

DRIVING LICENCE CARD ACCOUNT

Annual Report

2024/2025



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



Who are we?

Driving Licence Card Account

is a trading entity of the National Department of Transport



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PART A

General Information



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

Registered Name: Driving Licence Card Account

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Erasmuskloof
Pretoria
0181

Postal Address: PO Box 25223
Monument Park
Pretoria
0001

Telephone Number: +27 12 347 2522

E-mail Address: info@dlca.gov.za

Website Address: www.transport.gov.za

External Auditors: Auditor-General of South Africa (AGSA)
Lynnwood Bridge Office park
The Auditor – General of South Africa Building
4 Davenry Road
Lynnwood
0081

Bankers: First National Bank and ABSA Bank
Bank City
Corner Simmons and Pritchard Street
Johannesburg
2001
ABSA
Absa Towers
15 Troye Street
Johannesburg
2000

List of Abbreviations and Acronyms

AGSA	Auditor-General of South Africa	POPIA	Protection of Personal Information (Act No. 4 of 2013)
AHoE	Acting Head of Entity	RTMC	Road Traffic Management Corporation
AO	Accounting Officer	SCOPA	Standing Committee on Public Accounts
APP	Annual Performance Plan	SDIP	Service Delivery Improvement Plan
B-BBEE	Broad-Based Black Economic Empowerment	SEU	Smart Enrolment Unit
CAE	Chief Audit Executive	SITA	State Information Technology Agency
ACFO	Acting Chief Financial Officer	SLA	Services Level Agreement
COO	Chief Operating Officer		
DLCA	Driving Licence Card Account		
DLTC	Driving Licence Testing Centre		
DG	Director-General		
DoT	Department of Transport		
DPSA	Department of Public Service and Administration		
EA	Executive Authority		
EU	European Union		
GRAP	Generally Recognised Accounting Practice		
GRC	Governance, Risk & Compliance		
IESBA	International Ethics Standard Board for Accountants		
ISA	International Standards of Auditing		
LCU	Live Capture Unit		
LEU	Live Enrolment Unit		
LSU	Live Scanning Unit		
MEC	Member of Executive Council		
MoU	Memorandum of Understanding		
MTEF	Medium-term Expenditure Framework		
NDP	National Development Plan		
PAA	Public Audit Act		
PPPFA	Preferential Procurement Policy Framework Act		
PFMA	Public Finance Management Act		

FOREWORD BY THE MINISTER OF TRANSPORT



Following public concern regarding the awarding of the tender for a new card printing machine, in September 2024, I requested the Auditor General to investigate whether the tender was awarded in terms of the regulatory environment. Subsequently the Auditor General advised that the tender was awarded irregularly and the Department has approached the courts to review the award. This process is still ongoing as we submit this Annual Report.

These challenges have tested the organisation's resilience but also opened opportunities for innovation and partnerships in service delivery. One such measure has an agreement with the Government Printing Works (GPW) to provide an interim solution and assist in printing the backlog of cards.

It is within this context that I present the 2024/25 Annual Report of the Driving Licence Card Account (DLCA), an entity entrusted with the critical responsibility of producing driving licence cards on behalf of the National Department of Transport.

A handwritten signature in dark ink, appearing to read 'B.D. Creecy'.

Ms. B.D Creecy, MP
Minister of Transport
Date: 29 September 2025

FOREWORD BY THE ACTING DIRECTOR – GENERAL



The Driving Licence Card Account (DLCA) continues to deliver an essential service to the public, ensuring that millions of South Africans are able to access driving licence cards despite facing persistent operational challenges. In February 2025, the entity once again experienced a major setback when the current production machine broke down due to aged and obsolete infrastructure resulting in a backlog of 540 000 cards as at 31 March 2025. Despite this setback, the DLCA managed to produce 2.39 million cards, generating revenue of R204 million. This performance reflects the entity's resilience and dedication to fulfilling its mandate even under difficult circumstances.

To mitigate further risks and ensure the uninterrupted availability of driving licence cards to the public, the Department engaged the Government Printing Works (GPW) and the Department of Home Affairs (DHA) for an interim solution. These discussions were aimed not only at addressing the immediate crisis but also at putting in place a sustainable long-term strategy for the secure and efficient production of driving licence cards.

Despite these operational and infrastructure challenges, the DLCA has demonstrated significant progress in governance and financial accountability. The entity succeeded in improving its audit outcome, moving from a qualified audit opinion to an unqualified audit opinion with findings, coming very close to achieving a clean audit. This marks a notable step forward in strengthening internal controls, financial management, and compliance with regulatory standards.

At the same time, the DLCA has been grappling with instability at a leadership level, which has added to the operational pressures. These leadership and capacity constraints have hindered the entity's ability to stabilize and improve its overall performance. In response, the Department has committed itself to addressing these shortcomings. In March 2025, the process of updating the organizational structure officially commenced, to ensure that the DLCA is adequately capacitated with the right leadership, technical expertise, and governance structures to deliver on its mandate efficiently, effectively and consistently.

The Department and the DLCA are prioritizing the stabilization of operations, the acquisition of reliable production infrastructure, and the strengthening of governance. These efforts are not only about overcoming current challenges but also about building a sustainable and efficient institution that can serve the public with excellence well into the future.

Mr. Mathabatha Mokonyama

Acting Director-General: Department of Transport

Date: 29 September 2025

REPORT OF THE ACCOUNTING OFFICER

The core mandate of the DLCA is the production of driving licence cards, which involves the procurement of the raw material, printing of the cards, delivery of the cards, and the provision of equipment required to collect the information that is featured on the driving licence card

During the year under review, the DLCA successfully printed over 2,395 million driving licence cards, generating revenue of R204 million. However, the entity fell short of its performance targets due to a breakdown of the production machine, which led to a production backlog of approximately 540k cards, which in turn had a significant impact on delays in service delivery. The recurring risk posed by this aging machine has long been identified as one of the DLCA's most critical operational vulnerabilities. To address this challenge permanently, the DLCA initiated a tender process to procure new production infrastructure. However, due to irregularities uncovered during the procurement process, the Minister has sought a declaratory order to obtain legal clarity on the appropriate steps to be followed moving forward. In the meantime, an alternative solution is being explored with other stakeholders in government.

Financial Performance

In the 2024/25 financial year, the DLCA recorded revenue of R204 million which is a 15% decline from the previous financial year. This is because card production was affected by machine breakdown elevated by a catch-up from the previous year. In 2024/25, the revenue declined as indicated above and was below expectation. There was no significant increase in the cost of raw materials, which amounted to 48.73% of revenue compared to 46.57% in the previous year. This minor increase in costs is mainly attributable to the exchange rate differences due to the Rand's performance against the Euro. The overall operating costs declined by 6.91% compared to the previous period.

Strategic projects update

In addition to the new card project, the DLCA also launched the Smart Enrolment Unit project aimed at replacing the current Live Enrolment Units (LEUs). This project has been initiated in the 2023/24 financial year, the project has made significant progress, with 431 units deployed across 206 Driving Licence Testing Centres (DLTCs) in all nine provinces by the end of March 2025. The project is expected to reach completion by March 2026.

Request for the retention of funds

The DLCA is in a process to request National Treasury to retain the 2024/25-year end surplus, as the entity has still not managed to finalise the procurement of the new production machine, as indicated above.

Delegation of duties and responsibilities

During the 2015/16 financial year, the Accounting Officer (AO) delegated his power to the Head of the Entity in terms of Section 44(1) of the Public Finance Management Act, 1999 (Act no 1 of 1999) (PFMA). Section 44(1) (a) of the PFMA states that the AO of a department, trading entity, or constitutional institution may, in writing, delegate any powers entrusted or delegated to the AO in terms of this Act to an official in that department, trading entity, or constitutional institution.

Section 44(1) (b) of the PFMA states that the AO of a department, trading entity, or constitutional institution may instruct any official in that department, trading entity, or constitutional institution to perform any of the duties assigned to the AO in terms of this Act. In 2022/23, the AO revoked certain powers of delegation regarding procurement and tenders over R1 million. This was still applicable in the year under review.

Exemptions/deviations from the National Treasury

During the reporting period reviewed, there were few instances where it was impractical to call for bids/tenders; the entity applied the Treasury Regulation 16A.6.4 to procure goods and services. Most of these are related to the nature of the raw material used in the card production process and the maintenance of the production machine. The National Treasury reported and noted these deviations as required by the practice notes.

Supply Chain Management

The Supply Chain Management (SCM) unit adheres to a code of conduct designed to promote mutual trust, respect, and an environment where business is conducted with integrity, fairness, and reasonableness. There is a clear segregation of duties within the unit to safeguard the integrity of decision-making. All members of bid committees are required to declare any personal interests. If a potential conflict of interest arises, the concerned member is required to recuse themselves from participating in the evaluation and adjudication processes. During the period under review, the entity did not receive any unsolicited bid proposals.

Governance Landscape

During the 2024/25 financial year, the DLCA operated without an Audit Committee and Risk Committee, as the previous committee's term ended in June 2023 and was not renewed. The appointment of a new committee was delayed due to a rationalisation process, which was subsequently paused in June 2024. To address the resulting governance gap and ensure continuity, the Audit Committee of the Department of Transport (DoT) was requested to extend its oversight responsibilities to include the DLCA, effective 1 April 2025. The AC will take responsibility for the Risk component in the new financial year.

The effectiveness of the Governance Division's operations was further weakened by a shortage of personnel, following the resignation of the previous team during the 2023/24 financial year. Since then, only a handful of staff members have been assigned to the division through secondment. Plans are in place to address this critical resource gap in the 2025/26 financial year, while the department is finalising the organisational structure of the entity.

Audit report matters from the previous year and how they will be resolved

In the previous financial year, the Auditor General of South Africa (AGSA) identified an overall of 56 findings related to the DLCA, some led to the qualified opinion that the entity received in that period. Management drafted an action plan to address those findings in the current year to improve the audit outcome and instil sound internal controls. The majority of the findings raised were due to internal control deficiency resulting from understaffing. The Head of Entity together with the Acting CFO, resigned in the middle of the audit, leaving the entity vulnerable without senior management.

Outlook/plans to address financial challenges in the future

The DLCA operates as a self-funded entity under the DoT. The DLCA, in compliance with PFMA and Treasury Regulations, facilitates the application for the retention of the surplus funds. Should the National Treasury grant the DLCA the requested retention, the funds are expected to be directed towards the funding of the turnkey solution for the implementation of the new card design over a period of 5 years.

Events after the reporting date

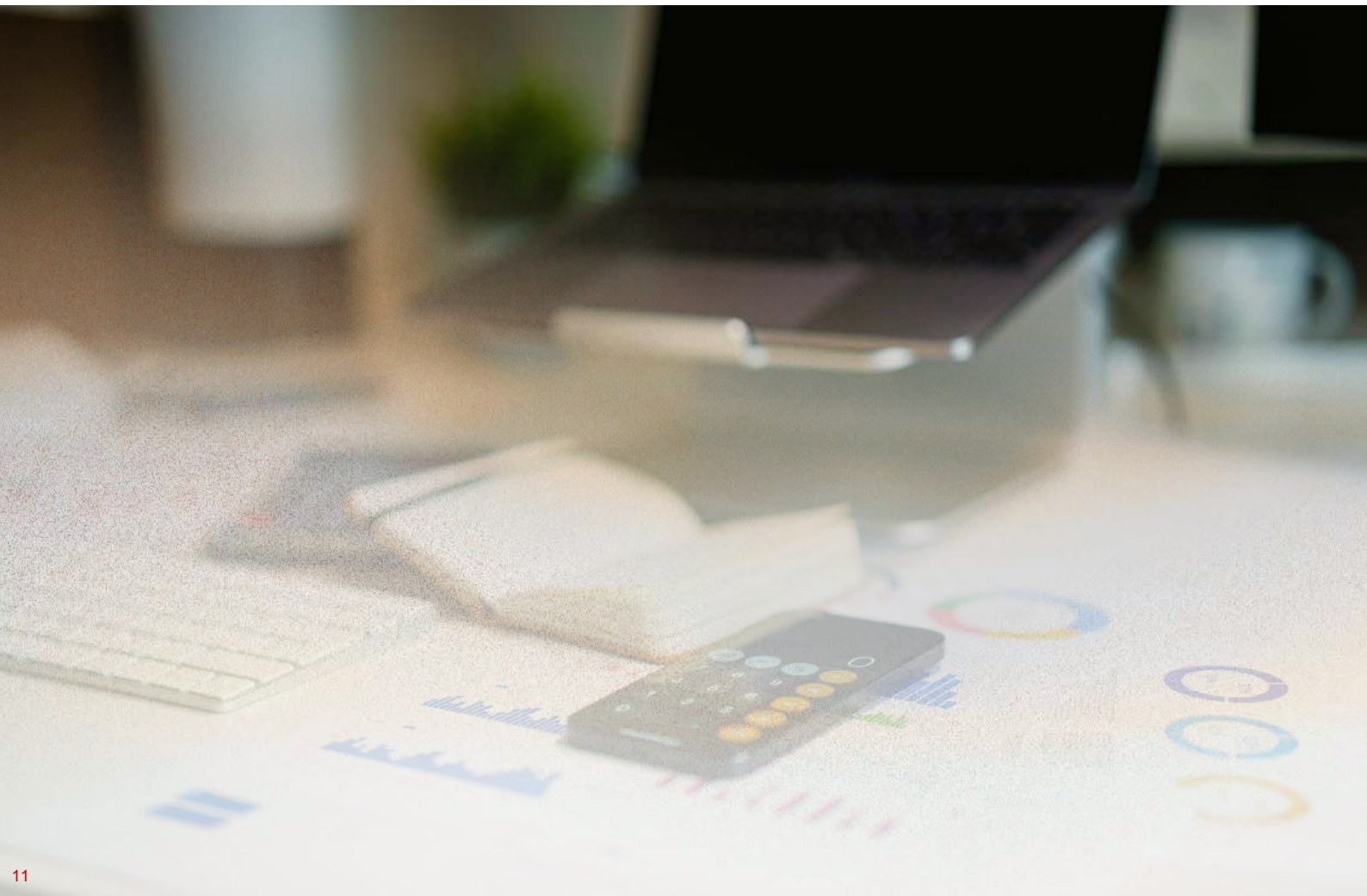
To aid as a solution for any future machine breakdowns that may be experienced by the entity, the DLCA signed an MOA with the Government Printing Works as an interim solution thus ensuring the continuity of production and delivery of driving license cards for South Africans, given the unreliability of the current production machine, which is old and obsolete.



Adv. Johannes Makgatho

Acting Head of Entity: Driving Licence Card Account

Date: 29 September 2025



1. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF THE ACCURACY OF ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

The Accounting Officer is responsible for the preparation of the annual financial statement and for the judgement made in this information.

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.

Yours faithfully



Adv. Johannes Makgatho

Acting Head of Entity: Driving Licence Card Account

Date: 29 September 2025

2. STRATEGIC OVERVIEW

Vision

To be the trusted leader in the provision of authentic, secure and quality driving licence cards.

Mission Statement

To achieve our vision, we will:

- Prioritise service delivery towards the satisfaction of all our clients;
- Continuously evolve our delivery in line with technology and innovation;
- Foster collaborative relationships with all relevant regulatory stakeholders; and
- Inspire and empower human capital to nurture excellence.

VALUES

Value	Principle
People-centred	We are here to serve you, our customers. Our people are our enduring advantage. Their calibre, passion and commitment set us apart. We value transformation and encourage diversity—performance counts.
Accountability	We are focused on delivering and doing what we say we will do. We hold ourselves accountable for our work, behaviour, ethics, and actions. We aim to deliver.
Integrity	We maintain a high level of transparency, honesty, fairness, and respect when dealing with each other, our customers and stakeholders.
Excellence	We are inspired by excellence in everything we do. We strive for exceptional business standards, superior performance and professionalism within a framework of sound governance and affordability.
Passion	We love what we do. We are passionate about our brand and promote a positive, energising, optimistic and fun environment. Our reputation relies on the advocacy and enthusiasm of every employee.

The entity strives to put people first, render affordable services, and ensure accountability and transparency while maintaining sustainable operations in all its key strategic decisions.

3. LEGISLATIVE AND OTHER MANDATES

National Road Traffic Act 93 of 1996, Section 12, stipulates that no person shall drive a motor vehicle on a public road without a driving licence and Section 13 places responsibility for issuing licences authorising the driving of a motor vehicle to the Driving Licence Testing Centre (DLTC).

National Road Traffic Regulations 108 of 2000 governs the issuance of driver's licenses by prescribing the procedures to be undertaken by driver's licence testing centres and the card production facility when issuing the driver's licence and the payment of card production fees.

Treasury Regulations of May 2000, Paragraph 19.2.1 defines a Trading Entity as an Entity operating within the administration of a department. In 2007, the National Treasury approved the establishment of the Driving Licence Card Account Trading Entity and required that the AO for the Department of Transport be the AO for the trading entity.

Treasury Regulations Paragraph 19.3.2 states that the head of the trading entity is accountable to the AO of the department operating that trading entity and must forward all reports or approvals required in the Act via the AO of the department

Treasury Regulations Paragraph 19.5.3 states that the Head of the Trading Entity must review rates for user charges at least annually before the budget, and any tariff increases are subject to approval by the relevant treasury. The Minister of Transport gazettes the approved rates by Treasury through the Government Gazette.

Treasury Regulations Paragraph 19.8.3 states that the relevant treasury may direct the trading entity's annual report and financial statements to those of the department responsible for that trading entity.

Public Service Act, 1994 (Proclamation No.103 of 1994) provides for the organisation and administration of the Republic's public service, the regulation of conditions of employment, terms of office, discipline, retirement and discharge of members of the public service and any related matters.

Protection of Personal Information (Act No. 4 of 2013) (POPIA) sets out the minimum standards for assessing and processing personal information belonging to another person. The Act defines 'processing' as collecting, retrieving, recording, organising, retrieving, using, destroying, or sharing any such information.



4. ORGANISATIONAL STRUCTURE

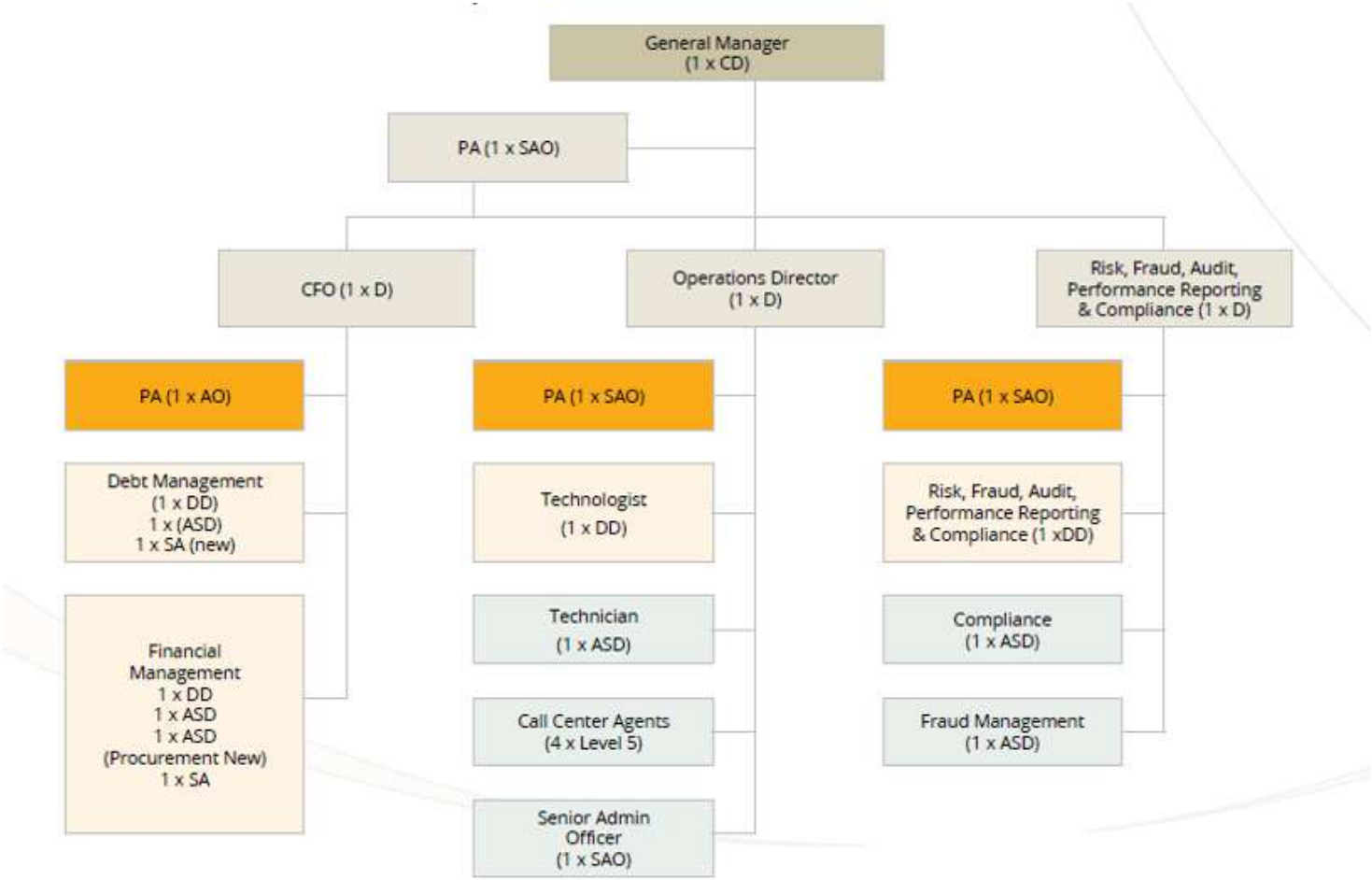


Figure 1: Operational Structure

The DLCA’s organisational structure was approved in 2014. The structure was fully implemented, with only the positions of Head of the Entity (HoE), Chief Financial Officer (CFO), Operations Director and Director: Risk & Fraud (vacant). The roles of HoE and CFO have been filled on an acting capacity basis.

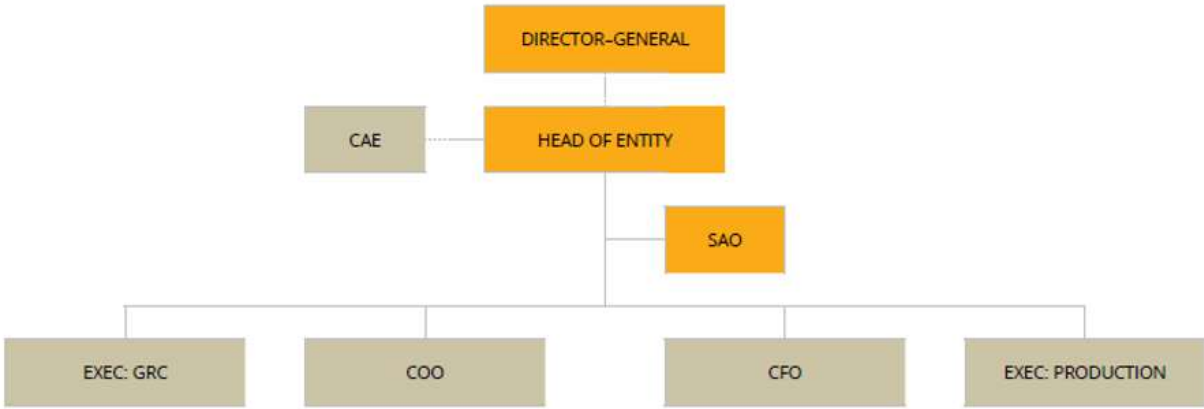


Figure 2: High-level Management Structure

The above figure represents the high-level structure approved in 2022. It has not been fully implemented due to the rationalisation process, which was expected to be concluded by 30 June 2024. However, since the rationalisation process has been halted, a decision was taken that a new structure should be developed by DoT which will see all employees being made permanent. The process for the development of the structure is underway and it is expected to be completed by the next financial year.

PART B

Performance Information



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs specific audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The AGSA selected Production and Service delivery for the audit of predetermined objectives. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to page 54 to 61 of the Report of the Auditor-General, published as Part F: Financial Information.

2. OVERVIEW OF THE TRADING ENTITY'S PERFORMANCE

Summary of Performance

In the year under review, the DLCA had 11 targets out of which 7 were achieved, 4 were not met, which translates to a 64% achievement of planned targets.

Table 1: Summary of Performance

No	PLANNED TARGET 2024/25	SELF-ASSESSMENT PERFORMANCE RATING
1	85% revenue collection from all outstanding debt	Achieved
2	100% percentage reduction of cases of fruitless and wasteful expenditure	Achieved
3	100% percentage reduction of cases of irregular expenditure	Achieved
4	95% of cards delivered within an average of 7 working days	Achieved
5	67% of monthly backups were completed successfully	Achieved
6	97% of DLTC incidents attended to within 5 working days	Achieved
7	95% of enrolment equipment maintained	Achieved
8	100% of all compliant invoices to be paid within 30 days	Not Achieved
9	Produce driving license cards within an average of 14 working days	Not Achieved
10	2 500 000 cards produced annually	Not Achieved
11	Unqualified audit opinion	Not Achieved

Manufacturing of the credit card format driving licence and maintenance layout: DLCA successfully produced 2 395 758 and delivered 2 409 522 cards. The table below outlines the production and delivery of cards per province.

Table 2: Number of cards produced and delivered

PROVINCE	ORDERS RECEIVED	PRODUCED	DELIVERED	SPOILED/CANCELLED
Eastern Cape	194 591	161 063	161 709	7 390
Free State Province	126 148	105 791	105 791	2 866
Gauteng	1 024 372	848 127	849 424	40 495
KwaZulu-Natal	457 359	370 694	371 185	23 415
Limpopo	239 608	198 578	204 640	6 288
Mpumalanga	241 398	193 727	196 585	6 536
North West	147 594	121 989	123 864	2 845
Northern Cape	53 707	45 937	45 937	2 655
Western Cape	413 001	349 852	350 387	5 889
TOTALS	2 897 778	2 395 758	2 409 522	98 379

2.2 Service Delivery Environment

During the year under review, 100% of driving licence card-related queries and requests received from DLTCs nationally were resolved within five days.



Table 3: Percentage of DLTC complaints resolved within five days

Month	Number of calls logged	Number of calls Resolved	Number of calls resolved in 5	% of Calls resolved within 5 Days
Apr 2024	296	296	296	100%
May 2024	309	309	309	100%
Jun 2024	273	273	273	100%
Total Q1	878	878	878	100%
Jul 2024	355	355	355	100%
Aug 2024	347	347	347	100%
Sept 2024	305	305	305	100%
Total Q2	1 007	1 007	1007	100%
Oct 2024	365	365	365	100%
Nov 2024	347	347	347	100%
Dec 2024	285	285	285	100%
Total Q3	997	997	997	100%
Jan 2025	395	395	395	100%
Feb 2025	361	361	361	100%
Mar 2025	361	361	361	100%
Total Q4	1 117	1 117	1 117	100%
Annual Total	3 999	3 999	3 999	100%

2.3 Smart Enrolment Solution

As part of the IT Digital Transformation Strategy, the DLCA has introduced a concept of smart enrolment. Historically, the collection of enrolment data has generally depended on the devices used, i.e., the Live Scanner Unit (LSU), the Live Capture Unit (LCU), and then the Live Enrolment Unit (LEU).

With the adoption of digital technology, the objective of smart enrolment is to:

- introduce alternative channels of collecting enrolment data that are not dependent on equipment;
- reduce the traffic at the DLTCs;
- provide integration to other transport or state entities.

Smart enrolment options include the following:

Self-service (online solution) – this includes the majority of the enrolment process being performed online;

Assisted self-service – this involves the process where the user starts the process online and can be assisted at the DLTCs to complete the enrolment process; and

Traditional service – this is when all the enrolment processes are performed at the DLTCs.

The project, which commenced in the 2023/24 financial year, has achieved notable progress, with 431 units successfully deployed across 206 Driving Licence Testing Centres (DLTCs) in all nine provinces by the end of March 2025. Full completion is anticipated by 31 March 2026.



3. ORGANISATIONAL ENVIRONMENT

During the 2024/25 financial year, the Department of Transport (DoT) continued its efforts to streamline the mandates of its road traffic agencies. This process involved rationalising the number of entities by either consolidating certain functions within a single entity or transferring them to the Department itself. The DLCA was once again included in this rationalisation initiative, which was ultimately halted in June 2025. As a result, the DLCA was required to resume its operations as a trading entity, continuing its functions as before.

To stabilise the organisational environment and address concerns raised by employees who have been on contract since 2015, the Department of Transport (DoT) initiated a process to develop a new organisational structure aimed at absorbing these contract workers into permanent positions.

4. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no major changes to relevant policies and legislation during the year under review. At a policy review workshop held in March 2025, it was recommended that the DLCA should adopt the HR policies of the DoT as far as possible. The recommendation has been approved by the Accounting Officer.

5. PROGRESS TOWARDS ACHIEVEMENT OF DRIVING LICENCE CARD ACCOUNT TRADING ENTITY IMPACTS AND OUTCOMES

The DLCA, as a Trading Entity of the National Department of Transport, contributes towards achieving the National Development Plan (NDP) 2030 through the Department of Transport. The DLCA impact statement is: "Production of a highly secure, durable and internationally accepted driving licence card that supports participation in social and economic undertakings". In the year under review, we made progress towards producing highly secure and durable driving licences by producing and delivering 2.395 million driving licence cards. The procurement process for the new card production machine has been delayed due to the declaratory order regarding the contract. .



6. PERFORMANCE INFORMATION FOR DRIVING LICENCE CARD ACCOUNT TRADING ENTITY

6.1 PROGRAMME 1 - ADMINISTRATION

Purpose: To provide effective leadership, strategic management and corporate support to the entity
Overall, the administration programme achieved 3 of the 5 performance targets.

Sub-Programme 1 - Risk and Governance

Performance Outcome	Output indicator	Audited actual Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Performance 2024/25	Variance from Planned target to actual achievement	Reason for deviation
Improved governance and strengthened control environment.	Unqualified audit opinion	Unqualified audit opinion with findings on non-compliance	Qualified audit opinion with material findings	Unqualified audit opinion with no material findings (clean audit)	Unqualified audit opinion with material findings	Obtained Unqualified audit opinion, however, with material findings.	The DLCA is highly understaffed and had to rely on resources seconded from RTMC and DoT. This dependency and the delay in obtaining the resources affected performance.

Performance Outcome	Output indicator	Audited actual Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Performance 2024/25	Variance from Planned target to actual achievement	Reason for deviation
Improved governance and strengthened control environment.	Percentage of outstanding debt collected	N/A	90% revenue collection from all outstanding debt	85% of all outstanding debt collected	89% of all outstanding debt collected	The actual achievement is 4% higher than the actual target	Performance is due to effective debt collection control and practices in place
	Compliance to 30-day payment requirement	98% of all invoices paid within 30 days	98% of all invoices paid within 30 days	100% compliance with the 30-day payment requirement	98% compliance with the 30-day payment requirement	The actual achievement is 2% lower than the planned target.	Delays caused by service providers sending emails to the incorrect address, access to invoices due to IT challenges and prolonged approval process.
	Percentage reduction of cases of fruitless and wasteful expenditure	No reduction of cases of fruitless and wasteful expenditure	0% reduction of cases of fruitless and wasteful expenditure	100% reduction of cases of fruitless and wasteful expenditure	100% reduction of cases of fruitless and wasteful expenditure	N/A	N/A
	Percentage reduction of cases of irregular expenditure	No reduction of cases of irregular expenditure	0% reduction of cases of irregular expenditure	100% reduction of cases of irregular expenditure	100% reduction of cases of irregular expenditure	N/A	N/A

Strategy to overcome areas of underperformance

The breakdown of the machine has been addressed with the machine becoming operational in May 2025. Given the age of the machine, discussions have been held with GPW and DHA on an interim solution for the production of the current card.

6.2 PROGRAMME 2 - PRODUCTION

Purpose: To produce and deliver a highly secure, quality and durable driving licence
The Production programme only achieved 1 of 3 targets. The non-performance is due to the impact of the breakdown of the card production machine.

Performance Outcome	Output Indicator	Audited actual Performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Performance 2024/25	Variance from Planned target to actual achievement	Reason for deviation
Improved transport safety and security	Number of working days taken to produce driving licence cards	Driving licence cards were produced within an average of 23 days working days	Driving licence cards were produced within an average of 22 days working days	Produce driving licence cards within an average of 14 working days of 14 working days	Driving licence cards were produced within an average of 19 days working days	The actual achievement is 5 days longer than the planned target	Breakdown of card production machine as a result of damaged electronic cards responsible for the printing on the backside of the driving licence card which led to a disruption in card production.
	Number of driving licence cards produced annually	3 423 977 cards produced annually .	2 805 737 cards produced annually	2 500 000 cards produced annually	2 395 758 cards were produced annually .	The actual achievement is 104 202 cards lower than the planned target.	Breakdown of card production machine as a result of damaged electronic cards responsible for the printing on the backside of the driving licence card which led to a disruption in card production.
Improved operational efficiency in the delivery of driving licence cards	Percentage of driving licence cards delivered within a number of working days	98% of cards delivered within 7 working days.	98% of cards delivered within 7 working days	95% of cards delivered within 7 working days.	98% of cards delivered within 7 working days.	3% improvement in cards delivered in 7 working days	Monitoring of the performance of the service provider

Strategy to overcome areas of underperformance

The breakdown of the machine has been addressed with the machine becoming operational in May 2025. Given the age of the machine, discussions have been held with GPW and DHA on an interim solution for the production of the current card.

6.3 PROGRAMME 3 - INFORMATION TECHNOLOGY

Purpose: To provide effective and efficient ICT infrastructure
The Information Technology programme achieve 100% of its targets.

Performance Outcome	Output indicator	Audited actual performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Performance 2024/25	Variance from Planned target to actual achievement	Reason for deviation
Improved competitiveness through adoption of new technology	Percentage of the monthly backups completed successfully	N/A	50% of monthly backups were completed successfully	67% (2/3 of monthly backups were completed successfully (At least eight out of twelve-monthly back-ups, completed successfully)	83% of monthly backups were completed successfully	The actual achievement 16% higher than the planned target.	Consistent monitoring and performance of backup as per schedule

6.4 PROGRAMME 4 - SERVICE DELIVERY

Purpose: To improve operational effectiveness and customer service in line with Batho-Pele Principles The service delivery programme achieved 100% of its targets.

Performance Outcome	Output indicator	Audited actual performance 2022/23	Audited Performance 2023/24	Planned Target 2024/25	Actual Performance 2024/25	Variance from Planned target to actual achievement	Reason for deviation
Improved governance and strengthened control environment	Percentage of DLTC incidents attended to within a number of working days	100% of DLTC incidents attended to within 5 working days.	100% DLTC incidents attended to within 5 working days.	97% of DLTC incidents attended to within 5 working days	100% of DLTC incidents attended to within 5 working days	The actual achievement is 3% higher than the planned target	Close monitoring and management of the service provider
	Percentage of enrolment equipment maintained	98% of enrolment equipment maintained.	99% of enrolment equipment maintained.	95% of enrolment equipment maintained	100% of enrolment equipment maintained	The actual achievement is 5% higher than the planned target	Consistent monitoring and management of the performance of the service provider

7. LINKING PERFORMANCE WITH BUDGETS

The cost of sales has exceeded the budget in the period under review due to catching up on the backlog after the machine breakdown in the early months of the current financial year; hence, the cumulative figures will exceed what was initially envisaged. A portion of the overspending also relates to exchange rate variations on the deliveries due to the weak Rand against the Euro

Table 4: Budget vs. Actual Expenditure

Description	2024/25			2023/24		
Item	Budget	Actual	(over) under	Budget	Actual	(over) under
Description	R'000	R'000	R'000	R'000	R'000	R'000
Cost of Sales	113 123	93 292	19 831	60 410	103 467	(43 057)
Contract Services	7 974	2 295	5 679	7 632	7 272	360
Repairs and maintenance	16 063	30 150	(14 088)	15 378	20 570	(5 192)
Depreciation	78 160	16 117	62 042	44 476	26 778	17 698
Employee Benefits	27 851	13 463	14 387	41 448	15 376	26 072
Lease payments	10 769	2 317	8 451	6 356	2 144	4 212
Loss on disposal assets	-	1 169	(1 169)	-	-	-
Debt impairment	-	858	(858)	-	(216)	(216)
Gain/Loss on foreign exchange	-	96	(96)	-	(787)	(787)
Other Expenses	15 808	19 640	(3 832)	22 214	15 954	6 260
Total	269 748	179 397	90 351	208 786	203 016	5 770

8. PHYSICAL ASSET VERIFICATION

To ensure that proper control systems exist for assets that all preventative mechanisms are in place to eliminate theft, losses, wastage and misuse, and that the stock levels are at an optimum and economical level the Driving Licence Card Account performs annual physical asset verification to confirm the existence and valuation of these assets.

9. MAINTENANCE OF LIVE CAPTURE UNITS (LCU) AND LIVE ENROLMENT UNITS (LEU)

The LEUs deployed were maintained as per scheduled. Below is a summary of the maintenance performance

Table 5: Maintenance of Enrolment Units

Month	No. of LEUs due for maintenance	No. of LEUs maintained	Percentage Maintained
Apr 2024	21	21	100%
May 2024	31	31	100%
Jun 2024	5	5	100%
Q1	57	57	100%
Jul 2024	0	0	0%
Aug 2024	167	167	100%
Sept 2024	121	121	100%
Q2	288	288	100%
Oct 2024	42	42	100%
Nov 2024	256	256	100%
Dec 2024	83	83	100%
Q3	381	381	100%
Jan 2025	39	39	100%
Feb 2025	101	101	100%
Mar 2025	80	80	100%
Q4	220	220	100%
Total	1672	1672	100%

PART C

Governance



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

1. INTRODUCTION

The entity embraces the four values underpinning good governance: fairness, accountability, transparency and responsibility. Its commitment to maintaining the highest standards of governance is essential for ensuring the effective, efficient, and economical use of public finances and resources. Stakeholders want assurance that the Entity has good governance structures in place to effective, efficient, and economical use of state resources. However, during the year under review, these structures were not fully operational. Governance functions were disrupted by the rationalisation process and further destabilised by leadership changes.

2. RISK MANAGEMENT

The AO of the DoT takes responsibility for implementing Enterprise Risk Management in accordance with the DLCA Risk Management Strategic Framework, as informed by the National Treasury Public Sector Risk Management Framework. This responsibility was delegated to the Head of the Entity in terms of section 44 of PFMA. To further embed risk management within the entity, the Risk Management Policy has been adopted, which sets out the entity's overall intention with regard to Risk Management.

During the period under review, DLCA assessed its risks relative to its strategic and annual performance plans. However, there was no Risk Committee appointed and no Executive Committee established primarily due to the changes in leadership. Under normal operations, the Risk Management Committee would meet quarterly, provides guidance and direction over the entire risk management system, and furnishes the Head of Entity with reports regarding the risk management performance. The Risk Management Committee would then ratify, prioritise and further recommend to the AO which significant risks are mitigated with an appropriate risk response/treatment to meet the entity's strategic objectives.

The Audit Committee was appointed in March 2025. The Audit Committee plays an independent oversight role in monitoring the entity's risk management system. It receives quarterly reports on risk management progress and updated risk profiles, enabling it to fulfil its oversight responsibilities effectively. The Committee's evaluation focuses on the implementation of the annual risk management plan, the entity's key strategic risks, and the corresponding risk response or mitigation strategies. This quarterly review process also informs the assessment of the entity's performance environment as part of the quarterly performance evaluations. Due to its late appointment, the AC was only able to review the strategic risk profile that was furnished by the Entity.

The Entity's management remains committed to upholding the highest standards of governance, which are essential for the effective management of public finances and resources. Management is also dedicated to addressing the significant gaps in governance identified during the 2025/26 financial year.

3. FRAUD AND CORRUPTION

The Entity's fraud prevention plan was not executed due to the capacity constraints. In the year under review, the risk and governance division responsible for this function only had one resource. However, there are plans to obtain additional resources to capacitate the divisions.

The DLCA has a whistleblowing policy which requires officials to report incidents of actual or suspected fraud or corruption to the national anti-corruption hotline, presidency hotline and DOT anti-fraud hotline. The forensic and investigation section within the Department of Transport deals with cases reported to the national anti-corruption hotline. It is responsible for the implementation of the Anti-corruption and Fraud prevention policy.

In the year under review, there were no fraud and corruption cases reported.

4. MINIMISING CONFLICT OF INTEREST

The entity is currently using the supply chain management processes and policies the Department of Transport has implemented. The process requires the disclosure of conflict of interest from all those involved during the procurement process.

5. CODE OF CONDUCT

The Trading Entity adheres to the Public Service Code of Conduct, which is enforced and monitored by the Department of Transport. The Code guides employees of the DLCA and its stakeholders on what is expected of them from an ethical point of view, both in their individual capacity and in their relationship with others.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Trading Entity adheres to the Health, Safety and Environmental Standards as enforced and monitored by the Health and Safety Committee. However, due to capacity constraints, the Committee has not been able to perform their duties.

7. PORTFOLIO COMMITTEES

The DLCA, as an implementing agent of the Department of Transport, is accountable to the Portfolio Committee of Transport (PCOT). During the year under review, the DLCA appeared before the committee on 09 October 2024 and 15 October 2024.

The Portfolio Committee also conducted an oversight visit on 09 October 2024. On the 15th of October 2024, the Committee convened for a briefing by the Auditor-General of South Africa (AGSA) on the audit outcomes of the national department of transport Annual Report 2023/24 and the DLCA 2023/24 Annual Report.

Date	Issue/ Topic	Discussion/ Request	Responses	Status as at 31 March 2025
09 Oct 2025	Rationalisation of the entity	Members questioned whether it was time to review the structure of the entity, so that there are a Board and a management structure that can be held responsible.	The DG of Transport informed the Committee that the rationalization of the Entity will be discussed with the Minister before the end of October 2024.	The rationalisation process has been halted.
	Procurement of the new driving licence card machine	The Committee requested an update on the entire process of awarding the card contract.	The Committee was informed that the Minister has referred the matter to the AGSA for review.	Minister has requested a declaratory order to cancel the order issued.
15 Oct 2025	DLCA structure or location of the DLCA	The Committee asked whether the restructuring of the DLCA will be within the DLCA or part of the move to the RTMC. Additionally, what criteria will be used to buy back the services of employees and whether this will apply to those who have left or retired.	The Deputy Minister of Transport, Mr Mkhuleko Hlengwa informed the Committee that location of the DLCA is complex and still unresolved since the RTMC is still engaging the National Treasury on the dispute over the unauthorised spending, which leads to the question of the best location for the DLCA, in terms of risk is still being investigated.	Since the rationalisation process has been halted based on the advice from National Treasury, the DoT commenced with the process of creating a new structure for the entity.

7. PORTFOLIO COMMITTEES CONTINUED

15 Oct 2025	Cost of the driving licence card	The Committee raised concern about the card production cost. Clarity was requested on whether the machine that needs to be paid for, before the NT will allow workers to be absorbed into the DoT, is that the new machine or the old machine and how much is left to be paid. There was confusion regarding the number of driving licence cards produced.	The DoT believes that the machine should be able to pay for itself with the revenue it generates, and this is the contention.	The card costing exercise is to be conducted, with benchmarking exercise to be done with Government Printing Works.
	Integration of DLCA staff	The Committee requested the DoT to submit a report detailing the employee integration process with timeframes on how the DLCA envisages to buy back the services of its long-term contract employees to ensure accountability and clarity.	The Deputy Minister of Transport, Mr Mkhuleko Hlengwa responded that on the matter of contract workers is important and included, but not limited to, consultations with the Department of Public Service and Administration.	DoT has commenced with the process of creating a new structure for the entity. A Human Resource work-stream has been established to deal with the restructuring

8. SCOPA RESOLUTIONS

None

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

10. INTERNAL CONTROL

To enable the DLCA to fulfil its responsibility to provide reliable financial information, the DLCA maintains accounting systems and practices that are adequately supported by a system of internal controls. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management authority and that the assets are adequately safeguarded. The internal audit function was outsourced to a service provider and the contract expired in March 2023. Internal Audit was not appointed during the year under review.

10.1 Internal Audit

The mission of Internal Audit is to provide an independent, objective assurance and consulting service designed to add value and improve the DLCA's operations and to help accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit unit's formal scope of work is to determine whether the organisation's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner that ensures the achievement of its objectives. Internal Audit evaluates and improves the overall adequacy and effectiveness of:

1.1 Governance

The Internal Audit's activity assesses and makes appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organisation;
- Ensuring effective organisation performance management and accountability;
- Communicating risk and control information to appropriate areas of the organisation; and
- Coordinating the activities of and communicating information among the EA, internal and external auditors and management.

10.1.2 Risk Management

The Internal Audit activity evaluates the effectiveness of the audit and contributes to the improvement of risk management processes. Determining whether risk management processes are effective is a judgment resulting from the Internal Auditor's assessment that:

- Organisational objectives support and align with the organisation's mission;
- Significant risks are identified and assessed;
- Appropriate risk responses are selected that align risks with the organisation's risk appetite; and
- Relevant risk information is captured and communicated promptly across the organisation, enabling staff and management to carry out their responsibilities.

10.1.3 Controls

The Internal Audit's activity evaluates the adequacy and effectiveness of the internal controls and recommendations for improvement, which should encompass the following:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets;
- Compliance with laws, regulations and contracts;
- Key activities and objectives of internal audit;
- Driving Licence Production Process;
- Contract Management;
- Asset Management;
- Business Planning;
- Debtors Management;
- Follow-up Audits; and
- Year-end Reporting.

11. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

The primary purpose of the Audit Committee is to advise the Accounting Officer (AO) and Head of Entity to fulfil their oversight responsibilities. The Audit Committee is an independent oversight structure appointed by the AO in consultation with the Executive Authority, with non-executive status to ensure that it operates independently in the execution of its responsibilities.

The Public Finance Management Act, Act No. 1 of 1999 (PFMA), states in Section 38(1) (a) (ii) that the Accounting Officer must ensure that the Department, within which this entity resides, has and maintains a system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77. Treasury Regulation 3.1.2, issued in terms of the PFMA, states that the Accounting Officer of an institution must appoint Audit Committee members in consultation with the relevant Executive Authority.

The entity did not have an Audit Committee in the year under review. The previous Audit Committee term expired in May 2023 and there was no Audit Committee in place since.

The Interim Audit Committee was appointed with effect from 01 April 2025.

According to Global Internal Audit Standards, the internal audit function reports functionally to the Audit Committee and administratively to the Accounting Officer. The Chief Audit Executive's role is to lead the internal audit function in providing assurance and advisory services.

In the year under review, the entity did not have an Internal Audit function.

The table below discloses relevant information on the Interim Audit Committee members:

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	No. of meetings attended 2024/25	Has the member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
Mr. Luyanda Mansfield Mangquku, CA(SA)	Chartered Accountant (South Africa); Master of Business Leadership; Advanced Company Law I&II; Bachelor of Accounting Sciences (Hon); Bachelor in Commerce (Hon) (Accounting).	SAICA	NIL	Yes	No	7	1
Ms. Veronica Elizabeth du Preez	B.A, BCom, Master of Business Leadership, CIA	IIA SA	NIL	Yes	No	1	0
Ms. Patience Zakithi Mazibuko	Attorney of the High Court Bachelor of Law Business Rescue Practice & Legislative Drafting	Legal Practice Council of South Africa	NIL	Yes	No	1	1
Dr Prittish Dala	PhD (Information Technology), Masters (Information Technology), BSc Hons (Computer Science), Bachelor of Information Technology, Chartered Director South Africa CD(SA), Certified Information Systems Auditor (CISA), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Certified Data Privacy Solutions Engineer (CDPSE), Lead Auditor ISO 27001 (LA ISO 27001), Certified Ethical Hacker (CEH), Computer Hacking Forensic Investigator (CHFI).	ISACA, IoDSA, ISC2, EC-Council	NIL	Yes	No	14	9
Ms. Malebo Matolong	Professional Engineer (Pr Eng) Certified Director® (Cert.Dir.®) Master of Business Administration (MBA) Master of Project Management (MPM) Bachelor of Engineering (Honours) (Transportation Engineering) Bachelor of Science (Civil Engineering)	ECSA (Pr.Eng) IoDSA (Cert.Dir.®)	NIL	Yes	No	1	4

11.1 Key concerns of the Interim Audit Committee

1. Failure to ensure that the entity has an Internal Audit function at all times, to provide assurance on the adequacy and effectiveness of internal controls throughout the year;
2. Failure to ensure that the entity has an Audit Committee at all times, for effective oversight;
3. Continuing leadership instability at the entity affecting critical vacancies at senior management levels, including long term secondment of most staff at the entity, resulting in low staff morale, job insecurity and instability which ultimately threatens continuity of entity operations;
4. Insufficient and inadequate staffing, especially at Supply Chain Management, exposing the entity to material non-compliances in procurement and contract management;
5. Irregular Expenditure balances that remain uncleared for pro-longed periods of time, with no indication of effective investigations or consequence management;
6. Ineffective ICT governance and enterprise risk management; and
7. Extreme business continuity threat as the entity relies on a single production machine to carry out its national mandate. The production machine of the entity has reached its end of life and has been long discontinued and is no longer supported by the original equipment manufacturer for support and maintenance, including unavailability of spare parts.

The Interim Audit Committee will be working closely with management, providing guidance and oversight, in ensuring that the entity develops an effective response plan to the concerns identified, including developing an Audit Action Plan to address the AGSA findings.

11.2 Interim Audit Committee Focus Areas

11.2.1 Evaluation of the annual financial statements

The Interim Audit Committee reviewed and discussed the Annual Financial Statements of the entity for the financial year ended 2024/25 with Management and the Auditor General of South Africa.

11.2.2 External Audit

The Interim Audit Committee reviewed and considered the following:

- External auditors' proposed audit scope, approach and audit fees for the year;
- Findings and recommendations of external auditors and management responses thereto;
- The audit strategy and performance of external auditors;
- The quality and effectiveness of the audit process (National Treasury Regulations 27.1.8 (b)) and ensured that the external auditors performed the audit as planned.

11.2.3 Auditor-General's Report

The Interim Audit Committee concurs with and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

11.3 Conclusion:

The Audit Committee would like to thank the Executive Authority, Acting Director General, Acting Head of Entity, Senior Management and Staff for their support and efforts, the AGSA, Risk Management Unit and Internal Audit Services for their role and contribution.



Luyanda M. Mangquku, CA(SA)
Chairperson of the Interim Audit Committee
Department of Transport
15 September, 2025

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The trading entity did not perform its periodic review of compliance in terms of Broad-Based Black Economic Empowerment (B-BBEE).



PART D

Human Resources



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

1. INTRODUCTION

The Human Resource Management section of the annual report provides in-depth information on all human resources-related activities for the year under review.

Table 6: Employment and vacancies by salary band as at 31 March 2025

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of employees in addition to the establishment
Senior and Top management (Levels 13-16)	4	0	100%	0
Highly skilled supervision (Levels 9-12)	10	3	70%	2
Highly skilled production (Levels 1-8)	11	3	72.7	25
Total	25	6	76%	27

1.1 Filling of SMS Posts

Table 7: SMS post information as at 31 March 2025

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 14	1	0	-	1	100%
Salary Level 13	3	0	-	3	100%
Total	4	0	-	4	100%

2. REASONS FOR VACANCIES NOT FILLED WITHIN SIX MONTH

DLCA is unable to fill any post currently, due to the undergoing process of developing the new organisation structure by both DLCA and DoT. Vacancies will only be filled once the new structure is approved and funds are located and available.

3. EMPLOYMENT CHANGE

Table 8: Annual turnover rates by salary band for the period 1 April 2024 to 31 March 2025

Salary Band	Number of employees at beginning of period -1 April	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Management (Levels 13-14)	1	0	1	100%
(Levels 1-12)	38	0	2	5.40%
Total	39	0	3	8%

Table 9: Reasons why staff left the entity for the period 1 April 2024 to 31 March 2025

Termination type	Number	% of Total Resignations
Death	-	-
Resignation	1	33%
Transfer	2	67%
Expiry of contract	-	-
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	-	-

4. EMPLOYMENT EQUITY

Table 10: Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2025

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and Managers	1	-	-	-	1	-	-	-	2
Professionals	-	-	-		2	-	-	-	2
Technicians and associate professionals	7	4	-	3	15	1	1	-	31

Table 11: Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2025

Occupational band	Male	Female	Total
Top Management	-	-	-
Senior Management	-	-	-
Professionally qualified and experienced specialists and mid-management	1	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	3	3
Semi-skilled and discretionary decision-making	12	12	24
Unskilled and defined decision-making	1	1	2
Total	14	17	31



Table 12: Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	-	-	-	-	-	-	-	-	-
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision-making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision-making	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

There were no promotions of any occupations band for the period 1 April 2024 to 31 March 2025.

There were no terminations of any occupation band for the period 1 April 2024 to 31 March 2025.

5. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

All SMS posts are currently vacant and as such no performance agreements were signed

Table 13: Signing of Performance Agreements by SMS members as at 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS Members	Total number of signed performance agreements	Signed performance agreements as a % of the total number of SMS members
Salary level 14	1	-	-	-
Salary level 13	3	-	-	-
Total	4	-	-	-

Table 14: Annual Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	45	2	225
Skilled (Levels 3-5)	174	7	249
Highly skilled production (Levels 6-8)	373	19	259
Highly skilled supervision (Levels 9-12)	43	3	243
Senior management (Levels 13-16)	-	-	-
Total	804	29	25

Table 15: Sick Leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days taken	Number of employees using sick leave	Average per employee
Lower skilled (Levels 1-2)	11	1	55
Skilled (Levels 3-5)	23	5	328
Highly skilled production (Levels 6-8)	373	19	196
Highly skilled supervision (Levels 9-12)	17	3	9
Senior management (Levels 13-16)	-	-	-
Total	424	25	934

6. UTILISATION OF CONSULTANTS

The following tables relate to information on utilising consultants in the entity. In terms of the Public Service Regulations, “consultant” means a natural or juristic person or a partnership, who or which provides, in terms of a specific contract on an ad hoc basis, any of the following professional services to an Entity against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task that is of a technical or intellectual nature but excludes an employee of a department.

Table 16: Use of Consultants

Name of the consultant	Service Rendered	Contract value in Rand
Health 1st	Employee Health & Wellness	R433 400.00
Columbus Consulting	Invgate ITSM Solution	R189 478.60
Muhlbauer	Production machine support services	R1,550.469.45
Altimax	Review of the 2023/24 Annual Financial Statements	R86 250.00
Rakoma & Associates	Probity review of tender process	R284 625.00
Asande Chartered Accountants	Preparation of 2024/25 Annual Financial Statements and supporting schedules, design and implement audit action plan to clear audit qualification opinion, preparation of management statements, assist with current audit inquiries, assist with the preparation of annual report, and other ad hoc duties.	R833 725.00

PART E

PFMA Compliance



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

1. IRREGULAR EXPENDITURE

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	348 718	344 445
Add: Irregular expenditure confirmed	0	4 273
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered and written off	0	0
Closing balance	348 718	348 718

1.1 Irregular expenditure relating to eye test equipment procurement

During the 2022/23 financial year, a purchase order for R74 316 565 was issued to a supplier for 1000 eye test units. Upon investigation, it was noted that the contract entered with the supplier was evaluated on 80/20 in terms of PPPFA regulation, which states that the spend on the contract should not exceed R50 million, and /or if it exceeds, it should be limited to 15% of the total contract value. The contract was fully paid off in the prior year and hence no current irregular expenditure incurred. There has not been any irregular expenditure incurred in the current period reviewed.

1.2 Irregular expenditure relating to the new card production machine

During August 2024, DLCA concluded a contract with Idemia for the provision, installation and maintenance of equipment (with related infrastructure and raw materials) for the personalization of smart driving license cards. The transport minister requested an audit on the smart driver's license card contract which was concluded in March 2025 with adverse findings of non-compliance. The entity has not spent on the contract, however, there might be irregular expenditure in future, should the entity decide to continue with the contract.

a) Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment in 2023/2024	0	9/5
Irregular expenditure that was under assessment in 2023/2024	0	975

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	107 911	0
Irregular expenditure under determination	0	0
Irregular expenditure under investigation	348 718	348 718
Total	456 629	348 718

Irregular expenditure under assessment pertains to amounts spent on an order with AGFA for raw materials, as well as a contract variation with Matupunuka for LEU maintenance which were flagged by the Auditor General of South Africa as having been approved incorrectly according to the delegation of authority of the entity.

Irregular expenditure under investigation is detailed under the reconciliation of irregular expenditure shown above.

c) Details of current and previous year irregular expenditure condoned.

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	0
Total	0	0

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	0
Total	0	0

e) Details of current and previous year irregular expenditure recovered

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recovered	0	0
Total	0	0

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	0	0

2. FRUITLESS AND WASTEFUL EXPENDITURE

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	101	76
Add: Fruitless and wasteful expenditure confirmed	0	25
Less: Fruitless and wasteful expenditure condoned	0	0
Less: Fruitless and wasteful expenditure not condoned and removed	0	0
Less: Fruitless and wasteful expenditure recoverable	0	0
Less: Fruitless and wasteful expenditure not recovered and written off	0	0
Closing balance	101	101

b) Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2023/2024	0	0
Fruitless and wasteful expenditure that relates to 2022/2023 and identified in 2023/2024	0	0
Fruitless and wasteful expenditure for the current year	0	25
Total	0	25

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment	31 522	25
Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	101	76
Total	31 623	101

Interest on late filing and payment of PAYE

During the financial year ended 31 March 2024, a penalty was imposed due to the failure to submit payroll taxes on the SARS eFiling portal. DLCA could not submit on time due to the organisations profile linked to the previous manager who resigned during the 2022/23 financial period.

c) Details of current and previous year fruitless and wasteful expenditure recovered.

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recovered	0	0
Total	0	0

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	0	0

e) Details of current and previous year disciplinary or criminal steps taken because of fruitless and wasteful expenditure

Disciplinary steps taken
A new E-Filing profile was created for the entity, and it was added to the Payroll Officer's eFiling account, who then file returns on time and payment is actioned subsequently before it is overdue.

3. INFORMATION ON LATE AND / NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	647	295 117
Invoices paid within 30 days or agreed period	628	252 207
Invoices paid after 30 days or agreed period	18	7 800
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0
Invoices older than 30 days or agreed period (unpaid and in dispute)	1	35 109

4. INFORMATION ON SUPPLY CHAIN MANAGEMENT

4.1 Procurement by other means

PFMA SCM Instruction Note No. 03 of 2021/22 on Enhancing Compliance, Transparency and Accountability in Supply Chain Management requires that Accounting Authorities (AA)/ Accounting Officers (AO) must ensure that all procurement by "other means" is reported in the annual report of an institution.

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Raw material acquisition for the production of driving license cards	AGFA	Sole provider or raw material to produce driving license card	N/A	R99 825
Total				R99 825

4.2 Contract variations and expansions

PFMA SCM Instruction Note No. 03 of 2021/22 on Enhancing Compliance, Transparency and Accountability in Supply Chain Management requires that, Accounting Authorities (AA) / Accounting Officers (AO) must ensure that all variations or expansions above the thresholds prescribed in terms of the instruction on Enhancing Compliance, Transparency and Accountability in Supply Chain Management are reported in the annual report of an institution in the format prescribed.

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
				R'000	R'000	R'000
Physical Security and Guarding Services	LMT (PTY) LTD	Variation	DLCA/71/2024	R661	R366	R365
Provision of Hardware Infrastructure for a Smart Enrolment Solution	Matupunuka ICT	Variation	DLCA/2022/04	R366 895	R0	R49 534
Provision of LEU/LCU Support Maintenance to the DLCA	Binda Communications	Variation	DLCA/2021/01	R4 465 (unit rate)	R0	R4 465 (unit rate)
Provision of LEU/LCU Support Maintenance to the DLCA	Matupunuka ICT	Variation	DLCA/2021/01	R4 560 (unit rate)	R0	R4 560 (unit rate)

PART F

Financial Information



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE DRIVING LICENCE CARD ACCOUNT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION

1. I have audited the Financial Statements of the Driving Licence Card Account set out on pages 63 to 98, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, financial statements present fairly, in all material respects, the financial position of the Driving Licence Card Account as at 31 March 2025, financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 01 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 trading 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 basis for my opinion.

EMPHASIS OF MATTER

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

RESTATEMENT OF CORRESPONDING

7. As disclosed in note 23 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2025.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice (standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the trading 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 trading entity or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT

10. 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.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report . This description, which is located at page 10 of the annexure to the auditor's report, forms part of my auditor's report .

RESPONSIBILITIES OF THE AUDITOR-GENERAL FOR THE AUDIT OF THE FINANCIAL STATEMENTS

12. 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 programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the trading entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Programme 2 - Production	21	To produce and deliver a highly secure, quality, and durable driving licence.

Programmes	Page numbers	Purpose
Programme 4 - Service Delivery	23	To improve operational effectiveness and customer service in line with Bathe-Pele Principles

14. I evaluated the reported performance information for the selected programmes 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 trading entity's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the trading entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the trading 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.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. The material findings on the reported performance information for the selected programmes are as follows:

PROGRAMME 4 - SERVICE DELIVERY

Various indicators

18. I could not determine if the reported achievements were correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator	Planned target	Reported achievement
Percentage of DLTC incidents attended to within a number of working days	97% of DLTC incidents attended to within 5 working days.	100% of DLTC incidents attended to within 5 working days.
Percentage of enrolment equipment maintained	95% of the enrolment equipment maintained.	100% of enrolment equipment maintained

OTHER MATTERS

19. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

20. 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.
21. The tables that follow provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any under achievement of targets are included in the annual performance report on pages 22 to 26 .

PROGRAMME 2 - PRODUCTION

<i>Targets achieved: 33%</i>		
Key indicators not achieved	Planned target	Reported achievement
Number of Average working days taken to produce driving licence cards	Produce driving licence cards within an average of 14 days.	Driving licence cards were produced within an average of 19 days working days.
Number of driving license cards produced annual	2 500 000 cards produced annually	2 395 758 cards produced annual

MATERIAL MISSTATEMENTS

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Programme 2 – Production and Programme 4 – Service Delivery. Management did not correct all of the misstatements, and I reported material findings in this regard.

REPORT ON COMPLIANCE WITH LEGISLATION

23. 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 officer is responsible for the trading entity's compliance with legislation.
24. 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.
25. 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 trading 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.
26. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

ANNUAL FINANCIAL STATEMENT, PERFORMANCE AND ANNUAL REPORT

27. The financial statements were not submitted for auditing within the prescribed timeframe after the end of the financial year, as required by section 40(1)(c)(i) of the PFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

28. I was unable to obtain sufficient appropriate audit evidence that at least three written price quotations were obtained as required by Treasury Regulation 16A6.1 and paragraph 3.2.1 of SCM instruction note 2 of 2021/22 in a material number of instances.
29. The competitive bid was adjudicated by a bid adjudication committee that was not composed in accordance with the policies of the trading entity, as required by Treasury Regulation 16A6.2 (a) and (b). This non-compliance was identified in the procurement processes for the smart driver's card machine.
30. Contract was not awarded in an economical manner, and the prices of the goods or services were not reasonable as required by PFMA 38(1)(b) and PFMA 45(b). This non-compliance was identified in the procurement processes for the smart driver's card machine.

REVENUE MANAGEMENT

- 31. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.
- 32. Interest was not charged at the approved rates determined by the minister of Finance, as required by treasury regulation 11.5.1.

CONSEQUENCE MANAGEMENT

- 33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

EXPENDITURE MANAGEMENT

- 34. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

STRATEGIC PLANNING MANAGEMENT

- 35. Quarterly reports were not prepared, as required by treasury regulation 5.3.1

OTHER INFORMATION IN THE ANNUAL REPORT

- 36. The accounting officer is responsible for the other information included in the annual report. The other information 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.
- 37. My opinion on the financial statements and my reports on the audit of the annual performance report and 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.
- 38. 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.
- 39. The other information I obtained prior to the date of this auditor's report is Irregular, Fruitless and wasteful expenditure report. The accounting officer's foreword, audit committee report, human resource report, minister's foreword and DLCA's head foreword are expected to be made available to us after 30 September 2025

40. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
41. When I do receive and read the accounting officer's foreword, audit committee report, human resource report, minister's foreword and DLCA's head foreword, 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

42. 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.
43. 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.
44. Management did not establish adequate processes to reliably report on performance indicators. This was due to insufficient systems and processes to ensure that complete and accurate supporting schedules are maintained.
45. Inadequate reviews to ensure compliance with procurement regulations because of vacancies in key positions within supply chain.
46. The accounting officer did not adequately monitor the action plan to address prior year compliance findings resulting in similar findings in the current financial year. This was as a result of overall instability in key management positions within the trading entity.

Auditor General

Pretoria

15 September 2025



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

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

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Section, regulation or paragraph
Public Finance Management Act 1 of 1999	Section 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 40(1)(a); 40(1)(b); 40(1)(c)(i); 44; 45(b);
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 7.2.1; 8.1.1; 8.2.1; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(a)(ii); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii);
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9, 5.3
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. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
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); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Driving Licence Card Account

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2025

Figures in Rands	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	2	49 372 788	16 355 096
Receivables from exchange transactions	3	23 530 485	20 995 565
Receivables from non-exchange transactions	4	350 954	114 588
Cash and cash equivalents	5	151 153 485	204 276 166
		224 407 712	241 741 415
Non-Current Assets			
Property, plant and equipment	6	298 823 419	177 951 914
Intangible assets	7	2 309	33 765
		298 825 728	177 985 679
Total Assets		523 233 440	419 727 094
Liabilities			
Current Liabilities			
Finance lease obligation		5 750	21 237
Operating lease liability	8	410 186	465 017
Payables from exchange transactions	9	89 697 432	10 813 711
Provisions	10	487 676	517 665
		90 601 044	11 817 630
Total Liabilities		90 601 044	11 817 630
Net Assets		432 632 396	407 909 464
Accumulated surplus		432 632 396	407 909 464
Total Net Assets		432 632 396	407 909 464

Driving Licence Card Account

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2025

Figures in Rands	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Sale of goods	11	191 429 561	222 174 307
Interest revenue	12	12 694 845	18 350 224
Gain on foreign exchange		-	787 143
Total revenue from exchange transactions		204 124 406	241 311 674
Expenditure			
Contracted services	17	(2 295 315)	(7 272 465)
Cost of sales	13	(93 292 206)	(103 467 458)
Debt Impairment	14	(858 112)	215 706
Depreciation and amortisation	15	(16 117 861)	(28 424 080)
Employee related costs	16	(13 463 852)	(15 375 798)
Operating Expenses	17	(19 640 191)	(15 944 915)
Lease rentals on operating lease	18	(2 317 692)	(2 144 040)
Loss on disposal of assets and liabilities		(1 168 905)	-
Loss on foreign exchange		(96 400)	-
Repairs and maintenance	19	(30 150 940)	(20 569 689)
Total expenditure		(179 401 474)	(192 982 739)
Surplus for the year		24 722 932	48 328 935

Driving Licence Card Account

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2025

Figures in Rands	Accumulated surplus / deficit	Total net assets
Balance at 01 April 2023	359 580 529	359 580 529
Changes in net assets		
Surplus for the the year ended 31 March 2024	48 328 935	48 328 935
Total changes	48 328 935	48 328 935
Opening balance as previously reported	409 546 815	409 546 815
Adjustments		
Prior year adjustments	(1 637 351)	(1 637 351)
Restate d* Balance at 01 April 2024 asrestated*	407 909 464	407 909 464
Changes in net assets		
Surplus for the year	24 722 932	24 722 932
Total changes	24 722 932	24 722 932
Balance at 31 March 2025	432 632 396	432 632 396

Cashflow Statement

Figures in Rands	Note(s)	2025	2024 Restated*
Cash flows from operating a ctivities			
Receipts			
Sale of goods and services		219 589 126	208 897 657
Interest income		12 694 845	18 350 224
		232 283 971	227 247 881
Payments			
Employee costs		(20 541 690)	(22 062 469)
Suppliers		(126 722 660)	(133 148 361)
		(147 264 350)	(155 210 830)
Net cash flows from operating a ctivities	20	85 019 621	72 037 051
Cash flow s from investing activities			
Purchase of property, plant and equipment	6	(138 126 815)	(140 046 694)
Cash flows from financing activities			
Finance lease payments		(15 487)	(11 900)
Net increase/(decrea se) in cash and cash equivalents		(53 122 681)	(68 021 543)
Cash and cash equivalents at the beginning of the year		204 276 166	272 297 709
Cash and cash equivalents at the end of the year	5	151 153 485	204 276 166

Driving Licence Card Account

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

For the year ended 31 March 2025

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rands						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	232 065 000	-	232 065 000	191 429 561	(40 635 439)	a
Interest received - investment	13 398 000	-	13 398 000	12 694 845	(703 155)	n/a
Total revenue from exchange transactions	245 463 000	-	245 463 000	204 124 406	(41 338 594)	
Expenditure						
Personnel	(27 851 000)	-	(27 851 000)	(13 463 852)	14 387 148	b
Depreciation and amortisation	(78 160 000)	-	(78 160 000)	(16 117 861)	62 042 139	c
Repairs and maintenance	(16 063 000)	-	(16 063 000)	(30 150 940)	(14 087 940)	d
Lease rentals on operating lease	(10 769 000)	-	(10 769 000)	(2 317 692)	8 451 308	i
Debt Impairment	-	-	-	(858 112)	(858 112)	e
Contracted Services	(7 974 000)	-	(7 974 000)	(2 295 315)	5 678 685	f
Cost of sales	(113 123 000)	-	(113 123 000)	(93 292 206)	19 830 794	g
Operating expenses	(15 808 000)	-	(15 808 000)	(19 640 191)	(3 832 191)	h
Total expenditure	(269 748 000)	-	(269 748 000)	(178 136 169)	91 611 831	
Operating surplus	(24 285 000)	-	(24 285 000)	25 988 237	50 273 237	
Loss on disposal of assets and liabilities	-	-	-	(1 168 905)	(1 168 905)	
Loss on foreign exchange	-	-	-	(96 400)	(96 400)	n/a
	-	-	-	(1 265 305)	(1 265 305)	
Surplus before taxation	(24 285 000)	-	(24 285 000)	24 722 932	49 007 932	
Actual Amount on Comparable Basis as Presented Budget and Actual Coporative Stæment	(24 285 000)	-	(24 285 000)	24 722 932	49 007 932	

Driving Licence Card Account

NOTES TO THE AFS FOR THE YEAR ENDED 31 MARCH 2024 SIGNIFICANT ACCOUNTING POLICIES

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

Even though departments follow a modified cash basis of accounting, trading entities within departments are prescribed to apply GRAP standards according to the Accounting Standards Board (ASB), which was mandated by the minister of finance according to section 91 of the PFMA to set and prescribe these standards.

1.2 PRESENTATION CURRENCY

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

1.3 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.

1.4 MATERIALITY

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The framework for the Preparation and Presentation of financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions. The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.5 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement 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. Significant judgements include:

The assets of the CA are designated as non-cash generating assets as they are not used with the objective of generating commercial return but for use in delivering its mandate of overseeing and enforcing road safety performance by operators.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

Receivables from exchange transactions and non-exchange transaction

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. Provision for impairment is done at amortised cost

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Contingent liabilities

Canagement considers the existence of possible obligations which may arise from legal action as well as the possible noncompliance of the requirements of completion of guarantees. The estimation of the amounts disclosed is based on the expected outflows of economic benefits should there be a present obligation.

Effective interest rate and deferred settlement terms

The entity used the effective interest rate as determined by Dational Treasury to discount future cash flows.

Allowance for doubtful debts

on debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition

Useful lives and residual values

The entity re-assesses the useful lives and residual values of property, plant and equipment and intangible assets on an annual basis and in doing so considers the condition in use of the individual assets to determine the remaining period over which the asset will be used.

Property, plant and equipment and Intangible assets

The carrying amounts of property, plant and equipment and intangible assets are affected with the annual review of usefulives, current residual values and depreciation and amortisation methods.

Property, plant and equipment and intangible assets are also affected with the determination of the fair value of certain assets on initial recognition

Non-financial assets

The entity reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.6 PROPERTY, PLANT AND EQUIPMENT

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

Property, plant and equipment is initially measured at cost. The cost of an item of property, plant and equipment 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 iitems fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

1.6 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.

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

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.

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.

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

Item	Depreciation method	Average useful life
Machinery	Straight-line	25-26 years
Motor vehicles	Straight-line	4-5 years
Office equipment and furniture	Straight-line	3-10 years
Computer equipment	Straight-line	4-6 years
Communication devices	Straight-line	2-4 years
Smart Enrollment Units	Straight-line	3-10 Year

The depreciable amount of an asset is allocated on a systematic basis over its useful life. 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.

The depreciation method used reflects the pattern in which the assets 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 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.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

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, net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.7 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an 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.

Initial Recognition

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; and
- 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. Intangible assets are initially recognised at cost.

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 are carried at cost less any accumulated amortisation and any impairment losses. 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. internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets. Internally generated goodwill is not recognised as an intangible asset.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

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

Computer software- acquired derecognition

Item	Depreciation method	Average useful life
Computer software- acquired Derecognition	Straight-line	4-6 years

Intangible assets are derecognised:

- on disposal; or
- 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 (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 INVENTORIES

Initial recognition

Inventory is recognised as an asset when:

- it is controlled by the entity;
- as a result of a past event (acquisition or production thereof);
- from which it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost (or fair value) of the inventory can be measured reliably.

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale.

Net realisable value is reviewed on an annual basis.

Initial Measurement

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

Subsequent Measurement

when inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 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

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

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 the initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Offsetting

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

Cash and cash equivalents

Cash and cash equivalents are measured at cost.

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

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

Receivables from exchange and non-exchange transactions

Identification

Receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

The entity recognises receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures receivables at their transaction amount

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

Subsequent measurement

The entity measures receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

where the entity levies interest on the outstanding balance of receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers), whichever is applicable.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a receivable, or a group of receivables, may be impaired.

In assessing whether there is any indication that a receivable, or group of receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counseling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.
-

If there is an indication that a receivable, or a group of receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. where the carrying amount is higher than the estimated future cash flows, the carrying amount of the receivable, or group of receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

In estimating the future cash flows, an 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 receivable, or group of receivables, for which the future cash flow estimates have not been adjusted.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

Derecognition

The entity derecognises a receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

Trade and other payables from exchange and non-exchange transactions

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

1.10 EMPLOYEE BENEFITS

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- (a) an entity's decision to terminate an employee's employment before the normal retirement date; or
- (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

All short-term employee benefits

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

(a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

(b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

(a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and

(b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

1.11 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.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

IMPAIRMENT OF CASH-GENERATING ASSETS (CONTINUED)

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.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows

1.12 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party or vice versa, or an entity that is subject to common control, or joint control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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. Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

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.

1.13 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease 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.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

1.13 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.

1.14 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.

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.

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

Interest

Revenue arising from the use by others of entity assets yielding interest 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.
-

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.15 COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all surplus of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

1.16 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments;
- where the expenditure has been approved and the contract has been awarded at the reporting date; and where disclosure is required by a specific standard of GRAP.

1.17 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise. When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.18 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 UNAUTHORISED EXPENDITURE

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

1.20 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Dotes, Practice Dotes, Guidelines etc (as applicable).

1.21 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury Instruction No. 4 of 2022/23 which was issued in terms of section 76(1)(b), (e) and (f), (2)(e) and (4)(a) and (c) of the PFMA, requires the following:

Irregular expenditure emanating from non-compliance with the delegations of authority for departments, constitutional institutions, trading entities and public entities must be considered for condonation in terms of the definition of relevant authority as contained in Annexure to the instruction.

Irregular expenditure emanating from non-compliance with the budget of a Schedules 3A and 3C public entity must be considered for condonation in terms of the definition of relevant authority as contained in Annexure to the instruction. Interinstitutional arrangements as prescribed in paragraph 3.12 and 3.13 of Annexure to the instruction must be dealt with as follows -

- Irregular expenditure previously disclosed in the annual financial statements of the budget holder and not addressed must remain in the register and recorded in the annual report of the budget holder and addressed in terms of Annexure to the instruction.
- Irregular expenditure previously disclosed in the annual financial statements of the mandated institution and not addressed must remain in the register and annual report of the mandated institution and addressed in terms of Annexure to the instruction.
- Irregular expenditure disclosed in the annual financial statements of the budget holder or mandated institution in the previous financial year must be disclosed as a comparative amount in the annual financial statements.
- Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- (a) irregular expenditure incurred and confirmed in the previous financial year;
- (b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- (c) irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- (d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed

SIGNIFICANT ACCOUNTING POLICIES... continued

For the year ended 31 March 2025

1.22 BUDGET INFORMATION

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Comparative information is not required.

1.23 EVENTS AFTER REPORTING DATE

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:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event 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.

1.24 TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER COMMON CONTROL

Definitions

Transfers of functions between entities under common control are accounted for by the transferor by derecognising assets and liabilities at their carrying amounts at the date of transfer. Any difference between the assets and liabilities derecognised and consideration paid, if any, is recognised in accumulated surplus or deficit.

Determining the transfer date

The acquirer and the transferor identify the transfer date, which is the date on which the acquirer obtains control and the transferor loses control of that function.

Assets acquired [Transferred] and liabilities assumed [relinquished]

The assets acquired and the liabilities assumed are part of what had been agreed in terms of the binding arrangement rather than the result of separate transactions.

Derecognition of assets transferred and liabilities relinquished

As of the transfer date, the entity derecognises from its annual financial statements, all the assets transferred and liabilities relinquished in a transfer of functions at their carrying amounts.

Until the transfer date, the entity continues to measure these assets and liabilities in accordance with applicable Standards of GRAP.

The consideration received from the acquirer can be in the form of cash, cash equivalents or other assets. If the consideration received is in the form of other assets, the entity measures such assets at their fair value on the transfer date in accordance with the applicable Standard of GRAP. The difference between the carrying amounts of the assets transferred, the liabilities relinquished and the consideration received from the acquirer is recognised in accumulated surplus or deficit.

Driving Licence Card Account

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

Figures in Rands	2025	2024
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2. INVENTORIES

Raw materials, components	49 327 788	15 858 155
Finished goods	-	496 941
	49 372 788	16 355 096

3. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	24 624 519	21 243 099
Prepayments	11 912	-
	24 636 131	21 243 099

Reconciliation of provision for impairment of trade and other receivables

Opening Balance	(247 534)	(463 240)
Provision for Impairment	(858 112)	215 706
	(1 105 646)	(247 534)

Trade debtors after impairment

	25 539 485	20 995 565
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Fair value of trade and other receivables

The fair value of trade and other receivables is equal to the invoice amounts related to these receivables.

No receivables from exchange transactions were pledged as security.

The impairment of trade receivables has been determined with reference to past default experience and the current economic environment.

Interest was charged on overdue accounts over 90 days at a rate of 11% as determined by the National Treasury.

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Other receivables from non-exchange transactions	350 954	114 588
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Statutory receivables general information

Transaction(s) arising from statute

This balance represents amounts paid in advance to SARS for employment related taxes

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	13 896	10 829
Bank balances	70 716 582	42 738 855
Short-term deposits	80 423 004	229 554 371
	151 153 485	204 276 166

6. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost /Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Motor Vehicles	391 590	(23 388)	368 202	-	-	-
Office equipmnets	610 798	(386 687)	224 111	3 850 202	(2 655 659)	1 194 543
Computer Equipments	61 624 631	(33 124 678)	28 449 953	220 449 310	(179 668 491)	40 875 819
Smart enrollment units (WIP)	182 409 318	-	182 409 318	135 667 583	-	135 667 583
Smart enrollment units (WIP)	90 522 329	(3 341 046)	87 181 283	-	-	-
Plant and Machinery	19 152 176	(19 141 826)	10 350	19 152 176	(19 141 826)	10 350
Communication Devices	259 851	(129 649)	130 202	415 483	(211 864)	203 619
	354 970 693	(56 147 274)	298 823 419	379 629 754	(201 677 840)	177 951 914

Reconciliation of Property, Plant, and Equipment - March 2025

	Opening Balance	Additions	Disposals	Transfers	Depreciation	Total
Motor Vehicles	-	391 590	-	-	(23 388)	368 202
Office equipmnets	1 194 543	10 658	(847 699)	-	(133 391)	224 111
Computer Equipments	40 875 819	460 503	(321 206)	(90 533 329)	(12 515 163)	28 499 953
Smart enrollment units (WIP)	135 667 583	137 264 064	-	90 533 329	-	-
Smart enrollment units (WIP)	-	-	-	-	(3 341 046)	87 181 283
Plant and Machinery	10 350	-	-	-	-	10 350
Communication Devices	203 619	-	-	-	(73 417)	130 202
	177 951 914	138 126 815	(1 168 905)		(16 086 405)	299 823 419

Reconciliation of Property, Plant, and Equipment - March 2024

	Opening balance	Additions	Other changes, movements	Depreciation	Total
Office equipmnets	1 651 715	29 952	12	(487 136)	1 194 543
Computer Equipments	64 364 581	4 273 203	-	(27 761 965)	40 875 819
Smart enrollment units (WIP)	-	135 667 583	-	-	135 667 583
Plant and Machinery	10 350	-	-	-	10 350
Communication Devices	260 119	75 955	-	(132 455)	203 619
	66 286 765	140 046 693	12	(28 381 556)	177 951 914

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Pledged as Security

None of the above assets have been pledged as security/surety:

Other information

A register containing detailed information on property plant and equipment is available for inspection at the registered office of the entity.

During the 2024/25 financial year, R30 150 940 (2024:R20 569 689) was spent on the repairs of the property plant and equipment. Significant repair works were performed on the LEU units and the card production machine, as disclosed in note 19.

During the year, 398 out of the 1200 Smart Enrollment Units (SEUs) acquired by DLCA were installed and are now ready for use. The installation of the remainder of the SEUs is still ongoing.

Comparative figures have been restated to include Work in Progress costs incurred on Smart Enrollment Units which was previously accounted as a prepayment, for additional information regarding the effect of the restatement, please refer to note 23 on prior period errors

7.INTANGIBLE ASSET

	March 2025			March 2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 286 300	(1 283 991)	2 309	1 286 300	(1 252 535)	33 765

Reconciliation of intangible assets - March 2025

	Opening balance	Amortisation	Total
Computer software, other	33 765	(31 456)	2 309

Reconciliation of intangible assets - March 2024

	Opening balance	Amortisation	Total
Computer software, other	76 289	(42 524)	33 765

Pledged as security

No intangible assets were pledged as security:

Figures in Rands

2025

2024

8. OPERATING LEASE LIABILITY

Current liabilities

410 186

465 017

The operating lease liability is as a result of the lease smoothing in line with the lease agreement of the main office and factory building situated in Erasmuskloof..

9. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables

53 815 445

850 817

Income received in advance

32 941 653

1 878 903

Accrued expense

2 273 680

6 428 287

Department of Transport

666 654

1 655 704

89 697 432

10 813 711

10. PROVISIONS

Reconciliation of provisions - 31 March 2025

	Opening Balance	Additions	Utilised during the year	Total
Provision for Backpay	36 808	-	(36 808)	-
Provision for leave	480 857	366 051	(359 232)	487 676
	517 665	366 051	(396 040)	487 676

Reconciliation of provisions - March 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision for backpay	-	36 808	-	36 808
Provision for leave	502 543	-	(21 686)	480 857
	502 543	36 808	(21 686)	517 665

Leave provision

Employees' entitlement to annual leave is recognised when it accrues from 1 January to 31 December and will be forfeited on 30 June the following year. A provision is made on the estimated liability for annual leave as a result of services rendered by employees up to the amount of the obligation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands	2025	2024
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11. REVENUE

Sale of goods	191 429 561	222 174 307
Interest received	12 694 845	18 350 224
	204 124 406	240 524 531

The amount included in revenue arising from exchange of goods or services are as follows

Sale of goods	191 429 561	222 174 307
Interest received	12 694 845	18 350 224
	204 124 406	240 524 531

Nature and type of services in-kind are as follows

DLCA relies on the eNaTIS system to receive orders for drivers license cards to be printed as requested by several DLCTs throughout the country. This system is owned and managed by RTMC and the service to DLCA is provided at no cost. Due to there being no set charges for the reliance and use of eNaTIS by DLCA, and also there are no other comparable service providers, the value of these services received in kind could not be estimated to fair value.

12. INTEREST REVENUE

Interest revenue		
Bank	12 488 286	18 284 332
Interest charged on trade and other receivables	206 559	65 892
	12 694 845	18 350 224

Total interest income, from trade and other receivables is calculated using the effective interest rate of 11%, on trade and other receivables over 90 days. Interest from bank is charged monthly on the entity's credit balances held with the respective banks. The biggest portion of the interest received comes from the investment account.

13. COST OF SALES

Sale of goods		
Raw materials consumed	85 388 877	95 532 686
Labour costs	6 811 483	6 664 985
Other Overheads	594 905	955 178
Movement in finished goods	496 941	314 609
	93 292 206	103 467 458

14. DEBT IMPAIRMENT

Contributions to debt impairment provision	858 112	(215 706)
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Contributions to debt impairment represents the net movement in the provision for impairment of the debtor's book between the previous and the current year, the increase noted represents a slight regression in the collectability of debtors' accounts. The total impaired balance of the debtors' book at year end is shown in note 3.

15. DEPRECIATION AND AMORTISATION

Property, plant and equipment	16 086 405	28 381 556
Intangible assets	31 456	42 524
	16 117 861	28 424 080

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands

2025

2024

16. EMPLOYEES RELATED COSTS

Basic	11 535 644	11 743 010
Direct labour costs - cost of sales	6 811 483	6 664 985
Non- executive emoluments	-	74 162
Bonus	114 623	254 703
Medical aid - company contributions	281 155	212 824
UIF	40 079	70 963
SDL	72 967	142 883
Leave pay provision charge	5 526	105 345
Travel, motor car, accommodation, subsistence and other allowances	168	26 347
Overtime payments	471 495	1 507 676
13th Cheques	92 993	112 137
Acting allowances	206 726	156 608
Housing benefits and allowances	187 421	124 100
Other allowances	6 380	9 107
Bargaining Council	681	810
Pension Fund	321 614	453 765
Non-pensionable allowances	126 380	381 358
	20 275 335	22 040 783
Employee cost- per Function		
Employee Costs- Administrative	13 463 852	15 375 798
Employee Costs- Manufacturing	6 811 483	6 664 985
	20 275 335	22 040 783

Audit committee members emoluments which are disclosed in detail under note on Related Parties.

Asset Verification practitioners contracted on an ad-hoc basis.

Employee related costs include seconded employees salaries. The following seconded employees were employed during the year:

Mr Johannes Makgatho (acting HoE) employed from 04/03/2025
 Mr Nqoba Ngomane(acting CFO) employed from 26/08/2024 to 28/02/2025
 Mr. Kagiso Kgosiemang (acting HoE) employed from 01/04/2024 till 31/12/2024
 Mr. Ngoako Rapholo (acting CFO) employed from 01/10/2023 till 30/06/2024.

Staff Complement		
Permanent Employees	7	8
Contract employees	26	28
Seconded employees	4	6
	37	42

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands	2025	2024
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17. EMPLOYEES RELATED COSTS

Advertising	-	83 318
Auditors remuneration	4 098 827	4 539 338
Bank charges	295 739	306 996
Cleaning	27 629	377 785
Computer expenses	438 743	623 959
Entertainment	30 524	43 380
Venue hire	2 300	29 186
Insurance	9 617	923 235
Motor vehicle expenses	1 036	-
Postage and courier	11 650 350	2 997 513
Printing and stationery	325 556	108 432
Security	1 210 349	1 034 110
Staff welfare	103 353	109 707
Subscriptions and membership fees	162 448	174 662
Telephone and fax	306 823	529 661
Training	72 450	68 550
Travel - local	480 578	3 504 266
Bursaries	166 100	137 510
Storage	257 769	353 307
	19 640 191	15 944 915

Contracted Services (presented separately on the statement of financial performance)

The following operational services required by the entity were subcontracted, resulting in the following additional costs being incurred:

Legal services	-	4 025 200
Financial and Annual Reporting	1204 600	550 049
Internal Audit	-	522 240
Governance	-	98 460
Employee wellness and training	218 895	298 610
SEU and new card machine consultation	871 820	1 777 906
Total	2 295 315	7 272 465

18. LEASE RENTALS ON OPERATING LEASE

Office and factory and building		
Contractual amounts	1 991 939	2 004 287
Equipment		
Contractual amounts	325 753	139 753
	2 317 662	2 144 040

19. REPAIR AND MAINTANANCE

Other repairs and maintenance	767 882	1 878 817
LEU post-realization services	29 383 058	18 690 872
	30 150 940	20 569 689

Post realisation services refer to the support and maintenance of existing live enrolment units which are used for the capturing of information that appears on the driving licence card. These units are in the process of being replaced by smart enrolment units. The increase in the costs is based on the increased number of support calls related to the aging equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands 2025 2024

20. CASH GENERATED FROM OPERATIONS

Surplus	24 722 932	48 328 935
Adjustments for:		
Depreciation and amortisation	16 117 861	28 424 080
Gain on sale of assets and liabilities	1 168 905	-
Debt impairment	858 112	(215 706)
Movements in operating lease assets and accruals	(54 831)	94 698
Movements in provisions	(29 989)	15 122
Changes in working capital:		
Inventories	(33 017 692)	8 582 745
Receivables from exchange transactions	(2 534 920)	3 611 075
Reversal of debt impairment	(858 112)	215 706
Other receivables from non-exchange transactions	(236 366)	225 873
Payables from exchange transactions	78 883 721	(17 245 477)
	85 019 621	72 037 051

21. OPERATING SURPLUS

Operating surplus for the year is stated after accounting for the following:

Operating lease charges		
Premises		
Contractual amounts	(1 991 939)	(2 004 287)
Equipment		
Contractual amounts	(325 753)	(139 753)
	(2 317 692)	(2 144 040)
Loss on sale of property, plant and equipment	(1 168 905)	-
(Loss) gain on exchange differences	(96 400)	787 143
Amortisation on intangible assets	(31 456)	(42 524)
Depreciation on property, plant and equipment	(16 086 405)	(28 381 556)
Employee costs	(13 463 852)	(15 375 798)

22. AUDITORS' REMUNERATION

Fees	4 098 827	4 539 338
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands

2025

2024

23. PRIOR PERIOD ERRORS

Smart Enrolment Units Recognition

Costs incurred to procure some components of the Smart Enrollment Units (SEUs) were incorrectly classified as a prepayment in the prior year, however upon investigation it was discovered that the costs are related to components that had already been delivered to DLCA despite being not available for use yet, the costs have thus now been reclassified from prepayments to work in progress under property, plant and equipment. Furthermore, the other SEU costs incurred in the prior year, previously classified as computer equipment have now been separately disclosed as SEU work in progress to enhance understandability of the presentation and disclosure of these assets by the users of the financial statements.

Cellphone purchase via finance lease

Furthermore, a cellphone purchased under a finance lease agreement had been omitted in the prior year financials but now correctly recorded; the lease payments made in the prior year had been incorrectly expensed, but now the cell phone purchase has been capitalised via a restatement of prior year figures.

Unearned Income - Cards not distributed at year end

In the prior financial year, unearned income was set off against trade receivables, however this setting off was slightly distorting to the fair presentation and disclosure of the financial position of DLCA associated with its receivables and payables, hence in the current year, the unearned income account has been reclassified to payables. The reclassification has no effect on the statement of cashflows as it still falls under payments received from customers (in advance), however, in the statement of financial position, this account has now been presented and disclosed as payable.

Office and computer equipment

During the physical verification exercise, some computer equipment items were identified which had been classified incorrectly as office equipment, this has now been rectified by restating the respective balances at the earliest possible period and correcting the fixed assets register. Furthermore, the calculation of depreciation and accumulated depreciation in the prior years had been done incorrectly for some computer equipment items, this has now been corrected on the updated fixed assets registers, the correction of which triggered a prior period error adjustment of accumulated depreciation and prior year depreciation amounts.

The correction of the error(s) results in adjustments as follows

Statement of Financial Position and accompanying notes		
Property, plant and equipment - WIP Smart Enrollment Units	-	135 667 583
Receivables from exchange transactions - Prepayments	-	(17 073 188)
Property, plant and equipment - Computer Equipment	-	(119 687 228)
Property, plant and equipment - Office equipment	-	(543 084)
Receivables from exchange transactions - Trade debtors	-	702 863
Payables from exchange transactions - Income received in advance	-	(702 863)
Property plant and equipment - Communication devices	-	19 803
Finance lease obligation	-	(21 239)
Accumulated surplus	-	1 637 351

Statement of financial performance

Depreciation and amortisation	-	10 440
General expenses - Telephone and Fax	-	(9 004)

Cash Flow Statement

Cash flow from operating activities		
Payments to suppliers	-	(17 115 331)
Cash flow from investing activities		
Purchase of property, plant and equipment	-	17 073 431
Cash flow from financing activities		
Finance lease repayments	-	11 900

Figures in Rands	2025	2024
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24. CONTINGENT LIABILITIES

Surrender of Funds

In terms of section 53(3) of the PFMA, a public entity may not accumulate surpluses unless written approval of the National Treasury has been obtained. The retention for the current year's surplus has not been approved, as shown below

	2024/25
Cash and Cash equivalents	151 153 485
Add: Receivables Exchange	23 530 485
Add Receivables - Non-Exchange	350 954
Less: Current Liabilities- Payables from exchange	90 601 044
Surplus	84 433 880

Smart driver's license card contract uncertainties

During August 2024, DLCA concluded a contract with idemia for the provision, installation and maintenance of equipment (with related infrastructure and raw materials) for the personalization of smart driving license cards. The transport minister requested an audit on the smart driver's license card contract which was concluded in March 2025 with adverse findings of non-compliance. The transport minister then lodged a high court application for a declaratory order regarding this contract. DLCA might be exposed to costs in the near future due to this legal action. The costs could be in the form of legal fees and/or cancellation charges imposed by the supplier. It is not possible to make an estimate of the anticipated losses at this stage as there are still too many uncertainties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 March 2025

24. BUDGET DIFFERENCES

The budget amounts presented on the statement of comparison of budget and actual amounts are the yearly figures from 01 April 2024 to 31 March 2025.

Budget Variances: Significant variances to planned performance figures are due to the factors explained below

a) Revenue: sale of good (unfavorable variance)

An underachievement of budgeted revenue was mainly caused by mechanical breakdowns of the card printing machine, especially during the period from February to March 2025; therefore payments received from customers in advance without the subsequent delivery of the drivers' license cards (due to machine breakdowns) have been recorded as income received in advance under payables.

b) Employee costs (favorable variance)

The performance of the compensation of employees figure of DLCA against the budgeted figure tells a story of the understaffing and talent shortages that the institution is currently facing, which would have an impact on the operations of the entity as well as on its service delivery obligations. The budgeted figures were set with an anticipation that critical posts will be filled during the financial year, however this was not the case as DLCA is still severely understaffed.

c) Depreciation and amortisation (favorable variance)

In pursuit of the strategic plans of the entity to timely and effectively manufacture driver's license cards, DLCA budgeted for a significant capital expenditure a new card production machine as well as Smart Enrolment Units. Once these assets are eventually brought into use, the depreciation figure for property plant and equipment would be expected to go up, which explains the higher budget which was not fully utilized as the smart enrolment units were not fully brought into use in the current year as anticipated.

d) Repairs and maintenance (unfavorable variance)

The repairs and maintenance figure had a negative variance against the budgeted amount due to the higher than anticipated number of breakdowns of the Live Enrollment Units and the card production machine which had to be repaired.

e) Debt impairment (unfavorable variance)

Due to payment defaults after cards delivery to some DLTCs, the entity had to incur a fairly significant debt impairment than anticipated.

f) Contracted services (favorable variance)

The entity used to contract internal audit and audit committee functions in the previous years, however after the expiry of the contracts just before the beginning of the current year, the entity never reappointed an audit committee nor internal auditors, this was because of the anticipation of the merger with RTMC which did not end up happening.

g) Cost of sales (favorable variance)

Due to the production machine breakdowns and the subsequent halting of production, especially during the February-March 2025 period, DLCA had to incur a lower than budgeted cost of sales due to a lower material usage, which also resulted in a higher number of driving license cards paid for by clients but which could not be produced and/or delivered. Furthermore, DLCA did not use legal services in the current year, as compared to last year when they were used to investigate the Irregular Expenditure and implement consequence management.

h) Operating expenses (unfavorable variance)

Slightly higher than anticipated operating expenses due to the courier services incurred by DLCA as we rolled out the installation of SEUs and removal of the old LEUs.

i) Operating lease expense (favourable variance)

Due to the anticipation of acquiring new card production machines, DLCA planned to move to bigger premises that accommodates the new equipment, however since these plans were subsequently suspended, the budget for rent for the new premises had already been made and thus results in a variance against the current annual rental expenses since DLCA is still using the old premises located at Erasmuskloof, Pretoria.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands 2025 2024

26. RISK MANAGEMENT

Foreign currency risk management

Foreign currency exposures arise from the purchase of material. When orders are placed, the risk is assessed to determine whether or not forward cover is required; however, due to the fact that the entity pays its creditors within 30 days, the risk of significant adverse fluctuations in foreign currency between the invoice date and the payment date is perceived as low.

The risk is mitigated using forward exchange contracts for recognized risky transactions with invoices which could be paid after 30 days.

No forward exchange contracts were entered into during the financial years ended 31 March 2025 and 31 March 2024 as all foreign invoices were paid within 30 days.

Interest rate risk management

The entity is exposed to interest rate risk as it places funds in the current account at floating interest rates. Interest rate risk is managed through effective cash management. The net interest income at 31 March 2025 was R12 488 286 (2024 March: R18 284 332)

The interest rate re-pricing profile at 31 March 2025 is summarised as follows:

Cash and cash equivalents	151 153 485	204 276 166
% of total bank statements	100	100

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.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

The table below analyses the entity's financial liabilities and net-settled derivative 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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at March 2025	Within 1 month	1-3 months	3-12 months	1-5 years	Impaired financial assets	Total
Receivables from Exchange Transactions	19 876 404	4 686 760	72 967	-	(1 105 646)	23 530 485
Cash and cash equivalents	151 153 486	-	-	-	-	151 153 486
Subtotal	171 029 890	4 686 760	72 967	-	(1 105 646)	174 683 971
	171 029 890	4 686 760	72 967	-	(1 105 646)	174 683 971
Financial liabilities						Total
Trade and other payables from exchange transactions	89 697 432	-	-	-	-	89 697 432

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands						2025	2024
Risk management continued							
Subtotal	89 697 432	-	-	-	-	89 697 432	
	89 697 432	-	-	-	-	89 697 432	
As at March 2024	Within 1 month	1-3 months	3-12 months	1-5 years	Impaired financial assets	Total	
Receivables from Exchange Transactions	16 857 077	3 750 453	635 569	-	(247 534)	20 995 565	
Cash and cash equivalents	204 276 166	-	-	-	-	204 276 166	
Subtotal	221 133 243	3 750 453	635 569	-	(247 534)	225 271 731	
	221 133 243	3 750 453	635 569	-	(247 534)	225 271 731	
Financial liabilities	Within 1 month	1-3 months	3-12 months	1- 5 years	Column Impaired Financial assets	Total	
Trade and other payables from exchange transactions	10 813 711	-	-	-	-	10 813 711	
Subtotal	10 813 711	-	-	-	-	10 813 711	
	10 813 711	-	-	-	-	10 813 711	

Credit risk

Potential concentrations of credit risk consists mainly of cash deposits, cash equivalents, and trade receivables. The entity limits its counterparty exposures from its bank accounts by only dealing with major banks with high quality credit standing.

Trade receivables comprise a larger number of customers within the government sphere and spread throughout the country.

At 31 March 2025, the DLCA did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The amount in the statement of financial position is the maximum exposure to credit risk.

Foreign exchange risk

The entity does not hedge foreign exchange fluctuations.

Price risk

In the opinion of the entity, the book value of the financial instruments approximates their fair value.

The following methods and assumptions were used by the Driving Licence Card Account in establishing fair values: Financial instruments not traded in an active market at 31 March 2025 and 31 March 2024 the carrying amounts of cash and deposits, accounts receivable, accounts payable at cost and short-term borrowings approximated their fair values due to the short term maturities of these assets and liabilities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands	2025	2024
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27. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure	-	4 273 203
Fruitless and wasteful expenditure	-	24 618
Closing balance	-	4 297 821

Details of irregular and fruitless & wasteful expenditure

During the 2022/23 financial year, an order for R74 316 565 was issued to a supplier for 1000 eye test units. Upon investigation, it was noted that the contract entered into with the supplier was evaluated on 80/20 in terms of PPPFA regulation, which states that the spend on the contract should not exceed R50 million, and /or if it exceeds, it should be limited to 15% of the total contract value. The contract was fully paid off in the prior year and hence no current irregular expenditure incurred.

Furthermore the fruitless expenditure incurred in the prior year(s) pertains to penalties incurred due to the late filing of monthly employment tax returns.

28. COMMITMENTS

a) Authorised capital expenditure

Already contracted for but not provided for Property, plant and equipment	336 843 693	91 227 907
Total capital commitments		
Already contracted for but not provided for	336 843 693	91 227 907

b) Authorised operational expenditure

Already contracted for but not provided for		
Cost of sales	621 236 438	106 983 330
Contracted services	1 451 317	1 562 320
General expenses	14 668 921	255 405
Repairs and maintenance	175 524 573	140 000 000
Leases	4 711 397	7 169 041
	817 592 646	255 970 096
Total operational commitments		
Already contracted for but not provided for	817 592 646	255 970 096
Total commitments		
Total commitments		
Authorised capital expenditure	336 843 693	91 227 907
Authorised operational expenditure	817 592 646	255 970 096
	1 154 436 339	347 198 003

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 March 2025

Figures in Rands	2025	2024
Commitments (continued)		
The commitment relates to the transactions that will result in the outflow of resources.		
Capital commitments		
In the current financial year, DLCA entered into a 5-year contract with Idemia ending 31 August 2029 for the provision, installation, maintenance of equipment with related infrastructure, and raw material for the personalization of Smart Driving License Cards (turnkey solution). DLCA contracted with Idemia to acquire 3 smart driving licence card production machines (2 for main production and 1 for Disaster Recovery Centre).		
Operational commitments: Repairs and maintenance		
The Entity has a R140 million 5-year contract ending 31 March 2028 with Matupunuka ICT for the provision and maintenance of hardware infrastructure for the Smart Enrolment solution.		
On the contract signed with Idemia for a turnkey solution for the new smart driving license card production machine, there is also a part of the contract that addresses maintenance of the new card production machine, which amounts to R47 million for 5 years.		
Operational commitments: Cost of sales		
The entity has a contract with AGFA for R99 million for the supply of raw materials for the current production of the driving licence cards. The purchase order is valid until August 2025		
Included in the cost of sales commitment is also the commitment made with Idemia for smart driving license card production material for a period of 5 years ending 31 August 2029. The commitment amounts to R516 million for 5 years. This commitment is also part of the turnkey solution contract signed with Idemia for the provision, installation, maintenance of equipment with related infrastructure, and raw material for the personalization of Smart Driving License Cards.		
Operational commitments: Contracted services		
The entity is participating on contracts with Brima logistics and MTEF for courier services of raw materials import purchases, card delivery and SEU equipment delivery to different DLTCs. The contracts expire in April 2029.		
Prior period errors		
The comparatives for commitments have been restated to adjust for some arithmetical errors, as well as some opening balances roll-forward errors, which had been made in the prior year, the following are the effects of the restatements made:		
- Cost of sales	R97 750	
- Contracted services	R87 520	
- General expenses	(R51 045)	
- Leases	R3 040 977	
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	2 897 618	2 641 675
- in second to fifth year inclusive	1 813 779	4 506 030
- later than five years	-	-
	4 711 397	7 147 705
The entity has a contract with State Information Technology Agency for the lease of building for a period of 5 years commencing from 01 November 2021 to 31 October 2026 with an annual escalation clause of 6%, applicable in January of every year. Furthermore, the entity also has a 3 year contract with Minolta for the leasing of 2 office printers till January 2027.		
Rental expenses relating to operating leases		
Minimum lease payments	4 711 397	7 147 705
	-	-
	4 711 397	7 147 705

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

Figures in Rands	2025	2024
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29. RELATED PARTIES

Balances arise from transactions with Department of Transport due to payments made on behalf of the Driving Licence Card Account by the Department. The Department of Transport is controlled at a national government level through the Minister of Transport, the Honourable Minister Barbara Cressy. Both DLCA and RTMC are commonly controlled by the Department of Transport.

a) Related party balances (Balances with controlling entities)

Amounts included in Tradereceivable (Trade Payable) regarding related parties		
Department of Transport	666 654	1 655 704

b) Balances with exempt entities

Auditor General (Provides audit and assurance services)	663 931	414 388
State Information Technology Agency (SITA)	689 698	-

By virtue of being considered a related party to all institutions of National Government, the above outlines the nature and outstanding balances of exempt entities at financial year

c) Payments made to Related Parties (Controlling entities)

Department of Transport	6 648 578	6 578 843
Road Traffic Management Corporation	2 316 340	2 445 211

Payments made to the RTMC in the current year relate to secondments of employees.

Payments made to Department of Transport relate to services rendered on behalf of the entity by the department as well as payment of salaries on behalf of DLCA including secondments.

d) Payments made to Related Parties (Exempt entities)

Auditor General (Provides audit and assurance services)	3 849 284	4 124 950
Government printing works (Supplies sensitive stationery and gazetting).	40 044	-
State Information Technology Agency (SITA) (Provides office rental space)	1 951 977	1 895 117

Key management information

Remuneration of management

Management class: Audit Committee

March 2025

The entity did not have a functional audit committee during the 2024/25 financial year. A new audit committee was appointed towards the end of Q4 2024/25 however they did not perform any oversight responsibilities before year end.

March 2024

	Fees for services as a member of management	Total
Name		
Dr. Pritish Dala	50 206	50 206
Dr. Miseria Nyathi	23 955	23 955
Mr X Sikhakhane- Employed by Provincial Treasury	-	-
	74 161	74 161

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 March 2025

Related parties (continued)

The Audit committee members term ended in June 2023.

Management class: Executive management

March 2025

	Basic salary	Other short-term employee benefits	Other long-term benefits	Total
Name				
Mr Johannes Makgatho - AHoD From 04/03/2025	87 594	29 961	-	117 555
Ms. Mpolokeng Mokone- Snr Manager- Production - upto 25/05/2024	200 874	2 400	-	203 274
Mr. Ngoako Rapholo- Acting CFO - Till 30/06/2024	168 822	112 548	21 669	303 039
Mr Ngoba Ngomane- Acting CFO - 26/08/2024 to 28/02/2025	779 353	-	-	779 353
Mr. Kagiso Kgosiemang - Acting HoD - Till 31/12/2024	1 875 816	-	-	1 875 816
	3 112 459	144 909	21 669	3 279 037

March 2024

	Basic salary	Other short-term employee benefits	Other long-term benefits	Other benefits received	Total
Name					
Mr. Kagiso Kgosiemang - Acting HoD	320 861	222 971	-	-	543 832
Ms. Mpolokeng Mokone- Snr Manager- Production	1 242 369	-	-	99 000	1 341 369
Mr Ngoba Ngomane- Acting CFO until 30/06/2023	168 822	112 548	-	-	281 370
Mr. Tsholofelo Lejaka- HOE from 01/07/2023	1 049 701	281 884	136 461	-	1 468 046
Mr. Ngoako Rapholo- Acting CFO from 01/10/2023	333 370	141 658	43 338	-	518 366
	-	-	-	-	-
	3 115 123	759 061	179 799	99 000	4 152 983

30. EVENTS AFTER THE REPORTING DATE

To aid as a solution for any future machine breakdowns that may be experienced by the entity, the DLCA signed an MOA with the Government Printing Works as an interim solution thus ensuring the continuity of production and delivery of driving license cards for South Africans, given the unreliability of the current production machine, which is old and obsolete.

31. COMPARITIVE FIGURES

Comparative figures have been presented on an annual basis for the year ended 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued
For the year ended 31 March 2025

32. NEW STANDARDS AND INTERPRETATIONS

32.1 Standards and interpretations issued, but not yet effective.

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods:

Standard/ Interpretation	Effective date: Years beginning on or after	Expected impact
GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Not expected to impact results but may result in additional disclosure
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

33. TRANSFER OF FUNCTIONS BETWEEN ENTITIES UNDER
COMMON CONTROL

Previous plans to transfer the driving license printing function to RTMC

During the prior year, the following disclosure was made regarding the plan to transfer the license printing function of DLCA to RTMC; the transfer of function plan was subsequently suspended during the current year:

Entities involved in the transfer of functions were:

- Department of Transport
- Road Traffic Management Corporation

The following functions were to be transferred:

- Driving Licence Card Account production of drivers licenses



Who are we?

Driving Licence Card Account

is a trading entity of the National Department of Transport



DRIVING LICENCE CARD ACCOUNT

Driving Licence Card Account

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transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA