

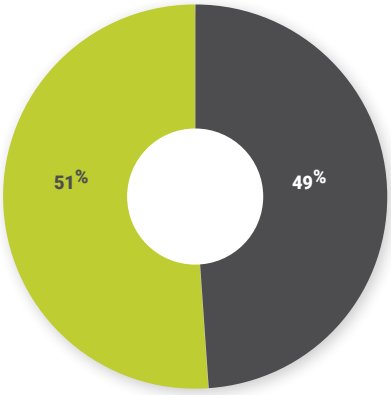
2.4.1 Staff training

The development of the IDP aims to ensure that SANRAL employees are prepared to carry out their responsibilities and contribute to the Agency's strategic objectives by learning new skills, refreshing existing skills and making use of emerging technologies.

Staff training by region, population group and gender

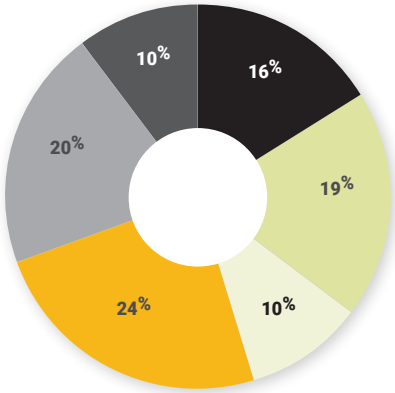
Gender			Race			Region						Dis-ability	Youth
Male	Female	African	Indian	Coloured	White	Head Office	Northern Region	Western Region	Eastern Region	Technical Excellence Academy	Southern Region		
164	172	272	23	10	31	55	65	33	82	67	34	3	171
49%	51%	81%	7%	3%	9%	16%	19%	10%	24%	20%	10%	1%	51%

Training by gender (%)



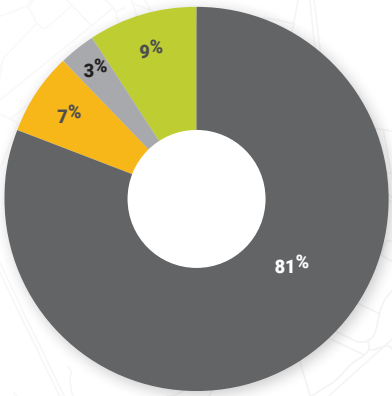
Male Female

Training by region (%)



Head office
Eastern Region
Northern Region
TEA
Western Region
Southern Region

Training by population group (%)



African
Coloured
Indian
White

2.4.2 Internal bursaries

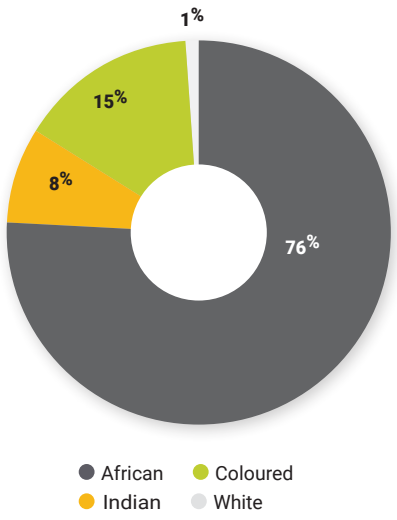
The internal bursary programme has played a crucial role in promoting experiential learning and nurturing the growth of SANRAL's staff by offering financial support for academic education and professional accreditation. This commitment of resources towards present responsibilities and future career aspirations demonstrates support for both internal progression and potential transitions within or beyond the organisation.

In the financial year 2023/24, the programme supported 85 employees, 15 of whom successfully completed their studies at the end of the 2023 academic year. The total investment was R2,196,708.03. For the 2024 academic year, 33 individuals were awarded bursaries.

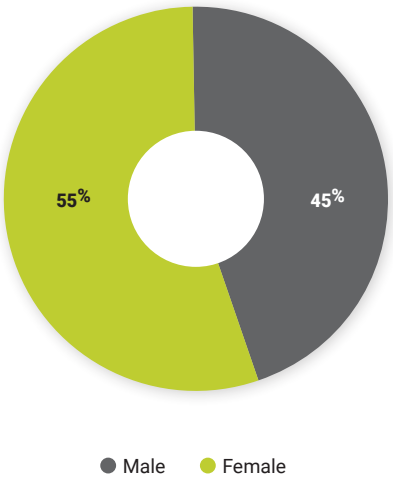
Internal bursaries by region and population group

Gender		Race				Region					TOTAL	Disability	Youth
Male	Female	A	I	C	W	HO	NR	WR	ER	SR			
38	47	64	7	13	1	21	19	18	16	11	85	2	18
45%	55%	76%	8%	15%	1%	25%	22%	21%	19%	13%	100%		

Bursary recipients by population group (%)



Bursary recipients by gender (%)



2.4.3 Technical Excellence Academy

SANRAL's Technical Excellence Academy (TEA) represents a strategic investment in not only the future of the organisation but also in the skills pipeline of South Africa's infrastructure sector. The programme fosters a dynamic and nurturing environment for graduate development through a combination of in-house design experience, construction monitoring, and secondments to consulting engineers. This collaborative approach, involving all units within SANRAL, ensures graduates gain a well-rounded skill set.

The TEA's success is evident in its ability to accelerate professional development. Three graduates submitted applications for Professional Engineer (PrEng) registration after only four years in the programme, a significant achievement considering the industry standard training period is typically double this.

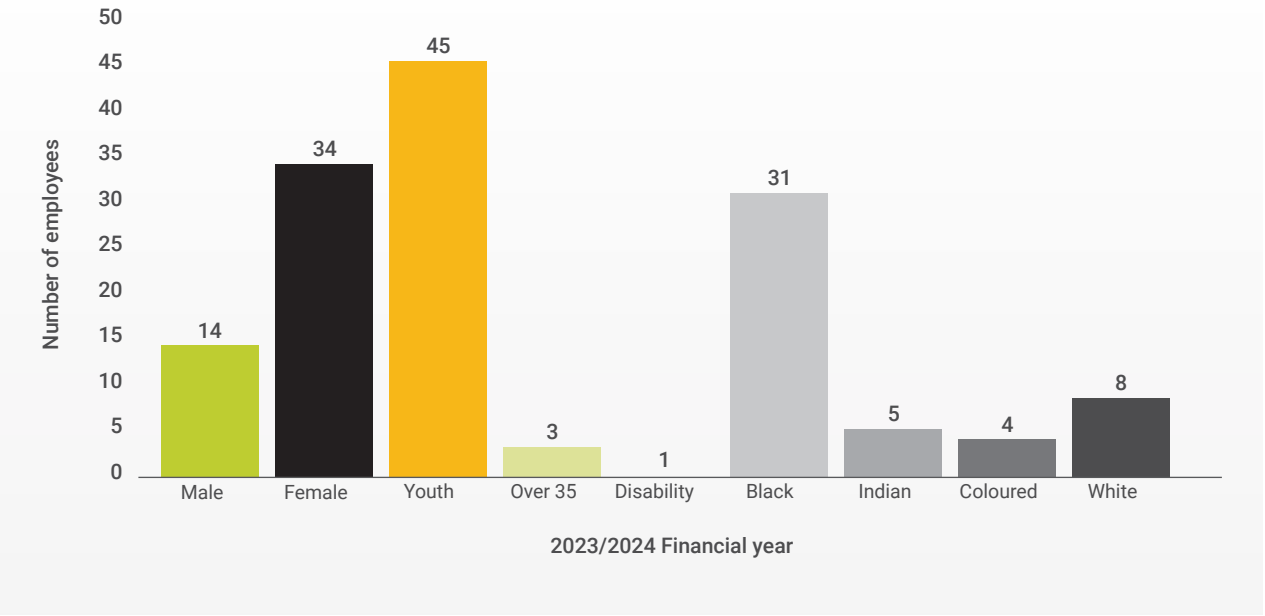
The 2023/24 TEA programme included 50 graduates. Three transitioned to permanent positions at SANRAL upon completion of their five-year TEA contracts. An estimated R38.4 million was invested to optimise training opportunities, including deployments to sites, resourcing the materials testing laboratory and design office, and secondments to consulting engineers. This investment directly supports graduates in achieving Engineering Council of South Africa (ECSA) registration as professionals.

Demographic of participants enrolled in the TEA programme (graduates and TEA candidates included)

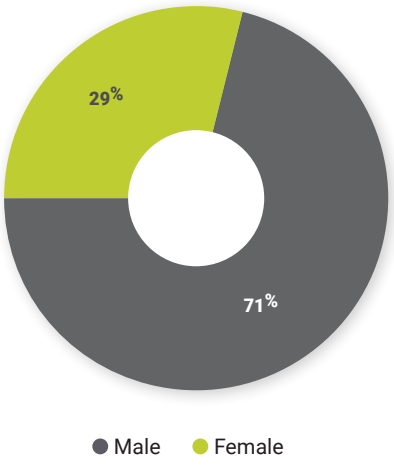
Occupational levels	*Male*				*Female*				*TOTAL*		*Total*
	A	C	I	W	A	C	I	W	Male	Female	
Graduates	27	7	4	5	15	4	3	2	43	24	67

A total of 48 TEA employees participated in various professional development training forums, with a focus on empowering young talent: 45 participants (94%) were under the age of 35 years. An investment of R1,299,183 was allocated to support 22 training sessions.

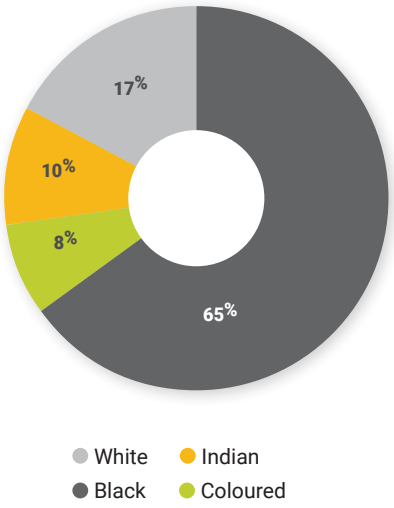
TEA graduates by population group



TEA graduates by gender (%)



TEA graduates by population group (%)



2.5 Employment and vacancies

Following the introduction of the Operating Model Review (OMR) and its subsequent suspension, vacancies could only be filled through fixed-term contracts. However, in the second half of the financial year approval was granted to fill positions on a permanent basis.

The mass recruitment exercise detailed earlier helped in filling senior management positions. Succession planning is being implemented to minimise disruptions and ensure business continuity, while the Retention Policy governs and guides the organisation in retaining key talent.

Employee classification	*2022/23 Number of employees*	*2022/23 Approved posts*	*2023/24 Number of employees*	*2023/24 Vacancies*	*Percentage of vacancies*
Top management	8	0	11	3	5
Senior management	108	0	116	66	11.1
Professional qualified	158	0	168	69	11.6
Skilled	244	0	268	41	6.9
Semi-skilled	24	0	24	1	0.2
Unskilled	7	0	7	0	0
TOTAL	**549**	**0**	**594**	**180**	**34.8**

2.6 Employment changes

Salary band	Employment at beginning of period (2022/23)	Appointments	Terminations	Employment at end of period
Top Management	8	2	1	9
Senior Management	108	16	11	113
Professional qualified	158	30	20	168
Skilled	244	62	33	273
Semi-skilled	24	2	2	24
Unskilled	7	0	0	7
Total	**549**	**112**	**67**	**594**

2.7 Reasons for staff leaving

Resignations

Exit interviews indicated a trend of employees leaving SANRAL for better-paying opportunities in private companies and consultancies. This underscores the competitiveness of the job market and the need for SANRAL to maintain competitive compensation and benefits packages.

Retirements

Two SANRAL employees retired upon reaching the age of 65. Their tenures exceeded 15 years of dedicated service, exemplifying the loyalty and dedication fostered within the organisation.

Promotions

Ten project management trainees transitioned to permanent project management positions. This demonstrates SANRAL's commitment to both talent development and succession planning by fostering internal growth opportunities and recognising high-performing employees.

Dismissals

Four employees were dismissed for various reasons across three offices/regions, including the Southern Region (2), Head Office (1) and Western Region (1). This underscores the importance of upholding organisational values and standards across all levels.

Reason	Number	% of total no. of staff leaving
Death	1	2.4%
Resignation	21	51.2%
Dismissal	4	9.8%
Retirement	2	4.9%
Ill-health	1	2.4%
Expiry of contract	2	4.9%
Other	10	24.4%
Total	**41**	**100%**

2.8 Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal warning	2
Written warning	1
Final written warning	2
Dismissal	4

2.9 Equity targets and employment equity status

SANRAL did not meet the numerical targets outlined in its rolling three-year EE Plan. Following the OMR, plans were made to transition into a new organisational structure. During this time a moratorium was placed on recruitment. When the transition process was suspended, recruitment activities remained limited.

The Agency relied on fixed-term contract (FTC) employment, which presented several challenges. The impermanent nature of FTC positions decreased overall workforce stability. Since FTC employees have the flexibility to leave for permanent positions elsewhere, this hindered SANRAL's ability to maintain a consistent workforce and long-term planning efforts.

Furthermore, the limited number of permanent staff placed significant strain on existing employees.

This could be a factor contributing to a higher attrition rate within the organisation. Finally, the prevalence of FTC positions also limited internal promotional opportunities. Permanent employees were less likely to pursue FTC opportunities due to concerns about job security.

The initial year of the EE Plan saw a suboptimal termination-to-recruitment ratio (28 recruitments/27 terminations), even though recruitment restrictions were only implemented in the latter part of that year.

While year two showed an increase in recruitment activity (48 recruitments/27 terminations), a significant portion of these positions was filled with FTC employees. This focus on short-term contracts in year two, along with continued terminations in year three (28 recruitments/ 31 terminations), hindered progress towards the overall numerical target of the EE Plan. Throughout the three-year period, efforts were made to balance attrition with new recruits, but the strategy ultimately fell short of the initial goals.

Employee classification	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	2	4	0	0	0	0	0	0
Senior management	19	31	2	1	3	2	5	11
Professional qualified	73	94	17	14	9	18	26	35
Skilled	26	83	4	15	3	8	1	10
Semi-skilled	7	7	1	2	0	0	0	0
Unskilled	0	1	0	0	0	0	0	0
TOTAL	**127**	**220**	**24**	**32**	**15**	**28**	**32**	**56**

SANRAL

Levels	FEMALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	5	0	0	0	0	1	0
Senior management	17	32	1	4	2	2	0	1
Professional qualified	69	78	1	4	2	2	0	1
Skilled	68	115	15	25	2	8	8	14
Semi-skilled	1	15	0	0	1	1	1	1
Unskilled	9	1	1	0	0	0	0	0
TOTAL	**165**	**241**	**18**	**33**	**7**	**13**	**10**	**17**

Levels	Staff with disabilities as at 31.03.2024			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	1	0	0	0
Professional qualified	1	0	1	0
Skilled	1	0	1	0
Semi-skilled	1	0	1	0
Unskilled	0	0	0	0
TOTAL	**4**	**0**	**3**	**0**

E

PFMA COMPLIANCE *REPORT*

1 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	**2,181,075**	**5,369,479**
Adjustment to opening balance	-	3,785
Opening balance as restated	-	5,373,264
Add: Irregular expenditure confirmed	479 794	6,736,960
Less: Irregular expenditure condoned	(96)	(9,929,149)
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written off	0	0
Closing balance	**2,660,773**	**2,181,075**

The R3.785 million relates to overexpenditure of irregular contracts identified during current year.

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	406,577	12,778
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	73,217	6,724,182
Total	**479,794**	**6,736,960**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure under assessment	1,152,692	606,030
Irregular expenditure under determination	46	-
Irregular expenditure under investigation	-	-
Total	**1,152,738**	**606,030**

c) Details of irregular expenditure condoned

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure condoned	(96)	(9,929,149)
Total	**(96)**	**(9,929,149)**

d) Details of irregular expenditure removed (not condoned)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	
Total	**-**	**-**

e) Details of irregular expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure recoverable	-	-
Total	**-**	**-**

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

Additional disclosure relating to inter-institutional arrangements

g) Details of non-compliance

Description	2023/2024	2022/2023
	R'000	R'000
	-	-
Total	**-**	**-**

Additional disclosure relating to inter-institutional arrangements

h) Where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2023/2024	2022/2023
	R'000	R'000
	-	-
Total	**-**	**-**

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Amounts paid after contract expired	96	-
Total	**96**	**-**

The employees who caused the R96,000 condoned irregular expenditure were given written warning as recommended by the loss control committee and approved the Board.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
Opening balance	**33,735**	**18,394**
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	33,774
Less: Fruitless and wasteful expenditure recoverable	0	0
(insert footnote - Transfer to receivables)	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	(33,735)	(18 433)
Closing balance	**0**	**33,735**

Reconciling notes

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	33,774
Total	**0**	**33,774**

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	**-**	**-**

c) Details of fruitless and wasteful expenditure recoverable

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	**-**	**-**

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	33,735	18,433
Total	**33,735**	**18,433**

The Board approved the writing off of the R33.735m in the current year with no further investigations. The R39,000 was written off and is part of the investigations by Board as approved on 30 May 2023.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Description	2023/2024	2022/2023
	R'000	R'000
	-	-
Total	**-**	**-**

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

a) Details of material losses through criminal conduct

Description	2023/2024	2022/2023
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

b) Details of other material losses

Description	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	**-**	**-**

b) Details of other material losses

Description	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	**-**	**-**

c) Other material losses recoverable

Description	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	**-**	**-**

d) Other material losses not recoverable and written off

Description	2023/2024	2022/2023
	R'000	R'000
(Group major categories, but list material items)	-	-
Total	**-**	**-**

2 LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Value R'000	Comments
Valid invoices received	22,149	28,032,144	
Invoices paid **within** 30 days (or agreed period)	19,312	27,726,009	
Invoices paid **after** 30 days (or agreed period)	422	241,847	1. Late approval of invoices 2. Awaiting additional project expenditure approval RBAC/ MBAC 3. Final account - awaiting performance certificate & checklist 4. Late submission of vendor registration forms by service provider 5. Incorrect billing by contractor 6. Purchase orders not created timeously 7. Invoices not processed timeously 8. Contract documents not signed timeously 9. Late submission of supporting documents by contractor/consultant Purchase orders not released timeously
Invoices older than 30 days (or agreed period) **unpaid and without dispute**	719	27,721	1. Invoices sent to the end users, however not approved and submitted for payment 2. Invoices recommended for payment awaiting approval by cost centre managers 3. Payment certificates submitted late by consultant 4. Awaiting additional project expenditure approval RBAC/ MBAC
Invoices older than 30 days (or agreed period) **unpaid and in dispute**	1,696	36,567	1. Invoices sent to the end users, however not approved and submitted for payment 2. After-hours invoices received without supporting documentation 3. Awaiting car rental companies' schedules to verify rates charged 4. Invoices submitted to the incorrect region 5. Awaiting vendor application forms to be completed by the suppliers

3 SUPPLY CHAIN MANAGEMENT

3.1 Introduction

The contracts listed in the table below were awarded through deviation from the normal bidding process either through single sourcing, sole sourcing or limited biding as permitted by the National Treasury. The awards were approved by the delegated adjudication authorities. These awards were reported to National Treasury and Auditor General of South Africa.

3.2 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract
Advanced Traffic Safety Officer/ Roadworks Traffic Management Training Programme in compliance with legislation training	South African Road Federation (SARF)	Single sourcing	Rfq2023/03/01	R4,425.00
Virt / estimating, costing and pricing of construction tenders, 3 May 2023	SARF	Single sourcing	Ho/65210/1027/2023	R5,630.00
Geometric design training	SARF	Single sourcing	Rfq20230404	R5,000.00
Bridge and culvert Inspector Visual Assessments and Introduction to Bridge Management Course, 7-8 March 2023, Durban	SARF	Single sourcing	Rfq20220403	R45,000.00
The 2023 SAIOSH Health and Safety Conference	South African Institute of Occupational Safety and Health	Single sourcing	150000892	R5,117.50
Rights of Way and the Renewable Energy Independent Power Producer Programme	The South African Right of Way Association (SARWA)	Single sourcing	150000895	R10,000.00
Workshop on Construction Conundrums	Association of Arbitrators (Southern Africa) NPC	Single sourcing	Ss 2022/1028/023	R3,800.00
SANRAL Fidic Training 2023	Mda Consulting	Single sourcing	2023/1028/003	R135, 240.00
Appointment of Leadership Academy for Guardians of Governance to provide Advanced Data Analytics Tools and Optimisation (ADAT) (online) course for a period of 3 days (28 – 30 June 2023)	Leadership Academy for Guardians of Governance	Single sourcing	65210/1027/2022/ Analytics	R8,722.75
Appointment of the National School of Government to provide induction workshop for boards of public entities through single sourcing	The National School of Government	Single sourcing	Rfq/2023/Train10	R23,310.00
Appointment of Enterprises University of Pretoria to provide contract management training course for four (4) SANRAL staff members through single sourcing	Enterprises University of Pretoria	Single sourcing	Ho/65210/1027/2023 /Train06	R41,600.00
Introduction to Road Materials Engineering training	SARF	Single sourcing	Rfq20230505	R4,425.00

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract
Rehabilitation of the sinkhole on National Route N1 Section 21 at Km 22.1 (Southbound)	Jodan Construction (Pty) Ltd	Limited bidding	N.001-210-2022/1	R279,932,849.10
The 41st Southern African Transport Conference 2023	Annual Transportation Convention NPC (trading as Southern African Transport Conference)	Single sourcing	2023/1027/004	R6,400.00
Design of Pre-Stressed Concrete 29 – 30 June 2023	Stellenbosch University	Single sourcing	Rfq20230601	R28,750.00
Appointment of Leadership Academy for Guardians of Governance to provide CIA Part 1 Exam Techniques (CIA1ET) for a period of 1 day on 26 July 2023 (Online), to three employees through sole sourcing	The Institute of Internal Auditors	Single sourcing	65210/1027/2023/ Train15	R3,812.25
The 41st Southern African Transport Conference	Southern African Transport Conference (SATC)	Single sourcing	Nr2023/005/65210	R84,000.00
Intelligent Transport Systems (ITS)	Stellenbosch University	Single sourcing	Rfq2022/07/05	R110,000.00
Non-Motorised Transport Course	SARF	Single sourcing	Rfq2023/07/04	R15,555.00
Southern African Transport Conference	SATC	Single sourcing	Rfq20230603	R24,000.00
Single source appointment: Geometric design training	SARF	Single sourcing	150000990 Rfq20230701	R10,000.00
Single source appointment: Estimating, Costing and Pricing of Construction Tenders	SARF	Single sourcing	150000991 Rfq20230702	R5,000.00
Bridge and Culvert Inspection Visual Assessments Course 19-20 July 2023, Cape Town	SARF	Single sourcing	150000989 Rfq20230605	R5,000.00
The appointment of Leadership Academy for Guardians of Governance to provide Performance Auditing in the Public Sector (Paud) for a period of 3 days, 21-23 August 2023 (online)	The Leadership Academy for Guardians of Governance	Single sourcing	65210/1027/2023/2024/ Train18	R10,293.65
Appointment of Southern Cross Conferences to provide 31st International Cartographic Conference 2023	Southern Cross Conferences	Single sourcing	65210/1027/2023/ Conf02	R10,150.00
Appointment of the Institute of Internal Auditors South Africa (IIASA) to provide the 26th Annual Southern African Internal Audit Hybrid Conference for a period of 3 days from 14-16 August 2023, at Sandton Convention Centre, to two employees through sole sourcing	Institute of Internal Auditors South Africa (IIASA)	Single sourcing	65210/1027/2023/ Conf01	R29,900.00
The preparation of contract documentation and administration of civil engineering contracts	SARF	Single sourcing	Nr2023/008/65210	R5,185.00

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract
Estimating, costing and pricing of construction tenders	SARF	Single Sourcing	Nr2023/006/65210	R33,780.00
Attendance of Fidic Conditions of Contract by nine employees in the Northern Region	Oxford College Capacity Solutions	Single Sourcing	Nr2023/007/65210	R60,019.65
Getting acquainted with being a Resident Engineer	Southern African Road Federation	Single Sourcing	Rfq20230802	R128,325.00
Bursaries, Scholarships & Financial Aid Expansion 3rd Annual Summit (10-11 August 2023)	The Circuit Media (Pty) Ltd	Single Sourcing	1027/65210/2023/ Summit01	R2,500.00
CAPSA Conference	Southern African Bitumen Association (Rf) (Sabita)	Single Sourcing	65210/1027/2023/ Conf05	R910,000.00
Root Cause Identification (RCI)	Leadership Academy for Guardians of Governance	Single Sourcing	65210/1027/2023/ Train26	R11,391.90
Procurement process followed to appoint a service provider for the supply, delivery, installation, commissioning and maintenance of office automation solutions to the State for the period 1 October 2023 to 31 March 2026.	Itec Tiyende (Pty) Ltd	Single Sourcing	Rt3-2022	R15,552.000. 00
2023 Public Sector Erm & Aligning Risk to Strategy & Performance Training	The Institute of Risk Management South Africa	Single Sourcing	65210/1027/2023/ Train19	R5,846.60
67th Annual LPM Convention	Institute of People Management	Single Sourcing	Nr2023/010/65210	R175,478.50
Public Sector Property and Asset Management Conference	MILLASA	Single Sourcing	Nr2023/012/65210	R5,750.00
9th Africa Engineering Week & 7th African Engineering Conference	The Engineering Council of South Africa (Ecsa)	Single Sourcing	Nr2023/014/65210	R7,000.00
OPSA Professional Designation Masterclass	The Association for office Professionals of South Africa	Single Sourcing	Rfq20230901	R44,650.00
13th Annual Public Sector Property & Asset Management Conference (PSPAM)	MILLASA	Single Sourcing	65210/1027/2023/2024/ Conf06	R10,339.36
SAAPAM Annual Conference: Repositioning African governments in the changing global order and disorder	SAAPAM	Single Sourcing	65210/1027/2023/2024/ Conf03	R6,500.00
16th Annual ACFE Africa Conference	ACFE South Africa	Single Sourcing	65210/1027/2023-24/ Conf04	R11,500.00
CPD training	Leadership Academy for Guardians of Governance	Single Sourcing	Ho Rfq 150001070	R17,545.50

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract
The 2nd Annual EAPASA Regional Conference	Environment Assessment Practitioners' Association of South Africa (EAPASA)	Single Sourcing	Ho Rfq 150001085	R15,800.00
2023 IRMSA Annual Conference & Masterclass	IRMSA	Single Sourcing	Ho Rfq 150001059	R6,500.00
ISACA Annual Conference 2023.	Information Systems Audit and Control Association South Africa Chapter T/A ISACA	Single Sourcing	Ho Rfq 150001007	R9,500.00
Conducting an Audit from Cradle to Grave (CACTG)	Leadership Academy for Guardians of Governance	Single Sourcing	Ho Rfq 150001042	R12,211.85
Root Cause Identification (RCI)	Leadership Academy for Guardians of Governance	Single Sourcing	Ho Rfq 150001081	R5,805.50
Rehabilitation of the Sinkhole on National Route R21 Section 2 at Km 3.2 (Northbound)	Raubex Esor Jv (Raubex Construction (Pty) Ltd / Esor Construction (Pty) Ltd Jv	Limited Bidding	R.021-020-2022/1	R144,245,942.80
Estimating, costing and pricing of construction tenders training	South African Road Federation	Single Sourcing	Nr2023/027/65210	R8,445.00
OPSA Conference	OPSA	Single Sourcing	Nr2023/023/65210	R73,910.00
Practical geometric design	The South African Institution of Civil Engineering (Pty) Ltd	Single sourcing	Rfq20231003	R87,500.04
HR Standards	SA Board for People Practices (SABPP)	Single sourcing	Rfq20231002	R4,140.00
Granite central securities depository	Strate (Pty) Ltd	Single sourcing	Ho Rfq 150001092	R600.000.00
CPD training	Leadership Academy for Guardians of Government	Single sourcing	Ho Rfq 150001105	R17,445.50
Appointment of Intelligence Transfer Centre CC for 8 officials to attend the 14th Annual Women In Engineering Africa Network Conference & Expo.	Intelligence Transfer Centre CC	Single sourcing	Nr2023/028/65210	R101,181.60
The Executive / Personal & Office Professionals Summit - 29-30 November 2023	Business Solutions Southern Africa	Single sourcing	Nr2023/029/65210	R64,390.80
Getting acquainted with being a Resident Engineer training	South African Road Federation (SARF)	Single sourcing	Rfq2023/11/04	R8,850.00

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract
Slope stability and ground engineering for civil applications	Global Development Institute (Pty) Ltd	Single sourcing	Rfq2023/11/03	R25,840.50
OPSA Training	Empowering Excellence Conference	Single sourcing	Rfq2023/11/05	R5,000.00
Single source appointment: Women In Engineering Africa Network and Expo	Intelligence Transfer Centre CC	Single sourcing	1500001147 Rfq20231008	R97,488.95
Sole source appointment Hytec South Africa (Rf) (Pty) Ltd to do TSD hydraulic generator repair on SANRAL's Mercedes Benz truck	Hytec South Africa (Rf)(Pty) Ltd	Single sourcing	Rfqss56000/1002/01	R10,621.40
Flood hydrology and urban runoff modelling	Enterprises University of Pretoria (Pty) Ltd	Single sourcing	Rfq2023/12/01	R50,600.00
The legal process dealing with construction disputes	South African Institute of Civil Engineering (SAICE)	Single sourcing	Ss 2023/65210/013	R120,976.00
Understanding Information Technology Risk 8 delegates; and Dynamic Scenario Planning 9 delegates	The Institute of Risk Management South Africa	Single sourcing	Rfqss/65210/1027/3 150001236 & 150001239	R147,173.05
Risk management training for SANRAL employees: Risk Management 101, Dynamic Scenario Planning, Risk Management for Risk Champions and Understanding Information Technology Risk	IRMSA	Single sourcing	Rfqss/65210/1027/01 & Rfqss/65210/1027/02	R105,858.88
Provision of 2024 Annual Right of Way Educational Conference to two (2) Northern Region officials	SARWA	Single sourcing	Nr2024/032/65210 1500001242	R10,000.00
Provision of Road to Registration for Mature Engineers, Technologists and Technicians Conference to one (1) Northern Region official	Consulting Engineers South Africa (CESA)	Single sourcing	Nr2024/033/65210 1500001258	R3,749.00
Flood hydrology and urban stormwater modelling	Enterprises University of Pretoria (Pty) Ltd	Single sourcing	Nr2024/031/65210 150001240	R37,950.00
Appointment of Robert Edwin Conferences CC to conduct the 3rd Annual Women In Engineering Africa Summit for 12 SANRAL Eastern Region officials	Robert Edwin Conferences	Single sourcing	Rfq Sanral Er: Ss 2023/65210/016	R165,586.20
Road to Registration for Candidate Engineers, Technologists and Technicians online course	South African Institute of Civil Engineering (SAICE)	Single sourcing	Rfq Sanral Ss 2023/1027/017	R7,500.00
Robert Edwin Conferences	Robert Edwin Conferences	Single sourcing	Ho Rfq 150001268	R60,369.25
Appointment of CESA (Consulting Engineers South Africa) for 1 official to attend the online course (Understanding the 6 Stages of the Project Life Cycle to Register As A Construction Project Manager)	Consulting Engineers South Africa (CESA)	Single sourcing	Nr2024/034/65210 150001291	R6,881.00

Project description	Name of supplier	Type of procurement by other means	Contract Number	Value of contract
The appointment of South African Institution of Civil Engineering (SAICE) for two (2) SANRAL delegates to attend the Public Private Partnerships webinar course	South African Institute of Civil Engineering (SAICE)	Single sourcing	Rfq Ho150001254	R6,050.00
				R443,679,059.08

3.3. Contract variations and expansions

3.3.1 Introduction

The expansion and variation of contracts is allowed by the National Treasury to:

- Expand a contract by increasing the scope of work.
- Vary a contract by changing the scope of work.
- Increase the contract value.

Contracts for:

- Construction-related goods or services or both, are expanded or varied by more than 20% or R20 million (including all applicable taxes), whichever is the lesser.
- All other goods or services or both, are expanded or varied by more than 15% or R15 million (including all applicable taxes), whichever is the lesser were reported to National Treasury and AGSA.

The table below lists all contract expansion and or variations that were approved in the 2023/2024 financial year.

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12 and N12 Section 18	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-128- 2019/1 (Toll) & N.017-010-2019/1 (Non-Toll)	R169,849,270.13	R0.00	R0.00
Toll operations and maintenance of the Tsitsikamma Toll Road	Tolcon Lehumo (Pty) Ltd (Now Tolcon Group (Pty) Ltd)	Expansion	N.002-089- 2014/1	R236,593, 283.50	R0.00	R0.00
Consulting engineering services for the operations and maintenance of the N2 Tsitsikamma Toll Plaza	Aurecon (Pty) Ltd (Now Zutari)	Expansion	N.002-089- 2014/1f	R7,773,793.00	R0.00	R226, 198.92
Appointment of law firm to defend the interests of SANRAL with regards to the High Court Application for Leave to Appeal and Cross Appeal and Supreme Court of Appeal Leave to Appeal Proceedings (Zimele Investment Enterprise (Pty) Ltd // SANRAL and Others, Case No: 36024/21)	Dube N Attorneys	Expansion	1010/62110/ 2021/39	R125.000.00	R0.00	R0.00
Appointment of a law firm to defend legal proceedings In the interests of SANRAL, until the matter is finalised against Zimele Investment Enterprise (Pty) Ltd // SANRAL and Others, Case No: 36023/21	Goitse Pilane Attorneys Inc	Expansion	1010/6211 0/2021/35	R1,347,500.00	R0.00	R0.00
Operations and maintenance of Toll Plazas on the N1 North Toll Road	Tolcon Lehumo (Pty) Ltd (Now Tolcon Group (Pty) Ltd)	Expansion	N.001-239- 2010/1	R716,847,769.49	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Upgrading of bridges and culverts on National Route R33, Section 14 between Vaalwater and Lephalale	G4 Civils (Pty) Ltd	Expansion	R.033-140- 2016/1	R79,318, 984.47	R0.00	R0.00
Routine Road Maintenance of National Route N11 from Mpumalanga provincial boundary to Tubatse municipal boundary, R573 from Mpumalanga provincial boundary to Dr JS Moroka municipal boundary Near Denilton, and Mogalakwena municipal border to Seshego. R574 from R33 Intersection near Motetema to R579 Intersection at Hlogotlou	Rainbow Civils CC	Expansion	X.002-099- 2019/1	R46,398, 923.21	R0.00	R8,714, 928.18
Operations and maintenance of Toll Plazas on the N4 Magalies Toll Road	InterToll Africa (Pty) Ltd	Expansion	N.004-112- 2014/1	R117,304, 945.00	R0.00	R0.00
Routine Road Maintenance of National Route R37 from Polokwane municipal border to Fetakgomo-Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Mkhuduthamaga municipal border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-089- 2019/1	R58,574, 197.75	R0.00	R0.00
Routine Road Maintenance of National Route R521 from Polokwane to Molemole municipal border and R567 from Mogalakwena municipal border to Seshego	Rail Refurb CC	Expansion	X.002-101- 2019/1	R51,593, 637.17	R0.00	R11,144,225.63

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N11 from KwaZulu-Natal/ Mpumalanga provincial boundary to Pixley Ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley Ka Isaka Seme municipal boundary and R23 from Volksrust to Pixley Ka Isaka Seme municipal boundary	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-092- 2019/1	R67,528,472,19	R0.00	R10,263,934.87
Non-Toll for the Routine Road Maintenance of National Road R52 from Biesiesvlei to Lichtenburg, R503 from Matlosana municipal border to Lichtenburg, R505 from Tswaing municipal border to Mahikeng municipal border, N14 from Tswaing municipal border to JB Marks municipal border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-070- 2018/1	R74,238,382.25	R0.00	R16,848,912.81
Consulting engineering services for the supervision of the design, build, operation and maintenance (Dbom) of the national Freeway Management System (FMS) In the Western Cape, Gauteng, KwaZulu-Natal and Eastern Cape Provinces	Innovative Transport Solutions (Pty) Ltd/ Tolplan (Pty) Ltd Jv (Its/Tp Jv)	Expansion	X.005-032- 2019/1f	R104,464,792.50	R0.00	R0.00
Upgrading of bridges and culverts on National Route R33, Section 14 between Vaalwater and Lephalale	BCB Solutions (Pty) Ltd	Expansion	X.002-087- 2019/1 (Non-Toll), N.001-260- 2019/1 (Toll) and N.001-278-2019/1 (Toll)	R55,779,902.45	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance on National Route 2 Section 7 to 8 from Rondeheuwel (Km 3.42) to Natures Valley (Km 80.85)	Q&A Consulting Engineers (Pty) Ltd	Expansion	N.002-078- 2019/1f	R12,056,600.00	R0.00	R0.00
Routine Road Maintenance of National Roads R33 from Mkhondo municipal border through Warburton to Chief Albert Luthuli municipal border, N17 from Govan Mbeki municipal border Through Ermelo to Chief Albert Luthuli municipal border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-098- 2019/1 & N.017-040 2019/1	R83,831,794.61	R0.00	R24,126,103.00
Routine Road Maintenance of National Routes N2 Section 23 Km 44.78 to N2 Section 27 Km 1.85 and N3 Section 1 Km 8.56 to N3 Section 4 Km 1.60 in the Ethekwini Metro and Umgungundlovu District Municipality	Razzmatazz Civil (Pty) Ltd	Expansion	X.004-069- 2019/1	R297,300,632.49	R0.00	R0.00
Routine Road Maintenance of National Route R23 from Pixley Ka Isaka Seme municipal boundary Over Standerton to Mpumalanga/ Gauteng provincial boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Isaka Seme municipal boundary to Lekwa municipal boundary	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-093- 2019/1	R79,310,093.85	R0.00	R10,558,887.38

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Resurfacing of National Road R555 Section 4 from Ga-Mapodila (Km 17.4) to Burgersfort (Km 37.4)	Roadmac Surfacing (Pty) Ltd	Expansion	R.555-040- 2019/2	R84,401,984.02	R0.00	R0.00
Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli municipal border to Barberton, R37 from Thaba Chweu municipal border to Mbombela, R40 from Barberton Over Mbombela to the Limpopo border, and N4 from Enos Mabuza Intersection to the Crocodile Valley	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-108- 2019/1	R81,250,279.09	R0.00	R0.00
Routine Road Maintenance of National Route R21 Sections 1 & 2, N12 Sections 18 & 19, N3 Sections 11 & 12 and N17 Section 2 (Ekurhuleni RRM)	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-129- 2019/1 & N.003-112- 2019/1	R190,467,390.63	R0.00	R22,425,000.00
Upgrading of National Route R61 Section 7 from Baziya (Km 12) to Mthatha Airport (Km 39.39)	H&I Construction (Pty) Ltd	Expansion	R.061-070- 2020/1	R237,500,000.00	R0.00	R0.00
Rehabilitation of National Route 2 Section 19 between Nqadu (Km 21.40) and Mbokotwana River (Km 38.00) and safety improvements at Dan's (between Km 17.00 and Km 19.00)	Triamic Construction (Pty) Ltd (Now H&I Construction (Pty) Ltd	Expansion	N.002-190- 2013/1	R816,000,000.00	R0.00	R0.00

Project description	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Emergency Routine Road Maintenance of National Route R31 Section 4 to 5 from Santoy (Km 0.00) to Kgatelopele/Ga- Segonyana border (Km 47.90), and National Route R380 from Santoy (Km 0.00) to Mccarthy's Rest (Km 115.87)	Razzmatazz Civil (Pty) Ltd	Expansion	X.005-053- 2023/1	R5,258,104.75	R0.00	R1,255 635.41
Procurement of the operations and maintenance of the Open Road Tolling System in the Gauteng Province, South Africa, and the National Transaction Clearing House	Electronic Toll Collection (Pty) Ltd	Expansion	N.001-201- 2008/1	R1,341,841,747.65	R0.00	R0.00
Routine Road Maintenance National Road N11 Section 7 from the Msukaligwa municipal border to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal border, N2 Section 34 from Ermelo to the Msukaligwa municipal border	Penny Farthing Engineering SA (Pty) Ltd	Expansion	X.002-097- 2019/1	R108,401,651.76	R19,399,126.57	R53,899,126.57
Routine Road Maintenance of National Route R325 Section 2 from the N14/ R325 I/S (Km 0.00) to Postmasburg (Km 50.87); National Route R385 Section 3 from Postmasburg (Km 0.00) to Danielskuil (Km 51.40); and National Route R31 Section 5 to 6 from Kgatelopele/Ga-Segonyana border (Km 47.90) to Kgatelopele/Dikgatlong border (Km 25.45)	Razzmatazz Civil (Pty) Ltd	Expansion	X.005-052- 2023/1	R5,041,962.25	R0.00	R1,010,194.75

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Appointment of the panel of suitable independent internal audit firms for a period of three (3) years for SANRAL Head Office and Regions	Internal Audit Panel	Expansion	Ho/1002/6 4510/2018/ 01	R0.00	R0.00	R0.00
Routine Road Maintenance of National Road N11 Section 7 from the Msukaligwa municipal border to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal border, 2 Section 34 from Ermelo to the Msukaligwa municipal border	Penny Farthing Engineering SA (Pty) Ltd	Expansion	X.002-097- 2019/1	R108,401,651.76	R19,399, 126,57	R53,899, 126.57
Routine Road Maintenance of National Route R325 Section 2 from the N14/ R325 I/S (Km 0.00) to Postmasburg (Km 50.87); National Route R385 Section 3 from Postmasburg (Km 0.00) to Danielskuil (Km 51.40); and National Route R31 Section 5 to 6 from Kgatelopele/Ga-Segonyana border (Km 47.90) to Kgatelopele/Dikgatlong border (Km 25.45)	Razzmatazz Civil (Pty) Ltd	Expansion	X.005-052- 2023/1	R5,041,962.25	R0.00	R1,010,194.75
Appointment of the panel of suitable independent internal audit firms for a period of three (3) years for SANRAL Head Office and Regions	Internal Audit Panel	Expansion	Ho/1002/6 4510/2018/ 01	R0.00	R0.00	R0.00
Call for Expression of Interest (EOI) for SANRAL legal panel of attorneys for a period of three years	Legal Panel	Expansion	Ho/Gl6211 0/2019/01	R0.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Appointment of panel of recruitment agencies for a period of three years for SANRAL	Panel of Recruitment Services	Expansion	Ho/1006/5 8700/2018/ 01	R7,300.000.00	R0.00	R0.00
Routine Road Maintenance of National Road R34 from Naledi municipal border to Free State border and N12 from Northern Cape border to Maquassi Hills municipal border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-072- 2018/1	R64,170,848.70	R0.00	R13,187,061.50
Routine Road Maintenance of National Road R511 Section 2 & 3 from Gauteng border to Limpopo border, R512 Section 2 & 3 from Gauteng border to Brits and N4 Section 12 from R512 to N4	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-066- 2018/1	R61,785,243.85	R0.00	R14,087,197.33
Routine Road Maintenance of National Road N12 from West Rand District border to Gauteng/Northwest border, N14 from West Rand District border to Gauteng/ North West border, R54 from Sedibeng District border to Gauteng/North West border, R500 from Gauteng/North West border to West Rand District border, R501 from West Rand District border to Gauteng/North West border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-119- 2019/1	R105,817,816.95	R0.00	R19,854,478.28

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N11 from Mookgopong municipal border through Marble Hall to Elias Motsoaledi municipal border, R573 from Dr JS Moroka municipal border to Marble Hall, R579 from Elias Motsoaledi municipal border through Nebo to Lepelle-Nkumpi municipal border	BCB Solutions (Pty) Ltd	Expansion	X.002-100- 2019/1	R55,165, 858.23	R0.00	R9,929,854.48
Routine Road Maintenance of National Route R81 from Polokwane municipal boundary to Molemole municipal boundary, R521 from Polokwane municipal boundary to Molemole municipal boundary, R36 from Greater Letaba municipal boundary to Molemole municipal boundary and N1-28x from Polokwane municipal boundary to Molemole municipal boundary	Rainbow Civils CC	Expansion	X.002-079- 2019/1 (Non-Toll) & N.001-280- 2019/1 (Toll)	R91,308,117.13	R0.00	R11,370,537.96
Routine Road Maintenance of National Route N12 from Lekwa-Teemane municipal border to Matlosana Municipal border, R504 from Wolmaransstad to the Free State border, and R505 from Wolmaransstad to Tswaing municipal border	Shonisani Rambau Construction	Expansion	X.002-110- 2019/1	R54,198,298.71	R0.00	R12,569,654.97

Project description	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Routine Road Maintenance of National Route R53 from N12 Potchefstroom to Free State border, R54 from Gauteng border to N12 Potchefstroom, R500 from Parys to Gauteng border, R501 from Free State border to Gauteng border, N12 from Gauteng border to border of Merafong Municipality	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-068- 2018/1	R69,071, 794.50	R0.00	R15,439, 642.80
Multiple contracts	Multiple Contractors	Expansion	X.002-088-2019/1 (Toll) & R.104-012- 2019/1 (Non-Toll), X.002-128- 2019/1 (Toll) & N.017-010- 2019/1 (Non-Toll), X.002-129- 2019/1 (Toll) & N.003-112-2019/1 (Non-Toll), X.002-119-2019/1 X.002-071-2018/1, X.002-122- 2019/1, X.002-123-2019/1, X.002-124- 2019/1, X.002-114-2019/1, X.002-110- 2019/1, X.002-072-2018/1, X.002-068- 2018/1, X.002-069-2018/1, X.002-070- 2018/1, X.002-067-2018/1, X.002-066- 2018/1, X.002-125-2019/1, X.002-127- 2019/1, X.002-097-2019/1, X.002-091- 2019/1	R0.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Construction of the Msikaba River Bridge on the N2 Wild Coast Toll Road	HVA JV	Expansion	N.002-200- 2016/2a	R14,062,127.96	R0.00	R155,250, 000.00
Upgrading of National Route R67 Section5 from Swart Kei River (Km 14.90) to Queenstown (Km 32.91)	Raubex Roadmac Surfacing Cape JV	Expansion	R.067-050- 2016/1	R468,305,750.00	R0.00	R0.00
Consulting engineering services for geotechnical services for the Southern Region	Aurecon SA (Renamed Zutari in July 2020)	Expansion	X.003-017- 2017/1f	R126,751,102.50	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance on National Route 2 Sections 7 to 8 from Rondeheuwel (Km 3.42) to Natures Valley (Km 80.85)	Q&A Consulting Engineers (Pty) Ltd	Expansion	N.002-078- 2019/1f	R12,056,600.00	R0.00	R0.00
Intersection improvements between Olifanshoek and Kathu on National Route 14, Sections 6 and 7	Baseline Civil Constructors (Pty) Ltd	Expansion	N.014-067- 2021/1	R53,361,535.80	R0.00	R0.00
Slope stabilisation on National Route 2 Section 6 from Km 89.40 to Km 91.40: Hartenbos Hills	H&I and TS Joint Venture	Expansion	N.002-060- 2020/4	R63,850.000.00	R0.00	R0.00
For the Routine Road Maintenance on National Route 1 Sections 1 to 2 between Berg River (Km 54.1) and Florence (Km 6.62); and: for the Routine Road Maintenance on National Route 1 Sections 1 to 4 between Joostenbergvlakte (Km 30.336) and Constable (Km 21.68)	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	N001-012- 2019/1 & N001-014- 2019/1	R85,903,017.40	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R33 from Mpumalanga/ KwaZulu-Natal provincial boundary to Mkhondo municipal boundary and N2 from Mpumalanga/ KwaZulu-Natal provincial boundary to Mkhondo municipal boundary	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-091- 2019/1	R93,223,274.67	R17,023,380.59	R51,523,380.59
Improvement of National Road R37 Section 1: Modikwa Mine (Km 117.00) to Burgersfort (Km 142,87) (total 25,87 Km) and C.002-013-2014/1 construction of the pedestrian safety facilities between Modikwa Mine and Burgersfort	Edwin Construction (Pty) Ltd	Expansion	R.037-020- 2005/1 & C.002-013-2014/1	R616,890,317.71	R0.00	R147,958,592.75
Call for Expression of Interest for panel of competent service providers to conduct financial and technical due diligence services for SANRAL	Due Diligence Panel	Expansion	NRA/58700/ 1004/06	R25,200.000.00	R0.00	R0.00
Appointment of law firm to render legal support to Management Bid Adjudication Committee (RBAC & MBAC) for a fixed term contract of 6 months	Maponya Attorneys	Expansion	1010/6211 0/2021/RBAC/ MBAC	R900.000.00	R0.00	R0.00
Resurfacing of National Road R555 Sections 3 & 4 from Steelpoort River (Km 63.0) to Ga-Mapodila (Km 17.4)	Roadmac Surfacing (Pty) Ltd	Expansion	R.555-034- 2019/1	R93,613,910.84	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N14 from Vryburg to Tswaing municipal border, N18 from Vryburg to Ratlou municipal border, and R34 from Vryburg to Mamusa municipal border	Razzmattazz Civils (Pty) Ltd	Expansion	X.002-123- 2019/1	R58,604,248.40	R0.00	R13,273,237.16
Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef border post, R571 from the Crocodile River over Komatipoort to the Mananga border Post, R581 from R570 to R571 and R582 from R571 to N4	Vea Road Maintenance	Expansion	X.002-106- 2019/1	R70,039,164.84	R0.00	R14,882,577.41
Routine Road Maintenance of National Route R524 from Louis Trichardt to Punda Maria Gate, R578 from Louis Trichardt to Greater Giyani municipal border, R36 from Molemole municipal border to Bandelierskop, N1 from Molemole municipal border to Louis Trichardt	Shonisani Rambau Construction (Pty) Ltd	Expansion	X.002-103- 2019/1 (Non-Toll) & N.001- 280- 2019/2 (Toll)	R98,654,979.45	R0.00	R11,162,138.44
Routine Road Maintenance of National Route N2 Section 16 Km 31.26 to Section 18 Km 28.91 and National Route N6 Section 1 Km 30.18 to 50.380 and National Route R63 Section 16 Km 0.00 to Km 43.64	Rainbow Civils CC	Expansion	X.003-034- 2019/1	R53,904,887.97	R0.00	R10,140,190.94

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route 6 Section 3 Km 8.14 to Km 58.86 and National Route R61 Section 5 Km 0.25 to Section 6 Km 92.78 and National Route R67 Section 4 Km 43.43 to Section 5 Km 33.20	Rainbow Civils CC	Expansion	X.003-046- 2019/1	R75,769.004.77	R0.00	R10,615 052.62
Consulting engineering services for the special maintenance of National Route R58 Section 4 from Aliwal North (Km 0.00) to Lady Grey (Km 49.79), the periodic maintenance of National Route R58 Section 5 from Lady Grey (Km 0.00) to Barkley East (Km 66.12) and the special maintenance for Slope Stability on National R58 Section 5 from Lady Grey (Km 0.00) to Barkley East (Km 66.12)	SNA Civil and Structural Engineers (Pty) Ltd	Expansion	R.058-040-2016/1f, R.058-050- 2016/1f and R.058- 050-2016/2f	R54,146, 988.70	R0.00	R14,331,853.63
Consulting engineering services for Routine Road Maintenance of National Routes 6 Section 3 Km 8.04 to Km 58.86 and National Route R61 Section 5 Km 0.25 to Section 6 Km 92.78 and National Route R67 Section 4 Km 43.43 to Section 5 Km 33.20	Avat Consulting Engineers	Expansion	X.003-046- 2019/1f	R17,055, 075.00	R0.00	R0.00
Consulting engineering services for the detailed assessment and basic planning for the Ladysmith by-pass	BKS (Pty) Ltd (now Aecom)	Expansion	N.011-012- 2014 /1d	R4,096,645.00	R0.00	R912,340.41

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Route Maintenance of National Route N2 Section 18 Km 28.91 to Section 20 Km 17.70 and National Route R61 Section 6 Km 92.78 to Km 51.49	Rainbow Civils CC	Expansion	X.003-047- 2019/1	R53,904,887.97	R10,780, 977.60	R20,921,888.54
Toll operations and maintenance of the extended N17 Toll Road	Tolcon Group (Pty) Ltd	Expansion	N.017-024- 2011/1	R491,741,045.75	R159,426, 759.95	R159,426,759.95
Provision of Travel Management Services	Travel With Flair	Expansion	1006/2017/ 1	R5,901,453.39	R0.00	R0.00
Routine Road Maintenance of National Routes N11 from the Ephraim Mogale municipal boundary to Mogalakwena municipal boundary, R33 from N11 Intersection to Modimolle, and R101 from Middelfontein to Mogalakwena municipal boundary	QTC Civils (Pty) Ltd	Expansion	X.002-080- 2019/1	R44,623,543.73	R0.00	R9,638,685.44
Toll operations and maintenance of Tsitsikamma Toll Road.	Zutari (Pty) Ltd	Expansion	NRA N.002-089- 2014/1	R236,593,283.50	R 0.00	R0.00
Provision of Travel Management Services	Travel With Flair	Expansion	1006/2017/ 1	R5,901,453.39	R 0.00	R0.00
Consulting engineering services for the detailed design and construction monitoring of the realignment of the N3, Section 2 from Key Ridge (Km 2.8) to Hammarsdale (Km 8.1)	BVI Consulting Engineers Western Cape (Pty) Ltd Trading As Bvi	Expansion	N.003-020- 2017/2f	R122,301,275.25	R129.000, 113.96	R129.000,113.96
Flood repairs at the Nonoti River Bridge, Doesberg, on P107 from Km 9 to Km 10	Mnyanda Business Enterprises CC	Expansion	P.004-061- 2022/1-B	R6,325,399.05	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Routes N2 Section 23 Km 44.78 to N2 Section 27 Km 1.85 and N3 Section 1 Km 8.56 to N3 Section 4 Km 1.60 In the Ethekwini Metro and Umgungundlovu District Municipality	Razzmatazz Civil (Pty) Ltd	Expansion	X.004-069- 2019/1	R297,300,632.49	R0.00	R19,999,997.28
Routine Road Maintenance of National Routes N2 Section 21x Km 0.00 to N2 Section 22x Km 29.60 and N2 Section 22 Km 0.00 to N2 Section 23 Km 44.78 In the Sisonke and Ugu District Municipalities	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	N.002-213- 2019/1	R156,155,895.25	R0.00	R19,999,972.00
Routine Road Maintenance of National Routes N2, R69 in the Zululand District Municipality	Rail Refurb (Pty) Ltd	Expansion	X.004-071- 2019/1	R56,251, 767.00	R0.00	R15,172,789.16
Routine Road Maintenance of National Routes N2, R22 in the Umkhanyakude District Municipality	Rail Refurb (Pty) Ltd	Expansion	X.004-072- 2019/1	R90,314,088.50	R0.00	R19,999,650.00
Routine Road Maintenance of National Routes N1 and R34 in the Fezile Dabi District Municipality	QTC Civils (Pty) Ltd	Expansion	N.001-179- 2019/1	R57,311, 989.38	R8,023, 678.54	R23,482,441.42
Routine Road Maintenance National Route N5 and N8 In the Thabo Mofutsanyane District Municipality	Damians Contractors CC	Expansion	X.004-068- 2019/1	R53,272, 899.00	R59,417, 699.42	R59,417,699.42
Routine Road Maintenance of National Roads N1 and N8 in the Xhariep District Municipality	Rail Refurb (Pty) Ltd	Expansion	X.004-075- 2019/1	R46,022, 031.70	R6,443,220.00	R18,856, 810.36

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Request for tender for Local Area Network Management for a 36-month period	Underground Communication (Pty) Ltd	Expansion	58000/1013/2020/04	R11,047, 434.22	R0.00	R0.00
Improvement of National Road R81 Section 1 from Munnik (Km 61.19) to Ga-Sekgopo (Km 71.12)	Lonerock Construction (Pty) Ltd	Expansion	R.081-010- 2013/1	R162,271,667.30	R34,627,708.97	R44,414, 575.37
Routine Road Maintenance of National Road N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane municipal border	Vea Road Maintenance & Civils Pty) Ltd	Expansion	N.001-246- 2018/1	R86,213,359.85	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Road N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane municipal border	KBK Engineers (Pty) Ltd	Expansion	N.001-246- 2018/1f	R13,196,807.69	R0.00	R0.00
Routine Road Maintenance of National Road R40 from Maruleng border to R71, R71 from Greater Tzaneen border to Phalaborwa Kruger Park Gate and R526 from Maruleng border to Gravelotte	Rainbow Civils CC	Expansion	X.002-121- 2019/1	R48,124,194.76	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Road R40 from Maruleng border to R71, R71 from Greater Tzaneen border to Phalaborwa Kruger Park Gate and R526 from Maruleng border to Gravelotte	Wanoza Consulting Engineers CC	Expansion	X.002-121- 2019/1f	R11,708,828.50	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Road R36 from Greater Tubatse border to Greater Tzaneen border, R40 from Mpumalanga border to Ba- Phalaborwa border, R526 from Mica to Ba-Phalaborwa border and R531 from R40 to Orpen Kruger Gate	BCB Solutions (Pty) Ltd	Expansion	X.002-120- 2019/1	R57,584,450.83	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Road R36 from Greater Tubatse border to Greater Tzaneen border, R40 from Mpumalanga border to Ba- Phalaborwa border, R526 from Mica to Ba-Phalaborwa border and R531 from R40 to Orpen Kruger Gate	Wanoza Consulting Engineers CC	Expansion	X.002-120- 2019/1f	R11,708,932.00	R0.00	R0.00
Routine Road Maintenance of National Route R555 from Elias Motsoaledi municipal border to Burgersfort, R37 from Lepele- Nkumpi municipal border over Burgersfort to Mpumalanga border, R36 from Mpumalanga border to Maruleng municipal border and R532 from Mpumalanga border to the R36	Itumeleng Construction	Expansion	X.002-109- 2019/1	R76,978,896.96	R16,935,357.33	R16,935,357.33

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable	Value of current contract expansion or variation
Routine Road Maintenance of National Road R81 from Molemole municipal boundary to Giyani, R578 from Collins Chabane municipal boundary to Giyani, R529 from Greater Giyani municipal boundary to Giyani and R36 from Greater Tzaneen municipal boundary through Modjadjiskloof to Molemole municipal boundary	Vea Roads Maintenance and Civils (Pty) Ltd	Expansion	X.002-094- 2019/1	R80,831,278.89	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Road R81 from Molemole municipal boundary to Giyani, R578 from Collins Chabane municipal boundary to Giyani, R529 from Greater Giyani municipal boundary to Giyani and R36 from Greater Tzaneen municipal boundary through Modjadjiskloof to Molemole municipal boundary	ROMH	Expansion	X.002-094- 2019/1f	R12,022, 600.00	R0.00	R0.00
Routine Road Maintenance of National Road R37 from Polokwane municipal border to Fetakgomo-Greater Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Makhuduthamaga municipal border	BCB Solutions (Pty) Ltd	Expansion	X.002-090- 2019/1	R63,277,032.66	R0.00	R0.00

Project description (continued)	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting engineering services for the Routine Road Maintenance of National Road R37 fromPolokwane municipal border to Fetakgomo-Greater Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Makhuduthamaga municipal border	Endecon Ubuntu Africa (Pty) Ltd	Expansion	X.002-090- 2019/1f	R11,877,016.00	R0.00	R0.00
Routine Road Maintenance of National Road R37 from Polokwane municipal border to Fetakgomo-Greater Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Makhuduthamaga municipal border	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-089- 2019/1	R58,574,197.75	R12,652,026.71	R12,652,026.71
Consulting engineering services for the Routine Road Maintenance of National Road R37 from Polokwane municipal border to Fetakgomo-Greater Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Makhuduthamaga municipal border	Marumo Consulting Engineers (Pty) Ltd	Expansion	X.002-089- 2019/1f	R11,978 975.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R518 from the Lephalale municipal border to Mokopane, N11 from the Mogalakwena municipal border to R101 Intersection and R101 from the Mogalakwena municipal border to Mokopane	Razzmatazz Civil (Pty) Ltd	Expansion	X.002-086- 2019/1	R104,258,476.75	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Route R518 from the Lephalale municipal border to Mokopane, N11 from the Mogalakwena municipal border to R101 Intersection and R101 from the Mogalakwena municipal border to Mokopane	Marumo Consulting Engineers (Pty) Ltd	Expansion	X.002-086- 2019/1f	R11,967,830.00	R0.00	R0.00
Routine Road Maintenance of National Route R510 from Lephalale to Monte Christo, R572 from Monte Christo to tom Burke, R518 from Lephalale to Mogalakwena municipal boundary and N11 from Blouberg municipal boundary to Groblersbrug border Post	Botle Ba Africa (Pty) Ltd	Expansion	X.002-085- 2019/1	R67,088,030.20	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route R510 from Lephalale to Monte Christo, R572 from Monte Christo to tom Burke, R518 from Lephalale to Mogalakwena municipal boundary and N11 from Blouberg municipal boundary to Groblersbrug border Post	Wanoza Consulting Engineers CC	Expansion	X.002-085- 2019/1f	R11,649,396.50	R0.00	R0.00
Operations and maintenance of Toll Plazas on the N1 North Toll Road	Zutari (Pty) Ltd	Expansion	N.001-239- 2010/1	R716,847,769.49	R12,594,493.65	R12,594,493.65
Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli municipal boundary to Barberton, R37 from Thaba Chweu municipal boundary to Mbombela, R40 from Barberton over Mbombela to the Limpopo Boundary, and N4 from Enos Mabuza Intersection to Crocodile Valley	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-108- 2019/1	R81,250,279.09	R16,250,055.82	R16,250,055.82
Consulting engineering services for the Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli municipal boundary to Barberton, R37 from Thaba Chweu municipal boundary to Mbombela, R40 from Barberton over Mbombela to the Limpopo Boundary, and N4 from Enos Mabuza Intersection to Crocodile Valley	ROMH	Expansion	X.002-108- 2019/1f	R12,204,950.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Road R37 from Limpopo/Mpumalanga Boundary over Mashishing to Mbombela municipal border	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-107- 2019/1	R67,421,040.34	R12,650 000.00	R12,650,000.00
Consulting engineering services for the Routine Road Maintenance of National Road R37 from Limpopo/Mpumalanga Boundary over Mashishing to Mbombela municipal border	ROMH	Expansion	X.002-107- 2019/1f	R12,204,950.00	R0.00	R0.00
Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef border Post, R571 from the Crocodile River over Komatipoort to the Mananga border Post, R581 from R570 to R571 and R582 from R571 to N4	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-106- 2019/1	R70,039,164.84	R14,882,577.41	R14,882,577.41
Consulting engineering services for the Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef border Post, R571 from the Crocodile River over Komatipoort to the Mananga border Post, R581 from R570 to R571 and R582 from R571 to N4	ROMH	Expansion	X.002-106- 2019/1f	R12,204,950.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete municipal boundary, N12 from Gauteng/Mpumalanga Boundary to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka Municipality	Rail Refurb CC	Expansion	X.002-105- 2019/1	R80,303,735.25	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete municipal boundary, N12 from Gauteng/Mpumalanga Boundary to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka Municipality	Zimile Consulting Engineers (Pty) Ltd	Expansion	X.002-105- 2019/1f	R12,253,250.00	R0.00	R0.00
Routine Road Maintenance of National Route R33 from Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary, R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary and the N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-098- 2019/1 (Non-Toll) & N.017- 040-2019/1 (Toll)	R83,831,794.61	R14,249,967.88	R14,249,967.88

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route R33 from Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary, R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary and the N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary	ROMH	Expansion	X.002-098-2019/1f (Non-Toll) & N.017-040-2019/1f (Toll)	R12, 292,350.00	R0.00	R0.00
Routine Road Maintenance of National Route R23 from Lekwa/Pixley Ka Isaka Seme municipal boundary over Standerton to Mpumalanga/Gauteng Provincial Boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Seme municipal boundary to Lekwa municipal boundary	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-093-2019/1	R79,310,093.85	R15,862,018.77	R15,862,018.77
Consulting engineering services for the Routine Road Maintenance of National Route R23 from Lekwa/Pixley Ka Isaka Seme municipal boundary over Standerton to Mpumalanga/Gauteng Provincial Boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Seme municipal boundary to Lekwa municipal boundary	ROMH	Expansion	X.002-093-2019/1f	R10,854,850.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N11 from Kwazulu-Natal/Mpumalanga Provincial Boundary to Pixley Ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley Ka Isaka Seme municipal boundary and R23 from Volksrust to Pixley Ka Isaka Seme municipal boundary	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-092- 2019/1	R67,528,472.19	R13,505,694.44	R13,505,694.44
Consulting engineering services for the Routine Road Maintenance of National Route N11 from Kwazulu-Natal/Mpumalanga Provincial Boundary to Pixley Ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley Ka Isaka Seme municipal boundary and R23 from Volksrust to Pixley Ka Isaka Seme municipal boundary	ROMH	Expansion	X.002-092- 2019/1f	R10,942,250.00	R0.00	R0.00
Routine Road Maintenance of National Route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12, N12 Section 18 & N17 Section 1 (Johannesburg Freeway RRM)	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-128- 2019/1 (Toll) & N.017-010- 2019/1 (Non-Toll)	R169,849,270.13	R0.00	R16,560,463.22
Routine Road Maintenance of National Route N14 from Ditsobotla municipal border to the Gauteng border; R30 from Kgetlengrivier municipal border through Ventersdorp to Matlosana municipal border; and R53 from Potchefstroom to Ventersdorp	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-127- 2019/1	R73,990,989.42	R0.00	R17,313,891.52

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R521 from Molemole municipal border through Vivo to Makhado municipal border, R523 from Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beitbridge border post	BCB Solutions (Pty) Ltd	Expansion	X.002-102-2019/1 & N.001-290-2019/2	R73,215,921.85	R16,107,502.60	R16,107,502.60
Routine Road Maintenance of National Road N14 from the North West/Northern Cape border to Vryburg, N18 from the Northwest/ Northern Cape border to Vryburg	Razzmattazz Civils (Pty) Ltd	Expansion	X.002-122-2019/1	R58,049,970.25	R0.00	R13,248,947.60
Consulting engineering services for the Routine Road Maintenance National Route 1 Section 1 between Old Oak I/C (Km 18.9) and Joostenberg Vlakte (Km 30.44) & National Route 2 Sections 1 to 2 between Swartklip I/C (Km 17.47) and Elgin forest Reserve (Km 18.83) & National Route 7 Section 1 between Melkbos I/C (Km 17.4) and Klipvlei (Km 34.99) & National Route R300 Section 1 between Swartklip I/C (Km 14.76) and Stellenberg I/C (Km 30.93)	VST Consulting Engineers (Pty) Ltd	Expansion	X.005-036-2019/1f	R11,403,469.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route 1 Section 1 between Old Oak I/C (Km 18.9) and Joostenberg Vlakte (Km 30.44) & National Route 2 Sections 1 to 2 between Swartklip I/C (Km 17.47) and Elgin forest Reserve (Km 18.83) & National Route 7 Section 1 between Melkbos I/C (Km 17.4) and Klipvlei (Km34.99) & National Route R300 Section 1 between Swartklip I/C (Km 14.76) and Stellenberg I/C (Km 30.93)	Vea Roads and Maintenance Civil (Pty) Ltd	Expansion	X.005-036- 2019/1	R146,092,243.07	R0.00	R0.00
Consulting engineering services for the Construction of the Msikaba River Bridge on the N2 Wild Coast Toll Road	HVA JV	Expansion	N.002-200- 2016/2a	R33,595,967.93	R266,616,219.72	R424,125,936.37
Construction of the Msikaba River Bridge on the N2 Wild Coast Toll Road	Concor Mota-Engil JV	Expansion	N.002-200- 2016/2a	R1,902,243,750.05	R0.00	R428,340,653.03
Consulting engineering services for the Upgrade of National Route R61 between Mpenjati River (Km 15.0) and Mbizana River (Km 24.0)	Royal Haskoning DHV (Pty) Ltd	Expansion	R.061-110- 2015/1f	R69,104,898.63	R77,649,577.85	R177,727,361.85
Flood repairs of the Tete River Bridge on Provincial Route R102	Khula Africa Agricultural and Construction Projects CC	Expansion	P.004-056- 2022/1	R18,403,899.65	R0.00	R0.00
Request for tender for Geographic Information Support Services	Software Engineering Consulting CC	Expansion	57000/100 2/2019/2r	R100,002,230.60	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for Routine Road Maintenance of National Route N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane municipal border	KBK Engineers (Pty) Ltd	Expansion	N.001-246- 2018/1	R10,540,564.78	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Route N11 from Mokopane to Blouberg municipal border, R518 from Mokopane to Lephelle-Nkumpi municipal border, and R101 from Mokopane to Polokwane municipal border	Endecon Ubuntu Africa	Expansion	X.002-090- 2019/1	R11,877,016.00	R0.00	R0.00
Operations and maintenance of Toll Plazas on the N4 MagaliesToll Road	InterToll Africa (Pty) Ltd	Expansion	N.004-112- 2014/1	R117,304,945.00	R0.00	R0.00
Routine Road Maintenance of National Routes R33 from Modimolle municipal boundary to R510 Intersection In Lephalale, R520 from the R510 Intersection to Modimolle municipal boundary, and R510 from Thabazimbi municipal boundary to R33 Intersection In Lephalale	Rainbow Civils CC	Expansion	X.002-084- 2019/1	R46,931,359.93	R0.00	R10,700,350.06
Routine Road Maintenance of National Routes R101 from Bela- Bela to Middelfontein, R516 from Thabazimbi municipal boundary to Bela-Bela, R520 from Lephalale municipal boundary to R33 Intersection at Vaalwater, and R33 from Modimolle to Lephalale municipal boundary	Rainbow Civils CC	Expansion	X.002-083- 2019/1	R47,437,278.63	R0.00	R10,815,69,53

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the upgrading of National Road R573 Section 2 from the Gauteng/Mpumalanga Provincial border (Km 0.00) to the Mpumalanga/ Limpopo Provincial border (Km 48.60)	Aecom (Pty) Ltd	Expansion	R.573-020- 2016/2f	R136,051,450.35	R0.00	R0.00
Routine Road Maintenance of National Route R510 from Rustenburg to the Limpopo border, R556 from R510 Intersection to R565 Intersection, and R565 from Rustenburg to R556 Intersection	Shonisani Rambau Construction (Pty) Ltd	Expansion	X.002-114- 2019/1	R83,240,272.61	R0.00	R8,548,359.95
Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete municipal border, N12 from Gauteng/ Mpumalanga border to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka Municipality	Rail Refurb CC	Expansion	X.002-105- 2019/1	R80,303,735.25	R0.00	R19,079,129.34
Consulting engineering services for the Routine Road Maintenance of National Route 14 Sections 5 to 8 from Zonderhuis (Km 61.11) to Northern Cape/Northwest border (Km 54.57)	Tshiki Consulting Engineers and Project Managers CC	Expansion	N.014-058- 2019/1f	R12,611,992.50	R0.00	R0.00
Consulting engineering services for the assessment, detailed design, contract documentation and construction monitoring of the improvement on National Route N2 Section 34 from Piet Retief (Km 0) to Verzameling (Km 30)	KBK Engineers (Pty) Ltd	Expansion	N.002-340- 2015/1f	R24,709,145.63	R0.00	R30,362,645.41

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the upgrading of National Road R573 Section 3 from Limpopo/ Mpumalanga Provincial border (Km 0.00) to Marble Hall (Km 43.70)	Leo Consulting (Pty) Ltd	Expansion	R.573-030- 2016/3f	R125,509,958.70	R0.00	R35,271,974.99
Routine Road Maintenance of National Route R33 from Mpumalanga / Kwazulu-Natal Provincial boundary to Mkhondo municipal boundary and N2 from Mpumalanga/ Kwazulu-Natal Provincial boundary to Mkhondo municipal boundary	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-091- 2019/1	R93,223,274.67	R68,303,570.03	R114,303,570.03
Consulting engineering services for supervision of the intersection improvements between Olifantshoek and Kathu on National Route 14, Sections 6 and 7	ROMH Consulting (Pty) Ltd	Expansion	N.014-060- 2016/1-Ccs	R9,235,218.75	R0.00	R1,631,383.58
Consulting engineering services for the assessment, detailed design, contract documentation and construction monitoring of the improvement on National Route N2 Section 34 from Verzameling (Km 30) to Leiden (Km 60)	KBK Engineers (Pty) Ltd	Expansion	N.002-340- 2016/1f	R24,925,892.52	R0.00	R30,362,645.41
Routine Road Maintenance of National Roads R33 from Mkhondo municipal border through Warburton to Chief Albert Luthuli municipal border, N17 from Govan Mbeki municipal border-through Ermelo to Chief Albert Luthuli municipal border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-098- 2019/1 & N.017-040- 2019/1	R83,831,794.61	R24,126,103.00	R72,876,070.88

Project description (continued)	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting engineering services for the Routine Road Maintenance of National Route 14 Sections 5 to 8 from Zonderhuis (Km 61.11) to Northern Cape/Northwest border (Km 54.57)	Tshiki Consulting Engineers and Project Managers CC	Expansion	N.014-058-2019/1f	R12,611,992.50	R0.00	R0.00
Consulting engineering services for the assessment, detailed design, contract documentation and construction monitoring of the improvement on National Route N2 Section 34 from Piet Retief (Km 0) to Verzameling (Km 30)	KBK Engineers (Pty) Ltd	Expansion	N.002-340-2015/1f	R24,709,145.63	R0.00	R30,362,645.41
Consulting engineering services for the Upgrading of National Road R573 Section 3 from Limpopo/ Mpumalanga Provincial border (Km 0.00) to Marble Hall (Km 43.70)	Leo Consulting (Pty) Ltd	Expansion	R.573-030-2016/3f	R125,509,958.70	R0.00	R35,271,974.99
Routine Road Maintenance of National Route R33 from Mpumalanga / Kwazulu-Natal Provincial Boundary to Mkhondo municipal boundary and N2 from Mpumalanga/ Kwazulu-Natal Provincial Boundary to Mkhondo municipal boundary	Vea Road Maintenance & Civils (Pty) Ltd	Expansion	X.002-091-2019/1	R93,223,274.67	R68,303,570.03	R114,303,570.03
Consulting engineering services for Supervision of the Intersection Improvements between Olifantshoek and Kathu on National Route 14, Sections 6 and 7	ROMH Consulting (Pty) Ltd	Expansion	N.014-060-2016/1-Ccs	R9,235,218.75	R0.00	R1,631,383.58

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the assessment, detailed design, contract documentation and construction monitoring of the improvement on National Route N2 Section 34 from Verzameling (Km 30) to Leiden (Km 60)	KBK Engineers (Pty) Ltd	Expansion	N.002-340- 2016/1f	R24,925,892.52	R0.00	R30,362,645.41
Routine Road Maintenance of National Roads R33 from Mkhondo municipal border through Warburton to Chief Albert Luthuli municipal border, N17 from Govan Mbeki municipal border through Ermelo to Chief Albert Luthuli municipal border	Vea Road Maintenance and Civils (Pty) Ltd	Expansion	X.002-098- 2019/1 & N.017-040- 2019/1	R83,831,794.61	R24,126,103.00	R72,876,070.88
Appointment of the panel of suitable independent internal audit firms for a period of three (3) years for SANRAL Head office and Regions	Panel of 10 Service Providers, Business Innovation Group (BIG), Audit and Risk Management Solutions (ARMS), MMM Advisory Services (MMM), Outsourced Risk & Compliance Assessment (ORCA), Masa Risk Advisory Services (MASA), Inqaba Kadiya Consulting (IKD), Victorious Chartered Accountants, Price Waterhouse Coopers (PWC), Nexia Sab & T, Ngubane & Co.	Expansion	Ho/1002/6 4510/2018/ 01	R0.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Appointment of a Service Provider for Avaya Communication Maintenance and Support Services for a 24-month period	Jasco Enterprise (Pty) Ltd	Expansion	58000/1013/2021/06	R5,195,881.79	R0.00	R714,433.58
Procurement of the operations and maintenance of an Open Road Tolling System in the Gauteng Province, South Africa, and a National Transaction Clearing House	Electronic Toll Collection (Pty) Ltd	Expansion	N.001-201- 2008/1	R1,341,841,747.65	R0.00	R0.00
Operations and maintenance of N3 Mariannhill Toll Plaza	InstaToll Africa (Pty)Ltd	Expansion	N.003-012- 2015/2	R206,279,808.65	R1,772,528.00	R3,963,879.96
Consulting engineering services for the supervision of the design, build, operation and maintenance (Dbom) of the National Freeway Management System (FMS) in the Western Cape, Gauteng, Kwazulu-Natal and Eastern Cape Provinces	Its/Tp Jv	Expansion	X.005-032- 2019/1f	R104,464,792.50	R0.00	R0.00
Database administration and managed services (Oracle, Microsoft Mssql and Mongodb) and support	Business Connexion (Pty) Ltd	Expansion	58000/2019/Oramssq l/R	R12,549,192.75	R1,899,871.79	R1,899,871.79
Call for Expression of Interest (EOI) for SANRAL Legal Panel of Attorneys for the period of three years	Panel of Service Providers	Expansion	Nra Ho/Gl6211 0/2019/01	R0.00	R0.00	R0.00
Appointment of a service provider for panel of recruitment agencies	Panel of Service Providers	Expansion	Rft Ho/1006/5 8700/2018/01	R7,300.000.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
The improvement of National Route R510 Section 2 from Bierspruit (Km 6.3) to Thabazimbi (Km33.8) (total 27.5km)	Raubex Construction (Pty) Ltd	Expansion	R.510-020- 2016/1	R458,104,665.00	R0.00	R10,660,499.78
The upgrade of National Route 3, Section 2 from Dardanelles (Km 26.6) to Lynnfield Park (Km 30.6)	Raubex Construction (Pty) Ltd	Expansion	N.003-020- 2017/9	R478,997,670.17	R0.00	R0.00
Request for tender for Opentext Content Suite Platform (Csp) Upgrade, Business Digitisation and Managed Services Programme	Opentext South Africa	Expansion	58000/202 0/Opentext csp/06	R21,458,617.91	R0.00	R0.00
Appointment of law firm to render legal support to Management Bid Adjudication Committee (RBAC & MBAC) for a fixed-term contract of 12 months (HO MBAC)	Cliffe Dekker Hoffmeyr Inc	Expansion	1010/6211 0/2021//RBAC/ MBAC	R4,500,000.00	R0.00	R0.00
Appointment of law firm to render legal support to Management Bid Adjudication Committee (RBAC & MBAC) for a fixed-term contract of 12 months (ER RBAC)	Maponya Attorneys	Expansion	1010/6211 0/2021//RBAC/ MBAC	R4,500,000.00	R0.00	R0.00
Consulting engineering services for the road marking of National Route N1 from Bela Bela to Beit Bridge border Post	Ski Civil and Structural Engineers (Pty) Ltd	Expansion	N.001-279- 2019/1f	R9,419,190.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route N4 Section 1, N4 Section 11 & 12, N1 Section 21, R21 Section 2, R104 Sections 1 & 2 and R573 Section 1 (Tshwane RRM)	Ndodana/Oarona JV	Expansion	X.002-088- 2019/1f (Toll) & R.104-012- 2019/1f (Non-Toll)	R20,583,459.00	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Route R21 Sections 1 & 2, N12 Sections 18 & 19, N3 Sections 11 & 12 and N17 Section 2 (Ekurhuleni RRM)	Ndodana/Oarona Jv	Expansion	X.002-129- 2019/1f (Toll) & N.003-112- 2019/1f (Non-Toll)	R20,583,459.00	R0.00	R0.00
Rehabilitation and strengthening of National Route R504 Section 3 from Wolmanransstad (Km 0.0) to Leeudoringstad (Km 28.9)	Tau Pele Construction (Pty) Ltd	Expansion	R.504-030- 2018/1	R252,000,000.01	R0.00	R0.00
Routine Road Maintenance of National Route N18 from the Naledi municipal border to the Botswana border Post, R49 from Mahikeng to the Ramotshere Moiloa municipal border and R505 Ditsobotla municipal border to the R49 Intersection	Rainbow Civils CC	Expansion	X.002-125- 2019/1	R90,061,845.92	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
For the Emergency Route Road Maintenance of National Route 14 Sections 5 to 8 from Zonderhuis (Km 61.11) to Northern Cape/ Northwest border (Km 54.57)	Razzmatzz Civil Pty) Ltd	Expansion	N.014-058- 2023/2	R31,520,792.75	R0.00	R0.00
Routine Road Maintenance of National Routes N2 Section 23 Km 44.78 to N2 Section 27 Km 1.85; and N3 Section 1 Km 8.56 to N3 Section 4 Km 1.60 In the Ethekwini Metro and Umgungundlovu District Municipality	Razzmatzz Civil Pty) Ltd	Expansion	X.004-069- 2019/1	R297,300,632.49	R199, 999, 997.28	R407,084,519.92
Toll Operations and Maintenance of the Extended N17 Toll Road	Tolcon Group (Pty) Ltd	Expansion	N.017-024- 2011/1	R651,167,806.25	R0.00	R0.00
Routine Road Maintenance of National Route R521 from Molemole municipal border through Vivo to Makhado municipal border, R523 from Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beitbridge border post	BCB Solutions (Pty) Ltd	Expansion	X.002-102- 2019/1 (Non-Toll) & N.001- 290-2019/2 (Toll)	R73,215,921.85	R16,107,502.81	R16,107,502.81
Routine Road Maintenance of National Route N2 Section 18 (Km 28.91) to Section 20 (Km 17.70) and National Route R61 Section 6 (Km 92.78) to Section 7 Km (51.49)	Rainbow Civils CC	Expansion	X.003-047- 2019/1	R59,021,526.57	R19,780,000.00	R59 324 628,90

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route N2 Section 18 (Km 28.91) to Section 20 (Km 17.70) and National Route R61 Section 6 (Km 92.78) to Section 7 Km (51.49)	Avat Consulting Engineers	Expansion	X.003-047- 2019/1f	R18,239,000.00	R0.00	R0.00
Routine Road Maintenance of National Route N6 Sections 3 Km 8.04 to Km 58.86 and National Route R61 Section 5 Km 0.25 to Section 6 Km 92.78 and National Route R67 Section 4 Km 43.43 to Section 5 Km 33.20	Rainbow Civils CC	Expansion	X.003-046- 2019/1	R75,769,004.77	R0.00	R28,344,999.74
Consulting engineering services for the Routine Road Maintenance of National Route N6 Sections 3 Km 8.04 to Km 58.86 and National Route R61 Section 5 Km 0.25 to Section 6 Km 92.78 and National Route R67 Section 4 Km 43.43 to Section 5 Km 33.20	Avat Consulting Engineers	Expansion	X.003-046-2019/1f	R17,055,075.00	R0.00	R0.00
The Routine Road Maintenance of National Route N2x Section 19 (Km 0.00) to Section 20 (Km 69.35) and National Route R396 Section 6 (Km 39.31 to Km 61.18)	Rainbow Civils CC	Expansion	X.003-034-2019/1	R53,904,887.97	R10,140,910.94	R32,895,565.67

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route N2x Section 19 (Km 0.00) to Section 20 (Km 69.35) and National Route R396 Section 6 (Km 39.31 to Km 61.18)	Avx Consulting	Expansion	X.003-034- 2019/1f	R17,087,275.00	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Route 14 Section 5 to 8 from Zonderhuis (Km 61.11) to Northern Cape/North West border (Km54.57)	Tshiki Consulting	Expansion	N.014-058- 2019/1f	R12,275,100.00	R0.00	R0.00
Routine Road Maintenance of Rational Route 1 Section 1 between Old Oak I/C (Km 18.9) and Joostenberg Vlakte (Km 30.44)& National Route 2 Section 1 to 2 between Swartklip I/C (Km 17.47) and Elgin forest Reserve (Km 18.83) & National Route 7 Section 1 between Melkbos I/C (Km 17.4) and Klipvlei (Km 34.99) and National Route R300 Section 1 between Swartklip I/C (Km 14.76) and Stellenberg I/C (Km30.93)	Vea Road Maintenance	Expansion	X.005-036- 2019/1	R146,092,243.07	R0.00	R60,984,629.69

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of Rational Route 1 Section 1 between Old Oak I/C (Km18.9) and Joostenberg Vlakte (Km30.44)& National Route 2 Section 1 to 2 between Swartklip I/C (Km17.47) and Elgin forest Reserve (Km18.83) & National Route 7 Section 1 between Melkbos I/C (Km17.4) Adn Klipvlei (Km34.99) and National Route R300 Section 1 between Swartklip I/C (Km14.76) and Stellenberg I/C (Km 30.93)	Tshiki Consulting	Expansion	X.005-036- 2019/1f	R11,403,469.00	R0.00	R0.00
For the Emergency Route Road Maintenance of National Route 14 Sections 5 to 8 from Zonderhuis (Km 61.11) to Northern Cape/ Northwest border (Km 54.57)	Razzmatzz Civil Pty) Ltd	Expansion	N.014-058- 2023/2	R31,520,792.75	R0.00	R27,899,910.70
Routine Road Maintenance of National Road R49 Section 1 from Mahikeng to Zeerust, R49 Section 2 from Zeerust to Kopfontein border Gate, R505 Section 6 from Lichtenburg to Ottoshoop	Vea Roads Maintenance and Civils	Expansion	X.002-071- 2019/1	R53,209,630.60	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Road R49 Section 1 from Mahikeng to Zeerust, R49 Section 2 from Zeerust to Kopfontein border Gate, R505 Section 6 from Lichtenburg to Ottoshoop	Cinfratec Consulting Engineers (Pty) Ltd	Expansion	X.002-071-2019/1f	R10,282,526.40	R0.00	R0.00
The Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli municipal boundary to Barberton, R37 from Thaba Chweu municipal boundary to Mbombela, R40 from Barberton over Mbombela to the Limpopo Boundary, and N4 from Enos Mabuza Intersection to Crocodile Valley	Vea Roads Maintenance and Civils	Expansion	X.002-108-2019/1	R81,250,279.09	R16,250,055.82	R66,373,623.72
Consulting engineering services for the Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli municipal boundary to Barberton, R37 from Thaba Chweu municipal boundary to Mbombela, R40 from Barberton over Mbombela to the Limpopo Boundary, and N4 from Enos Mabuza Intersection to Crocodile Valley	ROMH Consulting	Expansion	X.002-108-2019/1f	R12,204,950.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
The Routine Road Maintenance of National Road R37 from Limpopo/ Mpumalanga Boundary over Mashishing to Mbombela municipal border	Vea Roads Maintenance and Civils	Expansion	X.002-107- 2019/1	R67,421,040.34	R12,650,000.00	R50,884,111.13
Consulting engineering services for the the Routine Road Maintenance of National Road R37 from Limpopo/Mpumalanga Boundary over Mashishing to Mbombela municipal border	ROMH Consulting	Expansion	X.002-107- 2019/1f	R12,204,950.00	R0.00	R0.00
The Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef border Post, R571 from the Crocodile River over Komatipoort to the Mananga border Post, R581 from R570 to R571 and R582 from R571 to N4	Vea Roads Maintenance and Civils	Expansion	X.002-106- 2019/1	R70,039,164.84	R12,650,000.00	R53,761,345.12
Consulting engineering services for the Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef border Post, R571 from the Crocodile River over Komatipoort to the Mananga border Post, R581 from R570 to R571 and R582 from R571 to N4	ROMH Consulting	Expansion	X.002-106- 2019/1f	R12,204,950.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete municipal boundary, N12 from Gauteng/Mpumalanga boundary to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka Municipality	Rail Refurb CC	Expansion	X.002-105- 2019/1	R80,303,735.25	R19,079,129.34	R50,758,029.34
Consulting Engineering Service for the Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete municipal boundary, N12 from Gauteng/Mpumalanga boundary to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka Municipality	Zimile Consulting	Expansion	X.002-105- 2019/1f	R12,253,250.00	R0.00	R0.00
Routine Road Maintenance of National Road R555 from Emalahleni municipal border to Middelburg, R35 from Govan Mbeki municipal border to Middelburg, R38 from Msukaligwa municipal border to Chief Albert Luthuli municipal border, N11 from Msukaligwa municipal border over Middelburg to the Limpopo border	Botle Ba Afrika Roads (Pty) Ltd	Expansion	X.002-104- 2019/1	R108,043,069.25	R0.00	R36,181,198.00

Project description (continued)	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting engineering services for the Routine Road Maintenance of National Road R555 from Emalahleni municipal border to Middelburg, R35 from Govan Mbeki municipal border to Middelburg, R38 from Msukaligwa municipal border to Chief Albert Luthuli municipal border, N11 from Msukaligwa municipal border over Middelburg to the Limpopo border	Zimile Consulting (Pty) Ltd	Expansion	X.002-104- 2019/1f	R12,253,250.00	R0.00	R0.00
Routine Road Maintenance of National Route R33 from Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary, R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary and the N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary	Vea Roads Maintenance & Civils	Expansion	X.002-098- 2019/1 & N.017-040-2019/1	R83,831,794.61	R12,063,051.50	R12,063,051.50

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting Engineering Services for the Routine Road Maintenance of National Route R33 from Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary, R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary and the N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary	ROMH Consulting	Expansion	X.002-098-2019/1f & N.017-040-2019/1f	R12,292,350.00	R0.00	R0.00
Routine Road Maintenance of National Route N11 Section 7 from the Msukaligwa municipal boundary to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal boundary, N2 Section 34 from Ermelo to the Msukaligwa municipal boundary	Penny Farthing Engineering	Expansion	X.002-097- 2019/1	R108,401,651.76	R53,899,126.57	R53,899,26.57
Consulting Engineering Services for the Routine Road Maintenance of National Route N11 Section 7 from the Msukaligwa municipal boundary to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal boundary, N2 Section 34 from Ermelo to the Msukaligwa municipal boundary	ROMH Consulting	Expansion	X.002-097- 2019/1f	R12,204,950.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R23 from Lekwa/Pixley Ka Isaka Seme municipal boundary over Standerton to Mpumalanga/ Gauteng Provincial Boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Seme municipal boundary to Lekwa municipal boundary	Vea Roads Maintenance & Civils	Expansion	X.002-093- 2019/1	R79,310,093.85	R10,558,887.38	R68,195,031.03
Consulting Engineering Services for the Routine Road Maintenance of National Route R23 from Lekwa/Pixley Ka Isaka Seme municipal boundary over Standerton to Mpumalanga/ Gauteng Provincial Boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Seme municipal boundary to Lekwa municipal boundary	ROMH Consulting	Expansion	X.002-093- 2019/1f	R10,854,850.00	R0.00	R0.00
Consulting Engineering Services for the Routine Road Maintenance of National Route R33 from Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary, R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary and the N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary	ROMH Consulting	Expansion	X.002-098- 2019/1f & N.017-040- 2019/1f	R12,292,350.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N11 Section 7 from the Msukaligwa municipal boundary to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal boundary, N2 Section 34 from Ermelo to the Msukaligwa municipal boundary	Penny Farthing Engineering	Expansion	X.002-097- 2019/1	R108,401,651.76	R53,899,126.57	R53,899,26.57
Routine Road Maintenance of National Route N11 from Kwazulu-Natal/Mpumalanga Provincial Boundary to Pixley Ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley Ka Isaka Seme municipal boundary and R23 from Volksrust to Pixley Ka Isaka Seme municipal boundary	Vea Roads Maintenance & Civils	Expansion	X.002-092- 2019/1	R67,528,472.19	R10,263,934.87	R10,263,934.87
Consulting Engineering Service for the Routine Road Maintenance of National Route N11 from Kwazulu-Natal/Mpumalanga Provincial Boundary to Pixley Ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley Ka Isaka Seme municipal boundary and R23 from Volksrust to Pixley Ka Isaka Seme municipal boundary	ROMH Consulting	Expansion	X.002-092- 2019/1f	R10,942,250.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R33 from Mpumalanga/ Kwazulu-Natal Provincial Boundary to Mkhondo municipal boundary and N2 from Mpumalanga/ Kwazulu-Natal Provincial Boundary to Mkhondo municipal boundary	Vea Roads Maintenance & Civils	Expansion	X.002-091- 2019/1	R93,223,274.67	R51,523,380.59	R51,523,380.59
Consulting Engineering Service for the Routine Road Maintenance of National Route R33 from Mpumalanga/ Kwazulu-Natal Provincial Boundary to Mkhondo municipal boundary and N2 from Mpumalanga/ Kwazulu-Natal Provincial Boundary to Mkhondo municipal boundary	Zimile Consulting	Expansion	X.002-091- 2019/1f	R107,933,900.00	R0.00	R0.00
Routine Road Maintenance of National Route N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane municipal border	Vea Roads Maintenance and Civils (Pty) Ltd	Expansion	N.001-246- 2018/1	R86,213,359.85	R0.00	R17,242,671.97
Consulting Engineering Services for the Routine Road Maintenance of National Route N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane municipal border	KBK Engineers (Pty) Ltd	Expansion	N.001-246- 2018/1f	R13,298,907.09	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R40 from Maruleng border to R71, R71 from Greater Tzaneen border to Phalaborwa Kruger Park Gate and R526 from Maruleng border to Gravelotte	Rainbow Civils CC	Expansion	X.002-121- 2019/1	R49,124,194.76	R0.00	R40,103,495.64
Consulting Engineering Services for the Routine Road Maintenance of National Route R40 from Maruleng border to R71, R71 from Greater Tzaneen border to Phalaborwa Kruger Park Gate and R526 from Maruleng border to Gravelotte	Wanoza Consulting Engineers CC	Expansion	X.002-121- 2019/1f	R11,708,828.50	R0.00	R0.00
Routine Road Maintenance of National Route R40 from Maruleng border to R71, R71 from Greater Tzaneen border to Phalaborwa Kruger Park Gate and R526 from Maruleng border to Gravelotte	BCB Solutions (Pty) Ltd	Expansion	X.002-120- 2019/1	R57,584,450.83	R0.00	R55,639,633.88
Consulting Engineering Services for the Routine Road Maintenance of National Route R36 from Greater Tubatse border to Greater Tzaneen border, R40 from Mpumalanga border to Ba- Phalaborwa border, R526 from Mica to Ba-Phalaborwa border and R531 from R40 to Orpen Kruger Gate	Wanoza Consulting Engineers CC	Expansion	X.002-120- 2019/1f	R11,708,932.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R555 from Elias Motsoaledi municipal border to Burgersfort, R37 from Lepele- Nkumpi municipal border over Burgersfort to Mpumalanga border, R36 from Mpumalanga border to Maruleng municipal border and R532 from Mpumalanga border to the R36	Itumeleng Construction	Expansion	X.002-109- 2019/1	R76,978,896.96	R16,935,357.33	R67,495,197.14
Consulting engineering services for the Routine Road Maintenance of National Road R555 from Elias Motsoaledi municipal border to Burgersfort, R37 from Lepele- Nkumpi municipal border over Burgersfort to Mpumalanga border, R36 from Mpumalanga border to Maruleng Municipal border and R532 from Mpumalanga border to the R36	THM Engineers (Pty) Ltd	Expansion	X.002-109- 2019/1f	R12,677,600.00	R0.00	R0.00
Consulting Engineering Services for the Routine Road Maintenance of National Route N11 Section 7 from the Msukaligwa municipal boundary to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal boundary, N2 Section 34 from Ermelo to the Msukaligwa municipal boundary	ROMH Consulting	Expansion	X.002-097- 2019/1f	R12,204,950.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route R555 from Elias Motsoaledi municipal border to Burgersfort, R37 from Lepele- Nkumpi municipal border Over Burgersfort to Mpumalanga border, R36 from Mpumalanga border to Maruleng municipal border and R532 from Mpumalanga border to the R36.	THM Engineers (Pty)Ltd	Expansion	X.002-109- 2019/1f	R12,677,600.00	R0.00	R0.00
Routine Road Maintenance of National Route R524 from Louis Trichardt to Punda Maria Gate, R578 from Louis Trichardt to Greater Giyani municipal border, R36 from Molemole municipal border to Bandelierskop, N1 from Molemole municipal border to Louis Trichardt	Shonisani Rambau Construction (Pty) Ltd	Expansion	X.002-103- 2019/1 (Non-Toll) & N.001-280- 2019/2 (Toll)	R62,011,880.27	R11,162,138.42	R78,904,488.33
Consulting engineering services for the Routine Road Maintenance of National Route R524 from Louis Trichardt to Punda Maria Gate, R578 from Louis Trichardt to Greater Giyani municipal border, R36 from Molemole municipal border to Bandelierskop, N1 from Molemole municipal border to Louis Trichardt	Cinfratec Consulting Engineers (Pty) Ltd	Expansion	X.002-103- 2019/1f (Non-Toll) & N.001-280- 2019/2f (Toll)	R11,929,260.50	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R521 from Molemole municipal border through Vivo to Louis Trichardt municipal border, R523 from Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beitbridge border post	BCB Solutions (Pty) Ltd	Expansion	X.002-102- 2019/1 (Non-Toll) & N.001-290- 2019/2 (Toll)	R73,215,921.85	R16,107,502.81	R102,798,385.37
Consulting engineering services for the Routine Road Maintenance of National Route R521 from Molemole municipal border through Vivo to Louis Trichardt municipal border, R523 from Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beitbridge border post	Cinfratec Consulting Engineers (Pty) Ltd	Expansion	X.002-102- 2019/1f (Non-Toll) & N.001-290- 2019/2f (Toll)	R11,892,978.00	R0.00	R0.00
Routine Road Maintenance of National Route R521 from Polokwane to Molemole municipal border and R567 from Mogalakwena municipal border to Seshego	Rail Refurb CC	Expansion	X.002-101- 2019/1	R51,593,637.17	R11,144,225.63	R52,639,395.26
Consulting engineering services for the Routine Road Maintenance of National Route R521 from Polokwane to Molemole municipal border and R567 from Mogalakwena municipal border to Seshego	Endecon Ubuntu Africa (Pty) Ltd	Expansion	X.002-101- 2019/1f	R11,897,233.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route N11 from Mookgopong municipal border through Marble Hall to Elias Motsoaledi municipal border, R573 from Dr JS Moroka municipal border to Marble Hall, R579 from Elias Motsoaledi municipal border through Nebo to Lepelle-Nkumpi municipal border	BCB Solutions (Pty) Ltd	Expansion	X.002-100- 2019/1	R55,165,858.23	R9,929,854.48	R52,871,891.87
Consulting engineering services for the Routine Road Maintenance of National Route N11 from Mookgopong municipal border through Marble Hall to Elias Motsoaledi municipal border, R573 from Dr JS Moroka municipal border to Marble Hall, R579 from Elias Motsoaledi municipal border through Nebo to Lepelle-Nkumpi municipal border	Wanoza Consulting Engineers CC	Expansion	X.002-100- 2019/1f	R11,969,775.00	R0.00	R0.00
Routine Road Maintenance of National Route R81 from Molemole municipal boundary to Giyani, R578 from Collins Chabane municipal boundary to Giyani, R529 from Greater Giyani municipal boundary to Giyani and R36 from Greater Tzaneen municipal boundary through Modjadjiskloof to Molemole municipal boundary	Vea Roads Maintenance and Civils (Pty) Ltd	Expansion	X.002-094- 2019/1	R80,831,278.89	R0.00	R67,359,399.08

Project description	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting engineering services for the Routine Road Maintenance of National Route R81 from Molemole municipal boundary to Giyani, R578 from Collins Chabane Municipal Boundary to Giyani, R529 from Greater Giyani municipal boundary to Giyani and R36 from Greater Tzaneen Municipal boundary mhrough Modjadjiskloof to Molemole municipal boundary	ROMH Consulting (Pty) Ltd	Expansion	X.002-094- 2019/1f	R12,022,560.00	R0.00	R0.00
Routine Road Maintenance of National Route N11 from Mokopane to Blouberg municipal border, R518 from Mokopane to Lepelle-Nkumpi municipal border, R101 from Mokopane to Polokwane municipal border	BCB Solutions (Pty) Ltd	Expansion	X.002-090- 2019/1	R63,277,032.66	R0.00	R18,004,701.33
Consulting engineering services for the Routine Road Maintenance of National Route N11 from Mokopane to Blouberg municipal border, R518 from Mokopane to Lepelle-Nkumpi municipal border, R101 from Mokopane to Polokwane municipal border	Endecon Ubuntu Africa (Pty) Ltd	Expansion	X.002-090- 2019/1f	R11,877,016.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R37 from Polokwane municipal border to Fetakgomo Greater Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Makhuduthamaga municipal border	Vea Roads Maintenance and Civils (Pty) Ltd	Expansion	X.002-089- 2019/1	R58,574,197.75	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Route R37 from Polokwane municipal border to Fetakgomo Greater Tubatse municipal border, R518 from Mogalakwena municipal border to R37, and R579 from R37 to Makhuduthamaga municipal border	Marumo Consulting Engineers (Pty) Ltd	Expansion	X.002-089- 2019/1f	R11,978,975.00	R0.00	R0.00
Routine Road Maintenance of National Route R101 from Mogalakwena municipal border to Polokwane, R37 from Polokwane to Lepellenkumpi municipal border, R71 from Polokwane to Greater Tzaneen municipal border, R81 from Polokwane to Molemole municipal border and N1 from Mogalakwena municipal border to Molemole municipal border	BCB Solutions (Pty) Ltd	Expansion	X.002-087- 2019/1 (Non-Toll), N.001-260- 2019/1 (Toll) & N.001- 278-2019/1 (Toll)	R55,779,902.45	R12,048,458.93	R63,226,235.31

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route R101 from Mogalakwena municipal border to Polokwane, R37 from Polokwane to Lepellenkumpi municipal border, R71 from Polokwane to Greater Tzaneen municipal border, R81 from Polokwane to Molemole municipal border and N1 from Mogalakwena municipal border to Molemole municipal border	Wanoza Consulting Engineers CC	Expansion	X.002-087- 2019/1f (Non-Toll), N.001-260- 2019/1f (Toll) & N.001- 278- 2019/1f (Toll)	R11,597,612.00	R0.00	R0.00
Routine Road Maintenance of National Route R518 from the Lephalale municipal border to Mokopane, N11 from the Mogalakwena municipal border to R101 Intersection and R101 from the Mogalakwena municipal border to Mokopane	Razzmatazz Civil (Pty) Ltd	Expansion	X.002-086- 2019/1	R104,258,476.75	R0.00	R28,973,919.00
Consulting engineering services for the Routine Road Maintenance of National Route R518 from the Lephalale municipal border to Mokopane, N11 from the Mogalakwena municipal border to R101 Intersection and R101 from the Mogalakwena municipal border to Mokopane	Marumo Consulting Engineers (Pty) Ltd	Expansion	X.002-086- 2019/1f	R11,987,830.00	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R510 from Lephalale to Monte Christo, R572 from Monte Christo to tom Burke, R518 from Lephalale to Mogalakwena municipal boundary and N11 from Blouberg municipal boundary to Groblersbrug border post	Botle Ba Africa (Pty) Ltd	Expansion	X.002-085- 2019/1f	R67,068,030.20	R0.00	R25,192,891.10
Consulting engineering services for the Routine Road Maintenance of National Route R510 from Lephalale to Monte Christo, R572 from Monte Christo to tom Burke, R518 from Lephalale to Mogalakwena municipal boundary and N11 from Blouberg municipal	Wanoza Consulting Engineers CC	Expansion	X.002-085- 2019/1f	R11,649,396.50	R0.00	R0.00

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R81 from Polokwane municipal boundary to Molemole Municipal Boundary, R521 from Polokwane municipal boundary to Molemole municipal boundary, R36 from Greater Letaba municipal boundary to Molemole municipal boundary and N1_28x from Polokwane municipal boundary to Molemole municipal boundary	Rainbow Civils CC	Expansion	X.002-079- 2019/1 (Non-Toll) & N.001- 280-2019/1 (Toll)	R56,401,477.96	R16,797, 716.41	R76,501,438,61
Consulting engineering services for the Routine Road Maintenance of National Route R81 from Polokwane municipal boundary to Molemole municipal boundary, R521 from Polokwane municipal boundary to Molemole municipal boundary, R36 from Greater Letaba municipal boundary to Molemole unicipal boundary and N1_28x from Polokwane municipal boundary to Molemole municipal boundary	ROMH Consulting (Pty) Ltd	Expansion	X.002-079- 2019/1f Non-Toll) & N.001- 280- 2019/1f (Toll)	R12,022,560.00	R0.00	R0.00
Routine Road Maintenance of National Route N18 from the Naledi Municipal border Post, R49 from Mahikeng to the Ramotshere Moiloa Municipal border and R505 Ditsobotla Municipal border to the R49 Intersection	Rainbow Civils CC	Expansion	X.002-127- 2019/1	R73,990,989.42	R17,313,891.52	R65,613,891.52

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Route N18 from the Naledi Municipal border Post, R49 from Mahikeng to the Ramotshere Moiloa Municipal border and R505 Ditsobotla Municipal border to the R49 Intersection	ROMH Consulting (Pty) Ltd	Expansion	X.002-127- 2019/1f	R12,204,950.00	R0.00	R0.00
Routine Road Maintenance of National Route N18 from the Naledi Municipal border Post, R49 from Mahikeng to the Ramotshere Moiloa Municipal border and R505 Ditsobotla Municipal border to the R49 Intersection	Rainbow Civils CC	Expansion	X.002-125- 2019/1	R90,061,845.92	R20,600,296.31	R57,641,796.31
Consulting Engineering Services for the Routine Road Maintenance of National Route N18 from the Naledi Municipal border Post, R49 from Mahikeng to the Ramotshere Moiloa Municipal border and R505 Ditsobotla Municipal border to the R49 Intersection	ROMH Consulting (Pty) Ltd	Expansion	X.002-125- 2019/1f	R12,022,560.00	R0.00	R0.00
Routine Road Maintenance of National Road N14 from Naledi Municipal border to Ditsobotla Municipal border and R505 from Maquassi Hills Municipal border to Ditsobotla Municipal border	Vea Road Maintenance and Civils	Expansion	X.002-124- 2019/1	R19,891,039.17	R0.00	R38,179,597.12

Project description (continued)	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting Engineering Services for the Routine Road Maintenance of National Road N14 from Naledi Municipal border to Ditsobotla Municipal border and R505 from Maquassi Hills Municipal border to Ditsobotla Municipal border	Deltabec Consulting	Expansion	X.002-124- 2019/1f	R12,125,255.00	R0.00	R0.00
Consulting Engineering Services for the Routine Road Maintenance of National Road N14 from Vryburg to Tswaing Municipal border, N18 from Vryburg to Ratlou Municipal border and R34 from Vryburg to Mamusa Municipal border	Razzmatazz Civil	Expansion	X.002-123- 2019/1	R58,604,248.40	R13,043, 237.16	R55,245,097.66
Routine Road Maintenance of National Road N14 from Vryburg to Tswaing Municipal border, N18 from Vryburg to Ratlou Municipal border and R34 from Vryburg to Mamusa Municipal border	Deltabec Consulting	Expansion	X.002-123- 2019/1f	R12,191,150.00	R0.00	R0.00
Routine Road Maintenance of National Road N14 from the North West / Northern Cape border to Vryburg, N18 from the North West/ Northern Cape border to Vryburg	Razzmatazz Civil	Expansion	X.002-122- 2019/1	R58,049,970.25	R9,630, 760.10	R50,101,449.70

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Road N14 from the North West / Northern Cape border to Vryburg, N18 from the North West / Northern Cape border to Vryburg	Q&A Consulting	Expansion	X.002-122- 2019/1f	R12,334,900.00	R0.00	R0.00
Routine Road Maintenance of National Road R510 from Rustenburg to the Limpopo border, R556 from R510 Intersection to R565 Intersection, and R565 from Rustenburg to R556 Intersection	Shonisani Rambau Construction	Expansion	X.002-114- 2019/1	R83,240,272.61	R8,548,359.95	R53,438,594.12
Consulting engineering services for the Routine Road Maintenance of National Road R510 from Rustenburg to the Limpopo border, R556 from R510 Intersection to R565 Intersection, and R565 from Rustenburg to R556 Intersection	ROMH Consulting (Pty) Ltd	Expansion	X.002-114- 2019/1f	R12,089,950.00	R0.00	R0.00
Routine Road Maintenance of National Route N12 from Lekwa Teemane Municipal border to Matlosana Municipal border, R504 from Wolmaransstad to the Free State border, and R505 from Wolmaransstad to Tswaing Municipal border	Shonisani Rambau Construction	Expansion	X.002-110- 2019/1	R54,198,298.71	R12,569, 654.97	R48,295,776.27

Project description (continued)	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting engineering services for the Routine Road Maintenance of National Route N12 from Lekwa Teemane Municipal border to Matlosana Municipal border, R504 from Wolmaransstad to the Free State border, and R505 from Wolmaransstad to Tswaing Municipal border	Q&A Consulting	Expansion	X.002-110- 2019/1f	R12,191,150.00	R0.00	R0.00
Routine Road Maintenance of National Road R34 from Naledi Municipal border to Free State border and N12 from Northern Cape border to Maquassi Hills Municipal border	Vea Roads Maintenance & Civils	Expansion	X.002-072- 2018/1	R74,238,382.25	R13,187, 061.50	R50,543,259.95
Consulting engineering services for the Routine Road Maintenance of National Road R34 from Naledi Municipal border to Free State border and N12 from Northern Cape border to Maquassi Hills Municipal border	Cinfratec Consulting	Expansion	X.002-072- 2018/1f	R10,296,024.00	R0.00	R0.00
Routine Road Maintenance of National Road R52 from Biesiesvlei to Lichtenburg, R503 from Matlosana Municipal border - Lichtenburg, R505 from Tswaing Municipal border to Mahikeng Municipal border, N14 from Tswaing Municipal border to JB Marks Municipal border	Vea Roads Maintenance & Civils	Expansion	X.002-070- 2018/1	R74,238,385.25	R16,134, 590.31	R69,613,349.81

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Road R52 from Biesiesvlei to Lichtenburg, R503 from Matlosana Municipal border - Lichtenburg, R505 from Tswaing Municipal border to Mahikeng Municipal border, N14 from Tswaing Municipal border to JB Marks Municipal border	Cinfratec Consulting	Expansion	X.002-070- 2018/1f	R10,249,512.00	R0.00	R0.00
Routine Road Maintenance of National Road R30 from Free State border to Jb Marks Municipal border, R503 from Klerksdorp to Ditsobotla Municipal border and N12 from Maquassi Hills Municipal border to JB Marks Municipal border	Vea Roads Maintenance & Civils	Expansion	X.002-069- 2018/1	R75,837,136.40	R15,167, 427.28	R66,954,850.58
Routine Road Maintenance of National Road R30 from Free State border to JB Marks Municipal border, R503 from Klerksdorp to Ditsobotla Municipal border and N12 from Maquassi Hills Municipal border to JB Marks Municipal border	Siroccon International	Expansion	X.002-069- 2018/1f	R10,539,186.00	R0.00	R0.00
Routine Road Maintenance of National R53/1 N12 Potchefstroom to Free State border, R54/1 Gauteng border to N12 Potchefstroom, R500/1 Parys to Carletonville, R501/2&3 Free State border to Gauteng border	Vea Roads Maintenance & Civils	Expansion	X.002-068- 2018/1	R69,071,794.50	R15,439, 051.17	R60,895,914.11

Project description (continued)	*Name of supplier*	*Contract modification type (expansion or variation)*	*Contract Number*	*Original contract value*	*Value of previous contract expansion/s or variation/s (if applicable)*	*Value of current contract expansion or variation*
Consulting engineering services for the Routine Road Maintenance of National R53/1 N12 Potchefstroom to Free State border, R54/1 Gauteng border to N12 Potchefstroom, R500/1 Parys to Carletonville, R501/2&3 Free State border to Gauteng border	Siroccon International	Expansion	X.002-068- 2018/1f	R10,544,886.00	R0.00	R0.00
Routine Road Maintenance of National Road R24 Rustenburg to Gauteng border, R52 from Koster to N4 Rustenburg, R30 from Jb Marks Municipal border to Olifantsnek	Vea Roads Maintenance & Civils	Expansion	X.002-067- 2018/1	R49,455,444.10	R9,891, 088.82	R74,808,451.99
Consulting engineering services for the Routine Road Maintenance of National Road R24 Rustenburg to Gauteng border, R52 from Koster to N4 Rustenburg, R30 from Jb Marks Municipal border to Olifantsnek	Cinfratec Consulting	Expansion	X.002-067- 2018/1f	R10,302,066.00	R0.00	R0.00
Routine Road Maintenance of National Road R511 Section 2 & 3 from Gauteng border to Limpopo border, R512 Section 2 & 3 from Gauteng border to Brits and N4 Section 12 from R512 to N4	Vea Roads Maintenance & Civils	Expansion	X.002-066- 2018/1	R61,785,243.85	R14,087, 197.33	R64,276,364.16

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Consulting engineering services for the Routine Road Maintenance of National Road R511 Section 2 & 3 from Gauteng border to Limpopo border, R512 Section 2 & 3 from Gauteng border to Brits and N4 Section 12 from R512 to N4	KBK Engineers	Expansion	X.002-066- 2018/1f	R10,210,016.13	R0.00	R0.00
Municipal border to Gauteng/North West border, N14 from Rand West City Municipal border to Gauteng/ North West border, R54 from Emfuleni Municipal border to Gauteng/North West border, R500 from Gauteng/ North West border to Carletonville, R501 from Rand West City Municipal border to Gauteng/ North West border	Vea Roads Maintenance & Civils	Expansion	X.002-119- 2019/1	R105,817,816.95	R22,729,478.26	R64,745,814.32
Consulting engineering services for the Routine Road Maintenance of National Road N12 from Rand West City Municipal border to Gauteng/ North West border, N14 from Rand West City Municipal border to Gauteng/ North West border, R54 from Emfuleni Municipal border to Gauteng/North West border, R500 from Gauteng/ North West border to Carletonville, R501 from Rand West City Municipal border to Gauteng/ North West border	Ski Civils & Structural Engineers	Expansion	X.002-119- 2019/1f	R12,963,605.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Routine Road Maintenance of National Route R21 Sections 1 & 2, N12 Sections 18 & 19, N3 Sections 11 & 12, and N17 Section 2	Vea Roads Maintenance & Civils	Expansion	X.002-129- 2019/1 (Toll) & N.003112- 2019/1 (Non-Toll)	R190,467,390.63	R22,425, 000.00	R22,425,000.00
Consulting engineering services for the Routine Road Maintenance of National Route R21 Sections 1 & 2, N12 Sections 18 & 19, N3 Sections 11 & 12, and N17 Section 2	Ndodana / Oarona JV	Expansion	X.002-129- 2019/1f (Toll) & N.003-112- 2019/1f (Non-Toll)	R20,583,459.00	R0.00	R0.00
Routine Road Maintenance of National Route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12, N12 Section 18, and N17 Section 1	Vea Roads Maintenance & Civils	Expansion	X.002-128-2019/1 (Toll) & N.017- 010-2019/1 (Non-Toll)	R169,849,270.13	R16,560,463,22	R79,810,586,33
Consulting engineering services for the Routine Road Maintenance of National Route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12, N12 Section 18, and N17 Section 1	Ndodana / Oarona JV	Expansion	X.002-128- 2019/1f (Toll) & N.017-010-2019/1f (Non-Toll)	R20,583,459.00	R0.00	R0.00
Routine Road Maintenance of National Route N4 Section 1, N4 Section 11 & 12, N1 Section 21, R21 Section 2, R104 Sections 1 & 2, and R573 Section 1	Vea Roads Maintenance & Civils	Expansion	X.002-088- 2019/1 (Toll) & R.104 012- 2019/1 (Non-Toll)	R158,504,351.59	R0.00	R0.00
Consulting engineering services for the Routine Road Maintenance of National Route N4 Section 1, N4 Section 11 & 12, N1 Section 21, R21 Section 2, R104 Sections 1 & 2, and R573 Section 1	Ndodana / Oarona JV	Expansion	X.002-088- 2019/1f (Toll) & R.104-012-2019/1f (Non-Toll)	R20,583,459.00	R0.00	R0.00

Project description (continued)	Name of supplier	Contract modification type (expansion or variation)	Contract Number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
Construction of the Msikaba River Bridge on the N2 Wild Coast Toll Road	Concor Mota-Engil JV	Expansion	N.002-200- 2016/2a	R1,902,243,750.05	R0.00	R0.00
Opentext Content Suite Platform (CSP) Upgrade, Business Digiti - sation and Managed Services Programme	Faranani Doc Tech (Pty) Ltd	Expansion	58000/2020/Opentext CSP/06	R169,849,270.13	R0.00	R0.00
Consulting engineering services for special Mmaintenance of R56 Section 4 from National Route N6 (Km 0) to Dordrecht (Km 35.3) and special maintenance of R56 Section 5 from Dordrecht (Km 0) to Indwe (Km 36,7)	SNA Civil and Structural Engineers (Pty) Ltd	Expansion	R.056-040-2016/1f & R.056-050-2016/1f	R236,593,283.50	R0.00	R0.00
Total				**R27,095,652,796.28**	**R1,796,619,019.61**	**R5,632,327,911.32**

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FINANCIAL *INFORMATION*

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DIRECTORS' REPORT

31 March 2024

1 INTRODUCTION

The directors present their annual report as part of the audited annual financial statements of South African National Roads Agency Limited (SANRAL) for the year ended 31 March 2024.

SANRAL is incorporated as a state-owned company in South Africa in terms of the Companies Act (No. 71 of 2008), as amended, and is listed as a national public entity in schedule 3A of the Public Finance Management Act (No. 1 of 1999) (PFMA), as amended. The Board of Directors acts as the accounting authority in terms of the PFMA, section 49(2)(a).

Review of main business and operations

The principal activities of SANRAL are the funding, management, control, planning, development, maintenance and rehabilitation of South Africa's proclaimed national road network, as prescribed by the South African National Roads Agency Limited and National Roads Act (No. 7 of 1998) (SANRAL Act).

The declared national road network on 31 March 2024 was 24,384km. Non-toll roads comprise 89% of the total and toll roads constitute 11%. The non-toll roads are fully funded from the fiscus through an annual grant.

Although national roads account for 3.9% of the proclaimed road network in South Africa, they carry about 40.1% of all vehicle kilometres travelled, and more than 70% of long-distance road freight.

During 2023/24, R4,182.8 million (2023: R3,349.1 million) was spent directly on toll roads. This comprised R335.5 million (2023: R283.3 million) for capital projects and R3,793.1 million (R3,065.9 million) for maintenance. During the same period, R23,029.3 million (2023: R15,250.5 million) was spent directly on non-toll roads, with capital works absorbing R12,295.0 million (2023: R8,063.5 million) and maintenance R10,734.3 million (2023: R7,187 million). The general administrative expenditure for the year amounted to R2,976.8 million excluding impairment, amortisation and depreciation of R11,424.1 million, and finance cost of R3,046 million.

SANRAL also actively participated in the activities of the Infrastructure and Investment Office in The Presidency (Infrastructure South Africa). This resulted in 13 of SANRAL's projects being gazetted as Strategic Integrated Projects (SIP) under SIP21 in July 2020, enabling fast-tracking of their implementation. To date construction has been completed on five (5) of these projects, four (4) are in construction, three (3) are at construction tender phase, and the remaining one (1) is awaiting funding confirmation.

The implementation of the flagship projects, included in the Presidential Stimulus priorities, continued with ten (10) SANRAL projects in construction, five (5) at construction tender phase, and four (4) in detail design. These 19 planned SANRAL projects will result in a total infrastructure investment of more than R35.6 billion. In addition, these will create much needed job opportunities – totalling an estimated 28,000 over the Medium-Term Expenditure Framework (MTEF) period. These projects are all located on key economic corridors and their implementation over a five (5) to 10-year period will result in substantial road user cost savings due to a reduction in congestion and accidents.

The implementation of the R573 Moloto Road is at an advanced stage. This project is intended to improve road safety and is one of the SIP1 projects prioritised for accelerated development. The Limpopo Province and Mpumalanga Province sections of the R573 Moloto Road were transferred to SANRAL in 2015/16, and Phase I of the multi-year project for the Mpumalanga Province portion was completed in October 2018. Three (3) Phase II construction projects were implemented, with one in Limpopo already completed and two (2) currently in construction. A further 18 Phase II projects, originally delayed due to COVID-19 restrictions on gatherings, that prevented the required community resolution meetings, needed to finalise community land acquisitions, are also now being progressed. Following the conclusion of these community meetings during 2023/24, construction tenders for five (5) construction projects and two (2) community development projects were issued towards the end of 2023/24. Construction will commence from October 2024 and is expected to be completed in May 2027. The Gauteng Province portion was only transferred to SANRAL in June 2020, resulting in detail design progress and regulatory approvals on this section lagging the sections in the Mpumalanga and Limpopo Provinces. However, two (2) construction tenders are currently under evaluation for the Gauteng section.

The construction of the Mtentu Bridge, one of the mega bridges on the N2 Wild Coast Road, was abandoned by the appointed contractor in January 2019, citing community violence. This contract was successfully awarded in November 2022, following completion of the second retender process. The appointed contractor is currently busy with the mobilisation phase. In addition, two (2) road construction contracts, Msikaba Bridge to Mtentu Bridge and Lingeni to Msikaba Bridge, were also awarded in January 2023. Work on the Msikaba to Mtentu road is progressing well, while work on the Lingeni to Msikaba Bridge road could not commence due to a court interdict challenging the awarding of the project. The court date was set down for 23 July 2024. Work on Msikaba Bridge, another mega bridge on the N2 Wild Coast Road, proceeded on site with mass concrete pouring for the foundations for the anchor blocks completed, and work on the concrete pylons progressing to over 80 metres in height for both. Fabrication of bridge deck segments also progressed, with completion of 12 out of 34 segments. The Msikaba Bridge is projected to be completed on or about November 2025.

The Gauteng Freeway Improvement Project (GFIP) phase I toll declaration was officially withdrawn on 11 April 2024, with the roads as published in the Government Gazette declared as non-toll roads. The National Government and the Gauteng Provincial Government (GPG) have signed an agreement whereby National Government will cover 70% and Gauteng Provincial Government 30% of the outstanding debt for the GFIP phase I. The first contribution to this, of R23.736 billion, was included in the Special Appropriation to reduce the GFIP debt. The allocation was provided in two (2) tranches, with the first amount of R8.98 billion paid to SANRAL in January 2023. The second tranche of R14.76 billion was transferred to SANRAL on 31 March 2023.

During the 2023/4 reporting period, scholarships were awarded to 251 learners from 209 schools across South Africa. Female learners represented 71% of the recipients, and the total committed expenditure for these scholarships was approximately R10.14 million. Thirty-three (33) matriculants achieved exceptional results, with a 100% matric pass rate.

SANRAL contributes to youth development by investing in tertiary education. This assistance is targeted towards deserving applicants who meet the requirements in fields related to SANRAL's core business. Bursaries are funded in 18 tertiary institutions and nine (9) provinces.

A total of R8.22 million was invested. Graduates from the bursary programme were in the following disciplines: Civil Engineering (15), Environment Science (3), Quantity Surveying (1), Information Systems (1), LLB (2), HR (3) and SCM (1).

The internal bursary programme has played a crucial role in promoting experiential learning and nurturing the growth by offering financial support for academic education and professional accreditation. This commitment of resources towards their present responsibilities, as well as future career aspirations, demonstrates support for both internal progression and potential transitions within or beyond the organisation.

In the financial year 2023/2024, the programme supported 85 employees, 15 of whom successfully completed their studies at the end of the 2023 academic year. The total investment was R2.20 million. For the 2024 academic year 33 individuals were awarded bursaries.

SANRAL's Technical Excellence Academy (TEA) expenditure is an investment in the future of not only SANRAL, but also in the infrastructure of South Africa. Three (3) candidates submitted their application for PrEng after only 4 years in the academy – a notable achievement. Through active management and collaboration with all units in SANRAL, the TEA provides a dynamic and nurturing environment for graduate development via in-house design, construction monitoring and secondment to consulting engineers. During 2023/24, 50 candidates were accommodated, three (3) of whom were absorbed permanently by SANRAL at the end of their five-year contract at the TEA. The investment of R38.4 million includes facilitating deployments to site, resourcing the materials testing laboratory, the design office and seconding candidates. This was carried out to optimise the opportunities for training and experience required to register with the Engineering Council of South Africa (ECSA) as professionals at the end of the graduate programme.

SANRAL has embarked on a process of strengthening and accelerating transformation in the construction industry, over and above all the other initiatives already implemented in the past. Transformation has been elevated to a pillar in SANRAL's long-term strategy – Horizon 2030. In addition to this elevation, there are two significant initiatives under development to advance transformation when projects are rolled out: the Contractor Development Programme and Black

Industrialist Scheme. SANRAL has structured some of its projects to create opportunities for the smaller contractors of CIDB (Construction Industry Development Board) grade 6CE and higher to be able to participate in SANRAL tenders. The Routine Road Maintenance (RRM) main contractor tenders have resulted in several tenders being awarded to Black-owned entities which are working for SANRAL for the first time as main contractors. Many of these contractors had worked as subcontractors on RRM projects previously, so this will be a natural evolution and growth for these companies and an excellent outcome of the SANRAL mentoring and development programmes over the previous years.

On the consulting front, all RRM consulting tenders have been restricted to Exempted Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) that are B-BBEE (Broad-Based Black Economic Empowerment) contributors level 1 or 2. This has resulted in great interest and competition from Black-owned entities in participating in these tenders — 99.6% of expenditure on these projects was performed by entities that are 51% or more Black-owned during 2023/24.

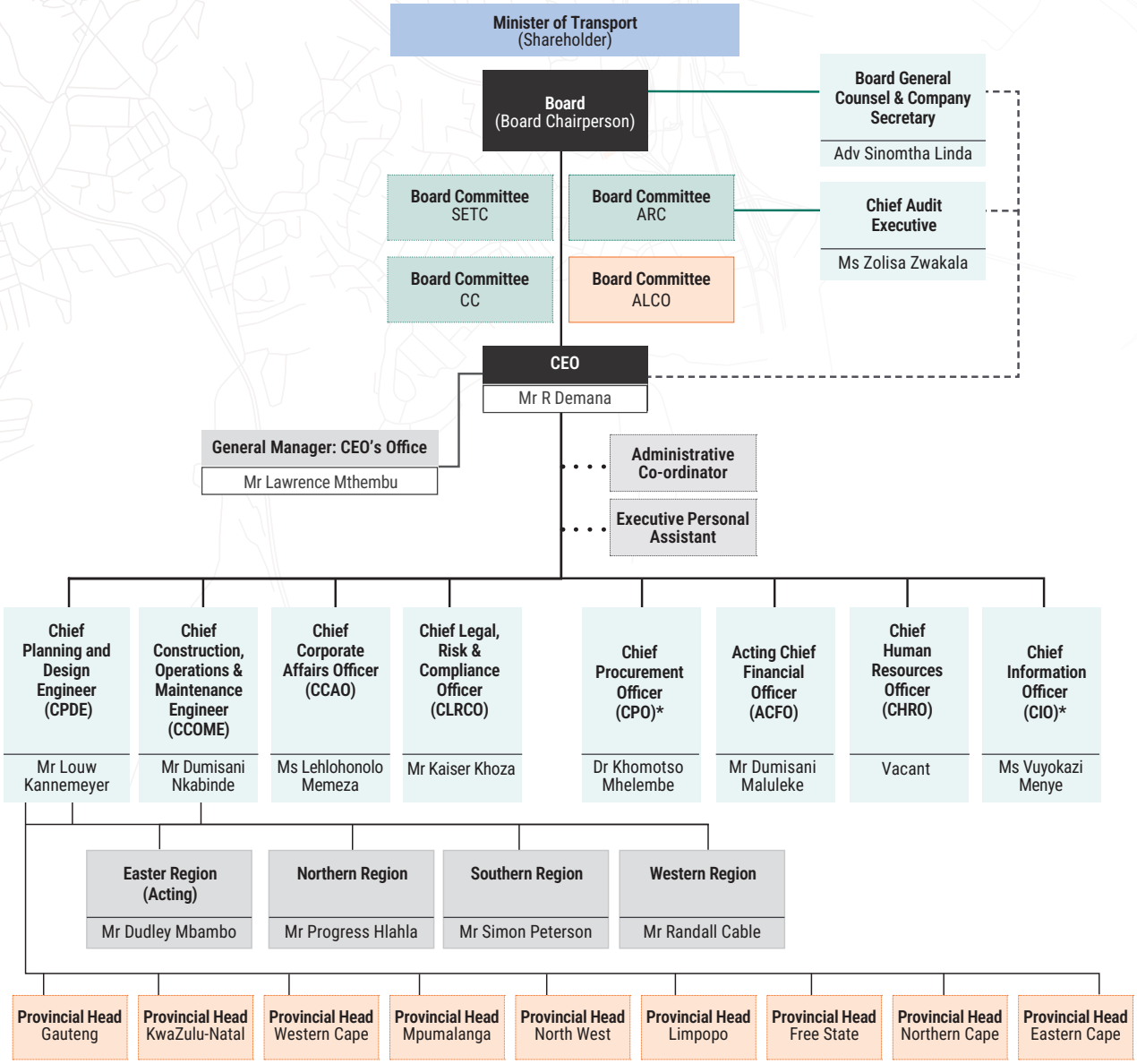
SANRAL's significant efforts to speed up its new procurement processes in order to be able to stimulate the economy through the construction industry was impacted by the withdrawal of SANRAL's Preferential Procurement Policy (PPP), which resulted in a significant decline in the awarding of contracts. For the 2023/24 financial year a total of R17,842.3 million was awarded, down from R51,297.1 million. In May 2023 the Board approved the PPP which contained transformation-specific goals. A total of 274 tenders were issued incorporating the new specific goals and some of these bids were interdicted through courts. As a result, most of the tenders could not be closed. Subsequently, the PPP was withdrawn and all open and closed tenders incorporating the specific goals were cancelled. In total 315 tenders were cancelled in the 2023/24 financial year.

An interim PPP was approved, which contains the B-BBEE scorecard as specific goals, and this was published for public comments for three (3) weeks, ending on 17 November 2023, while stakeholder engagement roadshows were hosted across the regional offices. A total of 278 tenders were re-advertised using the interim PPP, 170 tenders awarded within the last quarter of the 2023/24 financial year.

With the commencement of construction of SANRAL's larger construction projects awarded in 2023 and 2024, the impact of SANRAL's Transformation Policy and the requirement for a minimum of 30% subcontracting of the work to entities owned by individuals from the Designated Groups, has resulted in 71.7% of expenditure on these larger projects being performed by entities that are 51% or more Black-owned. To prepare these contractors to participate meaningfully in this work, SANRAL will shortly be providing South African Qualifications Authority (SAQA) and Construction Education & Training Authority (CETA) accredited training for these entities. This training will be offered to entities at no cost and will prepare them on how to tender, how to start and manage a business in the construction industry, how to manage resources, how to produce the work required to the correct quality required, basic entrepreneurship and some pointers on how to source business opportunities.

The training opportunities will be rolled out progressively throughout the country in areas traversed by SANRAL's national road network. But with a growing need for this training, SANRAL will be issuing this training beyond its national road footprint, especially in rural areas. The training initiative will result in many more entities being trained than the opportunities available on SANRAL projects, which is in the interests of developing and growing the local construction industry.

In 2023/24, SANRAL created job opportunities are equivalent to 12,652 (2023: 11,366) full-time employments, which included 3,716 women (2023: 3,231), 5,731 youth (2023: 5,436) and 101 people with disabilities.



*CPO and *CIO positions were filled after the reporting period.

The executive management of SANRAL consists of the Chief Executive Officer, Mr R.L. Demana; Chief Corporate Affairs Officer, Mrs S.L. Memeza; Chief Planning and Design Engineer, Mr L. Kannemeyer; Chief Financial Officer, Ms I. Mulder; Acting Chief Financial Officer, Mr D. Maluleke (from 15 June 2023); Acting Business Operations Executive, Mr A. Tomes; Chief Legal, Risk and Compliance Officer, Mr K Khoza; and Chief Construction, Operations and Maintenance Engineer, Mr D. Nkabinde (appointed in March 2024).

The Executive management is supported by Adv S. Linda, Board General Counsel and Company Secretary; and Chief Audit Executive, Ms Z. Zwakala, who were appointed in November and August 2023 respectively.

SANRAL is further divided into four (4) regional offices and a corporate office. The regional managers are Mr P. Hlahla (Northern Region – Pretoria), Mr R. Cable (Western Region – Cape Town), Mr M. Peterson (Southern Region – Gqeberha), and Mr D. Mbambo (Eastern Region – Pietermaritzburg) acting from 1 March 2024.

Financial results

The annual financial statements are prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

In terms of legislation, funding for toll roads and non-toll roads is ring-fenced. SANRAL separates the business activities and accounting records into toll operations and non-toll operations. Non-toll roads are financed through parliamentary appropriations under the vote of the National Department of Transport (DoT).

For toll roads, the debt used to finance the initial construction of the road is repaid over a period

of around 30 years, primarily using the proceeds collected through tolling.

The financial statements on pages 344 to 450 set out fully the financial position, results of operations, changes in equity and cash flows of SANRAL for the financial year ended 31 March 2024. The discussion that follows sets out some of the highlights.

Review of profit and loss

Revenue

- In 2024 the total revenue from non-toll operations was R28,212 million (2023: R20,593 million), which is a 37% increase from the previous year. This is mainly because of the increase in spending on operational projects, which led to a higher allocation of the non-toll grant to revenue. The total grant allocated in terms of the Budget Vote was R26,124 million (2023: R22,895 million), of which R1,584 million was allocated to the GFIP. Of the R24,302 million allocated to non-toll, R17,926 million was accrued to capital projects, thereby increasing assets.

The toll revenue from operations was R17,168 million for the year, which is a 2.4% decrease from the previous year's amount of R17,596 million. The Gauteng open road tolling (GORT)/GFIP revenue decreased by R6 million (0.1%), from R6,508 million in the prior year to R6,502 million. The decrease is attributable to the decreased compliance rate caused by the anticipation of scrapping of the e-tolls, as announced by the Minister of Finance. The revenue from conventional toll routes increased from R3,886 million to R4,626 million because of the increase in traffic volumes and the general increase in the inflation-related tariff adjustment of 6.58%.

On conventional toll roads funded by SANRAL, the comprehensive toll road operations and maintenance (CTROM) contract model consolidates responsibility for operational activities and risks. Under this arrangement, the main contractor is responsible for the total operation of the specific toll route, together with assuming the associated risks. The operator pays the actual gross income (tariff x vehicles) to SANRAL and then claims discounts, concessions, and violations as a cost, based on an agreed cost matrix. The operator assumes the risk of collection.

Finance charges

Net finance cost (finance cost (R3,046 million) less finance income (R6,073 million)) in 2024 is R2,667 million (2023: R1,017 million), which is a huge increase from the prior year. This was due to higher cash holdings earning interest and redemption of debt. All finance costs relate to toll debt.

Profit before taxation

- The surplus after deducting finance costs amounted to R13,047 million (2023: R9,817.6 million).
- The non-toll operating surplus after finance charges for the year ended 31 March 2024 was R13,114 million (2023: R8,682 million). Income, mainly comprising the grant received from Government, increased by 46%, because of the improvement in operational expenditure, which meant that there was a higher allocation of the grant to revenue. Operational expenditure, excluding the non-cash items such as impairment, depreciation and amortisation on assets increased by 32%, mainly because of an increase in capital expenditure projects on roads, which includes the rehabilitation and strengthening of roads. Repairs and maintenance increased by R3,218 million (43%) to R10,734 million (2023: R7,516 million). The total depreciation and amortisation for the year amounted to R2,519 million (2023: R2,448 million).
- The toll operating deficit after finance charges for the year ended 31 March 2024 was R68 million (2023: R1,136 million, surplus). Repairs and maintenance increased by R575 million (18%) to R3,793 million. Depreciation and amortisation (including concession assets) increased from R1,958 million to R2,050 million, due to an increase in completed assets from capital works.

Irregular expenditure and fruitless and wasteful expenditure

In 2024 the confirmed irregular expenditure decreased from R6,737 million in 2023 to R479 million. Included is R407 million which relates to irregular contracts identified in 2023 and confirmed in the current 2024 financial year. The remaining balance was mainly from irregular contracts identified in prior years to the tune of R72 million. The details of the expenditure written off and condoned are contained in the annual report. A loss control function (LCC) was formed to determine loss and the causes of the non- compliance, and to make recommendations to the Board, and its determinations are in progress. As at year end, there were no fraudulent or criminal acts found against employees and no material losses were regarded as recoverable from employees

or perpetrators. A register of irregular expenditure, and fruitless and wasteful expenditure with detailed descriptions, as required by the 2022/23 irregular expenditure framework issued by the National Treasury, is maintained and available. A detailed analysis of the opening and closing balance of the irregular, and fruitless and wasteful expenditure is included in the integrated report on pages 234 to 239.

There was no fruitless and wasteful expenditure confirmed in 2024. The 2023 fruitless and wasteful expenditure that amounted to R33,735 million was approved by the Board for a write-off.

Taxation

SANRAL was exempted from income tax in the Government Gazette of 22 December 2003 (Revenue Laws Amendment Act, 2003 section 1(l) and 2(d)). This exemption was backdated to the inception of the entity, and therefore no provision is made for income tax or deferred tax. SANRAL is only registered for VAT purposes for the toll portfolio.

Dividends

SANRAL does not declare dividends.

Review of financial position

Share capital

The shareholding for the current year has remained unchanged. The Government, represented by the Minister of Transport, holds all shares issued by SANRAL.

Land

SANRAL's property management is outsourced in nine (9) contracts, three (3) contracts are for land acquisition and survey, property management and valuation and valuation for financial services, and five (5) contracts are for facilities management. This allows for more opportunities for contractors to take part in SANRAL contracts. The service providers have the skills and resources required to manage and maintain SANRAL's large land portfolio, consisting of road reserve and adjacent severed properties. The service providers are managed by a team of SANRAL staff located in the regional and head offices.

The contractual targets with the two (2) land property management companies include a large variety of work to be subcontracted, ranging from 30% to 80% for certain categories of work. This provides opportunities for small and previously disadvantaged entities to obtain property work from SANRAL. The service providers have complied with contractual requirements related to the provision of training, promotion of economic development, addressing skills shortages and making work available to targeted groups.

In line with the SANRAL Act, SANRAL ensures that all land acquired by it or its predecessors, whether inside or outside of the road reserve, is identified and transferred into SANRAL's name. All land acquired by SANRAL, since its inception, has been so transferred. The land identification process and the transfer of land to SANRAL will continue where further roads are added to the network.

Property, plant, and equipment

Road assets are valued on a depreciated replacement cost basis. The revaluation gain on road network and structures was reviewed at year-end and increased to R61,713 million. The network replacement cost increase was due to the incorporation of 825km of roads from provinces during the year, as well as the increase in unit rates for road materials and material costs of structures, which increased by 9.17%. The materials cost increase was principally driven by an increase in the crude oil prices, which impact both the cost of bitumen and diesel fuel used in production, and the need to run on diesel generators for longer to continue operations due to increased load shedding and transport of construction materials. This can be attributed to current market conditions which are heavily influenced by global geo-political events and their continued effects on international supply chains.

The remaining life of the road assets is considered when determining their depreciated replacement cost as well as taking the condition of the pavement into account. In the financial year under review, the average condition of national roads deteriorated due to the condition of roads transferred to SANRAL from provinces.

SANRAL measures its road network and structure using the Depreciated Replacement Cost (DRC) methodology. The DRC is the Gross Replacement Cost (GRC) based on the cost of replacing an existing asset with a Modern Equivalent Asset (MEA) that provides similar performance using up-to-date technology and then appropriately reducing the GRC to reflect the current age, condition, and performance of the existing asset.

Land outside of the road reserves is either categorised as investment property (IP) or 'other' land if it has insignificant or no investment value. The road reserve consists of 37,069 properties, while IP comprises 2,183 properties.

The value of land within the road reserve was reviewed at year-end and increased by 10.5% from R24,395 million to R26,957 million due to:

a) The addition of 276 properties, changing the total from 36,793 to 37,069 properties.
b) The average land value per hectare along national roads (strip value) increased from R214,182 to R236,511 (10.4%). The increase in value is mainly attributed to the increase in extent of the road reserve as well as the increase in registered parcels.
c) The total area of land increased by 80 hectares (0.074%) because of updated data on the previously incorporated roads and declaration of some of the roads by co-ordinates, providing a more accurate measurement of properties that were previously only declared as National Roads by description.

The value of the IP portfolio increased by 10.2% from R1,741 million to R1,919 million. New market information indicates property growth to be higher than inflation (January 2024 inflation rate was 6.6%). This is mainly attributed to an increase in the prime lending rate by 50 basis points in the 2023/24 financial year. On 31 March 2023, the prime lending rate was 11.75%.

Investments (financial assets)

The carrying amount of the financial assets was R8,378 million, including the insurance deposit and short-term fixed deposits. The market-making portfolio investment of R2,575 million is used to manage the credit risk that SANRAL is exposed to in the capital markets (on borrowings).

Trade and other Receivables

The trade and other receivables amount to R1,145 million. Gross toll debtors amount to R28,973 million, which was reduced by an accumulated expected lifetime loss allowance of R28,726 million, mainly e-toll balance. Even though the debtor is not written off, the impairment reflects the expected future losses assessed annually at the end of each reporting period. The probability of debt collection is based on historic trends and future factors that may affect the collection. Other receivables included in the balance are property debtors, sundry debtors and expansion fund held by concessions, amounting to R377 million, and related party debtors amounting to R52 million, after impairment.

Cash and Cash equivalents

At the reporting date, 31 March 2024, cash and cash equivalents held were R53,260 million (2023: R59,414 million). The significant increase in cash holdings includes the remainder of the special grant allocation (R23,736 million) received from the Special Appropriations Act in 2022/23, to reduce the GFIP debt. The remaining R42,162 million is unspent grant accumulating from prior years. The cash and cash equivalents are fully committed to contracts awarded over the MTEF period – total commitments are R72,321 million as at 31 March 2024 on capital projects already awarded. The unspent cash is invested with approved counterparties. The weighted average investment rate for the financial year was 8.45% (2023: 8.11%).

Going concern

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

We draw attention to the fact that at 31 March 2024, the entity had an accumulated surplus of R97,287 million, and that the entity's total assets exceeded its total liabilities by R671,829 million.

The Board is not aware of any new material changes or uncertainties that may adversely impact the entity. The

Board is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the entity's ability to continue operations. The going concern assessment is based on the cashflow projections for the period ending 31 August 2025.

At 31 March 2024, SANRAL's total assets were R727,012 million, a significant contributor to facilitating the movement of goods and services in the South African economy. The Board has confirmed that the current assets cover current liabilities. The current assets of R62,110 million include cash and cash equivalents of R53,260 million, of which R42,162 million relates to accumulated unspent grant received on non-toll roads. The current liabilities of R22,770 million include the deferred exchange income liability of R1,720 million, which will not require cash for settlement.

SANRAL receives an annual grant from the fiscus mainly to fund its non-toll road portfolio. During the year under review, the Government grant allocated was R25,886 million, of which R1,822 million, including VAT (Value-added Tax), was allocated to the Gauteng Freeway Improvement Project (GFIP). The remaining non-toll grant is mainly for operational and capital expenditure on non-toll roads, which comprise 89% of SANRAL's road network (operations). The annual budget allocation is expected to increase to R26,444 million in 2025, R29,602 million in 2026 and R30,959 million in 2027, excluding the special appropriation bills from time to time. The non-toll portfolio has no liquidity concerns as it currently has a significant cash surplus and receives adequate annual allocation from the fiscus. The cash surplus is expected to be utilised over the next three (3) financial years. Refer to note 38 for details on commitments and note 40 for accumulated unspent grant.

The cancellation of e-tolls, which was a source of uncertainty of the GFIP, was finalised on 11 April 2024 following the publishing in the Government Gazette (No. 50418) on 28 March 2024 of the withdrawal of the toll declaration by the Minister of Transport. The Memorandum of Agreement that was announced in 2022 by the Minister of Finance (MoF) has also been concluded, and this provides a framework for National Treasury to cover 100% of the SANRAL GFIP-related debt funding as well as funding contribution by the Gauteng Provincial Government for the backlog maintenance of the GFIP network. The GFIP road network will be transferred to the SANRAL non-toll portfolio, where it will be funded from the fiscus through annual allocation in terms of the DORA. The cash flow concerns on the toll portfolio have therefore been fully addressed.

In March 2024 the MoF approved SANRAL's application to increase the borrowing limits in terms of section 66(3) and section 70(1) of the PFMA. The approval is up to R16.5 billion up to 31 March 2028 for capital expenditure requirements on toll portfolio, and this includes a specific approval for a foreign loan guarantee of R7 billion for the New Development Bank (NDB) loan. A guaranteed framework agreement (GFA) detailing the above is yet to be signed off between the National Treasury, DoT, and SANRAL. Management is engaging the relevant stakeholders to expedite the conclusion of the GFA. The increase of the borrowing capacity will enable SANRAL to source funds from the capital market to finance the capital projects on the toll portfolio. Furthermore, management is also currently engaging various financial institutions on the unguaranteed funding. Refer to events after reporting date, note 49.

Conclusion on going concern

Government views operating and management of national roads as a single mandate for SANRAL. Therefore, the assessment of the going concern and the financial status of the entity is done as a single entity. A significant portion of SANRAL's debt is guaranteed by Government, Government has elected on several occasions in the past to avert a default by providing special allocations to SANRAL. It is evident that Government will continue to provide financial assistance to SANRAL on the toll portfolio.

There are no more material uncertainties on the toll portfolio, and there are no significant doubts about the going concern of SANRAL, after considering the potential mitigation actions announced by the MoF. The Board therefore approves management's assessment that SANRAL will remain a going concern in the foreseeable future.

Auditors

The Auditor-General (AGSA) is the external auditor of SANRAL, as prescribed in section 36(3)(a) of the SANRAL Act.

Materiality framework

A materiality framework has been developed for reporting losses through criminal conduct, irregular, fruitless and wasteful expenditure, or significant transactions that require ministerial approval, as envisaged in section 54(2)

of the PFMA. The framework is approved by the Board annually before the commencement of each financial year. The latest framework was approved in March 2024, incorporating the latest audited annual financial statements, resulting in an overall materiality value of R352 million on transactions.

Contingent liabilities

Municipality Property Rates

Individual municipalities have discretionary powers to levy rates on property, in terms of the Municipal Property Rates Act, No. 6 of 2004. The rates on Public Service Infrastructure (PSI) have now been phased out 100%. The property rates used, as well as the valuation amount have not been determined by the municipalities. In order to arrive at an estimate of the potential rates liability nationally, actual rates levied by some of the larger municipalities were applied on all property outside the declared national road network, arriving at an estimated figure of R65.3 million (31 March 2023: R71.9 million).

Litigation claims against SANRAL

SANRAL is defending various small claims instituted against the entity in court. At year end the outcome of the court cases was awaited. The entity's legal unit and management assess the likelihood of all actions against the entity being successful at reporting date. The aggregate amount of the contingent liability claims amounts to R95.76 million.

Maputo development corridor – overload

The concessionaire has claimed that the Mozambican Government has not complied with the N4 Maputo Development Concession requirements. This contingent liability for SANRAL is due to the joint and several liability under the concession agreement. The estimated overload damage values are based on the full concession period and are thus a combination of actual historic overload data and projected future overload up to the end of the concession period. Although agreed to in principle, the detailed inputs into SANRAL overload software utilised to derive the above values still need to be formally signed off between the parties. The quantification of estimated damage caused by overloaded vehicles is a technical exercise. There is no contingent liability to SANRAL on non-adjustments of toll tariffs by the Mozambican Government in the current year. The Trans African Concessions (TRAC) has sufficient funds held on behalf of the Mozambican Government to settle the estimated amount. Thus, SANRAL has no obligation/contingence to reimburse TRAC at the end of the reporting period.

Credit rating

SANRAL's debt mainly comprises bonds that are listed and traded on the Johannesburg Stock Exchange (JSE), although there are a few unlisted instruments. The borrowing limit approved by Government is approximately R47,910 million (depending on CPI (Consumer Price Index) assumptions). Up to R37,910 million, in nominal terms, of this amount can be guaranteed.

To facilitate investment in its debt related to its toll portfolio, SANRAL has been rated by the international credit rating agency, Global Credit Ratings (GCR). Although Moody's contract with SANRAL ended in 2018, Moody's chose to continue to provide SANRAL with ratings without compensation. The credit rating enables SANRAL to raise unguaranteed and guaranteed debt competitively.

	Moody's	GCR
Date of last review	4 July 2024	31 May 2023
National Scale Issuer: Long-term	A1.za	A-za
National Scale Issuer: Short-term	P-1.za	A2-za
Global Scale Issuer: Long-term	Ba3	B+
Global Scale Issuer: Short-term		-
Outlook	Stable	Stable

The following table shows the latest ratings by both agencies:

Concessions

In addition to its parliamentary appropriation, SANRAL has implemented concessions as an alternative means of financing and operating the national road network, with the costs recovered through user charges. Public/Private Partnerships allow SANRAL to leverage funding available from the private sector to meet identified infrastructure and service delivery needs

in a manner that is cost-effective and appropriate to each project. Furthermore, they ensure that financing is set aside for the improvement and preservation of the country's road assets for periods well beyond Government's three-year expenditure horizon. Annually the benefit is reflected in the increased values under Property, Plant and Equipment (PPE) under concession as the concessionaires upgrade the roads which belong to SANRAL.

- The agreement with Trans African Concessions Proprietary Limited (TRAC) became effective on 6 February 1998 and terminates on 5 February 2028. This includes the extension of the N4 as agreed during the 2005 financial year.
- The agreement with N3 Toll Concessions (RF) Proprietary Limited (N3TC) became effective on 2 November 1999 and terminates on 1 November 2029.
- The agreement with the N1-N4 Bakwena Platinum Corridor Concessionaire Proprietary Limited (Bakwena) became effective on 27 August 2001 and terminates on 26 August 2031.

At the end of the concession period the operations of these toll roads will revert to SANRAL.

The assets derived from the concessionaires are reported in the annual financial statements in accordance with standards of GRAP.

Events after reporting date

Withdrawal of e-toll declaration

On 28 March 2024 the MoT published a notice to withdraw the toll declaration for the e-tolls/GFIP in terms of section 27(1)(a)(ii) of the SANRAL Act. The GFIP road network will remain a declared national road network managed by SANRAL as a non-toll road network, which is funded by the Government. The scrapping of e-toll gantries saw them effectively switched off on 11 April 2024. Thus, the billing and collection of e-toll fees stopped on 11 April 2024 at 23:59:59. Motorists are obliged to settle their outstanding debt up to the time of cancellation.

The road network and structures will remain in use and transferred to non-toll segment as a going concern. The gantries, lights and electronic equipment will remain operational for other law enforcement purposes. The Transaction Clearing House, the core of the e-toll system, will continue to provide an integrated functionality for use of a single tag through electronic lanes at all toll plazas nationwide while additional value-added services are being investigated and implemented.

The MoF, the MoT and the Premier of Gauteng Province have concluded an agreement regarding the outstanding debt on toll portfolio, which is mainly a result of the GFIP. An MOA to formalise alternative funding solutions for the GFIP debt repayment and deal with the backlog of maintenance and rehabilitation costs of road assets was signed. Below are the key terms of the MOA:

- Gauteng Province to pay 30% (R12.93 billion) to National Government.
- Gauteng Province to contribute funding to backlog maintenance to the tune of R4.1 billion in tranches to National Government.
- National Treasury to cover 100% of SANRAL's debt.

The average revenue from GFIP amounted to R540 million per annum, of which only approximately 6% was recognised as revenue. As the road network and structure will need to be maintained as usual, there are no cost savings envisaged. The maintenance activities remain a SANRAL and Government priority on the GFIP (national) road network.

The GFIP resolution has allowed the conclusion of the borrowing capacity constraints. On 28 March 2024 the

MoF approved SANRAL's application to increase the borrowing limits in terms of section 66(3) and section 70(1) of the PFMA. The approval is up to R16.5 billion up to 31 March 2028 for capital expenditure requirements on the toll portfolio, which includes a foreign loan guarantee of R7 billion for a New Development Bank (NDB) loan. A guaranteed framework agreement (GFA) detailing the above is yet to be signed off between the National Treasury, DoT, and SANRAL. Management is engaging the relevant stakeholders to expedite the conclusion of the GFA. The increase of the borrowing capacity will enable SANRAL to source funds from the capital market to finance the capital projects on the toll portfolio.

Furthermore, management is also currently engaging various local finance institutions on the unguaranteed funding.

On 13 May 2024 the term of appointment of Mr E. Makhubela, a National Treasury nominated non-executive director, ended. Mr Makhubela served as Chair of the Assets and Liability Committee and as a member of the Contracts Committee of the Board.

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 will announce 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.

Board of Directors and Company Secretary

The Board, as appointed by the Minister, comprised the following individuals:

- Executive director
- Mr R.L. Demana, Chief Executive Officer
- Non-executive directors
  - Mr T.B. Mhambi - Chairperson - Independent, non-executive
  - Ms R. Buthelezi - Independent, non-executive
  - Mr R.F. Haswell - Independent, non-executive
  - Mr C. Hlabisa - Non-executive
  - Mr E. Makhubela - Non-executive
  - Mr T.P. Matosa - Independent, non-executive
  - Ms N. Noxaka - Independent, non-executive

For the year under review Ms T. Motha held the position of Acting Company Secretary from 1 July 2023 to 21 November 2023, upon the new appointment of Board General Counsel and Company Secretary.

Directors' declaration of interests in contracts

All directors and officers of SANRAL have confirmed that they had no interest in any contract of significance with SANRAL which could have resulted in a conflict of interest during the current year.

Addresses

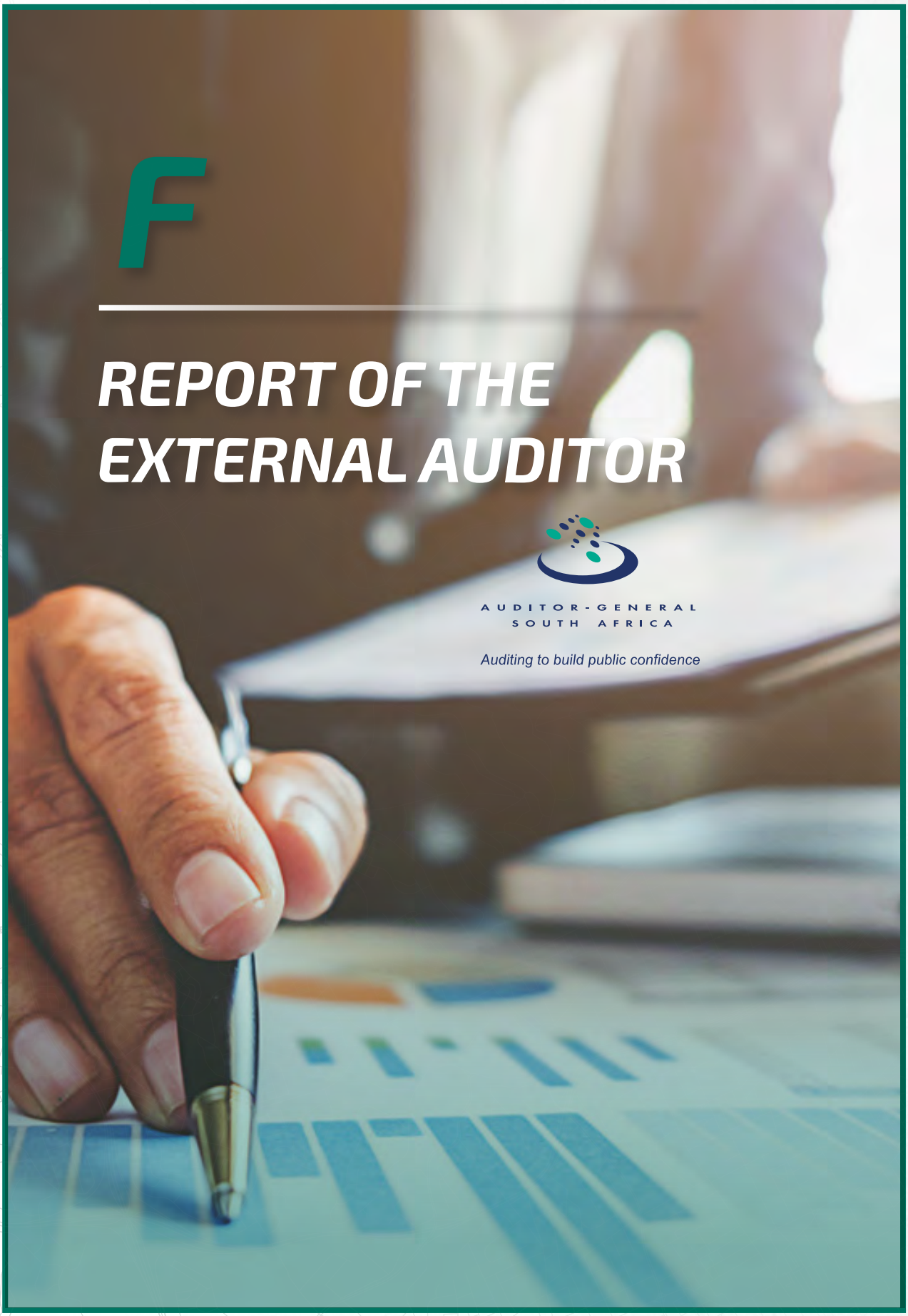
SANRAL's business, registered and postal addresses are as follows:

Business /Registered address

48 Tambotie Avenue
Val de Grace
Pretoria
0184

Postal address

P.O. Box 415
Pretoria
0001



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REPORT OF THE EXTERNAL AUDITOR

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SOUTH AFRICAN NATIONAL ROADS AGENCY SOC LIMITED

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African National Roads Agency SOC Limited (SANRAL) set out on pages 344 to 450, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts 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 SANRAL at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act 1 of 1999 (PFMA).

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 public entity in accordance with the *International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my 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 baisis basis for my opinion.

Key audit matters

6. Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion, and I do not provide a separate opinion on these matters.

Key audit matter	How matter was addressed in audit
Revaluation of road network and road structures	
SANRAL applies the depreciated replacement method in the revaluation of the road network and road structures disclosed under property, plant, and equipment (including under concessioners). The carrying value of the road network is R469 billion and that of road structures is R136 billion. The revaluation adjustment recorded in revaluation reserves for the road network is R46 billion and that of road structures is R13 billion. This results in a combined amount of R59 billion. Inputs applied in the revaluation of the road network and road structures include the following: • Age of the road network and road structure • Overall condition index • Material unit rates The disclosure relating to the revaluation of the road network and road structures is set out in the following notes: • Note 1.3 - significant judgements and sources of estimation uncertainty • Note 4 - property, plant, and equipment under concession • Note 6 - property, plant, and equipment • Note 13 - revaluation reserve Due to the significance of the value of the road network and road structures to the financial statements as a whole, combined with the assumptions associated with determining the fair value, I considered this to be a key audit matter.	I assessed the design and operating effectiveness of internal controls relating to the revaluation of the road network and road structures. I performed the following audit procedures to confirm the validity, accuracy and completeness of the data used to perform the valuation: • Comparing input data to the Integrated Transportation Information System (ITIS) (road network survey) for completeness. • Verifying manual uploading of data from the ITIS to the financial records for accuracy and completeness. • Verifying control totals of values in the financial records through reconciliation and comparison to values on the ITIS. I assessed the appropriateness of the subsequent measurement basis against the requirements of Generally Recognised Accounting Practice 17 (GRAP 17), Property, plant and equipment. I engaged an auditor's expert to assess the appropriateness and reasonableness of management's assumptions to determine the value of the road network and road structures. Before I placed reliance on the work of the auditor's expert, I satisfied myself with the expert's independence, objectivity, and competency in line with the requirements of ISA 620, Using the work of an auditor's expert. The procedures performed by the auditor's expert included: • Evaluating the appropriateness and reasonableness of the revaluation method, assumptions and parameters applied. • Assessing the appropriateness of the valuation method against international standards on valuation. • Assessing the reasonableness of the material unit rates to market data and entity-specific information to confirm the appropriateness of these judgements. • Assessing the reasonability of the adjustment rate applied in computing the asset replacement value unit rate. I reviewed the work performed by the auditor's expert to confirm that the conclusion reached was in line with the work performed and my understanding of the auditee. After all the inputs were confirmed by the auditor's expert, I re-computed the revaluation calculation. I further considered whether the disclosures related to the road network and road structures in the annual financial statements are appropriate and in line with GRAP. Based on the procedures performed, I am satisfied that the revaluation of the road network and road structures is appropriate, reasonable, fairly valued, and appropriately disclosed in the annual financial statements.

Expected credit losses (ECL) on toll debtors	
SANRAL measures the ECL allowance for trade and other receivables by applying the simplified approach prescribed by GRAP 104 (Revised): Financial instruments. The value for ECL on toll debtors was R28.7 billion on 31 March 2024. The disclosure relating to ECL is set out in the following notes: • Note 1.3 - significant judgements and sources of estimation uncertainty • Note 10 - Trade and other receivables • Note 16 - Financial instruments • Note 17 - Risk management The assessment and calculation of ECL require management to make significant estimations and use significant judgements. Due to the subjectivity of the estimations and judgements, I considered the calculation of ECL for toll debtors to be a key audit matter.	I assessed the design and operating effectiveness of internal controls relating to ECL on toll debtors. I performed the following substantive audit procedures to confirm the appropriateness and reasonableness of the ECL on toll debtors: • Assessing the design and testing the operating effectiveness of controls related to toll debtors. • Evaluating the appropriateness and reasonableness of key assumptions and judgements such as the default rate by comparing these to historical data. • Evaluating the accounting policy and satisfying myself that it was consistent with the requirements of the accounting standard. • Considering the appropriateness of forward-looking (macroeconomic) factors used to determine ECL. • Testing the accuracy and completeness of the underlying data used in the model and the arithmetic accuracy of the computation of ECL. • Applying computer assisted audit techniques (CAATs) to confirm the completeness of transactions from a gantry pass to when a transaction is recognised in the financial records of SANRAL. • Considering the adequacy of the disclosure of the key sources of estimation of uncertainty in the accounting policy and notes to the annual financial statements. Based on the procedures performed, I am satisfied that ECL on toll debtors are reasonable, in line with my expectation and appropriately disclosed.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairments - receivables from exchange transactions

8. As disclosed in note 10 to the financial statements, material losses of R28,726,226,000.00 were incurred as a result of expected credit loss from toll debtors.

Restatement of corresponding figures

9. As disclosed in note 42 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2024.

E-tolls discontinued subsequent to year end

10. As disclosed in note 49 to the financial statements, e-tolling gantries were switched off on 11 April 2024, halting the billing and collection of e-toll fees prospectively. A memorandum of agreement was signed between National Government, Gauteng Provincial Government and National Department of Transport to fund GFIP bond debt and Gauteng maintenance.

GRAP 104 early adoption

11. As disclosed in note 3.2 to the financial statements, the public entity has early adopted GRAP104 (as revised): Financial Instruments to account for financial assets and liabilities.

Initial adoption of standards of GRAP

12. As disclosed in note 2 to the financial statements, standards of GRAP were applied retrospectively in accordance with GRAP directive 2 for initial adoption of the standards of GRAP.

Responsibilities of the accounting authority for the financial statements

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

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

15. 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.
16. 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 in page 339 forms part of our auditor's report.

Report on the audit of the annual performance report

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
18. I selected the following programme presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected a programme that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	*Page numbers*	*Purpose*
Road Asset Infrastructure Management	71-78	The programme exists to maintain the national road network.

19. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
20. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

21. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

22. The material findings on the reported performance information for the selected programme are as follows:

Road Asset Infrastructure Management

23. The public entity is mandated to perform the core functions of financing. However, relevant indicators and targets were not included in the approved annual performance plan and strategic plan to enable and measure its achievement. Management could not provide valid reasons for not reporting on all core functions.

Indicator 1.9 Percentage of Non-RRM (Non-Routine Road Maintenance) expenditure performed by black owned SMMEs and Contractors (Based on black ownership of main contractor)

24. An achievement of 71,7% was reported against a target of >60%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Indicator 1.10 Number of SMMEs working for SANRAL

25. An achievement of 2,249 was reported against a target of 1,800 I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Indicator 1.11 Number of community development infrastructure projects in construction and/or completed

26. An achievement of 24 was reported against a target of 14. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Indicator 2.1 Jobs created on project (full-time equivalent)

27. An achievement of 12,638 was reported against a target of 12,000 jobs. However, some supporting evidence was not provided for auditing; or, where it was, I identified material differences between the actual and reported achievements. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.

Other matter

28. I draw attention to the matter below.

Achievement of planned targets

29 The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements. This information should be considered in the context of the material findings on the reported performance information.

30. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 74 to 82.

Road Asset Infrastructure Management

Targets achieved : 86%
Budget spent: 83%

Key indicator not achieved	Planned target	Reported achievement
Indicator 1.1 Percentage of Smooth Travel Exposure (STE)	2.95%	94,90%
Indicator 1.7 Road Strengthened, Improved and New (CAPEX) km	270 km	170 km

Material misstatements

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Road Asset Infrastructure Management. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

32. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
33. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
34. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
35. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Procurement and contract management

36. Some of the contracts were awarded to bidders based on evaluation/adjudication criteria that differed from those stipulated in the original invitation for bidding as required by Treasury Regulation 16A6.3(a) and (b).

Other information in the annual report

37. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act 71 of 2008. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
38. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do 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.
39. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge

obtained in the audit, or otherwise appears to be materially misstated.

40. 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

41. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
42. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
43. The underlying systems and controls developed by management were inadequate to provide reliable evidence to support the reporting on predetermined objectives for the programme selected for auditing. Adequate reviews of the reported performance information were also not performed by management to ensure consistency and accurate presentation of the reported information.
44. Management did not exercise oversight responsibility regarding compliance and related internal controls when evaluating bidders against the pre-determined specifications as some bids were not evaluated in a fair and consistent manner.

Auditor - General

Pretoria

20 September 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

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 and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

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 public entity'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 public entity 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 a public entity 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.

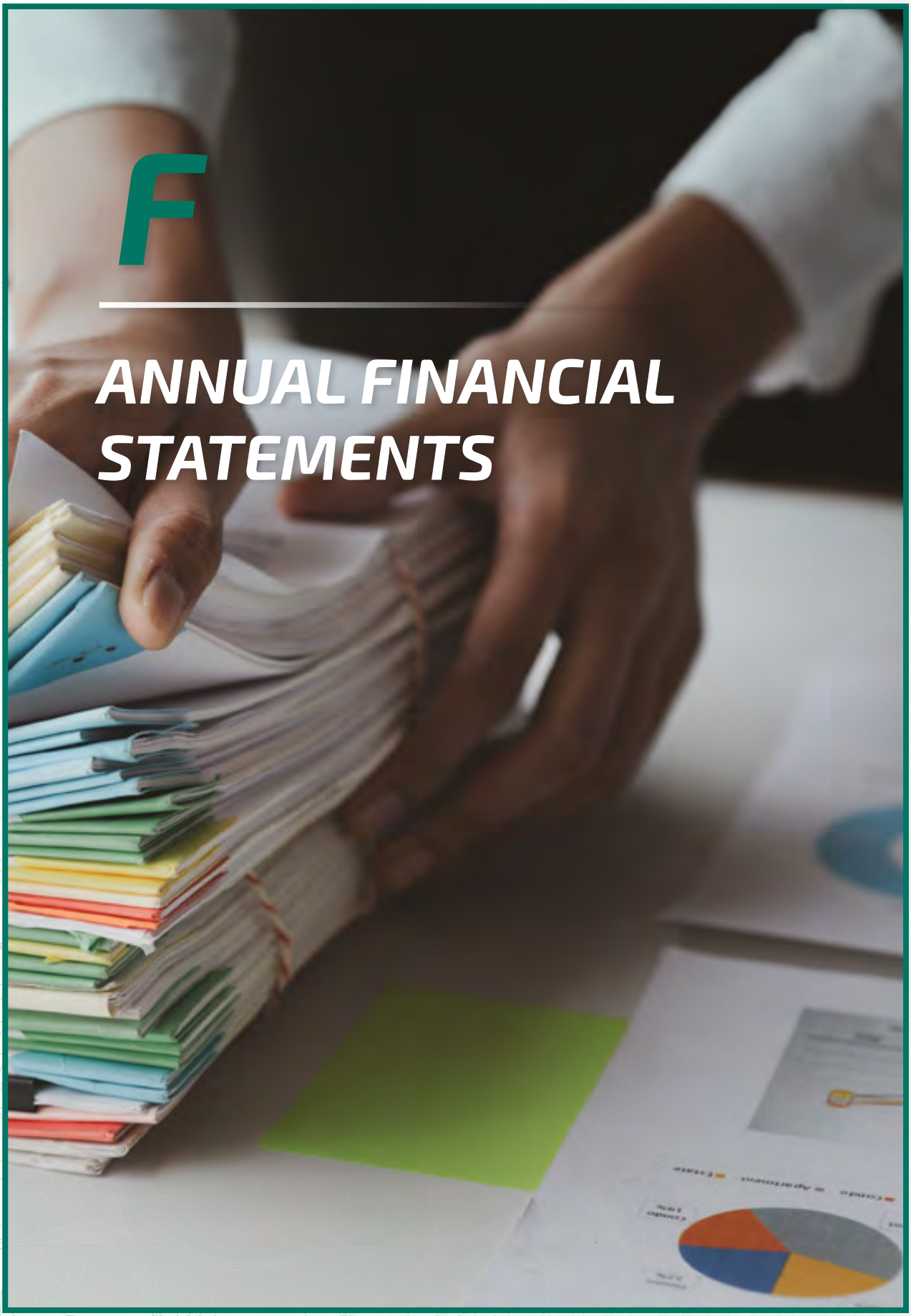
Communication with those charged with governance

I communicate with the accounting authority 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 authority 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.

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Sections 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Sections 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Sections 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); 16A6.1; Regulation 16A6.2(a); 16A6.2{b); 16A6.3(a); 16A6.3(c); Regulation 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; Regulation 16A.7.3; 16A.7.6; 16A.7.7; 16A8.3; 16A8.4; Regulation 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); Regulation 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b){ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9;
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.4; 4.17; 7.2;
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.3.1;
Practice Note 5 of 2009/10	Paragraph 3.3
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.4; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.8; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1;
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



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ANNUAL FINANCIAL STATEMENTS

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Construction and maintenance of the national road network and structures
Members	Mr. TB Mhambi (Chairperson - Independent non-executive member) Mr. RF Haswell (Independent non-executive member) Mr. TP Matosa (Independent non-executive member) Ms. N Noxaka (Independent non-executive member) Ms R Buthelezi (Independent non-executive member) Mr. C Hlabisa (Public official) Mr. E Makhubela (Public official) Mr. R Demana (Chief Executive Officer)
Registered office	48 Tambotie Avenue Val De Grace Pretoria 0184
Business address	48 Tambotie Avenue Val De Grace Pretoria 0184
Postal address	P O Box 415 Pretoria 0001
Auditors	The Auditor-General South Africa
Secretary	Advocate S Linda
Company registration number	1998/009584/30
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were internally compiled by: Mr. D Maluleke CA (SA)

INDEX

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

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Abbreviations used:

SANRAL	The South African National Roads Agency SOC Limited
AGSA	The Auditor-General South Africa
GRAP	Generally Recognised Accounting Practice
GFIP	Gauteng Freeway Improvement Project
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
PFMA	Public Finance Management Act
MoT	Minister of Transport
NT	National Treasury
DoT	Department of Transport
IFWE	Irregular, fruitless and wasteful expenditure

The annual financial statements set out on page 344, which have been prepared on the going concern basis, were approved by the Board on 18 September 2024 and were signed on its behalf by:

Mr. TB Mhambi
(Chairperson - Independent non- executive member)
Board Chairperson

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

Figures in Rand thousand	Notes	2024	2023 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment under concession	4	82 644 060	75 570 038
Property, plant and equipment	6	579 506 154	516 224 848
Investment property	7	1 918 523	1 740 964
Intangible assets	8	159 466	126 373
Financial assets at amortised cost	9	673 084	605 361
		664 901 287	**594 267 584**
Current Assets			
Financial assets at fair through surplus or deficit	9	2 575 005	2 754 958
Receivables from exchange transactions	10	1 145 464	1 219 939
Financial assets at amortised cost	9	5 129 858	4 307 403
Cash and cash equivalents	11	53 259 979	59 414 201
		62 110 306	**67 696 501**
Total Assets		**727 011 593**	**661 964 085**
Liabilities			
Current Liabilities			
Financial liabilities	15	8 696 657	15 124 343
Payables from exchange transactions	18	3 060 666	1 929 903
VAT payable	19	4 953 867	4 037 476
Employee benefit obligation	20	3 200	2 452
Provisions	21	3 004	5 054
Special appropriation from shareholder	14	3 588 858	14 756 424
Deferred exchange consideration - service concession	22	1 720 495	1 521 112
Third-party funding	23	743 717	276 874
		22 770 464	**37 653 638**
Non-Current Liabilities			
Financial liabilities	15	22 754 496	27 940 477
Employee benefit obligation	20	64 182	64 705
Provisions	21	589 976	553 250
Deferred exchange consideration - service concession	22	8 993 409	9 839 862
		32 402 063	**38 398 294**
Total Liabilities		**55 172 527**	**76 051 932**
Total Net Assets		**671 839 066**	**585 912 153**
Share capital and other reserves	12	1 091 044	1 091 044
Reserves			
Revaluation reserve	13	553 313 514	491 600 820
Special appropriation from shareholder	14	20 147 566	8 980 000
Accumulated surplus	13	97 286 942	84 240 289
Total Net Assets		**671 839 066**	**585 912 153**

The accounting policies on pages 349 to 375 and the notes on pages 376 to 450 form an integral part of the annual financial statements.

** See Note 2 & 42*

STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 MARCH 2024

Figures in Rand thousand	Notes	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Revenue - GFIP toll fees	24	6 502 058	6 507 687
Revenue - Conventional toll fees	24	4 625 895	3 885 903
Other income	26	2 091 194	2 040 625
Finance income	28	6 072 960	3 374 534
Fair value adjustments	27	193 232	102 620
Actuarial gains	20	9 309	4 115
Total revenue from exchange transactions		**19 494 648**	**15 915 484**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants - non-toll	25	24 301 715	18 125 539
Government grants - GFIP/toll	24	1 584 274	4 147 336
Total revenue from non-exchange transactions		**25 885 989**	**22 272 875**
Total revenue		**45 380 637**	**38 188 359**
Expenditure			
Employee related costs	34	(581 342)	(527 948)
Depreciation and amortisation	32	(4 568 706)	(4 405 039)
Finance costs	29	(3 405 565)	(4 391 936)
Impairment losses	33	(6 855 452)	(6 370 795)
Repairs and maintenance	30	(14 527 396)	(10 734 315)
Other operating expenditure	31	(2 395 523)	(1 940 717)
Total expenditure		**(32 333 984)**	**(28 370 750)**
Surplus for the year		**13 046 653**	**9 817 609**
Attributable to:			
Owners of the controlling entity		13 046 653	9 817 609
		13 046 653	**9 817 609**

** See Note 2 & 42*

STATEMENT OF CHANGES IN NET ASSETS

		Share capital and other reserves	Share premium	Total share capital	Revaluation reserve	Government grant reserve	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	4	1 091 040	1 091 044	421 411 618	-	421 411 618	(14 120 588)	408 382 074
Adjustments								
Adoption of GRAP 2	-	-	-	-	-	-	88 543 268	88 543 268
Balance at 01 April 2022 (restated)*	**4**	**1 091 040**	**1 091 044**	**421 411 618**	**-**	**421 411 618**	**74 422 680**	**496 925 342**
Changes in net assets								
Revaluation adjustments - PPE	-	-	-	70 189 202	-	70 189 202	-	70 189 202
Shareholder special grant	-	-	-	-	8 980 000	8 980 000	-	8 980 000
Net income recognised directly in net assets	-	-	-	70 189 202	8 980 000	79 169 202	-	79 169 202
Surplus for the year	-	-	-	-	-	-	9 817 609	9 817 609
Changes in net assets								
Total recognised income for the year	-	-	-	70 189 202	8 980 000	79 169 202	9 817 609	88 986 811
Total net income for the year		-	-	70 189 202	8 980 000	79 169 202	9 817 609	88 986 811
Opening balance as previously reported at 31 March 2023	4	1 091 040	1 091 044	491 600 820	8 980 000	500 580 820	(12 187 587)	489 484 277
Adjustments								
Transitional provision- GRAP adoption - note 2	-	-	-	-	-		96 428 098	96 428 098
Prior year adjustments - note 42	-	-	-	-	-	-	(222)	(222)
Balance at 01 April 2023 (restated)*	**4**	**1 091 040**	**1 091 044**	**491 600 820**	**8 980 000**	**500 580 820**	**84 240 289**	**585 912 153**
Changes in net assets								
Revaluation adjustment - PPE	-	-	-	61 712 694	-	61 712 694	-	61 712 694
Net income recognised directly in net assets	-	-	-	61 712 694	-	61 712 694	-	61 712 694
Surplus for the year	-	-	-	-	-	-	13 046 653	13 046 653
Total recognised income for the year	-	-	-	61 712 694	-	61 712 694	13 046 653	74 759 347
Shareholder special grant	-	-	-	-	11 167 566	11 167 566	-	11 167 566
Total net income for the year	-	-	-	61 712 694	11 167 566	72 880 260	13 046 653	85 926 913
Balance at 31 March 2024	**4**	**1 091 040**	**1 091 044**	**553 313 514**	**20 147 566**	**573 461 080**	**97 286 942**	**671 839 066**
Notes	12	12	12	13	14			

** See Note 2 & 42*

CASH FLOW STATEMENT

Figures in Rand thousand	Notes	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Receipts from customers		4 808 338	5 637 345
Government grants received		25 885 989	22 272 875
Finance income		5 938 877	3 689 274
		36 633 204	**31 599 494**
Payments			
Employee costs		(569 481)	(527 948)
Suppliers		(15 114 921)	(12 958 637)
Finance costs		(3 023 912)	(3 579 561)
		(18 708 314)	(17 066 146)
Net cash flows from operating activities	**35**	**17 924 890**	**14 533 348**
Cash flows from investing activities			
Purchase of property, plant and equipment		(12 136 718)	(8 280 106)
Purchase of investment property	7	-	(17 508)
Proceeds from sale of investment property		829	2 723
Purchase of other intangible assets	8	(75 618)	(15 947)
Purchase of financial assets		(609 491)	(3 714 385)
Net cash flows from investing activities		**(12 820 998)**	**(12 025 223)**
Cash flows from financing activities			
Repayment of financial liabilities		(11 995 322)	(9 080 316)
Proceeds from financial liabilities		-	1 000 000
Proceeds from special grant allocation		-	23 736 424
Proceeds from third-party funding	23	737 208	-
Net cash flows from financing activities		**(11 258 114)**	**15 656 108**
Net increase/(decrease) in cash and cash equivalents		**(6 154 222)**	**18 164 233**
Cash and cash equivalents at the beginning of the year		59 414 201	41 249 968
Cash and cash equivalents at the end of the year	**11**	**53 259 979**	**59 414 201**

** See Note 2 & 42*

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Figures in Rand thousand	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Differnece between final budget and actual	% Variance
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Revenue - GFIP toll fees	1 142 252	(8 613)	**1 133 639**	6 502 058	**5 368 419**	474%
Revenue - conventional toll fees	4 244 601	-	**4 244 601**	4 625 895	**381 294**	9%
Other income	285 429	213 076	**498 505**	2 091 194	**1 592 689**	319%
Finance income	2 015 615	819 035	**2 834 650**	6 072 960	**3 238 310**	109%
Fair value adjustments	-	-	**-**	193 232	**193 232**	100%
Actuarial gains/losses	-	-	**-**	9 309	**9 309**	100%
Total revenue from exchange transactions	**7 687 897**	**1 023 498**	**8 711 395**	**19 494 648**	**10 783 253**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants - non-toll	25 430 715	(1 129 000)	24 301 715	24 301 715	-	0%
Government grants - GFIP/ toll	602 535	981 739	1 584 274	1 584 274	-	0%
Total revenue from non-exchange transactions	**26 033 250**	**(147 261)**	**25 885 989**	**25 885 989**		
Total revenue	**33 721 147**	**876 237**	**34 597 384**	**45 380 637**	**10 783 253**	
Expenditure						
Employee related costs	(820 716)	-	**(820 716)**	(581 342)	**239 374**	29%
Depreciation and amortisation	-	-	-	(4 568 706)	**(4 568 706)**	-100%
Finance costs	(3 839 147)	1 281 276	**(2 557 871)**	(3 405 565)	**(847 694)**	-33%
Impairment	-	-	-	(6 855 452)	**(6 855 452)**	-100%
Repairs and maintenance	(18 261 171)	1 185 195	**(17 075 976)**	(14 527 396)	**2 548 580**	15%
Other operating expenditure	(2 388 926)	(611 048)	**(2 999 974)**	(2 395 523)	**604 451**	20%
Total expenditure	**(25 309 960)**	**1 855 423**	**(23 454 537)**	**(32 333 984)**	**(8 879 447)**	
Capital expenditure	(17 856 519)	3 146 684	**(14 709 835)**	(12 630 485)	**2 079 350**	14%
Surplus for the year	**(9 445 332)**	**5 878 344**	**(3 566 988)**	**416 168**	**3 983 156**	

Refer to note 47 for disclosures of material differences (>15% variance) and details of changes between the approved and final budget.

SIGNIFICANT ACCOUNTING POLICIES

Corporate information

The South African National Roads Agency SOC Limited (SANRAL) is a not-for-profit state-owned entity incorporated and domiciled in South Africa. The entity's primary business is the construction and maintenance of the South African national road networks and structures.

The annual financial statements have been prepared internally by Mr. Dumisani Maluleke (CA (SA)) as Acting Chief Financial Officer. The annual financial statements are audited in compliance with section 29(1)(e)(aa) of the Companies Act 71 of 2008. The annual financial statements for the year-ended 31 March 2024 were authorised by the Board on 18 September 2024 for submission to the Executive Authority (controlling entity) - Department of Transport.

1 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below and are based on Standards of Generally Recognised Accounting Practice (hereafter - GRAP), which the entity adopted as its financial reporting framework effective from 1 April 2023. Previously, the entity applied IFRS Accounting Standards.

The change in the accounting framework applied is pursuant to the application of Directive 12 of the GRAP Reporting Framework issued by Accounting Standards Board concerning the selection of an appropriate reporting framework by public entities. The entity previously applied for and obtained exemption from the application of GRAP up to 31 March 2023. However, the last application for exemption that it made was denied and it is therefore required to apply GRAP with effect from the current reporting period.

In making this change, the entity has applied the transition guidance provided for in GRAP. In order to facilitate the transition process and the understanding of the financial information reported by the users, the entity has opted to maintain similar accounting policies as those that it applied under IFRS as far as is possible, with the exception of areas where IFRS differs from GRAP. The impact of the adoption process followed is addressed in greater detail in Note 2.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with GRAP including all its Directives, Interpretation of the Standards of GRAP (IGRAP); issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999), the South African National Roads Agency Limited and National Roads Act, (Act 7 of 1998) and the Companies Act, Act 71 of 2008, as amended.

These annual financial statements have been prepared on an accrual basis of accounting with the exception of the cash flow statement and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand (R's), which is the entity's functional currency and are rounded to the nearest thousand (R'000).

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with GRAP.

Assets, liabilities, revenues and expenses are not offset, except where offsetting is either required or permitted by a Standard of GRAP.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. Refer to the detailed going concern note 48.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. The use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes. Significant judgements include:

Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

SANRAL derives revenue from two sources. Firstly conventional toll and secondly Gauteng Open Road Tolling (GORT) or the Gauteng Freeway Improvement Project (GFIP). Fees are charged on road users passing through the toll gates and electronic tolling (e-tolls) gantries.

Revenue from exchange transactions (toll fees) is recognised over a period of time as the entity provides services to the road users by allowing them access to the road until they pass a gantry or toll gate. However, the nature of these services does not take a substantial amount of time to complete and therefore the revenue is recognised as if the service is performed at a point in time rather than over a period of time. Therefore, revenue is recognised when the customer passes through the toll.

Revenue is recognised at the fair value of consideration received or receivable (net of VAT and discounts granted).

There are no written contracts with road users (customers). The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement. The consideration received or receivable is the toll tariff charged per vehicle class as gazetted and approved by the Minister of Transport, in terms of legislation; SANRAL Act.

Revenue from conventional tolls is recognised on a payment basis as the road user must pay the displayed toll fee for their vehicle category before they can continue with their travel (stop and go).

Revenue from GFIP/e-tolls (GORT) is recognised when the customer makes use of the toll roads, regardless of whether they are registered as an e-toll customer or not, as SANRAL is legally obliged to collect all amounts that arise from the use of an asset, such as this, whose usage charges are subject to legal proclamation.

The revenue is recognised when it is received or receivable. GRAP 9 and IGRAP 1 require the entity to consider other factors that will impact the probable inflow of future economic benefits or service potential based on past experience and current facts and circumstances that exist on initial recognition. While GFIP/e-tolls has been widely contested by the public since its inception, the entity has a legislative mandate to provide services through access to the road network and to consequently collect the amounts that are due for the provision of this service. As such, despite the experiences

SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty (continued)

of the past years where it has faced increased public objections, appeals and legal process citing affordability concerns and that due consultation processes were not followed at inception in tolling the Gauteng freeways, which have made it difficult for the entity to implement the statutory requirements and to institute any legal processes to collect the statutory revenue, the entity recognises the revenue that is due for the services provided and recognises receivables for the amounts that are due. The entity subsequently assesses the receivables for collectability and recognises expected credit losses on those amounts that it deems uncollectable.

Measurement of revenue recognised:

The entity assumes that willing e-toll customers would take advantage of the discounts at recognition of revenue, and therefore recognises revenue net of discounts available. Where payment is not received in time to qualify for discounts, the customer balance reverts to the full amount.

The contractual receivable recognised is at the transaction amount determined in accordance with the above revenue policy and applicable financial instrument policy note.

Revenue from other conventional tolls do not require judgment. It is on payment basis and transactions are recognised in line with GRAP 9.

Cash received in advance - liability

Income received in advance (prepayments) is regarded as a liability. These arise through prepaid e-tags or overpayments on registered account holders on toll fees (statutory revenue). A liability is recognised when transaction is made or the payment is due (whichever is earlier). Cash received in advance is recognised as revenue only when the road user eventually passes through the toll gate or gantry and is measured at the amount received from the customer. Cash received in advance is disclosed and reconciled in the notes - payables from exchange transactions, note 18.

Other income

Revenue arising from other contractual and exchange transactions is recognised when:

It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably.

Sundry income is measured at the fair value of the consideration received or receivable. Any service fees are recognised as income over the period during which the service is performed.

Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. SANRAL receives government grant (allocation or transfer) annually for operational and capital expenditure to build and maintain infrastructure for the benefit of the public (service delivery). Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

The government grant received or receivable is unconditional. However, the grant has restrictions. Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used (ear-marking funds for operational or capital expenditure, toll or non-toll funds), but do not specify that future economic

SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty (continued)

benefits or service potential is required to be returned to the transferor if not deployed as specified. These restrictions are contained in the allocation letter approved by the Minister of Transport and are not regarded as conditions.

Recognition

A non-exchange transaction recognised is recognised as revenue, except to the extent that it is a liability in respect of the same inflow. The recognised revenue and a corresponding asset (receivable) is recognised in respect of transfers allocated for both operational and capital expenditure beginning of financial year. The entity's appropriation is approved by Parliament (through budget speech under the Department of Transport vote) before the commencement of the financial year. Then the allocation, signed by the Minister of Transport (MoT) is received with details of full allocation for the year. The full allocation amount is receivable from 1 April, paid quarterly in advance, thus full grant amount is recognised at commencement of the financial year. The receivable from non-exchange transaction is derecognised as the amount of revenue is actually received.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. Transferred assets are measured at their fair value as at the date of acquisition, on 1 April each year.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with applicable revenue policy. The entity applies the accounting policy on statutory receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables (GRAP 108), there were no statutory receivables arising from non-exchange transactions at year end. There is no interest charged or recognised on government grant receivable, refer to note 1.3.

Fair value estimation

Some financial and non-financial assets and liabilities of the entity are either measured or disclosed at fair value. Investment properties (note 1.4), PPE (note 1.5), impairment of non-cash generating assets (note 1.11) and financial assets and liabilities (note 1.7) of the entity are measured at fair value and/or disclosure is made of their fair values. When measuring the fair value of an asset or liability the entity uses observable market data as inputs to the extent that it is available. Qualified independent valuers are consulted for the determination of appropriate valuation techniques and inputs where appropriate. Fair values for financial instruments only are categorised into valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included in level 1 that are observable for assets or liabilities either directly or indirectly
- Level 3: inputs for the assets and liabilities that are not based on any observable market data (unobservable inputs)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long term debt. Other techniques, such as estimated discounted cash flow, are used to determine the fair value for the other financial instruments.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty (continued)

The carrying value less impairment provision of contractual and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

The entity obtains independent valuations for its investment properties and for owner-occupied land at the end of each financial year. Road network and structures are valued at depreciated replacement cost (DRC) and further specific details are in notes 4 & 6.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is any indication that an asset is impaired or when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell or when events or changes in circumstances suggest that the carrying amount may not be recoverable. These calculations require the use of estimates and assumptions. Where impairment indicators are identified, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Refer to note 6 and note 8.

Provisions

Provisions were raised and management determined an estimate based on the information available. The entity uses the weighted average cost of capital rate in calculating the liability for overload control. A provision for overload control relates to claims from concessionaires against SANRAL for damage to pavements as a result of overloading on the various concession routes. The estimation is calculated using SANRAL overload software annually at year end. A combination of actual historic overload data and projected future overload up to the end of the concession period is used in the calculations. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

Contingent assets and liabilities

Management applies its judgment to the facts, patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, possible and/or remote. This judgment is used to determine if the obligation is recognised as a liability or disclosed as a contingent asset or liability. After assessment, all contingencies that are assessed with low probability of cash flow are considered to be remote, therefore not disclosed in the notes. The contingencies are reviewed and assessed annually at year end, refer to note 40 - Contingencies.

Useful lives of property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment annually at the end of each reporting period. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty (continued)

The useful lives of motor vehicles, furniture and computer equipment are determined based on the entity's replacement policies considering the commercial and economic forecasts. Refer to note 1.5 for the estimated useful lives for property, plant and equipment and note 1.6 for intangible assets.

Post-employment benefit obligations

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity's actuarial experts determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Time value of money is best approximated by reference to market yields at the reporting date on government bonds and that have terms to maturity approximating the terms of the related pension liability.

The actuarial gains and losses on the employees' benefits are calculated in terms of three main components, namely: the effect of changes to the economic assumptions, number of members, and changes in the experience compared to what was expected as at the previous valuation.

Other key assumptions and critical estimates for each benefit plan and obligations are included in the actuarial report and is disclosed in note 20.

Commitments

Items are classified as commitments when the entity has committed itself to future actions that result in cash outflows. commitments comprise estimated capital expenditure (contract amounts less capital expenditure already recognised) as approved by the Board of directors or delegated authority. Refer to note 38.

Expected credit loss - impairment

A credit loss is the present value of the difference between the contractual cash flows due in terms of the contractual arrangement and the cash flows the entity expects to receive. The amount of expected credit losses (or reversals) that adjusts the loss allowance at reporting date is recognised in surplus or deficit. The impairment is measured as the difference between the debtors carrying amount and the expected credit loss using simplified approach (a provision matrix is used for receivables). The default period is 90 days and the debt is expected to be settled in less than 12-month period. Therefore, no present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition is deemed necessary.

Impairment of receivables from exchange transactions

If there is an indication that a receivable, or a group of receivables, may be impaired, the entity measures an impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the contractual receivable, or group of contractual receivables, is reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Significant judgements and sources of estimation uncertainty (continued)

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the contractual receivable, or group of contractual receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a contractual receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows, where applicable.

Receivables from exchange transactions are recognised initially at the amount receivable in line with the revenue policy above. Subsequently receivables are measured at amortised cost less the lifetime expected credit loss allowance. The entity assesses its receivables for credit loss at the end of each reporting period using the simplified approach, thus, all debt is assessed for lifetime expected credit loss at each reporting period.

Impairment is calculated based on historical loss ratios/trends, adjusted for any other available information and other indicators present at the reporting date that correlate with defaults on a collective basis. In assessing toll debtors for expected credit loss (impairment), significant judgments and assumptions are considered based on the current prevailing conditions, forward looking factors and historical trends.

Capped insurance receivable at amortised cost

Based on past experience and historical trends, management has assessed the risk of credit losses as very low because the deposit is held with institutions that have a national scale credit rating of A+ and above. This asset earns interest on a monthly basis, which the debtor has been servicing without fail. Thus the fair value of the asset has been increasing on an annual basis. Consequently no expected credit loss allowance was made. Refer to note 9 - financial assets.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services
- administrative purposes
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Subsequent to initial measurement investment property is measured at fair value. The fair value of investment property reflects market conditions at the reporting date. The fair value on investment properties is determined by independent

SIGNIFICANT ACCOUNTING POLICIES

1.4 Investment property (continued)

external valuers at the end of each reporting period. A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

SANRAL's primary responsibility relates to the construction and maintenance of national roads but, in execution of its normal responsibilities or mandate SANRAL may also become the owner of surplus land (outside road reserve). Although such land is often alienated, SANRAL does not, per ser, hold it for sale as part of its ordinary course of business. All surplus land that is not owner occupied and is not within the road reserved land (PPE) is therefore considered to be investment property, as it is held for capital appreciation or to earn rentals.

In certain circumstances it is difficult to distinguish between investment property and owner-occupied property. In those circumstances the criteria used to distinguish what is investment property is based on its use. Where property within road reserve is leased together with a portion outside the road reserve, the whole lease property will be regarded as investment property. When the use of investment property changes such that it is reclassified as property, plant and equipment, its carrying value/cost is the fair value on the date of reclassification for subsequent accounting. Properties that are held for sale are measured at fair value less cost to sell, if material, and shall be disclosed separately. Investment property classified as held for sale is measured as fair value less cost to sell, if material or significant. Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When investment property is derecognised, the carrying value is eliminated from the statement of financial position and the gains or losses arising from the disposal are recognised in surplus or deficit in the year of disposal.

Refer to note 7 - investment properties.

1.5 Property, plant and equipment

Property, plant and equipment including PPE under concession (PPE) 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 period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

The cost of an item of property, plant and equipment including PPE under concession is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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, or the fair value of the asset given up, was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Property, plant and equipment (continued)

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. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as deemed appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are recognised in surplus or deficit during the reporting period in which they are incurred.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment, failing which they are recognised as inventory.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, road network and road structures. Land, road network and road structures are subsequently carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period as an impairment loss. The decrease is first debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in net assets related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Non-toll assets are non-cash-generating assets. Non-toll assets do not create cash flows from their use, and an active market for non-toll roads does not exist.

Depreciation of an asset commences when the asset is available for use as intended by management. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a straight line method, that best reflects the pattern in which the asset's economic benefits are consumed by the entity. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases on derecognised.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	50 years
Road network - road beds	Straight-line	50 years
Furniture, motor vehicles and equipment	Straight-line	3 -30 years
Road network - pavement layers	Straight-line	20 years
Road structures	Straight-line	50 years

Land is not depreciated. Road-beds are initially assumed to have a useful life of 50 years. For pavement layers and structures, the associated depreciation rate is related to condition indexes calculated from detailed condition assessments. The frequency of these condition assessments is related to the deterioration trend of the asset component and ranges from one to five years. If the pavement layers are however rehabilitated during life of the road, the remaining roadbed life will be adjusted to be at least equal to the remaining new pavement layers' life, if it was less at the time of pavement layer works.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life pattern of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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 from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

Impairment indicators include the deterioration of the physical condition of office furniture, equipment and vehicles. SANRAL uses the loan supportable by revenue (LSR) model to assess impairment for toll plazas' assets. Refer to note 6 for details of impairment.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Property, plant and equipment (continued)

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 30).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4 and 6).

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so, or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets, whether purchased or internally generated are initially recognised at cost. SANRAL has two types of intangible assets namely computer software and wayleaves.

Intangible assets are carried at cost less any accumulated amortisation and any impairment loss. All costs associated with the maintenance of the computer software are recognised as an expense when incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

SIGNIFICANT ACCOUNTING POLICIES

1.6 Intangible assets (continued)

Wayleaves

A wayleaves is a right of access to a private property. All wayleaves agreements are entered into with respective landowners. SANRAL has two types of wayleaves agreements:

- Finite wayleaves agreements are wayleaves that have a finite period as per the contract. Finite agreements are as a result of SANRAL needing rights to access for a defined period, which is called the contract period. The landowners make the required part of their premises available to SANRAL for an agreed upon period of time in return for an agreed upon amount. The contract amount is then capitalised and amortised over the contract period.
- Indefinite wayleaves agreements are wayleaves that have an indefinite contractual period. Indefinite agreements are entered into where SANRAL reserves the right to access the property but not the ownership of the property (e.g. communal/tribal land that cannot be transferred back to the landowner). The contract amount is capitalised and the wayleaves are not amortised.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	10-15 years
Wayleaves agreements - finite	Straight-line	Contract period
Wayleaves agreements - indefinite	Straight-line	Not amortised

The useful life of an intangible asset that is not being amortised is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

Intangible assets are derecognised:

- on disposal
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised. Refer to note 8.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are recognised when the entity becomes a party to the contractual provisions. Financial instruments held by the entity are classified in accordance with the provisions of the new GRAP 104 Financial Instruments (version 1 April 2024, early adopted).

Financial instruments are initially measured at fair value (or at their transaction price) plus transaction costs that are directly attributable to the acquisition of the financial instrument, except for financial instruments carried at fair value through surplus or deficit where the transaction costs are expensed.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

All regular way purchases or sales of financial assets or liabilities are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Fair values at period end are calculated using the mid-point of closing market rates using trade date plus 1 day.

Financial assets:

A financial asset is:

- cash
- a residual interest of another entity
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Classification

The entity has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Fixed deposits	Financial asset measured at amortised cost
Capped insurance deposits	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Capital market bonds	Financial asset measured at fair value through surplus and deficit - designated

Recognition and measurement

The classification of financial assets depends on the contractual cash flows (CCF) characteristics and the entity's business model for managing financial assets at initial recognition. Financial assets are classified at amortised cost only if the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding and the entity's business model is to collect the contractual cash flows on this receivable.

Financial assets that do not offer the contractual cash flows on specified dates that are solely payments of principal and interest are classified at fair value through surplus or deficit. At initial recognition, the entity may designate a financial instrument with fixed or determinable payment at fair value through surplus or deficit.

The entity may reclassify assets when and only when its business model for managing those assets has changed.

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction, in the case of financial assets at amortised cost, for impairment or uncollectable.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or (where appropriate) a shorter period, to the net carrying amount of the financial asset or financial liability.

For financial assets measured at amortised cost, interest income is included in finance income, impairment losses are presented separately, and any gains/losses on derecognition are recognised directly in surplus or deficit. Where the receivables are expected to be received in the short term (less than or equal to 12 months) they are classified as current. Thus the carrying amount approximates the fair value.

For financial assets measured at fair value through surplus or deficit, gains and losses are recognised in surplus or deficit in the period in which it arises and presented net with other gains and losses. Interest income is calculated using the effective interest rate method and included in finance income.

Expected credit losses

The entity recognises a loss allowance for expected credit losses on receivables measured at amortised cost.

At each reporting date, the entity measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. To make that assessment, the entity compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort.

The entity assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Where there has been no significant increase and the instrument remains of investment grade quality, no credit risk impairment gain or loss is made.

Credit loss is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. The entity uses information about past events, current conditions and forecasts of future economic conditions.

The entity recognises lifetime expected credit losses for all financial assets at amortised cost for which there have been significant increases in credit risk since initial recognition. For lifetime expected credit losses, the entity estimates the risk of a default occurring on the financial instrument during its expected life. For contractual receivables (including lease - property receivables), expected cash flows are based on lifetime expected credit losses. Lifetime losses reflect the

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

possible occurrence(s) of default over the lifetime of receivables. A provision matrix is used for receivables. Contractual and other receivables over 90 days are impaired in full. Due to the short term nature of receivables, the time value of money has no material effect.

The entity recognises in surplus or deficit, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

For the capped insurance deposits management has assessed the risk of credit losses as low because the deposit is held with institutions that have a national scale credit rating of A1 and above. This asset earns interest on a monthly basis which the debtor has been servicing without fail. Consequently, no expected credit loss allowance is made unless there is an indication of impairment - that is if the credit ratings reduces to below A1.

Refer to note 10 - contractual and other receivables.

Write off policy

The entity writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no reasonable prospect of recovery, e.g. when the counterpart is deceased, liquidation, or has entered into bankruptcy proceedings. Receivables written off will not be subject to enforcement activities under the entity's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in surplus or deficit.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents (note 11) are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. Investments normally only qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition.

Fixed term deposits (financial assets) are presented as cash equivalents if they have a maturity of three months or less from the original date and are repayable within 48 hours' notice with no loss of interest.

Financial liabilities:

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the note 15:

Class	Category
Capital market loans	Financial liability measured at amortised cost
EIB loan	Financial liability measured at amortised cost
Third party funding	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Capital market loans	Financial liability measured at fair value through surplus and deficit

Recognition and measurement

The default classification of financial liabilities is at amortised cost. The entity has designated at initial recognition, certain financial liabilities as measured at fair value through surplus or deficit where it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch'). (Refer to note 9 - financial assets and note 15 - financial liabilities for details.)

Financial liabilities classified and subsequently measured at amortised cost are loans and bonds issued for raising capital to fund the national toll road networks and related operating expenditure and payables from exchange transactions. Financial liabilities designated at fair value through surplus or deficit are capital market bonds, previously held for market making used to fund the national road networks and related operating expenditure.

For payables due within 12 months of the reporting period, the carrying amount is considered to be the fair value at reporting date due to the short term nature, and these liabilities are classified as current.

Third party funds (note 23) are monies received in advance from other entities which relate to projects managed by SANRAL including assets owned by the other entities. They contribute their proportionate share to the projects. SANRAL's obligation is to deliver completed project assets. The funds received are included and accounted for in cash and cash equivalents. Third party funding is measured at amortised cost and its carrying amount approximates its fair value. The project related costs are capitalised. The agreements are silent on interest earned on the funds held in short term facilities, thus, any interest earned is for SANRAL and is included in surplus or deficit.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The cash flows (proceeds and repayments) of financial assets and liabilities are shown as net where it is impracticable to disclose separately due to the placement and withdrawal of large deposits to and from other financial institutions. Financial assets and liabilities in the market making portfolio may be managed together therefore movements are reported on a net basis.

SIGNIFICANT ACCOUNTING POLICIES

1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The entity derecognises financial liabilities when, and only when, the entity obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

For details of financial assets and liabilities refer to note 9 and 15. and for risk management note 16 and 17 respectively.

1.8 Tax

SANRAL was exempted from income tax in the Government Gazette of 22 December 2003, in terms of S10(1)(t)(iii) of the Income Tax Act of 1962. This exemption was backdated to the inception of the entity. The entity is registered for VAT for its toll portfolio.

1.9 Leases

The entity assesses whether a contract is, or contains a lease, at the inception of the contract. A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership and is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Rental income for leases is disclosed under other income in the statement of financial performance.

SIGNIFICANT ACCOUNTING POLICIES

1.9 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset. Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Impairment loss reversal is recognised when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Where impairment loss is reversed, the carrying amount is increased to the revised estimate of its recoverable amount.

Refer to impairment for non-financial assets for policy 1.3 & .1.5.

1.11 Impairment of non-cash-generating assets: non-toll assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset. Non-cash-generating assets (non-toll assets) are assets other than cash-generating assets (toll assets).

The recoverable amount of non-toll assets is the greater of an asset's fair value less cost to sell and value in use. Non-toll assets do not create cash flows from their use, and a market for non-toll roads does not exist. In accordance with GRAP (same as IPSAS 21 applied in prior year) value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using depreciated replacement cost. The entity measures its non-toll assets (road network, structures and land) based on the depreciated replacement cost. Therefore the entity's valuation already takes any impairment effect into consideration, and no further specific impairment test is performed on non-toll assets. The other items of PPE (equipment, vehicles, furniture, buildings and assets under construction) are measured on the cost model and these assets are subject to this policy for impairment. Refer to note 6 - PPE.

SIGNIFICANT ACCOUNTING POLICIES

1.11 Impairment of non-cash-generating assets: non-toll assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential. The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an 'optimised' basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

SIGNIFICANT ACCOUNTING POLICIES

1.11 Impairment of non-cash-generating assets: non-toll assets (continued)

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

The same reversal of an impairment loss policy is also applicable to cash generating assets as well.

1.12 Share capital and other reserves

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Currently the entity has normal issued share capital and share premium accounted for as equity instruments. Directly attributable costs with issuing of equity instruments are deducted against equity. All the shares are paid up. The shares are owned by the Department of Transport represented by the Minister of Transport.

Other reserves include revaluation reserves which are derived from the increase in revaluation of capital assets (land, road network and structures). These reserves may be used for contingencies or to offset major capital losses with approval from the National Treasury or Department of Transport. Revaluation reserves are not distributable. Refer to notes 12 & 13 - share capital and capital reserves.

The other reserve relates to contribution from the shareholder specifically for debt redemption, refer to Note 14.

1.13 Employee benefits

Short-term employee benefits

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

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

The expected costs of surplus sharing and bonus payments are recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. Currently the performance bonus is at the discretion of the Board and only recognised when approved by the Board.

Defined contribution plans

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The entity operates a defined contribution plan, the assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from the entity, taking into account the recommendations of independent qualified actuaries.

The entity has employees who are members of the Government Employees' Pension Fund (GEPF). Contributions to the GEPF are recognised in surplus or deficit in the year to which they relate as part of cost of employment. The entity has no legal or constructive obligation to pay further contributions if the GEPF does not hold sufficient assets to pay all employees their benefits relating to employee service in the current and prior periods.

SIGNIFICANT ACCOUNTING POLICIES

1.13 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses, unrecognised past service costs and reduces by the fair value of any plan assets.

The entity provides post-retirement health care benefits upon retirement to retirees. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

SANRAL recognises the estimated liability on an accrued basis over the working life of the eligible employees. During 2014, SANRAL extended its post-employment medical aid benefits to all its employees. The entitlement is based on the employee remaining in the employment of the organisation for a period of 15 years of uninterrupted service until retirement. For defined benefit plans (post-retirement medical aid) the cost of providing the benefits is determined using the projected unit credit method.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the valuation is performed at an earlier date. Past service costs are recognised immediately to the extent that the benefits are already vested and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in surplus or deficit. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the entity is demonstrably committed to curtailment or settlement.

Refer to note 20 - employee benefits obligations.

1.14 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

SIGNIFICANT ACCOUNTING POLICIES

1.14 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus or deficit..

Contingent assets and contingent liabilities are not recognised, therefore not provisions. Contingencies are disclosed in note 40.

Provision for restoration and rehabilitation cost

SANRAL's provision for rehabilitation costs is based on the contractual agreement signed with the contractors maintaining or constructing the road networks and increases over the life-span of the project. Once the project is completed, the provision for rehabilitation costs is reversed as the actual cost has been incurred and recognised appropriately. Provision for rehabilitation costs for projects that are capital in nature is capitalised to the respective assets. Rehabilitation costs for projects that are operational in nature are expensed in surplus or deficit when incurred. These are not material and the impact of discounting is immaterial.

Provision for overload control

Provision for overload control is based on the contractual agreement signed with the concessionaires regarding control of overloading on the road network operated by concessions. SANRAL expects concessionaires to claim amounts due within a year as they rehabilitate the road network. The amount is an estimate and there is uncertainty of the time it will be payable, as there are continuous negotiations taking place. The overload provision is calculated using the overload control software and is evaluated annually at year end. Historical and projected future traffic data and weighted average cost per kilometre is used in the calculation. Refer to note 21 provisions.

1.15 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services).
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Finance income and finance costs

Finance (Investment) income and finance cost are recognised on a time-proportion basis using the effective interest method over the period to maturity. Investment income comprises interest earned on funds invested in financial assets measured at amortised cost and those measured at fair value through surplus or deficit (FVTSD). Finance costs comprise interest expenses on funds borrowed and changes in fair value of financial liabilities.

SIGNIFICANT ACCOUNTING POLICIES

1.16 Finance income and finance costs (continued)

The interest of bonds included in financial assets and liabilities measured at FVTSD (market-making portfolio) is included in interest income and expenses respectively. The remaining difference between the interest calculated on amortised cost based on the effective interest and coupon interest is disclosed as part of fair value adjustments (gains and losses) in the surplus or deficit. Where financial assets have been impaired, interest income continues to be recognised on the impaired value based on the original effective interest rate.

Finance income and costs include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument. Any other changes in fair value adjustments from financial assets at fair value through surplus or deficit are included in net fair value gains/(losses) presented separately in surplus or deficit. Refer to note 28 & 29 finance income and finance cost.

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by the entity in connection with the borrowing of funds. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying toll asset (capital projects) are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. SANRAL borrowings are for general use on toll projects, not for specific projects. Non-toll projects are funded by government grant. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised should not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred
- borrowing costs have been incurred
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs are only applicable to toll portfolio on road network and structures under construction (projects). All other borrowing costs are recognised as an expense in the period in which they are incurred. Refer to notes 6 and 29 - PPE and finance cost respectively.

1.18 Irregular, fruitless and wasteful expenditure

Irregular expenditure is expenditure incurred in contravention of, or not in accordance with requirements of PFMA and other legislation. Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Irregular, fruitless and wasteful expenditure (IFWE) is accounted for in line with all relating requirements, including, but not limited to the latest IFWE Frameworks issued and amended by National Treasury regularly.

Irregular, fruitless and wasteful expenditure is recorded and disclosed in the annual financial statements in the year that it was incurred (accrual basis) including VAT. An investigation is conducted and if it is found that an official was negligent, income should be recovered and recognised in surplus or deficit with a corresponding debtor. The IFWE

SIGNIFICANT ACCOUNTING POLICIES

1.18 Irregular, fruitless and wasteful expenditure (continued)

is removed for the disclosure notes on approval by the Board and National Treasury in accordance with the IFWE frameworks issued in 2022/23 or the latest instruction notes. Only confirmed IFWE is disclosed in the annual financial statements. Details of opening and closing balances, condonations and investigations are disclosed in the integrated report. Refer to note 43 & 44 & 45 - Irregular fruitless and wasteful expenditure (IFWE).

1.19 Segment information

A segment is an activity of the entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the entity)
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance
- for which separate financial information is available.

Operational segment identification

For management purposes, SANRAL is currently organised into two divisions: toll and non-toll operations. These segments' operating results are regularly reviewed by executive management and the Board and used to make decisions about resources to be allocated to the segments as well as to assess their performance. The Gauteng Freeway Improvement Project (GFIP), which represents less than 1% of SANRAL's total road network, is included and managed under toll portfolio. Although there are difficulties facing the entity in revenue collections for GFIP, all the information reviewed for other conventional toll plazas is also reviewed for GFIP, which includes the collection rates and expected cash flows. The regulatory environment for GFIP is not different for tolling operations. Thus GFIP is also tolling, the difference is the payment collection method which is only through electronic payment, (pass now and pay later model), unlike normal tolls that use a stop and pay method.

SANRAL considered the following factors during the identification of the reportable segments:

- Nature of the products/services rendered by the segment
- Nature of revenues generated by the segment
- Nature of expenses incurred by the segment
- Nature of the funding used to finance segment activities

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise investments (other than investment properties) and related revenue, loans and borrowings and related expenses, corporate assets (primarily head office) and head office expenses. There are no transactions between the business segments. Segment assets consist primarily of land, buildings, roads and equipment. Segment liabilities comprise deferred income and long-term liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill and is directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Source of segment revenue

The toll operating segment derives its revenue from levying toll fees from toll road users, as well as from concession fees from the concession contracts entered into with the concessionaires of certain national roads in South Africa. Specific grants from government for toll funding are also recognised as revenue, to the extent that they have been realised. The non-toll operating segment derives its revenue from government funding in the form of government grants. Refer to note 24 - revenue.

SIGNIFICANT ACCOUNTING POLICIES

1.19 Segment information (continued)

Refer to note 24 - revenue.

Measurement

The amount of each segment item reported is the measure reported to the chief operating decision-maker for the purposes of making decisions about allocating resources to the segments and assessing their performance. Refer to note 41 - Segment report.

1.20 Budget information

Typically the entity is subject to budgetary limits in the form of appropriations or budget authorisations, which are given effect through authorising legislation, appropriation or similar. Budget is approved by the Board, Executive Authority (DoT) and by the National Treasury. The approved estimated national expenditure (ENE) is received from DoT before the commencement of each financial year. General purpose financial reporting by the entity provides information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by nature of the expenses linked to performance outcome objectives. The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

Material difference is set as 15% for disclosure purposes. An explanation of material differences between the budget, for which the entity is held publicly accountable, and actual amounts will be provided in the notes. Reasons for variance will be provided for variances above 15%. Explanations for major underspending are also detailed in the annual report. Explanations that are of similar in nature will be aggregated and will be provided on high level. Refer to note 47.

Comparative information is not presented.

1.21 Related parties

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements. Refer to note 39 - related parties.

1.22 Events after reporting date

Events after reporting date are assessed at year end for the annual financial statements. Events after 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:

SIGNIFICANT ACCOUNTING POLICIES

1.22 Events after reporting date (continued)

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date)
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount 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. Refer to note 49 - events after reporting date.

1.23 Service concession arrangements: Entity as grantor

Identification

Public-private partnerships (PPPs)

The PPPs are accounted for as service concession arrangements. A service concession arrangement is a contractual arrangement between a grantor (SANRAL) and an operator (concessionaires) in which an operator uses the services concession assets to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of the service concession arrangement.

PPPs entail private entities taking substantial risks for financing a project's capital and operating costs, designing and building a facility, and managing its operations to specified standards, normally over a significant period of time. In a PPP, the property plant and equipment (PPE) belongs to SANRAL, not to the operator (concessionaires), and the PPE developed and /or acquired in terms of the concession agreements are thus state property. There are three concessions, N3 Toll Concession RF (Pty) Ltd (N3TC), N1/N4 Bakwena Platinum Corridor Concessionaire (Bakwena) and N4 Trans African Concessions (TRAC). Under these concession contracts, each concessionaire is responsible for the design, financing, construction, maintaining and operating of its contracted/specified portion of the road network, which falls within the grantor's mandate.

Refer to service concessions note 5.

Recognition and measurement of asset and liability

Toll concessions give the concessionaire the right to use the toll assets, while the entity retains the title and ownership of the assets. Items of property, plant and equipment under concession agreements are recognised and measured in accordance with policies applicable to SANRAL's property, plant and equipment. As the asset base increases (property, plant and equipment), a corresponding liability (deferred exchange consideration) is recognised when there are additions to complete/purchased assets and assets under construction (work in progress).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category and are clearly identified from SANRAL-owned assets. Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability. The PPE under concessions were built or acquired by the concessions under the current contracts.

This liability is realised to the income statement from the acquisition date until the end of the concession contract date (the remaining contract period from date acquired) in surplus or deficit. Where the acquisition date cannot be determined, the assumption is made that the asset was acquired at the beginning of the current reporting period.

SIGNIFICANT ACCOUNTING POLICIES

1.23 Service concession arrangements: Entity as grantor (continued)

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator. Concessionaires are required to obtain guarantees in the form of performance bonds in favour of the entity, relating to construction work, operation and maintenance activities of the concessionaire.

Expansion works funds

The TRAC concession is required to reserve funds for expansion works on toll roads under concessions. The reserved funds are calculated in accordance with the concession agreement. The balance of the expansion works fund is a receivable (asset) to SANRAL. SANRAL has full control of the funds and decides on the use of the funds. Currently the fund is kept for funding priorities or projects on the TRAC route, determined by SANRAL, which is outside of the concessionaire's responsibility. A separate contract was entered into and continues to be held for the purpose of the receipt or delivery of a non-financial item (fixed assets) and the entity has not changed its intention of taking delivery of the underlying assets per agreement. The recognition of the fund increases the deferred exchange consideration (liability). Interest earned is recognised in surplus or deficit. The fund is decreased as and when it is utilised on the construction projects on behalf of SANRAL.

Refer to note 22 and 5 details of the PPP arrangements and on deferred exchange consideration (service concessions).

Other liabilities, contingent liabilities and contingent assets

The entity accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the applicable policy on provisions, contingent liabilities and contingent assets and financial instruments. Refer to the provision for overload control and the Mozambique contingent liability on notes 21&40 respectively.

Concession income

The entity accounts for revenues from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions. In terms of the agreements the concessionaires have the right to charge and collect tolls; the entity does not recognise any revenue except where it exceed the agreed values in accordance with a detailed formula in the agreements. This excess income is paid over to SANRAL and is recognised as concession income under other income. Refer to note 26 - other income.

1.24 Transitional provisions for public entity

The entity changed its relating accounting framework from IFRS to standard of GRAP on 1 April 2023. The change is made in accordance with its transitional provision as per Directive 2 of the GRAP Reporting Framework.

Until such time as the measurement period expires and relating items are recognised and measured in accordance with the requirements of the associated standard of GRAP except for where the standards are not relevant to the operations of SANRAL. Standards that are not relevant to the entity will not be listed or included in the notes to the financial statements and any associated presentation and disclosure requirements need not be complied with.

Refer to note 2 & 3 for additional disclosure in this regard.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2 ADOPTION OF STANDARDS OF GRAP

The entity applied the transitional provisions set out in Directive 2 of GRAP. The comparative information that is shown is also prepared on the basis of GRAP.

Application of Directive 2 requires the restatement of certain line items which were previously disclosed in the financial statements of the entity. The nature and amounts of adjustments recognised in the statement of changes in net assets during the period are set out below:

GRAP 1 and GRAP 24

This standard relates to the presentation of financial statements. The income statement (statement of financial performance) format has changed, without changing the amounts disclosed previously under IFRS. Thus, there was no impact on the net surplus except for those disclosed on tables below. The disclosures required are similar to those required in IFRS except for the requirement to disclose the following material additional items:

- expenditure incurred to repair and maintain assets, depreciation and other general expenditure.
- inclusion of statement of comparison of budget and actual
- statement of comparison of budget and actual amounts is now incorporated as one of the statements in the annual financial statements.

GRAP 3

The principles set out in this standard are the same as those applied in accordance with IFRS except for the requirement that fully depreciated assets that are still in use ('R1 assets') cannot be revalued at the end of their useful life but remain as R1 assets. The entity reassesses its assets' useful lives annually, thus this requirement will not have a material impact on the financial statements.

GRAP 9 and IGRAP 1 and 20

The requirements of these standards differ from IFRS in that they require statutory revenue to be recognised as revenue with a corresponding statutory receivable as the entity has an obligation to collect all the statutory revenue. This has resulted in the recognition in revenue of amounts that were previously not recognised under IFRS as the transactions did not meet the requirements of the related standards. Refer to the accounting policy note for significant judgment applied notes 1.3 and revenue note 24. The receivables are accounted for in accordance with GRAP 104.

GRAP 13

This standard requires the recognition of finance and operating leases by lessees. This differs from the requirements of IFRS which requires entities that obtain the right to use an asset for a period of time in exchange for consideration simply as a lease. Arrangements that should be classified as operating leases and should be accounted for on straight-line basis have been identified. However, the impact of their classification as such is not material. The lease liability and assets were adjusted to Rnill. Refer to note 37.

GRAP 21

FRS contains no guidance that is specific to non-cash generating assets. As such, the entity crafted and applied an accounting policy that was based on the requirements of International Public Sector Accounting Standard 21 that deals with similar matters. This standard, IPSAS 21, contains similar requirements to those in GRAP 21. Therefore, there will be no changes made to the accounting applied. Refer to PPE note 1.5 & 6.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2 Adoption of standards of GRAP (continued)

GRAP 104

The entity has opted to early adopt the new GRAP 104 which is aligned to IFRS 9 which the entity has been applying. Apart from the additional expected credit losses that arose as a result of the recognition of receivables related to previously unrecognised revenue, there are no other differences to account for. Refer to notes on financial instruments, note 10, 16 and 17.

GRAP 23 and 108

These standards require that the entity recognise all annual grants received or receivable from the DoT at the beginning of each financial year. This differs from the accounting treatment under IFRS which saw the deferral of grant income over a period of time.

GRAP 23 addresses the recognition of revenue from non-exchange transactions and requires all unconditional grants and transfers received from the National Treasury to be recognised as revenue. The full allocation of R26.124 billion for both operational and capital allocation received in terms of DORA Act has been recognised as revenue in the current financial. The standard has been applied retrospectively resulting in an increase in net assets of R98.036 billion from the release of the liabilities that were previously recognised as deferred non-toll capital expenditure and all the accumulated unspent non-toll grant.

In prior years all unspent grant and capital expenditure was deferred and recognised as revenue in a systematic basis aligned to the depreciation policy of the acquired capital assets. This led to the accumulation of deferred income in the balance sheet. Therefore the deferred income arising from unconditional grants is derecognised in the current year.

Public entities listed in Schedules 3A to the PFMA may not accumulate surpluses that were realised in the previous financial year without obtaining prior written approval of the relevant Treasury (section 53 of the PFMA). SANRAL obtained an exemption from National Treasury not to surrender any surplus funds accumulated from previous years until 31 March 2026. All the accumulated unspent grant will be disclosed as contingent liability until the expiry of the exemption.

The full National Treasury allocation (excluding VAT on toll grant) was recognised as revenue on 1 April 2023 with a corresponding asset (debtor) for the grant receivable. Refer to accounting policy note. The receivable is reduced as the cash is received on quarterly basis.

Except for the qualitative changes on presentation and disclosures in the financial statements including the notes, there were no further changes in amounts recognised.

GRAP 108 - there was no other statutory arising from GRAP 9 and 23 at year end. Refer to accounting policy note on revenue from non-exchange transactions (government grants). Toll debtors are accounted as financial assets.

Amounts recognised in financial statements

In accordance with the transitional provisions as per Directive 2 of the GRAP Reporting Framework, as disclosed in note 2, the quantitative impact of the GRAP adoption is as follows:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2023	2022

2 Adoption of standards of GRAP (continued)

Statement of Financial Performance breakdown		
Revenue from non-exchange transactions - Grant revenue		
Previously stated	13 500 840	10 282 513
Adjustment	8 772 036	10 760 134
	22 272 876	**21 042 647**
Revenue from exchange transactions -etoll /GFIP revenue		
Previously stated	589 412	569 154
Adjustment	5 918 275	4 805 260
	6 507 687	**5 374 414**
Expected credit loss		
Previously stated	(419 869)	(63 974)
Adjustment (increase)	6 806 015	5 526 177
	6 386 146	**5 462 203**
Revaluation adjustment		
Previously stated	70 189 202	67 882 275
Adjustment - directly disclosed in net asset	(70 189 202)	(67 882 275)
	-	**-**
Net surplus		
Previously stated including actuarial gain/loss	1 933 434	347 909
Adjustment (grants)	8 772 036	10 760 134
Adjustment (net revenue and expense)	(887 741)	(720 789)
Adjustment (leases)	100	-
	9 817 829	**10 387 254**

The net adjustment on net surplus above excludes any prior year errors disclosed on note 42.

Statement of financial position breakdown		
Total net assets		
Previously stated	489 484 712	408 382 077
Adjustment (deferred income)	98 036 094	89 264 057
Adjustment (VAT payable)	(1 608 530)	(720 789)
Adjustment (leases)	100	-
	585 912 376	**496 925 345**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2023	2022

2 Adoption of standards of GRAP (continued)

Deferred income		
Previously stated	98 036 094	89 264 057
Adjustment	(98 036 094)	(89 264 057)
	-	**-**
Accumulated surplus (net assets)		
Previously stated - deficit	(12 187 152)	(14 120 586)
Adjustment (deferred income)	98 036 094	89 264 057
Adjustment (net revenue and expense)	(1 608 530)	(720 789)
Adjustment (leases)	100	-
	84 240 512	**74 422 682**
Investment property		
Previously stated	1 727 165	1 671 134
Adjustment (previously held for sale investment)	13 799	13 349
	1 740 964	**1 684 483**
Operating leases - Lease payments		
Previously stated	13 443	14 592
Adjustment	(100)	-
	13 343	**14 592**
Financial liabilities at amortised cost		
Previously stated	35 945 447	42 820 797
Adjustment (lease liability)	(1 368)	(1 683)
	35 944 079	**42 819 114**
PPE		
Previously stated	516 226 102	448 642 030
Adjustment (right-of -use assets)	(1 267)	(1 543)
	516 224 835	**448 640 487**

The increase in revenue from exchange transaction had a net impact of Rnill as the corresponding debtors balance was subsequently impaired.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3 NEW STANDARDS AND INTERPRETATIONS

3.1 Standards and interpretations effective and adopted in the current year

In the current period, the entity has adopted all the effective and relevant standards and interpretations that are effective for the current financial period and that are relevant to its operations through the first time adoption. Refer to note 2.

3.2 Standards and interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	*Effective date: Years beginning on or after*	*Expected impact:*
GRAP 104 (as revised): Financial Instruments	01 April 2025	There was no impact as the standard is similar to IFRS 9 previously applied.

3.3 Standards and interpretations issued, but not yet effective

The entity has not applied the standards, amendments and interpretations relevant to the entity, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods. Standards that are not relevant to the entity has not been disclosed. The effective dates for the standards below have not been gazetted, therefore, no effective date until a specific date has been issued.

Standard/ Interpretation:	*Effective date: Years beginning on or after*	*Expected impact:*
GRAP 2023 Improvements to the Standards of GRAP 2023	-	Material impact unlikely
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	-	Material impact unlikely
GRAP 103 (as revised): Heritage Assets	-	Not relevant with no impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4 PROPERTY, PLANT AND EQUIPMENT UNDER CONCESSION

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Buildings	1 025 154	(292 162)	732 992	974 575	(271 912)	702 663
Road structures	17 112 633	(2 477 239)	14 635 394	14 805 769	(1 952 499)	12 853 270
Equipment	541 831	(260 692)	281 139	520 301	(224 178)	296 123
Assets under construction – AUC	1 824 080	-	1 824 080	2 822 995	-	2 822 995
Road network	83 728 023	(18 557 568)	65 170 455	76 241 719	(17 346 732)	58 894 987
Total	**104 231 721**	**(21 587 661)**	**82 644 060**	**95 365 359**	**(19 795 321)**	**75 570 038**

Reconciliation of property, plant and equipment under concession - 31 March 2024

	Opening balance	Additions	Disposables	Transfers	Revaluation	Depreciation	Closing balance
Buildings	702 663	-	-	50 580	-	(20 251)	732 992
Road structures	12 853 270	2 856	-	85 459	1 715 858	(22 050)	14 635 394
Equipment	296 123	16 222	(75)	6 895	-	(38 027)	281 139
Assets under construction - AUC	2 822 995	1 016 904	-	(2 015 819)	-	-	1 824 080
Road network	58 894 987	37 445	(139)	1 872 885	4 891 680	(526 403)	65 170 455
	75 570 038	**1 073 427**	**(214)**	**-**	**6 607 538**	**(606 731)**	**82 644 060**

Reconciliation of property, plant and equipment under concession - 31 March 2023

	Opening balance	Additions	Transfers	Revaluation	Depreciation	Closing balance
Buildings	721 574	-	584	-	(19 495)	702 663
Road structures	11 469 309	-	78 311	1 326 404	(20 754)	12 853 270
Equipment	287 656	15 743	31 208	-	(38 484)	296 123
Assets under construction - AUC	2 979 456	951 239	(1 107 700)	-	-	2 822 995
Road network	52 608 589	13 297	997 597	5 795 506	(520 002)	58 894 987
	68 066 584	**980 279**	**-**	**7 121 910**	**(598 735)**	**75 570 038**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

4 Property, plant and equipment under concession (continued)

Pledged as security

There is no property, plant and equipment under concession pledged as security for liabilities and no title restrictions exist on the property, plant and equipment under concession. A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the entity (SANRAL).

Book value (cost model) of property, plant and equipment carried at fair value/revalued amounts

The following are the carrying amounts (cost less accumulated depreciation) of PPE measured under revaluation model above:

Road structures	876 609	810 344
Road network	9 642 214	8 258 425
	10 518 823	**9 068 769**

Methods and assumptions used in determining fair value

The revaluation method and assumptions are the same for both toll and non-toll road assets on note 4 - PPE under concessions and on note 6 - property plant and equipment (PPE). Refer to note 6 for specific factors and assumptions considered in the revaluation of the land, road network and structures including those under concessions.

Cumulative breakdown of capital expenditure recognised in the AUC		
Buildings	4 661	3 325
Road network	1 482 889	2 517 842
Road structures	315 729	288 812
Computer equipment	20 801	13 016
	1 824 080	**2 822 995**

5 SERVICE CONCESSION ARRANGEMENTS

Public-private partnerships - toll collection service concession arrangements

The overall objective and purpose of the service concession arrangement are similar for all three agreements.

SANRAL contracted partners in the private sector (concession contracts) as an alternative means for long-term financing, operating, maintaining and improving national road network infrastructure, with costs being recovered through toll charges levied. Currently there are three concessions: N3 Toll Concession RF (Pty) Ltd (N3TC), N1/N4 Bakwena Platinum Corridor Concessionaire (Bakwena) and N4 Trans African Concessions (TRAC). Under these contracts, each concessionaire is responsible for the design, financing, construction, maintaining and operating of its contracted/ specified portion of the road network. There were no changes in the arrangements occurring during the reporting period.

Bakwena is responsible for the toll road between Pretoria and Bela-Bela on the N1 highway and between Pretoria and Botswana border post on N4 West for a period of 30 years, ending August 2031. Bakwena is also contracted for the

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5 Service concession arrangements (continued)

Trans Kalahari Highway between Walvis Bay and Maputo. N3TC is responsible for the toll route from Cedara to Heidelberg on the N3 highway for a period of 30 years, ending November 2029. TRAC is a cross-border concessionaire responsible for the toll road from Solomon Mahlangu Road in Pretoria to Maputo in Mozambique on the N4 highway east for a period of 30 years, ending February 2028.

The TRAC concession contract was extended from the Gauteng-Mpumalanga border to the Tshwane Metropolitan border. An amount of R251 million was received on 28 February 2005 and is being amortised over the remaining life of the concession.

Significant terms of the arrangements

For the N3 toll route, SANRAL received an up-front payment of R1.380 billion and an additional payment of R52 million during the 2008 financial year. The concessions are for a specified period of 30 years. For the N1/N4 route no payment was received from the concessionaire because SANRAL was responsible for the initial construction. Significant terms that may affect the amount, timing or certainty of future cash flows are summarised below:

The concessionaires on the N3 and N4 Maputo toll roads are also required to pay SANRAL a highway usage fee (HUF) in certain circumstances (section 2.5 of the concession contract and annexure 15 to the concession contract). The HUF is a mechanism for limiting the return on the project which can be distributed by the concessionaire to its shareholders. On the N4 Platinum Corridor a revenue-share mechanism is achieving the same objective.

SANRAL does not guarantee the minimum third-party revenue that the concessionaire will collect. SANRAL is not required to compensate the concessionaire if the traffic on the highway is less than expected.

The nature and extent of the arrangement Right of use of specified concession assets

The costs of acquiring the site were borne by SANRAL. Once the site has been delivered to the concessionaire, the property is "under the care, custody and control of the concessionaire" and the concessionaire bears the risks associated with the property (section 15.5 of the concession contract). The concession contract specifically states that the concessionaire has "no title to, ownership interest in, or liens or leasehold rights or any other rights" and title to the site remains with SANRAL. SANRAL is required to ensure that the concessionaire has access to and the right of use in respect of the site and equipment (as necessary for it to perform its obligations in terms of the contract) throughout the concession period.

Should the concessionaire discover any "fossils, coins, articles of value or antiquity, and structures and other remains or things of geological or archaeological interest or burial sites" on the site during the concession period, these will be the property of SANRAL. SANRAL has ownership of the road and related facilities (for example, toll plaza buildings) throughout the concession period.

Obligations to deliver or rights to receive specified assets at the end of the concession period

The ownership of any drawings, data, books, reports, documents, software, any other information owned by the concessionaire or any of the subcontractors for the purpose of the project is required to be transferred to SANRAL at the end of the concession period. Furthermore, the concessionaire is required to hand over the highway and its rights or interest in the developments to SANRAL, free of charge. These assets are required to be free from any liens, claims, encumbrances and liabilities and are required to be in a specified condition with a specified remaining useful life.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5 Service concession arrangements (continued)

Obligations to provide or rights to expect provision of services

The concession contract requires the concessionaire to operate and perform routine maintenance work on the road network to ensure proper operation and maintenance of the highway. The contracts also require concessionaires to acquire or build items of property, plant and equipment.

- Initial construction works relating to the highway and associated facilities (as specified in the concession contract and including, for example repairs and replacements relating to specified sections of the highway and the construction/repair of toll plazas).
- Additional construction works relating to the road and related facilities (that is, required construction work other than the initial construction works).
- Upgrade works according to the provisions in the contract.

Renewal and termination options

The concession rights will terminate if either SANRAL or the concessionaire terminates the concession contract. SANRAL has the right to terminate the concession contract in any of the following circumstances:

- There is court action for the dissolution and/or liquidation of the concessionaire.
- The concessionaire receives a court order to be placed under judicial management or to commence liquidation.
- The concessionaire fails to complete the initial construction works within three years of commencement of the concession contract.
- The concessionaire ceases to operate and maintain the highway.
- All (or substantially all) of the concessionaire's indebtedness becomes due and payable as a result of default by the concessionaire.
- The concessionaire fails to report a material related-party transaction (as required by the concession contract).
- The concessionaire commits a material breach of the provisions of the concession contract.

If any of the abovementioned is not remedied by the concessionaire within a specific period, then SANRAL has the right to appoint a substitute entity in the place of the concessionaire.

The concessionaire has the right to terminate the concession contract in any of the following circumstances:

- SANRAL has committed a material breach of the provisions of the concession contract.
- Certain material adverse governmental action takes place.
- There is a material impairment of the concession rights as a result of the concessionaire being nationalised or expropriated or the project land/highway being compulsorily acquired from the concessionaire by the state.

Other rights and obligations

The concessionaire is only permitted to raise debt (from lenders) as specified in the concession contract. The concessionaire requires SANRAL's approval for any additional debt. SANRAL would take over the concessionaire's indebtedness in the event of concessionaire default.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5 Service concession arrangements (continued)

Recognition of expenses

SANRAL recognises no revenue from services provided to the public for these concessions, except where HUFs are payable to SANRAL by the concessionaire according to the service concession agreement. SANRAL does not recognise any operational costs related to the operations of the public infrastructure under concession. SANRAL does not recognise any obligations to restore infrastructure to a specified level of serviceability.

SANRAL recognises the up-front payment received from operators over the period of the concession arrangement. There were no changes to any of the concession arrangements during the current year. Refer to note 4 for PPE under concession and deferred exchange consideration - service concession note 22 and other income note 26.

6 PROPERTY, PLANT AND EQUIPMENT

	2024			2023		
Valuation	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land	26 414 296	-	26 414 296	23 878 578	-	23 878 578
Buildings	2 370 408	(593 799)	1 776 609	2 328 059	(530 830)	1 797 229
Road network	649 454 991	(245 921 865)	403 533 126	562 940 924	(201 761 334)	361 179 590
Furniture and fixtures	31 408	(15 350)	16 058	30 773	(14 334)	16 439
Motor vehicles	103 134	(61 297)	41 837	103 134	(57 222)	45 912
Computer equipment	2 871 829	(1 779 724)	1 092 105	2 818 381	(1 537 087)	1 281 294
Assets under construction - AUC	25 318 734	-	25 318 734	18 318 314	-	18 318 314
Road structures	145 031 811	(23 718 422)	121 313 389	131 195 919	(21 488 427)	109 707 492
Total	**851 596 611**	**(272 090 457)**	**579 506 154**	**741 614 082**	**(225 389 234)**	**516 224 848**

6 Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Closing balance
Land	23 878 578	122 316	-	-	2 413 402	-	-	26 414 296
Buildings	1 797 229	49 597	(19)	-	-	(56 876)	(13 322)	1 776 609
Road network	361 179 590	69	-	4 440 089	41 314 081	(3 400 703)	-	403 533 126
Furniture and fixtures	16 439	800	(62)	-	-	(1 119)	-	16 058
Motor vehicles	45 912	-	-	-	-	(4 075)	-	41 837
Computer equipment	1 281 294	71 419	(1 321)	-	-	(239 713)	(19 574)	1 092 105
Assets under construction - AUC	18 318 314	11 892 510	-	(4 892 090)	-	-	-	25 318 734
Road structures	109 707 492	-	-	452 001	11 377 674	(223 778)	-	121 313 389
	516 224 848	**12 136 711**	**(1 402)**	**-**	**55 105 157**	**(3 926 264)**	**(32 896)**	**579 506 154**

Reconciliation of property, plant and equipment - 31 March 2023

	Opening balance	Additions	Disposals	Transfers	Revaluations	Borrowing cost capitalised	Depreciation	Impairment reversal	Closing balance
Land	22 527 841	35 902	-	-	1 314 835	-	-	-	23 878 578
Buildings	1 830 389	168	-	-	-	-	(46 271)	12 943	1 797 229
Road network	309 449 737	-	-	2 281 210	52 692 159	54 560	(3 298 076)	-	361 179 590
Furniture and fixtures	17 222	221	(46)	-	-	-	(958)	-	16 439
Motor vehicles	49 502	480	-	-	-	-	(4 070)	-	45 912
Computer equipment	1 505 508	5 341	(1 241)	-	-	-	(230 723)	2 409	1 281 294
Assets under construction - AUC	12 724 049	8 256 989	-	(2 596 230)	-	(66 494)	-	-	18 318 314
Road structures	100 536 237	-	-	315 020	9 060 298	11 934	(215 997)	-	109 707 492
	448 640 485	**8 299 101**	**(1 287)**	**-**	**63 067 292**	**-**	**(3 796 095)**	**15 352**	**516 224 848**

Assets under construction relates to capital expenditure on roads such as strengthening, improvements, building of new roads and highway-monitoring equipment and other items of PPE.

Pledged as security

There is no property, plant and equipment pledged as security for liabilities and no title restrictions exist on property, plant and equipment. A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the entity (SANRAL).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 Property, plant and equipment (continued)

Pledged as security

There is no property, plant and equipment pledged as security for liabilities and no title restrictions exist on the property, plant and equipment under concession. A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the entity (SANRAL).

Revaluations of land, road network and structures

The entity's land, road structures and road network are stated at revalued amounts, being the fair value at the date of valuation less any subsequent accumulated depreciation and accumulated impairment losses. The effective date of the revaluations below was 31 March 2024.

Background:

A road asset has three main components:

- Land on which it is built
- Road structures (bridges and other)
- The road network further comprises:
  - The roadbed (ground preparation works/platform for the road structure)
  - The pavement layers (road structure), the classification of pavement layer materials are standardised according to TRH14: Guidelines for Road Construction Materials

Road assets are largely publicly owned and have rarely if ever been sold on the open market. They are not acquired or constructed to produce revenue and therefore do not have a defined contractual revenue stream. Although revenue may be associated with them in certain cases (e.g. tolls) this revenue has not been derived from an 'open market', thus solely statutory. In the absence of market-based evidence of fair value, SANRAL adopted the depreciated replacement cost (DRC) to value the road networks and road structures.

The land component is separately valued given that it is not subject to depreciation unlike the other road assets components. The fair value of land is determined based on the recent selling prices of vacant land with comparable location and, where applicable, adjusted in respect of engineering services' status and development rights on the road reserves.

Revaluations were performed internally. The asset valuation calculations used for the DRC are performed annually at year end using the Integrated Transportation Information System (ITIS). ITIS is an internal system, therefore the revaluations are calculated internally and reviewed by the internal executive of engineering services. The internal engineering executive has 27 years of experience post-professional engineering registration with the Engineering Council of South Africa (ECSA) and South African Council for the Project and Construction Management Professions (SACPCMP). He is also a member of the South African Institution of Civil Engineering (SAICE).

In addition, the estimated present material unit costs (detail of which is provided below where GRC inputs and assumptions are addressed) in the DRC calculations are assumed to be uniform across the country. The material unit rates used in the DRC were calculated by an external independent estimator with an engineering degree, 47 years' experience as a civil engineer and 29 years as a professional providing estimating and tendering services to the civil engineering industry in South Africa and in Sub-Saharan Africa.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 Property, plant and equipment (continued)

Land revaluation:

At 31 March 2024, SANRAL had 37 069 (31 March 2023: 36 793) properties falling within road reserves and 2 422 (31 March 2023: 2 102) confirmed investment properties which fall outside of the road reserve, in terms of the identification process which was initiated on 1 April 1998. For investment property values refer to note 7. Land is revalued annually at year end.

The valuation technique adopted for land is based on the 'across the fence' method using comparable sales (strip valuation) in respect of unimproved land through which the road passes. Once departure value ranges have been established through this method, adjustments are made by the valuer to account for development rights, physical features, engineering services and crop improvements. The average strip value of land is determined by dividing the total market value of the road reserve with the total extent of the road reserve.

Significant inputs into the valuation of land:

	2023	*2024*	*% change*
Length of road network	26 262km	27 151km	3.39%
Total land area	113 897ha	113 976ha	0.7%
Average strip value	R214 182	R236 511	10.4%

It is unlikely that a variation in any input by a reasonably possible alternative amount will significantly impact the valuation.

Road network and road structures revaluation:

DRC is calculated as gross replacement cost (GRC) less accumulated depreciation and impairment, therefore it is the GRC reduced to reflect the current age, condition and performance of the asset. GRC is determined to provide a true and fair estimate of the current cost of replacing an asset using standardised Unit Rates and GRC models which represent the cost of replacing an existing asset with a Modern Equivalent Asset (MEA). The MEA is defined as one which provides the same potential performance as the existing asset but takes into account up-to-date technology. The calculations are performed within the Integrated Transportation Information System (ITIS) an internal system and are reviewed by an independent expert. The ITIS Asset Value Calculation procedure is performed for each 1km section of road and structure on an annual basis. The pavement layers classifications in terms of TRH14 are utilised within ITIS.

GRC is based on the following, determined for each 1km of road:

- The replacement cost of the modern equivalent of the road.
- Actual traffic it carries currently.
- What modern road design will be required now to carry the traffic expected over the next 25 years (through this process it is ensured that historic material and construction techniques that have become obsolete are replaced by the latest modern materials and construction technology with associated cost reductions).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 Property, plant and equipment (continued)

The depreciation of the road is determined by:

- Depreciating the pavement layers based on actual measured road or structure condition, as the rate of deterioration depends largely on the environment (especially rainfall), number and weight of the vehicles using the road, as well as the quality of the asset maintenance (condition based depreciation method). Pavement condition data is collected using survey vehicles equipped with lasers and 2D/3D cameras, enabling the determination of various pavement condition indicators for each 10m of the road network on a two year basis (subject to construction activities on the network). The structures, such as bridges are inspected by certified independent inspectors on a five-year basis.
- The roadbed is depreciated based on a 50-year straight line economic life expectancy to allow for technical obsolescence. If the pavement layers are however rehabilitated, the remaining roadbed life will be adjusted to be at least equal to the remaining new pavement layers life, if it was less at the time of pavement layer works.

Therefore, to calculate the DRC, it is necessary to know the current condition and performance of the road asset. The condition and performance data are used to assess the cost of work required to restore the assets to full performance or as new condition.

Inputs and assumptions:

GRC is broadly based on three main considerations:

1. Asset dimensions (e.g. road design, width etc.)
2. Material unit costs: (Directly attributable costs are included by SANRAL in standardised unit rates calculated by an independent estimator from basic principles for the month of March each year. These are assumed to be uniform across the country)
   - direct cost of material, labour, plant and equipment including site clearance and preparation costs, including contractor's profit margin and finance costs
   - cost of temporary works, e.g. temporary bridging
   - basic temporary traffic management costs, e.g. coning, traffic lights and signage
   - project design, management and supervision costs.
3. Adjustment Factors used to adjust the standardised unit rates for key cost drivers, which are not explicitly covered by the unit rate.

Inputs and assumptions used were based on current market conditions.

The following are key unobservable inputs and assumptions for the replacement costs for both toll and non-toll roads at 31 March 2024:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6 Property, plant and equipment (continued)

GRC	*Inputs*
Pavement structure: The appropriate pavement structure for each 1 km section of road is determined by applying the design procedure as described in TRH 4: Structural Design of Flexible Pavements for Interurban and Rural Roads (1996)	• Road design category • Structural design period • Design traffic • Climate zone • TRH4 design catalogue for structured roads • Gravel road catalogue for gravel roads
Roadbed and pavement layers: For each material type, the GRC is determined for each 1km section	• Terrain/ topography • Layer thickness • Layer width • Material unit rate • Adjustment factor (depending on the terrain and layer width)
Structures (bridges)	• Deck area • Material unit rate • Adjustment factor (for heights exceeding 8m)
Tunnels	• Tunnel plan area • Material unit cost • Adjustment factor (differentiating between short tunnels and long tunnels)

In addition to the above, road traffic is a significant input.
The above calculated GRC is then depreciated for the asset components of each 1km of road.

Depreciation of replacement cost	**Inputs**
Roadbed	• Age • Roadbed life • Adjustment where pavement has been rehabilitated
Pavement layers	• Overall condition index (a composite index calculated from various condition parameters that are recorded for every 100m of road network). • Taking into consideration: Roughness index value, rut depth index value, texture index value, stiffness index calculated from deflection data etc.
Structures (bridges)	• Overall condition index
Tunnels	• Overall condition index

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

6 Property, plant and equipment (continued)

Current and prior year changes inputs:

The table below shows the changes in inputs considered in the GRC:

Description	*2023*	*2024*	*% change*
Network Centre Line Length (km)	23 559	24 384	3,50%
Network Carriageway Length (km)	26 262	27 151	3,39%
Asphalt, double seal, crushed stone, gravel, soil, bitumen mix**	various	various	9,17%
Network Good Condition (km)	12 842	11 494	-10,50%
Network > 5000 vehicles per day (km)	9 045	9 204	1,76%
Average Cross Section (m)	10,19	10,31	1,19%

**The Base Material Net Rate is a rate as received from an independent estimator, the Base Material Tender Rate includes a standardised long term 12.5% mark-up and the Asset Replacement Value Unit Rate is calculated by dividing the base material tender rate with 0.334 (It is apparent that the layers and roadbed components represent 33.4% of the total cost of typical project. This implies that the material base unit rates derived for the materials as need to be accordingly adjusted to obtain the asset replacement value unit rate. This is achieved by dividing the base material tender rate with 0.334).

The above resulted in an overall increase of the network replacement cost by 14.02% from R785 billion to R895 billion in 2024.

There were no changes to the valuation technique used in the prior period.

These valuation factors are applicable for all SANRAL's revalued assets on both toll and non-toll road network assets as disclosed in note 4 - PPE under concession and 6 - PPE. There was no change in accounting policy on PPE from the prior year. GRAP 17 was adopted with no change in accounting policy on all PPE.

Other information

Borrowing cost capitalised (transferred to complete assets)		
Borrowing cost capitalised to qualifying toll assets	-	66 494

Capitalisation rate used during the year of 9.75% (2023: 9.19%) was calculated on general borrowings for capital projects on toll portfolio, being the weighted average cost of funds borrowed generally by the entity. There were no transfers from borrowing cost (in AUC) transferred to completed PPE at year end.

Details of properties

Book value (cost model) of property, plant and equipment carried at fair value /revalued amounts		
Road structure	9 488 051	9 259 815
Road network	56 382 703	55 343 141
Land	1 374 483	1 252 167
	67 245 237	**65 855 123**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

6 Property, plant and equipment (continued)

Impairment assessment details on PPE

Impairment assessment on PPE is performed annually at year end.

SANRAL uses the loan supportable by revenue (LSR) model to calculate the recoverable amount of toll roads, as a cash generating unit, and compare it to its carrying amount. A real discount rate of 3.5% (being the difference between the internal weighted average cost capital (interest rate) and the inflation rate) was used in the impairment calculations. Refer to accounting policy note 1.10 & 1.11 - impairment on cash and non-cash generating units.

The LSR for the toll assets as of March 2024 remains positive for all the toll routes except for the N4 Magalies and N1 Huguenot toll routes. The N4 Magalies toll road is impaired as it continues to be marginal with a minor negative LSR based on current traffic forecasts. An impairment loss is recognised in 2024.The Huguenot tunnel is also impaired because of the high cost of the work required to ensure that the tunnel is compliant with international norms and standards whilst traffic growth has remained relatively low.

The GFIP assets, which have been assessed as non-toll assets, are being repurposed for value added services becoming a mobility account to provide additional benefits to the road users. These services include inter alia interoperability and parking payment solutions. Thus, there is no impairment.

The impairment reversal on note 6 for 2023 relates to N2 South toll route plaza unit which was impaired in 2021 and reversed in 2023 after traffic volumes returned to normal resulting in positive LSR. The carrying amounts were assessed and tested resulting in a reversal of R15.351 million.

There are no other impairment indicators identified that could impact the above mentioned and similar assets (equipment and buildings indicated above).

An impairment assessment was also performed on other assets including assets under concessions. There was also no indication of impairment on assets under construction and other items of PPE.

Breakdown of the cumulative expenditure recognised in AUC		
Buildings	18 408	9 613
Road network	24 565 494	17 580 417
Borrowing cost capitalised on AUC (cumulative)	734 832	728 284
	25 318 734	**18 318 314**

The nature of these construction-related projects takes significant time to complete (multi-year projects). There was no property, plant and equipment that was taking a significantly longer period (unusual) of time to complete than expected.

There were no material projects where construction or development has been permanently halted and delayed for a long-term period at the reporting date. Short-term delays on construction projects are normal events in the construction industry and these are catered for in the contracts with contractors. The short-term delays are normally caused by bad weather, liquidations of business of contractors, and community unrest. The list is maintained but not material for disclosure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

6 Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Repairs and maintenance - contractors	14 527 396	10 734 315

Repairs and maintenance cost relates to expenditure payable to contractors and consultants, not capitalised, incurred on routine and periodic maintenance on existing PPE. Refer to note 30 on repairs and maintenance cost.

There were no changes to the valuation technique used in prior period for PPE. Refer to accounting policy on note 1.3, 1.5 and 1.10.

7 INVESTMENT PROPERTY

	Cost/Valuation	Carrying value	Cost/Valuation	Carrying value
Investment property	1 918 523	1 918 523	1 740 964	1 740 964

Reconciliation of investment property - 31 March 2024

	Opening balance	Additions	Disposals	Fair value adjustments	Closing balance
Investment property	1 740 964	-	(566)	178 125	1 918 523

Reconciliation of investment property - 31 March 2023

	Opening balance	Additions acquisitions	Disposals	Fair value adjustments	Closing balance
Investment property	1 684 933	17 508	(1)	38 524	1 740 964

Pledged as security

There were no investment properties pledged as security.

Details investment of property

Investment property - vacant properties	1 387 538	1 338 552
Investment property - improved properties	530 985	402 412
	1 918 523	**1 740 964**

There were no repairs and maintenance cost incurred on the investment properties as most of the investment property is vacant land.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

7 Investment property (continued)

Investment properties are revalued annually at year end. The effective date of the last valuation above is 31 March 2024. There is no borrowing cost capitalised to investment properties.

The entity did not have any investment property that was taking a significantly longer period of time to complete than expected or halted at the reporting period. There were no material contractual obligations, including repairs and maintenance in investment properties. Refer to policy note 1.4 on investment property.

In prior year financial statements, investment properties held for sale (R13.8m) were disclosed separately. In the current year they have been retained in the investment properties balance (comparatives).

Details of valuation

Determination of fair values of investment properties

Investment properties are reported at fair value and are reviewed annually at year end. The last valuations were performed by independent registered property valuers, Massel property valuers. The valuers are not connected to the entity and have recent experience in the location and category of the investment property being valued. The effective date of the last valuation is 31 March 2024. The individual valuers hold recognised and relevant professional qualifications, affiliated to the council of property valuers and have adequate experience in the industry and the type of investment property being valued. The fair value of investment property was determined using the widely accepted 'comparable sales method', taking into consideration the location, physical features (topography, shape, access) current and future land use, zoning and prevalent market conditions at date of valuation. No investment property was reclassified to owner-occupied properties in the current reporting period.

Sensitivity

In accordance with the SANRAL investment property policy, the revaluation of investment properties is only considered for land properties greater than R10 000 outside of the declared road reserve and those properties with a valid lease agreement if they are within the road reserve.

Amounts recognised in surplus or deficit - lessor

Rental revenue from Investment property	65 769	54 691
Fair value adjustment	178 125	38 524
From Investment property that generated rental revenue		
Direct operating expenses (excluding repairs and maintenance)	6 658	4 372
Repairs and maintenance	-	-
	6 658	**4 372**
From Investment property that did not generate rental revenue		
Direct operating expenses (excluding repairs and maintenance)	16 399	12 126

There is no land that the entity controls without legal title deeds included in the investment properties in the current reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

7 Investment property (continued)

Operating lease - lessor

Minimum lease payments receivable from investment property

Rental income receivable within one year	22 123	3 796
Rental income receivable within two to five years	97 901	9 858
Rental income receivable later than five years	171 898	68 250
	291 922	**81 904**

8 INTANGIBLE ASSETS

	2024			2023		
	Cost /Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost /Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	137 419	(84 901)	52 518	90 900	(54 147)	36 753
Wayleaves agreements	115 252	(8 304)	106 948	94 309	(4 689)	89 620
Total	**252 671**	**(93 205)**	**159 466**	**185 209**	**(58 836)**	**126 373**

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Additions	Disposals	Amortisation	Closing balance
Computer software	36 753	49 644	(2 723)	(31 156)	52 518
Wayleaves agreements - finite life	89 620	25 974	(4 091)	(4 555)	106 948
	126 373	**75 618**	**(6 814)**	**(35 711)**	**159 466**

Reconciliation of intangible assets - 31 March 2023

	Opening balance	Additions	Disposals	Amortisation	Closing balance
Computer software	39 561	5 703	(378)	(8 132)	36 753
Wayleaves agreements	81 457	10 244	(2)	(2 079)	89 620
	121 018	**15 947**	**(380)**	**(10 211)**	**126 373**

Pledged as security

None of the entity's intangible assets are pledged as security for any liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

8 Intangible assets (continued)

Other information

An annual impairment assessment was done, however, there are no conditions that indicate that any of the intangibles may be impaired. All the intangible assets disclosed above are purchased assets. The entity does not have any internally generated intangible assets. The useful lives and amortisation methods are reviewed annually at reporting date. There were no changes to the previous year's methodology for accounting estimates.

Intangible assets with indefinite lives:

Wayleaves agreements - indefinite	91 584	85 401

The useful life of some wayleaves agreements are considered indefinite, therefore not amortised. The wayleaves are assessed as indefinite because of the nature of the agreements that have no expiry date. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to benefit the entity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

9 FINANCIAL ASSETS

Designated at fair value through surplus or deficit

Capital market bonds	2 575 005	2 754 958

Financial assets held for market-making consist of bonds traded on the fixed interest market of the JSE. These bonds yielded interest rates between 8.12% and 10.78% as at year end (31 March 2023: 8.12% and 10.78%). Capital market bonds are held to manage liquidity and to reduce the cost of borrowing.

The entity opted, at initial recognition, to irrevocably designate the capital market bonds at fair value through surplus or deficit to eliminate or significantly reduce an accounting mismatch. This is consistent with the prior year classification, presentation and disclosure and was not changed by the adoption of GRAP. These market-making financial assets, together with the market-making liabilities measured at fair value through surplus or deficit, are managed as a portfolio for performance and risk management purposes. To overcome any mismatch which may occur in the statement of surplus or deficit, both assets and liabilities have been designated and subsequently measured at fair value through surplus or deficit. The entity has not reclassified any financial assets from amortised cost to fair value, or from fair value to amortised cost during the current or prior years. Refer to note 28 & 29 for amounts recognised in surplus or deficit and note 15 for matching financial liabilities in the market-making portfolio.

At amortised cost

Fixed deposits	5 129 858	4 307 403

Cash and cash equivalents that have a maturity period of more than three (3) months are disclosed separately. The average effective interest rate on fixed deposits was 9.11% (31 March 2023: 8.02%). The deposits had an average maturity of 238 days (31 March 2023: 220 days). These short-term fixed deposits are held to meet financial liabilities nearing maturity.

Capped insurance deposit	673 084	605 361

SANRAL has a long-term insurance agreement with Centriq Insurance Company Ltd which is reviewed annually. SANRAL made an up-front deposit, and all claims up to the balance of the deposit are recovered from the funds deposited. The agreement provides for the repayment of the balance of the deposit at the end of the agreement period. These funds earned interest at the three-month JIBAR-based deposit rate of 8.35% (31 March 2023: 7.96%).

	5 802 942	**4 912 764**
Total financial assets	**8 377 947**	**7 667 722**
Non-current assets		
At amortised cost	673 084	605 361
Current assets		
Designated at fair value through surplus or deficit	2 575 005	2 754 958
At amortised cost	5 129 858	4 307 403
	7 704 863	**7 062 361**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

9 Financial assets (continued)

Exposure to credit risk

Financial assets at amortised cost inherently exposes the entity to credit risk, being the risk that the entity will incur financial loss if counterparties fail to make payments as they fall due.

The fixed deposits and capped insurance deposit are held at financial institutions which have a credit rating of A and above. There is no indication of any significant increase in credit risk. Both remain above investment grade rating. Consequently, there is no material credit loss adjustment expected.

Financial assets at fair value

Fair values of financial assets measured or disclosed at fair value

Fair value hierarchy of financial assets at fair value

For financial assets measured at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the observable and unobservable inputs used to make the measurements.

Level 1		
Capital market bonds	2 575 005	2 754 958

The maximum exposure to credit risk is disclosed in note 16 & 17 for financial instruments and risk management respectively.

10 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Toll debtors	28 973 036	22 209 040
Sundry and other debtors	127 736	207 112
Receivables from related parties	51 713	47 506
Accrued interest on cash and cash equivalents	461 970	510 427
Third-party funding - receivables	33 027	35 441
Expansion works fund receivable - TRAC & Bakwena funds	376 864	260 481
Write offs	(35 855)	(29 597)
Expected credit loss - toll debtors	(28 726 226)	(21 905 415)
Expected credit loss - other receivables	(116 801)	(115 056)
	1 145 464	**1 219 939**
Financial instrument - contractual receivables and other receivables		
Contractual, sundry, property and other receivables	768 601	959 459
Non-Financial instruments receivables		
Expansion works fund receivable - TRAC & Bakwena funds	376 864	260 481
Total receivables from exchange transactions	**1 145 464**	**1 219 939**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

10 Receivables from exchange transactions (continued)

Fair value of contractual and other receivables

The fair value of contractual and other receivables approximates their carrying amounts due to their short term nature, therefore no further fair value sensitivity analysis is deemed necessary.

Receivables pledged as security

There were no contractual and other receivables pledged as security for any borrowing facility.

Receivables general information

Basis used to assess and test whether a receivable is impaired

The expected cash flows are based on the lifetime expected credit losses. A provision matrix has been used for receivables after considering the historical recoverability and current factors. The default is 90 days as the credit risk increases significantly for debt not collected within 90 days, hence it is expected that there will be no collections after 90 days past due. Any debt not collected after 90 days is impaired at 100% default rate. There were no changes to the above policy and valuation method in the current reporting period. Refer to note 1.3 on accounting policies; significant judgment on revenue from exchange transactions and contractual receivables - financial instruments note 1.7.

Reconciliation of provision for impairment		
Opening balance	21 905 415	15 122 147
Provision for impairment - key account holders	1 349	5 107
GRAP adoption - impairment adjustment	6 860 038	6 806 015
Impairment reversals - unregistered accounts	(40 576)	(27 854)
	28 726 226	**21 905 415**

Main events and circumstances that led to the recognition or reversal of impairment losses

Significant impairment losses recognised or reversed

The adjustment (reversal) above on GFIP/e-toll debtors is as a result of receivables written off, recoveries and customer accounts adjustment made during the year.

Receivables impaired

Factors the entity considered in assessing receivables impaired

GFIP/e-toll debtors

Impairment on receivables from exchange transactions is assessed annually using simplified approach and measure using the provisional matrix. The receivables is grouped into two categories; the key account holders held in transactions clearing house (TCH) and the unregistered (non-key accounts holders) held in the violations processing centre (VPC). The default rates per ageing category below have been determined based on the average 5-year historical collection rates at reporting date. Based on the historical loss rates a forecasting trend was determined and a forecasted loss rate was then applied to the outstanding amounts to obtain the expected loss. The forecasting is sensitive to the values at which forecasting is performed and it takes into account the past recoverability and determines the expected loss.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10 Receivables from exchange transactions (continued)

Due to the short term nature of the debtors' life cycle, considering forward-looking factors was regarded as irrelevant and would not make any significant difference.

The debt between 60 and 365 days, and over 365 days are mainly debtors held in the VPC. This debt is provided for at 100% expected credit loss rate. There is no expectation of significant recovery on these VPC amounts.

A further expected credit loss was only calculated on key account holders' debt. The key account holders' debt was split into two buckets: current and >31 days. The expected credit loss on key account holders (KAH) in TCH for >31 days past due, is 50.30% with R6.455 million expected credit loss. Based on the (TCH) key account holders' assessment done at 31 March 2024, a significant number of recoveries were made within the first month of the transaction (99% within 60 days), thus about 1% remains up to 365 days till impaired or written off annually.

The Board stopped the issuance of the summons to the public on 27 March 2019 for statutory debt. On 28 March 2024, the former Minister of Transport (MoT) published a notice to withdraw the toll declaration of e-tolls /Gauteng Freeway Improvement Project (GFIP) in terms of section 27 (1) (a) (ii) of SANRAL and national roads Act. The GFIP road network will remain a declared national road network managed by SANRAL as a non-toll road network, which is funded by the Government. The scrapping of e-toll gantries was effectively switched off on 11 April 2024, after the reporting date. Thus, the billing of e-toll fees stopped on 11 April mid-night. The former Minister announced that motorists are still obliged to settle their outstanding debt up to the time of cancellation. The transfer of GFIP to non-toll has not been concluded at the reporting date.

There has been no significant change on the overall collection rate of the debt transferred to VPC compared to prior periods, which remains very low. The recoverability rate on historical debt transferred to VPC is less than 1%. There is no material collection expected from non-key account holders (non-paying customers) after the reporting date due to the announcement. All VPC debt at reporting date has proven difficult to recover, therefore it is impaired in full. The customers are obliged to settle their accounts irrespective of the scrapping of e-tolls.

Conventional-toll debtors

The conventional toll road users are included in the current debtors (<30 days); these relate to time differences in the system allocation of credit/e-tag transactions and there is no expected credit loss on conventional toll debtors.

Receivables from exchange transactions impaired

The ageing is as follows:

Contractual receivables inherently expose the entity to credit risk, being the risk that the entity will incur financial loss if customers fail to make payments as they fall due. The customer base for e-tolls contractual receivables is large resulting in a significant credit risk from these receivables. Management assesses and monitors the credit risk annually. The gross amounts below are after bad debts were written off.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand

10 Receivables from exchange transactions (continued)

Toll debtors	Gross carrying amounts 31 March 2024	Default rate 31 March 2024	Impairment 31 March 2024	Gross carrying amounts 31 March 2023	Default rate 31 March 2023	Impairment 31 March 2023
Current (less than 31 days)	788 459	74,05 %	(583 881)	848 945	68,84 %	(584 406)
31-60 days	572 550	98,89 %	(566 173)	530 531	98,21 %	(521 038)
61-365 days	5 716 439	100,00 %	(5 716 439)	5 705 678	100,00 %	(5 705 678)
Over 365 days	21 859 733	100,00 %	(21 859 733)	15 094 293	100,00 %	(15 094 293)
	28 937 181		**(28 726 226)**	**22 179 447**		**(21 905 415)**

Other receivables

Property - (leases) debtors	Gross carrying amounts 31 March 2024	Default rate 31 March 2024	Impairment 31 March 2024	Gross carrying amounts 31 March 2023	Default rate 31 March 2023	Impairment 31 March 2023
Current (less than 31 days)	136	48,18 %	(195)	2 222	37,18 %	(826)
31-60 days past due	290	67,71 %	(197)	903	91,92 %	(830)
61-90 days past due	1 109	24,91 %	(281)	1 746	47,45 %	(828)
91-120 days past due	1 105	100,00 %	(1 145)	920	100,00 %	(920)
Over 120 days past due	29 880	100,00 %	(30 304)	20 899	100,00 %	(20 899)
	32 520		**(32 122)**	**26 690**		**(24 303)**

Sundry debtors	Gross carrying amounts 31 March 2024	Default rate 31 March 2024	Impairment 31 March 2024	Gross carrying amounts 31 March 2023	Default rate 31 March 2023	Impairment 31 March 2023
Current (0-30 days)	3 582	- %	-	138	- %	-
31-60 days	128	- %	-	2	- %	-
61-90 days	-	- %	-	52	- %	-
91-365 days	36	100,00 %	(36)	496	100,00 %	(496)
Over 365 days	84 715	99,91 %	(84 642)	174 843	51,62 %	(90 257)
	88 461		**(84 678)**	**175 531**		**(90 753)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

10 Receivables from exchange transactions (continued)

Expansion works funds receivable - Bakwena and TRAC concessions

TRAC has accrued funds for expansion works relating to the implementation of the Nelspruit ring road agreement and has reserved such funds on behalf of SANRAL for the expansion of specific capital projects. The remaining expansion works funds will be applied to other design and construction works as and when instructed in writing by SANRAL. Thus, it will be received through the delivery of fixed assets rather than cash. The receivable reduces when the funds are utilised on projects and a corresponding capital expenditure recognised as a road network asset. Karino interchange project is complete and currently the funds are being utilised on other similar expansion projects like Milly's access project. Refer to notes 1.23 & 5 & 22 for detailed information on concession arrangements.

For Bakwena funds, similar to TRAC funds, the amount will be utilised on projects identified and expenditure determined and approved by SANRAL. The 6th amended contract with Bakwena makes a provision of an adjustment account for excess funds. The adjustment account is funded from the difference between the actual base toll tariff (as declared by the Minister of Transport) and the adjusted base toll tariff that is collected. This fund is mainly being utilised on SANRAL road expansion projects by Bakwena. The capitalised expenditure is disclosed on note 6 as an asset under construction and as a road network once the project is completed. These assets do not form part of the concession assets.

These funds or receivables are not past due; therefore it has been excluded from the impairment calculations. This amount was assessed for impairment and no indicators of impairment existed at period end. The amount is expected to be utilised within 12 months on SANRAL projects.

Reconciliation of provision for impairment of other contractual receivables

Opening balance	115 056	512 178
Provision for impairment - property debtors	7 820	8 952
Impairment provision reversed on e-tolls	(6 075)	(406 074)
	116 801	**115 056**

The creation and release of provision for impaired receivables have been included in other income in surplus or deficit (note 26 & 33). Amounts charged to the receivables written-off account are generally written off when there is no expectation of recovering amounts due and are disclosed separately.

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors mentioned above. The entity does not hold any collateral as security.

11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:		
Cash on hand	12	13
Bank balances	97 807	69 378
Repos, call deposits and short-term deposits	53 162 160	59 344 810
	53 259 979	**59 414 201**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

11 Cash and cash equivalents (continued)

There is no cash pledged as collateral at the reporting date. The effective interest rates on bank balances and money market funds were between 1.85% and 8.58% (31 March 2023: 2.36% and 8.07%) and the deposits have an average maturity of 4.4 days (31 March 2023: 6.4 days). Refer to note 16 & 17 financial instruments and risk management for details of risk exposure.

Other short-term deposits and short-term repurchase agreements (Repos) are presented in cash and cash equivalents if they have a maturity of less than three months. They are a highly liquid investment and readily convertible to known cash amounts within a short notice.

Included in the cash and cash equivalents is the unspent grant, accumulated over the past years, of R42.162 billion (2023: R38.574 billion) for non-toll portfolio which will be utilised over the next two to three financial years - refer to note 38 (capital commitments).

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand are assessed by reference to external credit ratings of counterparty. All deposits are held at financial institutions which have a credit rating of an acceptable investment grade ratings. Refer to note 17 risk management on financial instruments.

Repos and deposit included in cash and cash equivalents

Repurchase agreements (Repos)	23 312 989	19 275 639
Call deposits	29 318 000	35 238 000
Short-term fixed deposits - <3 months maturity	531 171	4 831 171
	53 162 160	**59 344 810**

Restricted cash balances

Guarantee - burrow pits	31 171	31 171
Special appropriation grant	3 588 858	14 756 400

The cash and cash equivalents disclosed above include deposits held for guarantees on provision for land restoration (borrow pits) which are held by ABSA Bank for the Department of Minerals and Energy. These deposits are subject to terms and conditions in the guarantee agreements and are therefore not available for general use by SANRAL.

Included in the cash and cash equivalents above is the remaining balance from R14.76 billion received from the Department of Transport (shareholder) on 31 March 2023. The amount is a special appropriation grant for debt redemption and will be used as and when the debt obligations become due. For more details refer to note 14 on special allocation details - capital reserve.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

12 SHARE CAPITAL AND OTHER RESERVES

Authorised

4000 ordinary shares of R1 each	4	4

Issued

4000 ordinary shares of R1 each	4	4
Share premium - 4 000 ordinary shares issued at a premium of R272 760 per share	1 091 040	1 091 040
	1 091 044	**1 091 044**

These shares are held by the Government of South Africa represented by the Minister of Transport. The shares are fully paid.

13 REVALUATION RESERVE OR ACCUMULATED SURPLUS

Revaluation reserves

The revaluation reserve relates to the revaluation of property, plant and equipment. Revaluation reserves are not distributable.

Opening balance	491 600 820	421 411 616
Change during the year	61 712 694	70 189 204
	553 313 514	**491 600 820**

Refer to note 6 for the detailed sensitivity analysis and the reasons for the increase. A breakdown of the revaluation movement for the period is reflected below:

Revaluation surplus relating to property, plant and equipment

Opening balance	491 600 820	421 411 618
Road network and structures	59 299 292	68 874 367
Land	2 413 402	1 314 835
	553 313 514	**491 600 820**
Accumulated surplus	97 286 942	84 240 289

14 SPECIAL APPROPRIATION - CAPITAL RESERVE

This reserve relates to the special appropriation grant received from the Department of Transport (shareholder) after the announcement on 26 October 2022 by the Minister of Finance of a Special Appropriation of R23.736 billion for the 2022/23 financial year for SANRAL to settle maturing debt and debt-related obligations on toll portfolio.

The approved allocation was paid out in two tranches . The first tranche of R8.980 billion was received in January 2023 after the Special Appropriation Bill was promulgated into law. The second tranche of R14.76 billion was received on 31 March 2023. The amount was allocated specifically for settlement of maturing toll debt and all debt redemption obligations that became due.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

14 Special appropriation - capital reserve (continued)

As this special allocation may only be utilised on approval by the Minister of Transport, the second tranche of R14.756 billion has been presented in the statement of financial position as a special appropriation from the shareholder. The amount is deferred until next redemption in December 2024, the point at which it is recognised in net assets on approval by the Minister. Below is the balance at year end.

Net assets		
Special appropriation grant - capital reserve	20 147 566	8 980 000
Current liability		
Special appropriation grant	3 588 858	14 756 424

15 FINANCIAL LIABILITIES

At fair value through surplus or deficit		
Capital market loan - market-making portfolio (short term)	3 047 040	3 244 361
Capital market loan - market-making portfolio (long term) - designated	3 177 515	3 303 155
	6 224 555	**6 547 516**
At amortised cost		
Capital market loans - funding portfolio	24 396 707	35 639 112
Refer below for detailed nature of capital market.		
EIB loan	829 891	878 192
SANRAL has entered into a loan facility agreement in 2011 with the European Investment Bank (EIB). The loan was drawn in two tranches of R572 784 000 and R573 918 000 respectively during the 2011 financial year. The tranches bear interest at a fixed rate of 8.315% and 9.227% respectively. The loan is repayable over 20 years in semi-annual instalments. Repayments are made in South African Rands and commenced in the 2015 financial year. This loan, including interest accrued, is guaranteed by the Government under the R31.910 billion guarantee.		
	25 226 598	**36 517 304**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

15 Financial liabilities (continued)

Total financial liabilities	**31 451 153**	**43 064 820**

In the prior year financial statements (comparatives) the accrued interest on financial liabilities (financial liabilities at fair value and those at amortised cost) were disclosed under other payables. In the current year comparative figures for the previous year were amended accordingly by R661.4 million (as disclosed in note 23 or the published annual financial statements) to present debt servicing costs together. The change had no impact on the total net assets of the entity as there was no change on the total liabilities.

Non-current liabilities		
At fair value through surplus or deficit - designated	3 177 515	3 303 155
At amortised cost	19 576 981	24 637 322
	22 754 496	**27 940 477**
Current liabilities		
At fair value through surplus or deficit	3 047 040	3 244 361
At amortised cost	5 649 617	11 879 982
	8 696 657	**15 124 343**

Financial liabilities at fair value

Fair values of financial liabilities measured or disclosed at fair value

Fair value hierarchy of financial liabilities at fair value through surplus or deficit

For financial liabilities recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1		
Capital market loans at fair value through surplus or deficit	6 224 555	6 547 516

The fair value of listed capital market loans is based on quoted prices (level 1) at the reporting date. The breakdown of these financial liabilities are all disclosed in note 16 and 17 for financial instruments and risk management respectively.

For detailed analysis of financial liabilities refer to note 17 on risk management.

Financial liabilities at amortised cost

Fair values of financial liabilities measured or disclosed at amortised cost

Details of capital market loans

In September 2017, the South African Government issued an updated and reworded guarantee of R31.91 billion for borrowings by SANRAL, of which the payment obligations are limited to a maximum nominal amount of R31.91 billion. SANRAL has issued an aggregate nominal amount of R19.30 billion as at reporting date (31 March 2023: R22.30 billion) under a guaranteed Domestic Medium-Term Note (DMTN) programme (HWAY bonds). The redemption amount of capital market loans, including interest accrued, issued under the R31.91 billion guarantee was R24.12 billion (31 March 2022: R33.31 billion). The funds raised through these borrowings may only be used for toll road network and structures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

15 Financial liabilities (continued)

On 16 November 1999, the South African Government issued guarantees for borrowings (SZ bonds) by SANRAL up to a nominal amount of R6 billion. SANRAL has issued bonds with a nominal amount of R3.99 billion as at reporting date (31 March 2023: R3.99 billion) under this guarantee. The funds raised through these borrowings can only be used for toll road network and structures.

The Government also approved an unguaranteed borrowing capacity of up to a nominal amount of R15 billion. SANRAL issued bonds with a nominal amount of R3.83 billion as at reporting date (31 March 2023: R4.62 billion) under the unguaranteed DMTN programme (NRA bonds). The funds raised through these borrowings may only be used for toll road network and structures.

The long-term SANRAL capital market loan was designated as at fair value through surplus or deficit in prior periods. This option was not revoked with the adoption of standards of GRAP on 1 April 2023. The designation of financial liabilities at fair value through surplus or deficit is based on the entity managing the performance of capital market-making financial instruments, both financial assets and financial liabilities, as a portfolio of financial instruments. Changes in the fair value of financial assets and liabilities in this portfolio are subject to the same risk, and an accounting mismatch will be eliminated or significantly reduced by the designation to FVTSD and the gains/losses from the financial liabilities are taken to surplus or deficit. A mismatch would arise if the effects of the credit risk on SANRAL's liabilities at fair value were taken direct to net assets and the effects of credit risk on market-making financial assets were taken to surplus or deficit. Refer to note 9 on corresponding financial assets.

Cumulative effects accounting mismatch

The effects of changes in the credit risk of financial liabilities held as capital market loans measured at fair value through surplus or deficit is calculated in line with GRAP guidance using published benchmark and market rates. The cumulative decrease in the credit risk as at 31 March 2024 is R34 million (31 March 2023: R110 million). The effects of credit risk for both market making financial assets and liabilities at fair value through surplus or deficit are recognised in surplus or deficit to ensure no mismatch effect on surplus or deficit.

The contractual cash flows that the entity is required to pay on its financial liabilities measured at fair value through surplus or deficit are the nominal amounts of the respective bonds.

Refer to note 36 Changes in liabilities arising from financing activities for details of movements in financial liabilities during the reporting period and note 16 & 17 Financial instruments and financial risk management.

16 FINANCIAL INSTRUMENTS DISCLOSURE

The capital structure of the entity consists of debt, which is the financial liabilities disclosed in notes 15 and cash and cash equivalents disclosed in note 11 and financial assets as disclosed in note 9. SANRAL shares are solely held by the Minister of Transport and any new share issues are authorised by the Minister of Transport. SANRAL's major borrowing facilities/loan agreements do not have entity-specific financial (e.g. debt-equity ratio) loan covenants. The Board and Executive Authority do not set any specific gearing ratio targets to be complied with. The overall borrowing limits are approved by the Minister of Finance. As at year end 86% of borrowings, at carrying amounts, are government-guaranteed with approved borrowing limits in place. During the current reporting period, SANRAL complied with the board-approved borrowing limits.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

16 Financial instruments disclosure (continued)

Capital structure

Capital structure	31 March 2024	31 March 2023
Financial liabilities at FVTSD	6 224 555	6 547 516
Financial liabilities at amortised cost	25 226 598	36 517 304
Total borrowings	31 451 153	43 064 820
Cash and cash equivalents	(53 259 979)	(59 414 201)
	(21 808 826)	**(16 349 381)**

The entity has significant cash and cash equivalents reserves exceeding the total borrowings by R21.809 billion resulting in no gearing.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of listed bonds is based on quoted prices at the reporting date. The fair values of other financial liabilities at amortised cost are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Categories of financial instruments

31 March 2024

Financial assets

	At fair value	At amortised cost	Total
Designated at FVTSD	2 575 005	-	2 575 005
Receivables from exchange transactions	-	768 601	768 601
Cash and cash equivalents	-	53 259 979	53 259 979
Capped insurance deposits	-	673 084	673 084
Fixed deposits	-	5 129 858	5 129 858
	2 575 005	**59 831 522**	**62 406 527**

Financial liabilities	At fair value	At amortised cost	Total
Financial liabilities as amortised cost - capital market loans - funding portfolio	-	24 396 707	24 396 707
Financial liabilities at FVTSD - Capital market loans market-making portfolio	6 224 555	-	6 224 555
Payables from exchange transactions	-	2 917 594	2 917 594
EIB loan	-	829 891	829 891
	6 224 555	**28 144 192**	**34 368 747**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16 Financial instruments disclosure (continued)

31 March 2023

Financial assets

	At fair value	At amortised cost	Total
Designated at FVTSD	2 754 958	-	2 754 958
Receivables from exchange transactions	-	959 459	959 459
Cash and cash equivalents	-	59 414 201	59 414 201
Capped insurance deposits	-	605 361	605 361
Fixed deposits	-	4 307 403	4 307 403
	2 754 958	**65 286 424**	**68 041 382**

Financial liabilities	At fair value	At amortised cost	Total
Financial liabilities at amortised cost - capital market loans - funding portfolio	-	35 639 112	35 639 112
Financial liabilities at FVTSD - capital market loans - market-making portfolio	6 547 516	-	6 547 516
Payables from exchange transactions	-	1 769 765	1 769 765
EIB loan	-	878 192	878 192
	6 547 516	**38 287 069**	**44 834 585**

Financial instruments transactions in statement of financial performance

31 March 2024	At fair value	At amortised cost	Total
Net gains on financial instruments	15 107	-	15 107
Finance income	266 718	5 801 487	6 068 205
Finance costs	(549 744)	(2 876 799)	(3 426 543)
	(267 919)	**2 924 688**	**2 656 769**

31 March 2023	At fair value	At amortised cost	Total
Net gains on financial instruments	63 366	-	63 366
Finance income	264 501	3 105 284	3 369 785
Finance costs	(567 455)	(3 824 652)	(4 392 107)
	(239 588)	**(719 368)**	**(958 956)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17 RISK MANAGEMENT - FINANCIAL INSTRUMENTS FINANCIAL

Risk management

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance. Risk management is carried out by an internal treasury unit (entity treasury) under policies approved by the Board. Entity treasury identifies, evaluates and manages financial risks in close co-operation with the entity's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, market/interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess cash.

The Board has overall responsibility for the establishment and oversight of the entity's risk management framework. The Board has established the risk committee and assets and liability committee, which are responsible for developing and monitoring the entity's operational risk management policies. The committees report quarterly and recommend approvals to the Board on its activities.

The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities.

The audit and risk committee monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the entity specific risks. The audit and risk committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk committee and ultimately to the Board.

Nedbank corporate and investment banking (CIB) was appointed as a debt officer or sponsor to provide guidance and advice with regard to compliance with the debt listing requirements (JSE).

The Board, on the recommendation of the ALCo, appointed SANRAL's Treasury Manager, Mr Siyabonga Shange, as the Debt Officer effective 1 November 2020, as per the JSE's new Debt Listing Requirements which were published on 31 July 2020. Mr Shange served as the Debt Officer during 2023/24. The Board was satisfied with Mr Shange's competence and qualifications.

There were no changes from the previous year in respect of objectives, policies and processes for managing risks and in methods and assumptions to measure the risks.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities. The entity is exposed to liquidity risk, which is the risk that the entity may encounter difficulties in meeting its obligations as they become due. The entity manages its liquidity risk by monitoring cash flow forecasts, effectively managing its working capital and capital expenditure ensuring that a satisfactory level of cash and cash equivalents are maintained. Financing requirements are met through a mixture of cash generated from toll operations, long- and short-term borrowings and government grants and subsidies.

The table below analyses the entity's financial liabilities and net-settled 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. Inflation linked bonds included in capital market loans are reported at their carrying amounts at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

17 Risk management - financial instruments (continued)

31 March 2024	Less than 1 year	Between 1 and 2 years	Between 5 and 10 years	Over 10 years	Total contractual cash flows	Carrying amount
Capital market loans - amortised cost	5 601 995	2 436 576	8 002 977	8 494 791	24 536 339	24 396 707
Capital market loan – FVTSD (designated)	-	1 541 967	84 557	1 550 991	3 177 515	3 177 515
Capital market loan - market making	89 488	-	522 135	2 435 417	3 047 040	3 047 040
EIB loan	64 052	259 133	478 268	28 438	829 891	829 891
Payables from exchange transactions	2 917 594	-	-	-	2 917 594	2 917 594
Third-party funding	743 717	-	-	-	-	743 717
Subtotal	9 416 846	4 237 676	9 087 937	12 509 637	34 508 379	35 112 464
	9 416 846	**4 237 676**	**9 087 937**	**12 509 637**	**34 508 379**	**35 112 464**

31 March 2023	Less than 1 year	Between 1 and 2 years	Between 5 and 10 years	Over 10 years	Total contractual cash flows	Carrying amount
Carrying amortised cost	11 936 096	7 426 927	8 588 459	9 030 798	36 982 280	35 639 112
Capital market loan - FVTSD (designated)	-	1 561 179	82 367	1 659 609	3 303 155	3 303 155
Capital market loan -	88 187	-	544 614	2 611 560	3 244 361	3 244 361
market making EIB loan	60 332	237 796	438 849	141 215	878 192	878 192
Payables from exchange transactions	1 769 765	-	-	-	1 769 765	1 769 765
Third-party funding	276 874	-	-	-	276 874	276 874
Subtotal	14 131 254	9 225 902	9 654 289	13 443 182	46 454 627	45 111 459
	14 131 254	**9 225 902**	**9 654 289**	**13 443 182**	**46 454 627**	**45 111 459**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

17 Risk management - financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The entity is exposed to credit risk on receivables from exchange transactions, lease receivables, cash and cash equivalents and repurchase agreements in publicly traded bonds.

Credit risk exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring by the Assets and Liability Committee. The exposure to credit risk and the creditworthiness of counterparts are continuously monitored for financial assets other than contractual receivables. Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions with high credit ratings.

Contractual and other receivables do not contain a financing component, the loss allowance is determined as the lifetime expected credit losses using simplified approach. Except for receivables written off, there are no other financial assets written off.

Financial assets exposed to credit risk at period end were as follows:

Financial assets	**31 March 2024**	**31 March 2023**
Market-making financial assets	2 575 005	2 754 958
Capped insurance deposits	673 084	605 361
Cash and cash equivalents (Repos, call, and fixed deposits)	53 259 979	59 414 201
Fixed deposits	5 129 858	4 307 403
Receivables from exchange transactions	768 601	959 459
	62 406 527	**68 041 382**

The below table excludes receivables from exchange transactions and petty cash balances above.

Ratings

	Carrying amount	**AAA**	**AA+**	**A+/A**	**AA-**
Bank balances	97 807	97 807	-	-	-
Money market deposits	29 849 171	-	29 849 171	-	-
Repurchase agreements	23 312 990	23 157 700	-	155 290	-
Fixed term deposit	5 129 858	5 129 858	-	-	-
Market-making financial assets	2 575 005	2 575 005	-	-	-
Capped insurance deposits	673 084	-	-	-	673 084
	61 637 915	**30 960 370**	**29 849 171**	**155 290**	**673 084**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

17 Risk management - financial instruments (continued)

The carrying amount of financial assets represents the maximum credit exposure. Collateral is held against repurchase investments in the form of government or corporate bonds approved by the Board. The objective is that, should a counterpart default, SANRAL can sell the bonds held as collateral to recoup the money. These repurchase agreements are included in the cash and cash equivalents which have a short-term maturity of less than three months. The collaterals are therefore also short- term in nature and approximate the fair value of the repurchase agreements.

Cash and cash equivalents, fixed deposits, capped insurance deposits and repurchase agreements are held in major financial institutions, money market funds and issuers which are A-rated and above. Except for the capped insurance deposit, these financial instruments are held to meet operational and financial obligations over the short term of three months or less. The risk of default on these financial instruments is therefore considered to be low. Consequently, no expected credit loss allowance or impairment provision was made.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity is exposed to the following market risks, price risk and interest rate risk. Financial instruments affected by market risk include capital market loans held at fair value, CPI-linked loans, call and money market instruments which are affected by interest rate changes. The entity is exposed to price risk on its market-making assets and liabilities with variable interest rates as price of bonds changes in relation to changes in interest rates.

Financial liabilities at fair value through surplus or deficit transferred from the market-making portfolio to the funding portfolio are classified and measured as financial liabilities at fair value through surplus or deficit and are therefore all carried at fair value. The fair value movements on these financial liabilities will not be realised/sold as these bonds form part of the funding portfolio at fair value and will therefore be held to maturity.

Interest rate risk

The interest rate profile of the interest bearing financial instruments are as follows:

Variable rate instruments:		
Financial assets		
Bank balances	97 807	69 378
Call deposits	29 318 000	35 238 000
Capital market bonds	2 575 005	2 754 958
Capped insurance deposits	673 084	605 361
	32 663 896	**38 667 697**
Financial liabilities		
Capital market loans measure at fair value	6 224 555	6 547 516
Fixed rate instruments		
Financial assets		
Fixed deposits	5 629 858	9 107 403
Repurchase agreements	23 312 990	19 275 639
	28 942 848	**28 383 042**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

17 Risk management - financial instruments (continued)

Financial liabilities

Capital market loans at amortised cost	24 396 707	35 639 112
EIB loan	829 891	878 192
	25 226 598	**36 517 304**

Percentage of variable rate assets to total financial assets	53,13 %	57,67 %
Percentage of fixed rate assets to total financial assets	46,87 %	42,33 %
Percentage of variable rate liabilities to total financial liabilities	19,81 %	15,23 %
Percentage of fixed rate liabilities to total financial liabilities	80,19 %	84,77 %

Price risk

The entity is exposed to price risk because of investments held by the entity and classified on the statement of financial position at fair value through surplus or deficit. The entity manages this price risk exposure through the monitoring and management of the price risks in terms of guidelines set out in the Treasury Policy and Control Framework approved by the Board. Opportunities are identified for the natural offset of market risks and the management of the resultant net exposures in the most cost-effective manner through the operation of a market-making portfolio. Price risk is accepted by the Board on the entity's liabilities in its funding portfolio at fair value through surplus or deficit, as these liabilities ultimately fund long-term capital expenditure. Price risk before maturity is therefore unrealised.

The following sensitivity analysis has been prepared using a sensitivity rate which represents management's assessment of the most likely indicator of change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. An increase of 100 basis points in interest rates at the reporting date would decrease profit by the amounts shown below. A decrease of 100 basis points would increase profit by the same amount. The analysis assumes that all other variables remain constant. Variable rate instruments are capital market bonds and loans held in the funding portfolio, market-making portfolio, held-for-trading and variable rate money market instruments.

The table below summarises the impact of increases/decreases of the indexes on the entity's surplus for the period. The analysis is based on the assumption that the debt indexes have increased/decreased by 100 basis points with all other variables held constant and all the entity's debt instruments moved according to the historical correlation with the index:

	Increase / decrease R'000			
Surplus or deficit	*31 March 2024*	*31 March 2023*	*31 March 2024*	*31 March 2023*
100 basis points	118 217	-	118 217	-
100 basis points	-	82 271	-	82 271

The surplus for the year would increase/decrease as a result of gains or losses on financial instruments classified as at fair value through surplus or deficit.

The tables below shows various financial instruments held by the entity including the interest rates and maturity details per bond, thereby showing price and interest risk exposure per bond.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17 Risk management - financial instruments (continued)

Market-making portfolio

The entity classifies some bonds as financial assets and liabilities at fair value through surplus or deficit (those that are held- for-trading). Included in the portfolio are market-making assets, consisting of government bonds with maturities similar to the SANRAL bonds at fair value through surplus or deficit. Liquidity in the market-making portfolio is managed by financial instruments having similar maturities with the value of the financial liabilities and financial assets being closely matched.

Terms of market-making financial assets

Refer to note 9 for matching market-making financial assets measured at fair value.

Capital market bonds at fair value	Coupon rate	Maturity date	Nominal amount 31 March 2024	Carrying amount 31 March 2024	Nominal amount 31 March 2023	Carrying amount 31 March 2023
R186 (2026)	10,50 %	21 Dec 2026	58 250	59 917	58 250	62 044
R209 (2036)	6,25 %	31 Mar 2036	1 532 400	954 215	1 538 400	1 033 671
R2030 (2030)	8,00 %	31 Jan 2030	599 000	532 162	681 000	584 414
R2035 (2035)	8,88 %	28 Feb 2035	681 000	543 412	599 000	545 717
R2037 (2037)	8,50 %	31 Jan 2037	657 000	485 298	657 000	529 108
			3 527 650	**2 575 004**	**3 533 650**	**2 754 954**

Funding portfolio measured at amortised cost

Terms and conditions of outstanding loans are reflected in the table below. For further details of terms and conditions refer to notes 15 - Financial liabilities.

Capital market bonds at amortised cost	Coupon rate	Maturity date	Nominal amount 31 March 2024	Carrying amount 31 March 2024	Nominal amount 31 March 2023	Carrying amount 31 March 2023
Guaranteed						
SZ25	9,00%	25 Sept 2025	2 430 184	2 436 576	2 430 184	2 440 493
HWAY23	5,50 %+CPI	07 Dec 2023	-	-	2 905 382	9 588 710
HWAY24	5,50 %+CPI	07 Dec 2024	1 499 000	5 209 586	1 499 000	5 111 743
HWAY30	10,37 %	28 Aug 2030	1 738 000	1 743 973	1 738 000	1 744 735
HWAY33	2,25 %+CPI	28 Feb 2033	1 565 430	2 254 704	1 567 000	2 136 883
HWAY34	9,25 %	31 Jul 2034	5 689 769	5 403 215	5 689 769	5 389 479
HWAY35	9,25 %	31 Jul 2035	3 333 032	3 091 576	3 333 032	3 081 637
Subtotal			**16 255 415**	**20 139 630**	**23 628 674**	**35 065 887**
Unguaranteed						
NRA23	5,00 %+CPI	31 May 2023	-	-	785 038	1 657 714
NRA28	12,25 %	30 Nov 2028	3 681 269	3 881 278	3 681 269	3 914 493
			19 936 684	**24 020 908**	**23 628 674**	**35 065 887**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17 Risk management - financial instruments (continued)

Capital market loans at fair value	Coupon rate	Maturity date	Nominal amount 31 March 2024	Carrying amount 31 March 2024	Nominal amount 31 March 2023	Carrying amount 31 March 2023
Guaranteed						
SZ25	9,00%	30 Sept 2025	1 558 110	1 541 967	1 558 110	1 561 179
HWAY30	10,37%	28 Aug 2030	4 487	4 326	-	-
HWAY34	9,25%	31 Jul 2034	1 420 993	1 115 199	1 420 993	1 193 923
HWAY35	9,25%	31 Jul 2035	561 000	435 792	561 000	465 686
Subtotal			**3 544 590**	**3 097 284**	**3 540 103**	**3 220 788**
Unguaranteed						
NRA28	12,25%	30 Nov 2028	78 115	80 231	78 115	82 367
			3 622 705	**3 177 515**	**3 618 218**	**3 303 155**

Capital market loans at fair value	Coupon rate	Maturity date	Nominal amount 31 March 2024	Carrying amount 31 March 2024	Nominal amount 31 March 2023	Carrying amount 31 March 2023
Guaranteed						
HWAY30	10,37%	28 Aug 2024	471 000	454 090	471 000	472 026
HWAY34	9,25%	31 July 2035	2 618 502	2 055 006	2 618 502	2 200 074
HWAY35	9,25%	31 July 2035	489 706	380 410	495 706	411 486
Subtotal			**3 579 208**	**2 889 506**	**3 585 208**	**3 083 586**
Unguaranteed						
NRA28	12,25%	30 Nov 2028	66 251	68 045	68 841	72 588
			3 645 459	**2 957 551**	**3 654 049**	**3 156 174**

Loans at amortised cost	Coupon rate	Maturity date	Nominal amount 31 March 2024	Carrying amount 31 March 2024	Nominal amount 31 March 2023	Carrying amount 31 March 2023
EIB Loan - 1st tranche	8,17%	15 June 2034	409 592	419 853	433 288	443 996
EIB loan - 2nd tranche	9,05%	15 Mar 2034	408 268	410 038	432 312	434 196
			817 860	**829 891**	**865 600**	**878 192**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

18 PAYABLES FROM EXCHANGE TRANSACTIONS

Contractual payables	2 005 925	1 142 364
Payments received in advanced	143 073	160 136
Accrued leave pay	18 307	20 859
Accrued expense - contractual and other payable	893 361	606 544
	3 060 666	**1 929 903**

The fair value of payables from exchange transactions above approximate carrying amount. The net VAT payable is disclosed separately due to the adoption of GRAP. Therefore, the comparative figures have been restated as noted in note 2. Refer to note 19 for VAT payable. The accrued interest on financial liabilities has been disclosed on note 15 - financial liabilities.

Details of amounts received in advance - from toll receivables		
Opening balance	160 136	152 584
Utilised during the year	(91 038)	(99 493)
New payments received in advance	73 975	107 045
	143 073	**160 136**

The changes in the carrying amount are as a result of the utilisation of the amounts received in advance as and when the motorists passes through the toll gates or gantries.

These prepayments (all current) are effected mainly from pre-paid customers using e-tags and registered account holders who top-up their accounts before passing the electronic toll gates.

19 VAT PAYABLE

Net VAT payables	4 953 867	4 037 476

VAT receivable and VAT payable are presented on net basis on the face of the Statement of Financial Position. VAT is charged only on toll transaction. The entity uses the payment method.

20 EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans - general information

Defined benefit plan – post-retirement medical aid plan

The defined benefit plan is revalued annually at year end by an independent expert. The effective date of valuation below is 31 March 2024.

The entitlement of these benefits is dependent upon the employee remaining in service until retirement age, completing a minimum service period, and is subject to periodic review. SANRAL recognises the estimated liability on an accrued basis over the working life of the eligible employees. SANRAL extended its post-retirement medical aid benefits to all its employees in 2014. The entitlement is based on the employee remaining in the employment of the organisation for a period of 15 years of uninterrupted service until retirement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

20 Employee benefit obligations (continued)

The valuation of the obligation was performed by Poneso Consulting using the projected unit credit funding method. The projected unit credit funding method has been used to determine the past-service liabilities at the valuation date and the projected annual expense in the year following the valuation date. As at the valuation date, the medical aid liability of the entity was unfunded, thus, no plan assets are recognised and therefore the value of the unfunded liability is equal to the accrued liability. The valuation was based on 420 employees at 31 March 2024 (395 in prior year).

The liability relates to medical aid which is regulated by Medical Schemes Act No. 131 of 1998 as amended. The valuation of this post-retirement liability was done in accordance with the actuarial practice note (APN 301). There is no other regulatory framework governing this defined benefit plan. The responsibilities for SANRAL in governance of this plan are to ensure adequate cash flows when the obligation becomes due and the post-employment medical aid subsidy policy stays the same.

The key risks to which the plan exposes the entity are:

By not setting aside any assets in order to meet the liabilities in the future, the entity is exposed to certain risks, such as longevity risk or liquidity risk. The entity has adequate cash reserves on non-toll portfolio to mitigate the risk exposed by this plan. The entity is under no obligation to cover any unfunded benefits.

The amount of the subsidies is linked to medical inflation, which poses a financial risk if medical inflation turns out to be higher than expected. Subsidy caps were placed on some of the members' plans, but the assumption that the subsidy caps also increase with inflation reduces the effect thereof with regards to the uncertainty of the amount paid. All other risks are low and well mitigated.

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(67 382)	(67 157)
Non-current liabilities	(64 182)	(64 705)
Current liabilities	(3 200)	(2 452)
	(67 382)	**(67 157)**

The accrued liability of the defined benefit obligation included R40.713 million and R26.669 million (31 March 2023: R39.681 million and R27.476 million) relating to the active employees and continuation members in retirement respectively.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	67 157	62 402
Service cost	3 200	3 440
Interest cost	8 939	7 688
Remeasurements - actuarial gain/loss	(9 309)	(4 115)
Benefits paid	(2 605)	(2 258)
	67 382	**67 157**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

20 Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance are as follows:

Service cost	4 605	3 200
Net interest on the net defined benefit liability	8 537	8 939
	13 142	**12 139**

Calculation of actuarial gains and losses

Actuarial (gains) losses – obligation	9 309	4 115

Changes in reimbursement rights are as follows:

The main reasons for the change in actuarial loss were:

Key assumptions used

Assumptions used at the reporting date:		
Discount rates used	12,67 %	13,23 %
Consumer price index (CPI)	6,76 %	8,49 %
Net effective discount rate	3,60 %	2,95 %
Medical cost trend rates	8,76 %	9,99 %
Continuation at retirement	90,00 %	90,00 %
Average retirement age - years	65	65

The expected value of each employee and their spouse's future medical aid subsidies are projected by allowing for future medical inflation. The calculated values are then discounted at the assumed discount interest rate to the present date of valuation (calculation). The valuation allowed for mortality, retirements and withdrawals from service as set out below. The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. It is assumed that the current policy for awarding medical aid subsidies remains unchanged in the future and that 100% of all active members on medical aid will remain on medical aid once they retire. It has also been assumed that all active members will remain on the same medical aid option at retirement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20 Employee benefit obligations (continued)

Sensitivity analysis

The results are based on a number of assumptions. In order to illustrate the sensitivity of the results to certain key assumptions, we set out below how the results would vary if these assumptions changed. These scenarios may also be of use in illustrating the possible effect of policy changes on the liability. The following tables show the sensitivity results. The accrued liability at valuation date was recalculated to show the effect of:

- A 1% increase and decrease in medical aid inflation (health care cost).
- A 1% increase and decrease in the discount rate used.
- A 20% increase and decrease in withdrawal rates.
- A 1-year increase and decrease in the assumed level of mortality.

Sensitivity analysis on the accrued liability

The average retirement age for all active employees was assumed to be 65 years. This assumption implicitly allows for ill- health and early retirement.

Healthcare / medical cost inflation

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

31 March 2024	One percentage point increase	One percentage point decrease
Effect on the service cost	5 568	3 843
Effect on interest cost	9 805	7 492
Effect on defined benefit obligation	77 391	59 135

31 March 2023	One percentage point increase	One percentage point decrease
Effect on the service cost	3 942	2 622
Effect on interest cost	10 342	7 790
Effect on defined benefit obligation	77 387	58 767

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20 Employee benefit obligations (continued)

Discount rate

Assumed discount rate have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed discount rate would have the following effects:

31 March 2024	One percentage point increase	One percentage point decrease
Effect on the service cost	3 862	5 556
Effect on interest cost	7 519	9 791
Effect on defined benefit obligation	59 346	77 273

31 March 2023	One percentage point increase	One percentage point decrease
Effect on the service cost	2 637	3 949
Effect on interest cost	8 048	10 673
Effect on defined benefit obligation	58 843	77 296

Withdrawal rate

Assumed assumption has a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed assumption would have the following effects:

31 March 2024	Twenty percentage point increase	Twenty percentage point decrease
Effect on the service cost	4 371	4 872
Effect on interest cost	8 369	8 724
Effect on defined benefit obligation	66 052	68 855

31 March 2023	Twenty percentage point increase	Twenty percentage point decrease
Effect on the service cost	3 075	3 343
Effect on interest cost	8 801	9 091
Effect on defined benefit obligation	66 176	68 233

Mortality rate

Assumed assumption has a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed assumption would have the following effects:

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20 Employee benefit obligations (continued)

31 March 2024	**One year mortality increase**	**One year mortality reduction**
Effect on the service cost	4 495	4 714
Effect on interest cost	8 291	8 783
Effect on defined benefit obligation	65 438	69 318

31 March 2023	**One year mortality increase**	**One year mortality reduction**
Effect on the service cost	2 921	3 539
Effect on interest cost	8 239	9 795
Effect on defined benefit obligation	62 011	73 455

The expected contributions to the plan for the next reporting period is R65 million.

Maturity analysis of the defined benefit obligations

The figures in the table below are discounted figures representing the full liability amounts. The liability accrues uniformly over the lifetime of the employee and the full liability amount would be accounted for when the employee retires. The following table presents information about the distribution of the timing of benefit payments:

	Within 1 year	**1-2 years**	**2 - 5 years**	**>5 years**	**Total**
Current (In service) members	850	2 141	2 689	85 561	91 241
Continuation members	2 969	3 163	3 362	17 810	27 304
	3 819	**5 304**	**6 051**	**103 371**	**118 545**

Defined contribution plans

It is the policy of the entity to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose. The Alexander Forbes Retirement Fund: South African National Roads Agency Limited Provident Fund (the fund) is a defined contribution plan and is registered in terms of the Pension Funds Act 24 of 1956, as amended. Contributions comprise 20.5% of pensionable emoluments. SANRAL contributes 20.5%, of which administration and insurance costs amount to 3.59%. The Fund is administered by Alexander Forbes and 427 of the 594 employees (31 March 2023: 421 of the 558) are currently members of the Fund. One employee is a member of the Government Employees' Pension Fund (GEPF). Contributions to the GEPF comprise 20.5% of pensionable emoluments, of which a member pays 7.5% and SANRAL contributes 13%.

Contributions are recognised in surplus or deficit when incurred.
The entity is under no obligation to cover any unfunded benefits.

The total economic entity contribution to such schemes	62	29
The amount recognised as an expense for defined contribution plans is	62 022	29 306

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21 PROVISIONS

Reconciliation of provisions - 31 March 2024

	Opening balance	Additions	Utilised during the year	Closing balance
Environmental rehabilitation	5 895	2 553	(1 830)	6 618
Overload control	552 409	33 953	-	586 362
	558 304	**36 506**	**(1 830)**	**592 980**

Reconciliation of provisions - 31 March 2023

	Opening balance	Additions	Utilised during the year	Closing balance
Environmental rehabilitation	5 123	1 249	(477)	5 895
Overload control	476 391	76 018	-	552 409
	481 514	**77 267**	**(477)**	**558 304**

Non-current liabilities	589 976	553 250
Current liabilities	3 004	5 054
	592 980	**558 304**

Environmental rehabilitation provision

Section 41(1) of the Mineral and Petroleum Resources Development Act of 2002 requires an applicant for a prospecting right, mining right or mining permit to make the prescribed financial provision for the rehabilitation and management of negative environmental impacts.

SANRAL, as a holder of mining permits, is ultimately responsible for the restoration of borrow pits. A provision is therefore raised each year for the obligation to rectify environmental damage caused during construction and maintenance of the national roads through the use of borrow pits.

The contractual rehabilitation costs per project were utilised to determine the most accurate cost of restoring borrow pits to their original condition. This was calculated by engineers and project managers as a reasonable indication of the market related price of restoration. Rehabilitation of the borrow pits is performed on an ongoing basis throughout the project life, therefore the contractual cost was straight-lined over the remaining period of the project.

Rehabilitation costs pertaining to capital projects were capitalised at year end whereas maintenance projects were expensed immediately.

Provision for overload control

The provision for overload control relates to claims from concessionaires for damage to pavements as a result of overloading and is evaluated annually at year end. Provision for overload control is based on the contractual agreement signed with the concessionaires regarding control of overloading on the road network operated by concessionaires. SANRAL expects concessionaires to claim amounts due in a short term of 1-3 years, as they rehabilitate the road network. The amount is an estimate and there is uncertainty of the time it will be payable as there are continuous

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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negotiations taking place. The overload provision is calculated using the overload control software and is evaluated annually at year end. Historical and projected future traffic volume data and weighted average cost per kilometre are used in the calculation. The effect of discounting was considered immaterial for separate disclosure purposes.

22 DEFERRED EXCHANGE CONSIDERATION - SERVICE CONCESSION

Deferred income - concessions	328 956	387 252

Deferred income consists of advances from the three concession contracts. SANRAL received prepayments on concession contracts in accordance with the signed agreements. These payments were deferred over the life of the concession contract. Refer to note 5 for details of the concession arrangements.

The amount realised in surplus or deficit is calculated as the total amount received from the N3 and TRAC concessionaires divided by the remaining concession contractual period. This results in a realisation of R47.719 million and R10.576 million per annum respectively. Refer to note 26 on other income.

Bakwena concessionaire paid R21.785 million which represents a contingency fund in terms of the concession agreement with its main purpose being to defray expenditure that will need to be incurred to maintain certain infrastructure. Income will be recognised in the surplus or deficit when the expenditure is incurred as agreed in contract. There was no related expenditure in the current reporting period.

The deferred income from the government grant has been restated due to the adoption of the standards of GRAP. The remaining (unrestated) deferred income is immaterial; it has been combined with deferred income from concessionaires on the face of the statement of financial position. Refer to note 2 for GRAP restatements.

Deferred income comprises:

Balance at the beginning of the year	387 252	445 546
Income recognition during the year	(58 296)	(58 294)
	328 956	**387 252**
Deferred exchange consideration - service concession	10 384 948	10 973 722

The entity does not have a contractual obligation to the concessionaires to contribute/pay for any work done. It controls the assets which are subject to the concession agreement. The concessionaires have the right to receive income in return for managing, building and financing the assets for the concession period. The right granted to the concessionaires reflects income (exchange consideration) received in advance of performance.

This is because SANRAL is receiving an inflow of resources, in the form of assets, without having delivered on its portion of the exchange consideration – the provision of access to such assets, which will occur over the remainder of the period of the concession agreement. The liability is realised to surplus or deficit over the remaining concession contract period. The expected realisation for the following financial year is recognised as a current liability.

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22 Deferred exchange consideration - service concession (continued)

Non-exchange obligations from service concession arrangements comprise:		
Opening balance	10 973 721	11 236 405
Additions to concession assets - note 4	1 073 427	980 279
Exchange consideration realised to surplus or deficit	(1 662 200)	(1 462 817)
Bakwena fund	-	219 854
	10 384 948	**10 973 721**

Total service concession liabilities		
Deferred income – concessions	328 956	387 252
Deferred exchange consideration - service concession	10 384 948	10 973 722
	10 713 904	**11 360 974**

Split between non-current and current portions		
Non-current liabilities	8 993 409	9 839 862
Current liabilities	1 720 495	1 521 112
	10 713 904	**11 360 974**

23 THIRD-PARTY FUNDING

These are funds received from third parties (SANRAL is the implementing agent) mainly for the development of specific roads that do not form part of the declared national road infrastructure. The addition to the third party funding relates to the contribution made by the KZN department of Transport for the implementation of projects on their behalf.

This balance is included in cash and cash equivalents (note 11). Any interest received on cash balances is used at SANRAL's discretion. The unutilised funds are refundable in terms of the agreement. The effective interest rate on the cash held was 7.36% per annum (31 March 2023: 4% per annum).

Opening balance	276 874	276 000
Additional funds received	737 208	874
Funds utilised during the year	(270 365)	-
	743 717	**276 874**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

24 REVENUE

Rendering of services - GFIP/GORT toll fees	6 502 058	6 507 687
Rendering of services - conventional toll fees	4 625 895	3 885 903
Other income	2 091 194	2 040 625
Finance income	6 072 960	3 374 534
Government grant - non-toll	24 301 715	18 125 539
Government grant - GFIP/e-toll	1 584 274	4 147 336
	45 178 096	**38 081 624**

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services - GFIP/GORT toll fees	6 502 058	6 507 687
Rendering of services - conventional toll fees	4 625 895	3 885 903
Other income	2 091 194	2 040 625
Finance income	6 072 960	3 374 534
	19 292 107	**15 808 749**

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

Transfer revenue		
Government grants - non-toll	24 301 715	18 125 539
Government grants - GFIP/e-toll	1 584 274	4 147 336
	25 885 989	**22 272 875**

Statutory revenue from exchange transactions - toll fees

Refer to note 1.3 for significant judgment.

GFIP grant transfers and allocation

In the current financial year an amount of R1.129 million (2023: R3.740 billion including VAT), was transferred from non-toll allocation to toll for GFIP as additional grant to the annual GFIP grant of R692 million (2023: R664 million) including VAT. The transfer was approved by the Minister of Transport. There were no unfulfilled conditions on the government grants recognised in revenue. Grant on toll portfolio recognised in revenue excludes VAT.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

25 NON-TOLL GOVERNMENT GRANTS INCLUDED IN REVENUE

Operating grants		
Government grant (operating non-toll)	6 375 490	7 186 139
Capital grants		
Government grant (capital)	17 926 225	10 939 400
	24 301 715	**18 125 539**

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 2 of 2013), no significant changes in the level of government grant funding are expected over the forthcoming three financial years over the medium term.

26 OTHER INCOME

Other income	2 091 194	2 040 625
Other income is detailed below:		
The amounts included in other income are as follows:		
Sundry income	220 769	300 121
Rental income - investment property	65 769	54 691
Realised portion of previously deferred exchange consideration from concessions	1 662 200	1 462 817
Realised portion of concession contract revenue (N3TC and TRAC)	58 295	58 295
Concession income	84 161	164 701
	2 091 194	**2 040 625**

27 FAIR VALUE ADJUSTMENTS

Investment property (Fair value model)	178 125	39 254
Other financial assets		
• Other financial assets (Designated as at FV)	15 107	60 089
• Other financial liabilities (Designated as at FV)	-	3 277
	193 232	**102 620**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

28 FINANCE INCOME

Interest revenue		
Interest income on financial assets held cash management	5 720 616	2 966 471
Interest income on financial assets at fair value through surplus or deficit	266 718	264 501
Interest income on financial assets at amortised cost	47 833	29 731
Interest income on funds held by TRAC and Bakwena	28 998	109 082
Other interest income on sundry	8 795	4 749
	6 072 960	**3 374 534**

All the amounts included in finance income are arising from exchange transactions.

There are no amounts included in finance income arising from non-exchange transactions.

29 FINANCE COSTS

Interest on financial liabilities measured at amortised cost	2 862 369	3 839 923
Borrowing costs capitalised	(6 548)	(15 442)
Interest expense on financial liabilities at fair value through surplus or deficit	549 744	567 455
	3 405 565	**4 391 936**

The weighted average cost of borrowing (capitalisation rate) on borrowing cost was 9.75% (31 March 2023: 9.19%).

30 REPAIRS AND MAINTENANCE - ATTRIBUTABLE TO PROJECT DISBURSEMENTS

Contractor fees	11 867 414	8 730 159
Consultant supervision fees	2 062 022	1 386 244
Consultant design fees	597 960	617 912
	14 527 396	**10 734 315**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

31 OTHER OPERATING EXPENDITURE BY NATURE

Marketing and communications	612 758	522 775
Assessment rates & municipal charges	76 171	59 385
Auditors remuneration	34 996	33 581
Bank charges	69 864	53 344
Training	46 833	20 897
Travel	44 758	29 730
Technical and computer services	682 777	567 957
Loss on disposal of assets	1 706	1 501
Legal costs	101 586	61 084
Bad debts written off	35 855	29 597
Board of directors remuneration	10 114	8 286
Educational support - bursaries	47 851	46 618
Property rates and management fees	372 746	296 046
Other administration cost	257 508	209 916
	2 395 523	**1 940 717**

In prior year financial statements, the repairs and maintenance, depreciation and amortisation on assets and employee related expenditure was disclosed under general expenditure. In the current year they have been disclosed on the face of the statement of the financial performance as required by GRAP. Other administrative expenditure has also been disclosed separately within the same note, with no change in amounts and no change in net surplus. The comparative figures have been amended accordingly with no impact on the net surplus of the year or accumulated surplus. Refer to note 30 (repair and maintenance), note 32 (depreciation and amortisation) and note 34 (employee related cost).

32 DEPRECIATION AND AMORTISATION

Property, plant and equipment	3 926 264	3 796 093
Property, plant and equipment - concessions	606 731	598 734
Intangible assets	35 711	10 212
	4 568 706	**4 405 039**

The prior year amortisation and depreciation was restated by R222 000. Refer to prior period error note 42.

33 IMPAIRMENT LOSSES

Debt impairment	6 822 556	6 386 146
Impairment/reversals of impairment - PPE	32 896	(15 351)
	6 855 452	**6 370 795**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

34 EMPLOYEE RELATED COSTS

Basic and other remuneration	398 485	364 657
Short-term incentive	77 003	70 935
Defined contribution plans	63 084	60 247
Executive management emoluments	42 770	32 109
	581 342	**527 948**

Refer to note 39 for details of remuneration of the executive management and the non-executive management.

Performance bonuses are short term benefits which are at the discretion of the Accounting Authority. They are only recognised once approved.

35 CASH GENERATED FROM OPERATIONS

Surplus	13 046 653	9 817 609
Adjustments for:		
Depreciation and amortisation	4 568 706	4 405 039
Deficit on sale of assets	8 167	1 503
Fair value adjustments	(193 232)	(102 620)
Finance income	(134 083)	319 489
Finance costs	381 654	812 546
Impairment/reversals of impairment - PPE	32 896	(15 351)
Expected credit loss - debt impairment	6 822 557	6 386 146
Write offs - receivables	35 855	29 597
Movements in retirement benefit assets and liabilities	9 534	8 870
Deferred exchange consideration - service concession - note 22	(1 720 495)	(1 521 112)
Movements in provisions	34 676	76 790
Actuarial gain - employee benefits	(9 309)	(4 115)
Changes in working capital:		
Receivables from exchange transactions	87 078	221 441
Net debt impairment on receivable from exchange transactions	(6 822 556)	(6 386 145)
Payables from exchange transactions	1 130 763	(330 955)
VAT payables	916 391	814 616
Payments on third-party funding	(270 365)	-
	17 924 890	**14 533 348**

36 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities - 31 March 2024

	Opening balance	Fund adjustment	Fair value changes	Accrued interest	Other gains /losses	Total non-cash movements	Cash flows	Closing balance
Financial liabilities- measured at amortised cost	35 944 079	-	-	387 830	369 623	757 453	(11 474 934)	25 226 598
Financial liabilities- measured at FV	6 459 328	-	-	89 489	-	89 489	(324 262)	6 224 555
Third-party funding	276 874	-	-	-	-	-	466 843	743 717
	42 680 281	**-**	**-**	**477 319**	**369 623**	**846 942**	**(11 332 353)**	**32 194 870**

Reconciliation of liabilities arising from financing activities - 31 March 2023

	Opening balance	Fund adjustment	Fair value changes	Accrued interest	Other gains	Total non-cash	Cash flows	Closing balance
Financial liabilities- measured at amortised cost	42 819 429	-	-	585 817	878 964	1 464 781	(7 766 906)	36 517 304
Financial liabilities- measured at FV	6 776 019	-	(3 277)	88 188	-	84 911	(313 414)	6 547 516
Third-party funding	276 000	874	-	-	-	874	-	276 874
	49 871 448	**874**	**(3 277)**	**674 005**	**878 964**	**1 550 566**	**(8 080 320)**	**43 341 694**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

37 OPERATING LEASE - AS LESSEE (EXPENSE)

Leasing activities - operating leases

The entity leases small customer services outlets (buildings) at various shopping centres in the Gauteng province. Rental agreements are made for fixed terms ranging from 12 months to three years but may have extension/renewal options at the sole discretion of the lessee. These lease agreements contain similar terms and conditions.

In addition to buildings leases, the entity also leases printers, plotters (office equipment) and small land properties. The operating lease agreements do not impose the entity to any covenants other than security deposit or interest in the leased assets held by the lessor.

The operating lease rental and the straight lining adjustments have been expensed and included in other general operating expenditure. Operating leases are not material, and there were no finance leases in the current year.

38 COMMITMENTS

Authorised capital expenditure: property, plant and equipment		
Already contracted for but not provided for		
• Contracts for capital projects authorised - toll	4 382 226	4 287 369
• Contracts for capital projects authorised - non-toll	67 939 503	61 593 181
	72 321 729	**65 880 550**
Total capital commitments		
Already contracted for but not provided for	72 321 729	65 880 550
Toll		
Due within 1 year	866 227	420 896
Due within two years and beyond	3 515 999	3 866 473
	4 382 226	**4 287 369**
Non-toll		
Due within 1 year	14 240 428	11 537 738
Due within two years and beyond	53 699 075	50 055 443
	67 939 503	**61 593 181**
Total commitments		
Authorised capital expenditure	72 321 729	65 880 550

The commitments relate to the estimated acquisition of capital assets (PPE) from construction-related projects. The capital expenditure will be financed mainly from government grants, toll surplus and borrowings from capital markets for toll projects (financial liabilities).

Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	5 509	3 494
- within two-five years	6 401	1 152
- later than five years	8 824	9 107
	20 734	**13 753**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

38 Commitments (continued)

Operating lease payments represent rentals payable by the entity for buildings, and offices equipment. The operating lease rentals are included in the other operating expenditure. The operating lease commitments are not significant to the entity refer to note 37.

39 RELATED PARTIES

Relationships	Department of Transport (DoT)
Ultimate controlling (holding) entity Shareholder with significant influence	DoT through the Minister of Transport has significant influence over SANRAL due to his/her position in National Government.
Members of key management	Key management personnel are defined as executive and non-executive management of SANRAL. Key management personnel compensation is detailed below.

Related-party transactions exist between SANRAL, its directors, key management personnel and parties within the national sphere of government.

SANRAL is a Schedule 3A public entity in terms of the PFMA. It therefore has a number of related parties, including other state-owned entities, government departments and all other entities within the national sphere of government. SANRAL used the database maintained by National Treasury to identify related parties in line with Standards GRAP. Any transactions with parties concluded at arm's length (same terms and conditions as the public) will not be disclosed except for those that relate to entities within the same controlling entity (DoT). The entity has applied the exemption in for government-related entities and within joint/ common control.

Having considered the potential for transactions to be impacted by related-party relationships, the entity's pricing, buying and approval processes and the information necessary for an understanding of the potential effect of the relationship on the financial statements, the following transactions are disclosed as related-party transactions.

Related party balances - entities reporting to DoT

Balances with other entities reporting to DoT		
Road Accident Fund (RAF)	44 062	40 906
Road Traffic Management Corporation (RTMC)	7 651	6 600
Related party transactions with entities reporting to DoT		
Transactions with the controlling entity - DoT		
Annual grant allocation	26 123 630	22 894 975
Special appropriation	-	23 736 424
Income (sales) - other entities within common control		
Road traffic management corporation - sale of land property	1 051	974
Road accident fund - rental income	3 156	2 096

Balances and transactions relating to the controlling entity - Department of Transport.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39 Related parties (continued)

For detailed information relating to the government grant refer to note 25 on revenue and grants received. The amount owed by the Department of Transport to SANRAL relates to mainly non-increase of toll tariffs by the Department at the Swartruggens toll plaza. The R274.335 million owed by the DoT to SANRAL was received in 2023, the debt balance was reduced to zero at 31 March 2023, there were no further transactions with the DoT except for the annual grant allocation in the 2024.

The special appropriation grant (capital reserve) relates to the amount received in 2022/23 from DoT specifically to settle maturing debt and all debt redemption obligations on toll portfolio. A portion of the amount has been credited to the equity account and the other is held as a liability. Refer to note 14 on special capital reserves.

Transactions with other entities within common control.

The amount owed by the RAF relates to a sale transaction of land between SANRAL and the RAF. The sale is not yet complete and legal ownership has not been transferred, therefore the proceeds of sale are held by the trustees. Even though title has not been transferred, RAF has developed and occupied the land property. The amount owed by RTMC relates to a rental agreement with RTMC whereby RTMC rents a portion of land as a parking lot on the SANRAL COC premises in Samrand. This transaction is included in other income in surplus or deficit.

Key management information

Class	Description	Number
Non-executive board members	Independent non-executive directors	7
Executive board members	CEO	1
Executive management	Chief executives officers at head office	11
Regional managers	Heads of four regional offices	4

Remuneration of management

Management class: Executive management

31 March 2024

Name	Basic salary	Bonuses and long service payments	Other benefits received*	Pension contributions	Total
R Demana (CEO)	5 108	99	149	892	6 248
L Kannemeyer (Engineer Executive)	2 876	832	283	588	4 579
I Mulder (CFO)	3 282	20	168	573	4 043
A Tomes (Acting Business Operations Executive)	1 447	388	349	284	2 468
A Mathew (Company Secretary)	365	538	160	72	1 135
D Maluleke (Acting CFO from 15 June 2023)	2 121	516	301	-	2 938
T Motha (Acting Company Secretary (from 1 July 2023)	369	55	85	-	509
K Khoza	1 476	-	75	258	1 809
SL Memeza	2 381	543	209	416	3 549
SSM Linda (BGC & Company Secretary)**	770	-	36	135	941
MD Nkabinde - CCOME (from 1 March 2024)	2 257	631	180	452	3 520
	22 452	**3 622**	**1 995**	**3 670**	**31 739**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39 Related parties (continued)

31 March 2023

Name	Basic salary	Bonuses and long service payments	Other benefits received*	Pension contributions	Total
R Demana (CEO from 1 Jan 2023)	1 248	-	62	223	1 533
SL Memeza (Acting CEO up to 31 Dec 2022 and CCAO)	1 837	518	559	326	3 240
L Kannemeyer (Engineer executive)	2 534	773	312	543	4 162
I Mulder (CFO)	2 988	897	159	536	4 580
A Tomes (Acting Business Operations Executive)	1 335	333	344	262	2 274
A Mathew (Company Secretary)	1 944	676	123	394	3 137
	11 886	**3 197**	**1 559**	**2 284**	**18 926**

*Other benefits comprise mainly travel allowance, insurance and medical benefits.
** Advocate SSM Linda was appointed as the Board General Counsel (BGC) and company secretary on 21 November 2023. The company secretary is a prescribed officer as disclosed above. Mr A. Tomes was appointed Acting Business Operations Executive from 1 September 2019 to date. The regional managers are not executive members of the organisation; however, they are deemed to be key management personnel with a direct or indirect responsibility for planning and controlling the core activities of the entity.

Management class: Regional managers

31 March 2024

Name	Basic salary	Bonuses and long service payments	Other benefits received	Pension contributions	Total
MS Peterson (Regional manager - SR)	2 438	738	135	629	3 940
R Cable (Regional manager - WR)	2 256	624	141	443	3 464
P Hlahla (Regional manager - NR)	2 278	626	167	400	3 471
DM Mbambo (Regional manager - ER - from 1 March 2024)	130	-	3	23	156
	7 102	**1 988**	**446**	**1 495**	**11 031**

31 March 2023

Name	Basic salary	Bonuses and long service payments	Other benefits received	Pension contributions	Total
DM Nkabinde (Regional manager - ER)	1 979	679	158	407	3 223
MS Peterson (Regional manager - SR)	2 210	859	96	573	3 738
R Cable (Regional manager - WR)	2 012	510	119	406	3 047
P Hlahla (Regional manager - NR)	2 030	632	143	370	3 175
	8 231	**2 680**	**516**	**1 756**	**13 183**

Mr. DM Nkabinde was appointed as the chief construction operations and maintenance engineer (CCOME) from 1 March 2024, from being the regional manager in current and prior years.

Except for the company secretary who is a prescribed officer, no emoluments were paid to the members or any individuals holding a prescribed office during the period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39 Related parties (continued)

Non-executive
31 March 2024

Name	Directors' fees	VAT	Total
Mr RF Haswell (Independent non-executive member)	1 482	222	1 704
Mr E Makhubela (Public official)	-	-	-
Mr TP Matosa (Independent non-executive member)	1 607	241	1 848
Mr TB Mhambi (Chairperson - Independent non-executive member)	2 976	446	3 422
Mr C Hlabisa (Public official)	-	-	-
Ms N Noxaka (Independent non-executive member from 8 Jan 2023)	1 824	274	2 098
Ms R Buthelezi (Independent non-executive member from 8 Jan 2023)	1 003	38	1 041
	8 892	**1 221**	**10 113**

31 March 2023

Name	Directors' fees	VAT	Total
Mr RF Haswell (Independent non-executive manager)	1 288	194	1 482
Ms L Madlala (Independent non-executive member up to 7 Jan 2023)	923	-	923
Mr E Makhubela (Public official)	-	-	-
Mr TP Matosa (Independent non-executive manager)	1 653	248	1 901
Mr TB Mhambi (Chairperson - Independent non-executive member)	2 907	436	3 343
Mr C Hlabisa (Public official)	-	-	-
Ms N Noxaka (Independent non-executive member from 8 Jan 2023)	388	32	420
Ms R Buthelezi (Independent non-executive member from 8 Jan 2023)	217	-	217
	7 376	**910**	**8 286**

The shareholder representatives on the Board committee are appointed by the Minister. Mr C Hlabisa was appointed as the representative of the Department of Transport on 9 December 2021. Mr E Makhubela was appointed on 13 May 2021 as a representative of the Minister of Finance, his term has subsequent to year end, ended on 13 May 2024. These two public officials do not receive any remuneration from SANRAL. Refer to the corporate governance and directors' report in the integrated report for more details of the appointment of Board members.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

40 CONTINGENCIES

In terms of section 61 of the South African National Roads Agency Limited and National Roads Act, 1998, legal proceedings instituted against the then South African Roads Board with the cause of action arising before the incorporation date of SANRAL must be instituted against the Minister of Transport as respondent. Due to the nature of these claims and the fact that judgments in these cases could be to the detriment of SANRAL, it was agreed (at the time of establishing SANRAL) that, although the actions be instituted against the Minister, SANRAL will bear the costs and be actively involved in defending such action.

Litigation claims against SANRAL

SANRAL is defending various small claims instituted against the entity in court. At year end the outcome of the court cases was awaited. The entity's legal unit and management assessed the likelihood of all actions against the entity being successful at reporting date. The aggregate amount of the claims, where it is likely that SANRAL will be liable for the claims, is R95.758 million.

Claims against SANRAL by road users - public liability

The public liability claims against SANRAL. These are mainly small claims resulting from road-related accidents. The entity has insurance to pay for the public liability claims with a claims in excess of R1 million per claim. Therefore the amount payable by SANRAL is limited to R1 million per claim for all claims that have been identified as contingent liabilities. The claims are maintained in a register and assessed by the risk officer. At year end the valid claims that were considered likely amounted to R189 099 (31 March 2023: R615 395). An assessment for the prospects of success was performed and resulted in the reduction of the contingent public liability.

Claims against SANRAL due to the Municipality Property Rates Act

Individual municipalities have discretionary powers to levy rates on public service infrastructure (PSI), including national roads, in terms of the Municipal Property Rates Act, No. 6 of 2004. Not all municipalities have chosen to exercise this statutory power and some have not yet implemented the Act. The property rates used, as well as the valuation amount of SANRAL's infrastructure, have not been determined by the municipalities. In order to arrive at an estimate of the potential rates liability nationally, actual rates levied by some municipalities were applied to the entire declared national road network, arriving at an estimated contingent figure of R65.261 million (31 March 2023: R83.548 million).

Maputo development corridor - overload control

The concessionaire has claimed that the Mozambican Government has not complied with the N4 Maputo Development Concession requirements. This contingent liability for SANRAL is due to the joint and several liability under the concession agreement. The estimated overload damage values are based on the full concession period and are thus a combination of actual historic overload data and projected future overload up to the end of the concession period. Although agreed to in principle, the detailed inputs into SANRAL overload software utilised to derive the above values still need to be formally signed off between the parties. The quantification of estimated damage caused by overloaded vehicles is a technical exercise. The contingent value at year end is at R81.008 million (31 March 2023: R0). TRAC concession has sufficient funds held on behalf of the Mozambican Government to settle the estimated amount of R89 million.

Non-adjustments of toll tariffs by the Mozambican Government

In terms of the N4/Maputo development corridor contract, the independent engineer shall determine the tariff adjustments within 14 days of being called upon to do so in writing by the concessionaire. This has not been done and has resulted in a revenue shortfall. In the event that the Mozambican Government fails to compensate the

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

40 Contingencies (continued)

concessionaire according to the determined claim amount, the South African Government, through SANRAL, will become liable for compensating the concessionaire in terms of the "mutually and severally liable" clauses in the concession agreement. At year end there was no contingent liability for SANRAL as TRAC has enough reserve to cover that shortfall.

Surrender of surpluses - contingent liability- unspent government grant

The entity is required to annually declare all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits. The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits (CPD).

Annually the entity receives a government grant ear-marked for operational expenditure and capital expenditure. The grant is receivable on 1 April. However, the cash is received quarterly in advance. SANRAL's grant is mainly for construction and related projects. These projects are multi-year projects. Therefore the normal operating cycle for the entity is more than 12 months. SANRAL applied for and obtained an exemption for retention of any surplus funds to National treasury as the unspent grant/surplus is fully committed over the next 2-3 years from reporting date. The current exemption will expire on 31 March 2026. The board is expected to apply for another exemption. The amount will only be surrendered if the exemption is not granted. Refer to note 38 on capital commitments.

The details of surplus based on amounts on the balance sheet and unspent grant on non-toll and the net surplus is shown below:

Surplus		
Cash and cash equivalents at the end of the year	53 259 979	59 414 201
Add: Receivables	1 145 464	1 219 940
Less: Current liabilities	(22 770 464)	(36 045 106)
	31 634 979	**24 589 035**

Included in the cash and cash equivalents is the unspent non-toll grant detailed below:

Details of unspent grant		
Opening balance	38 574 685	35 279 627
Additions - unspent grant included in revenue current year	3 587 467	3 295 058
	42 162 152	**38 574 685**

Contingent assets

Claims by SANRAL against Mott MC-Donalds (ref:2367/2020)

In 2022/2023 SANRAL instituted a damages claim of R15 million against Mott MacDonald for additional costs associated with the contract concluded on 26 November 2010. The opponents are waiting for a response from their counsel on a way forward. At year end the matter was ongoing. The contingent asset at reporting date is R15 million (31 March 2023: R15 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

40 Contingencies (continued)

Claims by SANRAL against GIBB Proprietary Limited

The contractor suffered a delay in the execution of the scope of works as a direct result of the Consulting Engineers' lack of timeous response to provide information as part of their scope of services. SANRAL paid the contractor for the delay damages suffered and in turn claimed a compensation of R0 (31 March 2023: R257 198) from the Consulting Engineer.

Pledges

There are no pledges to be disclosed as contingent liabilities or assets.

41 SEGMENT INFORMATION

Identification of segments

SANRAL's operations are situated in South Africa. All revenues from external customers, as well as non-current assets, are attributable to SANRAL's South African domicile. The entity has only two distinct segments; the toll and the non-toll portfolio. The entity is organised and reports to management on the basis of these two portfolios. The Board and Executive Authorities review, budget and monitor these two portfolios regularly and separately. The income, expense, assets and liabilities reported in the segments above have been measured in the same way as reported in the primary financial statements of the entity and to decision makers/ management. The segments were organised around the type of funding.

The service delivered and the target market is similar for both portfolios. Management uses these same segments for determining strategic objectives. The geographical location does not have any influence on decision making. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances position and making decisions. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

41 Segment information (continued)

Segment surplus or deficit, assets and liabilities

31 March 2024	**Toll portfolio**	**Non-toll portfolio**	**Total**
Revenue			
Revenue - GFIP toll fees	6 502 058	-	6 502 058
Revenue - Conventional toll fees	4 625 895	-	4 625 895
Other income	1 974 880	116 314	2 091 194
Finance income	2 288 104	3 784 856	6 072 960
Fair value adjustments	193 232	-	193 232
Actuarial gains	-	9 309	9 309
Revenue from non-exchange transactions	1 584 274	24 301 715	25 885 989
Total segment revenue	**17 168 443**	**28 212 194**	**45 380 637**
Entity's revenue			**45 380 637**
Expenditure			
Employee related costs	-	581 342	581 342
Depreciation on property, plant and equipment	1 413 248	2 513 016	3 926 264
Depreciation on property, plant and equipment - concessions	606 731	-	606 731
Amortisation	30 113	5 598	35 711
Finance costs	3 405 563	2	3 405 565
Impairment	6 854 855	597	6 855 452
Repairs and maintenance	3 793 083	10 734 313	14 527 396
Other operating expenditure	1 132 583	1 262 940	2 395 523
Total segment expenditure	**17 236 176**	**15 097 808**	**32 333 984**
Total segmental surplus/(deficit)	**(67 733)**	**13 114 386**	**13 046 653**
Assets			
Current assets	19 625 893	42 484 413	62 110 306
Property, plant and equipment under concession (non-current)	82 644 060	-	82 644 060
Property, plant and equipment (non-current)	143 213 084	436 293 070	579 506 154
Investment property (non-current)	1 336 727	581 796	1 918 523
Intangible assets (non-current)	70 028	89 438	159 466
Financial asset (non-current)	360 298	312 786	673 084
Total segment assets	**247 250 090**	**479 761 503**	**727 011 593**
Total assets as per statement of financial position			**727 011 593**
Liabilities			
Current liabilities	20 211 749	2 558 715	22 770 464
Financial liabilities (non-current)	22 754 496	-	22 754 496
Employee benefit obligation (non-current)	-	64 182	64 182
Provisions (non-current)	565 386	24 590	589 976
Deferred exchange consideration - service concession (non-current)	8 722 747	270 662	8 993 409
Total segment liabilities	**52 254 378**	**2 918 149**	**55 172 527**
Total liabilities as per statement of financial position			**55 172 527**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

41 Segment information (continued)

31 March 2023

	Toll portfolio	Non-toll portfolio	Total
Revenue			
Revenue - GFIP toll fees	6 507 687	-	6 507 687
Revenue - Conventional toll fees	3 885 903	-	3 885 903
Other income	1 873 313	167 312	2 040 625
Finance income	1 117 981	2 256 553	3 374 534
Fair value adjustments	63 366	39 254	102 620
Revenue from non-exchange transactions	4 147 336	18 125 539	22 272 875
Actuarial gains	-	4 115	4 115
Total segment revenue	**17 595 586**	**20 592 773**	**38 188 359**
Entity's revenue			**38 188 359**
Expenditure			
Employee related costs	-	527 948	527 948
Depreciation on property, plant and equipment	1 352 835	2 443 258	3 796 093
Depreciation on property, plant and equipment - concessions	598 734	-	598 734
Amortisation	5 467	4 745	10 212
Finance costs	4 391 936	-	4 391 936
Impairment	6 370 795	-	6 370 795
Repairs and maintenance	3 218 062	7 516 253	10 734 315
Other operating expenditure	522 181	1 418 536	1 940 717
Total segment expenditure	**16 460 010**	**11 910 740**	**28 370 750**
Total segmental surplus/(deficit)	**1 135 576**	**8 682 033**	**9 817 609**
Assets			
Current assets	28 891 432	38 805 069	67 696 501
Property, plant and equipment under concession (non-current)	75 570 038	-	75 570 038
Property, plant and equipment (non-current)	130 184 515	386 040 333	516 224 848
Investment property (non-current)	1 159 168	581 796	1 740 964
Intangible assets (non-current)	46 931	79 442	126 373
Financial asset (non-current)	292 575	312 786	605 361
Total segment assets	**236 144 659**	**425 819 426**	**661 964 085**
Total assets as per statement of financial position			**661 964 085**
Liabilities			
Current liabilities	36 706 488	947 147	37 653 635
Financial liabilities (non-current)	27 940 477	-	27 940 477
Employee benefit obligation (non-current)	-	64 705	64 705
Provisions (non-current)	530 709	22 541	553 250
Deferred exchange consideration - service concession (non-current)	9 510 905	328 957	9 839 862
Total segment liabilities	**74 688 579**	**1 363 350**	**76 051 929**
Total liabilities as per statement of financial position			**76 051 929**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

41 Segment information (continued)

Other income on toll portfolio mainly relates to sundry income and deferred exchange income (non-cash) realised in surplus or deficit as shown on note 26. Included in the current assets is the R42.162 billion (2023: R38.574 billion) of cash and cash equivalent from the accumulated unspent non-toll grant received.

Included in the current liabilities for toll portfolio for the current year is the 2022/23 second tranche of the special appropriation of R3.589 billion. Refer to note 14 on special appropriation reserve.

Amendments to internal reporting organisation

No changes were made to the structure of SANRAL's internal organisational and operational structure (from a segment reporting perspective) that could have caused the composition of its reportable segments to change. The Board and the Executive Authority regularly review financial information broken down into toll and non-toll operations.

There is no other systematic method followed to allocate transactions and balances. Transactions are recorded to the segment they belong to when incurred. No customers were identified as major for segment reporting purposes. Refer to financial statements and the related disclosure notes for any restatement of comparative figures applicable. Refer to accounting policies note 1.

Measurement of segment surplus or deficit, assets and liabilities

Basis of accounting for transactions between reportable segments

The accounting policies of the segments are the same as those described in the summary of significant accounting policies, except that pension expense for each segment is recognised and measured on the basis of cash payments to the pension plan.

42 PRIOR-YEAR ADJUSTMENTS

The prior year amortisation and depreciation amounts on intangible assets and property, plant and equipment were restated by R237 000 and R15 000 respectively due to automated system re-run of amortisation which accidentally affected prior year.There was no material impact - the accumulated surplus decreased by R222 000.

Due to the adoption of the standards of GRAP (change in accounting policies) the presentation contained in the statement of financial position, statement of financial performance and cash flow statement and the disclosures in the notes have been adjusted. Refer to note 2 and 3 the impact of GRAP adoption.

Statement of financial position

31 March 2023

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment	6	516 226 102	15	516 226 117
Intangible assets	8	12 611	(237)	12 374
Accumulated surplus		(85 848 842)	222	(85 848 620)
		430 389 871	**-**	**430 389 871**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

42 Prior-year adjustments (continued)

Statement of financial performance

31 March 2023

	Note	As previously reported	Correction of error	Restated
Depreciation and amortisation	32	(4 405 890)	(222)	(4 406 112)

43. UNAUTHORISED, IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Unauthorised expenditure	-	-
Irregular expenditure	479 794	6 736 960
Fruitless and wasteful expenditure	-	33 774
Closing balance	**479 794**	**6 770 734**

***Refer to reconciling notes in the annual report**

The above is a summary of the irregular expenditure incurred during the reporting period. Of the R479.79 million disclosed above, R407.71 million (including those that relate to new irregular contracts identified in 2022/23 and confirmed in the current 2024 financial year, the remaining balance of R72.08 million was already confirmed in prior years. A loss control function performs the determination test by identifying the causes of the non-compliance, the responsible officials and any financial loss and then make recommendations to the Board for condonation by the relevant authority.

As at reporting date, there were no fraudulent or criminal acts found against employees and no material losses were regarded as recoverable from employees or perpetrators. A register of irregular expenditure and fruitless and wasteful expenditure with detailed analysis and accumulated balances as required by the 2022/23 irregular expenditure framework issued by the National Treasury is maintained and available. A detailed analysis of irregular and fruitless and wasteful expenditure is also included in the integrated report, showing the accumulated balances of irregular fruitless and wasteful expenditure for the current and prior year period.

The details of the condoned irregular expenditure and the fruitless and wasteful expenditure written off in current period are detailed in the integrated report.

Refer to note 44 - irregular expenditure and 45 - Fruitless and wasteful expenditure below which shows the details of the irregular and fruitless expenditure disclosed above inclusive of VAT.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

44. IRREGULAR EXPENDITURE

Irregular expenditure - current	479 794	6 736 960

Incidents/cases identified/reported in the current year include those listed below:

		Disciplinary steps taken/criminal proceedings		
A.	Preference points not awarded	No - review by the Board is in progress	1 852	10 191
B.	Additional expenditure not approved in terms of National Treasury Instruction Note 3 of 2016/17	No - review by the Board is in progress	-	12 090
C.	Bank rating letters were not submitted by bidder	No - review by the Board is in progress	3 022	2 714
D.	Tender awarded to bidder without valid B-BBEE certificate	No - review by the Board is in progress	3 058	3 737
E.	Possible unfair awarding of a consulting tender	No - review by the Board is in progress	11 745	13 885
F.	Yellow metals equipment forms not completed	No - review by the Board is in progress - local content	45 945	168 570
G.	Bank guarantee letter were not submitted by winning bidder	No - review by the Board is in progress	3 067	2 657
H.	Deviations not approved by National Treasury or delegated authority	No - review by the Board is in progress	3 439	15 554
I.	Non-compliance with Board resolution	No - condoned in 2023	-	6 494 511
J.	Amounts paid after contract expired	No - Loss control committee (LCC) recommendation enroute to Board for condonations	-	96
K.	Bidder did not submit declaration of interest form (SBD 4)	No - LCC recommendation enroute to Board for condonations	-	177
L.	Bidder incorrectly disqualified - key personnel	No - LCC recommendation enroute to Board for	1 043	-
M.	Incorrect composition of BEC committee	Loss control function processes still in progress (previously escalated to NT)	406 577	12 778
N.	Bidder submitted incorrect declaration of interest form (SBD 4)	No - Loss control function processes still in progress	46	-
			479 794	**6 736 960**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

44 Irregular expenditure (continued)

Details of irregular expenditure above

A. Preference points not awarded

The evaluation of three (3) tender submissions for contract R.067-050-2016/1S was not completed, because it was believed that they will not score the highest points (price/preference). However, the requirements are that all tender submissions must be fully evaluated. This resulted in the award and the subsequent contract being identified as irregular from 2016 financial year. The evaluation was later concluded and it was identified that the scoring was incorrect and that the three (3) tenderers did not meet quality/functionality threshold, but due to the erroneous records, it remained as irregular expenditure. The current year expenditure on these projects amounted to R1.852 million (31 March 2023: R10.191 million).

B. Additional expenditure not approved in terms of National Treasury Instruction Note 3 of 2016/17.

In 2020 two contracts were identified as irregular, as additional scope was implemented without prior approval by delegated authorities. No irregular expenditure was incurred for the current year (31 March 2023: R12.090 million).

C. Bank rating letters were not submitted by bidder.

In 2019 the bid documents for project X.002-086-2019/1F were received but erroneously not evaluated and this resulted in the whole evaluation process being unfair. In addition, the winning bidder was not disqualified after failing to submit bank ratings as per the requirement stated in the tender documents. The current year's expenditure on these projects was R3.022 million (31 March 2023: R2.714 million).

D. Tender awarded to bidder without valid B-BBEE certificate

Project X.002-097-2019/1F was awarded in 2019 without submission of a valid B-BBEE certificate; the project was identified as irregular. The project was identified as irregular in 2020. The current year's expenditure on this project was R3.007 million (31 March 2023: R3.737 million).

Tender 58400/1004/2022/01 amounting to R2.993 million was awarded during the 2023/24. A sworn affidavit (B-BBEE certificate) from the winning bidder was certified by the employee of the same bidder which is in contravention of paragraph 5.11.8 of the advertised tender documents. Expenditure incurred on this tender in the current year was R50 669.

E. Possible unfair awarding of a consulting tender

Three (3) contracts were identified as irregular in 2019 financial year because of perceived unfair awarding of the tender. The affected projects are as follows: SAPR N0010401/1, R.578-010-2020/1F and R.524-010-2019/1F. The expenditure incurred on project R.578-010-2020/1F in the current year is R4.998 million (31 March 2023: R715 000). Project R.524-010- 2019/1F incurred R1.115 million (31 March 2023: R9.314 million) and project SAPR N0010401/1 incurred R5.632 million (31 March 2023: R3.857 million), in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

44 Irregular expenditure (continued)

F. Yellow metals equipment forms not completed - local content criteria

Project R.067-050-2016/1S was confirmed as irregular in the 2022 financial year due to the bidder declared responsive without a completed form for 'yellow metal equipment'. The bidder indicated that it was exempted from this, but DTI confirmed that the requirement applies to existing 'yellow metal equipment' also, and not only new equipment, therefore the contract was registered as irregular. The expenditure incurred during 31 March 2024 was R45.945 million (31 March 2023: R168.570 million).

G. Bank guarantee letters were not submitted by bidder

Contract no. X.002-088-2019/1F was identified as irregular in 2019 financial year, due to the winning bidder not submitting a bank letter as per the tender requirements at the time, which should have rendered the tender as non-responsive. The expenditure incurred in the current year amounted to R3.067 million (31 March 2023: R2.657 million).

H. Deviations not approved by National Treasury or delegated authority

Mtentu contract (N.002-200-2016/2) was terminated in 2020. Whilst awaiting the appointment of a new contractor, another contractor was appointed for emergency work, which was not submitted to National Treasury within 10 days of approval. Further work is continuing under this emergency appointment which has not been approved, resulting in these expenses being identified as irregular from the 2021 financial year. The expenditure incurred in the current year amounted to R3.439 million (March 2023: R15.554 million).

I. Non-compliance with Board resolution

This relates construction tenders that were evaluated in contradiction of a Board resolution (passed in January 2020) which required that a technical design consulting engineer who has been appointed to do design(s) must not be involved in the technical evaluation of the construction tender of the same project because of possible conflict of interest. This involved 158 contracts with a value of R25.262 billion that were awarded. In the 2022 financial year, the irregular contracts were under assessment and it was confirmed as irregular in the 2023 financial year. These irregular contracts were condoned in the 2023 financial year.

J. Expenditure paid after contract expired

SANRAL appointed a service provider (contract number:1006/587000/2022/02) for temporary employment services. The contract was awarded in 2022 financial year and confirmed as irregular in 2023 financial year as payments were made to the service provider after the contract expired. The expenditure was incurred in 2023 - R96 000 as a once-off contract.

K. Bidder did not submit declaration of interest form (SBD 4)

An internet service contract was procured through an emergency procurement process and awarded on 30 September 2022 for the amount of R534 830. The winning bidder did not submit the Standard Bidding Document (SBD) 4 to declare the interest and was therefore confirmed as irregular. The expenditure was incurred in 2023 - R176 896 as a once-off contract.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand thousand	2024	2023

44 Irregular expenditure (continued)

L. Bidders incorrectly disqualified - key personnel

A contract for project R.075-020-2018/2 was awarded in September 2022 for R29.987 million. The tender requirement was that at least 50% of directors should be registered with ECSA. The error or non-compliance was caused by incorrect interpretation of the mandatory requirement. The contract was identified as irregular in the 2023 financial year with no expenditure incurred. In the current year the expenditure incurred is R1.043 million.

M. Incorrect composition of BEC committee

Seven contracts were awarded in the 2023 financial year and confirmed as irregular in the 2024 financial year as payments were made to the service providers. The Regional Bid Evaluation Committee was not constituted in terms of the Guidelines for the Establishment, Functioning, Composition of Bid Committees. The total expenditure incurred in the current year amounted to R419.355 million of which (R12.778 million relates to 2023 which was under assessment). The total expenditure to date incurred on the contracts is as follows:

- N.010-112-2020/1 - R27.481 million
- N.007-046-2021/2 - R34.995 million
- N.001-010-2019/4 - R148.358 million
- N.014-010-2021/1 - R29.083 million
- N.001-050-2020/1 - R110.166 million
- N.008-080-2020/5 - R45.518 million
- N.014-023-2022/1 - R23.753 million

N. Bidder submitted incorrect declaration of interest form (SBD 4)

An incorrect SBD 4 form (outdated form) was used for a procurement through quotation WR 6000000031 for a contract and expenditure amount of R45 600 in the current reporting period. The RFQ issued to the suppliers included the template of the SBD 4 form which was issued per NT Practice note 07 of 2009/2010 that was later repealed, resulting in an irregular expenditure.

45 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure identified - current	-	33 774

Fruitless and wasteful expenditure is presented inclusive of VAT. Details of fruitless and wasteful expenditure are disclosed in the annual report.

46 B-BBEE PERFORMANCE

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

47 BUDGET DIFFERENCES

Below are the factors contributing to the differences between the actual and budgeted figures during the 2023/24 financial period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

47 Budget differences (continued)

Total operational and capital expenditure

The underspending in the 2023/24 financial year is primarily due to historical delays and slow progress on site. Some of the entity's construction projects were affected to varying extents by sometimes violent site stoppages by community/ business forums. The main demands of the communities related to the Preferential Procurement Regulations 2017 (PPR 2017), issued by National Treasury under the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000). The key issues related to PPR 2017 included the 30% subcontracting provision, the definition of the local area from which this 30% must be procured, applicability to projects advertised before 1 April 2017, and inconsistencies in interpretation by local stakeholders (i.e., communities, business forums, ward councillors, mayors, etc.).

The repairs and maintenance expenditure is higher than budget due to the acceleration of projects to improve service delivery. As a result, the procurement process was delayed through tender cancellations, re-advertisements, re-tendering, and delayed tender awards. Consequently, fewer projects were in construction than originally planned, negatively impacting actual expenditure.

Employee costs

Employee costs were below budget by 29% due to delays in implementing the operational review model (OMR). The budgeted positions on the new structure were not filled as planned. The tender to appoint the OMR service provider was also cancelled due to the PPR 2017 issues outlined above. Only critical positions were filled, mostly on fixed-term contracts, pending OMR implementation.

Finance costs

Finance costs exceeded the budget due to fluctuations in interest rates on variable interest rate financial instruments. There were no new issuances or refinancing during the year.

Revenue and other income

The variance in toll fee revenue is significant due to the adoption of GRAP. Other income is above budget by over 100% due to the realisation of non-cash deferred exchange consideration during the financial year, which was not budgeted. Additionally, interest earned on investments exceeded the budgeted amount by over 100%, attributable to accumulated unspent grants from prior years that were invested.

48 GOING CONCERN

The annual financial statements have been prepared using accounting policies applicable to a going concern. This assumes that funds will be available to finance future operations and that assets will be realised and liabilities, including contingent obligations and commitments, will be settled in the ordinary course of business.

As of 31 March 2024, the entity had an accumulated surplus of R97.287 billion, and its total assets exceeded total liabilities by R671.839 billion.

The Board is not aware of any new material changes or uncertainties that may adversely impact the entity. Additionally, there is no known material non-compliance with statutory or regulatory requirements or any pending legislative changes that may affect the entity's ability to continue operations. The going concern assessment is based on cash flow projections for the period ending 31 August 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

48 Going concern (continued)

On 31 March 2024, SANRAL's total assets were R727.012 billion, significantly contributing to the movement of goods and services in the South African economy. The Board has confirmed that current assets cover current liabilities. Current assets of R62.110 billion include cash and cash equivalents of R53.260 billion, of which R42.162 billion relates to accumulated unspent grants for non-toll roads. Current liabilities of R22.770 billion include a deferred exchange income liability of R1.720 billion, which will not require cash for settlement.

SANRAL receives an annual grant from the fiscus mainly to fund its non-toll road portfolio. During the year under review, the Government grant allocated was R25.886 billion, of which R1.822 million, including VAT, was allocated to the Gauteng Freeway Improvement Project (GFIP). The remaining non-toll grant is mainly for operational and capital expenditure on non-toll roads, which comprise 88% of SANRAL's road network. The annual budget allocation is expected to increase to R26.444 billion in 2025, R29.602 billion in 2026, and R30.959 billion in 2027, excluding special appropriation bills. The non-toll portfolio has no liquidity concerns, with a significant cash surplus and adequate annual allocations from the fiscus. This surplus is expected to be utilised over the next three financial years. Refer to note 38 for details on commitments and note 40 for accumulated government grants.

The conventional toll plazas do not have liquidity or going concern issues, apart from the impact of borrowing constraints to fund capital toll projects. The year-end cash flow forecast shows that the toll portfolio will remain cash positive until August 2025.

The cancellation of e-tolls, previously a source of uncertainty for the GFIP, was finalised this year. The Minister of Transport (MoT) published the withdrawal of the toll declaration for e-toll roads on 28 March 2024 in Government Gazette No. 50418. The agreement announced in 2022 by the Minister of Finance (MoF) has been concluded. The GFIP road network will be transferred to the non-toll portfolio and funded through annual allocations per the Division of Revenue Act (DORA). Thus, the cash flow concerns for the toll portfolio have been largely addressed. Refer to events after the reporting date Note 49.

In April 2024, the MoF approved SANRAL's application to increase borrowing limits to R16.5 billion up to 31 March 2028 for toll portfolio capital expenditures and approved a foreign currency guarantee of R7 billion for a New Development Bank (NDB) loan. A guarantee framework agreement (GFA) is yet to be concluded, and management is engaging relevant stakeholders to expedite this. The increased borrowing capacity will allow SANRAL to source funds from the capital market for toll portfolio capital projects. Management is also engaging the Development Bank of Southern Africa (DBSA) for unguaranteed funding.

A Memorandum of Agreement (MOA) between the National Department of Transport (NDoT), the National Treasury (NT), and the Gauteng Provincial Government (GPG), covering the GFIP debt repayment and maintenance backlog, was concluded on 28 March 2024. Implementation of the MOA commences in the 2024/25 financial year. Refer to events after the reporting date note 49.

Conclusion on going concern

The government views the operation and management of national roads as a single mandate for SANRAL. Therefore, the going concern and financial status of the entity are assessed as a single entity. A significant portion of SANRAL's debt is government-guaranteed, and the government has historically provided special allocations to prevent default. It is evident that the government will continue to support SANRAL's toll portfolio.

There are no significant doubts about SANRAL's going concern status after considering the potential mitigation actions announced.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

49 EVENTS AFTER THE REPORTING DATE

On 28 March 2024, the Minister of Transport (MoT) published a notice to withdraw the toll declaration for the e-tolls/ Gauteng Freeway Improvement Project (GFIP) under section 27 (1) (a) (ii) of the SANRAL and National Roads Act. The GFIP road network will remain a declared national road network managed by SANRAL as a non-toll road network funded by the Government. The e-toll gantries were switched off on 11 April 2024, effectively halting the billing and collection of e-toll fees from midnight on that date. Motorists are required to settle their outstanding debt up to the time of cancellation.

The road network and structures will remain in use and be transferred to the non-toll segment as a going concern. The gantries, lights, and electronic equipment will remain operational for other law enforcement purposes and for commercial purposes. The Transaction Clearing House, which is the core of the e-toll system, will continue to provide integrated functionality for the use of a single tag through electronic lanes at all toll plazas nationwide while additional value-added services are being investigated and implemented.

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 formalise 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 recognised 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 will announce 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.

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