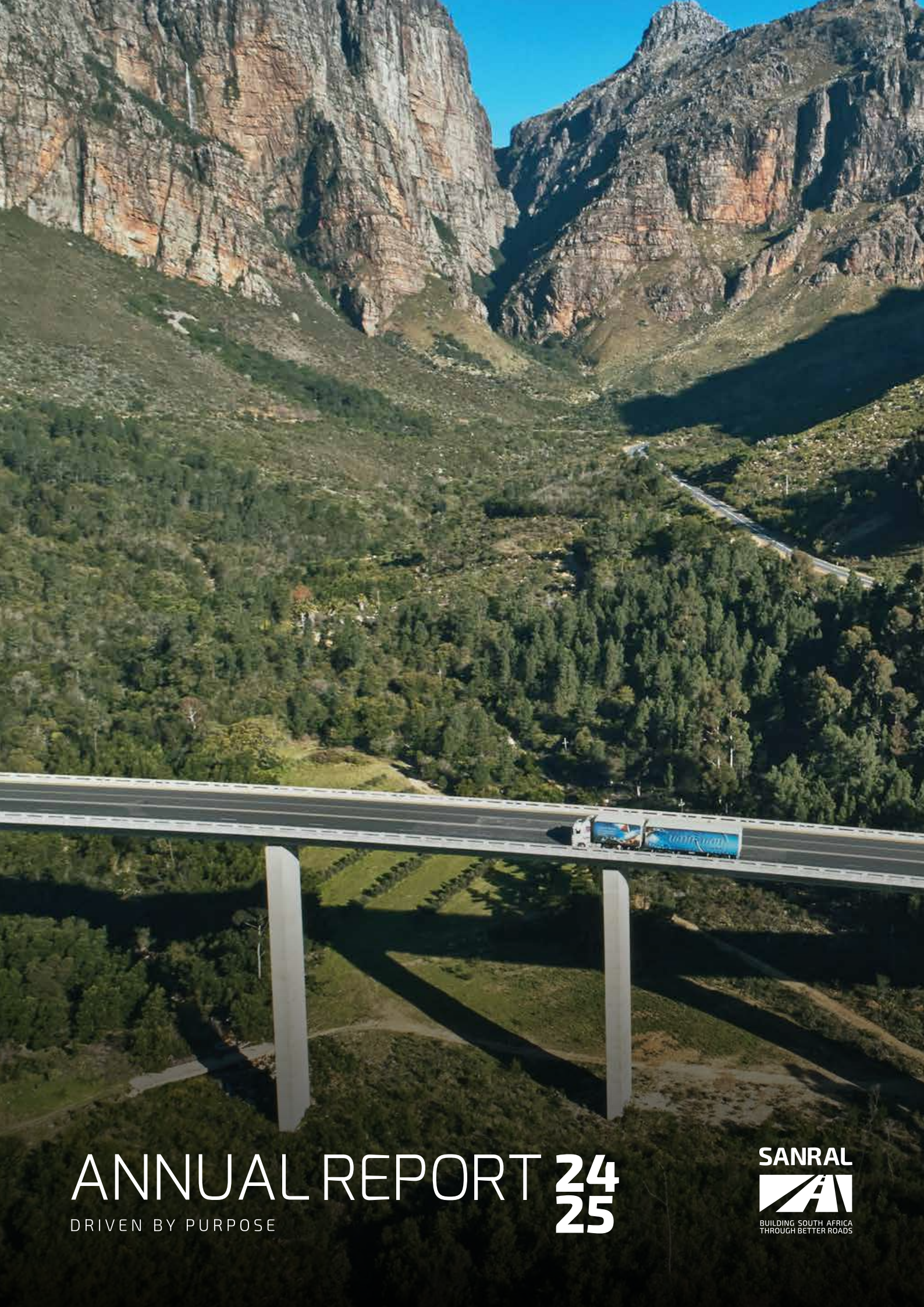


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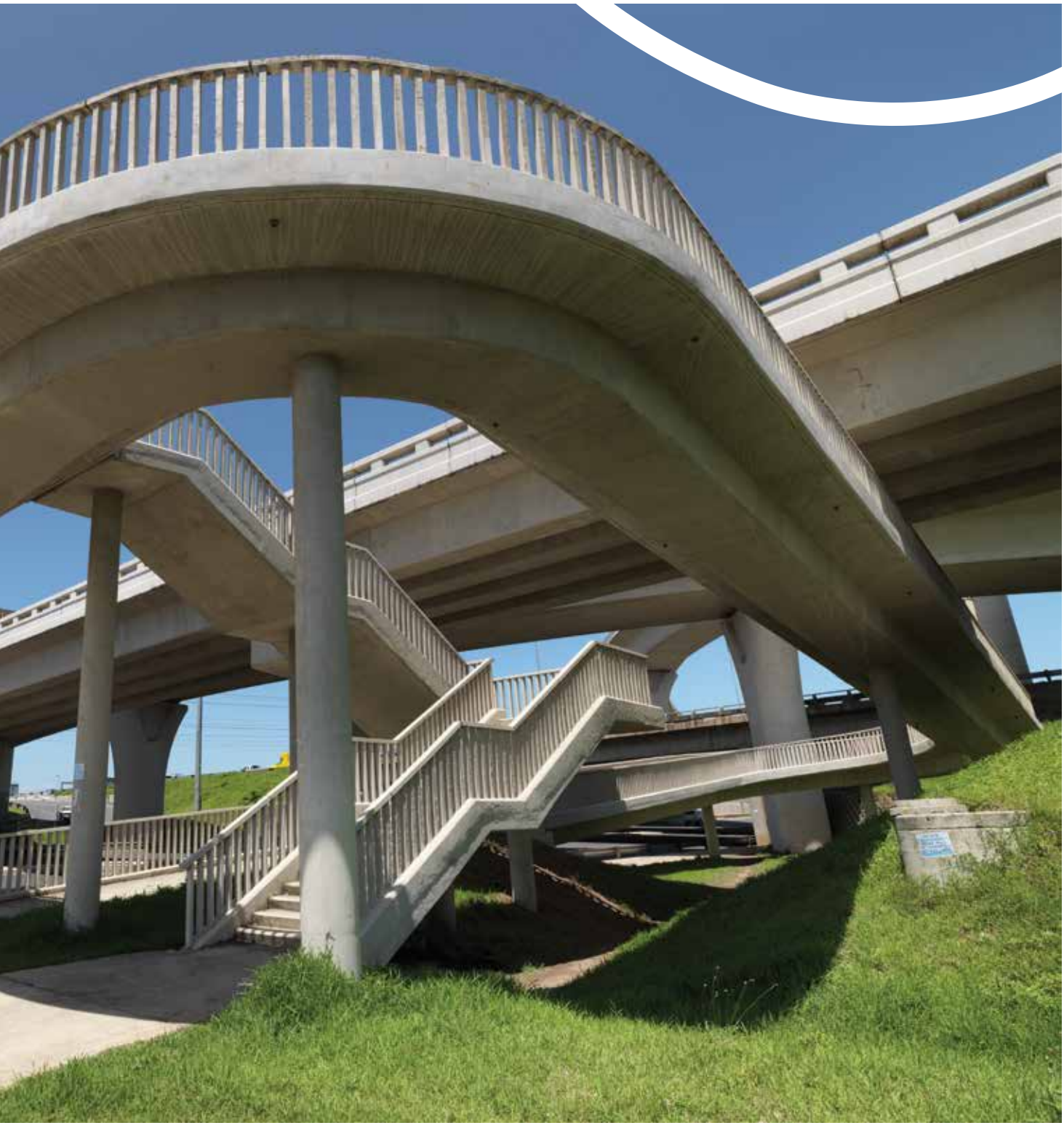


About the SANRAL Annual Report 2024/25

The 2024/25 Annual Report of the South African National Roads Agency SOC Limited (SANRAL) covers the period 1 April 2024 to 31 March 2025 and describes how the Agency gave effect to its statutory mandate during this period.

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

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





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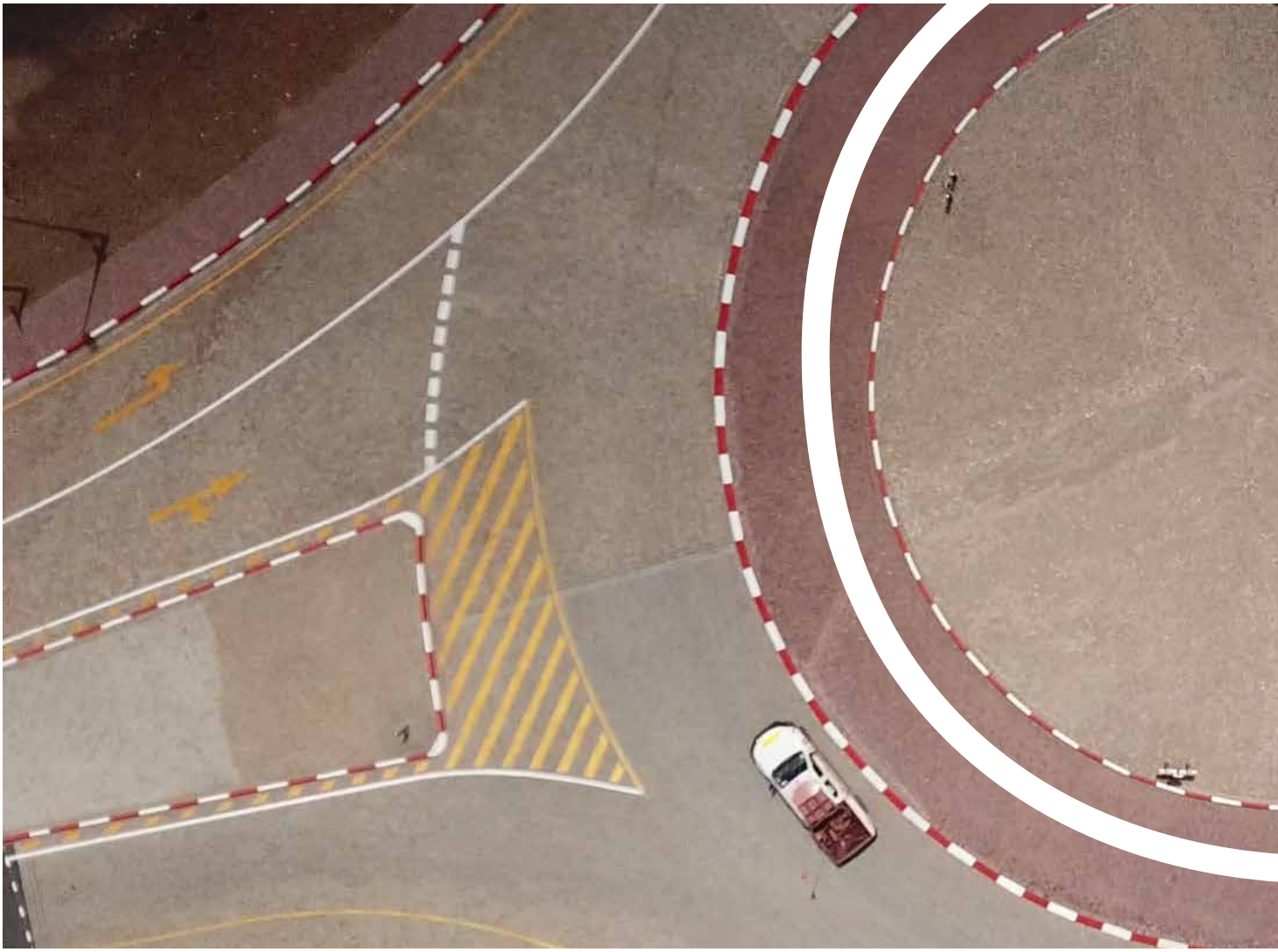
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PART 1

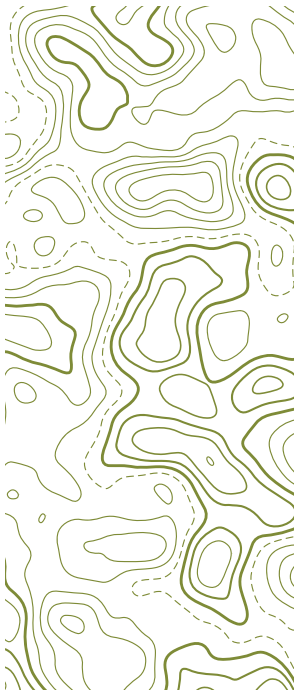
GENERAL INFORMATION





1.1 Company information

Registered name	South African National Roads Agency SOC LTD (SANRAL)
Registration number	1998/009584/30
Physical address	48 Tambotie Avenue Val de Grace Pretoria 0184
Postal address	PO Box 415 Pretoria 0001 South Africa
Telephone number	+27 (0)12 844 8000
Fax number	+27 (0)12 844 8200
Email address	info@nra.co.za
Website address	www.nra.co.za
External auditors	Auditor-General of South Africa (AGSA) 4 Daventry Street Lynnwood Bridge Office Park Lynnwood Manor Pretoria, South Africa
Bankers	Nedbank Group 135 Rivonia Campus 135 Rivonia Road, Sandown Sandton, South Africa ABSA Group Limited 7th Floor, Absa Towers West 15 Troye Street Johannesburg, South Africa
Company/Board Secretary	Adv Sinomtha SM Linda

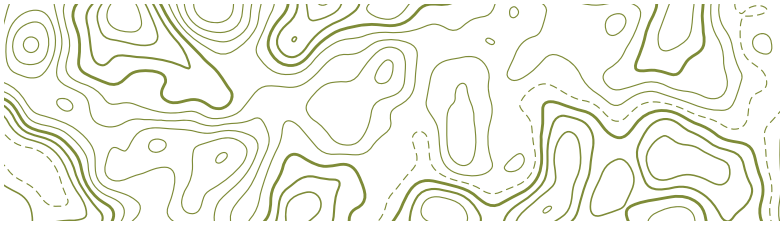


1.2 Abbreviations and acronyms

A	African
ABT	Account-based ticketing
ADAT	Advanced data analytics tools and optimisation
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AI	Artificial intelligence
AID	Automated incident detection
ALC	Assets and Liabilities Committee
AMBCI	Associate Membership of the Business Continuity Institute
APN	Actuarial Practice Note
APP	Annual performance plan
ATIS	Advanced Traveller Information System
ARC	Audit and Risk Committee
ATMS	Advanced Traffic Management System
AUC	Assets under construction
BA	Bachelor of Arts
BAC	Bid adjunction committee
BAdmin	Bachelor of Administration
BBBEE	Broad-Based Black Economic Empowerment
BCE	Bridge condition exposure
BComm	Bachelor of Commerce
BEd	Bachelor of Education
BEC	Bid evaluation committee
BGC	Board General Counsel
BOE	Business Operations Executive
BTech	Bachelor of Technology
BSc	Bachelor of Science
Capex	Capital expenditure
C	Coloured
CA(SA)	Chartered Accountant South Africa
CAE	Chief audit executive
CCTV	Closed-circuit television
CC	Contracts Committee
CC	Closed corporation
CCOM	Chief construction operations and engineer
CD	Community Development
CD(SA)	Chartered director
CDP	Contractor Development Programme
CDP	Contractor Development Plan
CCF	Contractual cash flows
CE	Civil engineering
CEO	Chief Executive Officer
CESA	Consulting Engineers South Africa
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CHRO	Chief human resources officer
CIA1ET	Certified Internal Auditor Part 1 Exam Techniques
CIDB	Construction Industry Development Board
CIO	Chief Information Officer
CIS	Center for Internet Security
COC	Central Operations Centre
COI	Conflicts of interest
COVID-19	Coronavirus disease 2019
CPC	Contract participation goals
CPD	Continuous professional development
CPI	Consumer Price Index
CPO	Chief procurement officer
CSD	Central Supplier Database
CSIR	Council for Scientific and Industrial Research
CTROM	Comprehensive toll road operations and maintenance
CV	curriculum vitae
DBE	Department of Basic Education
DBOM	Design, -build,- operate, -maintain
DFFE	Department of Forestry, Fisheries and Environment
DoT	National Department of Transport
DMTN	Domestic Medium Term Note
DPWI	Department of Public Works and Infrastructure
DRC	Depreciated Replacement Cost
EAN	Equivalent Accident Number
EAPASA	Environment Assessment Practitioners' Association of South Africa
EC	Eastern Cape
ECSA	Engineering Council of South Africa
EDMS	Enterprise Document Management Systems
EE	Employment equity
EESD	Employment equity and skills development
EIB	European Investment Bank
EIO	Expression of Interest
EME	Exempted micro-enterprise
ENE	Estimated national expenditure

Eng	Engineering
ER	Eastern Region
ERP	Enterprise resource planning
ESDD	Electronic Supplier Development Desk
EXCO	Executive committee
F	Female
FEM	Federated Employers' Mutual Assurance Company
FMS	Freeway Management System
FTC	Fixed-term contract
FTE	Full-time equivalent
FVTSD	Fair value through surplus or deficit
FY	Female youth
GCR	Global credit ratings
GCIS	Government Communication Information System
GDP	Gross domestic product
GEPF	Government Employees' Pension Fund
GFA	Guaranteed Framework Agreement
GFIP	Gauteng Freeway Improvement Project
GORT	Gauteng Open Road Tolling
GP	Gauteng Province
GRC	Gross replacement cost
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practices
GRC	Gross replacement cost
HDip	Higher diploma
HO	Head Office
HR	Human resources
HTE	High texture exposure
HUF	Highway usage fee
I	Indian
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IDP	Individual Development Plan
IFWE	Irregular, fruitless and wasteful expenditure
IIA SA	Institute of Internal Auditors South Africa
IoDSA	Institute of Directors South Africa
IP	Investment property
IPM	Institute of People Management
IRMSA	Institute of Risk Management South Africa
ISACA	Information Systems Audit and Control Association
ISO	International Organization for Standardization
ITIS	Integrated Transportation Information System
ITS	Intelligent Transport Systems
ITS/TP JV	Innovative Transport Solutions (Pty) Ltd/ Tolplan (Pty) Ltd JV
JSE	Johannesburg Stock Exchange
JV	Joint venture
KAH	Key account holders
KPI	Key performance indicator
KZN	KwaZulu-Natal
LCC	Loss Control Committee
LDV	Light delivery vehicles
LLB	Legum Baccalaureus (Bachelor of Laws)
LRE	Low rut exposure
M	Males
MA	Master of Arts
MBA	Master of Business Administration
MBAC	Management Bid Adjudication Committee
MBL	Master of Business Leadership
MDP	Management Development Programme
MEA	Modern equivalent asset
MEC	Member of Executive Council
MEng	Master of Engineering
MoA	Memorandum of Agreement
MoF	Minister of Finance
MoT	Minister of Transport
MoU	Memorandum of Understanding
MSc	Master of Science
MSAICE	Member of the South African Institution of Civil Engineers
MTEF	Medium Term Expenditure Framework
MY	Male youth
N3TC	N3 Toll Concession (Pty) Ltd
NDB	New Development Bank
NDC	National Data Centre
NDP	National Development Plan
NEMA	National Environmental Management Act
NIST	National Institute of Standards and Technology
NR	Northern Region
NT	National Treasury
OCI	Overall Condition Index
OHS	Occupational health and safety
OMR	Operating Model Review
Opex	Operational expenses
ORS	On-road services

OSPT	Open Standard for Public Transport
Paud	Performance Auditing in the Public Sector
PFMA	Public Finance Management Act (Act 1 of 1999)
PGCE	Postgraduate Certificate in Education
PGDip	Postgraduate diploma
PhD	Doctor of Philosophy
PIP	Prominent and Influential Persons
PLC	Project Liaison Committee
PM	Project Manager
POCI	Predicted Overall Condition Index
PP&E	Property, plant and equipment
PPP	Preferential Procurement Policy
PPPFA	Preferential Procurement Policy Framework Act
PPR	Preferential Procurement Regulations
PrEng	Professional engineer
Psalm	Public Sector Property and Asset Management Conference
PWD	People with disabilities
QSE	Qualifying small enterprise
RAF	Road Accident Fund
RBAC	Review Bid Adjudication Committee
RCI	Root cause identification
RFI	Request for information
RFQ	Request for quotation
RRM	Routine road maintenance
RTMC	Road Traffic Management Corporation
S4F	Science for the Future
SAAPAM	South African Association of Public Administration and Management
Sabita	Southern African Bitumen Association (Rf)
SACPCMP	South African Council for the Project and Construction Management Professions
SADC	Southern African Development Community
SAICE	South African Institute of Civil Engineering
SAIOSH	South African Institute of Occupational Safety and Health
SANRAL	South African National Roads Agency Limited
SAQA	South African Qualifications Authority
SARF	South African Road Federation
SARS	South African Revenue Service
SARWA	South African Right of Way Association
SATC	South African Transport Conference
SCM	Supply chain management
SD	Skills development
SDF	Skills development facilitator
SETA	Sector education and training authority
SIP	Strategic Integrated Projects
SMME	Small, medium and micro-sized enterprise
SOC	State-owned company
SOP	Standard operating procedure
SR	Southern Region
SST	Self-service terminals
STE	Smooth travel exposure
STEM	Science, technology, engineering and mathematics
S&V	Security and vandalism
TEA	Technical Excellence Academy
TCH	Transactions clearing house
TMO	Traffic management officer
TR	Treasury regulations
TRAC	Trans African Concessions
TRM	Total reward model
TSD	Technical Services Department
TTR	Toll tariff equalisation reserve
TVET	Technical and vocational education and training
UCT	University of Cape Town
UFS	University of the Free State
Unesco	United Nations Educational, Scientific and Cultural Organization
VAT	Value-added tax
VDS	Vehicle detection sensors
VKT	Vehicle kilometres travelled
VMS	Variable message signs
VPC	Violations processing centre
W	White
WAN	Wide-area network
WC	Western Cape
WIL	Work-integrated learning
WR	Western Region
X	Social media channel formerly known as Twitter



1.3 Chairperson's foreword

| *Themba Mhambi*



I am pleased to present, on behalf of the Board of the South African National Roads Agency SOC Limited (SANRAL), the organisation's Annual Report for the 2024/25 financial year.

Our mandate is to deliver a safe, efficient, and reliable national road network. That infrastructure serves as an economic development catalyst and an enabler of social interaction among the people of South Africa.

This Report is special in that it is SANRAL's first under the leadership of The Honourable Ms Barbara Creecy, MP, as Minister of Transport and our shareholder representative. The Minister has already set the tone for enhanced compliance and greater accountability by SANRAL. The Report is also the last under the current Board, whose term ends during the first quarter of January next year, and three of whose members are, in terms of the SANRAL Act, ineligible to serve another term as they shall have served the maximum of two terms allowed by the legislation. The imminent advent of a new Board accords SANRAL an opportunity for fresher thinking, an updated vision, and an enhancement of the skills set in its Accounting Authority.

Performance overview

Under the steadfast leadership of our Chief Executive Officer, Mr Reginald Demana, SANRAL has continued to deliver high-quality roads and maintain the network in an acceptable condition. At more than 80%, our achievements reflect not only our engineering expertise but also our dedication to creating lasting value for communities nationwide - including training, job creation, and business opportunities for small, medium and micro enterprises (SMMEs).

We note the Auditor-General's (AGSA) reference to some of our lapses as far as the veracity of some of our performance reporting is concerned. This is receiving Management's attention, including seeking alignment with the AG on relevant measures and measurements in this regard so as to avoid future dichotomies.

Enhancing governance

The Board remains committed to strengthening corporate governance, a process that demands unstinting commitment to applicable legislation, relevant regulations, and set policies.

Accordingly we note the AGSA's findings and notes with a view to reinforcing that which works, and correcting that which requires attention, including through consequence management. Our litmus test in that regard is the extent to which, through omission or commission, we deliver on SANRAL's mandate, which is our line in the sand.

Delivery on our mandate must be located within the broader imperative of transformation – with or without opprobrious voices. It must fearlessly pursue benefiting a cross-section of our stakeholders; joining previously excluded parts of the country onto the national roads grid; bridging economic disparities; and stimulating local economies.

Our understanding of governance is that we must empower our officials with delegated authority to deliver on SANRAL's objectives with integrity, and always in the best interests of the organisation. This is particularly true of procurement, which is the foundation of SANRAL's ability to deliver on its mandate, and which is therefore a highly contested terrain both inside and outside the organisation - unsurprisingly so if it is considered that SANRAL is effectively a trillion rand-plus entity disbursing tens of billions per annum.

We also understand governance to mean guarding against conflicts of interest and malfeasance in the course of operational performance and service delivery. We are therefore cognisant of instances of irregularities as well as fruitless and wasteful expenditure referred to in this Annual Report - fully understanding, though, that these do not always, or automatically, equate to punishable misdeeds in an environment characterised by obligatory consequence management to address relevant transgressions.

The Board is itself accountable to the South African populace through the people's representatives - those being the President of the country; our Minister; National Treasury; Parliament and the AG, as indeed this Annual Report attests. As such the Board is itself subject to standards which it expects SANRAL's officials to meet. Accordingly it will be interrogating, and mitigating, any slips in governance as highlighted in the present audit.

Looking ahead, SANRAL will conscientiously monitor its utilisation of funding for the non-toll portfolio from the national fiscus and intensify its engagement with the bond market to unlock sustainable funding mechanisms for the expansion and optimisation of our toll portfolio.

Transformation and reshaping the socio-economic landscape

SANRAL contributes to government's ongoing fight against South Africa's combined challenges of poverty, inequality and unemployment through strategic infrastructure development. Our projects transcend physical transformation; they catalyse socio-economic opportunities designed to empower historically disadvantaged and vulnerable communities.

By prioritising inclusive procurement, local enterprise development and targeted skills development, our initiatives contribute directly to improved economic participation by creating direct and indirect jobs, and empowering SMMEs. We aim to foster socio-economic equity by enabling access to opportunities through improved mobility and systemic change, and by aligning with national policies for inclusive economic growth and government's broader agenda to build a resilient, transformative economy. As we deliver essential road infrastructure, we remain intentional about ensuring that every project delivers enduring value for communities and the nation. Our performance figures in this regard reflect this commitment on our part.

During this reporting period, we introduced the new Contractor Development Programme (CDP) as part of our contribution to a transformative and inclusive economy. The aim of the programme is to increase the performance, capacity, equity ownership, sustainability and quality of work of Grades 5CE to 9CE contractors registered with the Construction Industry Development Board (CIDB).

Through the CDP we aim to create a unique platform for grade 5CE to 9CE contractors to maximise participation on our projects. The programme, which will be rolled out in the 2025/26 financial year, prioritises skills development, training, mentorship and financial support for these contractors.

This initiative forms part of SANRAL's Horizon 2030 Strategy, as well as the organisation's Transformation Policy, both of which seek to foster the growth of black industrialists across the construction value chain.

Strategic outlook and planning

In continuing, as SANRAL, to deliver state-of-the-art, high-quality road infrastructure, we are guided by Horizon 2030, which is our long-term plan articulating our vision and the strategic and tactical interventions needed to deliver on it.

Horizon 2030 aligns with the National Development Plan's goals of reducing inequality and eliminating poverty by 2030. This ambitious vision depends on unlocking the potential of South Africa's people, fostering an inclusive economy, strengthening partnerships and enhancing state capacity.

SANRAL's strategy embodies a proactive approach to achieving a national transport system that uplifts all South Africans. It is structured around five strategic pillars: Roads, road safety, stakeholders, mobility and transformation.

As we pursue our strategic journey we are upweighting our capacity accordingly. During this reporting period, we finalised the appointment of several key executives, the objective being to strengthen our organisational capability to meet our mandate and optimise service delivery.

Provincial offices

SANRAL has consistently grown the size of the national road network to improve connectivity between the different parts of South Africa, and between South Africa and countries in the SADC region.

During the reporting period, we took a strategic decision to move the organisation from a regional office-based model to a provincial office-based one and we have

started the process of opening offices in all nine of the country's provinces.

Our decision to change into a provincial office-based model represents a significant organisational restructuring and is aimed at improving operational efficiency, service delivery and responsiveness to local infrastructure needs and stakeholders. By embedding offices in each province, we aim to contribute to more integrated road infrastructure planning between us, as SANRAL, our provincial governments, and our municipalities.

Discontinuation of the Gauteng Freeway Improvement Project

In April 2024 the South African government announced the discontinuation of the Gauteng Freeway Improvement Project (GFIP), which had allowed for e-tolling in the province. This was accompanied by government's undertaking to settle SANRAL's debt relating to the GFIP, paving the way for the long-term maintenance and development of freeways in the country's economic capital.

Prior to this, the dispute over e-tolls prevented us from accessing private funding as we did not have the required borrowing limits. Since the discontinuation of GFIP, Treasury has approved new borrowing limits, allowing us to invest in our freeways and to unlock further investment.

Outstanding matters - outside SANRAL's debt obligations - pertaining to GFIP continue to receive the attention of both SANRAL and relevant authorities, including our Minister, National Treasury and the Gauteng Provincial Government. Relevant announcements will be made as and when required, and by the appropriate authorities.

The road ahead

The Board is committed to upholding the highest standards of corporate governance and to ensuring that SANRAL continues to deliver on its mandate of constructing sustainable, safe and efficient roads.

Indeed, we must build not just roads but pathways to prosperity for all South Africans because people come before roads - no road exists without the presence of people.

By building quality road infrastructure we are moving closer and closer to realising our vision of an equitable, connected nation whose potential - human and otherwise - is unlocked.

Acknowledgements

In closing I extend the Board's sincere appreciation for all the guidance and support received from our shareholder representative and executive authority, The Honourable Minister Ms Barbara Creecy, MP; and the Honourable Deputy Minister of Transport, Mr Mkhuleko Hlengwa, MP.

We are grateful, as well, to the Acting Director-General, Mr Mathabathe Mokonyama; his Deputy Directors-General; and the staff of both the Ministry and the Department of Transport for their cooperation with both the Board and the Management of SANRAL.

Our thanks are also due to the Portfolio Committee on Transport as well as other Parliamentary Committees which have consistently accorded us the opportunity to account to them, and secure their counsel, as elected representatives of the people of South Africa, whom we serve under the executive leadership of our Minister.

Also to be profusely thanked is our Auditor-General and her staff for constructively subjecting us to accountability for our decisions and actions, in the process helping us improve our policies, systems, processes and procedures, thus enhancing our operational performance and governance.

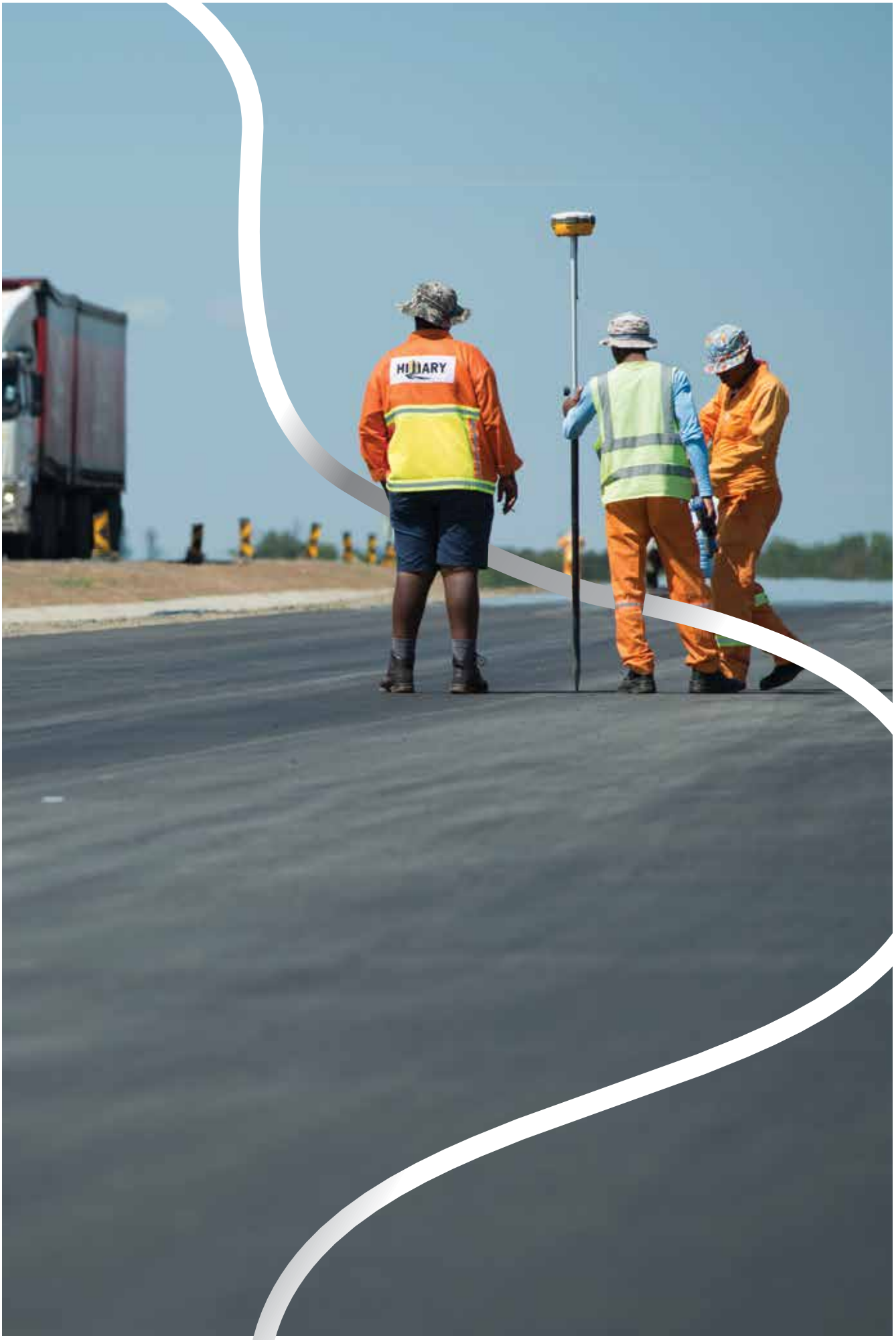
Our statement of gratitude would be incomplete without reference to our staff, under the leadership of our CEO and his Executive Management Team, for their continued pursuit of operational excellence resulting in progressively better performance in some of our key performance areas. Because of them SANRAL is universally viewed as a template for infrastructure delivery broadly, and road infrastructure specifically.

At Board support level we acknowledge the invaluable advice and support from our Board General Counsel and Company Secretary, Adv. Sinomtha Linda as well as her staff. The volume of work they discharge in the service of the Accounting Authority makes them a personification of the old adage that numbers are ultimately but numbers, and quality knows no number.

Lastly, my fellow Board members continue to be a source of inspiration, education and comfort to me as we collectively strive to serve our people as equally and as equitably as the founders of and fighters for our democracy envisioned. I salute these men and women as they stand resolute in their commitment to the transformation of the construction sector despite an environment where the strong would prefer to continue subjugating the weak and the privileged would prefer to see the historically economically excluded staying firmly relegated to economic exclusion and impoverishment. If there is anything I have learned from these colleagues and friends, it is the fact that a public entity such as SANRAL can only be proud of itself if its reach - viewed from any angle - is inclusive and broad-based.



Themba Mhambi
is the Chairperson of the SANRAL Board


HILLARY

1.4 Chief executive officer's overview

| *Reginald Demana*

It gives me great pleasure to present an overview of SANRAL's performance during the 2024/25 financial year. This report not only chronicles our operational and financial performance during the reporting period; it demonstrates our commitment to connecting South Africa through world-class road infrastructure that drives inclusive economic growth.

This reporting period was pivotal in our journey toward accelerating our core mandate, which is to deliver road infrastructure and strengthen the South African economy.

It is, however, important to note that the context in which we operate is evolving. As a state-owned entity, our responsibility extends beyond technical and financial benchmarks and obligations; we are also committed to delivering meaningful social impact.

During the year, we focused on three areas: Accelerating project delivery, deepening transformation and reinforcing governance and transparency. We also remained committed to investing in the construction industry, which continues to enhance road infrastructure and transform communities, and to have a positive impact on the national and local economies.

In 2024, South Africa celebrated 30 years of freedom and democracy, which was a historic milestone. It is a privilege for SANRAL to have been part of this journey and to continue contributing to freedom of access through road construction.

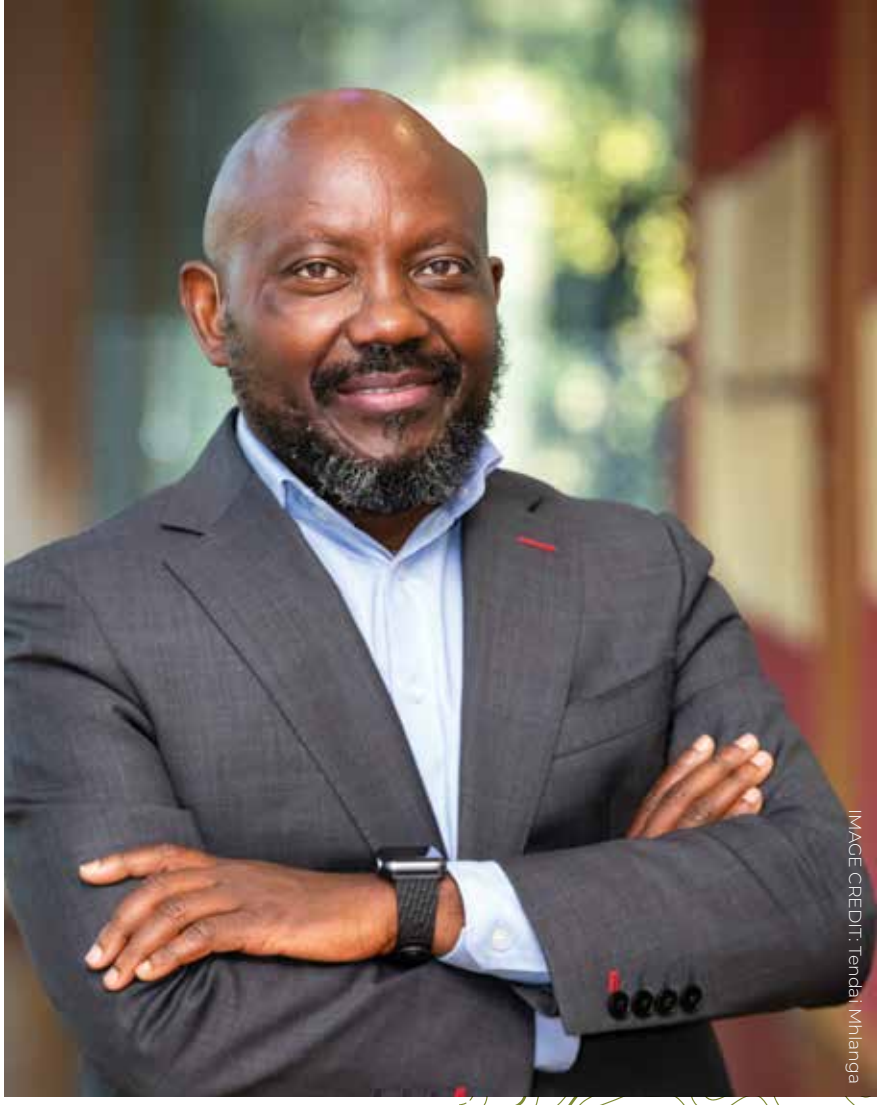


IMAGE CREDIT: Tendai Mhlanga

Financial overview

The 2024/25 financial year was one of challenges and progress for SANRAL, as we were operating against a backdrop of economic volatility, rising construction costs and growing demands for infrastructure. We nevertheless remained steadfast in our commitment to maintaining and expanding South Africa's road network.

This report reflects our financial resilience, project delivery achievements and ongoing efforts to drive transformation and sustainability.

Spending trends

At SANRAL we engineer for impact and our road infrastructure projects have value that reaches far beyond construction. The projects are catalysts for economic inclusion, empowering previously marginalised communities to access and participate meaningfully in the national economy.

This exemplifies the government's commitment to fostering economic recovery, creating jobs with dignity for the country's people and ultimately combating poverty and inequality.

During the reporting period, SANRAL spent R20 675 million on operational expenses (opex) in the non-toll portfolio, of which non-toll repairs and maintenance was R14 887 million. This is more than the total net profit on the portfolio between 2020 and 2024. Capex was, in turn, R17, 911 billion, bringing combined expenditure to R38 586 million for the non-toll portfolio.

For the toll portfolio, spending was R2 949 million, with opex being R2 596 million and capex being R351 million.

Looking ahead, our budget for the 2025/26 financial year is R63 605 million for all expenditure in the toll and non-toll portfolios.

The following paragraphs give a breakdown of our expenditure during the reporting period by category.

Road construction and maintenance

Approximately 41% of the budget was allocated to road maintenance and rehabilitation to ensure the longevity of the existing network. A further 50% was allocated to capex projects, with the remaining 9% allocated for operational expenditure.

Engineering for economic growth

The SANRAL network continues to expand and currently stands at 27 478 km. As of October 2024, a total of 3 099 km had been transferred from the provinces to SANRAL. The condition of these roads is not yet known, as they still need to be assessed. However, we can assume that their condition will range from poor to fair. Therefore, we continue to pilot accelerated maintenance programmes, especially in rural areas, using labour-intensive methods to boost local employment.

Transformation and skills development

During the year, the services of 2 012 SMMEs were used, accounting for 9,66 per cent of project expenditure. In addition, we strengthened our mentorship programmes and support for small contractors. Further, as part of our commitment to transformation and skills development, we engaged black-owned construction companies with CIDB Gradings of between 5 and 9 throughout the country in the latter part of the year.

Contractor Development Programme

The Contractor Development Programme (CPD) aims to ensure that contractors, particularly black-owned, women-led and veteran-led businesses, are able to participate meaningfully in the road construction sector. In particular, it aims to improve the performance of grade 5CE to 9CE contractors registered with the CIDB, also called 'the missing middle', and to maximise their participation in SANRAL projects. It further aims to increase equity ownership, sustainability and the quality of work delivered.

The CDP critically forms part of SANRAL's broader Horizon 2030 Strategy and Transformation Policy, which seek to foster the growth of black contractors and industrialists across the construction value chain. Central to the strategy is the inclusive participation of emerging black contractors, professionals and service providers with some emphasis on blacks in rural, urban and township areas. On the contractors, the strategy looks at the practical empowerment of CIDB Grades 5-9 to ensure that there is tangible equity and fair competition as part of redress.

Road safety

Road safety education and awareness remains a top priority for SANRAL and we have a multi-faceted approach that incorporates engineering, enforcement, education and emergency response. The SANRAL road safety education programme is accredited by the South African Council for Education.

South Africa has one of the highest road accident fatality rates in the world and we are working hard to reduce it. SANRAL is, therefore, committed to the United Nations Decade of Action for Road Safety 2021-2030, which aims to reduce road traffic deaths and injuries by at least 50% by 2030.

During the reporting period, we intensified our efforts to reduce accidents and fatalities on national roads through targeted campaigns, infrastructure



Figure 1 Global Plan: Decade of action for road safety 2021-2030
Source: World Health Organisation & the United Nations

upgrades and partnerships. We continued to implement road safety education and awareness programmes to improve road user attitudes and behaviours.

In addition to our annual road safety events, we hosted our first-ever mega road safety activations in Mpumalanga and the Western Cape, which featured a full day of targeted road safety activities at multiple locations on identified national routes. These events also served to reinforce SANRAL's inter-governmental relations by inviting partner entities in the national Department of Transport to attend and exhibit.

Project delivery and infrastructure investment

Despite global and domestic economic pressures, SANRAL made good progress in unlocking stalled projects and rolling out new ones. Through targeted procurement reform and streamlined project management, we awarded many road construction and maintenance contracts, including contracts to develop the N2 along the Wild Coast and to upgrade the N2 and N3. These projects are progressing well, bringing tangible benefits to surrounding communities and enabling regional trade.

Empowering local economies

Transformation is central to SANRAL's identity and we continued to build the capacity of emerging contractors through training, mentorship and equitable access to opportunities, with a specific focus on young people and women. Community development is a key aspect of our work and our projects created over 35 594 job opportunities during this reporting period.

Governance and accountability

Public trust is essential to SANRAL's long-term success. We have, therefore, strengthened internal governance, compliance and risk oversight, and we continue to build relationships with stakeholders through transparency and engagement. The implementation of all of the Auditor-General of South Africa's recommendations and the continued professionalisation of our procurement processes are driving a culture of integrity and performance.

Provincial presence for local impact

During this reporting period, we finalised the appointment of SANRAL's executive team, which is delivering measurable value. The collective expertise of the team is driving the organisation toward greater financial sustainability and operational excellence as we transform the country's road infrastructure.

We look forward to finalising the appointment of a chief financial officer in the 2025/26 financial year, which will contribute to our commitment to strong governance and strategic alignment.

Further, in line with our decision to move the organisation from a regional office-based model to a provincial office-based one, we embarked on a process of opening offices throughout the country's nine provinces.

In terms of the SANRAL Act (Act 7 of 1998), which defines our mandate to finance, improve, manage and maintain the country's national road network, we increased the number of roads that have been transferred to SANRAL from the provinces. Expanding our office footprint will make it easier for us to get close to our road network in the various provinces.

Moreover, the provincial offices will allow us to enhance our stakeholder engagement in the provinces, municipalities and communities that we serve. The new offices will facilitate faster response to road maintenance, tolling and infrastructure development issues, reducing bureaucratic delays associated with regional offices.

This expansion will also create job opportunities within provinces, promote local contractor participation and stimulate local economic growth through infrastructure investments.



SANRAL now has a physical presence in Cape Town, Gqeberha, Kimberley, Mangaung, Mbombela, Mahikeng, Pietermaritzburg, Polokwane and Pretoria. Each provincial office is managed by a provincial head, which is a crucial strategic position in the SANRAL leadership structure. The former regional managers made sure that the handover to the new provincial managers was a smooth one. We look forward to enhanced alignment with provincial and municipal development plans.

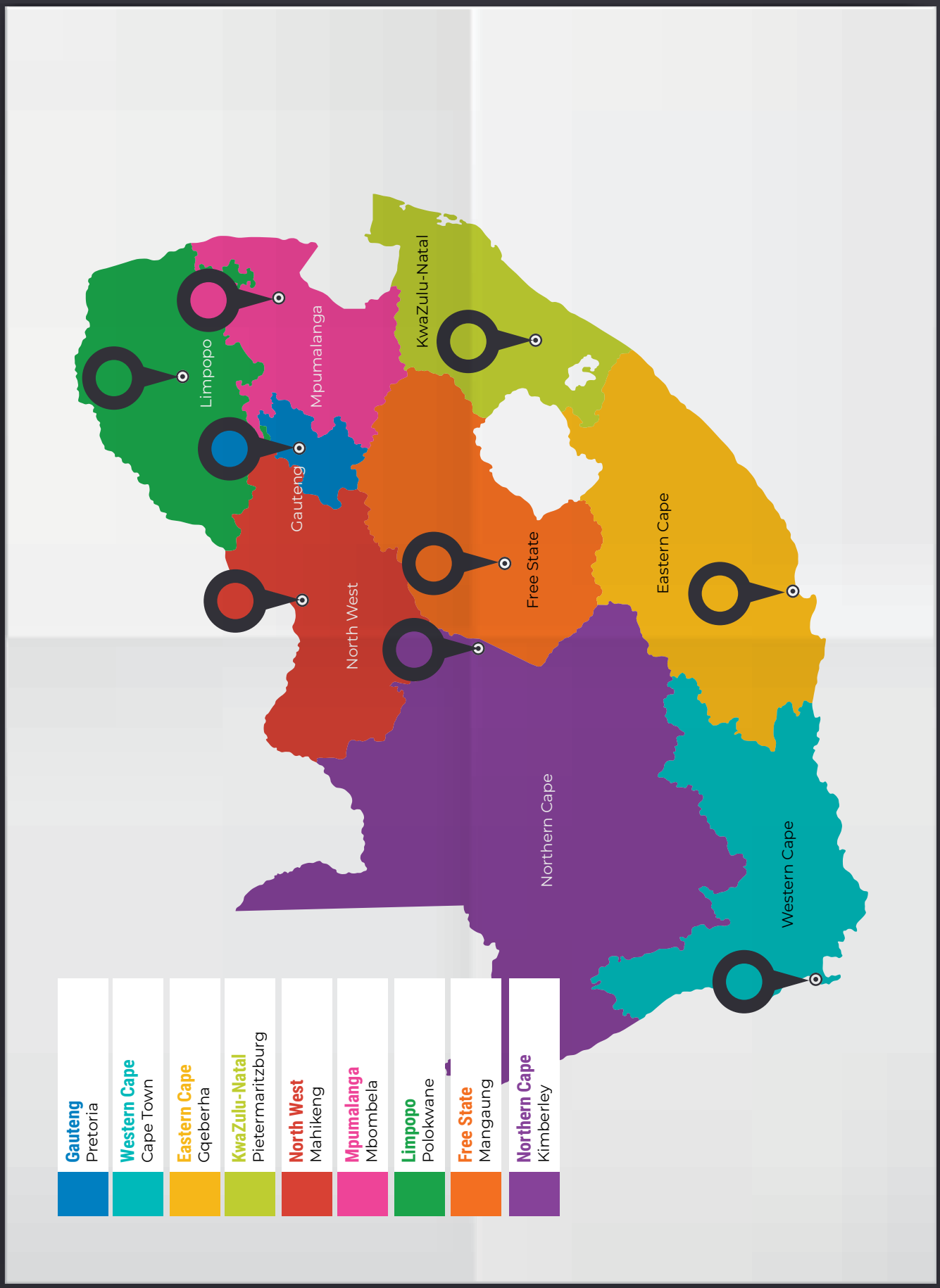


Figure 2 SANRAL now has offices in each of the provinces.

Looking ahead

The year tested our agility, but SANRAL delivered critical infrastructure while upholding governance and social responsibility. Much more needs to be done, but we are proud of our achievements to date.

Looking ahead, we will prioritise innovation, partnerships and responsiveness to ensure South Africa's roads remain a catalyst for economic growth.

As a roads agency, we are committed to inclusive infrastructure growth that catalyses job creation, trade and spatial transformation. Our success depends on strong partnerships with the government, industry, communities and the South African public.

A tribute to the SANRAL Board

The current Board's term expires in January 2026. Consequently, this is the last annual report of the departing Board. On behalf of the SANRAL EXCO, the entire management and staff, I want to express our deepest gratitude to Board Members for their years of dedication and service to our organisation. The Board has guided us through stormy seas and SANRAL is now on calm waters.

In an environment where project disruptions are common due to what is called the "construction mafia," the Board's steady hand and the premium it places on stakeholder engagement have seen us continue to execute our mandate with little or any disruption if at all.

There was a time when SANRAL faced the e-toll impasse and had to suspend its bond auctions because National Treasury froze the roads agency's borrowing limit. Through its conscientious efforts and working together with government, the Board led us to a resolution of that stalemate and the reinstatement of our borrowing limit which saw us return to the bond and capital markets.

Operationally, the Board strengthened the organisation by restructuring the executive management and making additional and strategic appointments at executive level.

This message cannot even begin to chronicle all of the Board's achievements and legacy while it was at the helm. Suffice to say, its creativity, insightful ideas, and unwavering commitment have left a lasting impact, and its absence will surely be felt. Thank you for all that you have contributed to SANRAL and in service to your country – your legacy will continue to inspire us moving forward.

Acknowledgements

I wish to extend my thanks to Minister Barbara Creecy and Deputy Minister Mkhuleko Hlengwa for their leadership during this transformative year. Their presence has enabled us to excel in our core mission of building and maintaining roads. We are grateful for their guidance, which continues to enable us to reach our goal of improving South Africa's road network while also making an impact on the country's socio-economic development.

I am also grateful to the Director-General, his deputies and all relevant offices at the national Department of Transport for their continued collaboration and support.

Further, I am profoundly grateful to the SANRAL Board, under the exceptional leadership of chairperson Themba Mhambi, for the steadfast support, invaluable guidance in steering our executive team and unwavering commitment to accountability.

Not least, I would like to thank SANRAL's dedicated and competent management and staff for consistently going above and beyond the call of duty to fulfil their responsibilities in the best interests of all South Africans.

Finally, a special thank you is due to communities across the country, many of them rural, for their support, trust and collaboration as we work together to construct roads within their areas, improving accessibility and connectivity for all. Their safety remains our supreme concern and this report demonstrates how SANRAL is delivering on its mandate to connect South Africa for shared prosperity.

Together, let us continue our journey towards safer and more efficient roads for all.



Reginald Demana
is the CEO of SANRAL





1.5 Statement of responsibility and confirmation of accuracy

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

The annual financial statements are prepared in accordance with standards of Generally Recognised Accounting Practice (GRAP) and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors are of the opinion, based on the information and explanations given by the management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable rather than absolute assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year 31 July 2025 and, in light of this review of the entity's going concern status and the current financial position, they are satisfied that the company has or will have access to adequate resources to continue in operational existence for the foreseeable future.

Further, the CEO, Reginald Demana, and the acting CFO, Dumisani Maluleke, hereby confirm that:

- The annual financial statements set out on pages 290 to 391 present in all material respects the financial position, financial performance and cash flows of SANRAL in terms of generally recognised accounting practices.
- No facts have been omitted and no untrue statements have been made that would make the annual financial statements false or misleading.
- Internal financial controls have been put in place to ensure that material information relating to SANRAL and its consolidated subsidiaries have been provided to effectively prepare the financial statements of SANRAL.
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements within the framework of the combined assurance model pursuant to principle 15 of King IV™.
- Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls.
- There has been no fraud involving directors and, therefore, no remedial action has been necessary in that regard.

The external auditors are responsible for independently auditing and reporting on the Company's annual financial statements. The annual financial statements have been examined by the external auditors and their report is presented on page 276.



Themba Mhambi
Chairperson

1.6 Strategic overview

1.6.1 Vision

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

1.6.2 Mission

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

1.6.3 Principal tasks

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

1.6.4 Legislative impact

LEGISLATION	SECTIONS IN THE REGULATIONS
Broad-Based Black Economic Empowerment Act (Act 53 of 2003) (BBBEE)	12(2); 13G(1)
CIDB Regulations	17; 25(7A)
Companies Act (Act 71 of 2008)	45(2); 5(3)(a)(ii); 45(3)(b)(i), (ii); 45(4); 46(1)(a), (b), (c); 12(2)(a); 129(7)
Construction Industry Development Board Act (Act 38 of 2000) (CIDB)	18(1)
Preferential Procurement Policy Framework Act (Act 5 of 2000)	Section 2.1(a), (b), (f)
Preferential Procurement Regulations of 2022 (PPR, 2022)	4(1), (2), (3), (4); 5(1), (2), (3), (4); 6(1), (2), (3), (4); 7(1) , (2), (3), (4); 8(1), (2); 9(1), (2)
Prevention and Combating of Corrupt Activities Act (Act 12 of 2004) (PRECCA)	34(1)
Public Finance Management Act (Act 1 of 1999) (PFMA)	51(1)(a)(iv); 51(1)(b)(i); (ii); 51(1)(e)(iii); 53(4); 54(2)(c), (d); 55(1)(a), (b); 55(1)(c), (i); 56(1), (2); 56; 57(b); 66(3)(c); 66(5)

Table 1 Legislation and regulations that affect SANRAL

1.6.5 Organisational structure

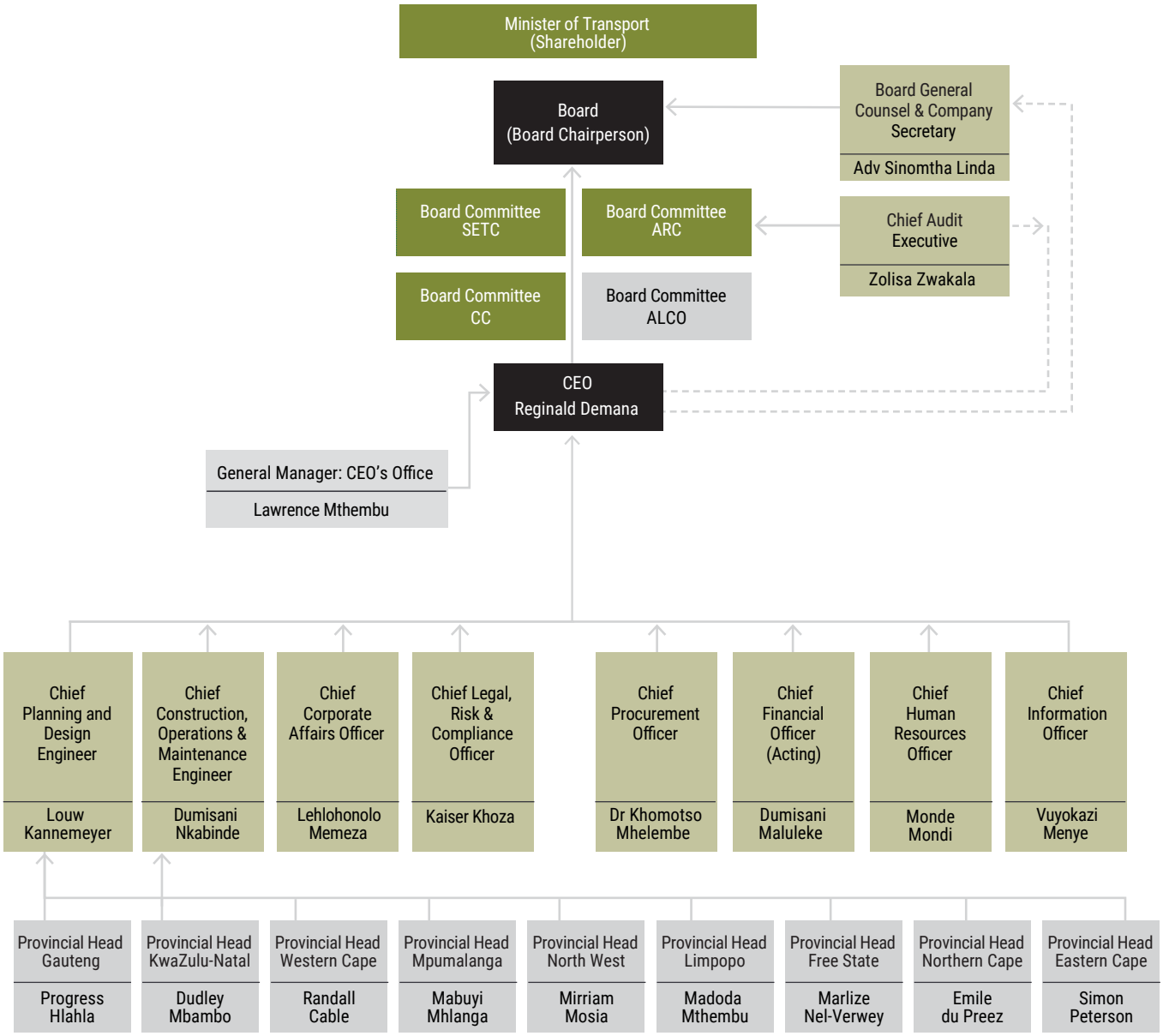
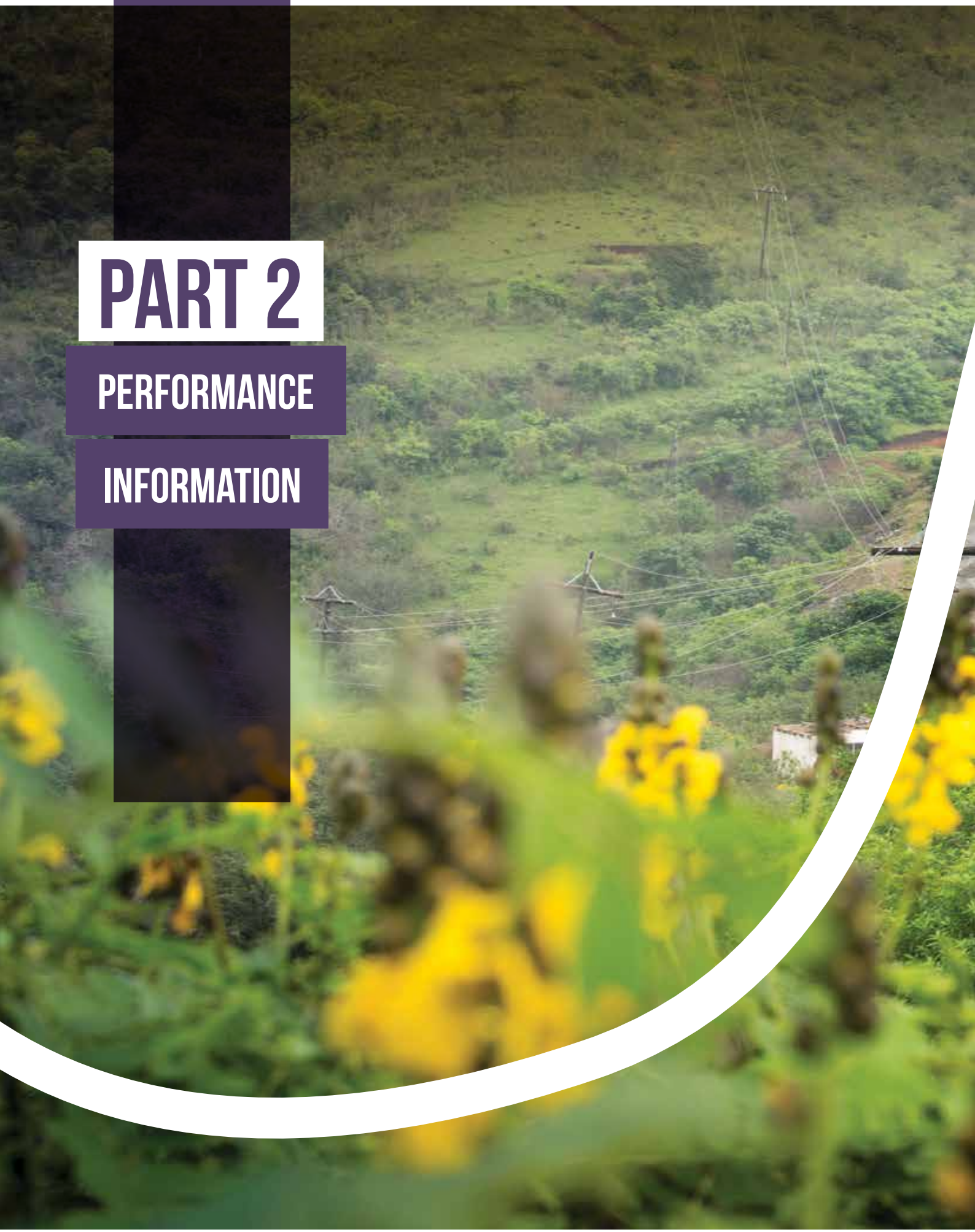


Figure 3 SANRAL organisational structure 2024/25

ALCO: Assets and Liabilities Committee | ARC: Audit and Risk Committee | CC: Contracts Committee | SETC: Social, Ethics and Transformation Committee



PART 2

PERFORMANCE INFORMATION



2.1 Auditor's report: Predetermined objectives

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on SANRAL's performance information to provide reasonable assurance in the form of an audit conclusion.

The audit conclusion on performance against predetermined objectives is included in the management report. Material findings are reported under the heading Predetermined Objectives in the section dealing with other legal and regulatory requirements in the Auditor's Report.

Refer to page 276 of the Report of the External Auditor, published in Part 6: Financial Information.

2.2 Performance overview

2.2.1 Service delivery environment

The 2024/25 financial year marked the conclusion of the Medium Term Strategic Framework and the fourth year of implementing SANRAL's Horizon 2030 Strategic Plan.

Growth in the extent of the network has continued and SANRAL has seen the transfer of 3 099 kilometres during the past two years. This has placed pressure on resources, and in certain cases, the organisation has had to undertake extensive patching and repair work as a tactical intervention to bring these roads into a condition that enables safe travel.

SANRAL has also not been immune to economic headwinds, including high unemployment, low economic growth, high inflation, challenges with ports and rail, infrastructure deterioration and subdued economic growth. This means the demand for limited economic opportunities was much more pronounced than it would have been under more favourable circumstances, especially on infrastructure projects in communities in which opportunities are limited. This is why there was a focus on spreading opportunities more equitably and on empowering local communities.

SANRAL measures its operational performance through 25 key performance indicators (KPIs), covering criteria such as asset management performance, exposure metrics, operating and capital expenses, transformation, the number of community development projects in construction and completed, job creation, skills development and road safety.

During the reporting period, targets were met or exceeded for 21 of these KPIs, and, in certain cases, the underperformance was marginal and due to factors beyond SANRAL's control.

Under Programme 1: Road Infrastructure Asset Management, underperformance was recorded in the following categories: percentage of smooth travel exposure, percentage of bridge condition exposure and kilometres of road resealed. Marginal underperformance was also recorded in the number of small, medium and micro-sized enterprises (SMMEs) working on SANRAL projects. There was significant overperformance in the newly introduced category of the number of sector education and training authority (SETA) learnerships and/or employment opportunities provided for SETA graduates on SANRAL projects.

An ethics officer was also appointed and an Integrity Management Committee was established.

Overperformance was also achieved in the category of kilometres of road maintained, taking into account the timing difference between when the target was set based on the network size and the subsequent timing of the road transfers.

Having routine road maintenance (RRM) contractors in place throughout the network ensured that roads were well maintained, translating into safer conditions and a better quality of experience for the public. Further, performance was achieved in the kilometres of roads strengthened, improved and built (capex), transformation indicators and the number of community development projects in construction and completed. Additional targets related to road safety and skills development were also achieved.

2.2.2 Organisational environment

Notable achievements included the appointment of several key executives, including the chief human resources officer, the chief procurement officer and the chief information officer. Capacity in various disciplines was also increased through several hires and some key engineering vacancies were filled.

SANRAL has also established provincial offices to widen its footprint and reach. This has seen the appointment of various provincial heads with the plan to transition various colleagues accordingly and capacitate key functions in the short term.

While the provincial structure was established during the reporting period, it is important to note that the information contained in this report was compiled while the regional structure was still in place.

2.2.3 Key policy developments and legislative changes

While no legislative changes affected the organisation during the reporting period, there were several developments which should be noted given their historical context and what this means for the organisation.

A directive has been given for SANRAL to grow its network to a 35 000 kilometre target through further incorporation of the strategic and primary route network. Not only does this mean further pressure on the organisation's resources, but the transfer of roads in a poor condition reduces SANRAL's overall condition index (OCI).

What is the OCI?

The overall condition index is a metric used to assess the general condition of pavements (the surface of the road) or other infrastructure. It provides a numerical score, typically ranging from 0 to 100, with higher scores indicating better condition. This index helps to identify areas that need repair or maintenance, prioritise projects and manage infrastructure effectively.

Currently, road transfers to SANRAL are not being accompanied by the requisite funding, but this is expected to be addressed through the Department of Transport (DoT) and National Treasury (NT).

SANRAL's five strategic pillars

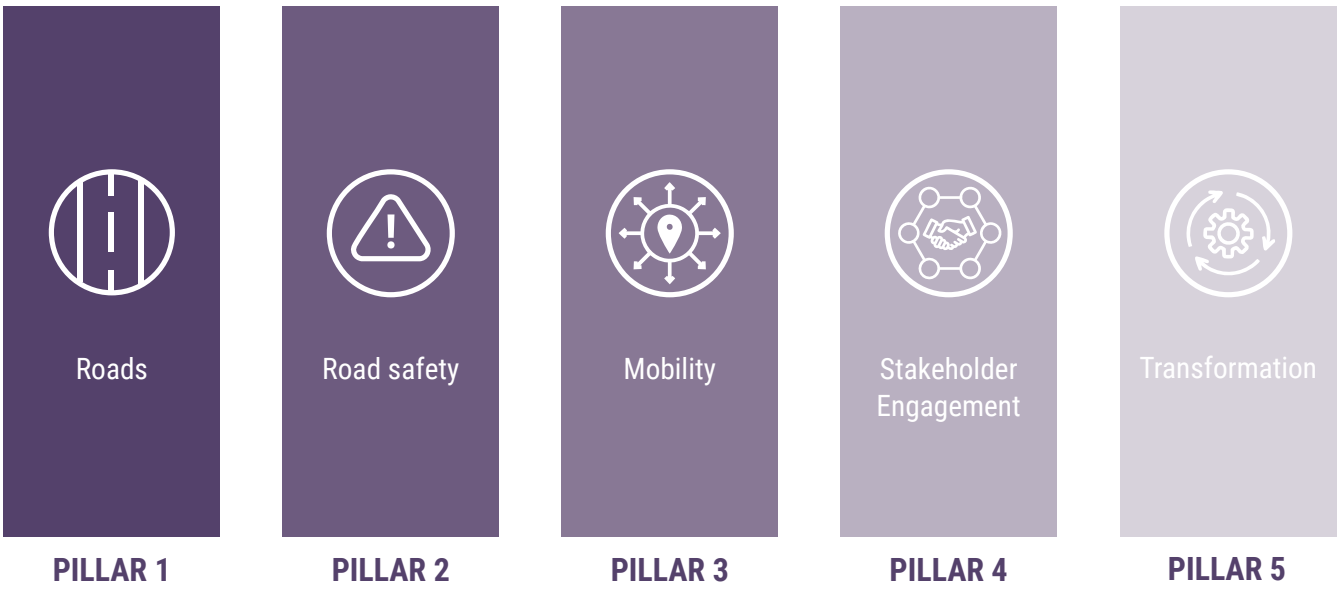


Figure 4 SANRAL's five strategic pillars

2.2.4 Progress towards the achievement of institutional impacts and outcomes

The following table presents an analysis of institutional outcomes over the past three periods concerning the five-year strategic targets and targets for the 2024/25 financial year. These are aligned with the four strategic pillars defined in the Agency's Horizon 2030 Strategy: Roads, Road safety, Mobility, Stakeholder engagement as well as the newly elevated pillar, Transformation.

2.2.4 Progress towards achievement of institutional impacts and outcomes

OUTCOME	OUTCOME INDICATOR	ACTUAL 2022/23	ACTUAL 2023/24	ACTUAL 2024/25	5-YEAR TARGET	ANNUAL TARGET AS PER THE STRATEGIC PLAN	DEFICIT/SURPLUS AGAINST ANNUAL AVERAGE TOWARDS 5-YEAR TARGET (AT YEAR 5)
Optimally maintained national road network	Overall Condition Index (OCI) of the SANRAL road network	69,30	66,80	64,45	Maintain at desired level as per the baseline (OCI≥70)	OCI≥70)	-5,55 (-7,92%)
Transformed industry and jobs created on projects full time equivalent (FTE)	Number of jobs created (FTE)	11 366 jobs	12 652 jobs	15 010 Jobs FTE 35 594 job opportunities (Revision in the methodology)	50 000 jobs in total over the 5-year period (Target/Average of 10 000 jobs per year)	10 000	+ 4 220 jobs (+ 8,44%)
Transformed industry and jobs created on projects	Number of SMMEs working on SANRAL projects	1 928 SMMEs	2 249 SMMEs	2012 SMMEs	7 500 SMMEs in total over the 5-year period (Target/Average of 1 500 SMMEs per year)	1 500	+1 638 SMMEs (+21,84%)
Creating delivery capacity for the country	Number of candidate professionals who complete the Technical Excellence Academy programme	6 Candidate Engineers completed all phases of the training programme	5 Candidate Engineers completed all phases of the training programme	10 Candidate Engineers completed all phases of the training programme (8 engineering candidates and 2 Quantity Surveyors)	100 candidate professionals having completed all phases of the training programme	20 Candidate Engineers	-66 Candidate Engineers (-66%)

Safer roads	Equivalent Accident Number (EAN) per vehicle	4,49 EAN per 1 000 000 vehicle km travelled (includes newly incorporated routes)	4,41 EAN per 1 000 000 vehicle km travelled (includes newly incorporated routes)	4,66 EAN per 1 000 000 vehicle km travelled (includes newly incorporated routes)	1 Equivalent Accident Number per 1 000 000 vehicle km travelled (EAN/ 1 000 VKT)	1 Equivalent Accident Number per 1 000 000 vehicle km travelled (EAN/ 1 000 VKT)	-3.66 EAN per 1 000 000 vehicle km travelled
Improved reputation of SANRAL	Results from research and/or surveys analysing Brand Equity	Research was conducted and the Brand equity score was 62,9 (Note a new research house was utilised, and they score equity differently). The results show that SANRAL was slightly above the mean average of the entities tested and the mean was 59,9.	The research conducted in 2023/24 showed the Brand Equity score of 64 which is above the mean score of 61.	The research conducted in 2024/25 showed the Brand Equity score of 65,4 which is above the mean score of 63,6.	Maintain at desired level as per the baseline (Brand Equity ≥10,4%)	Research conducted yearly	Exceeded the mean score.

Table 2 Outcomes analysis showing how SANRAL has performed against its annual performance plan targets for the past three financial years

Strategic Plan 2020-25 KPI related to Safer Roads to read as 1 000 000 VKT and not 1 000 VKT.

The further deterioration in the OCI was largely due to the poor condition of provincial roads transferred to SANRAL. In many cases, the organisation will need to perform extensive patching and repair to get the roads into a safe condition for travel before reconstruction can be planned, depending on priority and budget.

Further, the Technical Excellence Academy (TEA) was unable to achieve the target number of graduate professionals completing the programme due to:

- Engineering Council South Africa (ECSA) submissions being hampered due to delays in rolling out projects, which were caused by delays in the procurement process.
- The ratio of ECSA mentors to candidate engineers being too high. This needs to be reduced to a manageable number, such as 10 mentees to one mentor, which still falls short of the generally accepted international benchmark of 1:4. Current workforce planning activities include the planned appointment of additional mentors, which will improve the ratio of mentors to mentees.
- Staffing deficits caused by resignations due to attractive offers from the market. The Human Resources Department is developing an overall employee value proposition, which encompasses changes to remuneration and benefits designed to enhance the employment offering.

The approval of the Graduate Placement Framework during the reporting period has addressed the permanency of graduate placements.

The framework will be complemented by career pathing efforts, which are being planned. The certification of the SANRAL TEA is also an important goal. This is being planned for the medium term and will significantly contribute to creating an environment that supports the development of professional engineers.

What is the Graduate Placement Framework?

SANRAL's Graduate Placement Framework is designed to provide young graduates with valuable on-the-job experience in civil engineering. The programme focuses on nurturing talent in critical infrastructure projects, contributing to SANRAL's long-term vision of a sustainable pipeline of skilled engineers

The deterioration in the Equivalent Accident Number (EAN) is due to, among others, the poor condition of provincial roads transferred to SANRAL, substandard geometric alignment, rural and urban encroachment, traffic mix, and pedestrian and animal movements. In certain cases, SANRAL will need to perform extensive patching and repair just to get the road in a safe condition for travel before reconstruction is planned in the future, subject to budget availability and prioritisation. The capex project is then required as a long-term solution.

2.2.5 Information and communication technology

The Information and Communication Technology (ICT) programme at SANRAL is guided by a five-year strategy, which was reviewed at the end of the financial year, in April 2025. The aim of the strategy is to align all ICT initiatives with SANRAL's strategic objectives, as defined in Horizon 2030.

It emphasises leveraging technology not only for operational efficiency but also for strategic advancement, recognising the potential of ICT to elevate SANRAL's operations through data analysis, the monetisation of ICT assets and business modernisation.

The ICT strategy is designed to enable and support SANRAL's goal of providing an optimal road transportation system for South Africa. It aims to deliver greater value by aligning ICT closely with business priorities and by avoiding activities that are not central to core business operations. It also intends to influence business direction through the implementation of digitally empowering solutions.

The strategy focuses on several strategic projects, each with specific timelines and objectives. These include enhancing the wide area network, implementing the enterprise document management systems, and upgrading the freeway management system (FMS).

These projects aim to consolidate various ICT services and systems under the management of the ICT department, which is hosted at SANRAL's National Data Centre (NDC) at the SANRAL Central Operations Centre (COC).

Key achievements during the reporting period include:

Appointment of a chief information officer

A chief information officer (CIO) was appointed in September 2024 to ensure that SANRAL can depend on effective, business-centred, empowering and strategic ICT. The CIO's responsibilities include consolidating the various ICT functions within the business, reviewing ICT sourcing models, designing and implementing a strategic ICT function, and embedding an enabling structure geared towards partnering with the business on all strategic ICT needs.

By the end of the reporting period, a new ICT department with a clearly defined structure had been established. All ICT functions had also been consolidated and centralised into this department, under the leadership of the CIO.

Transition from KTC-ZA to SANRAL

On 30 March 2025, the contract between KTC-ZA, a road transport solutions company, and SANRAL came to an end after almost 18

years. The transition of the ICT function to SANRAL's new ICT department was successfully executed with no interruption to business. This involved systems, people, business processes, and assets valued at R5,7 billion.

End-user satisfaction

SANRAL prioritises end-user satisfaction by continuously innovating in its ICT environment. It does this by deploying business enablement tools such as Office 365 and enterprise resource planning (ERP) upgrades as well as other high-performance information technology infrastructure, ensuring that the ICT system and the services that depend on it are reliably available. SANRAL's focus on automation and creating a paperless environment has also resulted in significant productivity gains. Innovations in this area include electronic document signing, which has significantly enhanced user experience.

Innovation and compliance

Continuous improvement is the cornerstone of SANRAL's approach to ICT. This has led to the implementation of best practices and the achievement of clean ICT audits for the past six years. At present, SANRAL is actively exploring the potential of artificial intelligence, data analytics and business intelligence to enhance productivity and drive automation.

Information security

SANRAL's focus on enhancing information security has led to significant gains, resulting in a stronger security posture. Among other initiatives, the ICT department has proactively implemented a new Security and Network Operating Centre to ensure that the organisation's information assets are consistently monitored and secure.
By aligning with standards set by the Center for Internet Security, the International Organization for Standardization, the National Institute of Standards and Technology, ISO 27001 and the South African National Standards, SANRAL has significantly enhanced its information security. It nevertheless remains ever-mindful of the need for continuous monitoring and for adapting to the evolving threat landscape.

Increasing maturity level and business partnership

Over the past six years, SANRAL has striven to increase its ICT maturity level and to position the organisation as a trusted business partner through continuous alignment with SANRAL's overall business objectives.

The following figure unpacks the IT strategic plans and shows how the IT initiatives align with the overall business and organisational goals.

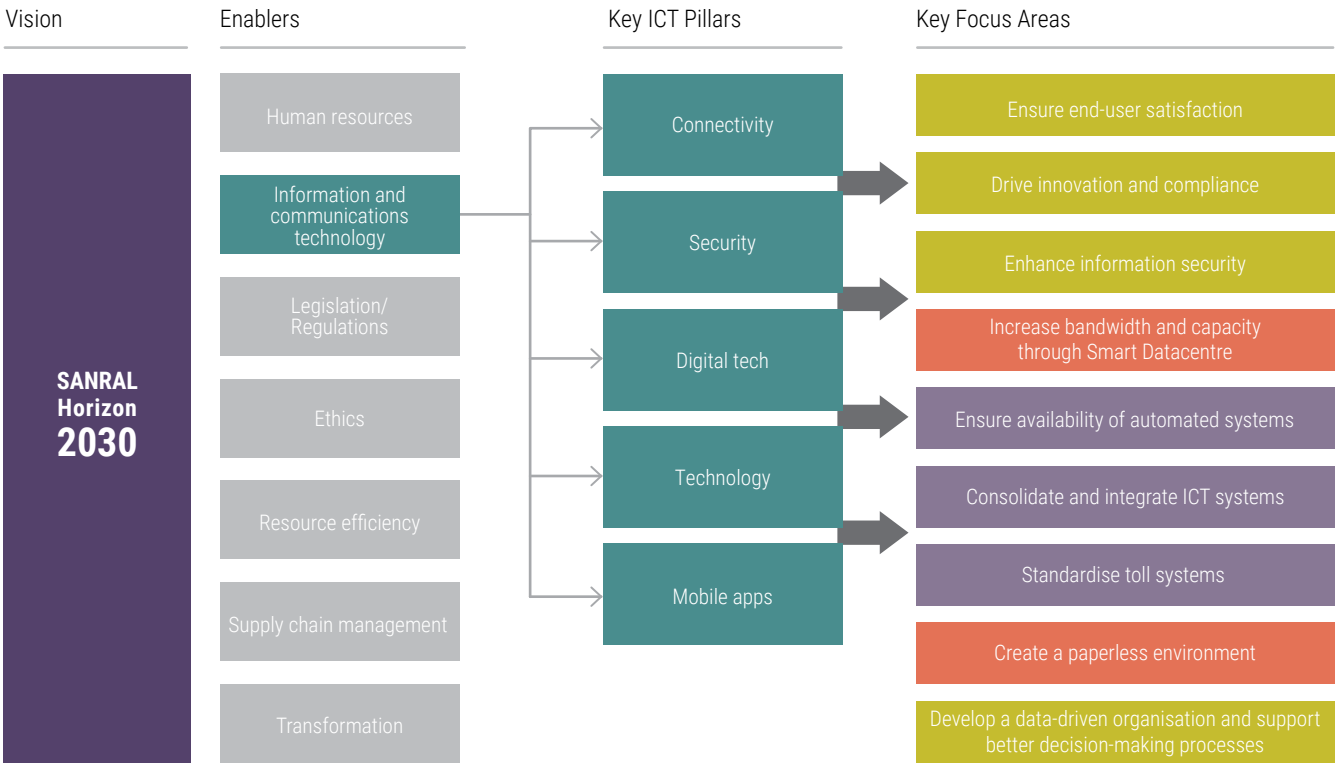


Figure 5 The ICT strategy aligns with SANRAL's Horizon 2030 strategy

2.2.5.1 Looking forward

In the 2025/26 financial year, the ICT department will introduce several major initiatives to drive innovation, enhance compliance, support operational excellence, and continually improve the robustness of SANRAL's ICT infrastructure.

National Data Centre

ICT will continue to develop a comprehensive architecture for the centre, which will improve efficiency, scalability and resilience across the organisation's infrastructure.

National Call Centre

A call centre will be established to enhance customer service and support capabilities. Centralising call centre operations will streamline communication channels and ensure a consistent and efficient service experience for all stakeholders.

National Hosted Toll System

ICT will also consolidate and host toll systems on a national scale. This will improve reliability, interoperability and data consistency throughout the network.

National Hosted Freeway Management System (FMS)

This initiative, which is already at an advanced stage, focuses on consolidating and hosting SANRAL's FMS on a national scale. The project intends to eliminate duplication and reduce siloed services at a regional level. The consolidation of the FMS will improve reliability, interoperability and data consistency across our network.

> These initiatives demonstrate SANRAL's commitment to building a resilient, agile, responsive, empowering a future-ready ICT ecosystem that dependably supports the organisation's growth and strategic objectives.

Through automation, consolidation, standardisation and data-driven decision-making, SANRAL will be able to demonstrate greater efficiency, effectiveness and innovation in its operations. This will support the achievement of all five strategic pillars defined in Horizon 2030 by using data management, data analytics and greater interoperability to enhance every aspect of the organisation.

2.2.6 Freeway Management System

During the reporting period, the following incident statistics were recorded on SANRAL's freeway management systems (FMSs) in Gauteng and the Western Cape.

Number of crashes involving pedestrians

The following chart illustrates the number of crashes involving pedestrians between 2011 and early 2025. The data shows that the number of pedestrian crashes increased gradually from 2011 to 2019, but decreased sharply during the COVID-19 pandemic. By 2024, this number had rebounded to 2019 levels and pedestrian fatalities continue to rise.

The following figure shows the number of crashes, injuries and fatalities for all regions for the period 2011-2015

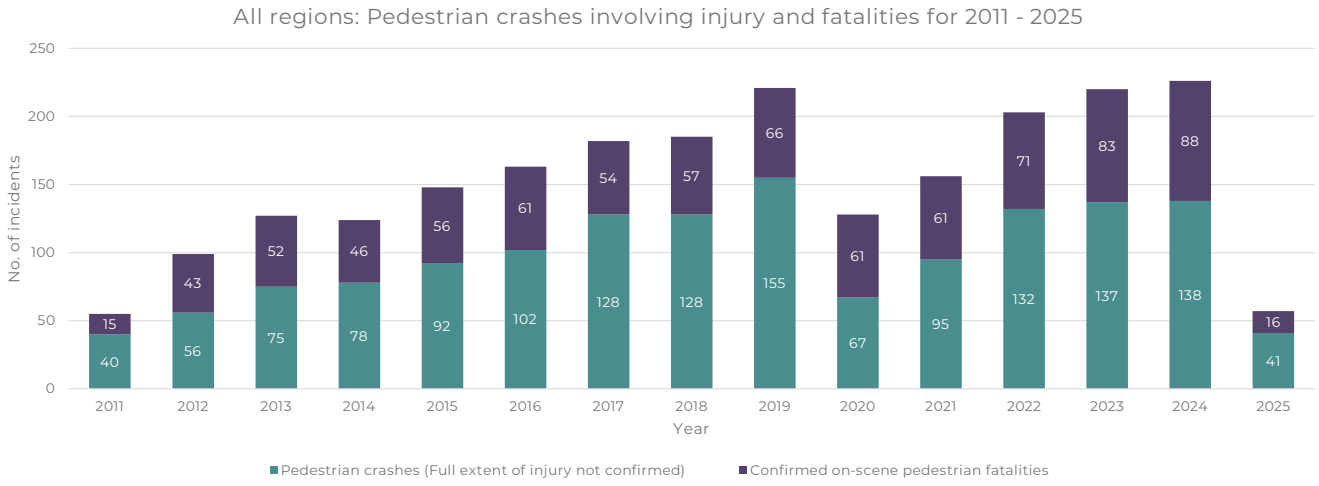


Figure 6 Number of crashes, injuries and fatalities involving pedestrians for all regions over a 14-year period

Incident reporting during 2024/25

The chart below illustrates the number of traffic incidents reported in Gauteng, KwaZulu-Natal and Western Cape between April 2024 and March 2025, with each province maintaining consistent reporting procedures.

In Gauteng, incidents increased steadily from 3 793 in April 2024 to a peak of 4 856 in March 2025, reflecting the province's robust monitoring and response systems.

In KwaZulu-Natal, incident numbers remained relatively moderate and gradually increased from 1 137 in June 2024 to 1 836 in March 2025, suggesting steady regional traffic conditions and consistent incident capture.

In Western Cape, as in Gauteng, there was a noticeable rise in the number of reported incidents from 3 086 in December 2024 to 4 131 in March 2025, which also highlights improved operational coverage and reporting.

Overall, the data indicates that all three regions are maintaining reliable incident monitoring.

The upward trend in reporting suggests enhanced detection, improved data accuracy, and increased regional traffic oversight over the past 12 months.

The following chart tracks the number of incidents by province.

The following figure shows the number of incidents per month for all regions for 2024/25

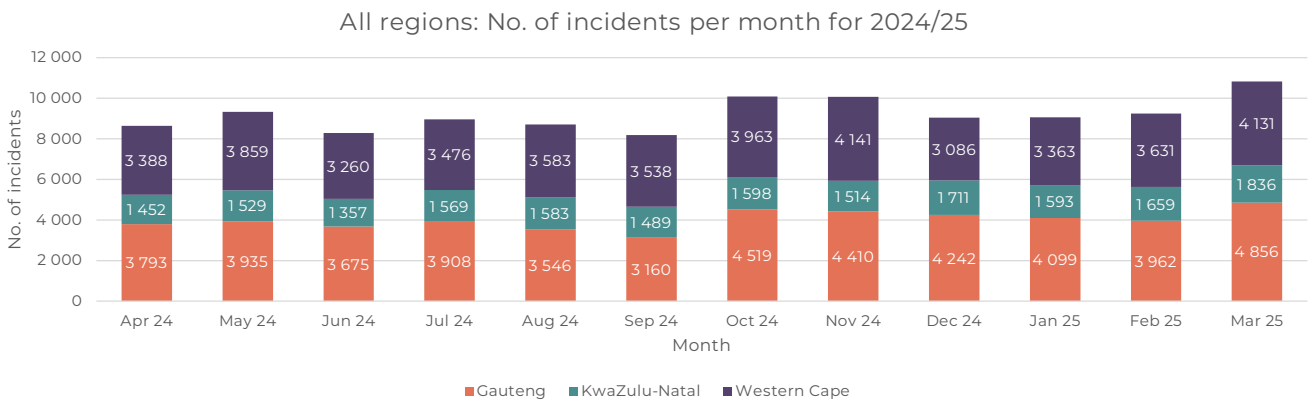


Figure 7 Number of incidents by province for 2024/25

2.2.6.1 Gauteng FMS

The Gauteng Freeway Management System (GP FMS), established in 2008 and operating around the clock, is based at the Central Operations Centre in Rooihuiskraal, near Centurion.

The devices are connected to the Operations Centre via fibre-optic cables and wireless radio links.

A dedicated team of traffic management officers (TMOs) monitors live CCTV footage 24/7 to detect incidents. When an incident is identified, the GP FMS team coordinates the response, together with co-located services in the operations area.

The process used to manage an incident involves:

- Notifying on-road services (ORS) and all other applicable responding services
- Posting relevant information on VMSs, websites and social media
- Logging all the related information on the Advanced Traffic Management System (ATMS).

All the recorded information is used to track certain KPIs. A coordinated effort is made by the GP FMS team and the responding services to ensure that every incident scene is managed optimally. Following significant incidents, an internal post-incident assessment meeting is held with all relevant services to review key issues and determine ways to improve future responses.

The GP FMS system, used to measure and monitor the freeway network, consists of 322 CCTV cameras (20 more than in the previous period), 59 VMSs, and 111 VDSs. All hardware, including field devices, is monitored via Forcelink, SANRAL's infrastructure management system. At the Traffic Management Centre (TMC), there are 16 workstations and a video wall made up of 12 video wall cubes.

About SANRAL's Gauteng FMS

SANRAL's Gauteng FMS comprises a network of closed-circuit television (CCTV) cameras, variable message signs (VMSs), vehicle detection sensors (VDSs) and on-road service (ORS) incident response vehicles, which are strategically deployed across the freeway network.

The following table compares the device types for the Gauteng Freeway Management System of 2024/25 with the previous financial year.

DEVICE TYPE	2024/2025	2023/2024	DIFFERENCE
CCTV	322	302	20
VMS	59	59	0
VDS	111	111	0
Workstations	16	16	0
Video wall cubes	12	12	0

Table 3 Total number of devices in the Gauteng Freeway Management System network as of 2024/25



Figure 8 The CCTV tracking system picks up incidents and routes the information to the Central Operations Centre

Analysis of KPIs achieved

Detection and identification of incidents

To detect and identify incidents, GP FMS operators in the TMC primarily rely on the feed from CCTV cameras within the system. Information is also provided by various traffic services, as well as by officials, staff, emergency services personnel, and construction supervisory staff travelling on the network.

Due to the transition to a new version of the ATMS, ATMS-6, some data are not fully accurate, as the system is still being upgraded and known issues are being resolved. The upgraded system will fully align the detection and identification of incidents with SANRAL's strategic road safety pillar.

Dissemination of information

Information is disseminated using VMSs, emails, social media (X) and the advanced traveller information system (ATIS) website, iTraffic (www.i-traffic.co.za).

Most radio stations in the metropolitan area also follow the TMC's social media X feed and re-post the information or broadcast it in their traffic bulletins. In addition, the ATMS has an automated response plan functionality, which identifies appropriate VMSs, emails and X social media messages. It also posts notifications when an incident is logged and confirmed on the system. This wide dissemination of information is aligned with SANRAL's strategic stakeholder engagement pillar.



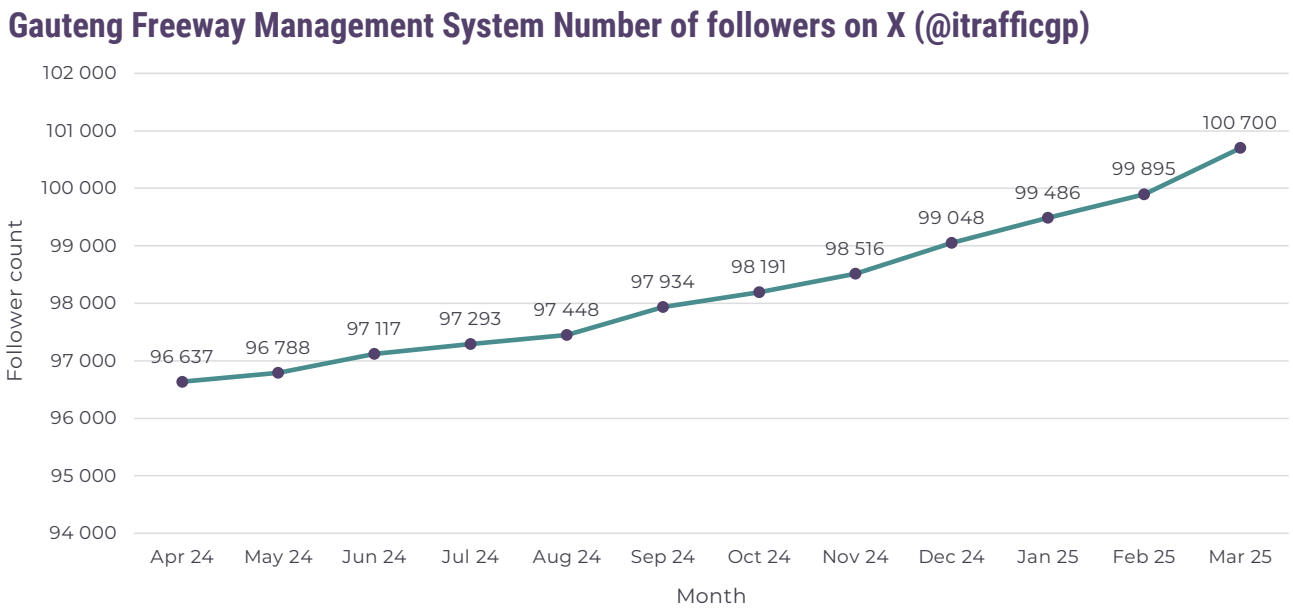


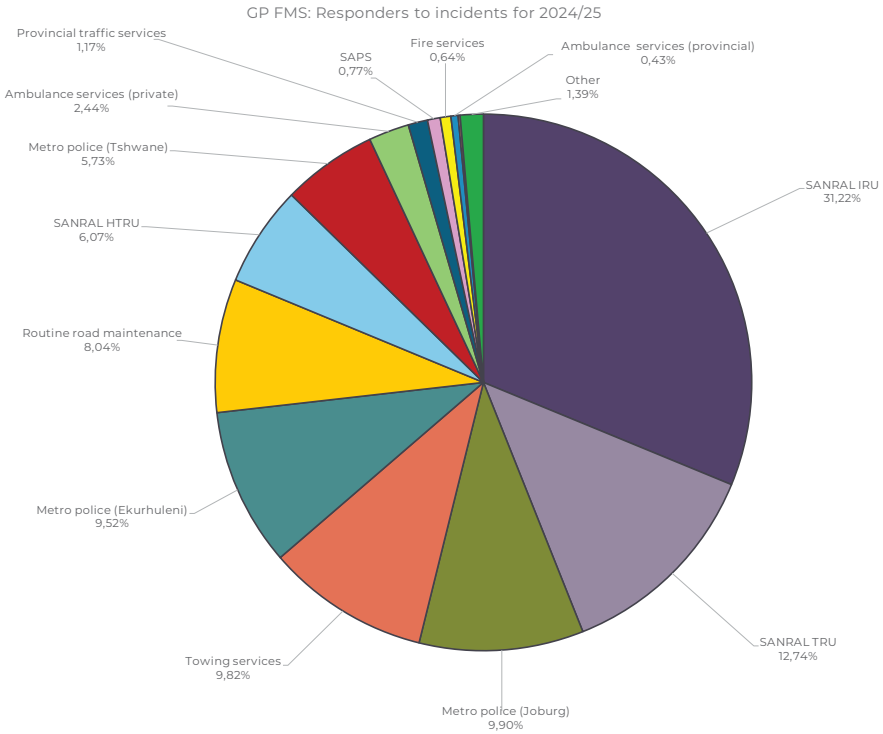
Figure 9 Increase in the number of Gauteng Freeway Management System followers on X (formerly Twitter) during 2024/25.

Incident response time

Response time is defined as the time that has elapsed between the incident being detected and the arrival of the first response vehicle on the scene. The Gauteng FMS system allows for the recording of the incident time and the time at which the first vehicle arrives on the scene. Not all services necessarily respond to an incident and only those that arrive at the scene are noted. Good response times are dependent on speedy detection and notification as well as efficient response protocols.

The figure below illustrates the percentage distribution of responders to incidents. On average, the response time to crashes is shorter than the response times to all incidents.

Distribution of responders to incidents during the reporting period



HTRU: Heavy vehicle towing response unit | IRU: Incident response unit | TRU: Towing response unit

Figure 10 Distribution of responders to incidents for 2024/25

The following figures provide an analysis of average response times, by minute and by month.

Distribution of average response time in minutes

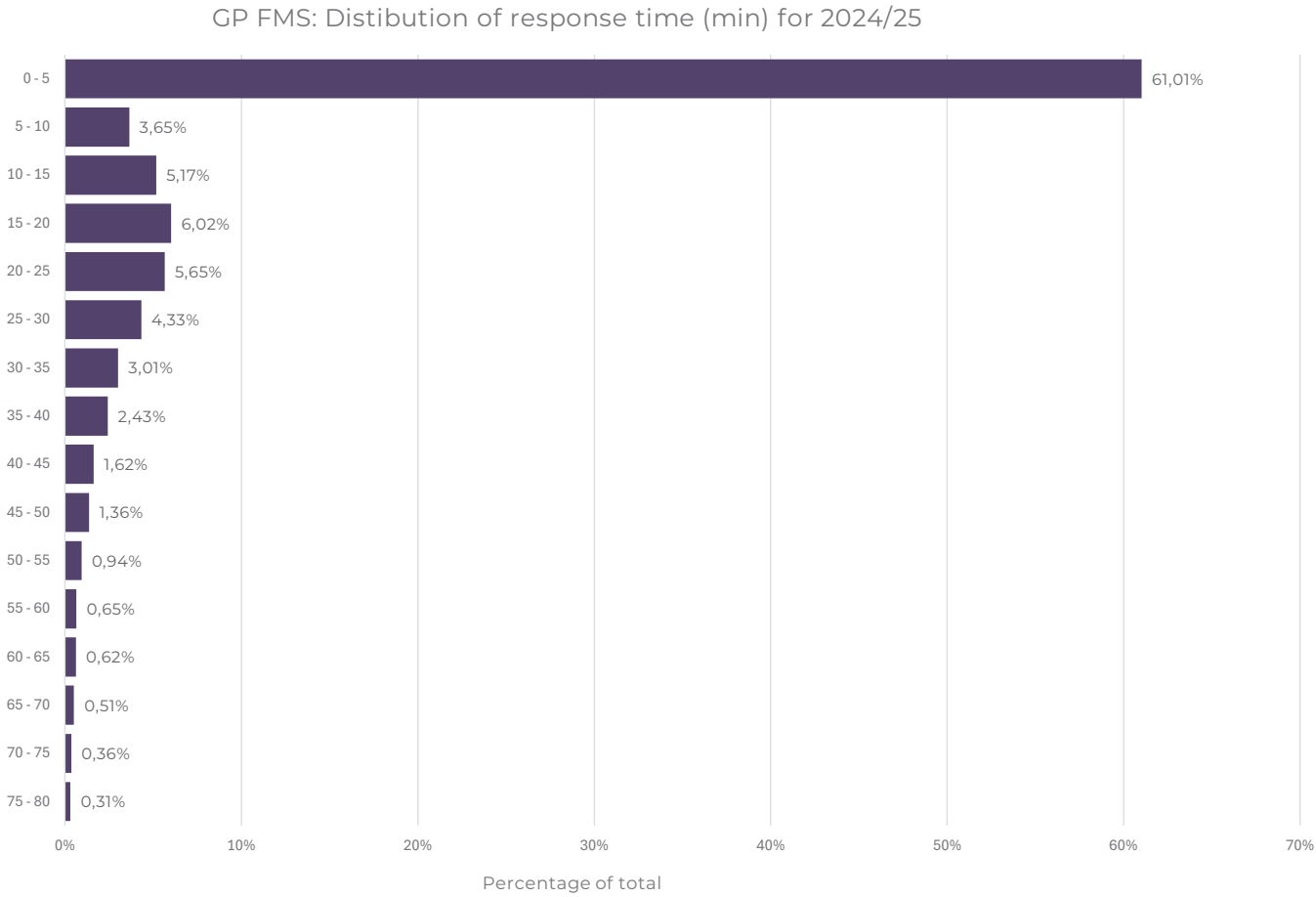


Figure 11 Distribution of response time in minutes during 2024/25. The remaining 2,36% of response times fell outside of the 80 minute threshold.

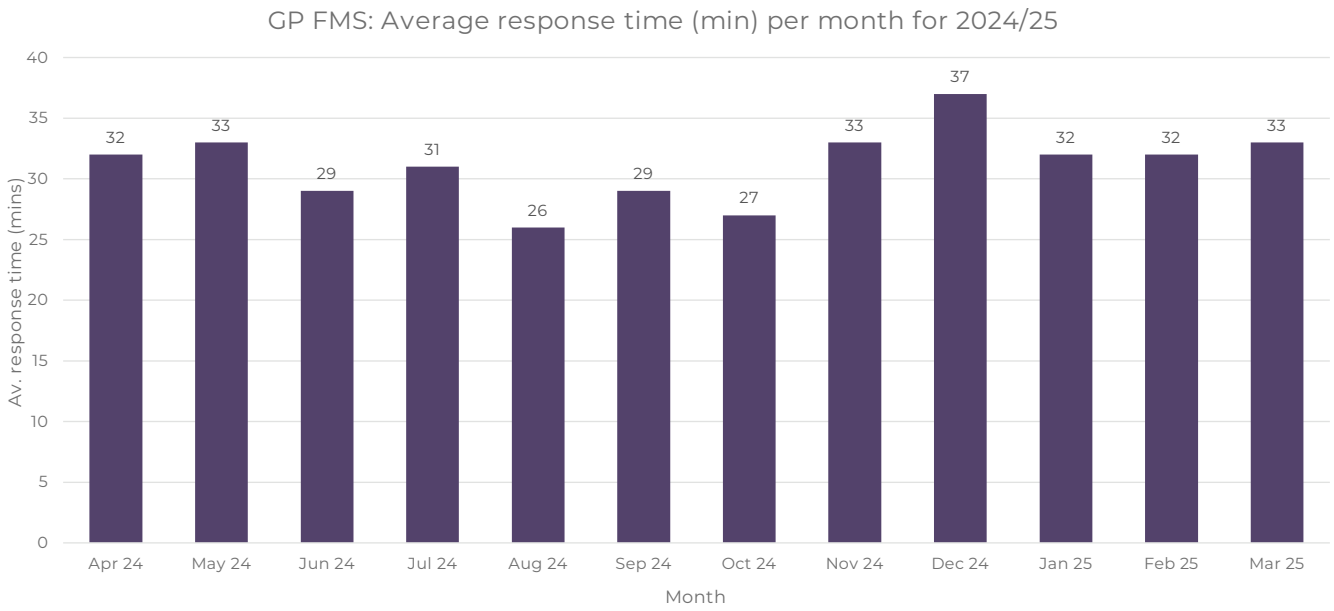


Figure 12 Average response time per month during 2024/25

Incident clearance times

The clearance time of an incident is defined as the time between when the incident is detected and when it is cleared, allowing the road to reopen for normal traffic operations. At this point, traffic flow is not necessarily back to normal, but will soon return to normal.

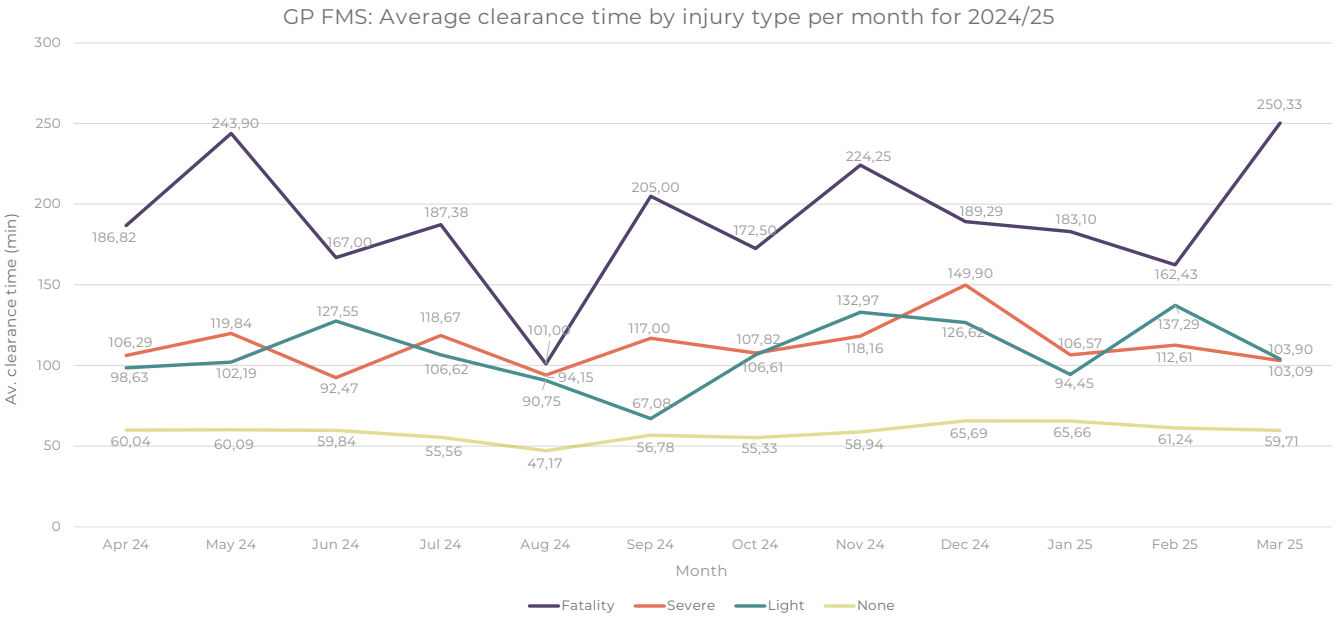


Figure 13 Average clearance time for crashes by injury type per month during 2024/25

Incident and crash trends

The following section presents an analysis of the incidents and crashes captured on the FMS network during the reporting period.

Number of incidents

The overall number of incidents, crashes and fatalities recorded by the FMS operators for the reporting period is given in the following figure.

Total number of incidents, crashes and fatalities recorded by Gauteng Freeway Management System for 2024/25

Incidents	Crashes	Known fatalities	Known pedestrian fatalities
44 389	**5 400**	**203**	**95**

Table 4 Total number of incidents, crashes and fatalities for 2024/25

Incident types

All incidents are captured on the ATMS, with relevant details logged by the TMOs. The following table gives details of the types of incidents recorded. Most incidents captured involve stationary vehicles on the road, followed by crashes.

INCIDENT TYPE	NUMBER OF INCIDENTS	PROPORTION BY PERCENTAGE
Animals	14	0,0%
Congestion	1 865	4,2%
Crash	5 400	12,2%
Events	4	0,0%
Field device maintenance	124	0,3%
Fire and smoke	421	0,9%
HAZMAT	2	0,0%
Obstruction	470	1,1%
Other	2	0,0%
Pedestrians	54	0,1%
Police and military	4 165	9,4%
Roadworks	1 899	4,3%
Stationary vehicle	29 871	67,3%
Weather conditions	94	0,2%
Wrong-way driver	4	0,0%
TOTAL	**44 389**	**100%**

Table 5 Incident types for 2024/25

The following graph shows the top five incident types recorded by the Gauteng FMS during 2024/25

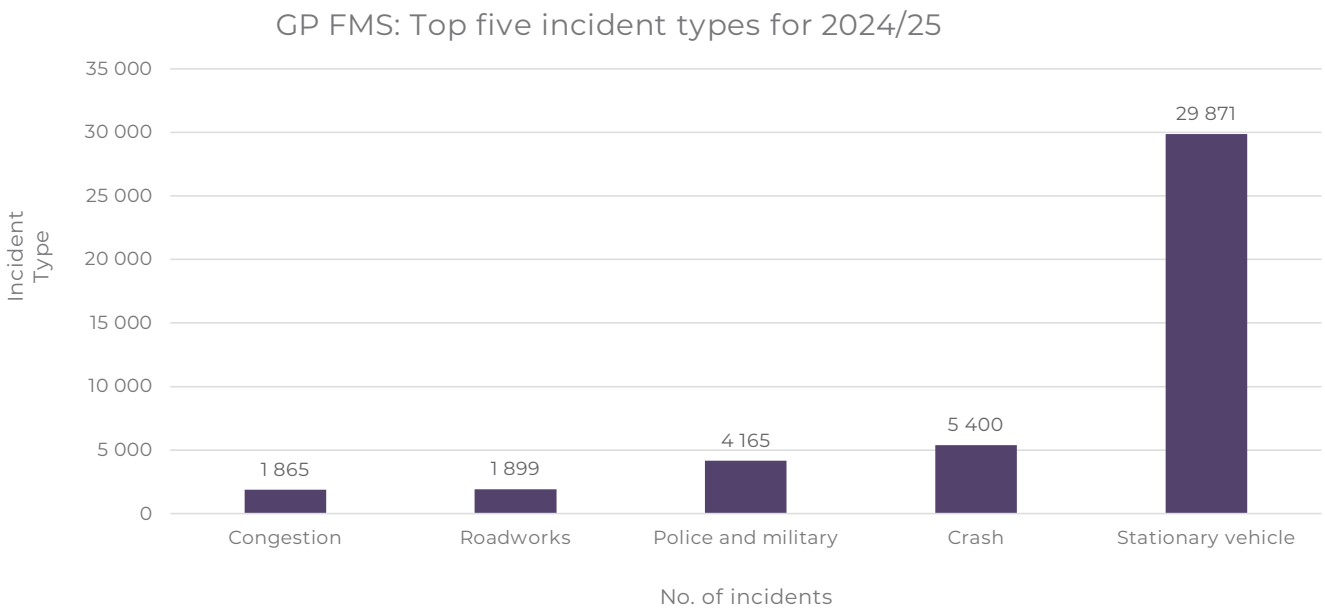


Figure 14 Top five incident types during 2024/25

Incidents per month

During the reporting period, there was an average of 3 699 incidents per month. The number of incidents, crashes and stationary vehicles in a travel lane recorded per month is shown in the figure below. The average number of crashes per month was 450.

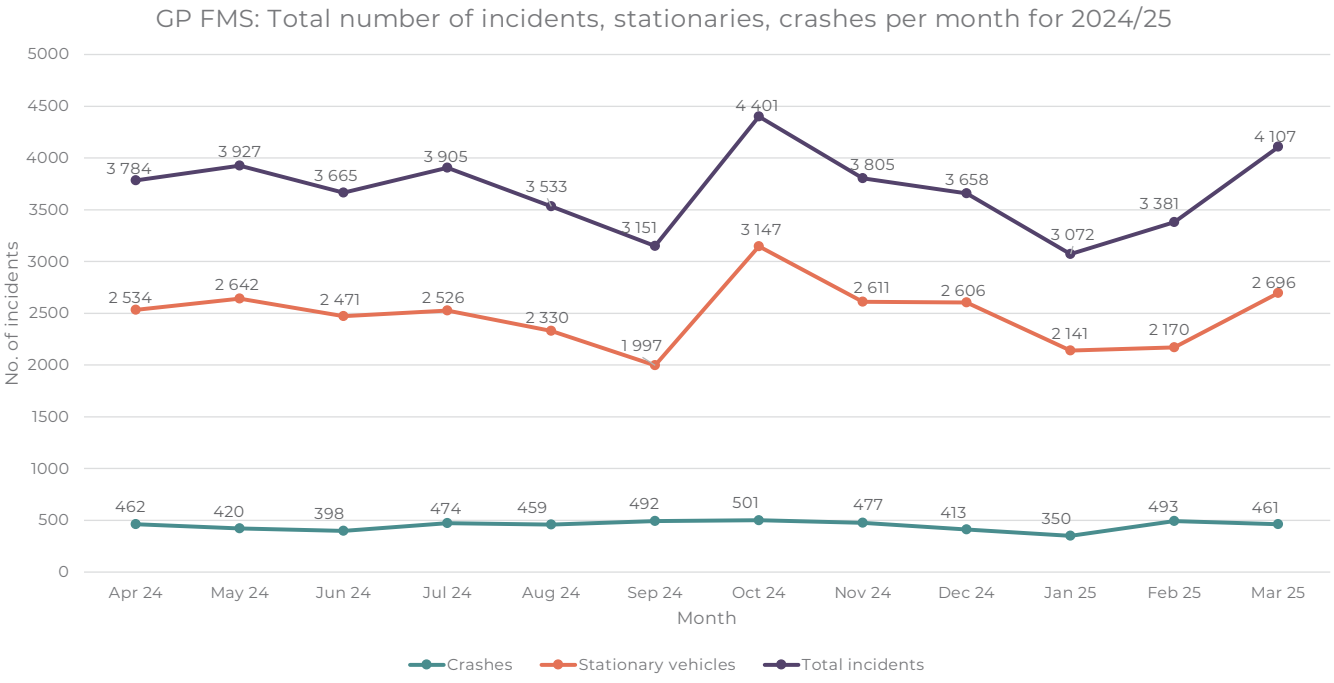


Figure 15 Total number of incidents by month for 2024/25

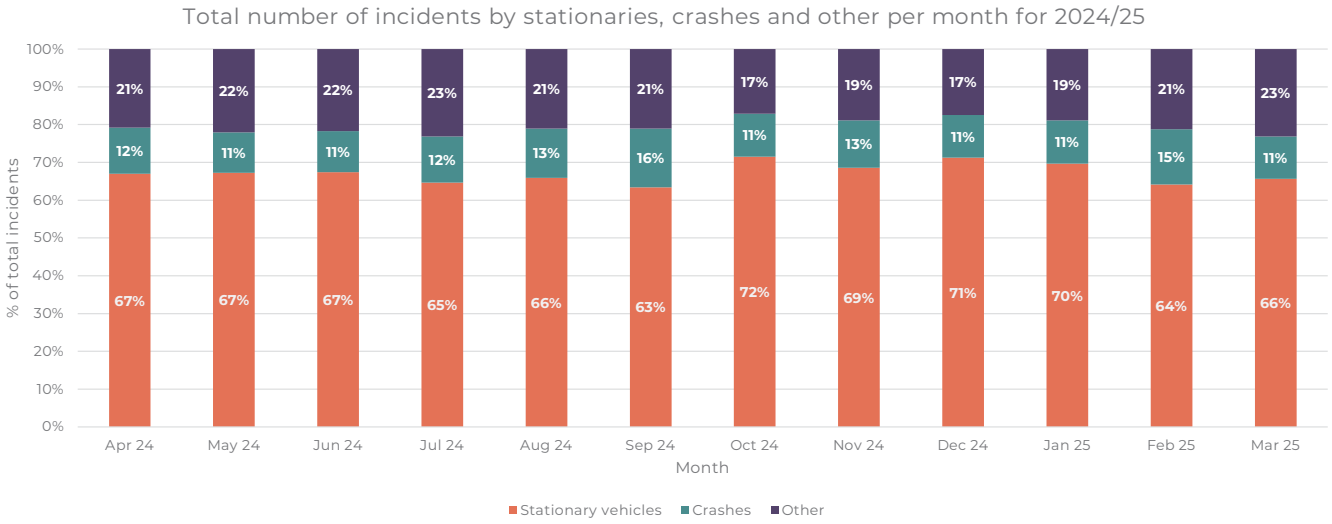


Figure 16 Distribution of incidents by month for 2024/25

Incident hotspots

The following heatmap shows the typical hotspot locations of all incidents on the GP FMS network. The most prominent incident locations on the network are around major interchanges and the busier sections of the freeway.

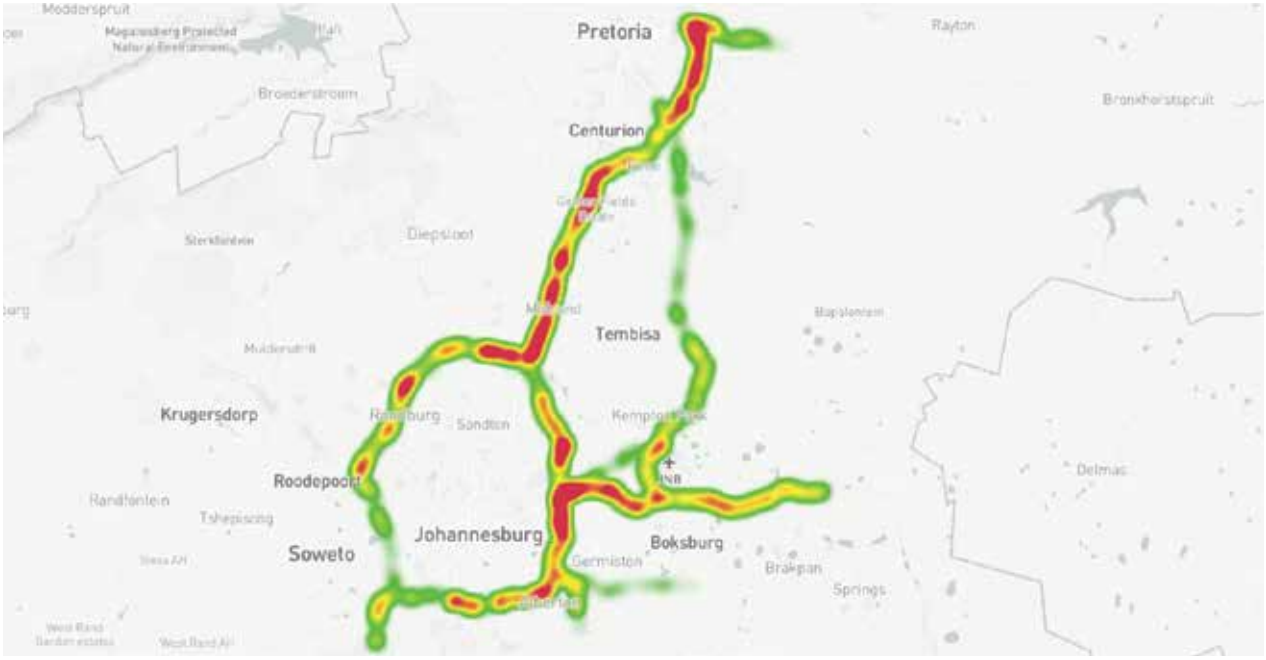


Figure 17 Gauteng FMS incident hotspots for 2024/25

Crash types

The figure below provides an analysis of crash types by percentage. Multi-vehicle crashes account for the largest number of crashes, making up 76,26% of the total. Single-vehicle crashes account for 12,35% and crashes with a fixed object for 8,57%.

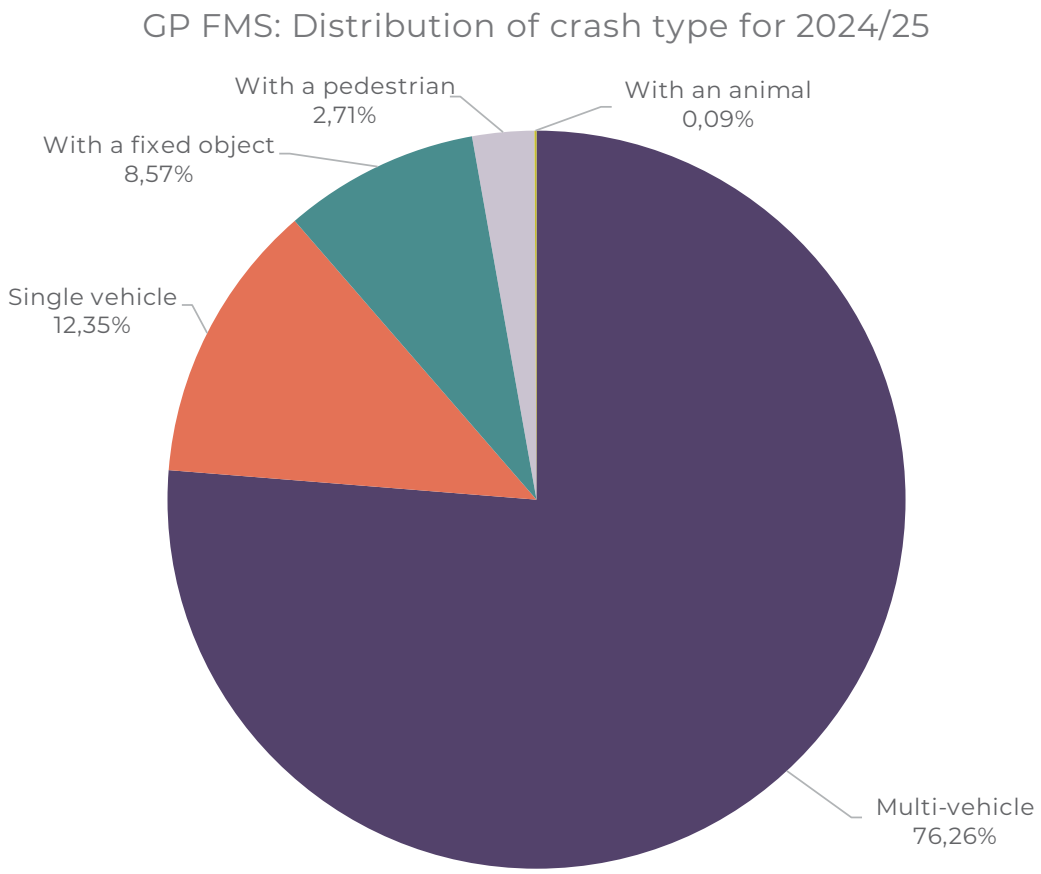


Figure 18 Vehicle crashes by type for the 2024/25 reporting period

The following chart provides an analysis of variations by crash type per month.

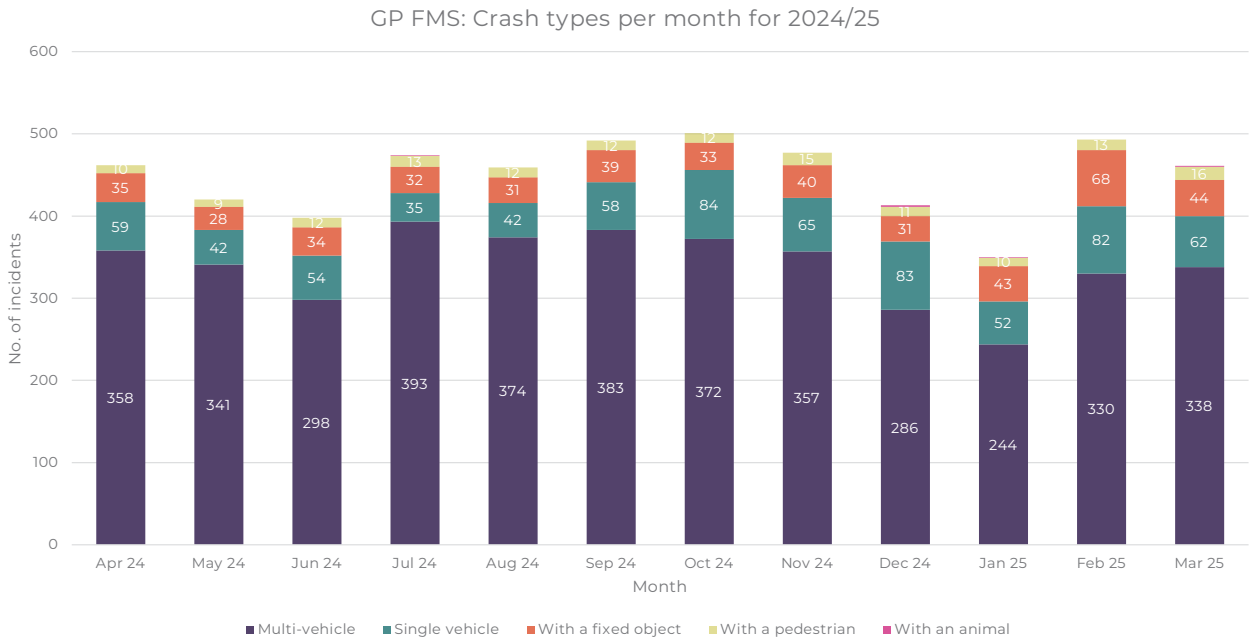


Figure 19 Crash types per month for 2024/25

Injuries

The severity of crashes is determined by the type and number of injuries on the scene, which are analysed per month in the following chart. The majority of injuries are light and average 63 per month. The average number of severe injuries is 50 per month.

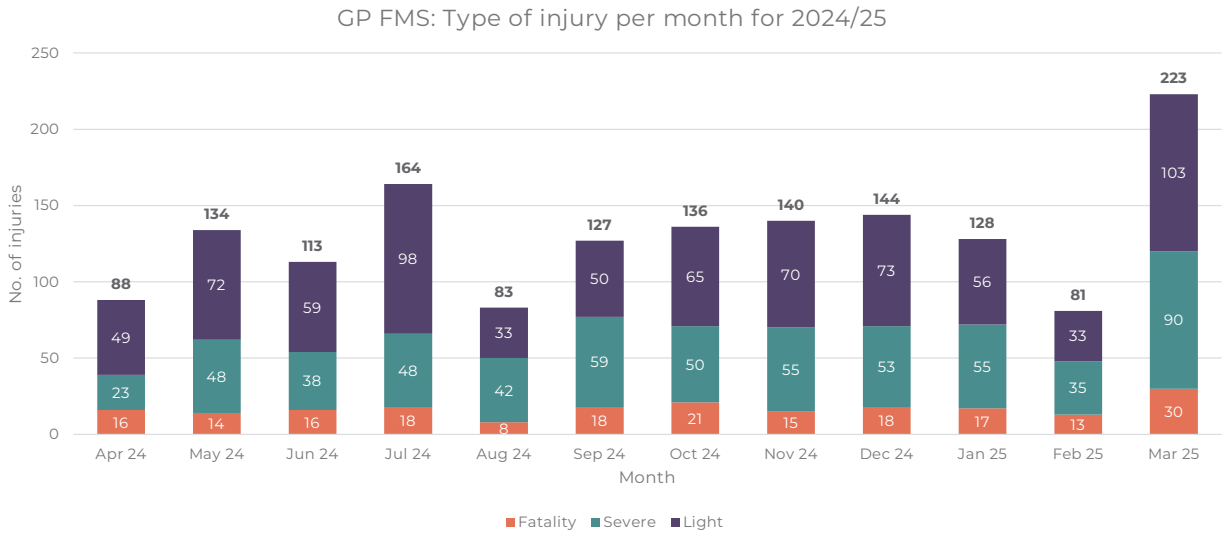


Figure 20 Number of injuries by type per month of 2024/25

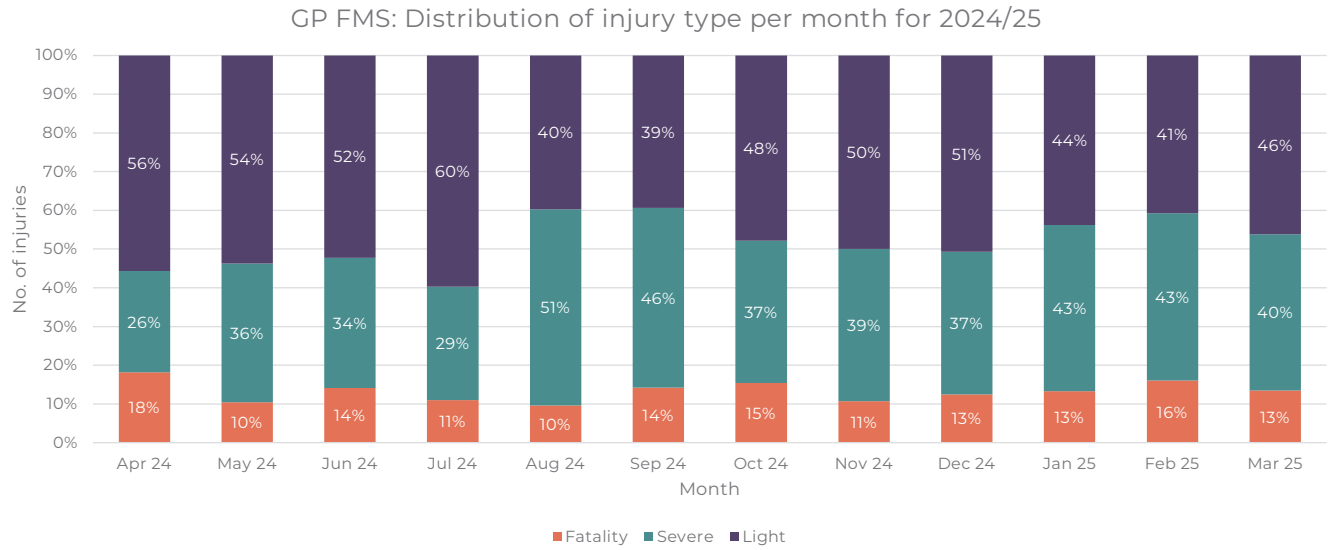


Figure 21 Distribution of injuries by type per month of 2024/25

Fatalities

The following chart provides a breakdown of known fatalities, including those involving pedestrians and those resulting from crimes. During the reporting period, the average number of fatalities per month was 17.

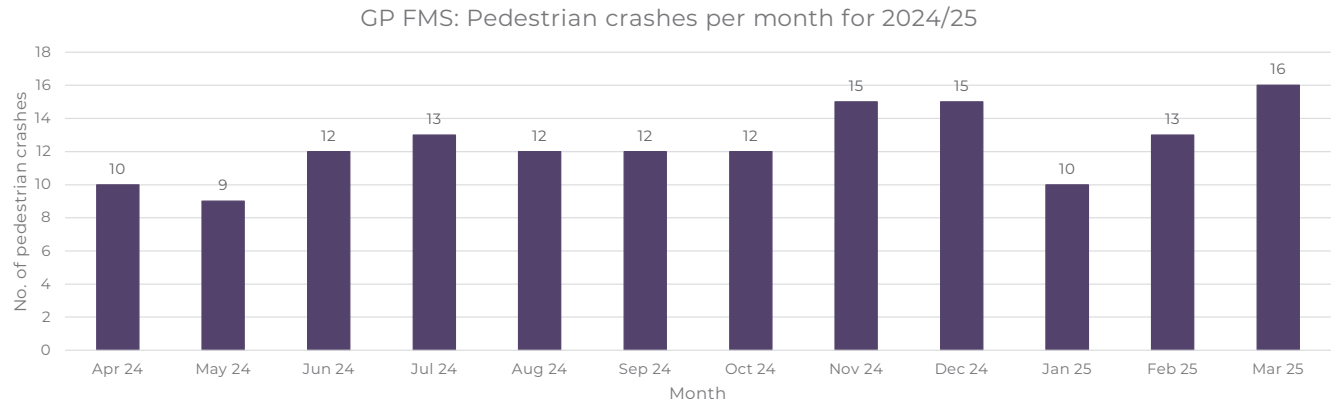


Figure 22 Number of known fatalities by month for 2024/25

Pedestrian crashes

The number of crashes involving pedestrians, which averages 12 per month, is illustrated in the following graph.

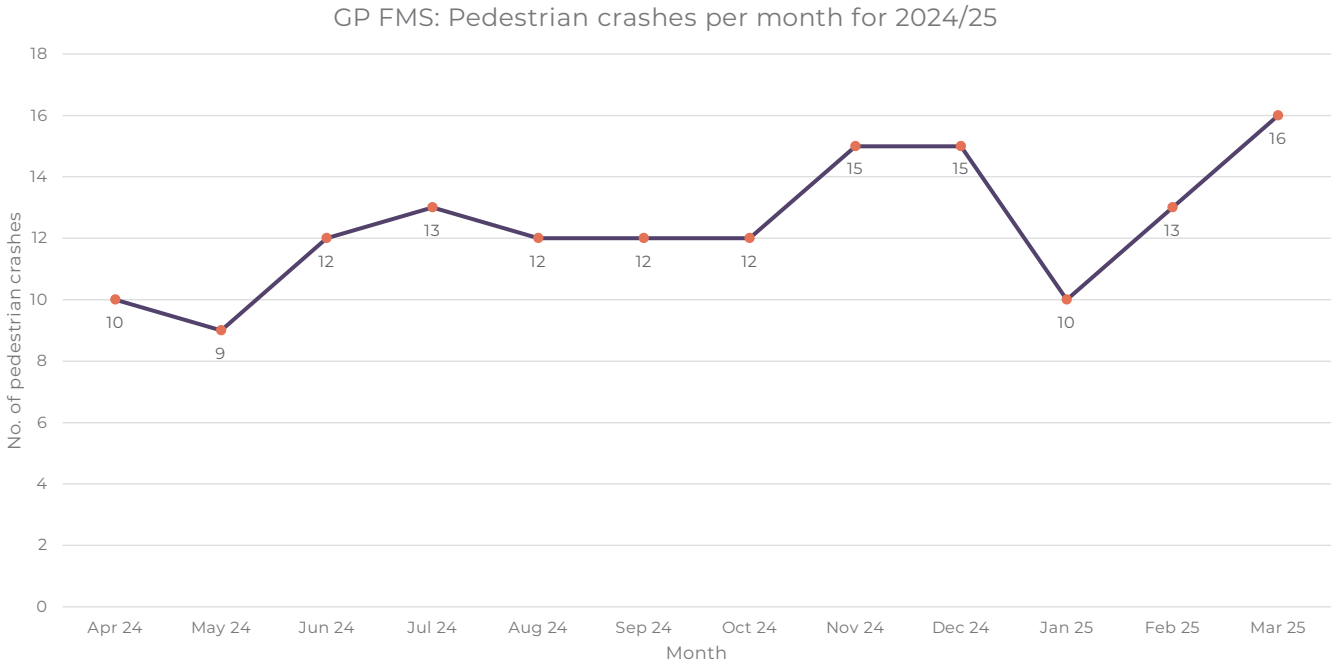


Figure 23 Number of crashes involving pedestrians for 2024/25

Securing continuous operations

To ensure better device uptime along the freeways, continuous battery backup, along with appropriate device hardening and anti-vandalism measures, is being implemented on all CCTV and VMS devices in the system. This is essential to sustaining around-the-clock surveillance, rapid incident management and the seamless dissemination of traveller information.

Security and vandalism response

Integrated detection of security and vandalism (S&V) intrusions and activities at the various GP FMS devices and infrastructure is also being implemented. Device hardening is provided at all field device installations and alarm systems notify operations of any tampering.

These security measures are being integrated with external armed response services to ensure that SANRAL assets are adequately protected. The link to an improved crime detection function along the freeways is being investigated.

New technologies

Being a technology-driven project, new, state-of-the-art technologies are continuously being integrated into the GP FMS. The following are some notable examples:

- The upgrade of the overall ATMS
- Improved incident detection is through the implementation of automated incident detection (AID)
- Improved linking of the communications systems and the GP FMS with key stakeholders
- Enhancement of the entire system with AI features
- Incorporation of thermal cameras with the TMC operations.



Figure 24 Example of thermal camera testing

2.2.6.2 Western Cape FMS

The Western Cape FMS, completed in 2010, is an application of intelligent transportation technology. The project was a collaboration between the City of Cape Town, the Western Cape government and SANRAL, where SANRAL is the lead agency responsible for the design, build, operation and maintenance of the system.

The Western Cape FMS primarily consists of a network of CCTV cameras, VMSs and other field devices deployed along the freeway network. These devices are connected to the Transport Management Centre (TMC) in Goodwood via a network of fibre-optic cables and wireless radio links.

A team of TMOs at the TMC monitors the devices for any incidents and, once detected, manages them accordingly in cooperation with the other services co-located in the TMC.

The Western Cape FMS covers approximately 179 kilometres of the busiest freeways in the Cape Town Metropolitan area. The following table indicates the total number of devices in the system.

262	CCTV cameras
10	environmental sensor stations
54	VMSs
88	vehicle detection stations

Table 6 Total number of devices in the Western Cape Freeway Management System network in 2024/25

Analysis of KPIs achieved

Average response time

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

Average clearance time

It took an average of 03:25:31 to clear a crash site in which there had been fatalities and 01:31:04 to clear a crash site in which there had been no severe injuries. This was due to improved cooperation between the different services in the TMC.

Incident and crash trends

The following section presents an analysis of the incidents and crashes captured on the Western Cape FMS network during the reporting period.

Number of incidents

The overall number of incidents, crashes and fatalities captured by the Western Cape FMS' TMOs on the ATMS during the reporting period was as follows:

Total number of incidents, crashes and fatalities recorded by Western Cape Freeway Management System for 2024/25

Incidents	Crashes	Known fatalities	Known pedestrian fatalities
43 419	**3 502**	**157**	**82**

Table 7 Total number of incidents, crashes and fatalities recorded by the Western Cape Freeway Management System for 2024/25

The following table outlines the incident types for the Western Cape's FMS for 2024/25

INCIDENT TYPE	NUMBER OF INCIDENTS	PROPORTION OF TOTAL (%)
Animals	291	0,7%
Congestion	2 934	7,1%
Crashes	3 502	8,5%
Fire and smoke	505	1,2%
Lost load	159	0,4%
Police and military	1 948	4,7%
Protests	24	0,1%
Other	1 525	3,7%
Roadblocks	301	0,7%
Roadworks	1 867	4,5%
Stationery vehicles	31 229	75,8%
Weather and conditions road	66	0,2%
TOTAL	**44 351**	**100%**

Table 8 Incident types for the Western Cape Freeway Management System for 2024/25

Incidents per month

There were between 3 435 to 3 696 incidents per month during 2024/25, an average of between 100 and 120 incidents per day.

Crashes

There were between 263 and 292 crashes per month, averaging nine to 10 crashes per day. This is higher than in the previous year, when the number of crashes ranged from 227 to 263 per month.

The following figure shows the total number of incidents and crashes by for Western Cape Freeway Management System for 2024/25

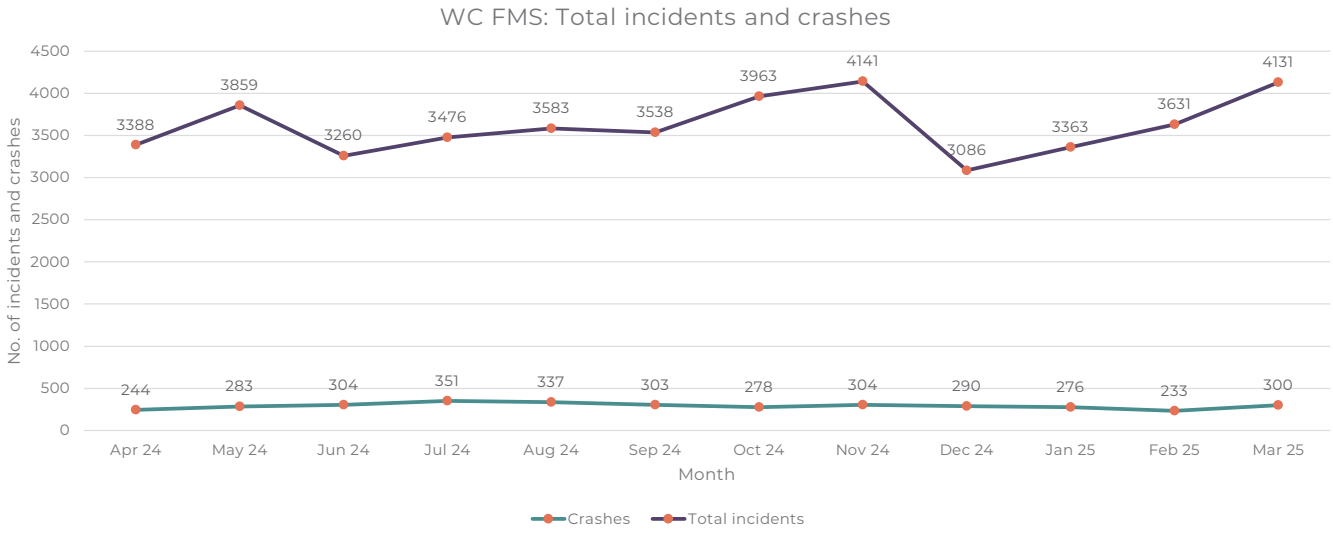


Figure 25 Total incidents and crashes by month recorded on the Western CapeFreeway Management System for 2024/25

The chart below highlights the number of crashes per month in relation to congestion and roadworks. It is evident that the number of incidents and crashes declined during the December holidays, when roads are less congested and roadworks were halted.

The following figure shows the number of incidents and crashes versus the congestion and roadwork recorded by the Western Cape Freeway Management System for 2024/25

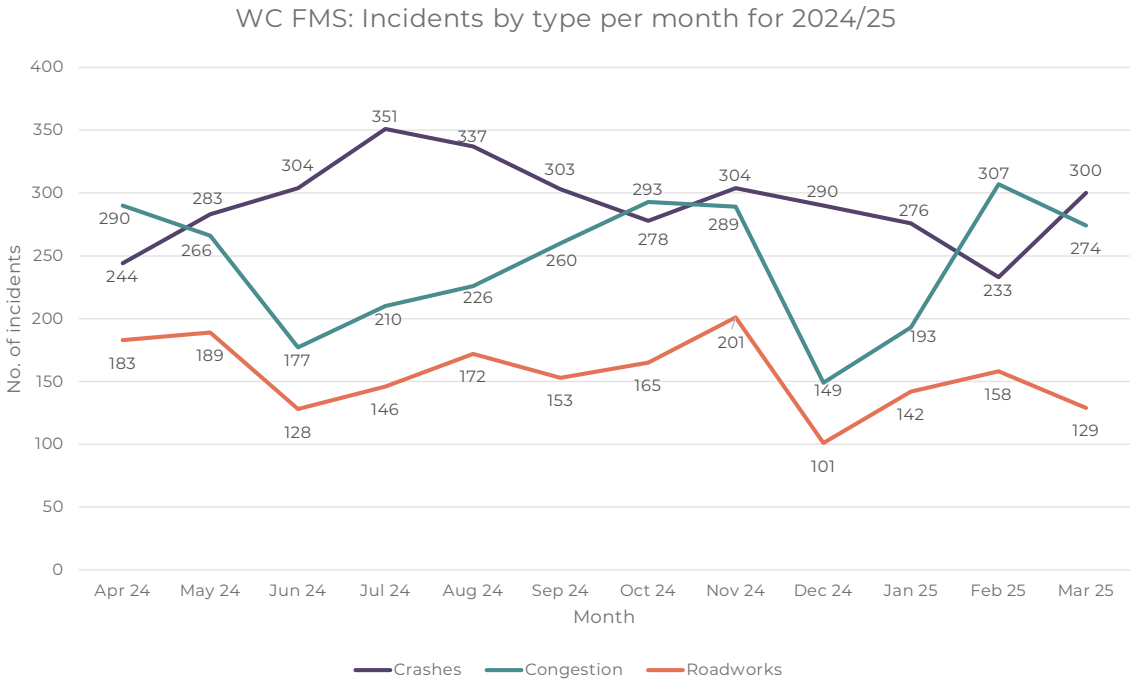


Figure 26 Total incidents and crashes vs congestion and roadworks recorded by the Western Cape Freeway Management System for 2024/25

Crash types

Multi-vehicle crashes accounted for the highest number of crashes, constituting 51,55% of the total, followed by single-vehicle crashes, which made up 37% of the total. Crashes involving pedestrians accounted for the remaining 7%.

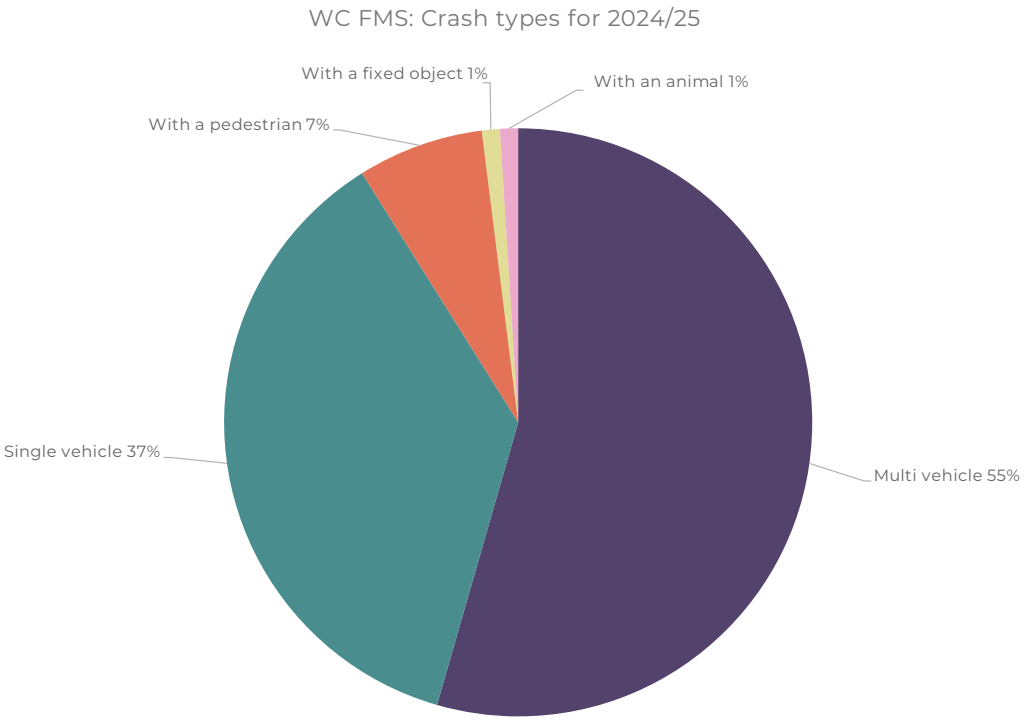


Figure 27 Crash types recorded by the Western Cape Freeway Management System for 2024/25

Vehicle types

The following chart gives a breakdown of the types of vehicles involved in crashes during the year as recorded by the Western Cape Freeway Management System:

Crashes by vehicle type recorded by the Western Cape Freeway Management System during 2024/25

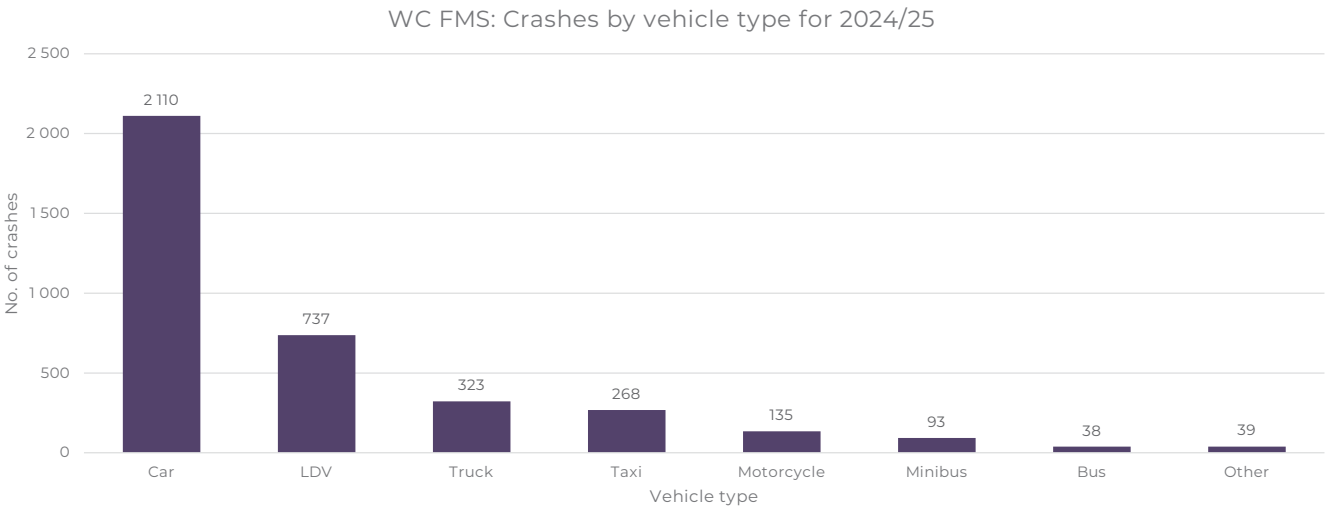


Figure 28 Crashes by vehicle type recorded by the Western Cape Freeway Management System for 2024/25

Injuries and fatalities

The type and number of injuries on the scene are indicators of the severity of each crash.

During the reporting period, there were between 33 and 65 light injuries per month, between 14 and 20 severe injuries per month, and between 8 and 17 fatalities per month.

Notably, there was an increase in the number of crashes involving pedestrians, with the number of fatalities among pedestrians being higher than in the previous period.

The following chart presents an analysis of the number of fatalities per month as recorded by the Western Cape Freeway Management System during 2024/25:

Injuries and fatalities by month recorded by the Western Cape Freeway Management System for 2024/25

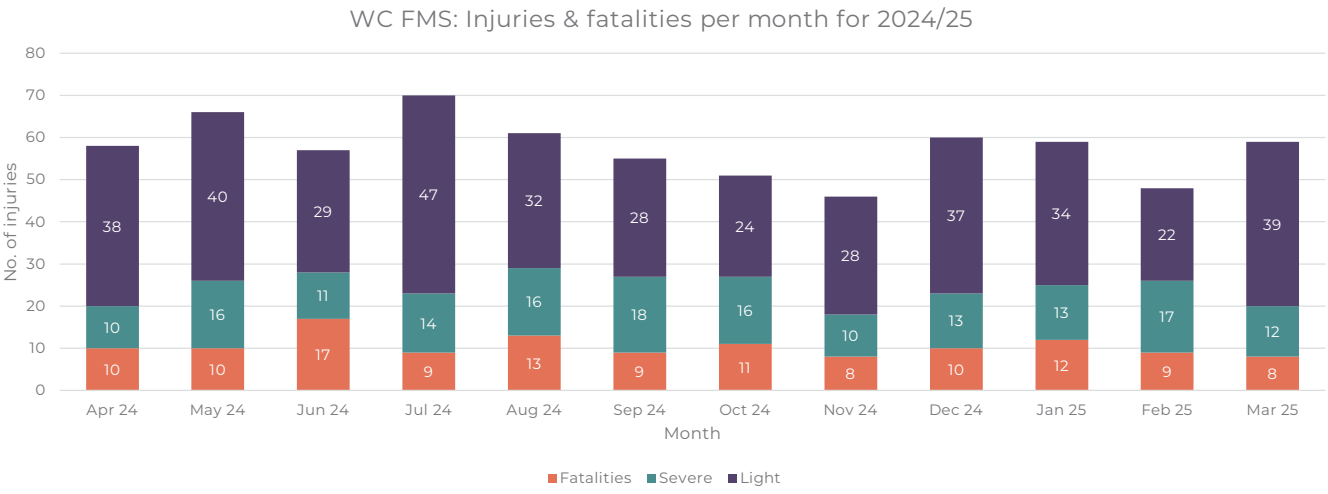


Figure 29 Injuries and fatalities by month recorded by the Western Cape Freeway Management System for 2024/25

The following table shows that 2,3% of vehicle crashes resulted in fatalities, while 35,2% of pedestrian crashes resulted in fatalities. More than 50% of all fatalities on the network during the year were pedestrians.

Pedestrian fatalities vs all known fatalities record by the Western Cape Freeway Management System during 2024/25

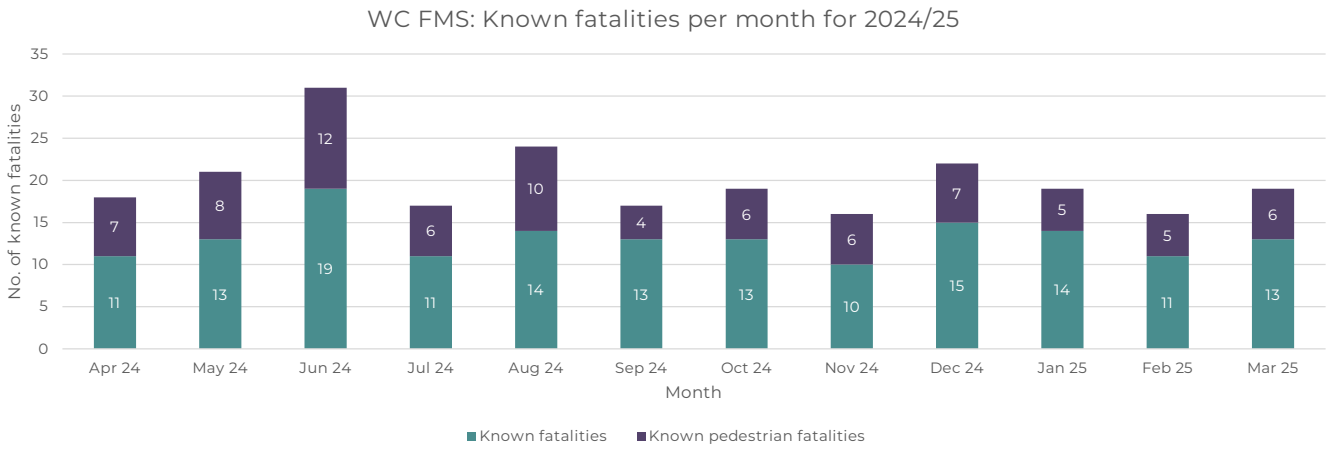


Figure 30 Pedestrian fatalities vs all known fatalities recorded by the Western Cape Freeway Management System during 2024/25

The following table shows fatalities by crash type as recorded by the Western Cape Freeway Management System during 2024/25

INCIDENT TYPE	VEHICLE CRASHES	PEDESTRIAN CRASHES	TOTAL CRASHES	PEDESTRIAN INVOLVEMENT AS A PERCENTAGE OF THE TOTAL
Crashes	3 269	233	3 502	6,7%
Confirmed fatalities	75	82	157	52,2%
Fatalities as a percentage of the total	2,3%	35,2%	4,5%	

Table 9 Fatalities by crash type recorded by the Western Cape Freeway Management System for 2024/25

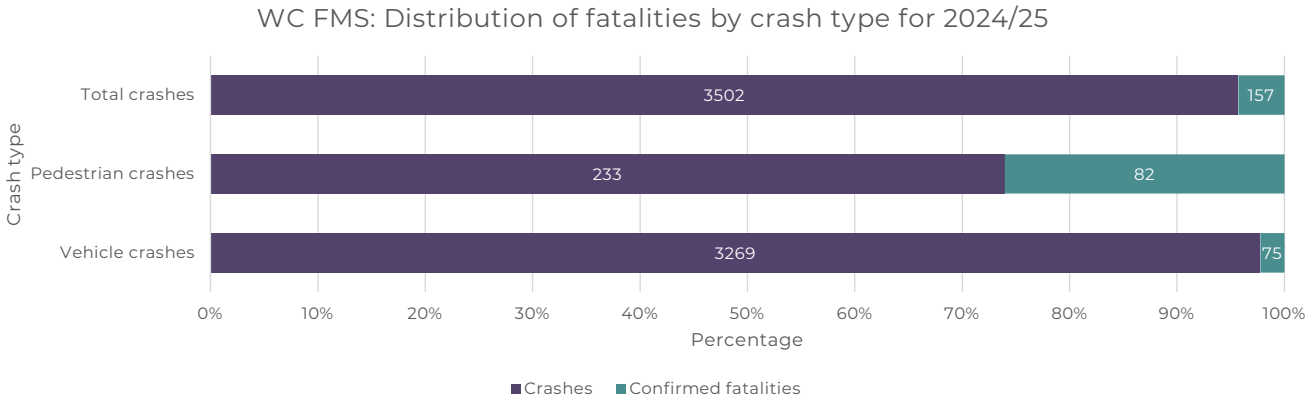


Figure 31 Fatalities by crash type recorded by the Western Cape Freeway Management System for 2024/25

2.2.7 Mobility

Through its toll portfolio, SANRAL has implemented advanced technology and systems that enable the development of numerous innovative and smart projects, adding value for road users. With the rapid uptake of technology at the institutional and individual level, the opportunity now presents itself to leverage and optimise transportation to support road safety, efficiency and mobility

Informed by these objectives, the following projects have been conceptualised and are in various phases of implementation.

2.2.7.1 Account-based ticketing

The development of an account-based ticketing (ABT) solution for the national Department of Transport began in 2019. It is a convenient and efficient solution for collecting public transport fares.

The solution makes use of card-based fare media (the various methods by which fares are paid) based on open standards as defined by the Open Standard for Public Transport (OSPT) Alliance.

In compliance with CiPurseTM, an open security standard for transit fare collection systems, contactless fare media make use of a unique mobility account identifier to initiate transactions on fare validators. The transactions are then automatically transferred to the back-office (administrative) account hosting system at the Clearing House, a large international payments company.

An account-based ticketing solution facilitates interoperability between public transport operators, such as municipal bus services, rail services and rapid transit services like the Gautrain, which accept the same fare media.

The strategic objective of this fully integrated solution is to enable seamless travel for commuters, allowing them to complete an entire journey using services offered by various operators across different modes of transport. This will significantly improve convenience and the overall transit experience for commuters.

Successfully integrating fare management involves the coordination and cooperation among stakeholder participants to ensure that formal institutional arrangements are understood and in place. To achieve a fully integrated public transport network based on the SANRAL-facilitated ABT, all participant stakeholders need to cooperate at various levels of integration.

ABT milestones in 2024/25

During the reporting period, the ABT pilot implementation in the Rustenburg Local Municipality showed a steady increase in transaction numbers and fare values. The municipality averaged slightly under 119 000 transit transactions per month during the year, delivering an average value of R1 060 048.

In contrast, transaction numbers and values in the Polokwane Local Municipality pilot programme declined during the last quarter of the year and the municipality is assessing the reasons for this. It averaged just over 52 000 transactions per month with an average value of R534 629.

Both municipalities have also submitted suggested changes to the cooperation agreements, which need to be considered by SANRAL before the agreements can be finalised.

The following graphs depict transit volumes and values for Rustenburg and Polokwane for 2024/25

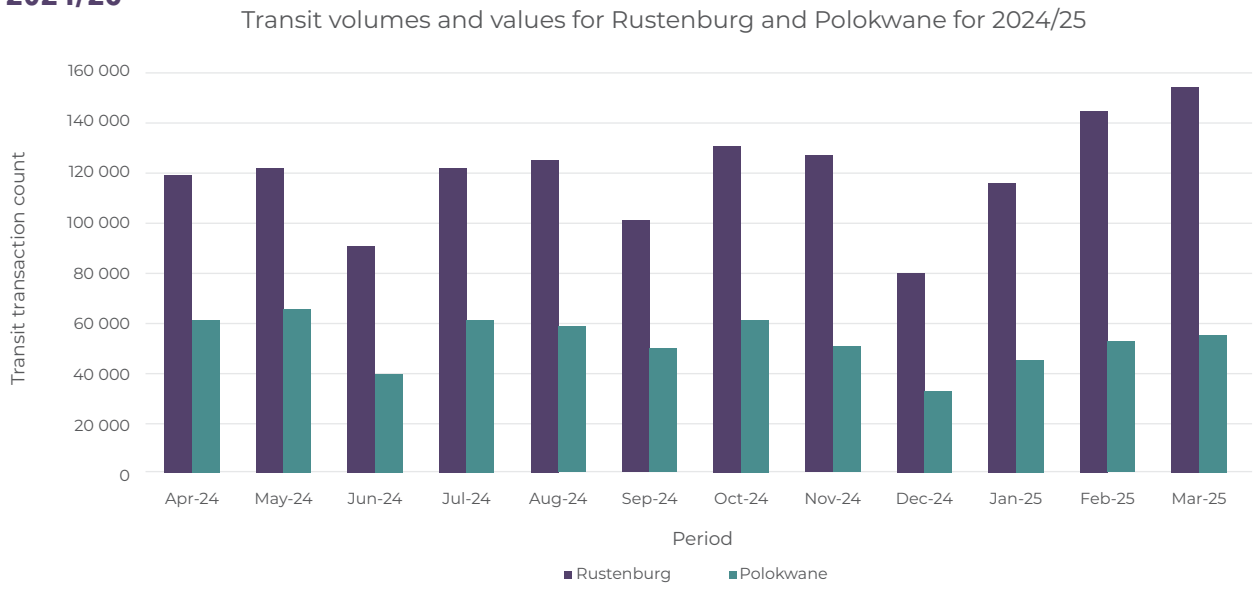


Figure 32 Transit transaction volumes for Rustenburg and Polokwane for 2024/25

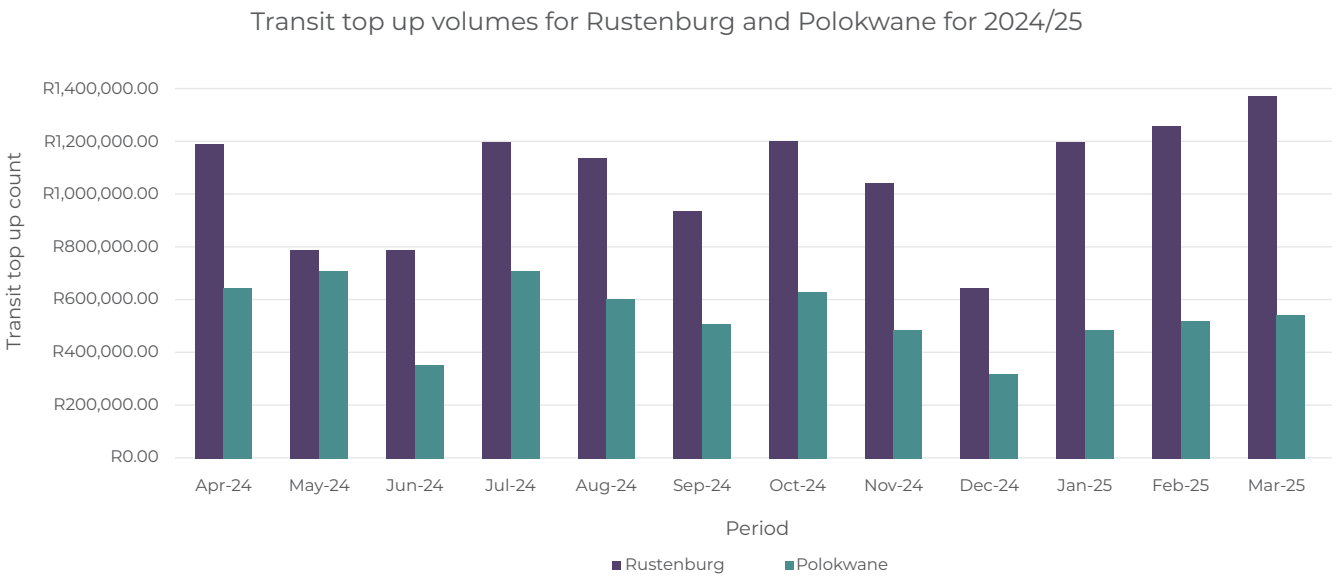


Figure 33 Mobility account top-up volumes for Rustenburg and Polokwane for 2024/25

Commuters can top up their mobility accounts at various public transport operator kiosks in both municipalities, via the SANRAL mobile app or at appointed top-up agents.

They are actively encouraged through mobile app PTO-driven communication campaigns to register ABT travel cards with SANRAL. The benefits of doing this include:

- Lost, stolen or damaged cards can be reported to SANRAL to prevent further use and to ensure that the remaining balance in the user's ABT mobility account is still available when a replacement card is linked to the account.
- Multiple cards can be linked to an ABT mobility account. Top-ups contribute to the overall balance in the account and become available to all users, while travel transactions reduce the balance available on all cards in use.
- Passengers can use the SANRAL mobile app to top up their accounts, report queries and obtain a history of travel transactions.

ABT pipeline

Negotiations with various stakeholders regarding the implementation of additional pilot programmes continue, albeit at a slow pace.

Self-service terminals

In the 2024/25 financial year, SANRAL approved the implementation of a proof of concept project for self-service terminals (SSTs), which was highly successful. A total of 41 tag-dispensing self-service terminals were deployed to various SANRAL toll road operations, including toll concessionaire sites on all major sites within the network.

Revenue collected on SSTs during the period was R 19,8 million, with 24 234 new account registrations and 27 851 new tags dispensed.

The following table breaks down revenue by month.

The following graphs shows the mobility account top-up amounts by month using the self-service terminals (SSTs) for 2024/25:

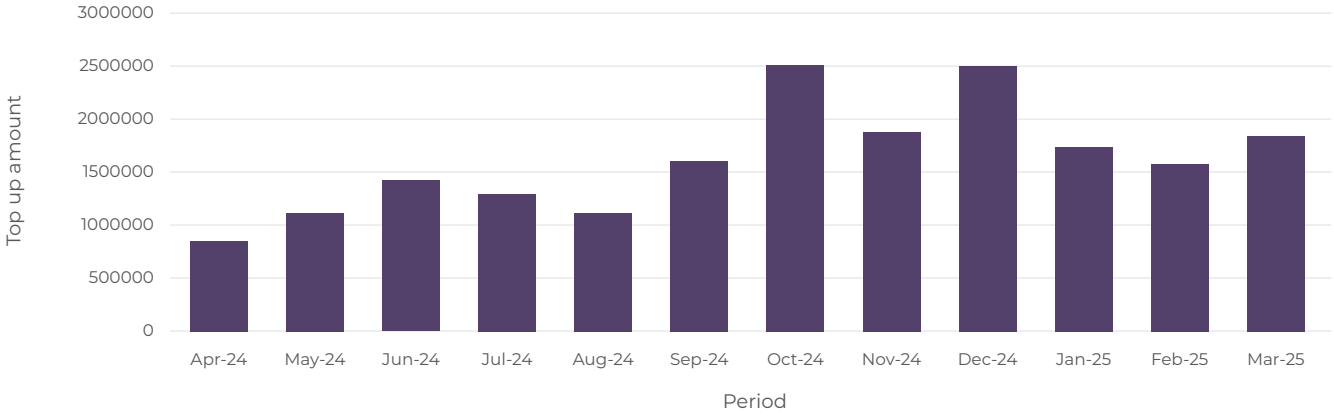


Figure 34 Mobility account top-up amounts by month using self-service terminals (SSTs) for 2024/25

New account registrations and tag handouts by month were:

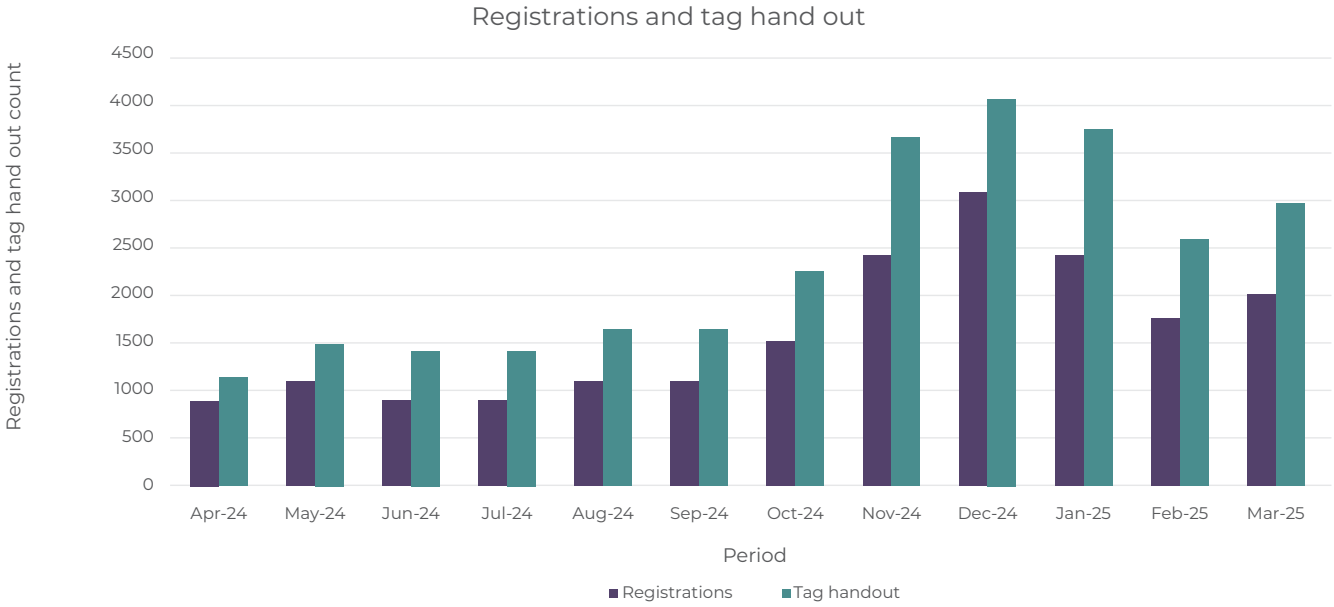


Figure 35 Mobility account registrations and tag handouts by month in 2024/25

The primary objective of implementing the SSTs was to promote tag adoption, improve vehicle registration and facilitate easy account top-ups. The devices were strategically positioned internally and externally to extend the accessibility of tag adoption beyond Gauteng.

The benefits of SSTs for users are:

- Convenience: The SSTs empower users to conduct transactions and access services independently, eliminating the need for human intervention. This convenience is particularly beneficial in areas where there are no customer service sites and at busy toll plazas during peak seasons.
- 24/7 availability: Operating around the clock, the SSTs provide services outside of regular business hours, including weekends and holidays. Users can utilise these facilities at their convenience.
- Access to information: SST dashboards are accessible to SANRAL and all toll concessionaires, providing valuable insights.

The benefits of SSTs for businesses are:

- Better accessibility for road users to acquire a tag
- An alternative means of account management
- Enhanced tag adoption, leading to broader toll acceptance
- Elevated road user satisfaction
- Improved customer service by SANRAL and toll concessionaires
- Increased revenue for SANRAL through greater top-ups and subsequent toll transactions
- Reinforcement of the SANRAL brand image by prioritising road user experience
- Tag adoption by Bakwena and TRAC road users has had a positive impact on toll collection.

2.2.7.2 Digital platform

SANRAL's digital platform has fast-tracked service delivery and enabled greater accessibility, providing a wider reach across all road users. Utilising the technologies and infrastructure previously employed within the Gauteng Freeway Improvement Project (GFIP) infrastructure, the SANRAL mobile app has become a critical mobility account management tool.

SANRAL mobile app

The mobile app was developed as an alternative access point for customers and remains the most popular channel for payment. The app is designed to help users manage their accounts and access various services conveniently.

Key features include:

- Account management: Customers can view their account balance, top up the account balance and manage associated vehicles and tags.
- Mobility services: Customers can subscribe to services like parking and speed alerts.
- Reporting: Customers can report and view potholes online and offline.
- Documentation: Customers can view and download statements, invoices and receipts.
- Customer support: Customers can easily contact SANRAL Customer Services and log enquiries.

Following the cancellation of e-tolls in Gauteng on 11 April 2024, account registrations have increased steadily, particularly through the app. There were 13 867 registrations via the app in 2023/24 and 38 789 in 2024/25, representing a notable increase of 179%.

The following figures show the number of registrations of the mobile app by month for 2024/25:

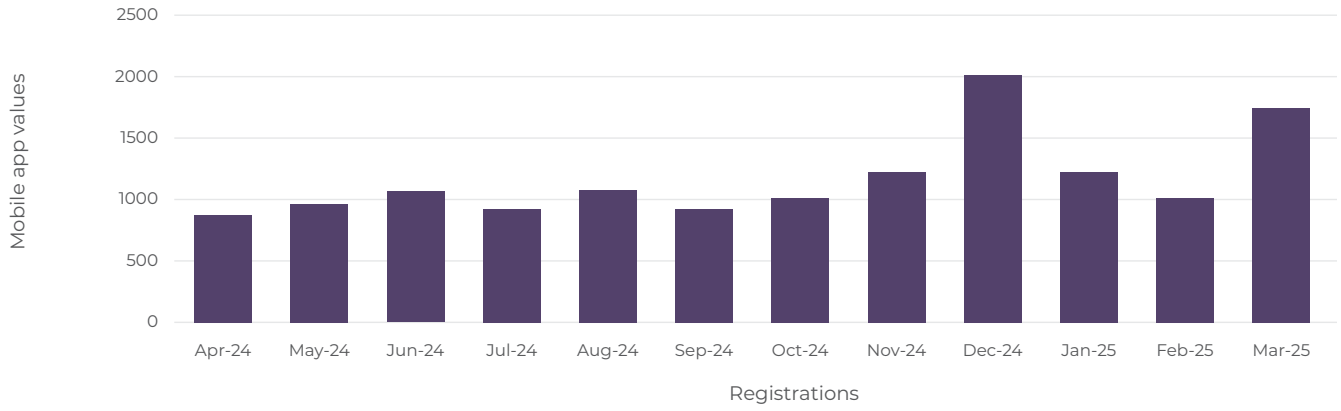


Figure 36 Mobile app registrations by month for 2024/25

2.2.7.3 Ticketless parking solutions

SANRAL continues to provide a value-added parking solution for all registered road users through its partnership with Admyt, a proven and patented ticketless parking system that employs advanced license plate recognition (LPR) software. The technology enables users to effortlessly process payments and open booms without the need for paper tickets, queues or cash.

The functionality is accessible through the SANRAL mobile app and a minimum balance of R20,00 is needed to activate the solution.



Figure 37 Ticketless parking solution

The parking solution has expanded significantly and now includes 42 sites nationwide. Nearly 30 000 registered road users make use of this functionality through the SANRAL app.

The service is available at the following locations:

Admyt-enabled parking locations for 2024/25

PARKING LOCATION	CITY/SUBURB	PROVINCE
@Sandton	Sandton	Gauteng
2 Merchant Place	Sandton	Gauteng
204 Oxford	Illovo	Gauteng
24 Central	Sandton	Gauteng
33 Bree Street	Cape Town	Western Cape
80 Strand	Cape Town	Western Cape
Ballito Junction	Ballito	KwaZulu-Natal
Benmore Centre	Johannesburg	Gauteng
Bloem Plaza	Bloemfontein	Free State
Blue Route Mall	Tokai	Western Cape
Canal Walk	Century City	Western Cape
Centurion Mall	Centurion	Gauteng

PARKING LOCATION	CITY/SUBURB	PROVINCE
Constantia Uitsig	Cape Town	Western Cape
Design Quarter	Fourways	Gauteng
My Space @Drostdy	Stellenbosch	Western Cape
Eastgate Shopping Centre	Bedfordview	Gauteng
Grayston Centre	Johannesburg	Gauteng
Greenstone Mall	Greenstone Hill	Gauteng
Hyde Park Corner	Hyde Park	Gauteng
Killarney Mall	Killarney	Gauteng
Lifestyle on Kloof	Cape Town	Western Cape
Longkloof	Cape Town	Western Cape
Lynnwood Bridge	Pretoria	Gauteng
Mall of Africa	Midrand	Gauteng
Morningside Shopping Centre	Sandton	Gauteng
Nelson Mandela Square	Sandton	Gauteng
Rivonia Village	Rivonia	Gauteng
Rockwell	Cape Town	Western Cape
Roggebaai Place	Cape Town	Western Cape
Rosebank Towers	Rosebank	Gauteng
Rosebank Mall	Rosebank	Gauteng
Sandton City	Sandton	Gauteng
Somerset Mall	Somerset West	Western Cape
Table Bay Mall	Cape Town	Western Cape
The District	Cape Town	Western Cape
The Firs	Rosebank	Gauteng
The Leonardo	Sandton	Gauteng
The Marc	Rosebank	Gauteng
The Zone @ Rosebank	Rosebank	Gauteng
V&A Waterfront	Cape Town	Western Cape
Woodlands Mall	Pretoria	Gauteng

Table 10 Admyt-enabled parking locations for 2024/25





2.2.8 Road safety updates

Below is a breakdown of the number of road safety education teacher workshops conducted during this reporting period.

Total sites for 2024

64

Total sites including special request

64

Total number of workshops

296

3 231

Total number of teachers attending workshops

21 811

Total number of teachers receiving sanral material to teach road safety

2,836

Total number of schools

872 440

Total number of learners who benefitted

1394

Total number of parents who benefitted from parent workshops

Table 11 Overview of the road safety teacher workshops



2.2.9 Vala Zonke Pothole Campaign

Functionality and statistics

The following section presents the outcomes of the Vala Zonke Pothole Campaign for the reporting period.

Vala Zonke is a labour-intensive programme designed to ensure that potholes are fixed throughout South Africa. It is intended to drive efficient interventions and ensure that the DoT improves the OCI of roads at the local and provincial levels.

A total of 55 407 potholes were logged during the year, with the majority being reported in Gauteng.

A total of 17 170 potholes were unaccounted for due to the non-submission of existing road network spatial data in line with national standards (TMH 18) from authorities, which hindered the automatic placement of potholes on the spatial map.

Since the inception of the campaign in August 2022, 78 317 potholes have been reported and there have been a total of 54 715 unaccounted-for potholes.

Province	Total count	Closed potholes	Pending potholes	Road authority				
				Provincial	SANRAL	Metros	Local municipality	Unaccounted
Eastern Cape	2 037	291	1 746	725	281	5	150	876
Free State	10 948	1 879	9 069	7 285	1 670	0	142	1 851
Gauteng	16 093	660	15 433	3 246	150	4	778	11 915
KwaZulu-Natal	6 416	536	5 880	3 576	81	1 143	574	1 042
Limpopo	4 376	83	4 293	1 797	1 529	0	837	213
Mpumalanga	9 192	20	9 172	5 638	2 431	0	889	234
Northern Cape	629	650	-21	164	46	0	323	96
North West	5 322	120	5 202	2 123	1 739	0	822	638
Western Cape	385	17	368	18	2	0	69	296
Unaccounted	9	0	0	0	0	0	0	9
Grand total	**55 407**	**4 256**	**51 142**	**24 572**	**7 929**	**1 152**	**4 584**	**17 170**

Table 12 Analysis of potholes logged countrywide in 2024/25

This following figure shows the number of potholes logged by month for 2024/25:

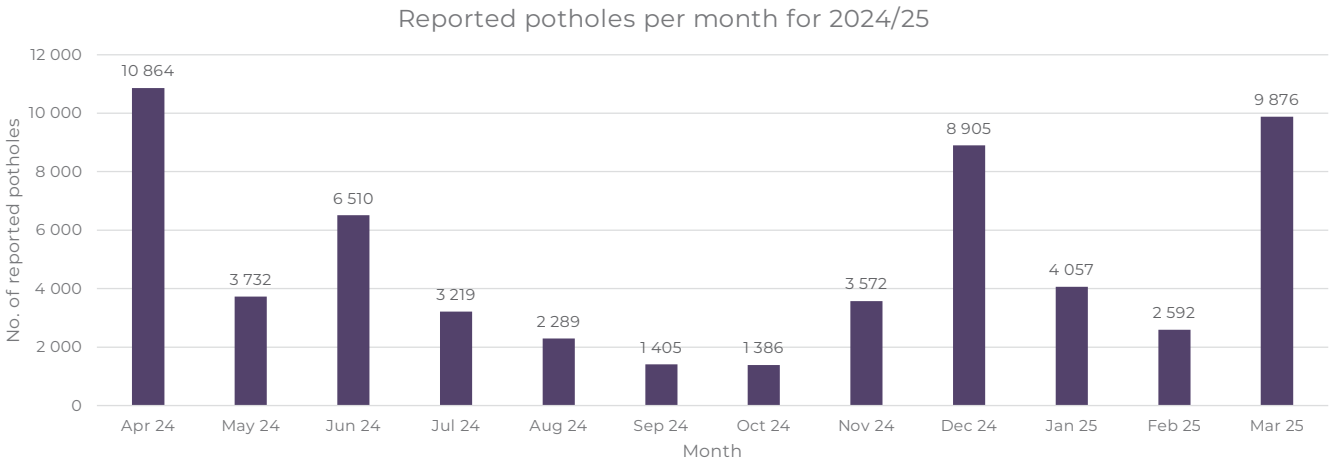


Figure 38 Analysis of potholes logged by month for 2024/25

FREE STATE HIGHLIGHTS

- The Department of Safety, Roads and Transport, in collaboration with the University of Technology Free State and other stakeholders, launched a pothole eradication programme in the province. This initiative focused on training and upskilling students and young people to repair potholes and improve the quality of roads in the province.
- Over 600 students were empowered through this programme and received CETA accreditations on completion of the training.
- Free State was honoured with the Most Outstanding Civil Engineering Project: (Community-Based Projects) award at the 2024 South African Institution of Civil Engineering Awards in recognition of the programme's success.

Notably, the highest number of potholes logged per month was in April 2024 following the flighting of the Vala Zonke commercial on various media platforms.

The number increased again in March 2025 due to a dashboard enhancement that incorporated duplicate incidents.

Challenges in 2024/25:

- Road authorities who did not participate in the Vala Zonke programme
- Insufficient human, physical and financial resources available at the municipal level
- Insufficient accountability at some levels within the road authorities
- Lack of direct contact with the necessary authorised and empowered officials, which hindered the process of reporting to non-participating road authorities
- Limited digital literacy, access to data and fear of transitioning to new systems
- Digital data unavailable in the TMH 18 format, which prevents reports from being allocated electronically to the road authorities.

2.2.9.1 War room

In July 2023, a physical 'war room' was established at SANRAL's Central Operations Centre (COC) to facilitate the management and monitoring of pothole repairs by the government. War room staff actively monitor the assignment of reported potholes to maintenance teams and follow up on repairs. Regular meetings and escalation processes ensure progress and are used to address challenges.

During the reporting period, some road authorities actively participated in the programme, making use of the SANRAL verification app to report into the war room.

As a result, 4 256 potholes were verified by the various road authorities. Of these, 2 416 (57%) were repaired, 1 410 (33%) were not repaired and 430 (10%) were not found.

2.2.9.2 Vala Zonke app

App integration

Opportunities exist for road authorities to integrate their systems and apps with the war room for central monitoring and reporting. Gauteng has started the integration of its Gauteng Pothole Fix GP and the My Smart City apps.

Discussions between the Mpumalanga provincial authority and the war room are under way regarding the province's system integration.

Downloads

By year-end, there had been 537 439 app downloads, 64 595 via the Vala Zonke app and 472 844 via the SANRAL mobile app, which incorporates the functions of the Vala Zonke app.

During the reporting period, a total of 130 147 downloads were processed, This accounted for a monthly average of 10 845, which is an 8 per cent increase compared with the previous period.

2.2.10 Marketing and communications

Advertising, marketing and media buying

The marketplace is becoming increasingly competitive and digitally driven, underscoring the need for strategic advertising, marketing, and media buying to enhance brand visibility, engage audiences, and drive sustainable growth. The marketing and communications team, therefore, continues to leverage data-driven insights, implement innovative campaigns and optimise media investments to maximise reach, enhance customer acquisition and deliver measurable return on investment.

By embracing cutting-edge technologies and adopting agile media strategies, the team has enhanced SANRAL's brand presence across key channels, including broadcast, digital, social, and out-of-home platforms. This section highlights (advertising formats that appear in public spaces) key campaigns and strategic media investments.

SANRAL's advertising, marketing and media-buying strategy aims to position the organisation as a leader in infrastructure development and socio-economic transformation.

In particular, it highlights how SANRAL's projects contribute to building a better South Africa for all. By proactively communicating information about ongoing service delivery, the organisation's campaigns build public trust and appreciation for the lasting value that the country's national road network delivers.

Recent advertising campaigns celebrated SANRAL's world-class bridges, tunnels and interchanges, with additional campaigns highlighting the progress it has made over the '30 Years of Freedom' since 1994.

During the reporting period, the focus showcased priority projects, including the N2 Wild Coast development and the N2/N3 upgrade. These initiatives were featured for their significant socio-economic benefits, particularly for historically disadvantaged communities. The goal of the initiatives was to raise awareness within these communities about the infrastructure developments taking place in their areas, as well as the associated opportunities these developments present.

While SANRAL's marketing and advertising efforts serve to showcase its excellence in road construction and its commitment to socio-economic transformation, independent quantitative research confirms that these efforts are delivering results.

SANRAL'S BRAND EQUITY SCORE GROWS

The organisation's brand equity score has consistently demonstrated steady growth, rising from 62,9 in 2023 to 64,1 in 2024 and reaching a new high of 65,4 in March 2025.

In part, this increase was driven by these sustained communication and brand reputation management initiatives.

The following table gives a breakdown of media buying by campaign during the 2024/25 financial year.



MEDIA BUYING BY REGION AND CAMPAIGN FOR 2024/25	
HEAD OFFICE	
	30 Years of Democracy and Freedom
	Beyond Roads
	Bridge Height Restriction
	Bridges, Tunnels and Interchanges
	Hello Mzansi
	Interoperability
	Investing in Road Safety
	Investing in the Community
	Investing in the Environment
	Matric Congratulations
	Matric Good Luck
	Ministerial Events
	People's Guide
	Pothole Campaign
	Proudly Building SA
	Recruitment
	Road Safety One
	Road Safety One Festive
	SANRAL TV
	Scholarships and Bursaries
	State of the Nation Address (SONA) (Bridges, Tunnels and Interchanges)
	Transport Month
	Women's Month
	Youth Month
EASTERN REGION	
	Festive Traffic Advisory
	Hello Series: Free State
	Hello Series: KwaZulu-Natal
	N2/N3 Radio Drama
	N2/N3 Upgrade
	N3 Hammarsdale

MEDIA BUYING BY REGION AND CAMPAIGN FOR 2024/25	
	N3 Lane Closure
	SANRAL TV
NORTHERN REGION	
	Hello Series: Limpopo
	Hello Series: Mpumalanga
	Hello Series: Mpumalanga
	Hello Series: North West
	Hello Series: North West
	Moloto Road
	Mpumalanga Audiovisual and Radio
	N1 Lane Closure Traffic Advisory
	R21
	Sinkhole Traffic Advisory
SOUTHERN REGION	
	Addo to Kirkwood
	Festive Traffic Advisory
	Hello Series: Eastern Cape
	Msikaba
	N2 Wild Coast Mtentu
	N2 Wild Coast Radio Drama
	SANRAL TV
WESTERN REGION	
	N14 Kathu
	Hello Series: Western Cape
	N2 Garden Route
	Hello Western Cape
	N2 Kraaibosch to Touws River
	SANRAL TV
	Festive Traffic Advisory
	Hello Series: Northern Cape
	Matjiesfontein to Laignsburg

Table 13 Media buying by region and campaign for 2024/25

Media campaign examples

Figure 39 Road Safety One – airtime vouchers



Figure 40 SANRAL TV commercial (30 seconds)



Figure 41 Digital media

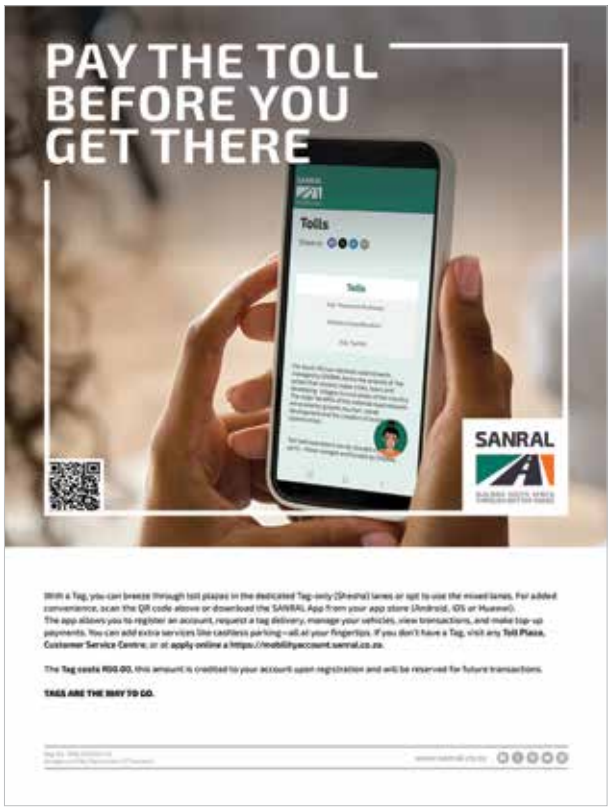


Figure 42 Radio script (generic)

VO: It's that time of year again when we all take to the road.

SANRAL has worked tirelessly to make your journey smoother with our safely engineered roads.

If you are travelling during this Festive season, please respect your fellow drivers, obey the speed limits, maintain a safe following distance, drive carefully through construction zones and obey all the traffic signage.

One moment of patience behind the wheel can make all the difference in getting you safely to your destination.

So, let's make this festive season one to remember.

SANRAL. An agency of the Department of Transport.

Figure 43 30 Years of Democracy and Freedom – TV commercial (30 seconds)



Figure 44 30 Years of Democracy and Freedom - Airtime vouchers



Figure 45 Bursaries and scholarships - Radio script

SANRAL BURSARIES AND SCHOLARSHIPS ARE

ALLOWING PEOPLE TO BREAK NEW GROUND.

The mother of all road trips began thirty years ago. SANRAL has been part of the journey. Not just building roads but building a country. Driving transformation by supporting local businesses, creating jobs and by funding bursaries and scholarships. 30 years of freedom and democracy have enabled us to make a real difference in people's lives. And we've come a long way.

SANRAL. An Agency of the Department Transport.

Figure 46 Proudly Building SA – Digital



Looking at the 1 848 scholarships and bursaries awarded, and the skills development opportunities created through internships over the last 5 years: **We Showed Up.**

#ProudlyBuildingABetterSouthAfrica

transport
Department:
Transport
REPUBLIC OF SOUTH AFRICA

SANRAL. An Agency of the Department of Transport. Reg. No. 1998/009584/30. www.sanral.co.za

Figure 47 Proudly Building SA – Print



Looking at the 44 898 work opportunities created, and the 5 920 individuals trained over the last 5 years: **We Showed Up.**

#ProudlyBuildingABetterSouthAfrica

transport
Department:
Transport
REPUBLIC OF SOUTH AFRICA

SANRAL. An Agency of the Department of Transport. Reg. No. 1998/009584/30. www.sanral.co.za

Figure 48 Investments and Projects radio script

Title: Investment and Projects

MVO: When the N2N3 needed an upgrade, when KZN and Western Cape flood damage needed to be repaired, and when our road infrastructure network needed to be maintained, we showed up.

In the last 5 years, SANRAL has awarded 1 212 projects valued at over R120 billion.

When we invest, it's not just in roads, it's in moving our country forward.

SANRAL. Proudly building a better South Africa.

Public relations

SANRAL's media and public relations strategies for the reporting period were designed to reinforce the organisation's role as a key driver of road infrastructure development, economic growth and social transformation.

Strategic objectives for the period included:

- Positioning SANRAL as a leader in road infrastructure development, job creation and economic transformation
- Creating a greater understanding of SANRAL's distinct mandate and activities among stakeholders
- Illustrating how SANRAL contributes towards improving socio-economic conditions for previously disadvantaged South Africans and how they can benefit through SANRAL's road construction projects.
- Profiling SANRAL as a fully functional and capable state-owned company that is delivering on its mandate while also playing an essential role in supporting the government's broader policy objectives.
- Demonstrating SANRAL's efforts to transform the construction sector so that it can be more inclusive by actively supporting meaningful participation by designated groups.

SANRAL Newsroom

To showcase how SANRAL touches the lives of all South Africans, the Agency has launched a virtual press office called the SANRAL Newsroom. This is led by experienced editors who manage a network of senior reporters based in all provinces.

The newsroom produces written and video content, issuing news stories in press release format for national, local, and internal publications.

Video releases and features are used to demonstrate how SANRAL is delivering on its transformation and empowerment objectives and changing lives one project at a time. These videos, particularly those filmed in relatively inaccessible rural areas, are often shared by national broadcast media houses.

Going forward, the newsroom will focus on SANRAL's signature projects and how they enhance the lives of the country's people.

Reaching rural audiences

A significant challenge SANRAL faces in disseminating its media and public relations messages is that they often fail to reach rural areas.

The marketing and communications team has, therefore, strengthened its community media database and actively targets community media, especially when inviting media representatives to stakeholder activities and events.

They also disseminate press releases to media representatives who are unable to attend these events and provide recorded interviews in vernacular languages to community radio stations.

SANRAL PUBLIC RELATIONS CAMPAIGN HIGHLIGHTS FOR 2024/25

Road safety awareness campaign: This motorcycle-led road safety awareness event saw about 100 bikers from across Johannesburg participate in a mass ride from the SANRAL offices in Centurion to the Zwartkops Raceway. The ride was followed by safety training to educate motor cyclists on defensive driving techniques.

The flagship Taking SANRAL to the People programme continues to be implemented in the most rural and marginalised communities around the country, informing the people in these communities about how they can benefit from SANRAL projects through job creation and skills development opportunities.

KEY CONTENT DELIVERY PLATFORMS FOR THOUGHT LEADERSHIP INITIATIVES IN 2024/25

- SANRAL website: The thought leadership section on the SANRAL website serves as an additional platform for sharing relevant content and opinion pieces
- Publications: The collation of op-eds and other content into two coffee table books, the first of which was distributed at the 2023 PIARC (World Road Association) conference in Prague in the Czech Republic and a select audience of key stakeholders. The second volume is currently in production.
- SANRAL digital platforms and beyond: The collection of young engineer profile videos
- Op-eds shared for repurposing with the newsroom, digital teams and publications teams, where relevant.

OUR CONTENT HAS DELIVERED VALUE AND IMPACT

From digital publications to thought leadership pieces, our content initiatives have driven impact, fostered transparency, and connected with diverse audiences.

Thought leadership

Thought leadership is the term given to various communications activities that contribute to the broader road infrastructure development debate. These include the publication of op-ed features (also known as opposite-the-editorial-page) written by SANRAL leaders and subject-matter experts, which provide valuable insights and perspectives.

SANRAL's thought leadership strategy during the reporting period focused on enhancing the brand's reputation and positioning the organisation as a leading voice in the road construction and infrastructure space.

The writing and placement of opinion pieces in key national publications achieved these objectives.

SANRAL BRINGS VALUABLE INSIGHTS TO STAKEHOLDERS

Opinion pieces offer valuable insights into strategic issues relevant to SANRAL's stakeholders, as they align with SANRAL's Horizon 2030 strategy and the government's broader developmental objectives.

In addition, thought leadership provided valuable input into the planning and execution of SANRAL's annual university lecture tour, which will take place again in the 2025/26 financial year.

The thought leadership agenda is set by key campaign themes that matter to stakeholders and that aim to define SANRAL over the long term, including:

- Economic growth, funding and finance
- Building road infrastructure for the future
- Consistent innovation
- Sustainability
- A safer road environment.

In addition to aligning thought leadership content with key communication campaigns and projects, such as Vala Zonke and 30 Years of Democracy, content delivered through this workstream has been effectively leveraged across other platforms to provide additional exposure and value.

Internal and external publications

SANRAL's internal and external publications play a pivotal role in communicating the organisation's mandate, brand identity and ongoing projects to its diverse stakeholders.

Internally, these publications keep leadership, management and employees informed and aligned.

Externally, they serve as a vital outreach tool, engaging government entities, media outlets, the general public, civil society organisations and service providers.

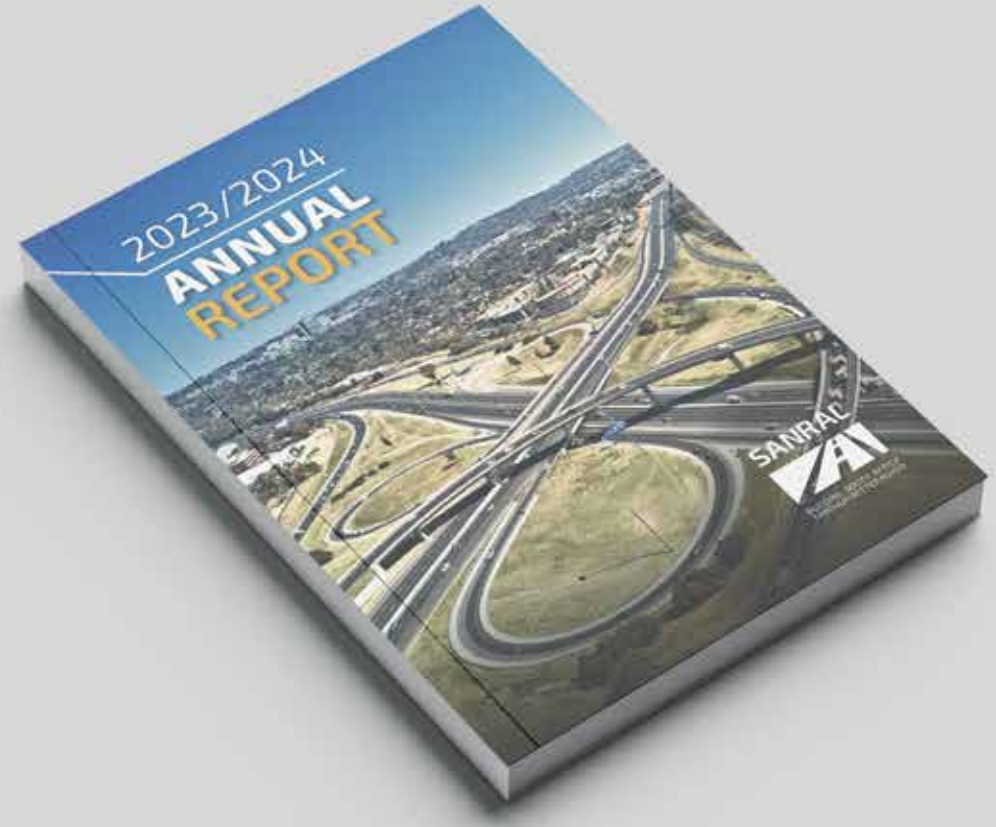
This section highlights key achievements in content creation, dissemination and engagement during the reporting period. Through strategic storytelling, innovative formats and multi-channel distribution, we have amplified our mission, informed stakeholders and strengthened our brand presence.

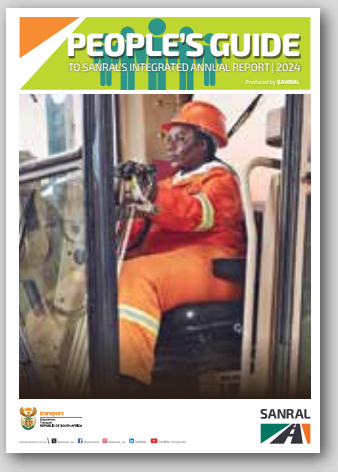
In 2024, as South Africa celebrated 30 years of democracy, SANRAL marked this milestone by releasing a commemorative publication. This showcased the organisation's contributions and achievements over its 26-year history, reflecting its role in the nation's development.

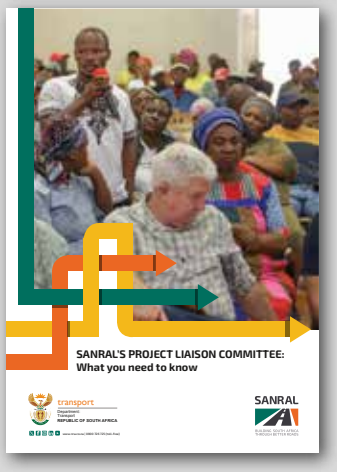


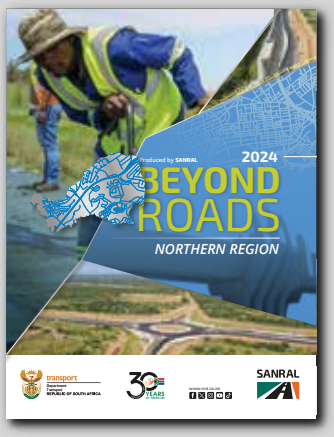
Figure 49 *Inroads | On the Road*

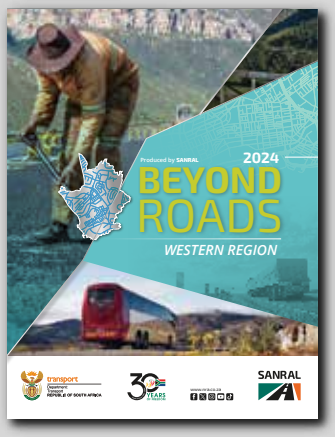
External publications

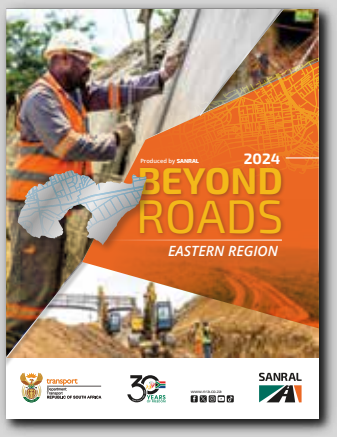


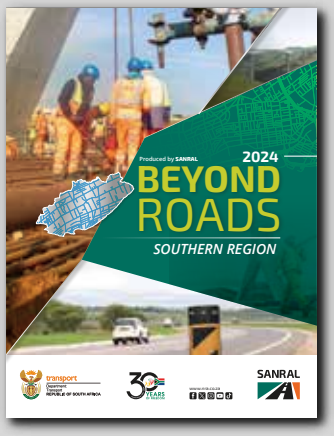
















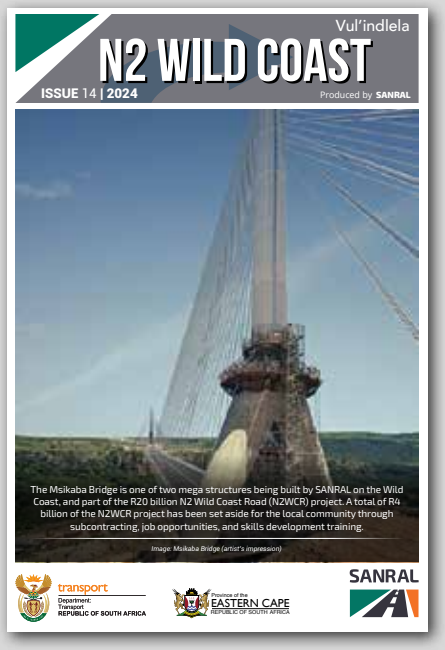




Figure 50

Annual Report | People's Guide | PLO brochure Beyond Roads | Investing in Youth (Towards Tomorrow) | Moloto Road Booklet | N2WCR Booklet | Connecting a Nation (30 Years of Freedom) | By the Way | Hello series | Milestones in Motion | Bursary Brochure Operation Vala Zonke | Scholarship Brochure N-Route

Digital and social media

Overview

Digital and social media have become indispensable drivers of brand engagement, customer loyalty and business growth. Throughout the reporting period, SANRAL strengthened its digital footprint by harnessing innovative technologies, data-driven strategies and compelling content to connect with audiences in meaningful ways.

DIGITAL DELIVERS MEANINGFUL EXPERIENCES

We deepened our engagement across many platforms, delivering tailored experiences that resonate with our target demographics.

Our focus on real-time analytics, performance optimisation and trend adaptation has enabled us to maximise impact and maintain agility in a fast-evolving digital landscape.

This section highlights key milestones, platform growth and the strategic initiatives that amplified the brand's voice and fostered community during the reporting period.

SANRAL continues to prioritise its role in delivering safe, innovative road infrastructure. The digital division supports this by creating access to real-time project updates, safety messaging and public engagement initiatives throughout South Africa. In an era of increased online activity, SANRAL's digital platforms have evolved to meet the expectations of a mobile-first, socially engaged population.

Strategy and resource allocation

SANRAL's 2024/25 digital strategy focused on:

- Increasing awareness of road upgrades and safety
- Enhancing brand trust through transparent communication
- Delivering targeted, platform-specific content
- Using interactive tools to educate and engage.

Resources were allocated to:

- Interactive simulations, games and mobile-first content
- Real-time website updates and chatbot optimisation
- Geo-targeted, mobile messaging campaigns
- Expanded SANRAL TV and livestreaming.

Governance

All digital executions were implemented in accordance with SANRAL's governance framework, working collaboratively with key internal clusters that focus on road safety and stakeholder engagement, for example.

The content was inclusive, data-informed and aligned with strategic outcomes and compliance standards.

Digital communications model

The SANRAL digital communication model includes:

- Core platforms: Website, chatbots and social media
- Campaign touchpoints: Augmented reality lenses, emoji engine, Safe Drive game and Spotify
- Event engagement: Thirty-nine livestreamed regional events
- Zero-rated digital access: Online scholarship and bursary forms.

This model allows for continuous two-way engagement and communication between SANRAL and its stakeholders.

Key risks and opportunities

Key risks include public misunderstanding about the inclusivity of scholarships. This is mitigated by developing inclusive content and through the 'I Am' series on YouTube, which highlights recipients from diverse backgrounds and improves the perception of the scholarship programme.

A key opportunity is to engage with youth and communities in underserved regions through gamified, mobile-first experiences, as well as WhatsApp and Facebook bots.

Performance

The following graphics provide a summary of key performance measures for the reporting period.

METRIC	DESCRIPTION	2024/25 PERFORMANCE
Sessions	The time a person spends on a website.	1 321 086 (+ 8,13%)
Active users	A unique individual who engages with a website, app, or service within a specific timeframe.	895 620 (+ 18,85%)
New users	Individuals who are visiting the site for the first time within a specified period.	880,534 (+19,73%)
Average engagement time	Average amount of time a user spends actively interacting with a page.	1 m 21 s (+ 8,74%)
Key event	An action on the site that's particularly important to the success of the business.	240 909 (+ 5,03%)

Table 14 SANRAL's website performance for 2024/25

METRIC	DESCRIPTION	2024/25 PERFORMANCE
Total impressions	The number of times a piece of content has been displayed on a user's screen.	174 million
Engagements	Interactions users have with content on social media platforms	2,63 million
Audience growth	Expanding the reach and engagement of a brand's content by attracting new followers or subscribers.	+ 699 000 followers (+ 40,86%)
	Average amount of time a user spends actively interacting with a page.	1 m 21 s (+ 8,74%)
Facebook milestone	Surpassed 500 000 followers, a major achievement that reinforces the platform's role as a leading community hub for SANRAL.	Video views: 35,6 million

Table 15 SANRAL's social media performance for 2024/25

SANRAL's social media performance by platform 2024/25

PLATFORM	TOTAL FOLLOWERS APRIL 2024	TOTAL FOLLOWERS APRIL 2025	ANNUAL GROWTH IN FOLLOWERS/ FANS/ SUBSCRIBERS	SANRAL X POSTS, RE-POSTS AND UPLOADS	ENGAGEMENT
Facebook	451 980	509 000	57 920	1 440	1,88 million
Instagram	21 011	26 385	5 374	835	13 200
LinkedIn	97 011	165 911	69 900	992	18 200
TikTok	1 468	2 119	651	84	38 000
X (Twitter)	128 237	133 010	4 773	3 200	91 300
YouTube	2 869	4 430	1 561	120	99 500

Table 16 SANRAL's social media performance by platform for 2024/25

SANRAL's social media wins

FACEBOOK	X	YOUTUBE	TIKTOK	LINKEDIN
6,1 million impressions (road alerts)	7,2 million impressions (bursary content)	30 Years of Democracy: 620 000 views Proudly Building SA: 592 000 views	289 000 views (Mandela Bridge)	34 000 impressions (polls)

Table 17 SANRAL's social media wins by platform for 2024/25



SANRAL TV

In 2024/25, SANRAL produced and promoted 34 original SANRAL TV episodes, each designed to deepen public understanding of the organisation's work and to humanise its impact.

These episodes were distributed across YouTube, the SANRAL website, the intranet and social media platforms, forming the core pillar of SANRAL's digital storytelling strategy:

Performance of SANRAL TV episodes

METRIC	DESCRIPTION	2024/25 PERFORMANCE
Total views (intranet, YouTube & website)	Number of times a full-length video or episode has been played	2 193 579
Overall views (all platforms)	Combination of views of all content including trailers or cutdowns that drove traffic to the full-length video on SANRAL's intranet, YouTube, website, Facebook, Instagram, X, TikTok and LinkedIn.	6 829 605
Overall engagements	The interactions users have with content on all platforms	7 523
Most-viewed episode	An episode that scored the most views by users	1,72 million views on Facebook
Highest engagement	A post that scored the most engagement of all posts.	3 271 likes on Facebook

Table 18 Performance of the SANRAL TV episodes during 2024/25

SANRAL TV continues to build transparency, amplify voices from the field and position the organisation as a forward-thinking and people-focused infrastructure leader.

Featured episodes in 2024/25

EPISODES	FEATURING
Youth Month specials	SANRAL youth such as Kaylin
Siphesihle Mthembu's journey	Siphesihle's journey from bursary recipient to engineer
Infrastructure projects	Kirkwood to Addo, N1 upgrades, Kei Cuttings, Matjiesfontein and Green River Bridge
Environmental voices	Ntsebo Mkhize on sustainability in the Eastern Region
SANRAL leadership interviews	From provincial heads to the chief corporate affairs officer
Engineering excellence	Showcasing award-winning projects and the minds behind them

Table 19 Featured episodes of SANRAL TV during 2024/25

Campaign snapshots

The following graphics provide snapshots of key campaigns conducted during the year.

Transport Month campaign: Emoji Engine

Emoji Engine	Social media campaign where users are encouraged to engage with SANRAL's #GoPlaces posts by using specific emojis in exchange for tips and information related to road safety, travel and road maintenance.

METRIC	DESCRIPTION	2024/25 PERFORMANCE
Impressions	The number of times a piece of content has been displayed on a user's screen.	6,19 million
Reach	The total number of unique users who have seen a piece of content on a social media platform.	1,18 million
Engagements	The interactions users have with content on all platforms.	2,44 million
Click-through rate	The percentage of people who see a link in content and then click on it.	0,17%

Table 20 Transport Month campaign results for 2024/25

SPOTIFY PLAYLIST GENERATOR		
SPOTIFY PLAYLIST GENERATOR	**A Spotify personalised playlist that profiles SANRAL content**	
COMPLETION RATE	**The percentage of audio ads that are played to the end by listeners**	**70,9%**
AVERAGE TIME	**The average Spotify listener spends listening to SANRAL content**	**01:08 minutes**

Table 21 Spotify Playlist Generator results for 2024/25



#MyRoadMyStory campaign

METRIC	DESCRIPTION	2024/25 PERFORMANCE
Facebook views	The number of times a piece of content (video, post or story) has been seen by users.	196 000 views
YouTube views	The number of times a piece of content (video, post or story) has been seen by users.	5,6 million views
Reach	It is the total number of unique users who have seen a piece of content on a social media platform	+ 422 000

Table 22 #MyRoadMyStory campaign for 2024/25

Scholarships and Bursaries campaign

METRIC	DESCRIPTION	2024/25 PERFORMANCE
Online applications	This metric shows how many times an online application has been downloaded.	4 861
X impressions	The number of times a piece of content has been displayed on a user's screen.	7,2 million
Other details	Inclusive video storytelling increased engagement and trust	
	Geo and mobile messaging	
Impressions	The number of times a piece of content has been displayed on a user's screen	80 million
Clicks	A click is a user interaction where someone selects an element, like a link, button, or image, to navigate to a different part of the platform or to an external website.	496 000
Click-through rate	This metric measures the percentage of people who see a link in content and then click on it.	0,62%

Table 23 The scholarships and bursary campaign footprint across the various digital platforms

CAMPAIGN	MOBILE CAMPAIGNS
Top click-through rate	Spot the Bus: 36,9%
	Tolling: 0,78%

Table 24 Mobile campaigns for 2024/25

LOOKING AHEAD

In the 2025/26 financial year, SANRAL's advertising, marketing and communications activities will focus on the following:

- Scaling interactive learning and SANRAL TV
- Promoting provincial storytelling through dynamic mapping
- Strengthening mobile engagement
- Enhancing digital service delivery with smarter bots and zero-rated tools.





2.3 Institutional performance programme information

2.3.1 Programme 1: Road asset infrastructure management

This programme exists to maintain the national road network.

- Sub-programme: Operating Expenditure (opex)
- Sub-programme: Capital Expenditure (capex).

2.3.2 Programme 2: Administration

This programme exists to fund operational and related costs:

- Sub-programme: Overheads
- Sub-programme: Property Management
- Sub-programme: Other support functions, including the company secretariat

SANRAL's programmes and outcomes for 2024/25

PROGRAMME	OUTCOME
Road Asset Infrastructure Management	Optimally maintained national road network
	Job opportunities created on projects
	Safer roads
Administration	Creating delivery capacity for the country
	Improved governance and stronger control environment
	Improved SANRAL reputation

Table 25 SANRAL's programmes and outcomes for 2024/25



Outcomes, output indicators, targets and actual achievements

As the following summary indicates, SANRAL recorded positive performance in relation to the following KPIs during the reporting period:

- Kilometres of roads maintained by ensuring the deployment of routine road maintenance (RRM) contractors
- Kilometres of road strengthened, improved and built, which was achieved due to an enhancement of capex
- Transformation achieved by outperforming the target for the percentage of RRM expenditure required to be spent with black-owned SMMEs and contractors, as well as by outperforming the target for the percentage of non-RRM expenditure required to be spent with black-owned SMMEs and contractors
- Number of community development projects in construction and completed
- Number of jobs created on projects that were rolled out
- Number of road safety audits completed
- Number of sites at which road safety education and awareness programmes were held
- Number of internships that were provided on sites
- Number of SETA learnerships and/or employment opportunities provided
- Percentage reduction of cases of wasteful and fruitless expenditure.

Applying a bottom-up approach to key performance indicators in the annual performance plan (APP) supports the consistent achievement of outcomes and their corresponding indicators.

The implementation of the opex and capex programmes also significantly contributes to ensuring that SANRAL achieves an optimally managed road network, with effectiveness being reflected in the OCI. Through the opex and capex programmes, SANRAL can create jobs, provide opportunities for SMMEs and resolve road safety hazards, which should assist in achieving the target EAN among the outcomes.

The pipeline of scholarships and bursaries culminates in the graduation of professional engineers from the Technical Excellence Academy (TEA). The creation of delivery capacity for the country entails ensuring that an optimal and targeted number of graduate professionals complete all phases of the training programme at the TEA.

The outcome of an improved reputation is primarily supported by SANRAL effectively discharging its mandate, as well as through interventions that include engagements with civil society, positive media messaging and stakeholder engagement sessions.

The job creation figures produced by SANRAL's programmes and targeted procurement include women, youth and people living with disabilities.



Programme 1: Road asset infrastructure management

PROGRAMME/SUB-PROGRAMME: ROAD ASSET INFRASTRUCTURE MANAGEMENT								
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/23**	**AUDITED ACTUAL PERFORMANCE 2023/24**	**ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)**	**ACTUAL ACHIEVEMENT**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25**	**REASON FOR DEVIATION**
Optimally maintained national road network	Management of road network	Percentage of Smooth Travel Exposure (STE) **KPI 1.1**	95,88%	94,90%	≥95%	94,70%	-0,30%	Latest available condition data combined with traffic data has been used. The performance exposure measures may change year-on-year. The statistic captures the effect of maintenance actions on the network and their impact of improving the road users' experience. As such, there are many factors that can influence the results. Factors that improve performance are the impact of improved road conditions due to maintenance actions and the effectiveness of these actions. Deterioration of the infrastructure will lead to a decrease in the score. The rate of deterioration can be affected by temperature, rainfall and other environmental effects, amount of traffic on the road, the distribution of the traffic between heavy vehicles and passenger vehicles, and particularly the number of overloaded vehicles. Due to the nature of the infrastructure deterioration, such deterioration will not be immediately apparent but will accelerate over time if maintenance is not performed. Therefore, the work conducted in previous years will continue to have a positive effect in following years. Finally, the statistic will also be affected by continuing changes in traffic volumes and the distribution of this traffic across the network. Also indicates impact of 3 099 km transferred in last two years.
	Management of road network	Percentage of Low Rut Exposure (LRE) **KPI 1.2**	98,43%	99,01%	≥95%	99,58%	+4,58%	
	Management of road network	Percentage of High Texture Exposure (HTE) **KPI 1.3**	99,31%	99,08%	≥95%	99,45%	+4,45%	
	Management of road network	Percentage of Bridge Condition Exposure (BCE) **KPI 1.4**	93,54%	91,51%	≥90%	89,10%	-0,9%	

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION
Optimally maintained national road network	Maintenance of national road network	Routine Maintenance km **KPI 1.5**	23 556.69 km	24 384 km	24 384 km	24 721 km	+337 km	Emergency appointments were utilised on some of the newly declared roads. Rapid transfer of roads meant the full network could not be covered, noting that the target was achieved.
	Maintenance of national road network	Network resurfaced km **KPI 1.6**	687,989 km	1 984 km	950 km	928,8 km	-21,2 km	Cancellations and non-award of resurfacing contracts. Non-performance by a service provider on 10 contracts with a length of 384 km leading to termination of contracts.
	Maintenance of national road network	Road Strengthened, Improved and New (CAPEX) km **KPI 1.7**	133,219 km	170 km	200 km	230,8 km	+30,8 km	Over-performance due to projects progressing on site quicker than anticipated.
	Transformation of the industry	Percentage of RRM (Routine Road Maintenance) expenditure performed by black owned SMMEs and Contractors (Based on black ownership of main contractor) **KPI 1.8**	97,50%	99,6%	>75%	99,7%	+24,7%	The annual target for RRM Project Value is exceeded for this year. This is based on the actual expenditure on RRM projects, most of which have now been procured in terms of SANRAL transformation requirements.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION
Optimally maintained national road network	Transformation of the industry	Percentage of Non RRM (Routine Road Maintenance) expenditure performed by black owned SMMEs and Contractors (Based on black ownership of main contractor **KPI 1.9**	67,6%	71,7%	>60%	75%	15%	The annual target for non-RRM Project value is exceeded for this year. This is based on the actual expenditure on non-RRM projects, most of which have now been procured in terms of SANRAL transformation requirements.
	Transformation of the industry	Number of SMMEs working for SANRAL **KPI 1.10**	1 928 SMMEs	2 249 SMMEs	2 000 SMMEs	2 012 SMMEs	+12 SMMEs	There was marginal over-performance in the annual target for SMMEs. This is based on the actual SMMEs employed on SANRAL projects, most of which have now been procured in terms of SANRAL transformation requirements.
	Community Development Projects	Number of Community development infrastructure projects in construction and/or completed. **KPI 1.11**	6 projects in construction and/or completed	24 projects in construction and/or completed	25 projects in construction of which 10 completed	30 Projects in construction of which 13 completed.	+5 projects in construction +3 completed projects	Over-performance due to additional projects that could be put out under second-tier procurement.

Table 26 2024/25 performance on output KPIs 1.1 - 1.11 of SANRAL's Programme 1: Road Asset Infrastructure Management

Notes related to the output indicators

Note: KPI 1.1 to 1.4: SANRAL measures up to 90% of the network over two years, as maintenance activities, such as ring roads, half-width construction, and stop/go trafficked lanes cannot be measured. In addition, recently resurfaced sections and sections that were wet due to rainfall at the time of the survey could not be surveyed by laser sensors due to reflection from surface. Based on SANRAL's ongoing maintenance and construction activities, approximately 10% of the network is not measurable in any two-year period, which is the reason for the 90% upper target.

Note: KPI 1.5: The length of the SANRAL road network is subject to continuous amendment during any given financial year due to the publication of various declaration gazettes by the Minister of Transport. As these amendments are also approved by the Minister of Transport, their impact on network length is reflected in the quarterly targets and actuals.

Note: KPI 1.5, 1.6 and 1.7: As set out in the SANRAL Roadworks Classification document and under construction.

Note: KPI 1.7: The breakdown at year-end was as follows: 228,5 kilometres achieved through the non-toll portfolio and 2,3 kilometres achieved through the toll portfolio. The latter was due to the impact of borrowing limit restrictions on the toll portfolio.

Note: KPI 1.8 and 1.9: As in SANRAL Roadworks Classification document.

Note 1.8, 1.9 and 1.10: Figures are calculated using the BEE Certificate and EME/QSE rating at time of contract award. For calculation purposes these are regarded as unchanged for the life of the contract and figures are not based on latest valid BEE certificate or EME/QSE rating.

Note: KPI 1.10: This number includes SMMEs counted more than once when providing services on different project types , such as routine maintenance, special maintenance, strengthening, toll projects and non-toll projects. The total number of unique SMMEs was 1 872, including those in the non-compliant category.

Note KPI 1.11: Includes all community development projects under construction and completed during the financial year–30 projects in construction of which 13 were completed during the year.



CATEGORY	UNIQUE SMME NUMBER (INSTANCES)
More than 51% black-owned exempted micro enterprises*	1 596
More than 51% black-owned qualifying small enterprises**	154
Less than 51% black-owned exempted micro enterprises	93
Less than 51% black-owned qualifying small enterprises	15
TOTAL	**1 858**

Table 27 SMMEs involved in projects under construction for 2024/25

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

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

*** There are 14 vendors whose BEE status became non-compliant over the course of the project.

The below KPI was excluded when the revised 2024/25 was re-tabled and the reporting cycle was on an annual cycle. The performance has been shown below for transparency and accountability.

Programme 1: Road Asset Infrastructure Management

PROGRAMME/SUB-PROGRAMME: ROAD ASSET INFRASTRUCTURE MANAGEMENT									
OUTCOME	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL PERFORMANCE 2022/23**	**AUDITED ACTUAL PERFORMANCE 2023/24**	**ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)**	**ACTUAL ACHIEVEMENT UNTIL DATE OF RE-TABLING**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25**	**REASON FOR DEVIATION**	**REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ ANNUAL TARGET**
Optimally maintained national road network	Maintenance of national road network	Number of nano-technology infrastructure projects in construction and/or completed **KPI 1.12**			7 projects in construction and/or completed	6 nano-technology infrastructure projects under construction	-1	Poor performance by a design engineer on one project whose services have been terminated	The KPI was excluded when the revised 2024/25 was re-tabled and the reporting cycle was on an annual cycle. The technology had already been proven and mainstreamed.

Table 28 2024/25 performance on a deprecated KPI related to output 'Maintenance of the national road network'

Programme 1: Road Asset Infrastructure Management

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT UNTIL DATE OF RE-TABLING	ACTUAL ACHIEVEMENT FOR 2024/25	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ ANNUAL TARGET
Job opportunities created on projects	Creation of jobs **KPI 1.12**	Job opportunities created on project	11 366 jobs F=3 231 M=8 135 FY=1 701 MY=3 735 {PWD=85}	12 652 jobs F= 3 716 M= 8 936 FY= 1 850 MY= 3 881 PWD= 101	15 000 job opportunities	**Q1** F= 3 036 FY= 1 650 M= 6 866 MY= 3 124 Total jobs = 9 902 (FTE) PWD= 73 **Q2** F= 3 811 FY= 2 076 M= 9 290 MY= 4 227 Total jobs = 13 101 (FTE) PWD= 94	21 360 F= 6 571 FY= 3 529 M= 14 789 MY= 7 347 Total job opportunities = 21 360 PWD= 165	+6 360	The annual target for Job Opportunities is met for this year. This is based on the newly revised target that is in-line with Department of Public Works latest prescripts that for their reporting purposes only track job opportunities created for semi-skilled and unskilled workers on projects. The table below summarises ALL the jobs created in terms of Job opportunities on SANRAL projects. As seen when comparing the two tables, the semi-skilled and unskilled job opportunities (21 360) represent 60% of ALL job opportunities (35 594) as seen below.	There was a change in the calculation methodology as per the Revised 2024/25 APP from Full Time Equivalent (FTE) basis to Job Opportunities as per the DPWI Guidelines. The adjustment became effective from Q3 and the full year performance has been reflected. The target was amended to 15 000 job opportunities.

Table 29 2024/25 performance on output KPI 1.12 of SANRAL's Programme 1: Road Asset Infrastructure Management, where the outcome is 'Job creation on SANRAL projects'

F = Females | M = Males | FY = Female youth | MY = Male youth | PWD = People with disabilities

Note KPI 1.12: Refers to Job Opportunities and calculation as per definition by Department of Public Works and Infrastructure (DPWI) an individual that has worked a day or part of a day. Beneficiary data is based on unskilled and semi-skilled.
Note KPI 1.12: There was a change in the calculation methodology as per the Revised 2024/25 APP from Full Time Equivalent (FTE) basis to Job Opportunities as per the DPWI Guidelines. The adjustment became effective from Q3 and the full year performance has been reflected.

Job opportunities created

The following table summarises all job opportunities created through SANRAL projects. As seen when comparing the two tables, the semi-skilled and unskilled job opportunities (21 360) represent 60% of all job opportunities (35 594).

DESCRIPTION	NUMBER OF JOB OPPORTUNITIES	PERCENTAGE SPLIT
Female youth <35yrs	5 565	15,63%
Female >35yrs	4 511	12,67%
Female sub-total	10 076	28,30%
Male youth <35yrs	**11 700**	**32,87%**
Male >35yrs	**13 818**	**38,82%**
Male sub-total	**25 518**	**71,70%**
Total	**35 594**	**100%**
Persons with disabilities	**249**	**0,7%**

Table 30 A summary of job opportunities created through SANRAL projects



OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION
Safer Roads	Provision and management of safe road infrastructure	Number of pedestrian hazardous locations investigated and solutions proposed: Identify, Investigate and Propose Remedial Measures for 12 Pedestrian Hazardous Locations	20 hazardous locations identified, investigated, and remedial measures proposed	13 hazardous locations identified, investigated, and remedial measures proposed	Identify, investigate, and implement remedial measures at 16 pedestrian hazardous locations per year	18	+2	Marginal over-performance due to additional projects from the WR. From the current year, 0 solutions could be implemented due to time required for procurement.
	Provision and management of safe road infrastructure	Number of Road Safety Audits conducted	12 Road Safety Audits completed	26 Road Safety Audits completed	16 Road Safety Audits completed	26	+10	Over-performance because of a substantial number of projects in design development phase. This allowed additional RSAs to be conducted.
	Improved public road safety education and awareness	Road safety education and awareness programmes at selected educational sites in a 5km radius of the national network and/or linked to SANRAL construction projects.	204 sites	89 sites	50 sites	64	+14	Over-performance due to grouping and location of schools along the national network.

Table 31 2024/25 performance on SANRAL's Programme 1: Road Asset Infrastructure Management, where the outcome is 'Safer roads'

Programme 2: Administration

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION
Creating delivery capacity for the country	Provision of Internships	Number of internships (Practical experience for undergraduate studies)	ER = 93 NR = 40 SR = 112 WR = 30 Total = 275 Internships	ER = 83 NR = 51 SR = 73 WR = 33 Total = 240 Internships	250	ER = 82 NR = 63 SR = 106 WR = 53 Total = 304 Internships	+54	More projects in construction enabled the absorption of additional learners
	Provision of Bursaries	Number of external bursaries (tertiary)	154 bursaries	109 bursaries	150 bursaries	150	0	None required
	Provision of Scholarships	Number of scholarships	260 scholarships	251 scholarships	250 scholarships	251	+1	The scholarship programme accommodated an additional learner due to cost savings from other scholars with less expenses.
	Provision of SETA accredited Learnerships	Number of SETA Learnerships and/or employment opportunities		1 747 SETA Learnerships and/or opportunities	1 500 SETA Learnerships and/or opportunities	2 353 YF – 694 YM – 653	+853	More projects in construction which enabled the greater absorption of SETA Learnerships and/or employment opportunities.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION
Improved governance and strengthened control environment	Investigation of reported incidents of corruption	Percentage investigation of reported incidents of corruption	92% resolution of reported incidents of corruption	88% resolution of reported incidents of corruptions	100% investigation of reported incidents of corruption. (Revision of the target measure)	100% investigation of reported incidents of corruption.	0%	None
	Maintain ethical norms and standards	100% of unethical cases under investigation	The Ethics Officer role was created and assigned to a newly established Executive: Legal, Risk and Compliance in line with SANRAL's new operating model. The recruitment process will begin as soon as the transition process into SANRAL's new organogram has been finalised.	The Ethics Officer role was created and assigned to the new unit.	100% of unethical cases under investigation	100%	-0%	None
	Elimination of wasteful and fruitless expenditure	Percentage reduction of cases of wasteful and fruitless expenditure	0% R33,813m	0% R0	100% reduction of cases of wasteful and fruitless expenditure	R0 100% reduction achieved	No Variance	n/a

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	AUDITED ACTUAL PERFORMANCE 2023/24	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2024/25	REASON FOR DEVIATION
Improved governance and strengthened control environment	Reduction of irregular expenditure	Percentage reduction of cases of irregular expenditure	+71.65% R6,736 billion 75% Reduction of irregular expenditure by R365,25 million was not achieved. Irregular Expenditure increased by R6,736 billion (71,65%)	+92,07% reduction from the R6,736bn of 2023FY as disclosed in AFS. 2024 irregular expenditure is at R533,799m (as restated)	75% reduction of cases of irregular expenditure as per Minister's Performance Agreement	R186,843m	- (10) Ten percent variance from the target. R346,95m (65% reduction from R533m of prior year)	These were from multi-year contracts irregular contracts identified in prior years, not yet condoned. The restatement is because of previously identified or under assessment in prior year but confirmed in current year.
	Procurement Efficiency Index				250 tenders awarded by FY end from the approved Annual Procurement Plan	452 tenders awarded	+202	SCM had a review of processes and procedures; along with a new SCM Operating Model resulted in over-performance.
	Maintain Financial Sustainability				Achievement of Going Concern status	Going Concern status was achieved.	None	None

Table 32 Programme 2: Administration

2.3.2.1 Strategy to overcome areas of underperformance

Areas of significant under-performance or areas in which actions were warranted

OUTPUT INDICATOR	ANNUAL TARGET 2024/25 AS PER ANNUAL PERFORMANCE PLAN (APP)	ACHIEVED	VARIANCE	CORRECTIVE MEASURES
Percentage of Smooth Travel Exposure	≥95%	94,70%	-0,30%	Deteriorated roads and addition of gazetted roads, mostly in a poorer condition will affect the STE adversely. In the short term – budget permitting – extensive patching of the deteriorated roads will be done to get the roads in a safely traversable state. Over the medium to long term – budget permitting - optimal rehabilitation projects can be implemented.
Percentage of Bridge Condition Exposure (BCE)	≥90%	89,10%	-0,9%	Bridges in a poorer condition are to be repaired, budget permitting. RRM make-safe corrective measures are to be expedited.
Network resurfaced km	950 km	928,8 km	-21,2 km	Urgently appoint replacement contractors on terminated contacts.
Percentage reduction of cases of irregular expenditure	75% reduction of cases of irregular expenditure – as per Minister's Performance Agreement	R186,843m	- (10) Ten percent variance from the target. R346,95m (65% reduction from R533m of prior year).	Apply for condonation and strengthen internal controls to prevent new transgressions.

Table 33 Areas of significant under-performance or areas in which actions were warranted

2.3.2.2 Linking performance with budgets

	2023/24			2024/25		
Programme/ activity/ objective	**Budget**	**Actual expenditure**	**(Over)/ Under expenditure**	**Budget**	**Actual expenditure**	**(Over)/ Under expenditure**
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	6 378 561	5 954 410	424 151	15 683 854	11 026 759	4 657 095
Road Asset Infrastructure Management	31 785 811	26 426 140	5 359 671	21 374 934	18 015 713	3 364 222
TOTAL	**38 164 372**	**32 380 550**	**5 783 822**	**37 063 788**	**29 042 472**	**8 021 316**

Table 34 A summary of the budget and expenditure for 2024/25

Road Asset Infrastructure Management mainly includes opex, capex works along with Community Development. Opex and capex are included in both the Non-toll and toll budgets.

The Administration programme mainly includes overhead costs, which are included in the Non-toll budget, and consists of salaries, administrative support and costs not directly related to a specific route but of a technical nature. The bulk of expenditure is related to marketing and communications activities at Head Office and the Regions, followed by skills development that includes training and tertiary education support. The technical support expenditure is related to traffic monitoring (counting of daily traffic movements), followed by research and then operations of our asset management system (condition surveys of road and structure assets, ITIS and GIS software development and support).

Property Services – the cost relates to land survey, property administration and valuation services.





2.4 Revenue collection

SANRAL generates revenue from four areas:

1. Transfers from the fiscus for non-toll business
2. Revenue from toll fees, which is ringfenced into the toll portfolio
3. Other income received from various sources, such as concessions and rentals on leased properties
4. Income from investments.

Total conventional toll revenue realised on toll routes during the 2024/25 financial year was R4,9 billion, representing a 6 per cent increase from the previous year. The revenue increase was mainly due to a consumer price index (CPI) increase and an increase in traffic volumes, which came in higher than expected. Grant allocations include value-added tax.

The tariff adjustment for the year was restricted to a CPI-related rate. Sundry income included income from concessionaires, investments, rental properties, cellular masts and levies on oil and gas from investment properties, which is why there was a substantial increase in those income streams. The interest earned on investments was attributable to a sustained higher balance of excess cash, which was invested throughout the financial year. The interest earned on investments is attributable to sustained higher balance of excess cash invested through the financial year due to cash surpluses because of backlog experienced from previous financial years.

	2023/24			2024/25		
Sources of revenue	**Estimate**	**Actual amount collected**	**Over/ (Under) collection**	**Estimate**	**Actual amount collected**	**Over/ (Under) collection**
	R'000	R'000	R'000	R'000	R'000	R'000
Grant allocation	26 123 630	26 123 630	0	26 310 552	26 310 552	0
Toll fees	4 244 601	4 625 895	381 294	4 336 916	4 908 153	571 237
Other income (sundry, concession and rental property)	498 505	428 994	(69 511)	769 817	390 766	(379 051)
Income from investments	2 834 650	6 072 960	3 238 311	3 462 626	5 285 755	1 823 129
Total	**33 701 386**	**37 251 479**	**3 550 094**	**34 879 911**	**36 823 766**	**1 943 855**

Table 35 A summary of SANRAL's revenue collection for 2024/25

2.5 Capital investment

SANRAL follows a preventative-maintenance-first lifecycle maintenance strategy. Capital expenditure (capex) is, therefore, allocated for long-term asset improvement (i.e. extending the initial design life), expansions and new infrastructure.

Capex is allocated to three operational categories:

- **Strengthening**: Roadworks that are intended to increase the structural capacity of an existing pavement through the recycling of existing layers and/or the addition of new granular layers or structural asphalt overlays in excess of 80 mm thick.
- **Improvements**: Roadworks that are intended to improve the quality of service on existing roads that are delivering an unacceptable quality of service. This includes measures such as increasing road width in selected areas (i.e., by adding climbing and/or passing lanes) and increasing the width over the total length of the project (i.e., by adding a paved shoulder and/or localised geometric and intersection improvements). These activities may, in some instances, involve the complete rehabilitation of the existing pavement structure.
- **New construction**: Roadworks that are intended to improve network capacity, such as the upgrading of a single carriageway to a dual or four-lane carriageway. This also includes the construction of surfaced roads where previously no road existed (known as brownfield or greenfield construction projects), the construction of new bridges to replace existing ones, and the construction of a new interchange to replace an existing intersection.

Total capital expenditure on construction projects increased to R18 526 billion in the 2024/25 financial year, up from the R12 630 billion spent in the 2023/24 financial year.

Under-expenditure against the budget for construction projects was mainly due to the process of finalising the Guarantee Framework Agreement for capex project funding, in line with the approved National Treasury borrowing limit.

Procurement processes and tender cancellations caused further delays due to non-responsive bidders.

There are no plans to close or downgrade any current facilities.

The following table gives a breakdown of the capital expenditure in all operational categories:

	2023/24			2024/25		
Infrastructure projects (Toll and Non-Toll)	**Budget**	**Actual Expenditure**	**Over/ (Under) expenditure**	**Budget**	**Actual Expenditure**	**Over/ (Under) expenditure**
	R'000	R'000	R'000	R'000	R'000	R'000
Sundry Capital Expenditure	908 850	120 832	(788 018)	788 018	111 934	(676 084)
Strengthening	1 523 613	1 256 434	(267 179)	2 257 503	2 524 688	267 185
Improvements +Community development	8 490 534	7 733 116	(757 418)	11 591 308	10 704 962	(886 346)
New Facilities and Land Acquisition	3 786 837	3 520 103	(266 734)	7 142 149	5 184 490	(1 957 659)
Total	**14 709 835**	**12 630 485**	**2 079 349**	**21 778 978**	**18 526 074**	**(3 252 904)**

Table 36 A summary of SANRAL's capital investment for 2024/25

NETWORK ROAD CONDITION	KM LENGTH	
OCI range	**Centreline**	**Carriageway**
No data	2 656	2 732
Very poor (OCI < 30,01)	271	276
Poor (30,01 ≤ OCI < 50,01)	3 168	3 235
Fair (50,01 ≤ OCI < 70,01)	12 414	12 818
Good (70,01 ≤ OCI < 85,01)	7 473	8 821
Very good (OCI ≥ 85,01)	1 493	2 431
Total	**27 478**	**30 315**

Table 37 A summary of South Africa's network road condition for 2024/25

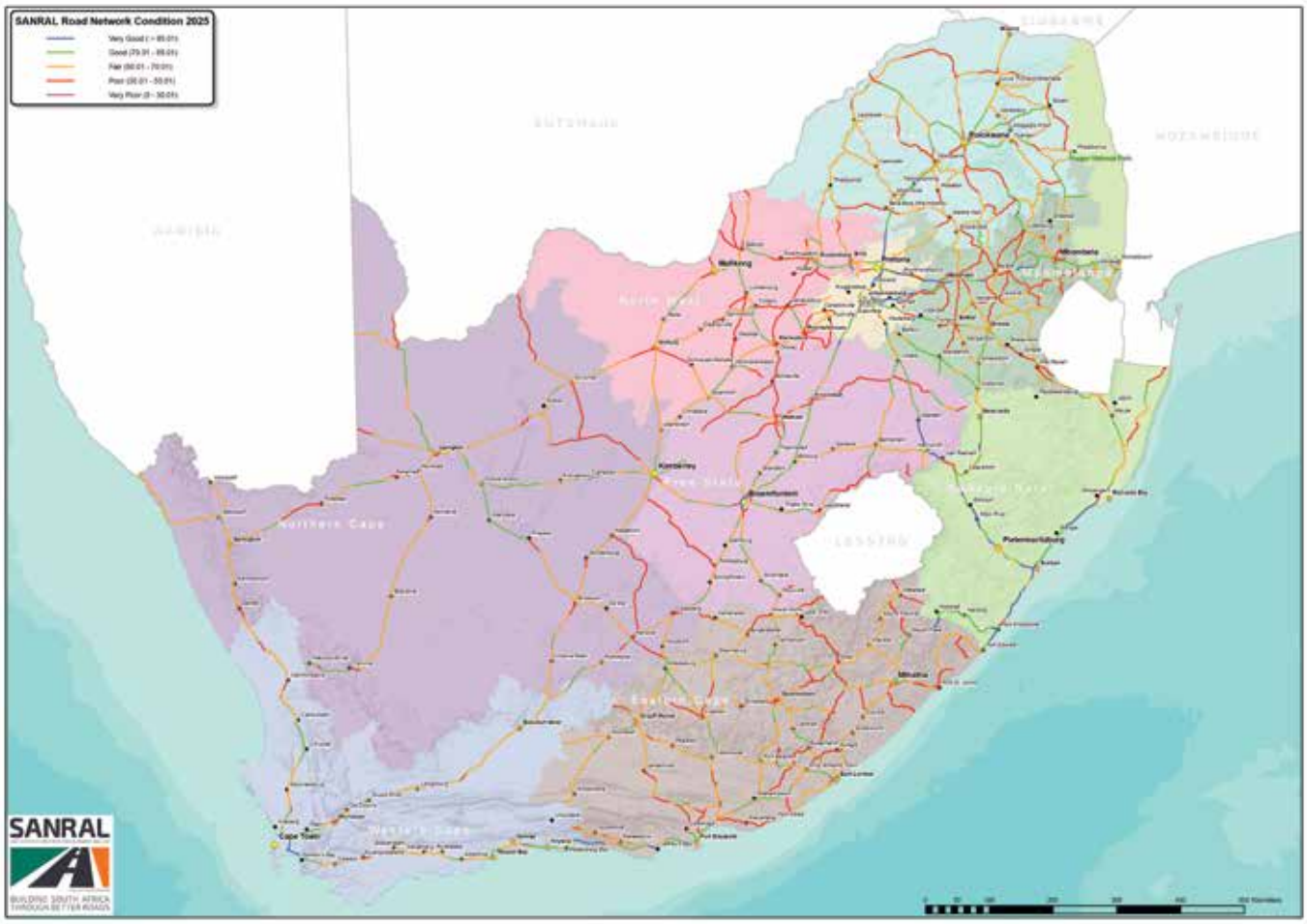


Figure 51 Overall condition index of SANRAL's managed road network

The following is a list of capex projects in various stages of progress or completed during the 2024/25 financial year:

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Improvement	N.002-070-2016/1	DICIC: Sandkraal/ Thembalethu Interchange	Non-toll	100%	1,92	0,496	1,920	Completed
	N.002-070-2019/1	DIAHV: Kraaibosch to Touw River		46%	8,2	3,069	3,748	In Progress
	N.002-080-2016/1	DIAHV: Plettenberg Bay Intersection		100%	0,4	0,400	0,400	Completed
	N.002-145-2012/1	DIAHV: Green River to Buffalo River		100%	9,093	1,606	9,093	Completed
	N.002-145-2016/1	DIAHV: Phase3: Ght to Fish River Pass		89%	16,05	6,966	14,247	In Progress
	N.002-250-2024/1	DICIC: Capacity Imp. – EB Cloete (Constr)		30%	8,08	1,548	2,389	In Progress
	N.002-260-2018/9	DICAL: KwaMashu I/C – Mdloti I/C		76%	16,15	4,857	12,309	In Progress
	N.003-010-2017/9	DICIC: Westville Viad, – Paradise Valley		24%	5,74	0,951	1,354	In Progress
	N.003-020-2017/7	DIAHV: Key Ridge – Hammarsdale		30%	6,025	1,189	1,781	In Progress
	N.003-020-2017/8	DICAL: Cato Ridge to Dardanelles		95%	6,4	1,707	6,078	In Progress
	N.003-020-2017/9	DICAL: Dardanelles – Lynnfield Park		96%	4	0,973	3,825	In Progress
	N.003-023-2017/9	DICAL: Lynnfield to Ashburton I/C		90%	4,569	0,775	4,111	In Progress
	N.003-030-2017/8	DICAL: Gladys Manzi to New England I/C		37%	3,1	0,825	1,161	In Progress
	N.003-030-2024/1	DICAL: Ashburton I/C – Murray Rd		33%	5,1	1,002	1,665	In Progress
	N.007-020-2020/1	DILPL: Rooikraal to Moorreesburg		99%	26,41	8,248	26,274	In Progress
	N.014-067-2021/1	DIAHV: Inters Impr N14 Olifanthoek–Kathu		100%	2,6	1,808	2,600	In Progress
	R.022-050-2012/1	DICAL: Manguzi Town Road Widening		100%	3,865	0,161	3,865	Completed
	R.033-120-2019/1R	DIAHV: N1 to Modimolle (R33/13N km 0,6)		7%	12,3	0,499	0,890	In Progress
	R.052-030-2020/1	DILPS: Koster to Rustenburg		16%	38,7	5,058	6,071	In Progress

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Improvement	R.056-080-2023/1	DIAHV: Matatiele to KZN Border 38,6km	Non-toll	60%	38,56	15,486	23,236	In Progress
	R.063-156-2014/1	DIAHV: Design R63 Bhisho to N6 Bridge		41%	23,71	5,169	9,668	In Progress
	R.063-160-2016/1	DIAHV: Phase 1 km 21,7 to km 43,64		45%	21,94	6,433	9,764	In Progress
	R.335-010-2017/1	DIAHV: Motherwell to Addo – Phase 1		32%	21,9	5,561	6,956	In Progress
	R.335-010-2017/2R	DIAHV: Motherwell to Addo – Phase 2		4%	10,75	0,168	0,404	In Progress
	R.510-012-2016/1	DILPS: NW/LP Border to Bierspruit		100%	27,208	8,792	27,208	In Progress
	R.510-020-2016/1	DILPS: Bierspruit to Thabazimbi		99%	27,5	1,113	27,160	In Progress
	R.555-030-2020/1	DILPS: Steynsdrift to Old P169/1		83%	19	13,309	15,764	In Progress
New Facilities	N.001-040-2020/1	DNURT: Monument River to Doornfontein		59%	17	6,434	9,994	In Progress
	N.002-150-2008/1	DNNIN: N2/15 New Breidbach & Belstone I/C		98%	1,6	0,401	1,569	In Progress
	N.002-170-2013/1	DNNIN: Ndabakazi Interchange		82%	2	0,836	1,648	In Progress
	N.002-200-2016/2	DNNBN: N2WCR: Msikaba bridge		73%	0,58	0,083	0,424	In Progress
	N.002-200-2016/3	DNNS2: N2WCR: Msikaba to Mtentu Bridges		39%	17,9	4,301	7,005	In Progress
	N.002-201-2023/1	DNNBN: Mtentu bridge and roads (3,7km)		13%	3,7	0,383	0,485	In Progress
	N.002-210-2020/1	DNNIN: New Kokstad I/C and TCC		86%	3,9	1,236	3,344	In Progress
	N.002-340-2013/1	DNNBN: New Panbult Intersection		100%	2,74	1,905	2,740	In Progress
	R.022-020-2013/1	DNNIN: R102/R22 Railway crossing elimination		19%	4,428	0,665	0,833	In Progress
	R.033-130-2019/3	DNURT: Vaalwater Town Road Upgrade		65%	4,57	2,149	2,958	In Progress
	R.072-040-2021/1	DNNBN: Kids Beach I/C – Developer		19%	1,4	0,196	0,268	In Progress
	R.573-020-2019/4	DNND2: R573 S2 (km 24,7 – km 36,2)		100%	11,604	4,063	11,604	In Progress

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Strengthening	N.001-290-2022/1	DSCPR: Musina South – Musina North	Toll	48%	5,79	2,284	2,793	In Progress
	N.002-200-2011/1	DSRGS: Mt Frere to Ngcweleni River	Non-toll	75%	39,4	19,410	29,634	In Progress
	N.008-120-2017/1	DSRGS: Thaba'Nchu North – Tweespruit		47%	17,992	6,888	8,387	In Progress
	R.021-010-2017/8	DSCPR: Pomona rd to Olifantsfontein rd		59%	13,99	8,254	8,283	In Progress
	R.061-070-2020/1	DSRGS: Baziya to Mthatha Airport		100%	27,39	0,404	27,390	In Progress
	R.336-010-2017/1	DSRGS: Kirkwood to Addo Phase 1		100%	13,75	2,620	13,706	In Progress
	R.336-010-2017/2	DSRGS: Kirkwood to Addo Phase 2		68%	17,7	8,333	12,015	In Progress
	R.342-010-2024/1R	DSRGS: Nguni Lodge/14,5 – Paterson/25,0		4%	10,5	0,218	0,441	In Progress
	R.504-030-2018/1	DSRAC: Wolmaranstad to Leeuwdoringstad		100%	28,9	0,247	28,900	Completed
	R.504-040-2018/1	DSRAC: Leeuwdoringstad to NW/FS Border		100%	24,1	19,817	24,100	Completed
	R.511-030-2017/2	DSCPR: Beestekraal to NW/Limpopo Border		100%	42	41,465	42 ,000	In Progress

Table 38 Capex projects status in the 2024/25 reporting period

DNUSC: Upgrading of gravel road to surface road | **DILPS:** Addition of paved shoulders | **DIAHV:** Horizontal and vertical alignment improvements | **DSCPR:** Partial reconstruction of pavement **DICIC:** Interchange capacity improvement | **DICAL:** Addition of additional lanes | **DILPL:** Passing lanes | **DNURT:** Upgrading from single to dual carriageway road | **DNNIN:** New interchange **DNNBN:** New bridge | **DSRGS:** Rework existing layer, add new base course and reseal | **DSRAC:** Strengthening of road with structural asphalt overlay | **MPRAC:** Resurfacing of road with asphalt overlay | **MPRS2:** Resurfacing of road with double seal | **MPRMC:** Mill & Replace | **MPPS9:** Resurfacing of road with diluted emulsion | **MSPGS:** Restoration of selected pavement areas followed by reseal | **MSPCF:** Full-depth concrete pavement repairs | **MSPGA:** Restoration of selected pavement areas followed by asphalt | **DNURT:** Upgrading from single to dual carriageway road



The following is a list of opex projets in various stages of progress or completed in the 2024/25 financial year:

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Periodic Maintenance	N.001-010-2019/4	MPRAC: Koelenhof to Market str 22,65 km	Non-toll	100%	22,15	8,750	22,150	Completed
	N.001-020-2021/1	MPRS2: Florence to Worcester West		100%	18,2	4,325	18,181	In Progress
	N.001-034-2021/1	MPPS9: Sand Hills to Monument River		100%	99,76	2,634	99,760	Completed
	N.001-050-2019/1	MPRS2: Grootfontein to Dwyka		100%	34,46	13,552	34,451	In Progress
	N.001-050-2020/1	MPRS2: Laingsburg to Grootfontein		100%	35	11,324	34,992	In Progress
	N.001-069-2021/1	MPPS9: Weltevrede to Richmond 167 km		100%	167,46	2,397	167,462	Completed
	N.001-078-2019/1	MPRS2: Steyn Station to Beaufort W		99%	25,925	6,191	25,568	In Progress
	N.001-100-2020/1	MPRS2: Kantfontein to Waaikraal		85%	15,15	11,367	12,867	In Progress
	N.001-101-2020/1	MPRS2: Bontebok to Hanover		100%	33,84	6,684	33,840	Completed
	N.001-110-2020/1	MPRS2: Mooifontein to Colesberg		90%	26,3	12,691	23,793	In Progress
	N.001-110-2022/1	MPRS2: Hanover Station to Mooifontein		78%	25,4	8,679	19,855	In Progress
	N.001-120-2022/1R	MPRS2: Colesberg to Orange River		34%	37,604	9,542	12,973	In Progress
	N.001-130-2020/1	MPRS2: N1 Orange river – Driekuil		100%	20	0,452	20,000	Completed
	N.001-130-2020/2	MPRS2: Driekuil to Mount Rd		97%	21,6	1,414	20,903	In Progress
	N.002-020-2021/2	MPRAC: Houwhoek pass to Caledon (32,44)		100%	32,7	32,700	32,700	Completed
	N.002-050-2022/1	MPRS2: Swellendam to Lizmore 32,12 km		30%	32,12	2,313	9,615	In Progress
	N.002-050-2022/2	MPRS2: Lizmore to Heidelberg 25 km		20%	25	2,755	4,956	In Progress
	N.002-050-2022/3R	MPRS2: Heidelberg to Riversdale 28 km		5%	27,9	1,093	1,416	In Progress

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Periodic Maintenance	N.002-060-2021/2	MPRS2: Dekriet to Gouritz River	Non-toll	100%	27,6	27,600	27,600	Completed
	N.002-060-2022/1	MPRS2: Gouritz river to Mossel bay west		100%	29,5	29,500	29,500	Completed
	N.002-078-2022/1	MPPS9: Die vleie to White Bridge 33,8 km		100%	33,82	11,490	33,820	Completed
	N.002-080-2021/1	MPRMC: Gouwkamma River to Harkerville		100%	21,2	21,200	21,200	Completed
	N.002-090-2019/1R	MPRS2: Bloukrans Riv. to Storms Riv Vill	Toll	24%	22,5	3,208	5,461	In Progress
	N.002-100-2019/2	MPRS2: Jeffreys bay/39,2–Gamtoos Rv/54,5	Non-toll	100%	14,8	2,970	14,800	Completed
	N.002-110-2019/1	MPRS2: St Albans to Linton		100%	16,07	13,296	16,070	Completed
	N.002-160-2018/1	MPRS2: Mooiplaas to Komga		100%	20,3	15,442	20,300	Completed
	N.002-220-2019/1	MPRS2: Kandandlovu 12,4 – Mbizana 24,0		100%	11,6	1,095	11,600	Completed
	N.002-290-2018/1	MPRS2: Empangeni T–Junc, 13 to km 28,8		100%	15,8	0,328	15,800	Completed
	N.002-300-2022/1R	MPRAC: Kangela 14 to km 44		42%	30	10,268	12,698	In Progress
	N.004-112-2017/1	MPRS2: Rebecca street to Pelindaba	Toll	44%	20,79	2,437	9,203	In Progress
	N.005-012-2018/1R	MPRS2: Vaalpenssprt/1/31–Senekal/2/4,4	Non-toll	42%	38,37	14,856	16,237	In Progress
	N.006-050-2017/2	MPRS2: Jamestown to km 14		98%	14	11,026	13,740	In Progress
	N.007-046-2021/2	MPPS9: ClanW to Trawal& VRhyns to Garies		100%	187,1	37,885	187,001	Completed
	N.008-060-2021/1	MPRS1: Rooisand to Waterford		100%	36,83	31,274	36,830	Completed
	N.008-060-2021/2	MPRS1: Waterford to Volop		49%	45	13,422	22,131	In Progress
	N.008-060-2021/3	MPRS1: Volop to Griekwastad		98%	45,36	34,500	44,483	In Progress
	N.008-070-2021/1	MPRS1: Griekwastad to Campbell		99%	45,66	31,336	45,081	In Progress

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Periodic Maintenance	N.008-080-2020/1	MPRS1: Campbell to Sinovel (20 km)	Non-toll	100%	20	1,582	20,000	Completed
	N.008-080-2020/2	MPRS1: Sinovel to Zandplaats (20 km)		100%	20	1,408	20,000	Completed
	N.008-080-2020/3	MPRS1: Zandplaats to Doornlaagte		100%	17,2	1,702	17,200	Completed
	N.009-070-2020/1	MPRS2: Carlton Hghts to Noupoort (19,5 km)		100%	19,5	15,311	19,500	Completed
	N.009-070-2022/3	MPRS1: Noupoort to Wolwefontein		100%	19,9	4,895	19,900	Completed
	N.009-070-2022/4	MPRS2: Wolwefontein to Vaalkop 15,1 km		100%	15,1	1,661	15,100	Completed
	N.009-070-2022/5	MPRS2: Vaalkop to Colesberg 15,93 km		100%	15,93	8,833	15,930	Completed
	N.010-050-2020/1	MPRS2: Ludlow to Leuwe kop (20km)		67%	20	11,573	13,481	In Progress
	N.010-050-2020/2	MPRS2: Leuwe kop to Luiperts kop (20km)		80%	20	13,088	15,988	In Progress
	N.010-050-2020/3	MPRS1: Luiperts kop to Hanover		90%	22,17	17,512	19,938	In Progress
	N.010-060-2021/1	MPRS1: Hanover to Dieprivier		29%	20	3,232	5,860	In Progress
	N.010-060-2021/2R	MPRS1: Dieprivier to Stuurmanskuil		100%	20	20,000	20,000	Completed
	N.010-060-2021/3	MPRS1: Stuurmanskuil to De Aar		19%	23,8	2,348	4,578	In Progress
	N.010-112-2021/1	MPPS9: Groblershoop to Nakop BP		100%	200,3	2,974	200,300	Completed
	N.011-050-2018/1	MPRS2: Volksrust to Oudehoutskloof		100%	21	18,213	21,000	Completed
	N.011-050-2018/2	MPRS2: Oudehoutkloof to Amersfoort		100%	21,52	21,520	21,502	Completed
	N.011-120-2021/1	MPRS2: R573 (0) to Mun. Border (15,45)		13%	15,45	1,4510	2,053	In Progress
	N.012-140-2020/1R	MPRS2: Bloemhof to km 40		67%	40	23,381	26,981	In Progress
	N.012-150-2020/1R	MPRS2: Wolmaranstad (km 0,0) to km 46,0		46%	46	20,404	20,954	In Progress
	N.012-200-2019/1	MPRAC: Delmas to Petroport		97%	20	3,329	19,404	In Progress
	N.012-200-2019/2	MPRAC: Petroport to Ogies		100%	22,2	15,701	22,200	Completed

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Periodic Maintenance	N.014-010-2021/1	MPPS9: Springbok to Pofadder+N7/8	Non-toll	91%	232	50,497	211,083	In Progress
	N.014-057-2021/1	MPPS9: Upington to Kuruman		100%	255,31	5,272	255,31	Completed
	R.027-090-2020/1R	MPRS1: Rietfontein – Rietmond Poort 42 km		7%	42	1,632	2,834	In Progress
	R.030-010-2021/1	MPRS2: N1 Glen Lyon to Brandfort North	Toll	100%	20	0,927	20,000	Completed
	R.030-012-2019/1	MPRS2: Glen Lyon to Brandfort Nrth Pack2		100%	19,45	1,719	19,450	Completed
	R.030-020-2020/1	MPRS2: Brandfort to Theunissen (5,2–25)		100%	19,8	1,053	19,800	Completed
	R.030-020-2021/1	MPRS2: Brandfort to Theunissen (25–44,3)		100%	19,3	2,075	19,300	Completed
	R.030-030-2021/1	MPRS2: Theunissen to Virginia		100%	19	0,995	19,000	Completed
	R.036-060-2019/2	MPRS2: Manchabeni 4,7 to Tzaneen 33,5	Non-toll	100%	28,8	0,346	28,800	Completed
	R.036-090-2020/1R	MPRS2: Km 0 to N1 (km 0 to km 17,848)		15%	17,85	0,907	2,628	In Progress
	X.001-260-2018/1R	MPRS2: Mokopane to Duvenhageskraal		29%	50,4	13,514	14,435	In Progress
Special Maintenance	N.001-100-2019/1	MSPGS: Richmond to Kantfontein		100%	19,55	6,633	19,550	Completed
	N.001-156-2020/2R	MSPGS: N1/16 km 12,84 – km 32,2	Toll	21%	19,36	3,559	4,060	In Progress
	N.001-190-2017/1	MSPCF: Klein Rietspruit to N12/ Potch I/C		100%	50,6	17,131	50,600	Completed
	N.002-100-2016/1	MSPGS: Gamtoos/55,5 to van Stadens/74,5	Non-toll	100%	19	1,808	18,955	In Progress
	N.002-240-2019/1	MSPGA: Settlem, Repairs–Mkomazi Riv– Lovu		100%	12	3,803	12,000	Completed
	N.014-080-2022/1	MSPGS: Kuruman to Tsaelengwe 27 km		13%	27	1,992	3,622	In Progress
	N.014-080-2022/2	MSPGS: Tsaelengwe (27)–NW/NC Border (54,6)		17%	27,56	2,517	4,746	In Progress
	N.017-050-2021/2	MSPGS: Oshoek Km 85 to 122,7		100%	37,7	9,645	37,700	Completed

PROJECT CATEGORY	PROJECT NUMBER	DESCRIPTION	TOLL/ NON-TOLL	PERCENTAGE OF PLANNED TOTAL SPENT	PROJECT LENGTH (KM)	2024/25 LENGTH COMPLETED (KM)	TOTAL LENGTH COMPLETED	PROGRESS
Special Maintenance	R.027-078-2021/1R	MSPGS: NC/WC Border 41,12–Calvinia 69,82	Non-toll	72%	80,85	52,573	58,292	In Progress
	R.052-010-2019/1	MSPGS: Biesiesvlei to Lichtenburg		91%	36,6	24,562	33,487	In Progress
	R.056-030-2023/1	MSPGS: Vlakftn km 18 to N6 I/S at km 35,04		96%	17	12,467	16,319	In Progress
	R.056-040-2016/1	MSPGS: N6 to Dordrecht		100%	35,3	7,584	35,300	Completed
	R.056-050-2016/1	MSPGS: Dordrecht to Indwe		99%	36,7	2,141	36,196	In Progress
	R.056-067-2020/1	MSPGS: Indwe – Maclear (0–58,3) + (0–68,51)		100%	126,81	3,870	126,810	Completed
	R.061-030-2024/1R	MSPGS: Km 50,8 to Tarkastad 75,5 (24,7 km)		18%	24,6	2,441	4,310	In Progress
	R.063-120-2017/1	MSPGS: N10 to Bedford		97%	20,7	2,324	20,177	In Progress
	R.390-010-2018/1	MSPGS: Cradock to Hofmeyr		87%	62,5	26,074	54,478	In Progress
	R.512-030-2019/1	MSPGA: R104 to Brits		91%	10,7	5,721	9,787	In Progress
	X.003-018-2017/2	MSPGS: R335/R342 Addo to Paterson		94%	14,98	0,876	14,156	In Progress

Table 39 Opex projects status in the 2024/25 reporting period

DNUSC: Upgrading of gravel road to surface road | **DILPS:** Addition of paved shoulders | **DIAHV:** Horizontal and vertical alignment improvements | **DSCPR:** Partial reconstruction of pavement **DICIC:** Interchange capacity improvement | **DICAL:** Addition of additional lanes | **DILPL:** Passing lanes | **DNURT:** Upgrading from single to dual carriageway road | **DNNIN:** New interchange **DNNBN:** New bridge | **DSRGS:** Rework existing layer, add new base course and reseal | **DSRAC:** Strengthening of road with structural asphalt overlay | **MPRAC:** Resurfacing of road with asphalt overlay | **MPRS2:** Resurfacing of road with double seal | **MPRMC:** Mill & Replace | **MPPS9:** Resurfacing of road with diluted emulsion | **MSPGS:** Restoration of selected pavement areas followed by reseal | **MSPCF:** Full-depth concrete pavement repairs | **MSPGA:** Restoration of selected pavement areas followed by asphalt | **DNURT:** Upgrading from single to dual carriageway road

2.5.1 Eastern Region

During the reporting period, SANRAL's Eastern Region made significant progress in KwaZulu-Natal and the Free State, focusing on the N1, N2 and N3 corridors. These routes are vital for regional connectivity and economic activity. The work being done to upgrade and expand them is intended to improve road safety, reduce travel times and stimulate economic growth.

In addition to managing existing national roads, SANRAL took over an additional 659,5 kilometres of roads from the Free State provincial government during the year, expanding its network in the province to 3 058 kilometres.

Through its strategic infrastructure investments, the Agency has created substantial employment opportunities, empowering skilled and unskilled workers within local communities.

A key focus of SANRAL's programme in the Eastern Region has been the meaningful inclusion of emerging contractors, service providers and suppliers. This approach has not only stimulated local economic activity but has also facilitated skills transfer and enterprise development, creating a more sustainable and inclusive construction sector.

Despite prevailing economic challenges, SANRAL's infrastructure investments remain vital contributors to the gross domestic product of KwaZulu-Natal and the Free State, with roads serving as an economic lifeline for many rural and remote areas. The Agency's efforts often extend beyond its core mandate to address broader service delivery needs in both provinces. This holistic approach ensures that road development translates into lasting socio-economic progress in the region.

Overview

SANRAL invested R8,5 billion in road infrastructure development throughout KwaZulu-Natal and the Free State during the year. This investment created 9 731 job opportunities for local communities, with 5 029 positions filled by youth. In addition, R1,6 billion was directed to targeted enterprises and designated groups, including youth, women, people with disabilities and military veterans.

SANRAL's commitment to skills development and training on its projects enhances the capabilities of beneficiaries, setting them on a path to self-sufficiency beyond the completion of those projects.

SANRAL's Eastern Region executed 15 capital projects, which included building new roads, upgrading existing routes and rehabilitating roads in suboptimal conditions. These projects covered a total distance of 144,73 kilometres in both provinces, significantly benefiting local communities and regional economies.

Key highlights of these initiatives included:

- Training and capacity-building for 1 474 SMMEs
- Mentorship and training opportunities for more than 400 students.

Eastern Region capital projects

Type of capital project	Non-toll		Toll	
	Projects	Kilometres beneficiated	Projects	Kilometres beneficiated
Strengthening and improvement	11	109,06	0	0
New facilities	3	13,37	1	22,30
Total	**14**	**122,43**	**1**	**22,30**

Table 40 Capital projects for the Eastern Region during 2024/25

Eastern Region major contracts

Project number	Section of road	% complete	Value of work (R)	Scope of work	Main contractor
N.003-020-2023/1	N3 Section 2 from Hammarsdale to Uitkomst	0%	R3 292 298 773,19	Upgrade the N3 and rehabilitate the existing pavement Widening the existing structures	Unik-Diphatse JV
S.004-005-2020/1	Provincial P372 at Isandlwana	0%	R353 687 433,50	Upgrade the provincial road P372 from a gravel to a surfaced road	Mpfumelelo Business Enterprise

Table 41 Major contracts for the Eastern Region in 2024/25

Eastern Region infrastructure projects					
Project number	Project description	Value of work (R)	% complete	Main contractor	Construction end date
N.002-250-2024/1	Capacity improvement to EB Cloete Interchange	R646 053 449,00	24%	CSC Base Major Joint Venture	29 April 2028
N.002-260-2018/9	Upgrade of N2 from Kwamashu Interchange to Mdloti Interchange	R629 614 955,00	71%	Raubex Construction (Pty) Ltd	21 July 2026
N.003-020-2017/7	Realignment of N3 from Key Ridge to Hammarsdale	R1 169 759 782,00	39%	WBHO	16 August 2028
N.003-020-2017/8	Upgrade of N3 from Cato Ridge to Dardanelles	R608 744 113,00	90%	Raubex Construction	18 Aug 2025
N.003-020-2017/9	Upgrade of N3 from Dardanelles to Lynnfield Park	R620 760 263,00	93%	Raubex Construction	1 August 2025
N.003-023-2017/9	Upgrade of N3 from Lynnfield to Ashburton Interchange	R396 305 645,00	98%	Rumdel Construction Cape (Pty) Ltd	28 July 2025
N.003-030-2024/1	Upgrade of N3 from Ashburton Interchange to Gladys Manzi	R424 046 834,00	27,6%	CSC Base Major Joint Venture	1 August 2026
N.011-020-2015/1	Upgrade of N11 from Ladysmith to Elandslaagte	R441 488 103,00	61%	Raubex Construction	15 September 2026
N.003-030-2017/8	Upgrade of N3 from Gladys Manzi to New England Interchange	R663 578 818,00	36%	New England JV	18 February 2027
N.003-010-2017/9	Upgrade of N3 from Westville Viad to Paradise Valley	R1 011 149 741,00	10%	EXR Aqua JV	30 September 2027
N.008-120-2017/1	Rehabilitation of N8 from Thaba 'Nchu North to Tweespruit	R169 254 456,00	66%	Tau Pele Construction (Pty) Ltd	30 September 2027
N.002-210-2020/1	New Kokstad Interchange and TCC on National Route 2	R302 724 728,00	80,6%	H&I Construction	30 August 2025
R.022-020-2013/1	R102/R22 Removal of railway crossing	R49 126 751,00	20%	TCT Civil and Construction	30 May 2026
N.001-160-2018/1R	N1 S16 Scotland/55,7 to Winburg South/78,0	R13 767 197,00	1%	WSM Group (Pty) Ltd	30 July 2028
S.004-002-2018/1R	Upgrade of the uMshwathi River Bridges and the Msunduze River Bridge	R65 176 714,00	20%	WSM Group (Pty) Ltd	30 August 2026

Table 42 Infrastructure projects for the Eastern Region for 2024/25

Slope management in the Eastern Region

SANRAL undertakes proactive management of unstable slopes in all regions.

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

In KwaZulu-Natal, a dedicated service provider was appointed during the reporting period to implement proactive slope management in accordance with the TMH 21 Manual. The service provider conducted comprehensive assessments of approximately 250 slopes throughout the province's road network during the year.

The evaluation results demonstrated that 97% of assessed slopes met acceptable safety and stability standards, being classified as either in good or fair condition.

Further, routine road maintenance teams continuously monitor and report on any serious slope incidents or maintenance requirements. This enabled SANRAL to address issues that arose due to adverse weather conditions in the province during February and March 2025.

Finally, SANRAL's Eastern Region took over sections of roads from the Free State Department of Police, Roads and Transport. An initial assessment of the roads indicated some slope failures on the R74 and R57, which are being addressed as emergency projects.

Routine road maintenance in the Eastern Region

In KwaZulu-Natal, six routine road maintenance (RRM) contracts are being implemented throughout the provincial road network, while 10 – including three emergency contracts – are being implemented in the Free State. To date, a total of R3 213 497 801,65 has been spent on these projects, creating 2 228 jobs and directing R664 815 915,00 towards SMMEs.



2.5.2 Northern Region

Overview

SANRAL continued to make a significant investment in the area's road infrastructure development during the year. This investment was made through various projects, which included:

- Thirty-five capital projects, covering an area close on 700 km, are set out in Table 50
- 22 major capital projects, of which 20 have been completed, are reflected in Tables 50 and 51.
- Sixty-two major non-toll projects, outlined in Table 52, are in various stages of completion.
- Four projects carried out on SANRAL-managed roads are shown in Table 53.
- Twenty-eight routine road maintenance projects were undertaken; these contracts' end date was 31 March 2025; details are shown in Table 54.
- Fifteen toll/non-toll road maintenance projects were carried out as can seen in Table 55.
- Forty-six routine road maintenance contracts were extended for the period 31 October 2024 to 31 March 2025; details are shown in Table 56.

Northern Region capital projects

Type of capital project	Non-toll		Toll	
	Projects	Kilometres beneficiated	Projects	Kilometres beneficiated
Strengthening and improvement	R.037-020-2005/1	25,87	N.001-290-2022/1	5,79
	R.510-020-2016/1	27,5	N.001-290-2017/1	42,2
	R.504-030-2018/1	28,9		
	R.510-012-2016/1	26		
	R.511-030-2017/2	39,4		
	R.504-040-2018/1	24,1		
	R.555-030-2020/1	19		
	R.033-120-2019/1R	12,3		
	N.002-330-2016/1R	29,3		
	N.002-340-2015/1	30		
	N.002-340-2015/2R	28,4		
	N.011-090-2016/1	23,47		
	R.516-010-2019/1R	36,6		
	R.516-010-2020/1R	46.1		
	N.002-340-2016/1R	30		
	N.002-330-2015/1	34		
	R.052-030-2020/1	38,7		

Northern Region capital projects				
Type of capital project	**Non-toll**		**Toll**	
	Projects	**Kilometres**	**Projects**	**Kilometres**
New facilities	R.033-140-2016/1	New bridges		
	R.573-020-2019/4	11,5		
	R.573-030-2016/1	24,5		
	R.573-030-2019/1	6,8		
	R.023-020-2020/1	8		
	N.002-340-2013/1	10		
	N.012-150-2021/1	5,3		
	R.573-030-2022/1	23,4		
	R.033-130-2019/3	2,2		
	S.002-008-2020/1	12,79		
	S.002-006-2020/1	29,5		
	S.002-008-2020/1	12,4		
	S.002-005-2020/1	15,81		
	S.002-007-2020/1	29		
	C.002-048-2024/1R	New school		
	R.573-020-2019/3R	11,7		
	C.002-024-2018/1R	11,8		
	C.002-026-2018/1R	9,1		
Total	**35**	**699,97 km**	**2**	**47,99 km**

Table 43 Northern Regional capital projects for 2024/25



Northern Region major projects				
Section of road by location	**% complete**	**Value of work done (R)**	**Scope of work**	**Main contractor**
Burgerfort to Ka-Ribe	100%	R29 628 067,00	Improvement	Edwin Construction (Pty) Ltd
R510 Section 2/6,3 to 33,8	100%	R30 707 492,00	Improvement	Raubex Construction (Pty) Ltd
R33 Section 14 to Vaalwater	100%	R2 678 178,00	New bridges	G4 Civils
Slovo/6,5 to Siyabuswa/13,3	100%	R956 603,00	Upgrade	Raubex Construction (Pty) Ltd
Lekwa (Standerton to Greylingstad)	100%	R22 348 480,00	New facilities	Raubex Enza JV
[Please provide location] (km 0 to km 28,9)	100%	R172 060 053,00	Strengthe-ning	Tau Pele Construction (Pty) Ltd
R555 Sections 3 and 4 from Steelpoort River(Section 3)/63,0 to Ga-Mapodila (Section 4)/17,4	100%	R0,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
R555 Section 4 from Ga-Mapodila/17,4 to Burgersfort/37,4	100%	R0,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N12 Section 16 Stilfontein urban area from Buffelfontein Road/11,6 and Wintervogel Road/12,6	95%	R8 736 55,.00	Special maintenance	Udumo Trading 26 T/A Ultimate Dynamics
R574 Section 1 (at km 12,42)	100%	R14 580 000,00	Special maintenance	Vide Investments (Pty) Ltd T/A CSA Construction
N17 Section 5/85,0 to Oshoek 122,7	100%	R72 054 513,00	Special maintenance	Roadspan Edwin JV
R504 Section 4 from Leeudoringstad/0,0 to the North West /Free State border/24,1	100%	R159 310 875,00	Strengthe-ning	Actophambili Roads / Imvula Roads and Civils JV
N12 Section 20 between Delmas/0,0 and Petroport/20,0	100%	R38 738 142,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
Upgrading Panbult Intersection (linking provincial roads D803 and P97/2) across national route N2 Section 34	100%	R438 276 749,00	Upgrade/new facilities	WBHO Construction (Pty) Ltd
Vaal River to Klein Rietspruit	100%	R24 748 490,4	Resurfacing	Tau Pele Construction (Pty) Ltd
MSPCF: Klein Rietspruit to N12/ Potchefstroom	100%	R86 271 130,55	Special maintenance	Roadmac Surfacing (Pty) Ltd
Volksrust to Oudehoutskloof	100%	R92 735 449,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N12 street lighting in Matlosana	99%	R41 722 618,00	Upgrade	Isidingo Electrical (Pty) Ltd
Repairs to new road bridge parapets on N1 Section 21/14,2	100%	R6 460 896,12	Repairs to new road Bridge parapets	Vide Investments (Pty) Ltd T/A CSA Construction
Repairs to the Hans Schoeman Bridge No 262 A and B	100%	R0,00	Repairs to the Hans Schoeman Bridge No 262 A and	Teichman Structures (Pty) Ltd
Sinkhole repair on R21 Section 2 northbound (at km 3,2)	100%	R40 674 921,00	Special maintenance	Raubex/Escor
Sinkhole repair on N1 Section 2 southbound (at kilometres 22,1)	100%	R0,00	Special maintenance	Jodan Construction (Pty) Ltd

Table 44 Major projects completed for the Northern Region for 2024/25

Northern Region major non-toll contracts awarded

Project number	Project description	Section of road by location	% completed	Value of work done (R)	Scope of work	Main contractor
R.037-020-2005/1	Modikwa Mine/117,0 to Burgersfort/142,87	Burgersfort to Ka-Ribe	100%	R29 628 067,00	Improvement	Edwin Construction (Pty) Ltd
R.510-020-2016/1	Bierspruit/6,4 to Thabazimbi/33,8	R510 Section 2 from km 6,3 to km 33,8	100%	R30 707 492,00	Improvement	Raubex Construction (Pty) Ltd
R.033-140-2016/1	Merriespruit Bridges between Vaalwater and Lephalale	R33 Section 14-Vaalwater	100%	R2 678 178,00	New bridges	G4 Civils
R.573-020-2019/4	Upgrading of national road R573 Section 2: Work package A (from km 24,70) to (km 36,20)	R573 Section 2 from km 24,70 to km 36,20	80%	R217 815 259,00	Upgrade	King Civil Engineering Contractors
R.573-030-2016/1	Mathys Zyn Loop/19,2 to Marble Hall 43,7	Siyabuswa/19,2 to Marble Hall/43,7 (supervision)	67%	R17 935 93,00	Upgrade	KPMM/CBE JV (Contract Terminated)
R.573-030-2019/1	Upgrading the national road R573 section 3 from Slovo (km 6,5) to Siyabuswa (km 13,3)	Slovo/6,5 to Siyabuswa/13,3	100%	R956 603,00	Upgrade	Raubex Construction (Pty) Ltd
R.023-020-2020/1	Completion of 6 bridg-es and (from km 0,0) to (km 4,0)	Lekwa: Standerton to Greylingstad	100%	R22 348 480,00	New facilities	Raubex Enza JV
R.504-030-2018/1	Wolmaranstad to Leeuwdoringstad	Wolmaranstad/0,0 to Leeuwdoring-stad/28,9	100%	R172 060 053,00	Strengthening	Tau Pele Construction (Pty) Ltd
N.004-112-2017/1	Rebecca Street to Pelindaba	N4 Sections 11 and 12, Pretoria (Attridgeville)	19%	R10 126 284,00	Resurfacing	Phagama Civils and Mainte-nance CC
R.510-012-2016/1	North West/Limpopo border to Bierspruit	R510 Sections 1 and 2 from North West/ Limpopo border/72,0 to Bierspruit/6,3	77%	R201 529 549,00	Improvement	Lonerock Jodan JV
R.555-034-2019/1	Steelpoort River to Ga-Mapodila	R555 Section 3 and 4 from Steelpoort River Section 3/63,0 to Ga-Mapodila Secrion 4/17,4	100%	R148 853 716,00	Resurfacing	Roadmac Surfacing (Pty) Ltd

Northern Region major non-toll contracts awarded						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
R.555-040-2019/2	Ga-Mapodila to Burgersfort	R555 Section 4 from Ga-Mapodila/17,4 to Burgersfort/37,4	100%	R115 552 309,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.012-160-2016/1	Stilfontein sinkhole rehabilitation	N12 Section 16 Stilfontein urban area between Buffelfontein Road/11,6 and Wintervogel Road/12,6	95%	R8 736 559,00	Special maintenance	Udumo Trading 26 T/A Ultimate Dynamics
R.511-030-2017/2	Beestekraal to North West/Limpopo border	R511 Sections 3 from Beestekraal/36,0 to North West / Limpopo Border/75,4	70%	R256 237 676,00	Strengthening	WBHO Construction (Pty) Ltd
R.574-010-2022/1	Strengthening of ARMCO culverts	R574 Section 1 (at km 12,42)	100%	R14 580 000,00	Special maintenance	Vide Investments (Pty) Ltd T/A CSA Construction
N.017-050-2021/2	N17 Section 5/ 85,0 to Oshoek /122,7	N17 Section 5/85,0 to Oshoek/122.7)	100%	R72 054 51,00	Special maintenance	Roadspan Edwin JV
R.504-040-2018/1	Leeuwdoringstad to North West/Free State border	R504 Section 4 from Leeudoringstad/0,0 to North West/Free State border/24,1	100%	R159 310 875,00	Strengthening	Actophambili Roads / Imvula Roads and Civlis JV
N.012-200-2019/1	Delmas to Petroport	N12 Section 20 Between Delmas/0,0 and Petroport/20,0	100%	R38 738 142,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.012-200-2019/2	Petroport to Ogies	N12 Section 20 between Petroport/20,0 and Ogies/42,2	100%	R229 112 778,00	Resurfacing	Roadmac Surfacing (Pty) Ltd

Northern Region major non-toll contracts awarded						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
N.002-340-2013/1	DNNBN: New Panbult interchange	Upgrading Panbult intersection (linking provincial roads D803 and P97/2) across national route N2 Section 34	100%	R438 276 749,00	Upgrade/New facilities	WBHO Construction (Pty) Ltd
R.052-010-2019/1	MSPGS: Biesiesvlei to Lichtenburg	Biesiesvlei to Lichtenburg	45%	R96 866 425,00	Special maintenance	Actophambili Roads (Pty) Ltd
R.512-030-2019/1	MSPGA: R104 to Brits	R104 to Brits	58%	R77 368 820,00	Special maintenance	Actophambili Roads (Pty) Ltd
R.555-030-2020/1	DILPS: Steynsdrift to Steelpoort River	Steynsdrift to Steelpoort River	84%	R229 098 965,00	Improvement	Edwin Construction (Pty) Ltd
N.001-190-2017/2	MPRAC: Vaal River to Klein Rietspruit	Vaal River to Klein Rietspruit	100%	R24 748 490,40	Resurfacing	Tau Pele Construction (Pty) Ltd
N.001-190-2017/1	MSPCF: Klein Ri-etspruit to N12/ Potchef-stroom	MSPCF: Klein Rietspruit to N12/ Potchefstroom	100%	R86 271 130,55	Special maintenance	Roadmac Surfacing (Pty) Ltd
N.011-050-2018/1	MPRS2: Volksrust to Oudehouts-kloof	Volksrust to Oudehoutskloof	100%	R92 735 449,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.012-150-2021/1	DNURS: N12 street lighting in Matlosana	N12 street lighting in Matlosana	99%	R41 722 618,00	Upgrade	Isidingo Electrical (Pty) Ltd
R.573-030-2022/1	DNND2: R573 Section 3/20,3 to 43,7	DNND2: R573 Section 3/20,3 to 43,7	38%	R99 580 848,00	Upgrade	Edwin Construction (Pty) LTD
N.011-050-2018/2R	MPRS2: Oudehout-kloof to Amersfoort	Oudehoutkloof to Amersfoort	61%	R81 866 669,00	Resurfacing	Actophambili Roads (Pty)Ltd
R.033-130-2019/3	DNURT: Vaalwater Town road upgrade	Vaalwater Town road upgrade	40%	R12 814 470,00	Upgrade	Edwin Construction (Pty) Ltd
S.002-008-2020/1	DNUSC: Provincial road D3878 from Cal-ais to Ga-Sekororo	Calais/0,0 to Ga-Sekororo/12,4	20%	R29 055 018,00	Upgrade	Axton Matrix Construction (Pty) Ltd

Northern Region major non-toll contracts awarded						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
X.001-260-2018/1R	MPRS2: R101 Section X26 from Mokopane to Duvenhageskraal	R101 Section X26 from Mokopane (km 0,2) to Duvenhageskraal (km 50,6)	34%	R72 284 332,00	Resurfacing	Roadspan Surfacing (Pty) Ltd
N.011-120-2021/1	MPRS2: R573/0,0 to municipal border/15,4	Resurfacing of road with double seal	0%	R9 793 407,00	Resurfacing	Acto-phambili Roads (Pty)Ltd
S.002-006-2020/1	DNUSC: D3810 Upgrade from Thomo to Hlomela	DNUSC: D3810 Upgrade - Thomo to Hlomela	18%	R23 839 431,00	Upgrade from gravel	Matiko Holdings CC
N.012-150-2020/1R	MPRS2: Resurfacing of national route N12 Section 15 Wolmaransstad/0.0 to 46,0	N12 Section 15 from Wolmarastad (km 0,0) to (km 46,0)	55%	R112 651 304,00	Resurfacing	Roadmac Surfacing
R.033-120-2019/1R	DILPS: Improvement of national road R33 Sections 12/77 to Section 13 Modimolle/0,6	National road R33 Sections 12 (km 77) to Section 13 Modimolle (km 0,6)	0%	R22 761 623,00	Improvement	Edwin Construction (Pty) Ltd
R.036-090-2020/1R	Resurfacing of national road R36 Section 9/0,0 to N1/17,85	R36 Section 9 from (km 0,0) to N1 (km 17,85) in Makhado and the Molemole Local Municipality	0%	R2 797 28,.00	Resurfacing	Loaded Life Trading (Pty) Ltd
S.002-008-2020/1	DNUSC: D3878 Upgrade: Calais to GaSekororo	Upgrading of gravel road to surface road	20%	R29 055 018,00	Upgrade from gravel	Axton Matrix Construction (Pty)Ltd
S.002-005-2020/1	DNUSC: D2919 Tshikanoshi to Malebitsa	Upgrading of gravel road to surface road	20%	R42 336 283,00	Upgrade from gravel	Phoenecian Group (Pty) Ltd
S.002-007-2020/1	DNUSC: D3187 Upgrade: Mageva to Makhuva	D3187 Upgrade Mageva to Makhuva	5%	R13 645 869,00	Upgrade from gravel	Buzaphi Consruction (Pty) Ltd

Northern Region major non-toll contracts awarded						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
C.002-048-2024/1R	DNNIN: Relocation of St Andrews School	Relocation of St Andrews School	0%	R1 919 960,31	New facilities	Loaded Life Trading (Pty) Ltd
R.573-020-2019/3R	DNND2: Upgrading of national road R573 Section 2: Work Package E/13,00 to 24,70	R573 Section 2/13,00 to 24,70	1%	R10 924 014,00	Upgrade	Edwin Construction (Pty) LTD
N.002-330-2016/1R	DILPS: Bloemendal to Piet Retief	Addition of paved shoulders	0%	R35 046 76,58	Improvement	Raubex Construction (Pty) Ltd
N.012-140-2020/1R	Resurfacing of national route N12 Section 14 from Bloemhof/0,0 to Rietpan/40,0	N12 Section 14 from Bloemhof/0,0 to 40,00	45%	R141 734 571,00	Resurfacing	Roadmac Surfacing
C.002-024-2018/1R	Training and construction management services for a community development project to upgrade access roads and stormwater system in and around Kwaggafontein near national road R573 Section 2 (from km 36,20) to (km 48,00)	R573 Section 2/36,20 to 48,00	0%	R219 310,86	Upgrade	Shonisani Rambau (Pty) Ltd
C.002-026-2018/1R	Training and construction management services for a community development project to upgrade access roads and stormwater system in and around Moloto near national road R573 Section 2/0,50 to 8,60	R573 Section 2/0,50 to 8,60	0%	R419 359,13	Upgrade	Shonisani Rambau (Pty) Ltd

Northern Region major non-toll contracts awarded						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
N.002-340-2015/1	DILPS: Piet Retief to Verzameling	DILPS: Piet Retief to Verzameling	0%	R28 323 396,00	Improvement	WBHO Cebekhulu JV
N.002-340-2015/2R	DILPS: Leiden to Camden	DILPS: Leiden to Camden	0%	R2 000 000,00	Improvement	WBHO Construction (Pty) Ltd
N.011-090-2016/1	DILPS: Hendrina Power Station to N4 interchange	DILPS: Hendrina Power Station to N4 interchange	0,11%	R2 000 000,00	Improvement	Concor Construction (Pty) Ltd
R.516-010-2019/1R	DILPS: R511 to Tooyspruit	DILPS: R511 to Tooyspruit	0%	R38 186,00	Improvement	WBHO Cebekhulu JV
R.516-010-2020/1R	DILPS: Tooyspruit to Bela-Bela	DILPS: Tooyspruit to Bela-Bela	2%	R16 255 226,00	Improvement	Jodan Construction (Pty) Ltd
N.002-340-2016/1R	DILPS: Verzameling to Leiden	DILPS: Verzameling to Leiden	0%	R0,00	Improvement	Award pending
X.001-250-2018/1	MPRS1: R101 Section X25 from Andriesloop-spruit to Mokopane	R101 Section X25 from Andriesloopspruit to Mokopane	0%	R248 118,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.002-330-2015/1	DILPS: KwaZulu-Natal border to Bloemendal	Addition of paved shoulders	0%	R18 661 830,00	Improvement	Award pending
R.052-030-2020/1	DILPS: Koster to Rustenburg	Koster to N4 (Rustenburg)	14,5%	R175 176 579,00	Improvement	Raubex Construction (Pty) Ltd
R.021-010-2017/9	From Pomona Road to Olifantsfontein Road	R21 Section 1 from Pomona/12,06 to Olifantsfontein/ 26,05	73%	R220 028 889,86	Special maintenance	Roadmac Surfacing (Pty) Ltd
N.001-210-2021/1	New road bridge parapets in Midrand	Repairs to the new road bridge parapets on N1 Section 21/1,42	100%	R6 460 896,12	Repairs to new road bridge parapets	Vide Investments (Pty) Ltd T/A CSA Construction
N.001-200-2019/1	Repair bridges N1 Sections 20 and 21	Repairs to the Hans Schoeman Bridge Number 262 A and B	100%	R9 664 380,00	Repairs to the Hans Schoeman Bridge Number 262 A and B.	Teichman Structures (Pty) Ltd
R.021-020-2022/1	Sinkhole repair on R21 Section 2 northbound	Sinkhole repair on R21 Section 2 northbound at/3,2	100%	R40 674 921,00	Special maintenance	Raubex/ Escor

Northern Region major non-toll contracts awarded						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
R.021-020-2023/9	Rehabilitation of the sinkhole on national route R21 Section 2 northbound at Oli-fants-fontein/0,3	R21 Section 2 northbound at Olifantsfontein/0,3	0%	R1 728 973,00	Rehabilitation of a sinkhole	Terrastrata
N.001-210-2022/1	Sinkhole repair on the N1 Section 21 south-bound	Sinkhole repair on N1 Section 21 southbound/22,1	100%	R116 293 200,00	Special maintenance	Jodan Construction (Pty) Ltd

Table 45 Major contracts awarded on non-toll roads in the Northern Region for 2024/25

Northern Region major projects on SANRAL-managed roads						
Project number	**Project description**	**Section of road by location**	**% completed**	**Value of work done (R)**	**Scope of work**	**Main contractor**
N.001-290-2022/1	Musina Town Centre	N1 Section 29 from Musina South/89,65 to Musina North/95,44	50%	R99 785 139,00	Strengthen-ing	Hillary Construction (Pty) Ltd
N.001-190-2017/2	Vaal River to Klein Rietspruit	N1 Section 19 from Vaal River/0,0 to Klein Rietspruit 10,1	100%	R88 518 75,00	Resurfacing	Tau Pele Construction (Pty) Ltd
N.001-190-2017/1	Klein Rietspruit to N12/Potchefstroom	N1 Section 19 from Klein Rietspruit/10,0 to N1 Section 20 N12/ Potchef-stroom/7,0	100%	R 91 950 031,00	Resurfacing	Roadmac Surfacing (Pty) Ltd
N.001-290-2017/1	DILPS: Mase-kwaspoort (to km 70)	Addition of paved shoulders	0%	R5 340 925,00	DILPS: Addition of paved shoulders	MBC/CSE JV

Table 46 Major projects on SANRAL-managed roads for the Northern Region for 2024/25

Routine road maintenance projects for the Northern Region for 2024/25

Major Routine Road Maintenance Projects for the Northern Region 2024/25			
Contract description	**Contract number**	**Contract end date**	**Service provider**
Tshwane Freeway RRM: Routine Road Maintenance of National Route N4 Section 1, N4 Section 11 & 12, N1 Section 21, R21 Section 2, R104 Sections 1 & 2 & R573 Section 1	X.002-088-2019/1F R.104-012-2019/1F	31 March 2025	Consultant: Ndodana / Oarona JV
	X.002-088-2019/1 R.104-012-2019/1		Contractor: VEA Roads Maintenance & Civils
Johannesburg Freeway RRM: Routine Road Maintenance of National Route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12, N12 Section 18 & N17 Section 1	X.002-128-2019/1F N.017-010-2019/1F	31 March 2025	Consultant: Ndodana / Oarona JV
	X.002-128-2019/1 N.017-010-2019/1		Contractor: VEA Roads Maintenance & Civils
Ekurhuleni Freeway RRM: Routine Road Maintenance of National Route R21 Sections 1 & 2, N12 Sections 18 & 19, N3 Sections 11 & 12 and N17 Section 2	X.002-129-2019/1F N.003-112-2019/1F	31 March 2025	Consultant: Ndodana / Oarona JV
	X.002-129-2019/1 N.003-112-2019/1		Contractor: VEA Roads Maintenance & Civils
Merafong RRM: Routine Road Maintenance of National Road N12 from Rand West City municipal border to Gauteng/ North West border, N14 from Rand West City municipal border to Gauteng/North West border, R54 from Emfuleni municipal border to Gauteng/North West border, R500 from Gauteng/North West border to Carletonville, R501 from Rand West City municipal border to Gauteng/ North West border	X.002-119-2019/1F	31 March 2025	Consultant: SKI Civils & Structural Engineers
	X.002-119-2019/1		Contractor: VEA Roads Maintenance & Civils
Brits RRM: Routine Road Maintenance of National Road R511 Section 2 & 3 from Gauteng border to Limpopo border, R512 Section 2 & 3 from Gauteng border to Brits and N4 Section 12 from R512 to N4	X.002-066-2018/1F	31 March 2025	Consultant: KBK Engineers
	X.002-066-2018/1		Contractor: VEA Roads Maintenance & Civils
Koster RRM: Routine Road Maintenance of National Road R24 Rustenburg to Gauteng border, R52 from Koster to N4 Rustenburg, R30 from JB Marks municipal border to Olifantsnek	X.002-067-2018/1F	31 March 2025	Consultant: Cinfratec Consulting
	X.002-067-2018/1		Contractor: VEA Roads Maintenance & Civils
Potchefstroom RRM: Routine Road Maintenance of National Route R53 from N12 Potchefstroom to Free State border, R54 from Gauteng border to N12 Potchefstroom, R500 from Parys to Gauteng border, R501 from Free State border to Gauteng border, N12 from Gauteng border to border of Merafong municipality	X.002-068-2018/1F	31 March 2025	Consultant: Siroccon International
	X.002-068-2018/1		Contractor: VEA Roads Maintenance & Civils

Major Routine Road Maintenance Projects for the Northern Region 2024/25			
Contract description	**Contract number**	**Contract end date**	**Service provider**
Klerksdorp RRM: Routine Road Maintenance of National Route R53 from N12 Potchefstroom to Free State border, R54 from Gauteng border to N12 Potchefstroom, R500 from Parys to Gauteng border, R501 from Free State border to Gauteng border, N12 from Gauteng border to border of Merafong municipality	X.002-069-2018/1F	31 March 2025	Consultant: Siroccon International
	X.002-069-2018/1		Contractor: VEA Roads Maintenance & Civils
Lichtenburg RRM: Routine Road Maintenance of National Road R52 from Biesiesvlei to Lichtenburg, R503 from Matlosana municipal border - Lichtenburg, R505 from Tswaing municipal border to Mahikeng municipal border, N14 from Tswaing municipal border to JB Marks municipal border	X.002-070-2018/1F	31 March 2025	Consultant: Cinfratec Consulting
	X.002-070-2018/1		Contractor: VEA Roads Maintenance & Civils
Zeerust RRM: Routine Road Maintenance of National Route R49 from Mahikeng municipal border to Kopfontein border Gate	X.002-071-2018/1F	31 March 2025	Consultant: Cinfratec Consulting
	X.002-071-2018/1		Contractor: VEA Roads Maintenance & Civils
Bloemhof RRM: Routine Road Maintenance of National Road R34 from Naledi municipal border to Free State border and N12 from Northern Cape border to Maquassi Hills municipal border	X.002-072-2018/1F	31 March 2025	Consultant: Cinfratec Consulting
	X.002-072-2018/1		Contractor: VEA Roads Maintenance & Civils
Wolmaransstad RRM: Routine Road Maintenance of National Route N12 from Lekwa-Teemane municipal border to Matlosana municipal border, R504 from Wolmaransstad to the Free State border, and R505 from Wolmaransstad to Tswaing municipal border	X.002-110-2019/1F	31 March 2025	Consultant: Q&A Consulting
	X.002-110-2019/1		Contractor: Shonisani Rambau Construction
Rustenburg RRM: Routine Road Maintenance of National Road R510 from Rustenburg to the Limpopo border, R556 from R510 intersection to R565 Intersection, and R565 from Rustenburg to R556 Intersection	X.002-114-2019/1F	31 March 2025	Consultant: ROMH Consulting
	X.002-114-2019/1		Contractor: Shonisani Rambau Construction
Taung RRM: Routine Road Maintenance of National Road N14 from the North West / Northern Cape border to Vryburg, N18 from the North West / Northern Cape border to Vryburg	X.002-122-2019/1F	31 March 2025	Consultant: Q&A Consulting
	X.002-122-2019/1		Contractor: Razzmatazz Civil

Major Routine Road Maintenance Projects for the Northern Region 2024/25

Contract description	Contract number	Contract end date	Service provider
Vryburg RRM: Routine Road Maintenance of National Road N14 from Vryburg to Tswaing municipal border, N18 from Vryburg to Ratlou municipal border and R34 from Vryburg to Mamusa municipal border	X.002-123-2019/1F	31 March 2025	Consultant: DeltaBEC Consulting
	X.002-123-2019/1		Contractor: Razzmatazz Civil
Sannieshof RRM: Routine Road Maintenance of National Road N14 from Naledi municipal border to Ditsobotla municipal border and R505 from Maquassi Hills municipal border to Ditsobotla municipal border	X.002-124-2019/1F	31 March 2025	Consultant: DeltaBEC Consulting
	X.002-124-2019/1		Contractor: Rail Refurb
Mafikeng RRM: Routine Road Maintenance of National Route N18 from the Naledi municipal border Post, R49 from Mahikeng to the Ramotshere Moiloa municipal border and R505 Ditsobotla municipal border to the R49 Intersection	X.002-125-2019/1F	31 March 2025	Consultant: ROMH Consulting
	X.002-125-2019/1		Contractor: Rainbow Civils
Ventersdorp RRM: Routine Road Maintenance of National Road N14 from Ditsobotla municipal border to Gauteng border, R30 from Kaetlengrivier municipal border through Ventersdorp to Matlosana municipal border and R53 from Potchefstroom to Ventersdorp	X.002-127-2019/1F	31 March 2025	Consultant: ROMH Consulting
	X.002-127-2019/1		Contractor: VEA Roads Maintenance & Civils
Mkhondo LM RRM: Routine Road Maintenance of National Route R33 from Mpumalanga/Kwazulu-Natal Provincial boundary to Mkhondo municipal boundary and N2 from Mpumalanga/Kwazulu-Natal Provincial boundary to Mkhondo municipal boundary.	X.002-122-2019/1	31 March 2025	Consultant: Q&A Consulting
			Contractor: Razzmatazz Civil
Dr Pixley Ka Isaka Seme LM RRM: Routine Road Maintenance of National Route N11 from Kwazulu-Natal/Mpumalanga Provincial boundary to Pixley ka Isaka Seme municipal boundary R35 from Amersfoort to Pixley ka Isaka Seme municipal boundary and R23 from Volksrust to Pixley ka Isaka Seme municipal boundary.	X.002-123-2019/1	31 March 2025	Consultant: DeltaBEC Consulting
			Contractor: Razzmatazz Civil
Lekwa & Dipaleseng LM's RRM: Routine Road Maintenance of National Route R23 from Lekwa/Pixley ka Isaka Seme municipal boundary over Standerton to Mpumalanga/ Gauteng provincial boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Seme municipal boundary to Lekwa municipal boundary.	X.002-093-2019/1	31 March 2025	Consultant: ROMH Consulting
			Contractor: VEA Roads Maintenance & Civils

Major Routine Road Maintenance Projects for the Northern Region 2024/25			
Contract description	**Contract number**	**Contract end date**	**Service provider**
Msukaligwa 1 LM RRM: Routine Road Maintenance of National Route N11 section 7 from the Msukaligwa municipal boundary to Ermelo, N11 section 8 from Ermelo to the Msukaligwa municipal boundary, N2 section 34 from Ermelo to the Msukaligwa municipal boundary.	X.002-097-2019/1	31 March 2025	Consultant: ROMH Consulting Contractor: Penny Farthing Engineering
Msukaligwa 2 LM RRM: Routine Road Maintenance of National Route R33 from Mkhondo municipal boundary through Warburton to Chief Albert Luthuli municipal boundary, R38 from Govan Mbeki municipal border to Steve Tshwete municipal boundary and the N17 from Govan Mbeki municipal boundary through Ermelo to Chief Albert Luthuli municipal boundary.	"X.002-098-2019/1 N.017-040-2019/1"	31 March 2025	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance & Civils
Steve Tshwete Local municipality RRM: Routine Road Maintenance of National Road R555 from Emalahleni municipal border to Middelburg, R35 from Govan Mbeki municipal border to Middelburg, R38 from Msukaligwa municipal border to Chief Albert Luthuli municipal border, N11 from Msukaligwa municipal border over Middelburg to the Limpopo border.	X.002-104-2019/1	31 March 2025	Consultant: Zimile Consulting (Pty) Ltd Contractor: Botle ba Afrika Roads (Pty) Ltd
eMalahleni, Victor Khanye, Dr JS Moroka and Thembisile Hani LM's RRM: The Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete municipal boundary, N12 from Gauteng/Mpumalanga boundary to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka municipality.	X.002-105-2019/1	31 March 2025	Consultant: Zimile Consulting Contractor: Rail Refurb cc
Nkomazi LM RRM: The Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef border Post, R571 from the Crocodile River over Komatipoort to the Mananga border Post, R581 from R570 To R571 and R582 from R571 to N4.	X.002-106-2019/1	31 March 2025	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance and Civils
Thaba Chweu LM RRM: The Routine Road Maintenance of National Road R37 from Limpopo/ Mpumalanga boundary over Mashishing to Mbombela municipal border	X.002-107-2019/1	31 March 2025	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance and Civils

Major Routine Road Maintenance Projects for the Northern Region 2024/25			
Contract description	**Contract number**	**Contract end date**	**Service provider**
Mbombela and Bushbuckridge LM's RRM: The Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli municipal boundary to Barberton, R37 from Thaba Chweu municipal boundary to Mbombela, R40 from Barberton over Mbombela to the Limpopo boundary, and N4 from Enos Mabuza Intersection to Crocodile Valley.	X.002-108-2019/1	31 March 2025	Consultant: ROMH Consulting Contractor: VEA Roads Maintenance and Civils

Table 47 Routine road maintenance projects for the Northern Region for 2024/25

Toll/Non-Toll Routine Road Maintenance Projects for the Northern Region 2024/25			
Project Description	**Contract number**	**Contract end date**	**Service provider**
Molemole Local Municipality: Routine Road Maintenance of National Route R81 from Polokwane Municipal Boundary to Molemole Municipal Boundary, R521 from Polokwane Municipal Boundary to Molemole Municipal Boundary, R36 from Greater Letaba Municipal Boundary to Molemole Municipal Boundary and N1_28X from Polokwane Municipal Boundary to Molemole Municipal Boundary	X.002-079-2019/1F (Non-Toll) N.001-280-2019/1F (Toll) X.002-079-2019/1 (Non-Toll) N.001-280-2019/1 (Toll)	31 March 2025	Consultant: ROMH Consulting (Pty) Ltd Contractor: Rainbow Civils cc
Lephalale Local Municipality 2: Routine Road Maintenance of National Route R510 from Lephalale to Monte Christo, R572 from Monte Christo to Tom Burke, R518 from Lephalale to Mogalakwena Municipal Boundary and N11 from Blouberg Municipal Boundary to Groblersbrug Border Post	X.002-085-2019/1F (Non-Toll) X.002-085-2019/1 (Non-Toll)	31 March 2025	Consultant: Wanoza Consulting Engineers cc Contractor: Botle ba Africa Roads (Pty) Ltd
Mogalakwena Local Municipality 1: Routine Road Maintenance of National Route R518 from the Lephalale Municipal Border to Mokopane, N11 from the Mogalakwena Municipal Border to R101 Intersection and R101 from the Mogalakwena Municipal Border to Mokopane.	X.002-086-2019/1F (Non-Toll) X.002-086-2019/1 (Non-Toll)	31 March 2025	Consultant: Marumo Consulting Engineers (Pty) Ltd Contractor: Razzmatazz Civil (Pty) Ltd
Polokwane Local Municipality 1: Routine Road Maintenance of National Route R101 from Mogalakwena Municipal Border to Polokwane, R37 from Polokwane to Lepelle-Nkumpi Municipal Border, R71 from Polokwane to Greater Tzaneen Municipal Border, R81 from Polokwane to Molemole Municipal Border and N1 from Mogalakwena Municipal Border to Molemole Municipal Border	X.002-087-2019/1F (Non-Toll) N.001-260-2019/1F (Toll) N.001-278-2019/1F (Toll) X.002-087-2019/1 (Non-Toll) N.001-260-2019/1 (Toll) N.001-278-2019/1 (Toll)	31 March 2025	Consultant: Wanoza Consulting Engineers cc Contractor: BCB Solutions (Pty) Ltd

Toll/Non-Toll Routine Road Maintenance Projects for the Northern Region 2024/25			
Project Description	**Contract number**	**Contract end date**	**Service provider**
Lepelle Nkumpi Local Municipality: Routine Road Maintenance of National Route R37 from Polokwane Municipal Border to Fetakgomo-Greater Tubatse Municipal Border, R518 from Mogalakwena Municipal Border to R37, and R579 from R37 To Makhuduthamaga Municipal Border	X.002-089-2019/1F (Non-Toll) &	31 March 2025	Consultant: Wanoza Consulting Engineers cc
	X.002-089-2019/1 (Non-Toll)		Contractor: Botle ba Africa Roads (Pty) Ltd
Mogalakwena Local Municipality 2: Routine Road Maintenance of National Route N11 From Mokopane to Blouberg Municipal Border, R518 from Mokopane to Lepelle-Nkumpi Municipal Border, R101 from Mokopane to Polokwane Municipal Border	X.002-090-2019/1F (Non-Toll)	31 March 2025	Consultant: Marumo Consulting Engineers (Pty) Ltd
	X.002-090-2019/1 (Non-Toll)		Contractor: Razzmatazz Civil (Pty) Ltd
Greater Letaba & Greater Giyani Local Municipality: Routine Road Maintenance of National Route R81 from Molemole Municipal Boundary to Giyani, R578 from Collins Chabane Municipal Boundary to Giyani, R529 from Greater Giyani Municipal Boundary to Giyani and R36 from Greater Tzaneen Municipal Boundary through Modjadjiskloof to Molemole Municipal Boundary	X.002-094-2019/1F (Non-Toll)	31 March 2025	Consultant: ROMH Consulting (Pty) Ltd
	X.002-094-2019/1 (Non-Toll)		Contractor: VEA Roads Maintenance and Civils (Pty) Ltd
Ephraim Mogale / Makhuduthamaga Local Municipality: Routine Road Maintenance of National Route N11 from Mookgopong municipal border through Marble Hall to Elias Motsoaledi municipal border, R573 from Dr JS Moroka municipal border to Marble Hall, R579 from Elias Motsoaledi municipal border through Nebo to Lepelle-Nkumpi municipal border	X.002-100-2019/1F (Non-Toll)	31 March 2025	Consultant: Wanoza Consulting Engineers cc
	X.002-100-2019/1 (Non-Toll)		Contractor: BCB Solutions (Pty) Ltd
Polokwane Local Municipality 2: Routine Road Maintenance of National Route R521 from Polokwane to Molemole municipal border and R567 from Mogalakwena municipal border to Seshego	X.002-101-2019/1F (Non-Toll)	31 March 2025	Consultant: Endecon Ubuntu Africa (Pty) Ltd.
	X.002-101-2019/1 (Non-Toll)		Contractor: Rail Refurb cc
Makhado Local Municipality 1: Routine Road Maintenance of National Route R521 from Molemole municipal border through Vivo to Louis Trichardt municipal border, R523 from Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beit Bridge border bridge border post	X.002-102-2019/1F (Non-Toll) N.001-290-2019/2F (Toll)	31 March 2025	Consultant: Cinfratec Consulting Engineers (Pty) Ltd
	X.002-102-2019/1 (Non-Toll) N.001-290-2019/2 (Toll)		Contractor: BCB Solutions (Pty) Ltd

Toll/Non-Toll Routine Road Maintenance Projects for the Northern Region 2024/25			
Project Description	**Contract number**	**Contract end date**	**Service provider**
Makhado Local Municipality 2: Routine Road Maintenance of National Route R524 from Louis Trichardt to Punda Maria Gate, R578 from Louis Trichardt to Greater Giyani Municipal Border, R36 from Molemole municipal border to Bandelierskop, N1 from Molemole municipal border to Louis Trichardt	X.002-103-2019/1F (Non-Toll) N.001-280-2019/2F (Toll)	31 March 2025	Consultant: Cinfratec Consulting Engineers (Pty) Ltd
	X.002-103-2019/1 (Non-Toll) N.001-280-2019/2 (Toll)		Contractor: Shonisani Rambau Construction (Pty) Ltd
Fetakgomo / Tubatse Local Municipality: Routine Road Maintenance of National Route R555 from Elias Motsoaledi Municipal Border to Burgersfort, R37 from Lepele-Nkumpi Municipal Border over Burgersfort to Mpumalanga Border, R36 from Mpumalanga Border to Maruleng Municipal Border and R532 from Mpumalanga Border to the R36.	X.002-109-2019/1F (Non-Toll)	31 March 2025	Consultant: THM Engineers (Pty) Ltd
	X.002-109-2019/1 (Non-Toll)		Contractor: Itumeleng Construction
Maruleng Local Municipality: Routine Road Maintenance of National Route R36 from Greater Tubatse Border to Greater Tzaneen Border, R40 from Mpumalanga Border to Ba-Phalaborwa Border, R526 from Mica to Ba-Phalaborwa Border and R531 from R40 to Orpen Kruger Gate	X.002-120-2019/1F (Non-Toll)	31 March 2025	Consultant: Wanoza Consulting Engineers cc
	X.002-120-2019/1 (Non-Toll)		Contractor: BCB Solutions (Pty) Ltd
Ba-Phalaborwa Local Municipality: Routine Road Maintenance of National Route R40 from Maruleng Border to R71, R71 from Greater Tzaneen Border to Phalaborwa Kruger Park Gate and R526 from Maruleng Border to Gravelotte	X.002-121-2019/1F (Non-Toll)	31 March 2025	Consultant: Wanoza Consulting Engineers cc
	X.002-121-2019/1 (Non-Toll)		Contractor: Rainbow Civils cc
Bela-Bela, Mookgophong & Mogalakwena Local Municipality: Routine Road Maintenance of National Route N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane Municipal Border	N.001-246-2018/1F (Toll)	31 March 2025	Consultant: KBK Engineers (Pty) Ltd
	N.001-246-2018/1 (Toll)		Contractor: VEA Roads Maintenance and Civils (Pty) Ltd

Table 48 Major routine road maintenance projects for the Northern Region categorised into toll/non-toll portfolios for 2024/25

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over-expenditure
X.002-066-2018/1	Madibeng RRM: Routine Road Maintenance of National Road R511 Section 2 & 3 from Gauteng Border to Limpopo Border, R512 Section 2 & 3 from Gauteng Border to Brits and N4 Section 12 from R512 to N4	KBK Engineers	R14,884,450.98	R0	R14,884,450.98	53	0.0%
		Vea Road Maintenance	R74,143,143.85	R89,465,530.99	R163,608,674.84	53	120.6%
X.002-067-2018/1	Rusternburg RRM: Routine Road Maintenance of National Road R24 Rustenburg to Gauteng Border, R52 from Koster to N4 Rustenburg, R30 from JB Marks Municipal Border to Olifantsnek	Cinfratec Engineers	R13,510,165.50	R0	R13,510,165.50	53	0.0%
		Vea Road Maintenance	R59,346,532.92	R115,085,476.99	R174,432,009.91	53	193.9%
X.002-068-2018/1	JB Marx RRM: Routine Road Maintenance of National Route R53 from N12 Potchefstroom to Free State Border, R54 from Gauteng Border to N12 Potchefstroom, R500 from Parys to Gauteng Border, R501 from Free State Border to Gauteng Border, N12 from Gauteng Border to Border of Merafong Municipality	Siroccon International	R13,828,600.50	R0	R13,828,600.50	53	0.0%
		Vea Road Maintenance	R82,886,744.50	R76,241,125.26	R159,127,869.76	53	92.0%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over-expenditure**
X.002-069-2018/1	Matlosana RRM: Routine Road Maintenance of National Road R30 from Free State Border to JB Marks Municipal Border, R503 from Klerksdorp to Ditsobotla Municipal Border and N12 from Maquassi Hills Municipal Border to JB Marks Municipal Border	Siroccon International	R13,821,125.50	R0	R13,821,125.50	53	0.0%
		Vea Road Maintenance	R91,004,563.68	R66,954,850.58	R157,959,414.26	53	73.6%
X.002-070-2018/1	Ditsobotla RRM: Routine Road Maintenance of National Road R52 from Biesiesvlei to Lichtenburg, R503 from Matlosana Municipal Border - Lichtenburg, R505 from Tswaing Municipal Border to Mahikeng Municipal Border, N14 from Tswaing Municipal Border to JB Marks Municipal Border	Cinfratec Engineers	R13,441,246.00	R0	R13,441,246.00	53	0.0%
		Vea Road Maintenance	R90,317,881.20	R69,613,349.81	R159,931,231.01	53	77.1%
X.002-071-2019/1	Ramotshere RRM: Routine Road Maintenance Of National Route R49 From Mahikeng Municipal Border To Kopfontein Border Gate.	Cinfratec Engineers	R13,394,341.30	R0	R13,394,341.30	53	0.0%
		Vea Road Maintenance	R63,851,555.80	R37,075,198.45	R100,926,754.25	53	58.1%
X.002-072-2018/1	Lekwa Teemane RRM: Routine Road Maintenance of National Road R34 from Naledi Municipal Border to Free State Border and N12 from Northern Cape Border to Maquassi Hills Municipal Border	Cinfratec Engineers	R13,502,242.00	R0	R13,502,242.00	53	0.0%
		Vea Road Maintenance	R77,005,998.70	R70,678,159.73	R147,684,158.43	53	91.8%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over-expenditure
X.002-110-2019/1	Maquassi Hills RRM: Routine Road Maintenance of National Route N12 from Lekwa-Teemane Municipal Border to Matlosana Municipal Border, R504 from Wolmaransstad to the Free State Border, and R505 from Wolmaransstad to Tswaing Municipal Border	Q&A Engineers	R16,458,800.00	R0	R16,458,800.00	53	0.0%
		Shonisani Rambau	R99,888,327.14	R48,295,776.27	R148,184,103.41	53	48.3%
X.002-114-2019/1	Moses Kotane RRM: Routine Road Maintenance of National Road R510 from Rustenburg to the Limpopo Border, R556 from R510 intersection to R565 Intersection, and R565 from Rustenburg to R556 Intersection	ROMH Enginners	R16,321,950.00	R1,012,993.13	R17,334,943.13	53	6.2%
		Shonisani Rambau	R99,888,327.14	R53,438,594.12	R153,326,921.26	53	53.5%
X.002-119-2019/1	Merafong RRM: Routine Road Maintenance of National Road N12 from Rand West City Municipal Border to Gauteng/North West Border, N14 from Rand West City Municipal Border to Gauteng/ Nort West Border, R54 from Emfuleni Municipal Border to Gauteng/North West Border, R500 from Gauteng/Nort West Border to Carletonville, R501 from Rand West City Municipal Border to Gauteng/ North West Border	SKI Engineers	R17,501,505.00	R2,777,488.84	R20,278,993.84	53	15.9%
		Vea Road Maintenance	R126,981,380.34	R80,635,714.99	R207,617,095.33	53	63.5%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over-expenditure**
X.002-122-2019/1	Taung RRM: Routine Road Maintenance of National Road N14 from the North West / Northern Cape Border to Vryburg, N18 from the North West / Northern Cape Border to Vryburg	Q&A Engineers	R16,653,150.00	R0	R16,653,150.00	53	0.0%
		Razzmatazz	R69,659,964.30	R50,101,449.70	R119,761,414.00	53	71.9%
X.002-123-2019/1	Naledi RRM: Routine Road Maintenance of National Road N14 from Vryburg to Tswaing Municipal Border, N18 from Vryburg to Ratlou Municipal Border and R34 from Vryburg to Mamusa Municipal Border	Q&A Engineers	R16,458,800.00	R0	R16,458,800.00	53	0.0%
		Razzmatazz	R70,325,098.08	R55,245,097.66	R125,570,195.74	53	78.6%
X.002-124-2019/1	Tswaing RRM: Routine Road Maintenance of National Road N14 from Naledi Municipal Border to Ditsobotla Municipal Border and R505 from Maquassi Hills Municipal Border to Ditsobotla Municipal Border	Deltabec	R16,369,905.00	R0	R16,369,905.00	53	0.0%
		Vea Road Maintenance	R26,852,902.88	R62,292,487.46	R89,145,390.34	53	232.0%
X.002-125-2019/1	Mahikeng RRM: Routine Road Maintenance of National Route N18 from the Naledi Municipal Border Post, R49 from Mahikeng to the Ramotshere Moiloa Municipal Border and R505 Ditsobotla Municipal Border to the R49 Intersection	ROMH Enginners	R16,231,560.00	R0	R16,231,560.00	53	0.0%
		Rainbow Civils	R108,074,215.11	R57,641,796.31	R165,716,011.42	53	53.3%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over-expenditure
X.002-127-2019/1	JB Marx02 RRM: Routine Road Maintenance of National Road N14 from Ditsobotla Municipal Border to Gauteng Border, R30 from Kaetlengrivier Municipal Border through Ventersdorp to Matlosana Municipal Border and R53 from Potchefstroom to Ventersdorp	ROMH Enginners	R16,477,200.00	R0	R16,477,200.00	53	0.0%
		Vea Road Maintenance	R88,789,187.30	R93,948,681.30	R182,737,868.60	53	94.5%
X.002-128-2019/1	Johannesburg RRM(Toll): Routine Road Maintenance of National Route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12, N12 Section 18	Ndodana Consulting	R26,399,086.05	R0	R26,399,086.05	53	0.0%
		Vea Road Maintenance	R161,689,536.78	R79,656,486.56	R241,346,023.34	53	49.3%
N.017-010-2019/1	Johannesburg RRM(NonToll): Routine Road Maintenance of National Route N17 Section 1	Ndodana Consulting	R1,390,272.95	R0	R1,390,272.95	53	0.0%
		Vea Road Maintenance	R42,129,587.37	R13,840,600.12	R55,970,187.49	53	32.9%
X.002-129-2019/1	Ekurhuleni RRM(Toll): Routine Road Maintenance of National Route R21 Sections 1 & 2, N12 Sections 18 & 19 and N17 Section 2	Ndodana Consulting	R22,230,567.20	R0	R22,230,567.20	53	0.0%
		Vea Road Maintenance	R183,834,422.92	R156,230,195.40	R340,064,618.32	53	85.0%
N.003-112-2019/1	Ekurhuleni RRM(NonToll): Routine Road Maintenance of National Route N3 Sections 11 & 12	Ndodana Consulting	R5,557,641.80	R0	R5,557,641.80	53	0.0%
		Vea Road Maintenance	R44,726,445.84	R23,123,554.16	R67,850,000.00	53	51.7%
X.002-088-2019/1	Tshwane RRM(Toll): Routine Road Maintenance of National Route N4 Section 1, N4 Section 11 & 12, N1 Section 21, R21 Section 2	Ndodana Consulting	R13,894,679.50	R1,007,234.23	R14,901,913.73	53	7.2%
		Vea Road Maintenance	R119,446,983.98	R70,148,916.44	R189,595,900.42	53	58.7%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over-expenditure**
R.104-012-2019/1	Tshwane RRM(NonToll): Routine Road Maintenance of National Route R104 Sections 1 & 2 & R573 Section 1	Ndodana Consulting	R13,894,679.50	R0	R13,894,679.50	53	0.0%
		Vea Road Maintenance	R70,758,237.93	R34,800,659.77	R105,558,897.70	53	49.2%
X.002-079-2019/1 N.001-280-2019/1	Molemole RRM: Routine Road Maintenance of National Route R81 from Polokwane Municipal Boundary to Molemole Municipal Boundary, R521 from Polokwane Municipal Boundary to Molemole Municipal Boundary, R36 from Greater Letaba Municipal Boundary to Molemole Municipal Boundary and N1_28X from Polokwane Municipal Boundary to Molemole Municipal Boundary	ROMH Enginners	R18,231,560.00	R0	R18,231,560.00	51	0.0%
		Rainbow Civils	R109,569,740.56	R91,736,430.38	R201,306,170.94	51	83.7%
X.002-085-2019/1	Lephalale 01 RRM: Routine Road Maintenance of National Route R510 from Lephalale to Monte Christo, R572 from Monte Christo to Tom Burke, R518 from Lephalale to Mogalakwena Municipal Boundary and N11 from Blouberg Municipal Boundary to Groblersbrug Border Post	Manoza Consulting	R15,727,296.50	R0	R15,727,296.50	51	0.0%
		Botle Ba Afrika	R75,270,984.79	R25,192,891.10	R100,463,875.89	51	33.5%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over-expenditure
X.002-086-2019/1	Mogalakwena RRM: Routine Road Maintenance of National Route R518 from the Lephalale Municipal Border to Mokopane, N11 from the Mogalakwena Municipal Border to R101 Intersection and R101 from the Mogalakwena Municipal Border to Mokopane	Deltabec	R16,184,180.00	R0	R16,184,180.00	51	0.0%
		Razzmatazz	R125,110,172.10	R49,097,707.99	R174,207,880.09	51	39.2%
X.002-087-2019/1 N.001-260-2019/1 N.001-278-2019/1	Polokwane 01 RRM: Routine Road Maintenance of National Route R101 from Mogalakwena Municipal Border to Polokwane, R37 from Polokwane to Lepelle-Nkumpi Municipal Border, R71 from Polokwane to Greater Tzaneen Municipal Border, R81 from Polokwane to Molemole Municipal Border and N1 from Mogalakwena Municipal Border to Molemole Municipal Border	Wanoza Consulting	R15,658,112.00	R0	R15,658,112.00	51	0.0%
		BCB Solutions	R74,248,902.45	R63,226,235.31	R137,475,137.76	51	85.2%
X.002-089-2019/1	Lepelle Nkumpi RRM: Routine Road Maintenance of National Route R37 from Polokwane Municipal Border to Fetakgomo-Greater Tubatse Municipal Border, R518 from Mogalakwena Municipal Border to R37, and R579 from R37 To Makhuduthamaga Municipal Border	Marumo Consulting	R16,171,875.00	R0	R16,171,875.00	51	0.0%
		Vea Road Maintenance	R70,289,037.30	R80,644,174.51	R150,933,211.81	51	114.7%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over-expenditure**
X.002-090-2019/1	Mogalakwena RRM: Routine Road Maintenance of National Route N11 From Mokopane to Blouberg Municipal Border, R518 from Mokopane to Lepelle-Nkumpi Municipal Border, R101 from Mokopane to Polokwane Municipal Border	Endecon	R16,034,266.00	R0	R16,034,266.00	51	0.0%
		BCB Solutions	R75,932,439.19	R18,004,701.33	R93,937,140.52	51	23.7%
X.002-094-2019/1	Greater Letaba RRM: Routine Road Maintenance of National Route R81 from Molemole Municipal Boundary to Giyani, R578 from Collins Chabane Municipal Boundary to Giyani, R529 from Greater Giyani Municipal Boundary to Giyani and R36 from Greater Tzaneen Municipal Boundary through Modjadjiskloof to Molemole Municipal Boundary	ROMH Enginners	R16,231,560.00	R0	R16,231,560.00	51	0.0%
		Vea Road Maintenance	R96,997,534.67	R67,359,399.08	R164,356,933.75	51	69.4%
X.002-100-2019/1	Ephraim Mogale RRM: Routine Road Maintenance of National Route N11 from Mookgopong municipal border through Marble Hall to Elias Motsoaledi municipal border, R573 from Dr JS Moroka municipal border to Marble Hall, R579 from Elias Motsoaledi municipal border through Nebo to Lepelle-Nkumpi municipal border	Wanoza Consulting	R16,159,225.00	R0	R16,159,225.00	51	0.0%
		BCB Solutions	R66,199,029.87	R52,871,891.87	R119,070,921.74	51	79.9%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over expenditure
X.002-101-2019/1	Polokwane 02 RRM: Routine Road Maintenance of National Route R521 from Polokwane to Molemole municipal border and R567 from Mogalakwena municipal border to Seshego	Endecon	R16,061,383.00	R0	R16,061,383.00	51	0.0%
		Rail Refurb cc	R61,912,364.60	R52,639,395.26	R114,551,759.86	51	85.0%
X.002-102-2019/1 N.001-290-2019/2	Makhado 01 RRM: Routine Road Maintenance of National Route R521 from Molemole municipal border through Vivo to Louis Trichardt municipal border, R523 from Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beit Bridge border bridge border post	Cinfratec Engineers	R16,055,978.00	R0	R16,055,978.00	51	0.0%
		BCB Solutions	R87,859,106.22	R130,476,497.71	R218,335,603.93	51	148.5%
X.002-109-2019/1	Fetakgomo RRM: Routine Road Maintenance of National Route R555 from Elias Motsoaledi Municipal Border to Burgersfort, R37 from Lepele-Nkumpi Municipal Border over Burgersfort to Mpumalanga Border, R36 from Mpumalanga Border to Maruleng Municipal Border and R532 from Mpumalanga Border to the R36.	THM Engineers	R17,115,450.00	R0	R17,115,450.00	51	0.0%
		Itumeleng Construction	R92,374,676.35	R67,495,197.14	R159,869,873.49	51	73.1%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over expenditure**
X.002-103-2019/1 N.001-280-2019/2	Makhado 02 RRM: Routine Road Maintenance of National Route R524 from Louis Trichardt to Punda Maria Gate, R578 from Louis Trichardt to Greater Giyani Municipal Border, R36 from Molemole municipal border to Bandelierskop, N1 from Molemole municipal border to Louis Trichardt	Cinfratec Engineers	R16,106,060.05	R0	R16,106,060.05	51	0.0%
		Shonisani Rambau	R118,385,975.34	R78,904,488.33	R197,290,463.67	51	66.7%
X.002-120-2019/1	Maruleng RRM: Routine Road Maintenance of National Route R36 from Greater Tubatse Border to Greater Tzaneen Border, R40 from Mpumalanga Border to Ba-Phalaborwa Border, R526 from Mica to Ba-Phalaborwa Border and R531 from R40 to Orpen Kruger Gate	Wanoza Consulting	R15,807,532.00	R0	R15,807,532.00	51	0.0%
		BCB Solutions	R69,101,340.99	R55,639,633.88	R124,740,974.87	51	80.5%
X.002-121-2019/1	Ba-Phalaborwa RRM: Routine Road Maintenance of National Route R40 from Maruleng Border to R71, R71 from Greater Tzaneen Border to Phalaborwa Kruger Park Gate and R526 from Maruleng Border to Gravelotte	Wanoza Consulting	R15,807,428.50	R0	R15,807,428.50	51	0.0%
		Rainbow Civils	R57,749,033.71	R48,227,402.75	R105,976,436.46	51	83.5%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over expenditure
N.001-246-2018/1	N1 RRM: Routine Road Maintenance of National Route N1 Sections 23, 24 & 25 from Bela-Bela to the Polokwane Municipal Border	KBK Engineers	R15,730,689.23	R1,018,776.87	R16,749,466.10	51	6.5%
		Vea Road Maintenance	R74,248,902.45	R42,584,571.20	R116,833,473.65	51	57.4%
X.002-093-2019/1	Lekwa RRM: Routine Road Maintenance of National Route R23 from Lekwa/Pixley ka Isaka Seme Municipal boundary over Standerton to Mpumalanga/Gauteng Provincial Boundary S27 (R51) from Vaaldraai Interchange to Malanskraal and R35 from Pixley Ka Seme Municipal boundary to Lekwa Municipal boundary.	ROMH Enginners	R14,654,450.00	R0	R14,654,450.00	53	0.0%
		Vea Road Maintenance	R95,172,112.62	R83,540,148.25	R178,712,260.87	53	87.8%
X.002-092-2019/1	Pixley Ka Seme RRM: Routine Road Maintenance of National Route N11 from Kwazulu-Natal/Mpumalanga Provincial boundary to Pixley ka Isaka Seme Municipal boundary R35 from Amersfoort to Pixley ka Isaka Seme Municipal boundary and R23 from Volksrust to Pixley ka Isaka Seme Municipal boundary	ROMH Enginners	R14,772,900.00	R0	R14,772,900.00	53	0.0%
		Vea Road Maintenance	R81,034,166.63	R98,260,913.12	R179,295,079.75	53	121.3%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over expenditure**
X.002-091-2019/1	Mkhondo RRM: Routine Road Maintenance of National Route R33 from Mpumalanga/Kwazulu-Natal Provincial Boundary to Mkhondo Municipal boundary and N2 from Mpumalanga/Kwazulu-Natal Provincial Boundary to Mkhondo Municipal Boundary.	Zimile Consulting	R14,572,800.00	R0	R14,572,800.00	53	0.0%
		Vea Road Maintenance	R111,867,929.60	R187,055,867.31	R298,923,796.91	53	167.2%
X.002-097-2019/1	Msukaligwa01 RRM: Routine Road Maintenance of National Route N11 section 7 from the Msukaligwa Municipal boundary to Ermelo, N11 section 8 from Ermelo to the Msukaligwa Municipal boundary, N2 section 34 from Ermelo to the Msukaligwa Municipal boundary.	ROMH Enginners	R16,477,200.00	R0	R16,477,200.00	53	0.0%
		Penny-Farthing	R130,081,982.12	R178,850,482.78	R308,932,464.90	53	137.5%
X.002-098-2019/1 N.017-040-2019/1	Msukaligwa02 RRM: Routine Road Maintenance of National Route R33 from Mkhondo Municipal boundary through Warburton to Chief Albert Luthuli Municipal boundary, R38 from Govan Mbeki Municipal Border to Steve Tshwete Municipal boundary and the N17 from Govan Mbeki Municipal boundary through Ermelo to Chief Albert Luthuli Municipal boundary.	ROMH Enginners	R16,595,650.00	R0	R16,595,650.00	53	0.0%
		Vea Road Maintenance	R100,598,153.53	R102,833,896.86	R203,432,050.39	53	0.0%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)

Contract number	Project description	Service providers	Original contract amount (incl. contingencies & 15% VAT)	Total additional expenditure to date (Incl 15% VAT)	Revised contract amount (Incl 15% VAT)	Revised contract period	% over expenditure
X.002-105-2019/1	EMalahleni RRM: The Routine Road Maintenance of National Road R555 from Jackaroo Park to the Steve Tshwete Municipal boundary, N12 from Gauteng/ Mpumalanga boundary to Emalahleni, and R573 from Moloto to Moteti and within Dr JS Moroka Municipality	Zimile Consulting	R16,541,887.50	R0	R16,541,887.50	53	0.0%
		Rail Refurb cc	R115,673,611.64	R62,870,363.78	R178,543,975.42	53	54.4%
X.002-104-2019/1	Steve Tshwete RRM: Routine Road Maintenance of National Road R555 from Emalahleni Municipal Border to Middelburg, R35 from Govan Mbeki Municipal Border to Middelburg, R38 from Msukaligwa Municipal Border to Chief Albert Luthuli Municipal Border, N11 from Msukaligwa Municipal Border over Middelburg to the Limpopo Border.	Zimile Consulting	R16,542,750.00	R0	R16,542,750.00	53	0.0%
		Botle Ba Afrika	R129,651,683.10	R62,470,396.00	R192,122,079.10	53	48.2%
X.002-106-2019/1	Nkomazi RRM: The Routine Road Maintenance of National Road R570 from Malelane Kruger Gate to the Jeppes Reef Border Post, R571 from the Crocodile River over Komatipoort to the Mananga Border Post, R581 from R570 To R571 and R582 from R571 to N4.	ROMH Enginners	R16,477,200.00	R0	R16,477,200.00	53	0.0%
		Vea Road Maintenance	R93,555,248.41	R63,995,458.11	R157,550,706.52	53	68.4%

Summary of RRM contracts extended by 5 months (from 31 October 2024 end to 31 March 2025 end)							
Contract number	**Project description**	**Service providers**	**Original contract amount (incl. contingencies & 15% VAT)**	**Total additional expenditure to date (Incl 15% VAT)**	**Revised contract amount (Incl 15% VAT)**	**Revised contract period**	**% over expenditure**
X.002-107-2019/1	Thaba Chweu RRM: The Routine Road Maintenance of National Road R37 from Limpopo/Mpumalanga boundary over Mashishing to Mbombela Municipal Border	ROMH Enginners	R16,477,200.00	R0	R16,477,200.00	53	0.0%
		Vea Road Maintenance	R80,905,248.41	R75,649,223.47	R156,554,471.88	53	93.5%
X.002-108-2019/1	Mbombela RRM: The Routine Road Maintenance of National Road R38 from the Chief Albert Luthuli Municipal boundary to Barberton, R37 from Thaba Chweu Municipal boundary to Mbombela, R40 from Barberton over Mbombela to the Limpopo boundary, and N4 from Enos Mabuza Intersection to Crocodile Valley.	ROMH Enginners	R16,477,200.00	R0	R16,477,200.00	53	0.0%
		Vea Road Maintenance	R97,500,334.91	R106,497,191.62	R203,997,526.53	53	109.2%

Table 49 Northern Region routine road maintenance contract extensions for 2024/25

2.5.3 Southern Region

Overview

The Southern Region is undertaking two major capital projects in the Eastern Cape. The project details are set out in the project specification and the scope of works that follow:

The Msikaba Bridge – The bridge being built, which forms part of the R20-billion N2 Wild Coast Road, spans the Msikaba River Gorge near Lusikisiki, and is expected to be completed in May 2028. The project includes the Tshoxa River Bridges 1 and 2, as well as a replacement bridge at the Buffalo River.

The Tshoxa Bridge 2 - The bridge is expected to be completed in October 2025. It is located on the N2 (Section 15).

The Tshoxa Bridge 2/Ndabakazi Interchange project is 14 km south of Gcuwa (Butterworth). It is part of the R409 road, which forms part of the N2 Wild Coast Toll Highway upgrade. It starts in East London and ends in Durban.

Capital projects in the Southern Region

Msikaba Bridge project

Set to span the rugged Msikaba River Gorge near Lusikisiki in the Eastern Cape, the Msikaba Bridge will rise 192 metres above the valley floor. Its design features a 580-metre-long main span supported by two 127-metre-high inverted Y pylons. The 22,8-metre-wide composite steel and concrete deck will be supported by 34 cable pairs, 17 per pylon, anchored to concrete blocks 130 metres behind the structure.



Msikaba Bridge: Two identical inverted Y concrete pylons: 127 metres high

Project status

Construction of the pylons

- North is 72% complete at 92 m out of 127 m
- South is 82% complete at 104 m out of 127 m

Targeted enterprises

- Contract participation goal: 30%
- The contractor has achieved 34,9% of the contract participation goal to date.

Targeted labour

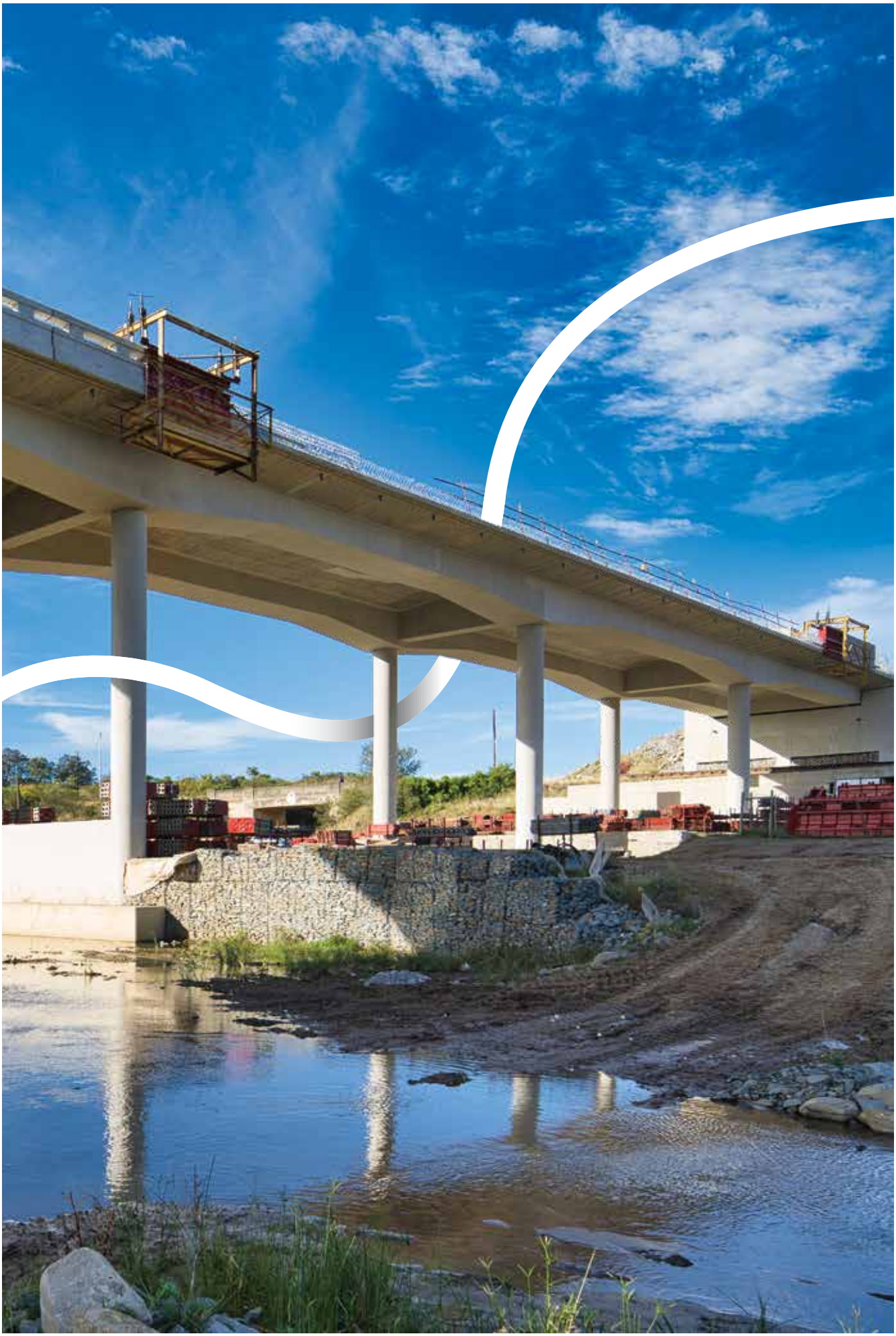
- 339 labourers have been appointed directly by the contractor or through subcontractors.
- 127 are from target areas 1 and 2.

Training

- The original training budget was R4,2 million, but the contract has exceeded the budget; as at the date of reporting, R7,6 million has been spent on generic, community and CSDG training.

Project specifications	
Commencement date	7 January 2019
Original contract period	36 months
Approved extended contract completion date	9 March 2025
Revised extended contract completion date	TBC
Estimated completion date	May 2028
Time lapsed (vs approved completion date)	103%
Estimated final contract value (excluding value-added tax and contract price adjustment)	R2 357 419 951
Amount spent to date (excluding value-added tax and contract price adjustment/interim payment certificate 76)	R1 772 048 107 (77,1%)

Table 50 Project specifications for the Msikaba Bridge



Tshoxa Bridge 2

The Tshoxa Bridge 2 is located (at km 2,67) on Section 15 of national route N2. It is a six-span, supported structure consisting of an approximately 1,5 metre-thick reinforced concrete deck. It is 7 metres wide and spans 40 metres.

The bridge does not meet the hydraulic requirements of a Class 1 or Class 2 road, primarily due to the bridge's construction level and the silting of the Tshoxa River. In addition, the confluence of the Tshoxa and Buffalo rivers downstream contributes to flood levels at the bridge.

The proposed structure was analysed under free-flow conditions using the Hydrologic Engineering Center's River Analysis System (HEC-RAS). The Class 1 design flood level for this river was determined to be 362,89 metres. The required opening size to accommodate the design flood for a Class 1 road was reached through an interactive process designed to optimally select a structure that meets the minimum freeboard and overtopping requirements. An adequate structural opening width of 60 metres and a soffit height of 364,28 metres were determined to be necessary. The new bridge deck width also needs to accommodate four lanes and sidewalks on either side of the road.

Project specifications	
Commencement date	11 January 2021
Contract period	33 months
Works contract value	R708 931 476,15 (including VAT)
Original contract completion date	10 October 2023
Approved contract completion date	5 June 2024
Estimated completion date	31 May 2024
Client/Employer	SANRAL
Consulting engineer	Mariswe (Pty) Ltd
Contractor	WBHO Construction (Pty) Ltd

Table 51 Project specifications for the Tshoxa Bridge 2 as at 2024/25

Scope of works as at 2024/25	
Project limits	N2 Section 14 (km 60,00 to km 65,893) and N2 Section 15 (km 0,00 to km 3,20)
Roadworks	N2 Section 14 (km 60,00 to km 65,893) and N2 section 15 (km 0,00 to km 2,00) is a rural section which is being re-constructed and widened to 14,9 m width.
Improvements	N2 roadway realigned vertically and horizontally throughout as well as upgraded to Class 1 standard with two new traffic roundabouts at the N2/R63 and N2/Engen access way.
Crushing of materials	Majority crushed from adjacent road cutting with minor quantities of materials imported from commercial sources.
Bridges	Three new bridges: ▪ Tshoxa River Bridge No 1 which comprises five continuous spans and is 140 m in length. ▪ Tshoxa River Bridge No 2 which comprises three continuous spans and is 65 m in length ▪ Replacement of a new bridge at Buffalo River which comprises five continuous spans and is 115 m in length.
Culverts	Three major culverts are being constructed: One at Green River and two cattle passes.

Table 52 Scope of works for the Tshoxa Bridge 2 as at 2024/25



Tshoxa Bridge 2 The bridge is 7 m wide and spans 40 m.



Tshoxa Bridge 2 Tshoxa Bridge 2 is a six-span, supported structure consisting of a 1,5 m thick reinforced concrete deck.



Tshoxa Bridge 2 The project started on 11 January 2021.

Emergency slope management project

The contract for emergency slope management includes three areas where the N2 Sections 19 and R61 Section 8 were damaged by stormwater, as well as an additional failure on the Second Beach Road in Port St Johns, which occurred during torrential rainfall in March 2023. It also includes the upgrading of two access roads to be used as alternative routes.



Slope management MSC wall at Site 1 and spans 40 m



Slope management Parapet foundation and placing of parapets at Site 1



Slope management View from the top of Site 1



Slope management Bird's eye view of Site 1

Scope of works

Construction

- Site 1 is 67% complete
- Site 2 is 100% complete
- Site 3 is 100% complete
- Site 4 is 100% complete
- Access roads are 100% complete.

Targeted enterprises

- Contract participation goal: 40%
- To date, the contractor has achieved 31,32% of the contract participation goal for targeted enterprises.

Targeted labour

- Contract participation goal: 6%
- To date, the contractor has achieved 5,36% of the contract participation goal for labour.

Training

- There is no specific D1000 budget for training on this emergency project.

Project status	
Commencement date	15 August 2023
Original contract period	16 months
Approved extended contract completion date	29 October 2025
Revised extended contract completion date	29 October 2025
Estimated completion date	29 October 2025
Time lapsed (vs approved completion date):	133%
Estimated final contract value (excluding value-added tax and contract price adjustment):	R497 823 292,00
Amount spent to date (excluding value-added tax and contract price adjustment) (interim payment certificate 22):	R444 475 985,73

Table 53 Emergency slope management (Tshoxa Bridge 2) project status as at 2024/25

Ndabakazi Interchange project

This project includes the upgrading and widening of two kilometres of a four-lane divided single carriageway surfaced road, and the construction of a new interchange bridge with the R409.

The R409 is also being upgraded (from km 52,5), which is east of the interchange, to the rail line (at km 53,7), which is west of the interchange. The road forms part of the N2 Wild Coast Toll Highway upgrade, which starts in East London and ends in Durban. The project is 14 km south of the town of Gcuwa (Butterworth).



Ndabakazi Interchange Widening of 2 km of a four-lane divided single carriageway



Ndabakazi Interchange Widening of 2 km of a four-lane divided single carriageway



Ndabakazi Interchange Widening of 2 km of a four-lane divided single carriageway



Ndabakazi Interchange Widening of 2 km of a four-lane divided single carriageway

SCOPE OF PROJECT

- Relocation of services including Telkom and Eskom infrastructure
- Construction of paved walkways on both sides of the R409
- Construction of new storm water systems
- Street lights on the median of the N2
- Construction of a public transport facility
- Construction of temporary bypass roads
- Construction of access roads
- Construction of four access ramps
- Construction of a bridge.

2.5.4 Western Region

Overview

SANRAL continued to make a significant investment in the region's road infrastructure development during the year. This investment was made through various projects, which included:

- Seven capital improvement projects, spanning 27,08 km, set out in Table 61.
- Forty-four operating expenditure projects, which are in various stages of completion, reflected in Table 62.
- Thirty-six routine road maintenance projects were undertaken. These are shown in Table 63.

Capital projects in the Western Region

Status of capex projects In the Western Region 2024/25

Project category	Project number	Description	Toll/ Non-toll	% of planned total spent	Project length	Length completed (km) in 2024/25	Total length completed (km)	Progress
Improvement	N.002-070- 2016/1	DICIC: Sandkraal/ Thembalethu Interchange	Non-toll	100%	3,00	3,00	3,00	Completed
	N.002-070- 2019/1	DIAHV: Kraaibosch to Touw River		42%	10,00	4,20	4,20	In progress
	N.002-080-2016/1	DIAHV: Plettenberg Bay Intersection		18%	0,40	0,07	0,07	In progress
	N.007-020-2020/1	DILPL: Rooikraal to Moorreesburg		100%	26,41	16,48	26,41	Completed
	N.007-030-2020/2	DILPL: Piketberg to Piekniers-kloof		0%	33,86	0,00	0,00	In progress
New facilities	N.001-040-2020/1	DNURT: Monument River to Doornfontein		31%	17,00	3,33	5,26	In progress
	N.002-060-2022/2	DNNIN: Voorbaai Interchange		0%	0,4	0,00	0,00	In progress

Table 54 Capex projects in various stages of progress in the Western Region during the 2024/25 reporting period

Status of opex projects in the Western Region 2024/25

Project category	Project number	Description	Toll/ Non-toll	% of planned total spent	Project length	Length completed (km) in 2024/25	Total length completed (km)	Progress
Periodic maintenance	N.001-010-2019/4	MPRAC: Koelenhof to Market Street	Non-toll	100%	22,65	6,79	22,65	Completed
	N.001-020-2021/1	MPRS2: Florence to Worcester West		100%	18,10	3,55	18,10	Completed
	N.001-050-2019/1	MPRS2: Grootfontein to Dwyka		100%	34,46	13,03	34,46	Completed
	N.001-050-2020/1	MPRS2: Laingsburg to Grootfontein		100%	35,00	10,67	35,00	Completed
	N.001-078-2019/1	MPRS2: Steyn Station to Beaufort West		100%	26,21	6,55	26,21	Completed
	N.001-080-2022/1	MPRS2: Nelspoort to Three Sisters		0%	27,50	0,00	0,00	In progress
	N.001-100-2020/1	MPRS2: Kantfontein to Waaikraal		3%	15,20	0,49	0,49	In progress
	N.001-101-2020/1	MPRS2: Bontebok to Hanover		100%	33,87	7,33	33,87	Completed
	N.001-110-2020/1	MPRS2: Mooifontein to Colesberg		51%	26,30	13,47	13,47	In progress
	N.001-110-2022/1	MPRS2: Hanover Station to Mooifontein		41%	25,40	10,42	10,42	In progress
	N.001-120-2022/1	MPRS2: Colesberg to Orange River		9%	40,00	3,57	3,57	In progress
	N.002-020-2021/2	MPRAC: Houwhoek Pass to Caledon		100%	32,44	22,36	32,44	Completed
	N.002-050-2022/1	MPRS2: Swellendam to Lizmore		44%	32,12	14,00	14,00	In progress
	N.007-030-2021/1	MPRS2: Citrdusdal IIS/75,3 to Cederberg IS		0%	27,22	0,00	0,00	In progress
	N.007-046-2021/2	MPPS9: Clanwilliam Trawal and Van Rhyns to Garies		100%	220,52	52,31	220,52	Completed

Status of opex projects in the Western Region 2024/25								
Project category	Project number	Description	Toll/ Non-toll	% of planned total spent	Project length	Length completed (km) in 2024/25	Total length completed (km)	Progress
Periodic maintenance	N.008-060- 2021/1	MPRS1: Rooisand to Waterford	Non-toll	50%	36,83	18,42	18,42	In progress
	N.008-060-2021/2	MPRS1: Waterford to Volop		55%	45,00	24,60	24,60	In progress
	N.008-060-2021/3	MPRS1: Volop to Griekwastad		100%	45,30	31,46	45,30	Completed
	N.008-070- 2021/1	MPRS1: Griekwastad to Campbell		100%	45,66	31,14	45,66	Completed
	N.008-080-2020/1	MPRS1: Campbell to Sinovel		100%	20,00	1,23	20,00	Completed
	N.008-080-2020/2	MPRS1: Sinovel to Zandplaats		100%	20,00	1,75	20,00	Completed
	N.008-080-2020/4	MPRS1: Doornlaagte to Secretaris		100%	22,80	5,47	22,80	Completed
	N.008-080-2020/5	MPRS1: Secretaris to Kimberley		100%	19,50	7,04	19,50	Completed
	N.009-070-2020/1	MPRS2: Carlton Heights to Wolwefontein		100%	39,40	30,48	39,40	Completed
	N.002-050-2022/2	MPRS2:Lizmore to Heidelberg		27%	25,00	6,83	6,83	In progress
	N.002-050-2022/3	MPRS2: Heidelberg to Riversdale		5%	27,96	1,31	1,31	In progress
	N.002-060-2021/1	MPRS2: Riversdale to Dekriet		100%	25,40	25,40	25,40	Completed
	N.002-060-2021/2	MPRS2: Dekriet to Gouritz River		100%	27,60	21,60	27,60	Completed
	N.002-060-2022/1	MPRS2: Gouritz River to Mossel Bay West		100%	29,50	24,65	29,50	Completed
	N.002-078-2022/1	MPPS9: Die Vleie to White Bridge		100%	33,82	12,87	33,82	Completed
	N.002-080-2021/1	MPRMC: Gouwkamma River to Harkerville		100%	21,20	19,38	21,20	Completed

Status of opex projects in the Western Region 2024/25								
Project category	Project number	Description	Toll/ Non-toll	% of planned total spent	Project length	Length completed (km) in 2024/25	Total length completed (km)	Progress
Periodic maintenance	N.009-070-2022/5	MPRS2: Vaalkop to Colesberg	Non-toll	100%	15,30	6,19	15,30	Completed
	N.010-050-2020/1	MPRS2: Ludlow to Leuwekop		8%	20,00	18,73	1,60	In progress
	N.010-050-2020/2	MPRS2: Leeuwekop to Luiperts Kop		7%	20,00	18,93	1,40	In progress
	N.010-050-2020/3	MPRS1: Luiperts Kop to Hanover		1%	22,17	0,26	0,26	In progress
	N.010-060-2021/1	MPRS1: Hanover to Dieprivier		13%	20,00	2,50	2,50	In progress
	N.010-060-2021/2	MPRS1: Dieprivier to Stuurmanskuil		81%	20,00	16,18	16,18	In progress
	N.010-060-2021/3	MPRS1: Stuurmanskuil to De Aar		7%	23,80	1,76	1,76	In progress
	N.010-112-2021/1	MPPS9: Groblershoop to Nakop BP		100%	200,31	11,26	200,31	Completed
	R.027-090-2022/1	MPRS1: Calvinia to Rietfontein		3%	31,00	0,85	0,85	In progress
Special maintenance	N.014-080-2022/1	MSPGS: Kuruman to Tsaelengwe		13%	27,00	3,42	3,42	In progress
	N.014-080-2022/2	MSPGS: Tsaelengwe/ 27,0 to North West Northern Cape border/ 54,6		12%	27,56	3,38	3,38	In progress
	R.027-078-2021/1	MSPGS: Northern Cape/Western Cape border/ 41,12 to Calvinia		65%	80,85	52,42	52,42	In progress
	R.027-080-2021/1	MPRS1: Riverplaas/ 24,0 to Calvinia/67,0		14%	43,06	5,99	5,99	In progress

Table 55 List of opex projects in various stages of progress or completed in the Western Region during 2024/25

Routine road maintenance in the Western Region

The Western Region has a total of 27 routine road maintenance projects in operation throughout the Western Cape and Northern Cape. The entire Western Region network is covered for daily maintenance activities, which ensures that SANRAL's assets are preserved.

Routine road maintenance projects during the reporting period in the Western Region		
Local municipality	**Project number**	**Description**
City of Cape Town	X.005-048- 2023/1	City of Cape Town network
Theewaterskloof, Swellendam	N.002-025- 2023/1	N2 Sections 2 to 5, Elgin Forest Reserve to Riet Kuil Outspan
Hessequa, Mossel Bay, Kannaland	N.002-057-2023/1	N2 Sections 5 to 7, Riet Kuil Outspan to Rondeheuwel
George, Knysna, Bitou, Oudtshoorn	N.002-078- 2023/2	N2 Sections 7 to 8, Rondeheuwel to Natures Valley
Stellenbosch, Drakenstein, Breede Valley	N.001-012- 2022/1 & N.001-014-2022/1	N1 Sections 1 to 2, Berg River to Florence (Toll) N1 Sections 1 to 4 Joostenbergvlakte to Constable (non-toll)
Laingsburg, Prince Albert	N.001-047- 2022/1	N1 Sections 4 to 7, Constable to Remhoogte
Beaufort West	N.001-079-2022/1	N1 Sections 7 to 9, Remhoogte to Schietkuil
	N.010-058-2023/1	N10 Sections 5 to 8, Kopieskraal to Omdraai Vlei
	N.012-057- 2023/1	N12 Sections 5 to 7, Three Sister to Pretorius Baken
	N.001-091- 2023/1	N1 Sections 9 to 11, Schietkuil to Flaauwe Kop R389 Section 2, Hanover to Emthanjeni/Renosterberg border
Umsobomvu, Renosterberg	X.005-044- 2023/1	N1 Sections 11 to 13, Flauuwe Kop to Stockenstroms N9 Section 7, Tweefontein to Colesberg N10 Section 5, Kopieskraal to Elandsheuwel R58 Section 1, Colesberg to Norvalspont R389 Section 2, Emthanjeni/ Renosterberg border to Phillipstown R48 Sections 3 to 4, Phillipstown to R48/R369 intersection and R369 Section 2 from R48/R369 intersection to Renosterberg/ Thembelihle border
Thembelihle, Siyancuma	N.012-079- 2023/1	N12 Sections 7 to 9, Pretorius Baken and Klipdrift R369 Section 2 Renosterberg/ Thembelihle municipal border
Siyancuma	N.008-068- 2023/1	N8 Section 6 to 8, Rooisand to Vaal River

Routine road maintenance projects during the reporting period in the Western Region		
Local municipality	**Project number**	**Description**
Sol Plaatjie, Magareng, Phokwane, Dikgatlong	X.005-046- 2023/1	N8 Sections 8 to 9, Vaal River to Northern Cape/Free State border N12 Sections 9 to 11, Riet River to Northern Cape/North West border N18 Section 1, Warrenton to Northern Cape/North West border R31 Sections 6 to 8, Danielskuil to Kimberley South
!Kheis, Siyathemba	X.005-047- 2023/1	N8 Section 6, Groblershoop to Rooisand N10 Sections 8 to 11, Omdraai to Boegoeberg
Ga-Segonyane Gamagara	N.014-058- 2024/1R	N14 Sections 5 to 8, Zonderhuis to Norther Cape/Western Cape border
Ga-Segonyane Joe Morolong	X.005-055- 2024/1R	R31 Sections 4 to 5, Santoy to Kgatelopele/Ga-Segonyana border R380 Section 2, Santoy to McCarthy's Rest
Tsantsabane Kgatelopele	X.005-054- 2024/1R	R31 Sections 5 to 6, Kgatelopele/Ga-Segonyana border to Kgatelopele/Dikgatlong border R325 Section 2, N14/R325 intersection to Postmasburg R385 Section 3, Postmasburg to Danielskuil
Swartland, Bergrivier, Cederberg, Saldanha Bay	N.007-014- 2022/1	N7 Sections 1 to 4, Klipvlei to Melkboom
Matzikama, Kenigsberg	N.007-047-2022/1	N7 Sections 4 to 7, Melkboom to Kerboschfontein
Nama Khoi, Richtersveld	X.005-045-2022/1	N7 Sections 7 to 8, Kersboschfontein to Vioolsdrift N14 Section 1, Springbok to Holte/Hunites
Hantam	R.027-070- 2022/1	R27 Sections 7 to 10, Northern Cape/North West border to Groot Lemoenkop West
Kai !Garib, Khai-Ma	N.014-013-2022/1	N14 Sections 1 to 3, Holte/Hunites to Keimoes
Kai !Garib	X.005-041- 2022/1	R27 Sections 10 to 11, Groot Lemoenkop West to Keimoes N14 Section 4, Keimoes to Olyvenhoutsdrift
Dawid Kruiper	X.005-043- 2023/1	N14 Sections 4 to 5, Olyvenhoutsdrift to Zonderhuis N10 Sections 11 to 12, Boegoeberg to Nakop
Dawid Kruiper	X.005-042- 2023/1	R31, Rietfontein to Askam R360 Upington to Askam

Table 56 Active routine road maintenance projects during the reporting period in the Western Region

2.5.5 Concessionaires

SANRAL consistently monitors the quality and adequacy of roads managed by its concessionaires. By implementing capital projects and conducting routine maintenance, these companies strengthen and improve the roads that fall under their jurisdiction.

The total value of construction and rehabilitation work performed during the 2024/25 financial year on all toll routes under concession was R2 332,79 million.

The following sub-sections provide further information on the performance of the three concessionaires, Trans African Concessions (Pty) Ltd (TRAC), N3 Toll Concession (Pty) Ltd (N3TC) and the Bakwena Platinum Corridor Concessionaire (Pty) Ltd (Bakwena).

TRAC project review

New construction and rehabilitation contracts awarded to TRAC				
Project	**Start and end date**	**Value of contract (R)**	**Scope of work**	**Main contractor**
N4/21,30 to 25,59 N4/2,90 to N4/21,98 N4 Solomon Mahlangu to Bronkhorspruit	May 2025 to May 2027	R498,73 million	Rehabilitation	Tau Pele Construction (Pty) Ltd
N4/8,73 to 47,55 N4/0.0 to 10,8 – Van Dijksdrift to Wonderfontein	May 2025 to May 2027	R775,37 million	Rehabilitation	Actophambili Roads (Pty) Ltd
N4/62,4 to 63,72 – Schoemanskloof	Jan 2025 to Jan 2028	R943,54 million	Upgrade and rehabilitation	Tau Pele Construction (Pty) Ltd
N4/74,1 to N4/90,05 – Mara to Kaapmuiden	May 2025 to April 2028	R2 550,12 million	Upgrade and rehabilitation	Raubex Construction (Pty) Ltd
N4/39,10 to 70,63 Hectorspruit to Lebombo border post	May 2025 to May 2027	R399,96 million	Rehabilitation	WBHO/ Roadspan JV

Table 57 New construction and rehabilitation contracts awarded to Trans African Concessions (Pty) Ltd in 2024/25

Ongoing construction and rehabilitation projects on toll concessions managed by TRAC				
Section of road	**% complete**	**Value of work (R)**	**Scope of work**	**Main contractor**
N4/2,4 to 63,72 - Upgrading of Schoemanskloof	10%	R65,76 million	Upgrade and rehabilitation	Tau Pele Construction (Pty) Ltd

Table 58 Ongoing construction and rehabilitation projects on toll concessions managed by Trans African Concessions (Pty) Ltd during 2024/25

Completed construction and rehabilitation projects on toll concessions managed by TRAC				
Section of road	**% complete**	**Value of work (R)**	**Scope of work**	**Main contractor**
N4 Section 7 from Alkmaar/36,5 to Hall's Gateway/36,5	100%	R199,15 million	Rehabilitation	Appointment has yet to be made.
MDC Section 5a between Wonderfontein and Belfast	100%	R162,94 million	Rehabilitation	Actophambili Roads (Pty) Ltd
Schoemanskloof Structures	100%	R31,17 million	Rehabilitation and upgrade	Civilcon
MDC between Bossemanskraal interchange and Gauteng border	100%	R74,92 million	Rehabilitation	Actophambili Roads (Pty) Ltd
Nelspruit Bypass from Mataffin to Crocodile Valley	100%	R86,43 million	Rehabilitation and upgrade	Roadspan Surfacing (Pty) Ltd
MDC Section 13/12,5 to 25,0	100%	R176,68 million	Rehabilitation and upgrade	Raubex Construction (Pty) Ltd

Table 59 Completed construction and rehabilitation projects on toll concessions managed by Trans African Concessions (Pty) Ltd during 2024/25

N3TC project review

New construction and rehabilitation contracts awarded to N3TC				
Project	**Start and end date**	**Value of contract (R)**	**Scope of work**	**Main contractor**
RR-2023-002: Rehabilitation of HS9 to HS11	September 2024 to May 2027	R547 million	Repair to and resurfacing of the N3 between Engen and the Heidelberg South Interchange	Roadmac JV
RM-2024-514: Slip N3-6X Slope 3a	June to December 2024	R23,5 million	Slope repair and stabilisation	Terra Strata
RR-2024-001: Rehabilitation of HS2B to HS3	March 2025 to January 2028	R628 million	Repair to and resurfacing of the N3 between Nottingham Road and Midway (Estcourt)	Roadspan JV

Table 60 New construction and rehabilitation contracts awarded to N3TC in 2024/25

Completed construction and rehabilitation projects on toll concessions managed by N3TC				
Section of road	**Percent complete**	**Value of contract (R)**	**Scope of work**	**Main contractor**
RM-2024-514: Slip N3-6X Slope 3a	90%	R23,5 million	Slope repair and stabilisation	Terra Strata

Table 61 Completed construction and rehabilitation projects on toll concessions managed by N3TC during 2024

Bakwena project review

Ongoing construction and rehabilitation projects on toll concessions managed by Bakwena				
Section of road	**Percent complete**	**Value of work (R) in 2024/25**	**Scope of work**	**Main contractor**
N4/13 km 2.8 to N4/13 km 35 Dr Maroka IC	18%	R272 million	Construction of second carriageway between Buffelspoort and Dr Maroka interchanges including the rehabilitation of the existing carriageway	Raubex Construction (Pty) Ltd

Table 62 Ongoing construction and rehabilitation projects on toll concessions managed by Bakwena during 2024/25

Completed construction and rehabilitation projects on toll concessions managed by Bakwena				
Section of road	**Percent complete**	**Value of work (R)**	**Scope of work**	**Main contractor**
Plaza Lane expansion at Hammanskraal and Murrayhill plazas (N1)	100%	R51,1 million	Add one lane at Hammanskraal on and off ramp Add one lane at Murrayhill on and off ramp	G4 Civils
Special maintenance on N1/ N4 various	100%	R31,18 million	Mill and inlays various, fog spray sector 4Aii, paving repairs at plazas	G4 Civils
Bridge maintenance on N1/N4	100%	R5,46 million	Bridge joint replacement, spalling repair	Amajoints/ Bridgejointing

Table 63 Completed construction and rehabilitation projects on toll concessions managed by Bakwena during 2024/25


Marikana Plaza
R 20,00
R 48,00
R 54,00
R 64,00
Including VAT
Bakwena
N1N4 toll

PART 3

CORPORATE GOVERNANCE





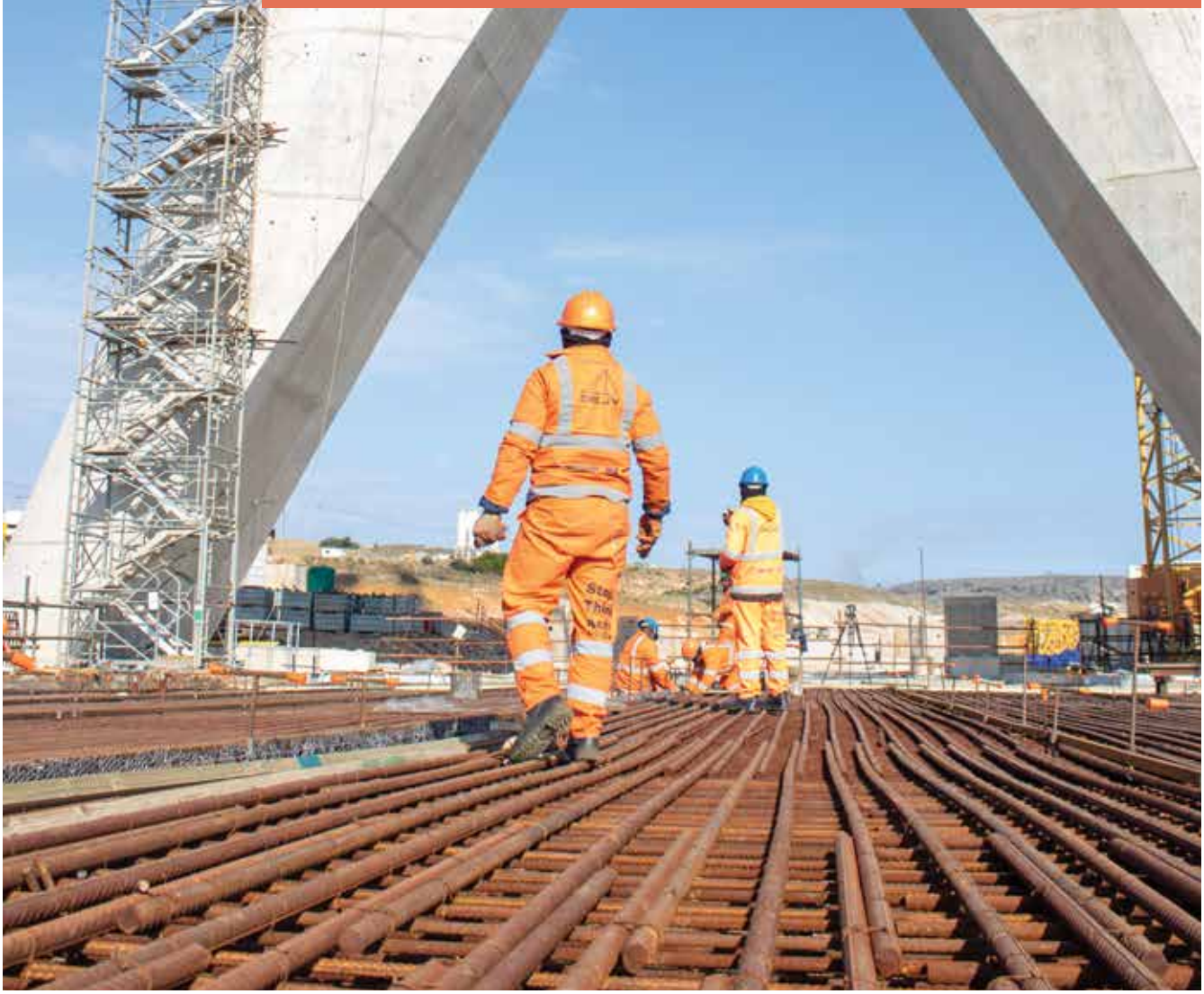


3.1 Introduction

Corporate governance refers to the processes, rules and systems by which organisations are managed, controlled and held to account.

With regard to SANRAL, corporate governance is applied through the precepts of the Public Finance Management Act (Act 1 of 1999) (PFMA) and run in tandem with the principles contained in the King Report on Corporate Governance for South Africa (2016)™ (King IV™), in addition to South Africa's legislative requirements enabling public entities and the Companies Act (Act 71 of 2008).

Parliament, the Executive and the accounting authority of the public entity (the Board) are responsible for corporate governance.



3.2 Portfolio committees

During this reporting period, SANRAL engaged with the Portfolio Committee on Transport on the following dates:

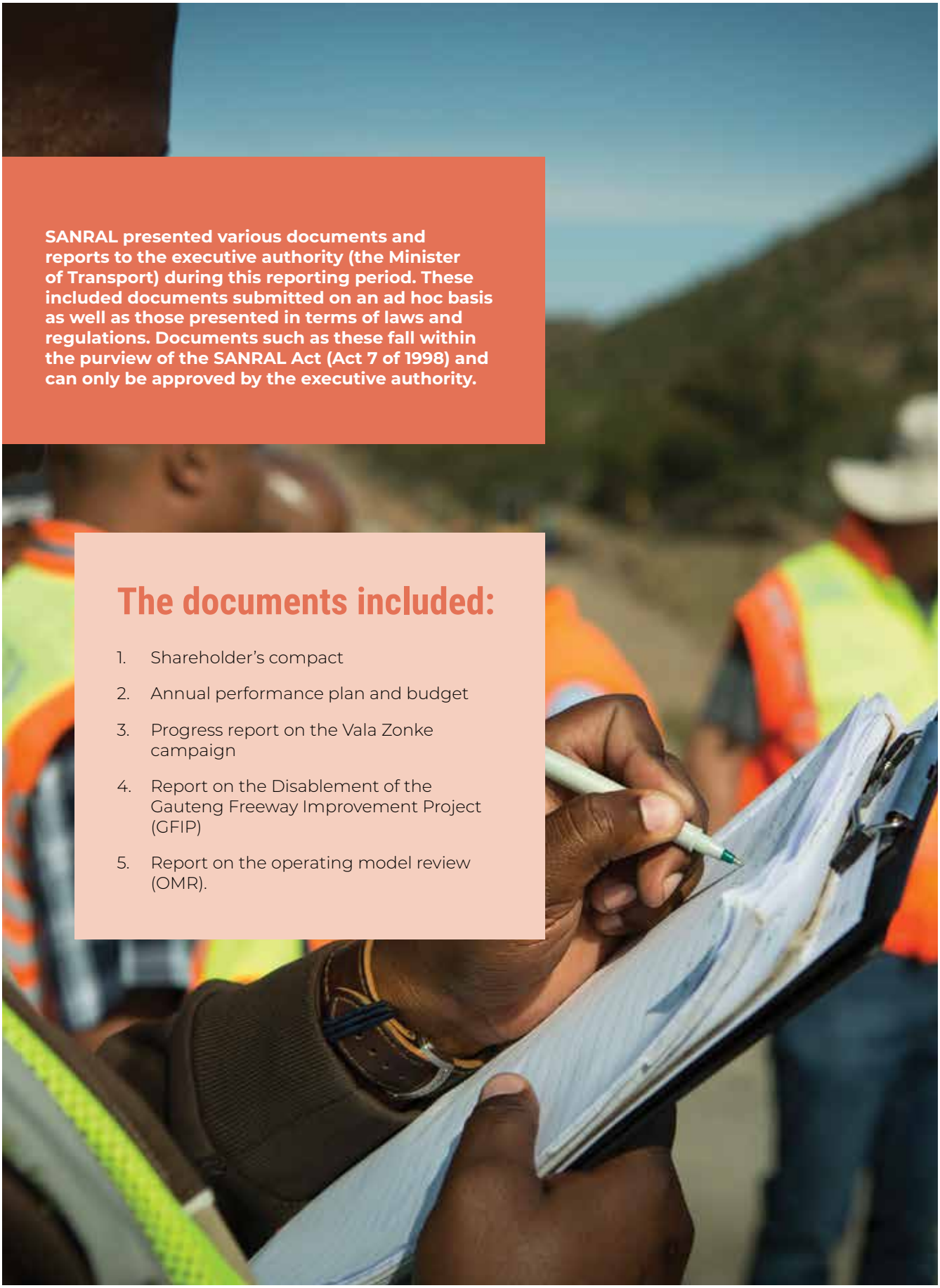
- 3 September 2024
- 10 October 2024 (COC)
- 29 October 2024.

The performance plan for the year focused on:

1. Filling vacant executive posts
2. The rollout of road infrastructure projects
3. Implementing SANRAL's transition to a provincial operating model.



3.3 Executive authority



SANRAL presented various documents and reports to the executive authority (the Minister of Transport) during this reporting period. These included documents submitted on an ad hoc basis as well as those presented in terms of laws and regulations. Documents such as these fall within the purview of the SANRAL Act (Act 7 of 1998) and can only be approved by the executive authority.

The documents included:

1. Shareholder's compact
2. Annual performance plan and budget
3. Progress report on the Vala Zonke campaign
4. Report on the Disablement of the Gauteng Freeway Improvement Project (GFIP)
5. Report on the operating model review (OMR).

3.3.1 Shareholder's compact

The shareholder's compact represents the agreement between the executive authority (the minister and the accounting authority). It reflects the expectations of each party, expressed in terms of outcomes and outputs that are outlined in the strategic plan (Horizon 2030) and the annual performance plan.

It specifies that the Board must integrate any governmental policy relating to SANRAL into its strategic plan, key performance measures and borrowing programme to execute its legislative mandate.

3.3.2 Annual budget and performance plan

In its budget for the 2024/25 financial year, SANRAL applied for an increase in its borrowing limit for the year so that it would be able to meet its financial obligations and performance objectives.

3.3.3 Progress report on the Vala Zonke Campaign

Vala Zonke is a labour-intensive campaign focused on fixing potholes throughout South Africa, launched by the Minister of Transport on 8 August 2022.

The rollout of the campaign involves the implementation of an integrated, rigorous and comprehensive plan that drives interventions to ensure the Department of Transport can improve the overall condition index (OCI) of roads under the jurisdiction of local and provincial authorities.

3.3.4 Report on the Disablement of the Gauteng Freeway Improvement Project (GFIP)

The gantries required for e-tolling in Gauteng were officially disconnected from the e-tolls network at 23:59 on 11 April 2024.

Finance Minister Enoch Godongwana had announced that e-tolls would be scrapped in his 2022 midterm budget policy statement. Following this announcement, SANRAL, the Department of Transport (DoT), National Treasury (NT) and the Gauteng Provincial Government finalised a Memorandum of Agreement (MOA) specifying the following:

- Gauteng would pay 30% (R12,93 billion) of SANRAL's debt to the national government
- Gauteng would contribute R4,1 billion to backlog maintenance
- National Treasury would cover 100% of SANRAL's debt
- The declaration of GFIP as a toll road would be withdrawn.

The signatories reiterated that the user-pays principle remains a government policy and have committed to continually engaging with one another and working together to explore adequate and stable funding solutions for road construction, upgrade and maintenance to support economic development.



3.3.5 Operating model review

SANRAL's operating model review (OMR), which took place during this reporting period, included a review of the organisation's configuration, value chain and processes.

Significant changes to the strategy were made as a result:

Expanding

SANRAL's divisional structures to strengthen governance and align business functions with the relevant expertise at executive and senior management levels

Elevating

transformation to a pillar from being an enabler

Establishing

provincial offices to replace regional offices

Establishing

pilot in-house and hybrid operating units in four provinces where the regional offices had been operating

Increasing

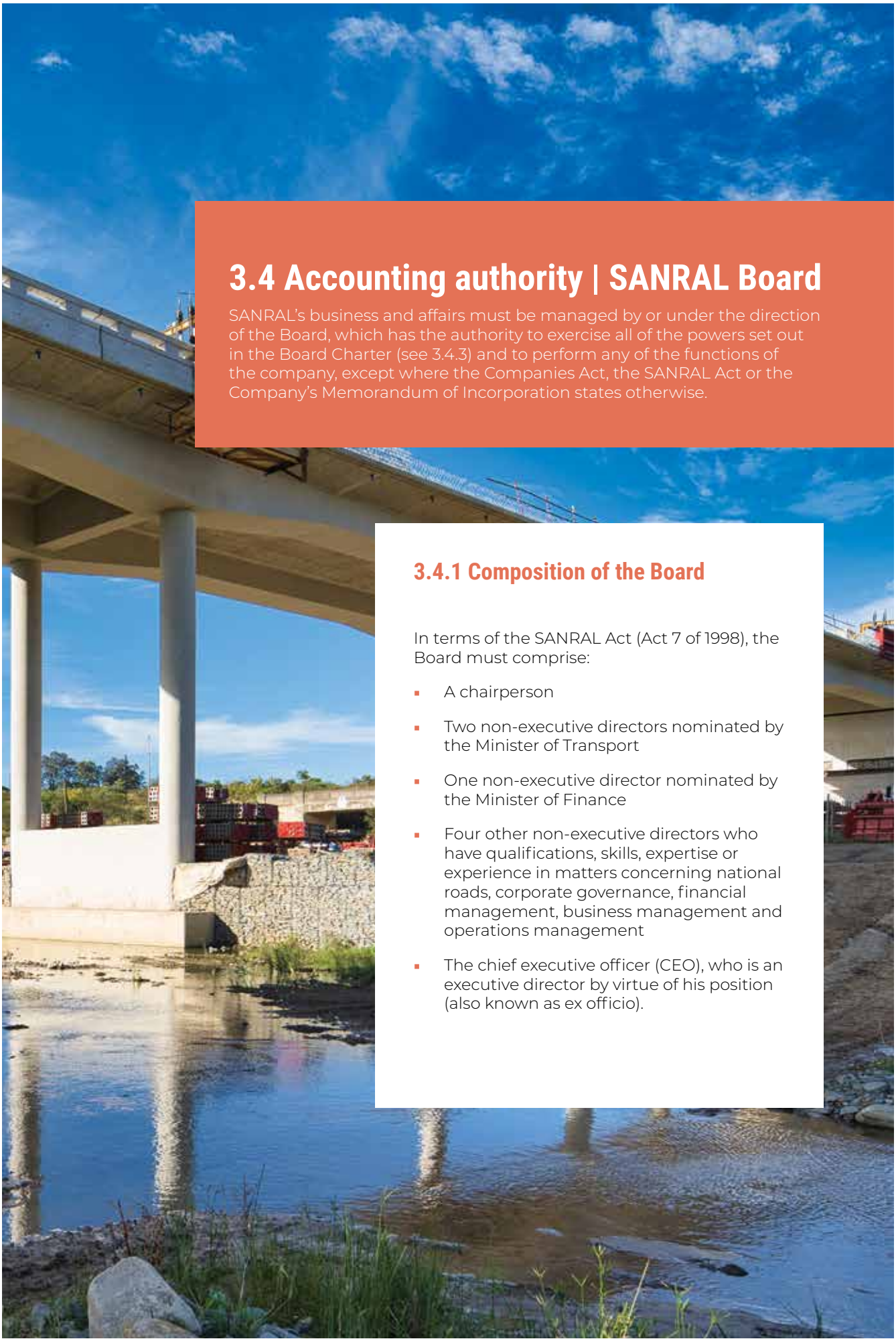
SANRAL's expected national road network growth to 35 000 km (from 25 000 km) by 2030

Reducing

overreliance on outsourcing key business and operational functions

Figure 52 *Operating model review*





3.4 Accounting authority | SANRAL Board

SANRAL's business and affairs must be managed by or under the direction of the Board, which has the authority to exercise all of the powers set out in the Board Charter (see 3.4.3) and to perform any of the functions of the company, except where the Companies Act, the SANRAL Act or the Company's Memorandum of Incorporation states otherwise.

3.4.1 Composition of the Board

In terms of the SANRAL Act (Act 7 of 1998), the Board must comprise:

- A chairperson
- Two non-executive directors nominated by the Minister of Transport
- One non-executive director nominated by the Minister of Finance
- Four other non-executive directors who have qualifications, skills, expertise or experience in matters concerning national roads, corporate governance, financial management, business management and operations management
- The chief executive officer (CEO), who is an executive director by virtue of his position (also known as ex officio).

The Board is required to appoint several specialist subcommittees to help it fulfil its mandate. The subcommittees, however, are not empowered to make executive decisions. Their role is to submit recommendations to the Board for review and approval. In addition, SANRAL's Memorandum of Incorporation allows for the appointment of alternate Board members, but only for department's nominees. There are currently no alternate directors on the Board.



THEMBA MHAMBI

Independent non-executive Chairperson of the Board

Appointed 9 January 2023

QUALIFICATIONS

- Senior Secondary Teachers Certificate (English, History & Guidance)
- BA (English, Education & History)
- BA (Hons) (English)
- MA (English & Creative Writing Concentration)

AREAS OF EXPERTISE

Communication, stakeholder relationship management, governance, project management, strategy development, organisational re-engineering, policy development, facilitation, research, speech writing.



REFILWE BUTHELEZI

Independent non-executive director

Appointed 9 January 2023

QUALIFICATIONS

- BEng (Electrical and Electronics Engineering)
- MEng
- MBL
- CDir (IDoSA)

AREAS OF EXPERTISE

Strategic planning, project engineering, stakeholder management, risk management, research and innovation, asset management

BOARD COMMITTEE ROLES

Chairperson: Audit & Risk Committee
Assets and Liabilities Committee



REGINALD DEMANA

Executive director (ex officio)

Appointed 1 January 2023

QUALIFICATIONS

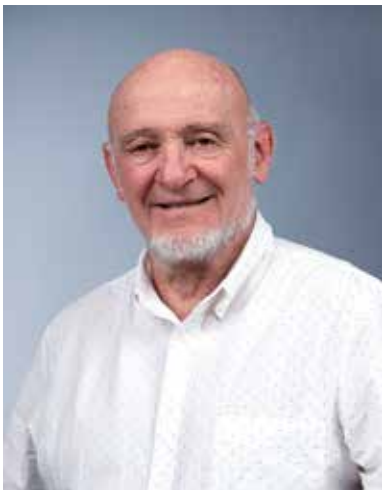
- BSc Eng (Mining)
- MSc Eng (Mining)

AREAS OF EXPERTISE

Mergers and acquisitions, BBBEE deal structuring, capital raising, business strategy & corporate finance

BOARD COMMITTEE ROLES

Ex officio member of the Board and all subcommittees



ROBERT HASWELL

Independent non-executive director

Appointed 9 January 2023

QUALIFICATIONS

- BA
- BA (Honours)
- MA (Geography) (USA)

AREAS OF EXPERTISE

Research, project management, strategic leadership, economic development

BOARD COMMITTEE ROLES

Audit and Risk Committee
Social Ethics & Transformation Committee



CHRIS HLABISA

Non-executive director nominated by the Minister of Transport

Appointed 9 January 2023 | Resigned 31 March 2025

QUALIFICATIONS

- BTech (Civil Engineering)
- PrTech (Engineering)
- MDP
- MSAICE

AREAS OF EXPERTISE

Civil engineering, government legislation, policies, strategic management, social development, performance budgeting, government initiatives, strategic objectives and procedures, social and community development programmes

BOARD COMMITTEE ROLES

Interim Chairperson: Contracts Committee
Assets & Liabilities Committee

Chris Hlabisa retired from the Department of Transport in 2025.



ERROL MAKHUBELA

Non-executive director nominated by the Minister of Finance

Appointed 9 January 2023 | Resigned 12 May 2024

QUALIFICATIONS

- BCom Honours (Finance and Economics)
- PGDip (Law of Banking and Financial Markets)
- MBL
- IoDSA Director Development Programme

AREAS OF EXPERTISE

Economics, strategic policy making, banking and finance, economic analysis

BOARD COMMITTEE ROLES

Chairperson: Assets & Liabilities Committee
Contracts Committee



THAMSANQA MATOSA

Independent non-executive director

Appointed 9 January 2023

QUALIFICATIONS
- Executive Leadership Development Programme
- Certificate in Municipal Management

AREAS OF EXPERTISE
Strategic planning in HR-related matters

BOARD COMMITTEE ROLES
Chairperson: Social & Ethics Committee
Audit & Risk Committee



NOLUPHUMZO NOXAKA

Independent non-executive director

Appointed 9 January 2023 | Resigned 2 July 2024

QUALIFICATIONS
- NDip (Financial Markets and Instruments)
- HDip (Computer Auditing)
- BAdmin
- BCom Honours (Accounting)
- CA(SA)
- MBA
- CD (SA)
- AMBCI

BOARD COMMITTEE ROLES
Chairperson: Audit & Risk Committee
Social Ethics & Transformation Committee

3.4.2 Committee meetings attendance

COMMITTEE	NUMBER OF MEETINGS HELD	NUMBER OF MEMBERS	NAMES OF MEMBERS
Audit and Risk Committee	6	4	Refilwe Buthelezi Robert Haswell Thamsanqa Matosa Reginald Demana
Contracts Committee	4	3	Chris Hlabisa Mahesh Fakir Reginald Demana
Social Ethics and Transformation Committee	7	4	Thamsanqa Matosa Robert Haswell Refilwe Buthelezi Reginald Demana

Table 64 Committee meetings attendance for 2024/25

The ALCO members for 2024/25 were: Mahesh Fakir (Chair) | Chris Hlabisa | Reginald Demana

3.4.3 Role of the Board

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

WITHOUT LIMITATION, THE BOARD IS RESPONSIBLE FOR



Defining SANRAL's strategic direction and long-term goals, including its mission, vision, values and strategic objectives

Providing governance and oversight for all of SANRAL's activities, ensuring that it operates under the relevant laws, regulations and policies

Monitoring performance, financial management, risk management and compliance with legal and ethical standards

Approving SANRAL's annual budget, financial statements and major financial decisions

Ensuring that resources are allocated efficiently and effectively to support SANRAL's operations and strategic objectives

Representing SANRAL in its interactions with key stakeholders, including government agencies, industry partners, communities and the public

Building relationships and fostering collaboration with the stakeholders to support SANRAL's mission

Overseeing all risk management processes to ensure that risks are identified, assessed and managed effectively to protect SANRAL's interests and reputation

Monitoring SANRAL's performance against its strategic objectives, key performance indicators and targets

Reviewing performance reports and taking corrective actions as needed to ensure that SANRAL achieves its goals.

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

3.4.4 Board Charter

The Board Charter provides the fiscal (relating to public finances), financial (money and investments) and fiduciary (legal and ethical) framework within which the Board must operate.

The purpose of the charter is to outline the roles, responsibilities and powers of the Board as a body, as well as those of its members.

It also defines the policies and practices that the Board must adhere to in matters such as corporate governance, the appointment of Board members, the induction and training of directors, declaration of interests, the supervision of meeting procedures and the evaluation of Board members.

"The charter also outlines the Board's duties, which include setting the organisation's strategic direction, monitoring performance and ensuring compliance with legal and ethical standards. "

In addition, the charter defines the meeting procedures that the Board must adhere to, including how often meetings must happen, the setting of meeting agendas and how decisions are made.

During this reporting period, the Board held five meetings. The annual general meeting (AGM) was held on 20 September 2024.

3.4.5 Remuneration of Board members

The SANRAL Act (Act 7 of 1998) regulates the remuneration of Board members.

Section 13 (3)(a) of the Act provides for Board members to be remunerated at a daily rate determined by the Minister of Transport from time to time, for each day (or part of a day) in any month on which the member was officially occupied with the business or affairs of the Agency, subject to subsection 13 (3)(b).

Subsection 13 (3)(b) states that neither the CEO nor any appointed Board member who also holds a post in a government department or a state-funded institution is entitled to remuneration for Board services.

However, such a Board member may receive an honorarium for Board services if both their employer and the Minister of Finance approve, with the amount determined by the Minister of Transport in agreement with the Minister of Finance.

An honorarium is a discretionary payment that is made to a person for services for which no formal fee is charged. It is typically given as a gesture of appreciation for work done on a voluntary basis

Currently, the members who are not entitled to any remuneration for their participation in SANRAL's business or affairs are the CEO and the three members whom the ministers of Transport and Finance nominate.

DIRECTOR'S NAME	REMUNERATION	OTHER ALLOWANCE	OTHER REIMBURSEMENTS	TOTAL
Themba Mhambi	R2 084 617,99	-	-	R2 084 617,99
Robert Haswell	R1 193 078,00	-	-	R1 193 078,00
Thamsanqa Matosa	R1 311 074,74	-	-	R1 321 968,34
Refilwe Buthelezi	R1 088 192,02	-	-	R1 088 192,02
Noluphumzo Noxaka	R419 543,92	-	-	R419 543.92

Table 65 Remuneration of Board members for 2024/25



3.5 Risk management

SANRAL adheres to applicable governance legislation and guidelines, including the principles outlined in King IV™, which define good corporate governance practices and encourage organisations to apply them and explain how they have done so.

Among the King IV™ guidelines, Principle 11 states that the accounting authority should govern risk in a manner that supports the organisation in setting and achieving its strategic objectives, which means that the Board is responsible for setting the direction for how risk is approached and managed within the organisation. Ongoing oversight is required, including the assessment of risks and opportunities, implementation of responses to risks, business continuity planning and embedding risk management into the organisation's culture and activities.

SANRAL employs the ISO 31000 risk management methodology to assess both strategic and operational risks.

At the operational management level, SANRAL's Risk Focus Group meets every quarter to review the Agency's operational risk profile and monitor the associated internal control environment.

The Audit and Risk Committee independently monitors the strategic risk profile, while the Board tracks the progress and effectiveness of risk management within SANRAL.

Strategic risks are identified annually during the Board Risk Workshop and, during this reporting period, the enterprise-wide Risk Management Policy and Framework were reviewed and a revised policy was approved.

The strategic risk profile of the Agency for the 2024/25 financial year highlighted the following key strategic risks:

- Inadequate human capital resources
- Physical security of employees
- The slow pace of organisational transformation
- A single source of finance
- Business agility and continuity.

3.5.1 King IV™ declaration

SANRAL subscribes to all applicable legislation and governance guidelines, including the principles articulated in King IV™.

These are used as a benchmark to guide good corporate governance practices within the organisation and to support the achievement of its strategic objectives.

The following section explains the application of certain key principles of King IV™ within the Agency as they apply to good governance and risk management.

The intent of the Board and the management team is to run the business ethically and efficiently.

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

The tone for ethical business practice is set by the Board and disseminated throughout the organisation via workshops, and the visible and robust implementation of good governance practices, as well as adherence to ethical conduct at every level of the organisation.

This includes openness, transparency and fairness in all of SANRAL's decisions, the avoidance of conflicts of interest across the organisation and the maintenance of sound procurement processes. The functioning and conduct of the Board and its committees are guided by the Board and committee charters and the Board Code of Conduct.

SANRAL's Delegation of Authority framework, as approved by the Board, has been in place since 1 April 2021. A comprehensive review of this framework was undertaken during this reporting period.

The current Delegation of Authority maintains the practice that the Board is not involved in the procurement function or the awarding of contracts. This function has been delegated to bid adjudication committees, whose members are employees.

The awarding of tenders is escalated to the Board only when the tender value exceeds R750 million or, in rare instances, when a bid adjudication committee has vetoed a recommendation made by the Bid Evaluation Committee or the Regional Bid Adjudication Committee.

The awarding of tenders is escalated to the Board when issues raised by the proactive assurance structures have not been resolved by SANRAL's Internal Audit and Legal units.

The Board and committee charters will be reviewed and aligned with the new Delegation of Authority during the 2025/26 financial year.

DISCLOSURES OF INTEREST

The importance of acting in SANRAL's best interests is a key principle and informs the conduct of the Board members. Any conflicts of interest are managed through the annual disclosures of interest, which are made in writing, as well as through disclosures by the Board and management at every Board and committee meeting.

In accordance with the Board Charter and Code of Conduct, Board members are prohibited from entering into contracts to supply goods or services to SANRAL in their individual capacities.

The Board's methodology for declaring interests and avoiding conflicts of interest is detailed in the Board Charter, which is available on SANRAL's website.

SANRAL's Anti-Fraud and Corruption Policy, which applies to the Board and all employees, is also available on the website.

Given this practice of declaring interests at every Board or committee meeting, SANRAL is unaware of and has no record of any conflicts of interest involving the Board members.

The Board has also approved a Management of Prominent and Influential Persons (PIP) Policy, which has also been published on SANRAL's website.

Key policies governing ethical and effective governance at SANRAL:

- Anti-Fraud and Corruption Policy
- Board Charter
- Management of Prominent and Influential Persons (PIP) Policy.

Board members are provided with training, as required, to enhance their knowledge of governance issues and to help them understand SANRAL's core functions.

This enables and empowers them to fulfil the primary functions of driving good governance practice, setting strategic direction, monitoring implementation and performance, overseeing ongoing and effective risk management and ensuring timely and relevant disclosure of performance in society, the economy and the environment.

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

The organisation's Code of Conduct guides the ethical conduct of SANRAL's employees. The upholding of values such as integrity, accountability, responsibility, fairness, confidentiality, transparency, independent decision-making, and sound procurement processes is part of the Code of Conduct. It becomes binding on every employee once they sign their employment contract.

Interpersonal respect, loyalty to the organisation and respect for diversity are values that are deeply cherished and vigorously defended at SANRAL.

The Board approves all of SANRAL's policies once they have been reviewed by management. These policies govern staff conduct and processes as they apply to the various functions within the organisation. The implementation and monitoring of adherence to policies are the responsibility of management, with assurance provided by the Internal Audit unit.

Critical principles of conduct include the annual declarations of interest by all employees, which they are required to update whenever there are changes to these declarations, or in the event conflicts of interest arise. As part of the tender process, declarations of interest are also required from all suppliers.

Should any clause of the Code of Conduct or any applicable policies be breached, consequence management is mandatory. This involves several intervention options, from training to disciplinary action.

SANRAL's Investigation Unit investigates all complaints relating to sleaze, malfeasance or unethical conduct by employees or service providers.

An Ethics and Integrity Management Committee is in place to process reports from this unit. The committee is tasked with, among other functions, processing fraud hotline reports and guiding the Investigation unit on matters such as ethical dilemmas.

Necessary checks on personal credentials, criminal history, credit standing, qualifications and references are conducted before the recruitment and appointment of employees.

The Management of Prominent and/or Influential Persons Policy (PIP Policy) requires that every business relationship with SANRAL be evaluated to determine whether there is any reason to conclude that it brings the risk of questionable association, the perception of corrupt dealings, conflicts of interest or potential abuse leading to fraudulent financial transactions, money laundering and other financial crimes.

This policy is also available on the SANRAL website.

KEY GOVERNANCE PROCESSES

SANRAL has a Supply Chain Practitioners' Code of Conduct, which all supply chain practitioners must sign annually.

Induction presentations are made to all new Board members and employees, and annual governance, legal, risk and compliance roadshows serve to reinforce the importance of ethical behaviour.

Important policies that were approved during this reporting period include the Combined Anti-Corruption Policy and the Strategy Framework.

To support these policies, SANRAL has an independent fraud hotline that is accessible to staff and the public. These can be used to report suspected cases of fraud and corruption anonymously.

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

All supplier tender documents require the disclosure of any conflicting interests and connections to political or other influential persons.

Employees serving as bid specification, evaluation and adjudication committee members for the evaluation and awarding of bids are also required to disclose any conflicts of interest and, should they have any, to recuse themselves from any further involvement.

The same applies to all directors involved in reviewing major contract awards, namely those with a value of more than R750 million, according to the Delegation of Approval Framework, which came into effect on 1 April 2021.

3.6 Internal control units

SANRAL regularly monitors and evaluates its risk management policies, structures and processes throughout the organisation. A Risk Management Committee oversees and assesses this process at the organisational level, submitting comprehensive operational and strategic risk reports to the Audit and Risk Committee every quarter.

3.6.1 Risk Management Committee

The Risk Management Committee has three subunits:

1. Operational Risk Management
2. Insurance Risk Management
3. Fraud and Anti-Corruption Risk Management.

The Operational Risk Management unit is responsible for identifying, monitoring, evaluating and reporting risks. Its activities aim to mitigate threats to the achievement of SANRAL's strategic objectives.

The Insurance Risk Management unit is tasked with managing SANRAL's asset portfolio. An external insurance broker assists the team with brokerage services, claims administration and risk advisory services to ensure that SANRAL's assets are always insured.

The Fraud and Anti-Corruption Risk Management unit is specifically tasked with managing fraud risk, including risks such as conflicts of interest, unethical behaviour, corruption, malfeasance, sleaze and graft.

3.6.1 Audit and Risk Committee

The Audit and Risk Committee (ARC) evaluates the operational and strategic risk reports submitted by the Risk Management Committee. Its function is to:

- Review and provide advice on the Agency's governance environment and the procedures in place to ensure that it maintains it, and that it is functional and effective
- Recommend the Compliance Policy for approval by the Board, as per the guidelines set out in Principle 13 of King IV™ , which states that the governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen
- Oversee SANRAL's risk management system as per Section 51 of the PFMA and as set out in Principle 11 in King IV™, which states that the governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives
- Recommend the Risk Management Policy, Risk Management Framework and Fraud and Corruption Policy for approval by the Board
- Ensure that a systematic, documented assessment of key risks and opportunities is regularly undertaken, as per the Risk Management Policy and the Risk Management Framework
- Review the Agency's overall risk profile annually
- Ensure awareness of key risk areas that could affect the achievement of SANRAL's strategic objectives
- Provide oversight on significant risk exposure and control issues, including fraud risk, governance issues and any other matters needed or as requested by the Board or senior management
- Oversee management's processes for the prevention and deterrence of fraud and ensure that investigations are undertaken if fraud is detected
- Review the effectiveness of the system for monitoring compliance with laws and regulations
- Review the observations and conclusions of the internal and external auditors and the findings of any regulatory agencies
- Review the process for communicating the Code of Conduct throughout the organisation and for monitoring compliance
- Obtain regular updates from management and the Legal unit regarding compliance matters
- Receive reports on all matters of significance arising from work performed by the internal and external auditors
- Review the adequacy of SANRAL's Disaster Recovery and Business Continuity Plans
- Obtain independent assurance on the effectiveness of risk management and compliance management from time to time.

Risk management sessions held during this reporting period included:

A collective strategic executive management risk assessment session, which was held on 28 June 2024, resulted in:

- Approval of the methodology to be followed
- Adoption of the risk assessment template
- Assessment of two strategic risks and the proposal of related action plans.

Nine one-on-one sessions were held with SANRAL executives and managers between 24 July and 26 August 2024. These were used to update them on allocated strategic risks and included discussions on new developments and challenges.

Final session

A final executive management session was held on 28 August 2024. All business units were represented at the meeting, which resulted in:

- Consensus being reached on 11 identified risks, with assigned risk ratings
- Action plans are being put into place to address these risks
- Three emerging risks being identified: The risk of fraud and corruption, the risk of cybersecurity breaches and the risk of negative media coverage.

3.7 Internal audit and the Audit and Risk Committee

The internal audit function receives its mandate from the Board, as per Principle 6 in King IV™. This mandate defines the authority, role and responsibilities of the internal audit function, as documented in the Internal Audit Charter.

The internal audit function carries out the Board's mandate by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of governance, risk management and control processes throughout the organisation.

Advisory and consulting engagements focus on specific, agreed-upon assignments, which may include the evaluation and improvement of SANRAL's risk management, control, compliance and governance processes. These assignments aim to enhance the value of the risk management function and improve the efficiency and effectiveness of operations.

The internal audit function may also provide advisory and consulting services at the specific request of the Board, other subcommittees of the Board or management, provided that this does not compromise the independence of the function and that such activity is pre-approved by the Board.

The activities and objectives of the Audit and Risk Committee (ARC) are then as follows:

- The ARC must examine and review the annual financial statements and any other financial information to be made public before submitting them to the Board for approval, ensuring integrity and reliability.
- The committee must monitor and supervise the effective operation of the internal audit function, ensuring that the roles and functions of internal and external audit are sufficiently clarified and coordinated to provide an objective overview of the operational effectiveness of SANRAL's systems of internal control and reporting.

The ARC has no responsibility regarding the appointment of external auditors, notwithstanding Section 94(7) of

the Companies Act, which states that the ARC should nominate the external auditor for ratification and appointment at the AGM. This is because the SANRAL Act and the PFMA determine that the Auditor-General of South Africa (AGSA) serves as SANRAL's external auditor.

The ARC must ensure effective oversight of the external audit by:

- Evaluating the external audit plan with regard to timing and the likely impact on compliance with reporting deadlines
- Considering the budget and timing of the external audit and recommending these for approval by the Board
- Determining the fees to be paid to the external auditor and the auditor's terms of engagement and recommending these for approval by the Board
- Considering the nature and extent of any non-audit services that the auditor may provide to the Agency or that the auditor must not provide to the Agency
- Considering any proposed agreement with the auditor to provide non-audit services to the Agency
- Ensuring that full co-operation exists between the internal and external audit functions, and that the activities of the two are coordinated to minimise unnecessary duplication and operational disruption
- Considering the impact of any problems identified during the audit and reported in the auditor's report to management and directing the appropriate corrective action
- Considering any significant transactions in which the accounting treatment may be considered to be contentious
- Discussing the contents of the external audit report with the office of the AGSA, ensuring that full cognisance has been taken of the materiality and impact of the items reported and that the report fairly represents SANRAL's affairs
- Having regularly scheduled exclusive meetings with the external auditor to discuss any sensitive matters
- Monitoring management's progress on action plans
- Exploring potential problems in advance for future audits and agreeing on strategies to address these challenges.

Attendance at ARC meetings during this reporting period was as follows:

BOARD MEMBER'S NAME	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RESIGNED	NUMBER OF MEETINGS ATTENDED
Refilwe Buthelezi	Internal	Independent non-executive director	9 January 2023	-	4
Robert Haswell	Internal	Independent non-executive director	9 January 2023 (second term)	-	6
Thamsanqa Matosa	Internal	Independent non-executive director	9 January 2023 (second term)	-	6
Noluphumzo Noxaka	Internal	Independent non-executive director	9 January 2023	2 July 2024	2

Table 66 Audit and Risk Committee attendance for 2024/25

3.8 Compliance with laws and regulations

Compliance with all relevant laws and regulations is a priority at SANRAL, to ensure ethical and lawful conduct in all its operations. The key elements of the Agency's commitment to compliance are:

- Adherence to the Constitution of the Republic of South Africa (1996) and all relevant laws related to SANRAL's supply chain management (SCM)
- Compliance with the Labour Relations Act (Act 66 of 1995) and the Employment Equity Act (Act 55 of 1998) regarding employee matters
- Strict adherence to the Preferential Procurement Policy Framework Act (PPPFA) (Act 5 of 2000), the Public Finance Management Act (PFMA) and Treasury regulations governing procurement
- The segregation of supply chain management functions and the appointment of relevant bid committees
- The Delegation of Authority by the Board to management in accordance with the SANRAL Act and the PFMA
- The assessment and approval of standard operating procedures (SOPs) and agreements pertaining to SANRAL
- The review of decided cases with the relevant units to assist in improving compliance
- The provision of advice on policy formulation and public participation.

To promote compliance, SANRAL:



Conducts roadshows for all staff on the Constitution, relevant laws and compliance issues



Ensures all policies and agreements are legally vetted by Legal Services before adoption and implementation



Advises all units on matters that could lead to a legal dispute.

3.9 Ethics, fraud and corruption

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

The Board outlines its practices regarding the declaration of interests and the prevention of conflicts of interest in presentations delivered to Board members and employees.

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

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

NATIONAL FRAUD HOTLINE

SANRAL also operates an independently monitored National Fraud Hotline, accessible to both employees and external parties, including service providers, enabling them to report suspected fraud anonymously.



3.10 Minimising conflicts of interest

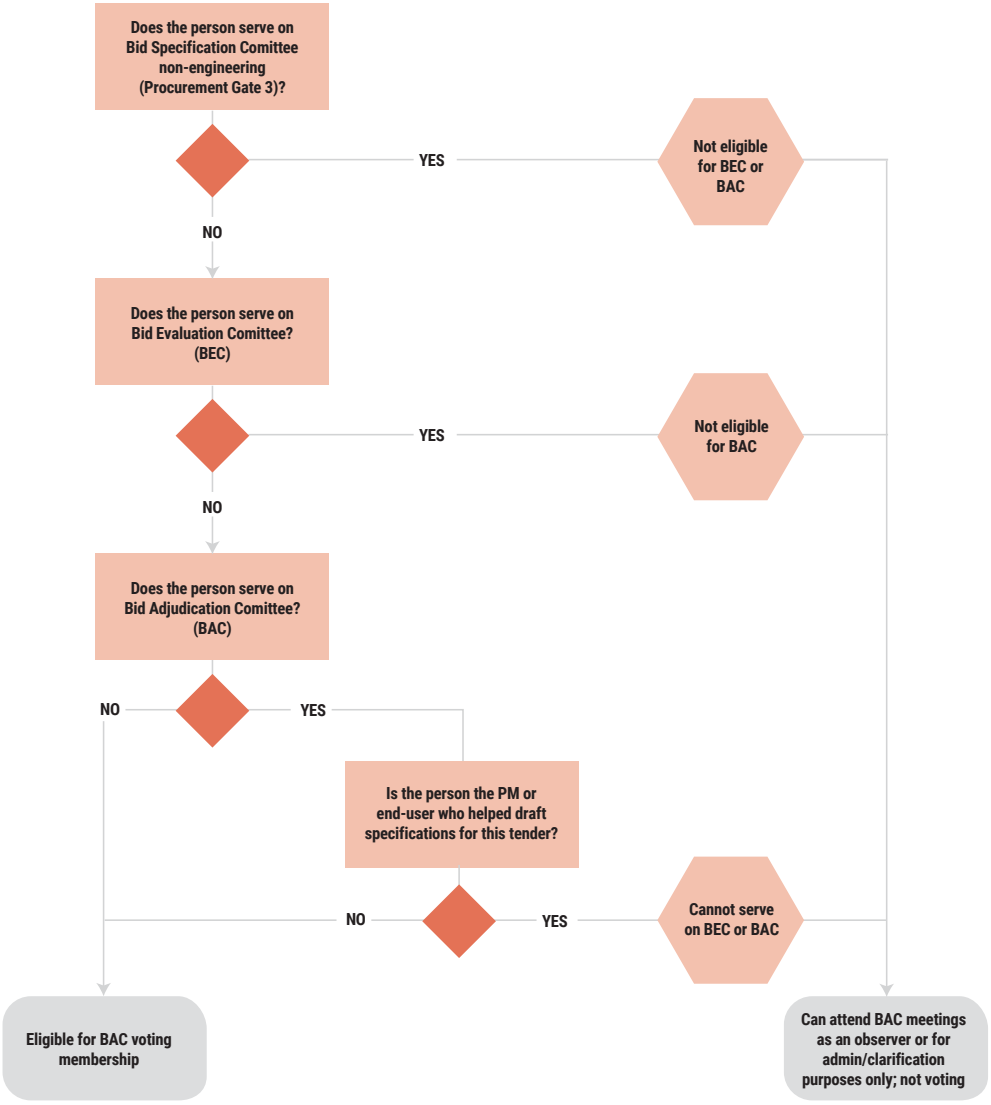


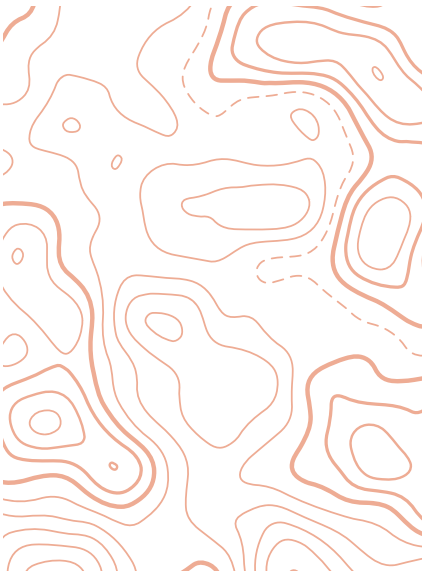
Figure 53 Minimising conflicts of interest

All members and observers, as well as the secretariat of the BAC, must declare their financial interests or any conflicts of interest at every meeting by completing a Declaration of Interest form.

Each member, as well as all officials rendering any administrative support, must also sign a declaration at each meeting saying that they will:

- Accept the confidentiality of the meeting
- Not make known any information regarding the meeting unless officially authorised to do so
- Not purposefully favour or prejudice anybody.

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



3.11 Code of conduct

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

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

Table 67 Code of conduct: Alignment with SANRAL mission and values

3.12 Environmental issues

During this reporting period, environmental challenges primarily arose from emergency works, requiring prompt action without the benefit of prior planning.

Even in emergencies, it is crucial to ensure that response measures align with relevant environmental regulations and standards. Emergency works are authorised in terms of Section 30A of the National Environmental Management Act (Act 107 of 1998) (NEMA), as amended.

In February 2024, SANRAL received its first-ever compliance notice from the Department of Forestry, Fisheries and the Environment (DFFE), which related to work on an emergency response project. The notice did not pertain to the emergency response measures per se, but rather to an interpretation of one of the activities.

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

SANRAL is thus coordinating regular meetings with the DFFE to share experiences, discuss issues and ensure consistency in the interpretation of regulatory requirements.

3.13 Board and company secretary

In November 2024, the SANRAL Board appointed a Board General Counsel and company secretary. This appointment was made to bolster the Office of the Company Secretariat with a person possessing the legal and corporate governance skills, experience and expertise in the environment in which SANRAL operates.

In the capacity of Board General Counsel, the incumbent is obliged to provide the Board with expert and sound advice on legal, governance and corporate matters and to ensure organisational and directorial compliance with legal and regulatory frameworks.

This includes providing legal advice to the Board, managing litigation and legal risks, ensuring compliance with relevant laws and regulations, and overseeing and managing all legal matters affecting the Board and SANRAL as an organisation.

Both roles, albeit combined, are crucial for maintaining good governance, managing legal risk and ensuring that the organisation operates ethically and within the boundaries of the law.

In the role of company secretary, the incumbent oversees secretarial functions as outlined in the King IV™ Code of Conduct, the Companies Act, and the SANRAL Act, and is responsible for ensuring that the Board operates effectively and efficiently. This includes organising Board meetings, preparing meeting agendas and minutes, maintaining corporate records, ensuring compliance with corporate governance regulations and acting as a key liaison between the Board, management and shareholders.

Both roles, albeit combined, are crucial for maintaining good governance, managing legal risk and ensuring that the organisation operates ethically and within the boundaries of the law.

3.14 Transformation and stakeholder relations

The newly integrated Transformation and Stakeholder Relations Management unit reflects SANRAL's enduring commitment to inclusive development and participatory governance. By aligning transformation imperatives with strategic stakeholder relationship management, the organisation ensures that infrastructure development and maintenance are not only technically sound but also socially responsive and economically empowering.

Stakeholder relations management is a cornerstone of SANRAL's approach to inclusive development, transparency and long-term transformation.

In alignment with the Horizon 2030 Strategy and the National Development Plan (NDP), SANRAL has prioritised the strengthening of its stakeholder networks nationwide through targeted engagements, capacity building, and proactive conflict management and resolution strategies and interventions.

During this reporting period, efforts were intensified to manage stakeholder expectations, identify matters that could potentially escalate into disputes and enhance communication at the project level, particularly in historically marginalised and rural communities.

These and other actions reflect SANRAL's recognition that community relationships are built on trust, responsiveness and the active inclusion of all stakeholders across all the project lifecycles.

The organisation's stakeholder ecosystem includes government entities, private sector partners, civil society organisations, traditional leadership, rural communities and all other local communities.

SANRAL places a particular emphasis on historically marginalised groups, recognising that equitable development hinges on trust, communication and participatory mechanisms. The organisation views transformation as its socioeconomic license to operate and stakeholder engagement is the primary mechanism through which it earns and maintains that license.

3.14.1 Stakeholder engagements

SANRAL facilitated 410 formal stakeholder engagements across the country during the year , reinforcing its commitment to inclusive planning, transparency and transformation. These engagements included:

- Information sessions: During this reporting period, 58 information sessions were conducted with local municipalities, traditional leaders, SMMEs, communities and designated groups, including women, young people, people with disabilities and military veterans. These sessions focused on current and upcoming SANRAL projects and related subcontracting opportunities.
- Taking SANRAL to the People Programme: A total of 12 Taking SANRAL to the People engagements were held during this reporting period. This programme offers a unique platform for the organisation to outline the economic opportunities arising from its projects and to engage with stakeholders, particularly small, medium-sized enterprises (SMMEs) and businesses, on its transformation agenda.
- Project oversight inspections: Eight ministerial project oversight visits took place. These visits enabled the minister and other key government leaders and officials to assess project progress firsthand, engage with affected communities, and demonstrate the administration's commitment to public investment and provide feedback on commitments made and community needs.
- Stakeholder engagements: A total of 232 stakeholder engagements were conducted. Among other roundtable sessions, these served as platforms for forging strategic partnerships, as did stakeholder and introductory meetings with appointed main contractors. Participants represented a diverse range of stakeholders, including representatives from intergovernmental and private sectors.
- Special projects: Ninety-eight additional engagements were held in response to specific needs identified by SANRAL. These included:
  - Community resolution meetings: In partnership with the Department of Rural Development and Land Reform, SANRAL hosted community meetings to explain the land acquisition process for the Mpumalanga Moloto Road projects.
  - Public consultations: These consultations ensured that stakeholders were informed about SANRAL's policies and had the opportunity to provide input into the development of these policies.

Stakeholder engagement challenges and highlights

CHALLENGES	HIGHLIGHTS
In several provinces, the formation of an irregular or biased Project Liaison Committee (PLC) created confusion, eroded community trust and hindered the flow of information. Stakeholders called for clear, standardised guidelines and transparent appointment procedures.	In October and November 2024, SANRAL led national consultations on the proposed contractor development plan (CDP), engaging stakeholders to co-develop scalable support for CIDB Grade 5+ contractors. These sessions clarified mentorship roles, addressed grading upgrades and made nuances in implementation at the provincial-level clear.
Particularly in Limpopo and KwaZulu-Natal, ongoing traditional leadership disputes and the emergence of parallel community or political structures complicated engagement efforts, stakeholder mapping and project rollout.	In KwaDukuza (KwaZulu-Natal) and other areas with high contestation, SANRAL conducted targeted conflict resolution engagements that addressed site closures, dissatisfaction with hiring practices and the role of traditional leadership, demonstrating proactive risk mitigation.
Designated groups, including persons with disabilities, young people and women, voiced dissatisfaction with current contract participation goal (CPG) allocations. Calls for a review of allocations and for improved responsiveness to their needs were prevalent across engagements.	In June, SANRAL hosted a high-impact SMME workshop in the Matatiele Local Municipality (Eastern Cape), bringing together stakeholders from designated groups and government departments to advance transformation in road infrastructure participation.

Table 68 Summary of the challenges and highlights of SANRAL's stakeholder engagements during the 2024/25 reporting period



Key national themes and trends that emerged from these stakeholder engagements included:

- Greater scrutiny of and pressure relating to recruitment processes and subcontractor appointments
- Calls for standardised PLC stipends and appointment procedures to prevent regional disparities
- Increased risk of several disputes involving traditional leadership, political influences and parallel community structures
- Persistent concerns about CPG allocations, particularly from people with disabilities and young people
- Greater demand for information transparency and regular project updates
- Positive reactions to SANRAL's now-concluded pre-tender training and the contractor development initiatives, with training on implementation remaining a priority.

SANRAL's Board has since approved the implementation of the contractor development programme, which will be launched and implemented in the 2025/26 financial year. Additional communication will be provided as the process unfolds.

3.14.2 Transformation and stakeholder relations management

Regular and transparent outreach engagements are essential to the process of building, maintaining and strengthening cooperative relationships with key stakeholders. They help SANRAL understand stakeholder needs and address concerns proactively, enabling the organisation to identify and mitigate potential risks and challenges.

In the 2024/25 financial year, SANRAL separated the stakeholder and outreach engagement function from the Marketing and Communications division.

The decision to establish a standalone Transformation and Stakeholder Relations Management unit reflects SANRAL's prioritisation of stakeholder and outreach engagement.

This was a crucial step towards achieving SANRAL's Horizon 2030 strategic objectives and ensuring a national road network that delivers better value for all South Africans.

The Transformation and Stakeholder Relations Management team held its first strategic workshop during this reporting period. At this workshop, the team developed and finalised a new integrated Transformation and Stakeholder Relations Management Strategy in alignment with Horizon 2030 and submitted it for approval.

3.14.3 Internal communications

Internal communications is a portfolio of the Transformation and Stakeholder Relations Management unit. The portfolio's function is to help align employees with the Agency's strategy, building a strong culture and fostering collaboration among colleagues. Both the number of activities handled by the unit and the staff complement increased during the year. Induction programmes were held for new employees to facilitate their understanding of and uptake into the organisation.

Notably, SANRAL hosted wellness day activities across all provinces to encourage physical and mental wellbeing among staff.

Internal communications also received a boost in equipment and tools to assist in sharing relevant internal information throughout the business.

3.14.4 Community development

Supporting community development is a key focus for SANRAL and is regarded as fundamental to fulfilling the Agency's broader mandate to add value to the lives of all South Africans.

Full details of these national and regional projects can be found in the 2024/25 Corporate Citizenship Report, available on the SANRAL website under Publications.

3.14.5 Outreach

SANRAL hosted 166 outreach events during the year. These included:

- Collaborating with the government's communication unit (GCIS) to support the 30 Years of Democracy campaign by providing a branded bus for use at activities nationwide
- Hosting SANRAL's usual annual programme of road safety events
- Hosting SANRAL's first-ever mega road safety activations in Mpumalanga and the Western Cape, which involved a full day of targeted road safety activations at multiple locations on identified national routes, and which strengthened SANRAL's collaboration with the Department of Transport
- Hosting SANRAL's annual blanket drive handover engagements, at which blankets were donated to vulnerable elderly people
- Hosting events to hand over donations of food and blankets at three homes for the elderly, Brookshaw Home, McKaiser Old Age Home and Hayton House Elder Living in the Eastern Cape.

- Hosting activities in support of Nelson Mandela Day, including an event to hand over school uniforms and shoes to 109 learners at Ngcaka Secondary School in Port St Johns (Eastern Cape) and events to hand over donations of school equipment, projectors, printers and scanners to 16 other schools throughout the country
- Hosting the World Roads Association Executive Committee meeting in Cape Town
- Participating in various industry events, including the South African Institution of Civil Engineering's National Awards, the National African Federation for the Building Industry Conference and the Black Business Council in the Built Environment Indaba to strengthen relationships with MOU partners
- Hosting an equipment handover ceremony to celebrate local Eastern Cape SMMEs that have applied for and delivered on key projects.

3.14.6 Transformation impact

The Transformation and Stakeholder Relations Management unit applies all of SANRAL's transformation practices in its work, ensuring that the services procured for outreach, events and any other engagements prioritise local black, female, youth, disabled or military veteran service providers.

For the 2024/25 reporting period, 35% of service providers met this criterion.

Figure 54 Outreach events per quarter for 2024/25

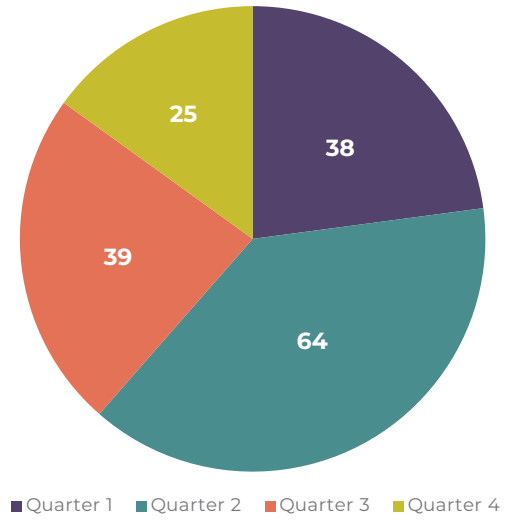


Figure 55 Provincial outreach events breakdown for 2024/25

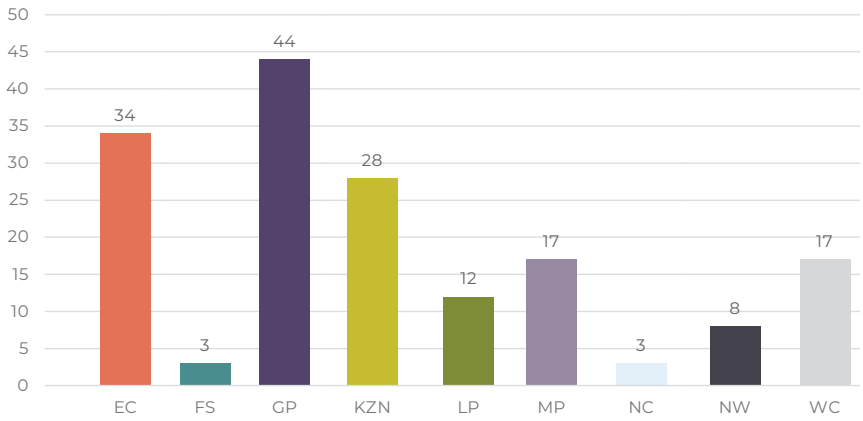
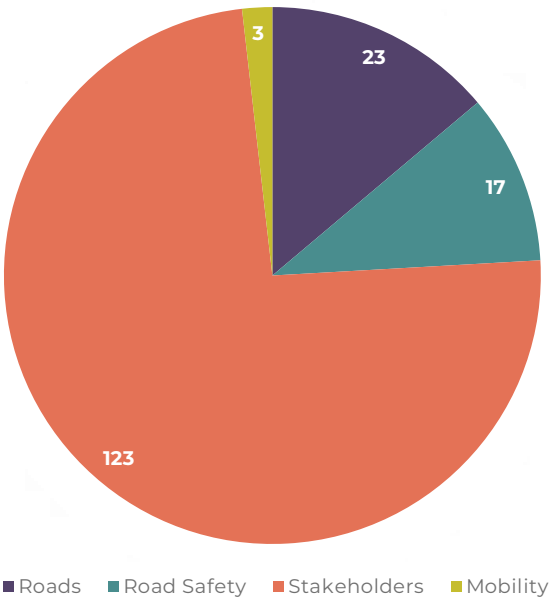


Figure 56 Outreach pillar-themed events for 2024/25



3.14.7 Alignment with the National Development Plan

SANRAL plays a critical role in supporting the objectives of South Africa's National Development Plan (NDP) 2030, which aims to reduce poverty, inequality and unemployment while fostering economic growth and development. The organisation is aligned with the NDP as follows:

Alignment with NDP targets

SANRAL's long-term strategy, Horizon 2030, aligns with the NDP's pillars and priorities, including driving inclusive economic growth, reducing poverty and building a capable and developmental state.

Economic growth

SANRAL's road infrastructure facilitates the movement of goods and people, enabling trade and regional integration.

By improving mobility and reducing transportation costs, SANRAL supports economic competitiveness and productivity, which are key NDP priorities.

Funding and innovation

The NDP calls for innovative funding mechanisms for infrastructure development. SANRAL explores various funding strategies, including public-private partnerships and private financing, to ensure sustainable investment in road infrastructure.

Infrastructure development

SANRAL is responsible for financing, managing, developing, maintaining, and rehabilitating the national road network, which is essential for economic growth and social development.

The NDP emphasises the importance of transport infrastructure in improving access to economic opportunities, social spaces and services. SANRAL's road projects directly contribute to this goal.

Job creation

SANRAL creates employment opportunities through its infrastructure projects, targeting skilled and unskilled workers.

The Agency also supports SMMEs and emerging contractors, contributing to inclusive economic growth.

Regional integration

SANRAL contributes to South Africa's regional integration objectives by developing infrastructure that facilitates cross-border trade and connectivity, as envisioned in the NDP.

Spatial transformation

SANRAL uses the national road network to address spatial inequalities by connecting rural and urban areas, improving access to resources, services and economic opportunities.

This aligns with the NDP's goal of integrating cities and regions to promote equitable development.

Sustainability

SANRAL incorporates environmental sustainability into its projects, reducing the carbon footprint and ensuring resource efficiency, as outlined in the NDP.

It prioritises the maintenance of existing infrastructure to ensure long-term sustainability, in line with the NDP's emphasis on preserving assets.

Transformation

SANRAL's Transformation Policy aligns with the NDP's focus on inclusive growth by ensuring the participation of historically disadvantaged groups, including women, youth and people with disabilities.

By fulfilling these roles, SANRAL acts as a key implementing agent of the NDP, ensuring that transport infrastructure serves as a driver of economic growth, social development and spatial transformation in South Africa.

3.15 Report of the Audit and Risk Committee

The Audit and Risk Committee ("ARC" or the "Committee") has complied with its responsibilities arising from Section 51(1)(a) of the Public Finance Management Act of 1999 as amended and Treasury Regulation 27(1). The ARC also reports that it has adopted appropriate formal terms of reference as its ARC Charter, which regulated its affairs in discharging its responsibilities as contained therein. The ARC reports as follows for the financial year ended 31 March 2025:

3.15.1 Audit and Risk Committee members and meetings

The ARC consisted of three independent non-executive directors during the year under review. During the reporting year, 6 meetings were held.

The Committee members were as follows:

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

* Ms Refilwe Buthelezi commenced as Chairperson of the ARC effective 30 July 2024 following resignation of Noluphumzo Noxaka effective 2 July 2024.

3.15.2 Responsibilities of the Audit and Risk Committee

During the reporting year under review the Committee conducted its affairs with integrity, impartiality and objectivity. It complied with its roles and responsibilities as stated in the Public Finance Management Act and its Charter. In executing its duties during the reporting period, the ARC:

- Reviewed and considered the Integrated Report and Financial Statements.
- Monitored and supervised the effective operation of internal controls and Internal Audit function.
- Oversaw the external audit process and review of the report of the Auditor-General of South Africa.
- Ensured that appropriate reporting procedures exist, and that these are operating effectively.
- Ensured that an effective, efficient and transparent system of risk management is maintained.
- Assisted the Board in carrying out its ICT governance and Cyber security oversight responsibilities.
- Performed such other oversight functions as determined by the Board.

3.15.3 Adequacy of internal controls

SANRAL's system of internal control is designed to provide reasonable assurance that key risks are mitigated, assets are safeguarded and that liabilities and working capital are efficiently managed.

The ARC is pleased to report that nothing came to its attention suggesting that any material breakdown had occurred in the functioning of systems, procedures and controls that could lead to material losses, contingencies or uncertainties that would require disclosure in the financial statements.

Any control deficiencies identified by internal and external auditors were brought to the attention of the Committee; and management implemented or is in the process of implementing corrective actions. Where internal controls did not operate effectively throughout the year, compensating controls, or corrective action or both were used to eliminate or reduce risks.

The Committee has further reviewed the written assessment from Internal Audit on the design, implementation, and effectiveness of internal financial controls. Based on the results of this review, the Committee is of the opinion that the internal financial controls form a sound basis for the preparation of reliable financial statements.

3.15.4 Internal audit

The ARC oversees and reviews the effectiveness of the Chief Audit Executive (CAE) and Internal Audit function annually. It is satisfied the CAE and Internal Audit function are independent and possess the appropriate expertise and experience to execute their responsibilities. Accordingly, the Committee considers the Internal Audit function effective in its mandate to evaluate and report on internal control, risk management and governance processes in order to improve the entity's operations.

The Board, on the recommendation of ARC, approved the FY24/25 Internal Audit Charter, Methodology, annual operational and three-year rolling Internal Audit plans which followed a risk-based approach. Internal audit progress reports were tabled and reviewed by the ARC on a quarterly basis.

The Internal Audit function follows a co-sourced model and is functioning as per the approved structure by the Board. The CAE reported functionally to the ARC and administratively to the CEO.

In addition to executing multiple audits per the approved Annual Internal Audit plan, the Unit further concluded multiple proactive assurance reviews on high value tenders before award and performed investigations and reviews commissioned by those charged with governance. The ARC monitored and supported the roll-out of the combined assurance model. Accordingly, AGSA was able to rely on work performed by Internal Audit across key audit reports.

3.15.5 Expertise and effectiveness of the acting chief financial officer and the finance function

The ARC examines and reviews the competence of the Chief Financial Officer (CFO) and the finance function annually. It is satisfied that the Acting CFO (ACFO) and the finance function have the appropriate expertise, resources, and experience to execute their responsibilities. Accordingly, the Committee considered the ACFO and the finance function to be sufficiently effective to:

- Ensure and maintain effective, efficient, and transparent systems of financial and risk management and internal control.
- Manage available working capital efficiently and economically.
- Manage and safeguard assets of the agency and manage its revenue, expenditure, and liabilities.

3.15.6 Risk management

The ARC exercises oversight over enterprise risk management within SANRAL with added emphasis on strategic, operational, fraud and information technology risks. The Committee also fulfils an oversight role regarding financial reporting risks and internal financial controls so as to ensure and strengthen the integrity of financial reporting.

Key strategic risks for 2024/25 included:

- Inadequate Human Capital Resources
- Negative media coverage – reputation management
- Employee Physical Security
- Slow-paced Transformation Implementation

For the period under review, management attended a Strategic Risk assessment Workshop which culminated into 11 Strategic Risks. This was followed by a Board Risk workshop that culminated into 12 Strategic Risks overall. The ERM Policy and Framework including the Anti-Corruption and Fraud Policy and Strategy was reviewed and approved by the Board.

The strategic risk profile was independently monitored by the ARC on a quarterly basis and overseen by the Board for progress and effectiveness. Enterprise risk management within the organisation continues to mature and is expected to strengthen further with the appointment of additional capacity and personnel. The Committee is committed to adherence to the principles of King IV on risk management and is focused on enhancing and maturing the governance of risk management throughout the organisation, to embed risk management principles in decision making.

3.15.7 Evaluation of annual financial statements

Regarding Annual financial statements, the Committee:

- Reviewed and discussed with the Auditor-General of South Africa and the Board of Directors the audited annual financial statements to be included in the annual report
- Reviewed the Auditor-General of South Africa's management and audit reports
- Reviewed changes in accounting policies and practices
- Reviewed significant adjustments resulting from the audit
- Reviewed the Integrated Report and recommended it to the Board for approval
- Reviewed the appropriateness of going concern assumption.

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

3.16 Report of the Social, Ethics and Transformation Committee

3.16.1 Constitution and responsibilities

SANRAL established the Social, Ethics and Transformation Committee (SETC) in August 2011 to comply with Companies Act 71 of 2008, which requires every state-owned company to have a social and ethics committee. In addition to the social and ethics roles, transformation was included as a key oversight function of the committee due to the emphasis on and importance of transformation and empowerment in the South African context.

The committee had three non-executive directors as members – Mr Thamsanqa Matosa (Chairperson), Ms Refilwe Buthelezi and Mr Robert Haswell during 2024/25. The committee's charter lists its functions and its conduct is guided by the Board's code of conduct.

The committee's responsibilities cover a broad range of oversight and monitoring functions, including human resources, remuneration, governance, anti-corruption, transformation, good corporate citizenship, communications, the environment, health and safety, consumer relationships and compliance. The above broadly cover the social, ethical and sustainability responsibilities as listed in Regulation 43 of the Companies Act 71 of 2008.

The Committee met five times during 2024/25 and reviewed reports in the above areas. It is guided by its annual work plan to manage its oversight role. It reports to the Board at every Board meeting. All committee meeting minutes are ratified at Board meetings. It recommends matters for approval, including policies relating to its own responsibilities, to the Board.

SANRAL has had satisfactory audits of the above areas and the committee monitors all risks affecting its role.

3.16.2 Remuneration

Staff remuneration adjustment is performance-based and approved by the Board annually on the recommendation of SETC. The setting of remuneration levels is guided by the Board-approved remuneration and benefits policy, which is also submitted at the annual general meeting (AGM) every year for approval. A short-term incentive scheme, which is also performance-based, has been successfully implemented.

The CEO's salary adjustment is determined after an annual performance appraisal by the Board and the annual salary increases proposed by the Board for all executives.

Board fees are paid in terms of the SANRAL Act 7 of 1998, as amended, where Board members other than those in the public sector are paid at a daily rate for every day spent on SANRAL business. The daily rate is determined from remuneration amounts approved by the Minister.

Board and executive (prescribed officer) remuneration is published in the annual report.

3.16.3 Transformation initiatives

SANRAL is fully committed to national economic transformation and the government's economic priorities. Through Horizon 2030, SANRAL recognises its catalytic role in the construction and engineering sectors and explores opportunities to leverage this position. Furthermore, the company recognises the responsibility it has to use procurement and tender processes in shaping the long-term, sustainable growth of the construction and related industries. The transformation policy guides SANRAL's commitment and deliverables with regard to transformation.

Since the Board approved Transformation to be elevated as a pillar in Horizon 2030, there have been some initiatives implemented to accelerate the achievement of the transformation objectives. Worth mentioning is the Board approval of the Contractor Development Programme and Black Industrialist Scheme. These and other initiatives will ensure that we have structured programmes to transform the entire value chain in the building of road infrastructure. The plan is to launch the Contractor Development Programme in October 2025 during Transport Month.

3.16.4 Internal initiatives

Equality in the workplace is driven by SANRAL's relevant HR policies, which are governed by the Employment Equity Act, Basic Conditions of Employment Act and the Labour Relations Act, among others. These policies guard against unfair discrimination on any grounds such as race, gender, religion, age and disability, and promote ethical HR processes and practices.

Internal transformation is attained through the employment equity plan and skills development initiatives for employees. SANRAL actively pursues the attainment of employment equity at every level of its business activities. In pursuit of this objective, SANRAL continues to apply the principle of positive discrimination, always remaining within the bounds of the governing legislative framework.

The staff complement as at end March 2025 was 577; 84% of the employees were black and 16% were white, with 51% women and 49% men.

The internal bursary programme has facilitated learning and invested in the development of the SANRAL's workforce through the provision of access to funding for academic training and professional certification. This programme has been instrumental in assisting employees with funding to access opportunities that allow them to acquire new skills and knowledge. This investment of time, money and effort is in support of their current roles, future-focused career prospects and internal or external career mobility.

In the financial year 2024/25, the programme supported 130 employees, 23 of whom successfully completed their

studies at the end of the 2024 academic year. The total investment was R3 050 154,74. For the 2025 academic year, 48 individuals were awarded bursaries.

The Technical Excellence Academy (TEA) and the extended graduate training programme is a facility that assists graduates in fulfilling the practical experience and work-integrated learning required by professional registration bodies aligned to their careers, such as the Engineering Council of South Africa (ECSA) and the South African Council for the Quantity Surveying Profession.

Using the established equity plan for skills development, the TEA, on an annual basis aligns its intake with these requirements, whether through the external bursary programme or external sourcing.

The development of the training academy framework has included the staffing of dedicated in-house mentors and the contracting of specialist external mentors. The five-year training programme contributes to accelerated professional development through real road design projects on the SANRAL network, tailored training courses and full-time mentoring.

The 2024/25 TEA programme included 56 graduates, placed across all the regions. A quantity surveyor, as well as eight engineers and one engineering technologist were transitioned into permanent positions at SANRAL upon completion of their five-year TEA contracts.

An estimated R21 682 213,11 was invested to optimise training opportunities, including deployments to sites, resourcing the materials testing laboratory and design office, and secondments to consulting engineers. This investment directly supports graduates in achieving ECSA registration as professionals.

A total of 59 TEA employees participated in various professional development training forums, with a focus on empowering young talent: All participants (100%) were under the age of 35 years. An investment of R1 148 046,52 was allocated to support 19 training sessions.

3.16.5 External initiatives

External initiatives target the development of SMMEs and communities through job creation, enterprise development opportunities and skills development programmes through scholarships, bursaries, internships and partnerships with universities.

Contractor development

SANRAL's Small Contractor Development Programme on its community development projects and Routine Road Maintenance contracts has provided small contractors and their employees the opportunity to be trained and developed in road construction skills and technical knowledge. SMME development and empowerment are driven through SANRAL's projects. The provision of opportunities to small and emerging contractors and consultants is an important priority within SANRAL.

In pursuit of its transformation policy objectives, SANRAL has committed to supporting the development and participation of black-owned businesses by embarking on an extensive training programme. This programme seeks to empower the targeted enterprises with the much- needed skill and knowledge to effectively participate in subcontracting opportunities.

Scholarships, external bursaries and internships

SANRAL has been investing in the youth through educational programmes for a number of years. During the 2024/5 reporting period, scholarships were awarded to 251 learners from 209 schools across South Africa. Female learners represented 67% of the recipients, and the total committed expenditure for these scholarships was approximately R10 957 226,30. Fifty-three matriculants achieved exceptional results, with a 100% matric pass rate.

SANRAL is committed to contributing to the development of the youth of South Africa through its investment in tertiary education. This support is aimed at applicants who are deserving and meet the requirements in the fields of transportation infrastructure, engineering and its related professions in the built environment, smart technologies, public sector infrastructure development and administration, and other professions related to the core business of SANRAL.

During the reporting period, SANRAL's external bursary programme supported students from diploma to Master's level across 18 tertiary institutions throughout South Africa, including traditional universities, comprehensive (combined) universities, universities of technology and TVET colleges.

In the year under review, SANRAL awarded a total of 150 bursaries, with a nearly even gender distribution: 49% male and 51% female. The programme continues to promote transformation and inclusivity, with the majority of bursaries (81%) awarded to black students. Indian and coloured recipients each accounted for 7%, while white students made up 5% of the total bursary cohort. A total of R13 680 396,80 was invested in the bursary programme.

SANRAL also provides learnerships and internships through its Work-Integrated Learning Programme (WIL) as a contribution to the national skills development objective. Supporting a total of 304 students during the reporting year, the WIL Programme aims to enhance capacity building in the public sector infrastructure development economy, by offering students opportunities to gain meaningful work experience that complements their academic qualifications. This experience is designed to facilitate the acquisition of skills and confidence, thereby supporting future employability.

Further to this, SANRAL supports three academic Chairs at South African Universities: the Chair in Pavement Engineering at the University of Stellenbosch, the Chair in Transport Planning at the University of Cape Town and the Chair in Maths, Natural Science and Technology Education at the University of the Free State.

Further support is provided to science, technology, engineering and mathematics (STEM) education through facilities such as the University of the Free State's Science for the Future (S4F) and the Nelson Mandela University's STEM in ACTION, where projects such as Family Math and Science and Key Concepts in Science are implemented.

3.16.6 Environmental management

Environmental management is an integral part of the planning/design, construction and maintenance/operations of national roads, and is undertaken within both the legal and organisational contexts, to do the following:

- Ensure compliance requirements and to protect the environment
- Meet SANRAL mandate and strategy (to design, build and manage the country's primary road network in a sustainable, resource-efficient manner)
- Conform with norms and standards; and to ensure continual improvement
- Meet governance and stakeholder expectations.

SANRAL's approach to environmental management and sustainability is documented in the Environmental Sustainability Framework, and covers key legislation and relevant government strategies such as the Green Transport Strategy. It considers risks and opportunities, specific controls including guidelines and management plans, as well as monitoring and other interventions to track performance and ensure continuous improvement.

3.16.7 Marketing and communications overview

SANRAL's reputation and business conduct are important oversight considerations for the committee. Policies and strategies relating to marketing, communications and stakeholder management are reviewed by SETC. It receives performance updates in these areas at every meeting of the committee.

The role of advertising and marketing within SANRAL is to enhance public perception and to help foster a positive brand reputation, ensuring road users and South Africans at large understand and appreciate the value that SANRAL delivers in connecting and building the nation. Regular stakeholder engagement sessions with communities to ensure the smooth delivery of SANRAL's road infrastructure projects are critical. They create a positive impact on communities in the areas where SANRAL operates. SANRAL has derived value from social media-enabled digital platforms, which allow real-time engagement. Social media and the SANRAL website are important tools to keep SANRAL visible effectively.

3.16.8 Governance overview

Good governance measures, including ethical business and procurement processes, risk management, internal controls, appropriate delegation of authority and adequate and effective communication with stakeholders, are directed and monitored by the Board, for which the committee has direct oversight. SANRAL endeavours to grow and excel in these areas to ensure ongoing and effective service delivery.

The ethical conduct of business and compliance to the legislation in the country are of paramount importance to SANRAL. The necessary anti-fraud and anti-corruption measures are in place, including an independent fraud hotline. SANRAL's social and ethical responsibilities are considered at a strategic level, through the committee, and the aim is to ensure that SANRAL delivers on its mandate efficiently, in a sustainable, ethical and socially responsible manner.

15 August 2025



Thamsanqa Matosa
is the SETC Chairperson

15 August 2025



Themba Mhambi
is the Chairperson of the SANRAL Board



3.17 BBBEE Compliance Performance Information

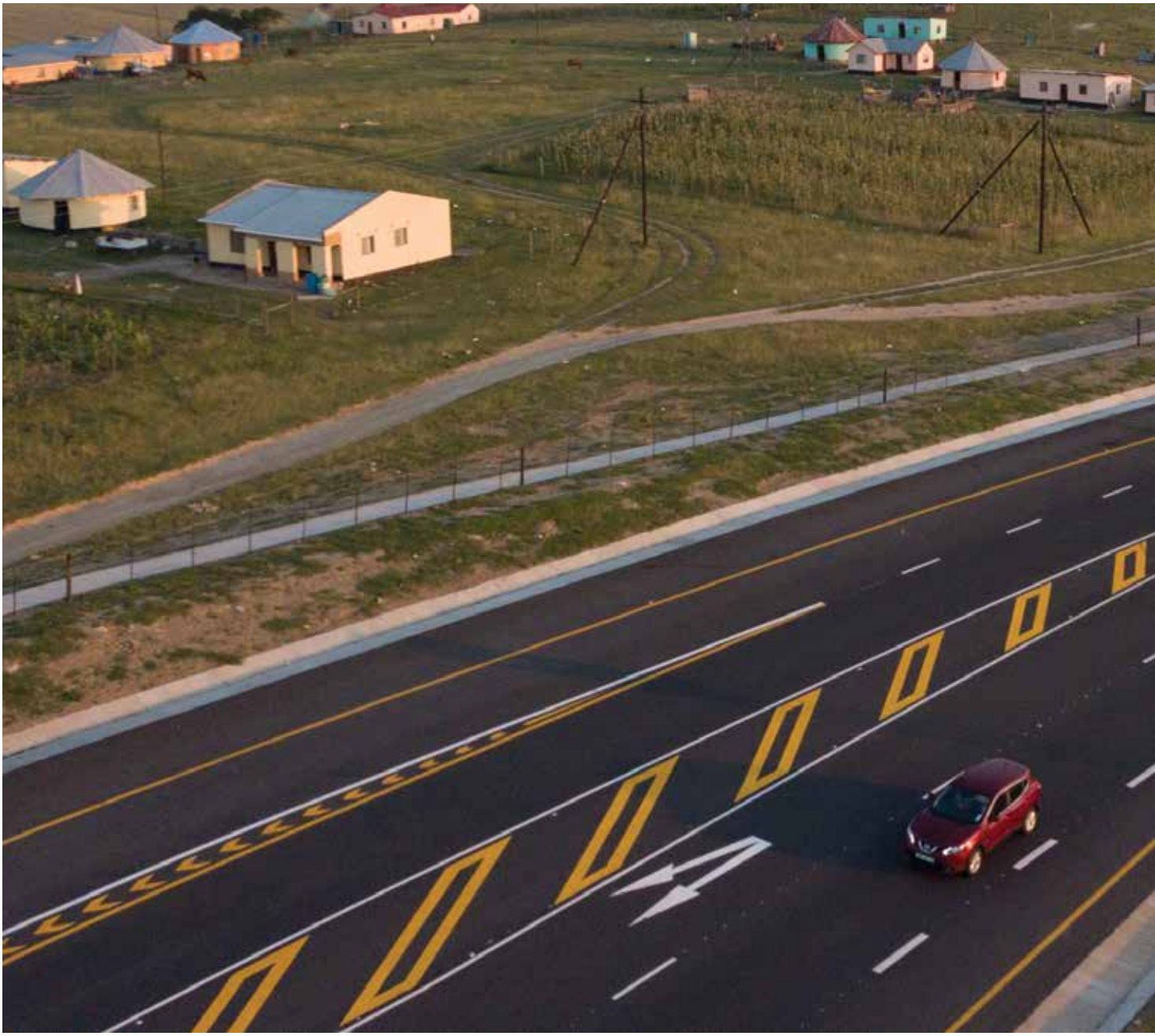
SANRAL continues to maintain its efforts and commitment to transform the construction industry.

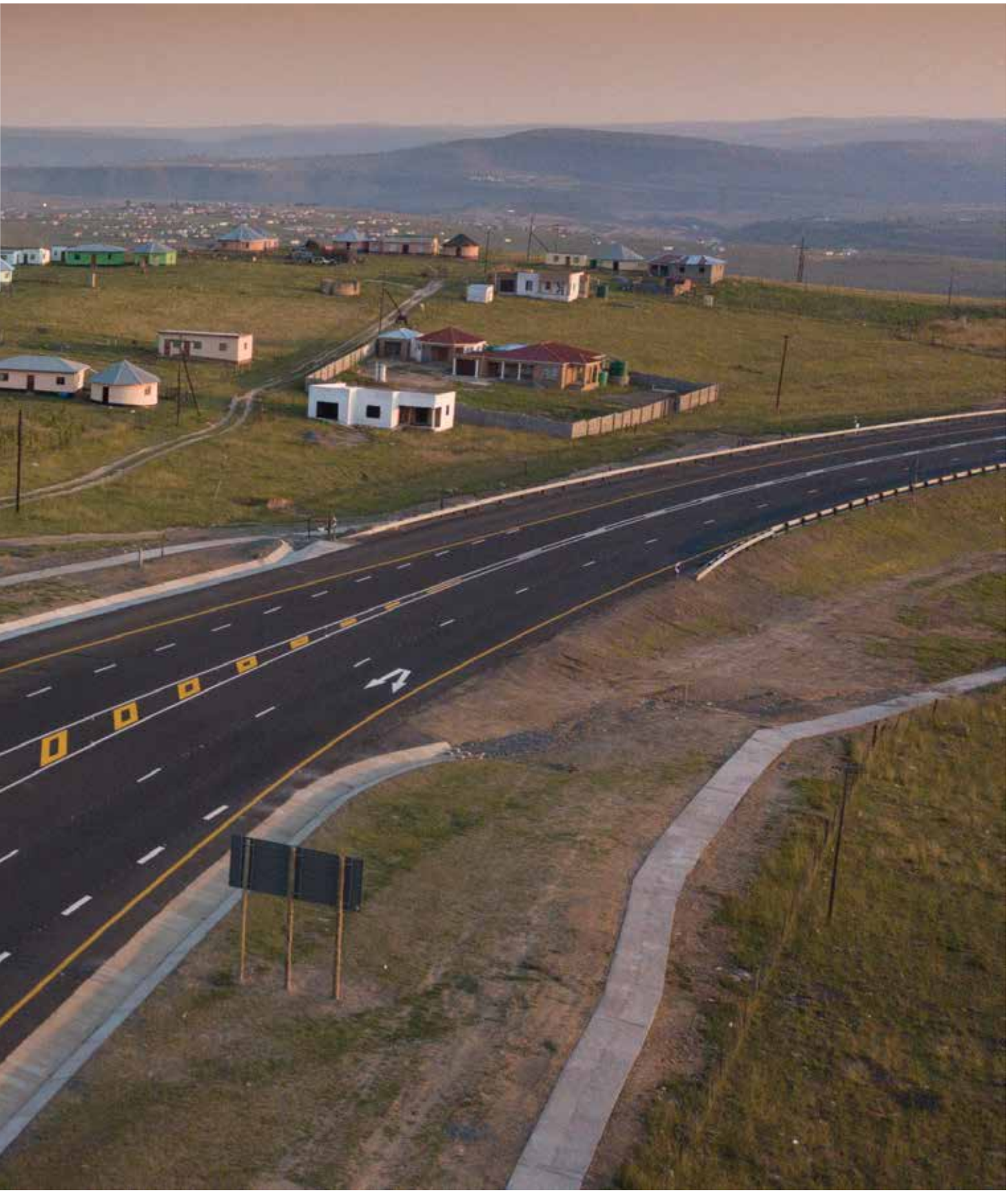
3.18 Certificate of the Company Secretary

I hereby confirm in terms of Companies Act (Act 71 of 2008), as amended, that, for the financial year ended 31 March 2025, the South African National Roads Agency SOC Limited has lodged with the Companies and Intellectual Property Commission, all returns as are required in terms of this act, and that all such returns are true, correct and up to date.

31 May 2025

Adv Sinomtha SM Linda
Board General Counsel
and Company Secretary







PART 4

HUMAN RESOURCE MANAGEMENT





4.1 Introduction

At the heart of a successful organisation is how its human resources are recruited, remunerated, their careers developed and their skills constantly improved. These actions are implemented and supported by an ongoing employment equity plan and succession strategy.

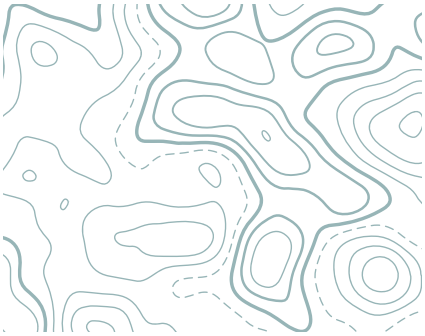
Over the past year, SANRAL has focused on cultivating a high-performance culture within the organisation, fostering employee growth and aligning talent strategy with our evolving business objectives.

WHAT IS TALENT STRATEGY?

A talent strategy is a company's structured plan for attracting, developing, engaging and retaining the people (talent) it needs to achieve its business goals. It includes how the company:

- Finds and recruits the right people
- Develops their skills and capabilities (e.g. training and mentoring)
- Motivates and engages them (e.g. culture, performance incentives)
- Retains them (e.g. career growth, work-life balance, compensation)
- Plans for the future, including leadership succession and workforce needs

IN SHORT: Talent strategy is how a company makes sure it has the right people in the right roles at the right time.



Human resources is a critical enabler for SANRAL to deliver on the government's objectives, as outlined in the National Development Plan (NDP). The focus areas for human resources at SANRAL include reviewing HR strategy, policies and organisational structure; strengthening leadership development; effective recruiting through the employment equity plan and skills development; driving a high-impact-performance team culture and ensuring succession planning through talent management.

SANRAL has strengthened its workforce's capabilities by implementing targeted learning initiatives and leadership development programmes. In addition to equipping our employees with the skills they need to succeed and progress, we make sure that our staff complement takes care of themselves. The Agency is committed to employee wellbeing, designing targeted wellness programmes for our staff and their dependents.

SANRAL prioritises compliance with the government's legislative requirements concerning job creation and skills development, but this is about more than legislation. Because the Agency embraces diversity, equity and inclusion, we have built a dynamic and innovative organisation that is equipped to navigate change and thus drive sustainable growth. Our recruitment targets are meticulously crafted in alignment with our approved employment equity plan, which also serves as the foundation for our annual Employment Equity Report.

Moreover, our commitment extends to fostering talent through diverse training approaches, including internships, scholarships, and internal (staff) and external (non-staff) bursaries.

This comprehensive support spans various disciplines, enriching not only SANRAL's pool of skills but also contributing to the broader national workforce's skills.

4.1.1 Priorities and impact for 2024/25

During this reporting period, SANRAL focused on strengthening organisational capacity through strategic appointments, finalising the appointment of our executive team. Three senior executives were successfully recruited to join the organisation in the following roles:



- **Chief Procurement Officer (CPO):** This key role helps the Agency fast-track the maintenance of the existing national road network and to build new road infrastructure, which is a critical facilitator of economic growth and maximising the State's spending power for maximum impact. The Agency has appointed Dr Khomotso Mhelembe in this role.



- **Chief Information Officer (CIO):** In this role, the incumbent is responsible for developing the overall organisational ICT strategy. The strategy's key objective is to ensure that the business provides technologies and services that enable operational effectiveness; foster a culture of innovation and drive high performance to deliver information technology services. The strategy, when successful, will capacitate SANRAL's people to deliver services to South Africans in transit. The Agency has appointed Vuyokazi Menye in this role.



- **Chief Human Resources Officer (CHRO):** The SANRAL Chief Human Resources Officer aligns the organisation's human capital strategy with its overall business objectives. It ensures the organisation has the right talent to achieve its goals, ensuring human capital sustainability that is responsive to SANRAL's needs. This role is responsible for the human resources management of 670 employees. The Agency has appointed Monde Mondi in this role.

These appointments represent a significant milestone for the organisation, and their collective expertise is advancing SANRAL's five business pillars: roads, road safety, stakeholders, mobility and transformation.

The appointment of the CPO, CHRO and CIO will transform SANRAL by plugging critical gaps in strategy, efficiency and innovation. Together, they create a stronger, more agile organisation. Each role is critical for unlocking SANRAL's full potential.

The CPO will turn procurement from a back-office function into a strategic advantage that will save the organisation money, build stronger supplier relationships and protect us from supply chain risks.

The CHRO will be SANRAL's people champion and play a key role in attracting and retaining top talent, promoting a culture of excellence and creating a workplace where everyone can do their best work.

The CIO will ensure our technology works for us, not against us. This will show in SANRAL's smoother systems, smarter use of data and robust cybersecurity.



4.1.2 Workforce planning and recruitment strategies

A comprehensive framework was implemented to ensure the seamless execution and success of our recruitment initiatives. This framework serves to harmonise recruitment processes across all SANRAL's offices, facilitating the acquisition of the skilled and capable workforce that is necessary for us to meet our organisational objectives.

HUMAN RESOURCES	INFORMATION RESOURCES
Create a mass hiring plan	Final list of positions per category/office/region
Internal resources dedicated to a recruitment team	Update and standardise job profiles signed off by line managers
Recruiters (SANRAL and fixed-term contracts)	Grading
Grading	Sourcing of curricula vitae (CVs)
Administrators	Sourcing of curricula vitae (CVs)
Recruitment panel expands candidate sourcing	Online platforms
Scope – end-to-end involvement	LinkedIn
Advertising	Pnet.co.za
Screening	Career Junction
Interview process	SANRAL website
Appointment (address potential conflicts with agent and agent-only CVs)	Current database of CVs collected over time, past recruitment and referrals
Keeping track of candidates	Encourage referrals
Developing a fast and effective screening process	Bounty
Pre-screening at initial application stage	Consulting Engineers South Africa
Recruiter	Engineering Council of South Africa
Recruiting manager and recruiter	Relevant industry bodies
Effective interviewing	
Close diaries	
Communicating with candidates	
Automated onboarding processes	
Quality control mechanisms ensure the quality of candidates	

Table 69 SANRAL's recruitment framework



Succession planning

SANRAL's succession planning process is guided by the approved succession planning framework, which mandates the periodic identification of scarce and critical roles that could pose capacity risks if not adequately planned for.

This framework addresses skills shortages, diminishing bench reserves, skills transfer, and core and scarce skills that are considered critical for SANRAL. It also aims to streamline recruitment needs and prioritise the skills required to build a strong, capable workforce.

This annual process involves SANRAL management identifying essential skills, coaching, implementing interventions to close skills gaps and actively creating skilled bench reserves to ensure business continuity. Core skills are critical, scarce roles essential for the organisation's continued operation and success. These hard-to-fill positions are affected by market scarcity, geographical challenges and salary constraints.

Core skills must also account for future expansion plans, industry developments, technological advancements and legislative changes that will impact the Agency's human capital.

SANRAL is undergoing significant change. Following the Operating Model Review (OMR), plans were made to transition into a new structure, but this process was suspended. As a result, gaps emerged in identifying structural needs, succession roles and necessary skills development.

The organisation has been relying on a skills matrix created by the management team in 2019/20. With the establishment of new divisions and leadership within each division, a fresh approach to identifying skills, positions and operational methods is now under way.

In the meantime, the organisation has decided to prioritise succession planning for the eight approved executive roles. All other positions will be identified as part of the ongoing 'reconstruction' process.

4.1.3 Employee performance management framework

At SANRAL, performance management is a strategic undertaking that methodically directs, develops, and supports individual and team performance to ensure that it is aligned with the organisation's objectives. Through the performance management process, we strive for continuous improvement, enabling us to sustain the achievement of our goals.

Formal performance assessments are conducted twice a year for SANRAL employees, providing comprehensive evaluations during September and March, and ensuring accountability and progress tracking throughout the year.



SANRAL'S PERFORMANCE MANAGEMENT FRAMEWORK

Plan

Managers and employees set performance goals, objectives and targets based on SANRAL's regional and departmental value drivers or plans.

Contract

This document aligns the key performance assessments and key performance indicators to organisational objectives. Clear targets and measures are put in place and agreed upon. The document is signed by the employee and line manager.

Management

An employee is expected to fulfil all the requirements as stipulated in the performance contract.

Assessment

This formal assessment is done twice a year, halfway through the financial year (September) and at the end of the financial year (March) to determine an employee's overall performance.

DEVELOPMENT AND ENCOURAGEMENT:
Performance is a key aspect of SANRAL's employee development programme.

Figure 57 SANRAL's Performance Management Framework

OHS EVENTS AND INTERVENTIONS 2024/25

During this reporting period, the following notable OHS events and interventions occurred:

Designing for health & safety: Provided guidance to consulting engineers about the responsibilities of designers during project design phases to design with safety in mind

OHS audits: Conducted monthly OHS audits on all construction projects, facilitated by an external construction health and safety agent and complemented by random internal OHS audits

Induction sessions: Conducted five successful OHS induction sessions for new employees

Policies & procedures: Implemented OHS policies and procedures to ensure a safe and healthy workplace.

FEM Health and Safety Award: SANRAL took 3rd place in the "Low Risk, Large Employer" category at workmen's compensation insurer Federated Employers' Mutual Assurance Company's (FEM's) Health and Safety Awards of Excellence, which recognise companies in the building and construction industry that demonstrate outstanding health and safety performance.

Lost-time injuries: During the reporting period, three SANRAL employees reported minor incidents while on duty that resulted in lost-time injuries (LTIs).

4.1.4 Challenges

A shortage of staff is an ongoing concern for SANRAL. With more network kilometres than ever, the Agency's workload has increased and more employees with the right skills are required in the right positions.

4.1.5 Employee Wellness Programme

At SANRAL, employee wellness is a proactive and evolving process that underpins our commitment to creating a safe, healthy and engaging work environment. It is focused on empowering our employees to flourish, personally and professionally, while also supporting the achievement of our organisational objectives.

Each year, we design and implement targeted wellness programmes informed by real-time insights from our employee wellness platform. These tailored interventions are crafted to meet the changing needs of our employees and their dependents. By actively listening to feedback and analysing monthly wellness reports, we ensure our initiatives remain relevant, impactful and responsive.

We are committed not only to meeting international and national standards set by regulatory and advisory organisations, but also to exceeding them. Through continuous benchmarking, we align our wellness initiatives with leading industry practices, often staying one step ahead. For us, employee wellbeing is more than a priority; it is a core value.

4.1.6 Occupational health and safety

SANRAL recognises the importance of occupational health and safety (OHS) and its interconnectedness with social wellbeing. We are committed to ensuring a safe and healthy work environment for our employees. This commitment is upheld through the identification and mitigation of workplace hazards, strict adherence to relevant OHS legislation, regulations and standards, and the effective management of service providers in terms of OHS compliance.

OHS considerations are prioritised across all SANRAL operations and projects.

Every SANRAL office has an emergency response team, appointed to address potential emergencies and proactively identify and mitigate any hazards that may endanger the safety of employees.

4.1.7 Human Resources Policy

During the reporting period, SANRAL reviewed its suite of human resources policies. One of the outcomes of the review was that we put into place a new bereavement policy and, out of a total of 35 existing HR policies, the following were identified for review:

- Recruitment and Selection Policy
- Code of Conduct
- Flexible Work Arrangements Policy
- Employee Movement Policy
- Employment Equity Policy
- Leave Policy
- Internal Bursary Policy/Financial Assistance for Part-Time Study
- External Bursary Policy

Regular reviews of the organisation's HR policies ensure that they are aligned with legislation and promote good governance.

This aligns with SANRAL's commitment to support South Africa's broader developmental agenda, as outlined in the National Development Plan (NDP), specifically building a capable, ethical, and developmental state. The Agency achieves this by improving its governance, operational efficiency and stakeholder engagement.

4.1.8 New operating model

SANRAL has adopted a new operating model, which focuses on establishing offices in all nine provinces. The Agency's previous operating model included the regional offices, where Western Region took care of the network in the Western and Northern Cape; Eastern Region took care of our roads in Free State and KwaZulu-Natal; Southern Region covered Eastern Cape; and Northern Region was the custodian of SANRAL's network in Gauteng, Limpopo, Mpumalanga and North West.

The new provincial offices in Pretoria, Cape Town, Gqeberha, Pietermaritzburg, Mahikeng, Mbombela, Polokwane, Mangaung and Kimberley are currently being established, and internal staff will have the opportunity to request transfers to these locations. The process of appointing provincial heads started in January 2025 and has been completed.

KEY ACTIONS FOR HR RELATING TO RECRUITMENT AND RETENTION

SANRAL must ensure that salaries and bonuses are market-related to attract and retain the skills required to deliver on its mandate. This helps prevent skilled individuals from leaving due to unattractive employment packages, considering prevailing economic realities. In this regard, the Agency's Human Resources strategy identified the following as key actions:

- Analyse, revise and implement the Total Rewards Model (TRM), which helps the organisation attract, retain, and motivate employees
- Develop pay scales that align with the Paterson Classic Grading System, a world-renowned job evaluation system that clarifies the value of each role in the organisation; it enables SANRAL to make competitive remuneration offers
- Drive succession planning by using talent-management methods
- Focus on leadership development, primarily through leadership training for executives
- Continue to apply effective recruitment methodologies.



4.2. Human resources oversight statistics

During the reporting period, SANRAL had 670 employees on its payroll, comprising 529 permanent and 141 non-permanent. The following tables present an analysis of employee statistics for the reporting period.

SANRAL employee complement 2024/25

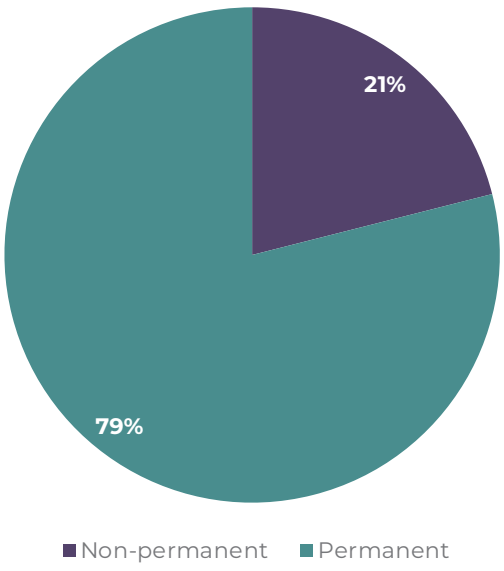


Figure 58 SANRAL employee complement 2024/25

4.2.1 Employee-related expenditure by salary band for 2024/25

PERSONNEL EXPENDITURE (R)	PERSONNEL EXPENDITURE AS % OF TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES (2024/25)	AVERAGE PERSONNEL COST PER EMPLOYEE (R)
26 683 346,44	5,8%	11	2 425 758,77
177 434 862,88	38,3%	131	1 354 464,60
137 822 187,14	29,7%	195	706 780,45
81 815 529,35	17,6%	159	514 563,08
9 750 227,67	2,1%	26	375 008,76
1 861 291,41	0,4%	7	265 898,77
28 403 703,72	6,1%	141	201 444,71
463 771 148,61	100%	670	692 195,74

Table 70 Employee-related expenditure by salary band for 2024/25

More than a third (68%) of the employee cost goes towards senior managers and qualified professionals, demonstrating SANRAL's strategic focus on succession planning. These two bands support the executive management team in implementing our strategic objectives. They provide technical and coaching support to the lower staff bands for quality management and staff development.

In line with its strategy to offer competitive remuneration packages, SANRAL also provides short-term incentives (STIs) and bonuses. Interns and candidate engineers, however, are excluded from the STI and bonus scheme. Of our 670 employees, 529 participated in the bonus scheme, as laid out in the table below.

4.2.2 Performance rewards by employee category for 2024/25

EMPLOYEE CATEGORY/ BAND	PERFORMANCE REWARDS (R)	NUMBER OF EMPLOYEES (2024/25)	PERFORMANCE REWARDS AS % OF TOTAL EMPLOYEE COST BY EMPLOYEE LEVEL
Top management	8 962 385,00	12	34,88%
Senior management	42 315 904,00	130	24,43%
Professional qualified	24 949 839,00	195	18,10%
Skilled	9 955 929,00	159	12,17%
Semi-skilled	1 072 610,00	26	11,00%
Unskilled	231 748,00	7	12,45%
TOTAL	**87 488 415,00**	**529**	**18,84%**

Table 71 Performance rewards by employee category for 2024/25

Average performance reward per employee by salary band for the 2024/25 reporting period

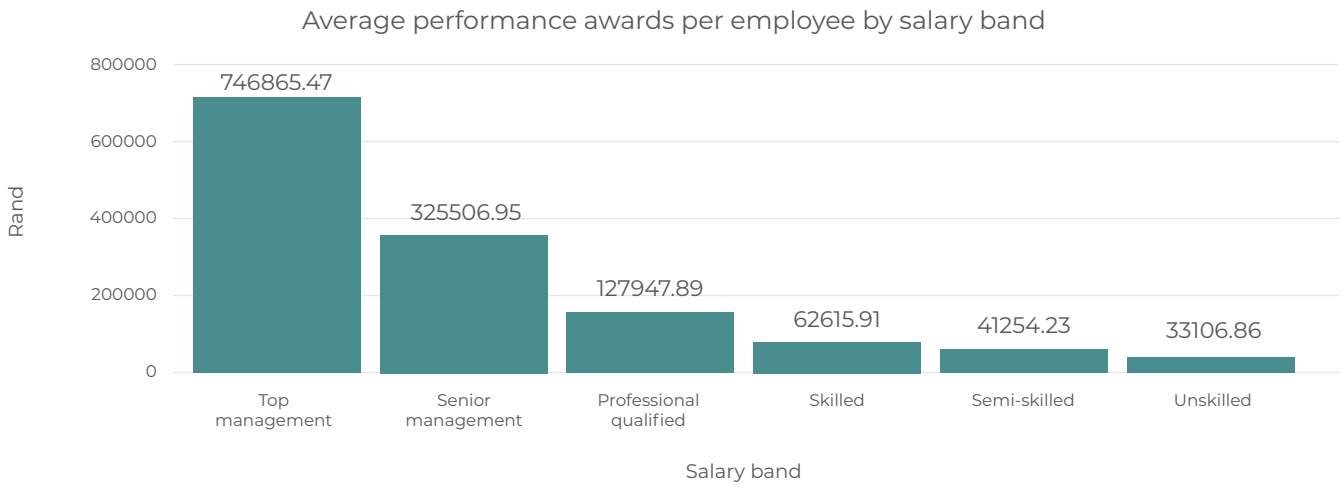


Figure 59 Average performance reward per employee by level for SANRAL's 2024/25 financial year

4.2.3 New positions approved

The table below reflects the number of employees as of the end of the 2024/25 financial year, along with the number of positions approved during the same period. Of the 170 positions that were approved, 101 were filled.

EMPLOYEE LEVEL	NUMBER OF EMPLOYEES (2024/25)	VACANCIES (2024/25)	NUMBER OF EMPLOYEES (2023/24)	NEW POSITIONS APPROVED (2024/25)	% OF VACANCIES
Top management	11	0	8	3	0%
Senior management	141	39	116	18	28%
Professional, qualified	173	19	169	96	11%
Skilled	222	11	269	50	4,95%
Semi-skilled	23	0	25	3	0%
Unskilled	7	0	7	0	0%
TOTAL	**577**	**69**	**594**	**170**	**12%**

Table 72 New positions approved during 2024/25

The 12% total vacancy gap represents the 69 people who need to be hired in the senior management, qualified professional and skilled employee categories.

During this reporting period, SANRAL achieved its goals in filling executive management and semi-skilled roles. However, the Agency still requires a recruitment push to fill the remaining 28% of vacancies in the senior management category.

The qualified professional and skilled categories also show staffing gaps of 11% and 4,95%, respectively.

These targets can be achieved by focusing on employee retention and talent strategies, as well as SANRAL's targeted skills development approach.

The opening of SANRAL's provincial offices represents a fresh opportunity to recruit new talent in the geographies from which SANRAL will administer South Africa's national roads infrastructure.

4.2.4 Reasons for employees leaving

During the reporting period, 40 employees left SANRAL for various reasons, including death, resignation, dismissal, retirement and ill-health. Most exits (31) were due to resignation and some were due to people being appointed on a fixed-term basis.

EMPLOYEE LEVEL	REASON FOR LEAVING							
	DEATH	RESIGNATION	DISMISSAL	RETIREMENT	ILL HEALTH	EXPIRY OF CONTRACT	OTHER	TOTAL
Top management		1						**1**
Senior management		1		1				**2**
Professional management		17		4			1	**22**
Supervisory	1	3					1	**5**
Semi-skilled		1	1					**2**
Unskilled		8						**8**
Total	**1**	**31**	**1**	**5**	**0**	**0**	**2**	**40**

Table 73 Reasons for employees leaving for 2024/25

As the table points out, resignations make up the largest reason for employees leaving the organisation. SANRAL has developed a strategy that addresses the retention of skilled employees in particular.

4.2.5 Labour relations: Misconduct and disciplinary action

Six employees underwent disciplinary processes. One was issued a written warning, four were issued a final written warning and one was dismissed due to conduct that violated the disciplinary code and procedure.

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal warning	0
Written warning	1
Final written warning	4
Dismissal	2
TOTAL	**6**

Table 74 Misconduct and disciplinary actions for 2024/25

4.2.6 Employees with disabilities

SANRAL employed eight employees with disabilities during the reporting period. The Agency intends to target the same number of disabled employees for the 2025/26 financial year.

EMPLOYEE LEVEL	EMPLOYEES WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top management	0	0	0	0
Senior management	1	1	0	0
Professional qualified	2	2	1	1
Skilled	1	1	1	1
Semi-skilled	1	1	1	1
Unskilled	0	0	0	0
TOTAL	**5**	**5**	**3**	**3**

Table 75 Employees with disabilities as at 2024/25

4.2.7 Employment equity and employment equity status

The table below gives details of the figures reported to the Department of Labour in SANRAL's annual Employment Equity Report in October 2024. This includes actual figures as well as targets for the 2025/26 financial year.

EMPLOYEE LEVEL	MALE								FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE		AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top management	4	1	0	0	0	0	1	0	5	0	0	0	0	0	0	0
Senior management	12	25	2	2	2	3	11	10	18	21	1	2	0	2	2	1
Professional qualified	110	139	11	21	18	12	26	30	83	103	9	11	7	11	10	8
Skilled	29	32	4	4	4	3	1	1	73	83	14	16	3	3	7	8
Semi- skilled	6	7	0	1	0	0	0	0	11	15	0	0	1	1	1	1
Unskilled	6	7	0	1	0	0	0	0	11	15	0	0	1	1	1	1
TOTAL	**166**	**213**	**17**	**29**	**24**	**18**	**39**	**42**	**199**	**240**	**24**	**29**	**12**	**18**	**21**	**19**

Table 76 Employment equity at SANRAL (October 2024)



4.3 Skills development

Beyond its core function of maintaining and developing South Africa's national road network, SANRAL is deeply committed to social responsibility and to empowering the communities it serves.

Its multifaceted approach in this area encompasses a range of initiatives, from investing in educational programmes, bursaries and scholarships to directly empowering communities through infrastructure development projects that foster local engagement and skills training.

4.3.1 Educational initiatives

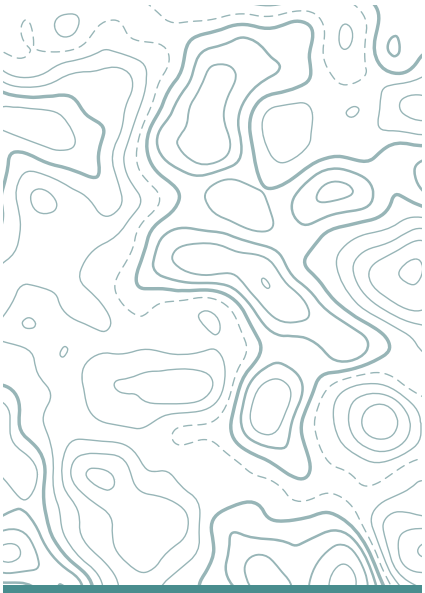
Educational initiatives not only enhance the organisation's technical expertise and foster innovation, but also cultivate a robust pipeline of skilled professionals who can contribute to South Africa's overall growth and development.

Scholarship programme

SANRAL's scholarship programme was developed to give financial support to South African learners from Grades 8 to 12 at registered South African schools, irrespective of their subject choices.

Scholarships are granted based on academic merit and financial need, taking into account the backgrounds of the learners, who must also maintain an overall average of 60%. Each scholarship covers school fees, school and sports uniforms, books, extra classes and transport.

During the 2024/25 financial year, scholarships were awarded to 251 learners drawn from 209 schools throughout South Africa, with 67% of the recipients being girls. The total committed expenditure for these scholarships was R10 957 226,30. The 53 matriculants in the group achieved a 100% pass rate.



Due to lower expenses required by some learners in the scholarship programme, it was able to accommodate an additional learner in 2024.

Below is a breakdown of the scholarship recipients by population group for 2024/25:

AFRICAN		COLOURED		INDIAN		WHITE		TOTAL		
Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total
151	68	13	7	2	5	2	3	168	83	251
	87%		**8%**		**3%**		**2%**	**67%**	**33%**	**100%**

Table 77 Scholarship recipients by population group for 2024/25

Scholarship recipients

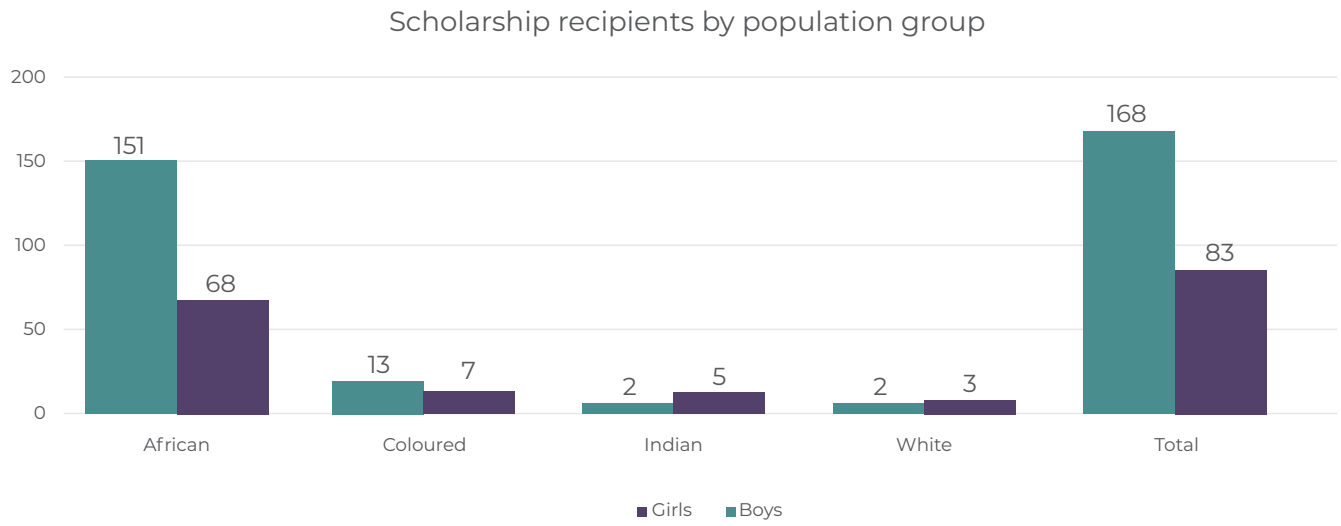


Figure 60 Scholarship recipients by gender and population group during 2024/25

Gender split of scholarship recipients

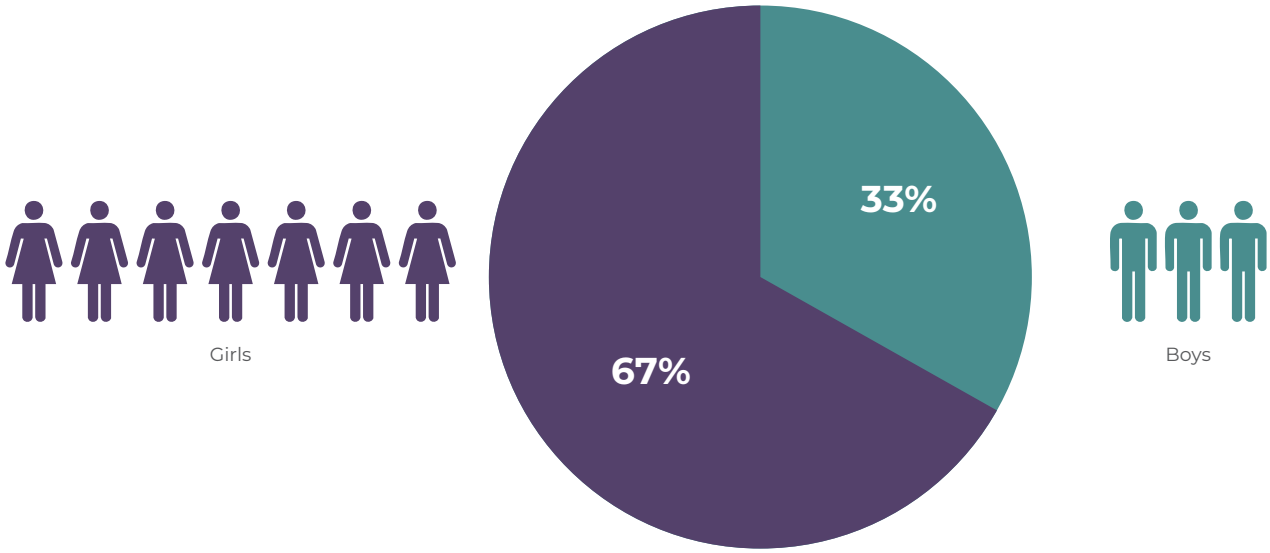


Figure 61 Scholarship recipients by gender for 2024/25

Geographic distribution of scholarships

SCHOLARSHIP RECIPIENTS BY PROVINCE		
PROVINCES	**NUMBER OF LEARNERS**	**NUMBER OF SCHOOLS**
Eastern Cape	36	31
Free State	21	17
Gauteng	43	38
KwaZulu-Natal	43	31
Limpopo	34	28
Mpumalanga	14	12
Northern Cape	13	13
North West	23	22
Western Cape	24	17
Total	**251**	**209**

Table 78 Number of scholarship recipients by province and schools for 2024/25

Table 74 above shows that 43 learners from 38 schools in Gauteng received scholarships during this reporting period, while 13 learners from 13 schools in North West received SANRAL scholarships.



DRIVING TRANSFORMATION + CAPACITY BUILDING

At SANRAL, our commitment to transformation – one of our strategic pillars – is deeply embedded in our efforts to develop human capital and drive inclusive growth. The scholarship programme is an important initiative that directly contributes to this pillar.

SANRAL scholarships form a vital part of our skills development and capacity building initiatives, which fall under Programme 2: Administration.

Number of scholarship recipients by province



Figure 62 Number of SANRAL scholarship recipients by province for 2024/25

External bursaries

SANRAL contributes to youth development by investing in tertiary education. This assistance is afforded to deserving applicants who meet the requirements in fields related to transportation infrastructure, engineering, the built environment, smart technologies, public sector infrastructure development and administration, as well as in other fields relevant to SANRAL's core business of building and maintaining South Africa's national road network.

Our external bursary programme is designed to empower South Africa's youth, providing critical support to students pursuing qualifications ranging from diplomas to master's degrees. They are offered at 18 tertiary institutions nationwide, including universities, universities of technology, comprehensive universities, and technical and vocational education and training (TVET) colleges, creating pathways for success across the entire tertiary education spectrum.

By sponsoring studies in fields aligned with its core mandate, SANRAL is contributing meaningfully to developing a skilled workforce that can support national infrastructure growth. This is in line with the Agency's strategic priority to help reduce poverty and tackle the high cost of living by linking skills development more closely to economic demand as well as unlocking workplace-based placements and opportunities for TVET graduates.

Tertiary institutions at which SANRAL offered bursaries in 2024/25	
1	Cape Peninsula University of Technology
2	Central University of Technology
3	Durban University of Technology
4	Mangosuthu University of Technology
5	Nelson Mandela University
6	Northlink College (Bellville, Western Cape)
7	Rhodes University
8	Stellenbosch University
9	Tshwane University of Technology
10	University of Cape Town
11	University of Johannesburg
12	University of KwaZulu-Natal
13	University of Mpumalanga
14	University of Pretoria
15	University of South Africa
16	University of the Free State
17	University of the Witwatersrand
18	Vaal University of Technology



External bursary recipients by gender and population group

POPULATION SEGMENT	GENDER	NUMBER OF BURSARIES	% OF BURSARIES	TOTAL BURSARIES PER SEGMENT
African	Male	62	81%	122
	Female	60		
Coloured	Male	3	7%	11
	Female	8		
Indian	Male	5	7%	10
	Female	5		
White	Male	4	5%	7
	Female	3		
Total	**Male**	**74**	**49%**	**150**
	Female	**76**	**51%**	

Table 79 External bursary recipients by gender and population group for 2024/25

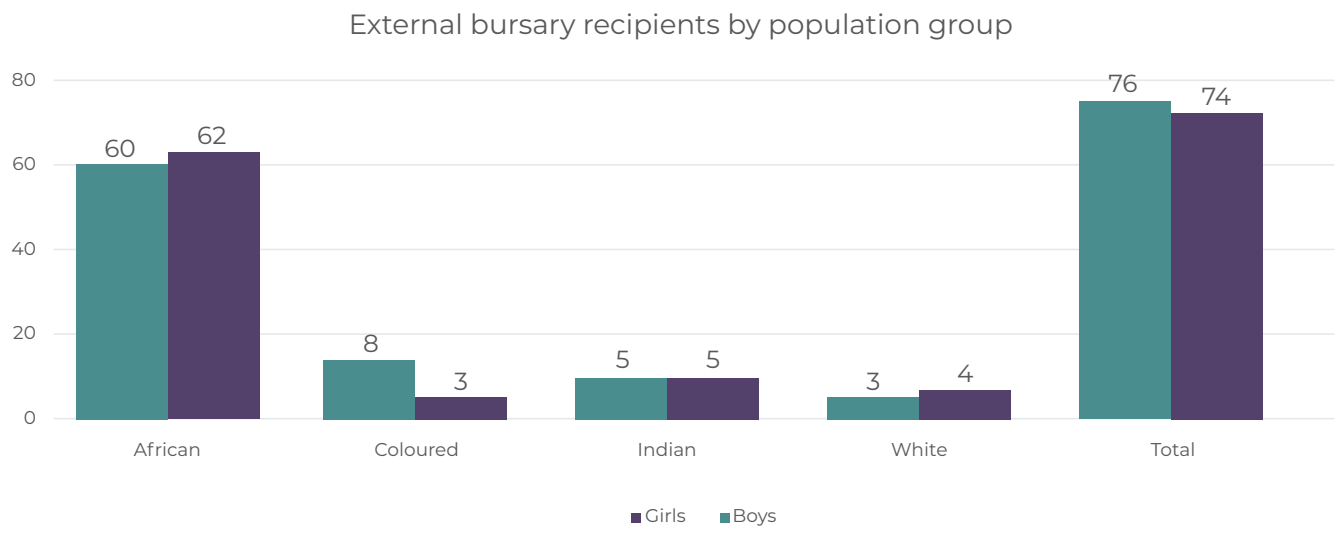


Figure 63 External bursary recipients by gender and population group for 2024/25

A total of R13 680 396,80 was invested in the external bursary programme during this reporting period. This demographic spread reflects SANRAL's commitment to equity and diversity in developing South Africa's future infrastructure professionals.

Number of external bursaries by province

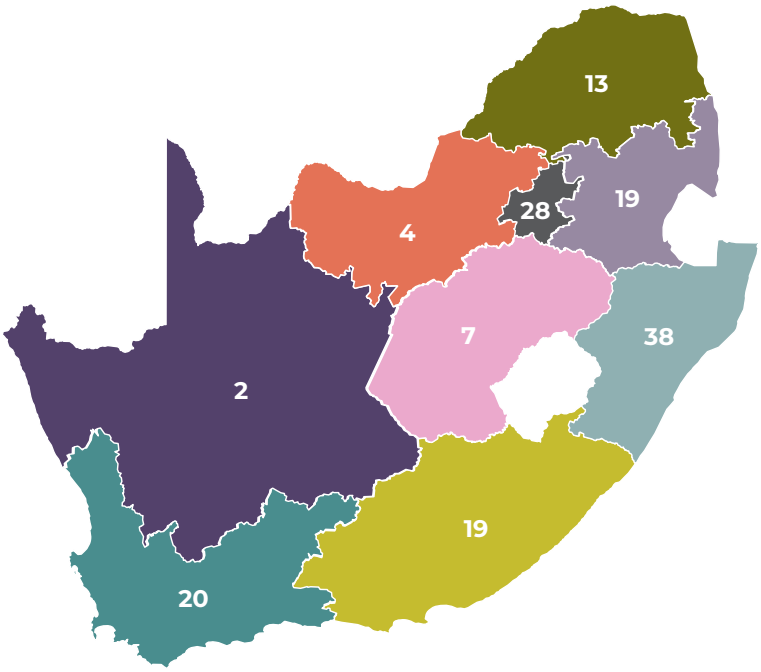


Figure 64 External bursary recipients by province for 2024/25

SANRAL's external bursary programme achieved broad national reach, with recipients being enrolled in all nine provinces. This nationwide coverage reflects SANRAL's commitment to equitable access to educational opportunities, particularly in communities where access to higher education remains limited.

This extensive geographic coverage ensures that talented students from urban and rural areas benefit from SANRAL's continued investment in education, contributing to the development of a more inclusive and regionally representative workforce in the transport and infrastructure sectors.



In the 2024/25 financial year, the internal bursary programme supported 130 employees, 23 of whom completed their studies at the end of the 2024 academic year. The total investment in internal bursaries was R3 050 154,74. Forty-eight individuals have been awarded bursaries for the 2025 academic year.

Internal bursaries

The internal bursary programme has played a crucial role in nurturing the professional development of SANRAL's existing staff by offering financial support for academic education and professional accreditation. This programme demonstrates our support for career progression and the development of skills that enable staff to transition within or beyond the organisation in the future.

Staff training and education are integral to SANRAL's strategic priorities, particularly under the goal of "Building a Capable, Ethical, and Developmental State" and "Reducing Poverty and Tackling the High Cost of Living".

It aligns with the Agency's focus on creating delivery capacity for the country and supporting transformation through skills development.

Internal bursary recipients

INTERNAL BURSARIES	GENDER		POPULATION SEGMENT				OFFICE					DESIGNATED GROUPS	
Classification	M	F	A	C	I	W	EC	Central	Gauteng	KZN	WC	Disability	Youth
Number	61	69	98	18	12	2	18	30	29	25	28	2	28
% of internal bursaries	47%	53%	75%	14%	9%	2%	14%	23%	22%	19%	22%	2%	22%

M/F = Male or female A/C/I/W = African, Coloured, Indian or White

EC/KZN/WC = Eastern Cape, KwaZulu-Natal or Western Cape

Table 80 Internal bursary recipients for 2024/25

Demographic spread

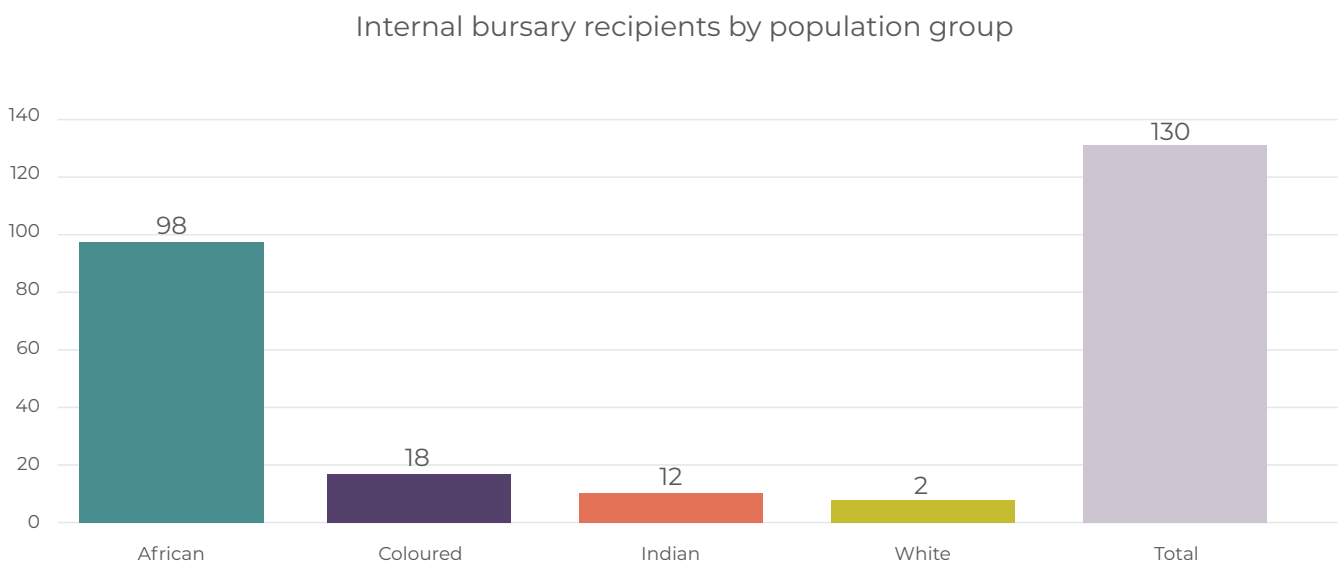


Figure 65 Internal bursary recipients by population group for 2024/25

Internal bursaries by gender

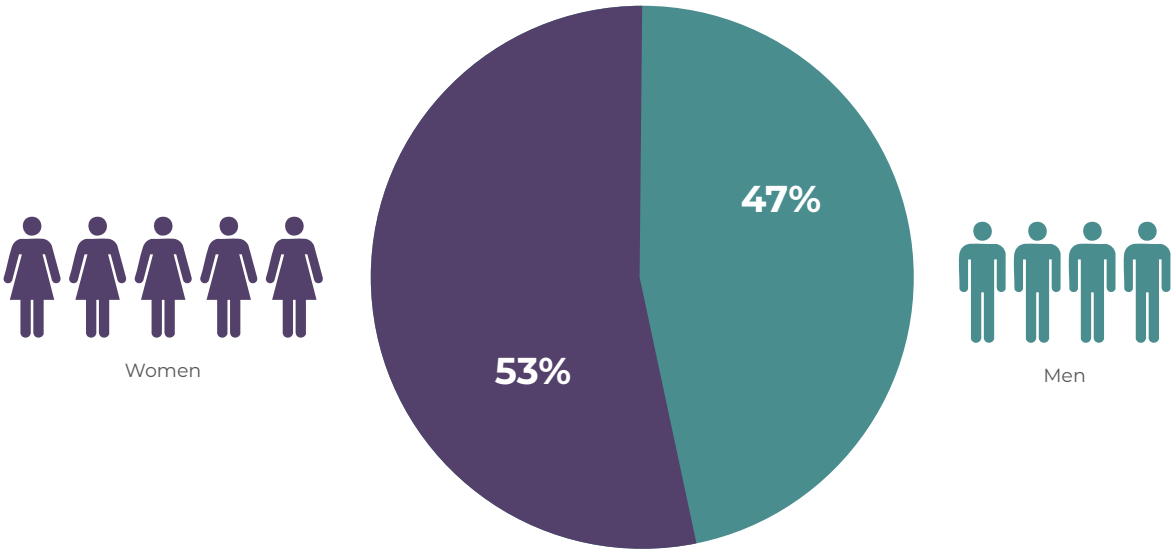


Figure 66 Internal bursary recipients by population group for 2024/25

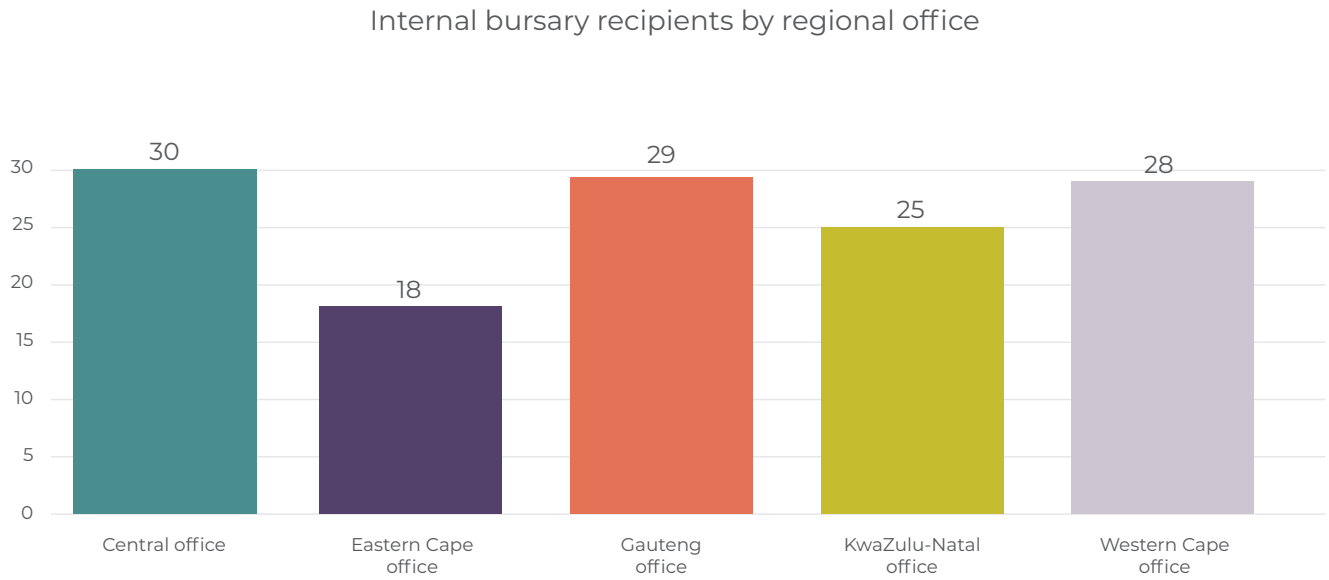


Figure 67 Internal bursary recipients by regional office for 2024/25

Technical Excellence Academy

SANRAL's Technical Excellence Academy (TEA) contributes to the skills pipeline for South Africa's infrastructure sector and represents a strategic investment in the organisation's future.

The TEA is designed to create delivery capacity for the country by developing candidate professionals who will work towards professional registration. It is part of a structured pipeline that begins with awarding scholarships to qualifying school leavers for university studies. Graduates then enter the TEA as candidate professionals to complete all phases of the training programme.

The Academy provides a dynamic and nurturing environment for developing graduates in engineering and quantity surveying through exposure to in-house experience, as well as through construction monitoring and secondments. This collaborative approach serves SANRAL's engineering cluster while also offering graduates an opportunity to develop a well-rounded skill set and an awareness of corporate matters.

The Academy's success is evident in its ability to accelerate professional development. The TEA plays a critical role in SANRAL's efforts to build a capable and developmental state by fostering professional skills and supporting transformation through education and training. Part of SANRAL's strategic plan is to develop a more comprehensive TEA strategy and business plan to help ramp up this valuable programme and address any resulting capacity constraints related to coaching, supervisors and mentorship.

During this reporting period, 12 graduates, four of whom were within the five-year professional development training period, successfully registered as Professional Engineers with the Engineering Council of South Africa (ECSA). In addition, a quantity surveyor and an engineer previously seconded from the KwaZulu-Natal Department of Transport registered with their respective professional councils, bringing the total number of registrations for the period to 14.

The Academy's programme for the year included 56 graduates, who were placed throughout the regions. On completion of their five-year TEA contracts, a quantity surveyor, eight engineers and one engineering technologist were transitioned to permanent positions at SANRAL.

An amount of R21 682 213,11 was invested to optimise training opportunities, which included the deployment of graduates to various sites, the resourcing of the materials testing laboratory and design office, and secondments to consulting engineers.

A group of 59 TEA graduates, who were under the age of 35, participated in various professional development training forums, focusing on empowering young talent and helping graduates achieve their professional registration with ECSA. An investment of R1 148 046,52 was allocated to support their training sessions.

TEA graduates by professional path

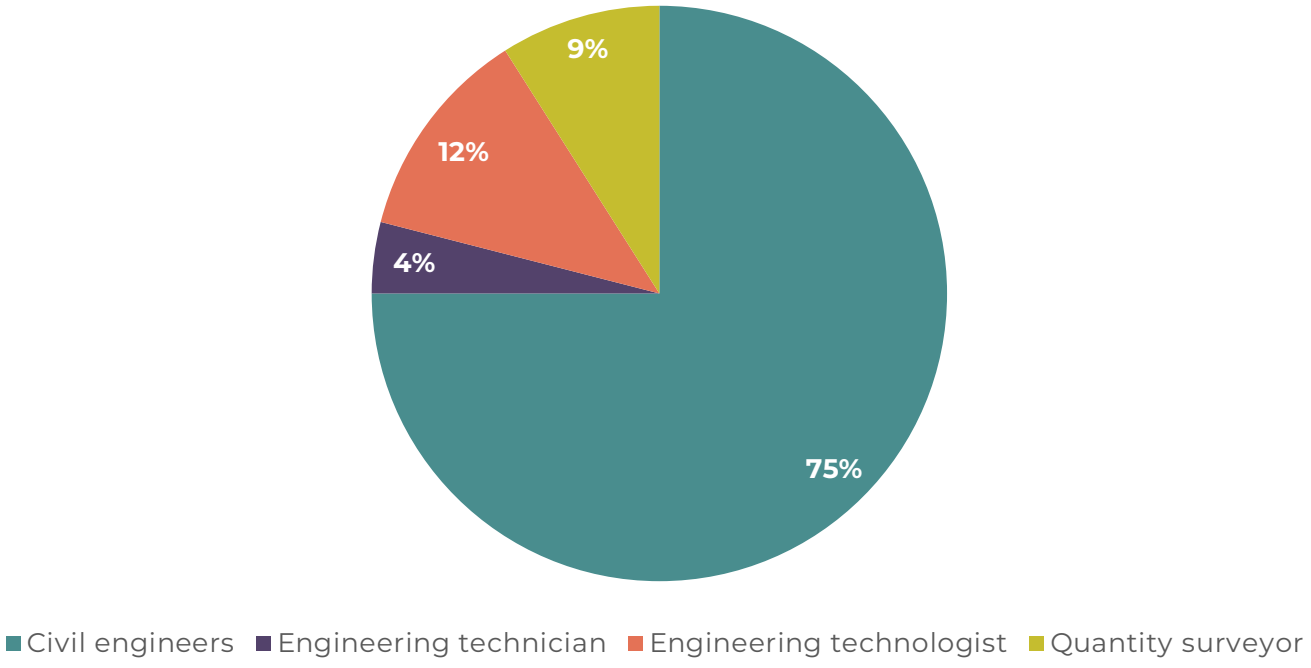


Figure 68 Distribution of TEA graduates by professional path by 2024/25

Work-integrated learning programme

The Work-Integrated Learning (WIL) Programme aims to build capacity in public sector infrastructure development. The programme offers students the opportunity to gain meaningful work experience that complements their academic qualifications. This experience is designed to facilitate the acquisition of work-related skills and build the confidence necessary to support future employability. This forms part of SANRAL's strategic priority to help build a capable and developmental state.

WIL participants by population group

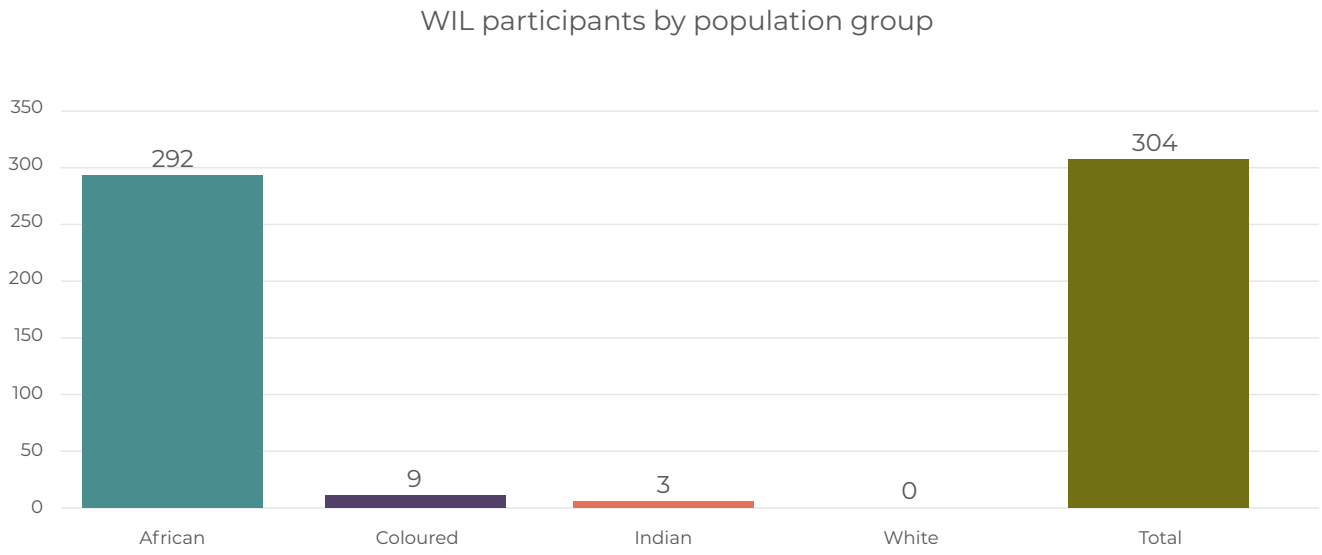


Figure 69 WIL participants by gender and population group for 2024/25

WIL participants by gender, population segment, regional deployment and designated group status

INTERNAL BURSARIES	GENDER		POPULATION SEGMENT				OFFICE					DESIGNATED GROUPS	
Classification	M	F	A	C	I	W	ER	KZN	NR	SR	WR	Disability	Youth
Number	145	159	292	9	3	0	82	-	63	106	53	0	304
% of internal bursaries	48%	52%	96%	3%	1%	0%	27%	-	21%	35%	17%	-	100%

M/F = Male or female A/C/I/W = African, Coloured, Indian or White

EC/KZN/WC = Eastern Cape, KwaZulu-Natal or Western Cape

Table 81 WIL participants for 2024/25

WIL participants by gender

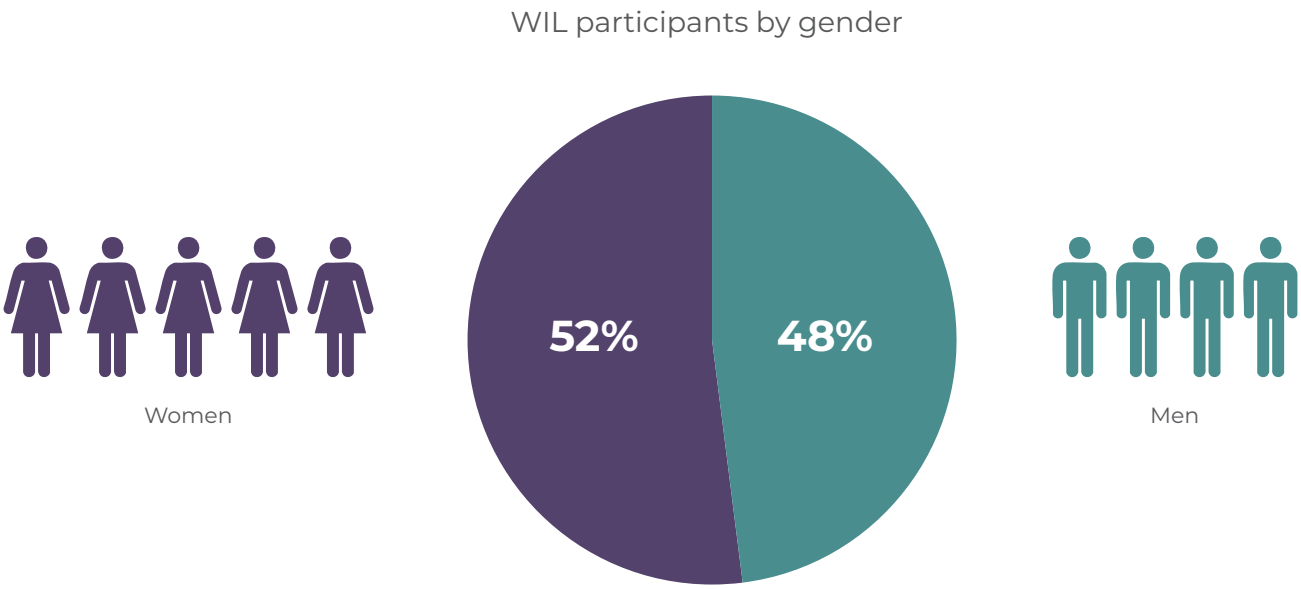
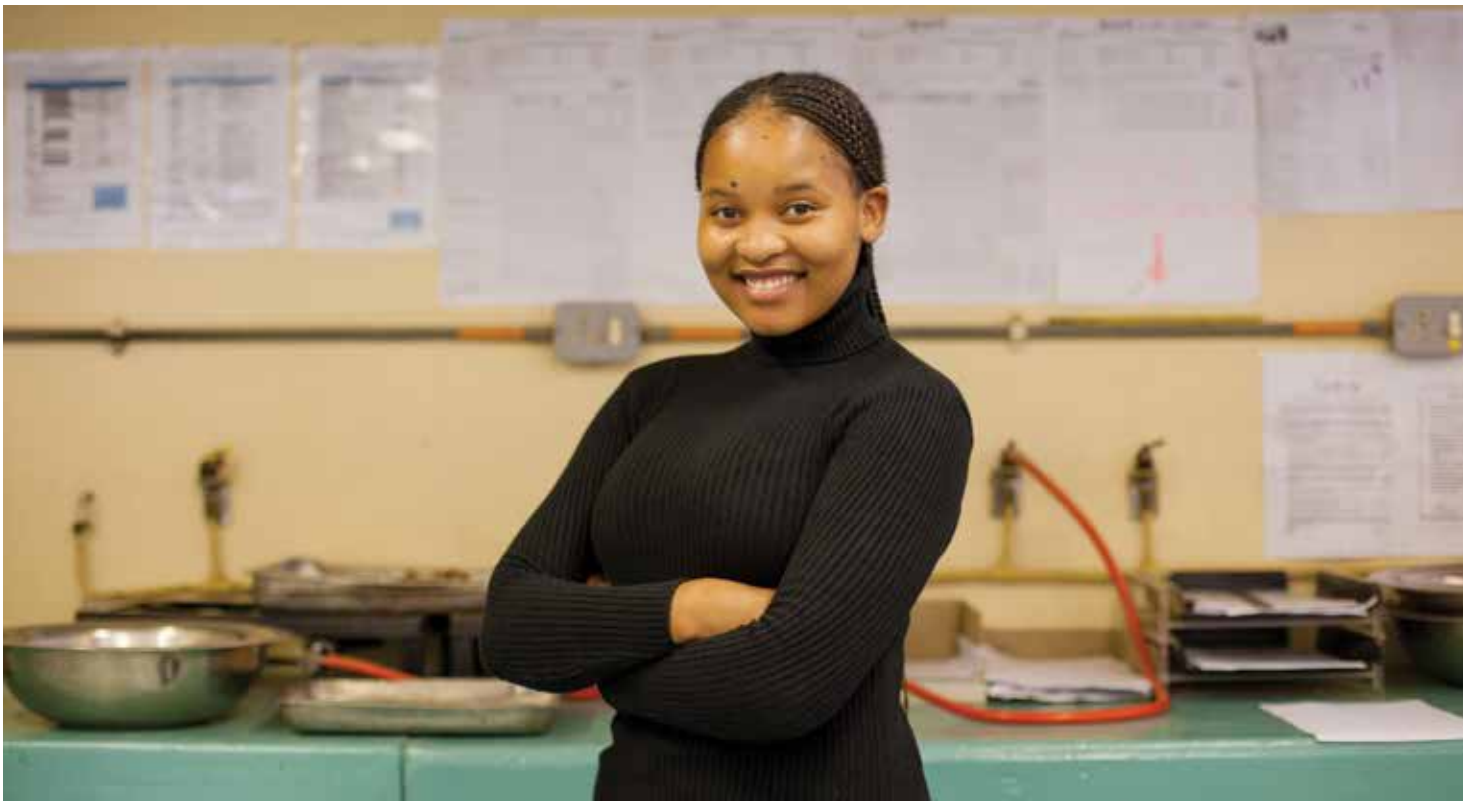


Figure 70 WIL participants by gender for 2024/25



Employee training costs

PROGRAMME/ ACTIVITY/ OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST	NO. OF EMPLOYEES TRAINED
Individual Development Plan (Employee training)		R 7 299 911,59		413

Table 82 Employee training costs for 2024/2025

Academic chairs

In addition to its bursary and scholarship programmes, SANRAL supports higher education by sponsoring academic chairs at three South African universities. These are dedicated to promoting technical expertise and supporting the development of human capital. During this reporting period, these funding initiatives yielded several notable achievements, as highlighted in the work of the respective chairs.

University of the Free State: Chair in Mathematics and Science Education

The SANRAL Chair at the University of the Free State (UFS) plays a pivotal leadership role in developing maths and science researchers, as well as in supporting effective teaching and learning in schools. The chair's five key projects are designed to address specific objectives aimed at advancing science and mathematics education. These work together to foster excellence in teaching, research and school improvement.

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

Since the inception of the research chair in 2014, the programmes under its jurisdiction have produced 40 PhD graduates in science, mathematics, and technology education in South Africa, Lesotho and Zimbabwe. During the reporting period, the programmes produced three master's graduates and three doctoral graduates.

Other notable achievements include the publication of 23 research articles in renowned academic journals. Representatives of the chair also attended nine conferences and presented research papers at three of them.

In the rapidly changing world of the 21st century, education in the science, technology, engineering and mathematics (STEM) disciplines has become more critical than ever. These fields drive innovation, economic growth and global competitiveness.

South Africa's complex socio-economic landscape and diverse educational challenges demand urgent action. Advancing education in the STEM disciplines is no longer just an opportunity but a critical imperative. Central to this endeavour is developing highly skilled and passionate maths and science teachers who will lead the charge in shaping STEM education in schools.

The programmes under the chair's jurisdiction also continued to operate in the school environment, focusing on the recruitment and training of teachers for science and mathematics through the UFS Bachelor of Education (BEd) and Postgraduate Certificate in Education (PGCE) programmes. From the 2024 cohort, 182 undergraduate, postgraduate certificate and honours students graduated.

The work of the chair, in addition to the Family Math and Family Science Programme, is about the university's Science-for-the-Future (S4F) project. The programme is discussed in a later section.

University of Cape Town: Chair in Transportation Management

During this reporting period, the SANRAL Chair at the University of Cape Town (UCT) continued to pursue key objectives, including promoting transportation-related research and fostering the development of human capital in the field of transportation engineering.

The chair not only oversees this work but also continues to serve on the board of directors and as treasurer of the HealthBridge Foundation of Canada, and serves as the head of the Department of Civil Engineering. During this reporting period, the chair supervised 29 postgraduate students. The chair further supervised three undergraduate students whose programme, as per the Engineering Council of South Africa's requirements, included a compulsory research report component.

Notable achievements during this reporting period include the chairing of the first African Transport Research Conference, for which SANRAL was a main sponsor.

UFS SANRAL CHAIR'S PROJECTS

Project 1: The recruitment and high-quality supervision of master's and PhD candidates in science and mathematics education, school change and instructional leadership

Project 2: The recruitment and training of dedicated science and mathematics teachers through the UFS Bachelor of Education (BEd) and Postgraduate Certificate in Education (PGCE) programmes

Project 3: The piloting and implementation of school change models in UFS School Partnership Project (PCP) schools

Project 4: Research into best practices for improving science, mathematics and technology education for improving teaching and learning and facilitating school change

Project 5: Research, writing, publication and dissemination of public policy dialogues and community engagements, among others.

In August 2024, UFS's Faculty of Education, in partnership with SANRAL, hosted the SANRAL University Tour, which provided UFS students with valuable insights in road engineering and opportunities in the field, including bursary opportunities, learnerships and internships.



The new Bachelor of Science (BSc) curriculum in civil engineering was also rolled out during this period. It's an ambitious, problem-driven, decolonised curriculum that directly responds to many of the challenges facing South Africa and sets a new standard for civil engineering curricula in the country. In addition to its innovative design, which incorporates project-linked learning, the curriculum meets all the requirements set by ECSA.

The SANRAL Digital Laboratory remained fully operational and undertook several exciting research projects in this period, including those focused on big data and freeway modelling. The laboratory has a direct link to the SANRAL Freeway Management System (FMS), which facilitates freeway-related research in South Africa.

Research collaboration is crucial for staying relevant and informed about global industry developments. In line with this philosophy, the UCT chair successfully collaborated with key players across industry and academia during the year.

UCT SANRAL CHAIR'S COLLABORATIVE PROJECTS

INSTITUTION	PROJECT
TRANSAFE	Transforming Road Safety in Africa
ZEV-UP	Innovative and User-Centric Battery Electric Vehicle
Western Cape Government	Evolution Strategy Project
	Advancing new energy vehicle integration through strategic, tactical and operational modelling
United Nations	Net-zero transport plan for the Kumasi Metropolitan Assembly in Ghana
University of Leeds, United Kingdom	Behavioural and choice modelling in Africa
Technical University of Dortmund and the University of ABC, Sao Paolo, Brazil	Impact of COVID-19 on livelihoods, mobility and accessibility of marginalised groups
SANRAL Research Panel	Non-motorised transport behaviour
	Road funding models and the impact of carbon tax and alternative fuels on funding

University of Stellenbosch: Chair in Pavement Engineering

The SANRAL chair at the University of Stellenbosch continued its undergraduate and postgraduate education programmes during this reporting period, as well as its development and management of the asphalt and pavement laboratories. The chair contributed to collaborative research locally through SANRAL, partnering with the Council for Scientific and Industrial Research (CSIR), the Southern African Bitumen Association (Sabita) and the South African Road Federation.

This collaboration led to research and development initiatives, postgraduate research projects and the development of industry guidelines.

In particular, the university-industry collaboration initiative, championed by Sabita, has the potential to become a foundation for innovation and development, driving economic growth and addressing the country's road infrastructure challenges.

The initiative aims to create a platform for universities and industry to collaborate on transportation infrastructure research. The goal is to identify mutually beneficial projects, coordinate industry needs, support researchers and students, and drive research that benefits all stakeholders.

Internationally, the chair collaborated with esteemed institutions, including the Delft University of Technology in the Netherlands, the University of Parma in Italy and the International Society of Asphalt Pavements in the United States of America. Collaborations with the International Journal of Road Materials and Pavement Design in the United Kingdom also facilitated technology transfer and enriched educational programmes. Partnerships like these are key to providing world-class education in South Africa.

During this reporting period, the chair's engagement in training and academic courses, facilitated through local and international collaborations, presented an excellent opportunity for capacity building within the roads industry. Six Master of Engineering (MEng) degrees were awarded in pavement engineering and 10 new postgraduate students enrolled for studies in the discipline. This brought the total number of registered postgraduate students to 16 at the start of 2024.

The chair also presented three postgraduate courses, along with webinars and seminars focusing on pavements. These courses featured lectures from international and local professors, doctors and specialists, providing invaluable exposure to cutting-edge global roads technology. The list of specialists presenting the courses continues to grow, providing a deeper scope and enhancing the practical component of the subject material. In 2024, 53 postgraduate students attended three courses, reflecting significant interest and participation in educational opportunities.

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

Science and maths programmes for learners, parents and teachers

In addition to supporting these academic chairs, SANRAL supports 10 universities with the implementation of educational programmes designed to enhance the proficiency of school learners in mathematics and physical science. These initiatives include practical experiments at the ICT Laboratory for Science at UFS, as well as science and math programmes for learners, parents and teachers.

Science-for-the-Future (S4F)

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

S4F aims to address these problems and encourage and enable more young people to enter STEM-related studies and careers, including engineering and science teaching. Initiated by the UFS, the programme has evolved into a collaboration involving several South African universities.

Physical Sciences Laboratory at the University of the Free State

This is a partnership between SANRAL, the SANRAL-funded programme Science-for-the-Future (S4F) and participating schools. It is aimed at learners in Grades 9 to 12 and promotes effective science teaching and learning.

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

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

During this reporting period, 232 learners from 19 different schools attended sessions at the laboratory and participated in regular curriculum-related activities. Participants received a total of 1 446 hours of training in two-hour sessions and engaged in events such as visits to the Boyden Observatory and the

Naval Hill Planetarium at Naval Hill in Bloemfontein. A career guidance session was also organised, establishing an official link between the learners and the university's Unit for Prospective Students, Kovsie2b.

Key Concepts in Science programme

This programme was developed to address the significant challenges facing science education in South Africa and to improve learner performance, which falls far below international averages. It focuses on building a strong foundation in the natural sciences in Grades 8 and 9 to ensure success in the later grades.

Science teachers receive resources and support to effectively integrate the programme into their curriculum.

During the reporting period, 6 874 project participants were enrolled in the UFS Key Concepts in Science rollout and exit programmes.

Family Math and Family Science programme

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

S4F at the University of the Free State launched its Family Math and Family Science roll-outs in the Free State and Northern Cape in 2009. With SANRAL's support, the programme has since experienced exponential growth and, by 2024, had expanded to Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, North West and the Eastern Cape.

S4F enrolled 32 205 project participants in 138 schools in the rollout, exit and exit support programmes during 2024. To ensure success, 38 subject advisors were trained to act as coordinators in their respective regions, with the responsibility of supporting local educators in implementing the programme.

Collaboration with South African universities

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

Managed by the UFS, these initiatives have been implemented at the Nelson Mandela University, Walter Sisulu University, Sol Plaatje University, the University of Limpopo, the University of KwaZulu-Natal, and the University of Mpumalanga.

In 2024, the University of Venda, Stellenbosch University and North-West University also joined the collaboration. This has expanded the project's reach and enabled knowledge sharing between institutions to further build capacity.

The collaboration has a phased approach, consisting of 13 milestones over a cycle of three financial years. As part of a new cycle, milestones 1 to 5 were completed during this reporting period.

Science and maths collaboration rollout 2024/25

MILESTONES		ACTIVITIES
1	Confirm the collaboration with South African universities	S4F started with discussions with the institutions to confirm commitment to the project. The focus was on expanding the collaboration to three additional universities and extending the programme to Grade R at selected collaborating universities.
2	Induct the collaborating facilitators in the S4F programmes at UFS	To ensure the integrity of the Family Math and Key Concepts programmes, all participating facilitators from the collaborating universities underwent compulsory induction sessions.
3	Roll out training to local teachers by collaborating universities	Working with Department of Basic Education officials, the collaborating universities identified and enrolled a new group of educators to be trained for the first time in 2024.
4	Exit the local teacher mentoring by the collaborating universities	Facilitators from the institutions visited the teachers who were in the rollout phase in the [2022/23] financial year and who were part of the exit phase in [2023/24].
5	Universities to plan, organise and register teacher training for 2025	A practice note was issued containing all details regarding enrolling project participants for the collaborating universities during 2025.

Table 83 Science and maths collaboration rollout 2024/25; the first year's milestones

A total of 33 379 project participants were included in the Family Math and Family Science roll-out and exit programmes during 2024. A total of 32 869 project participants were included in the Key Concepts in Science roll-out and exit programmes. This resulted in an additional 66 248 project participants, bringing the total number of participants to 105 603 in 2024.

14TH ANNUAL FAMILY MATH AND FAMILY SCIENCE SUMMIT

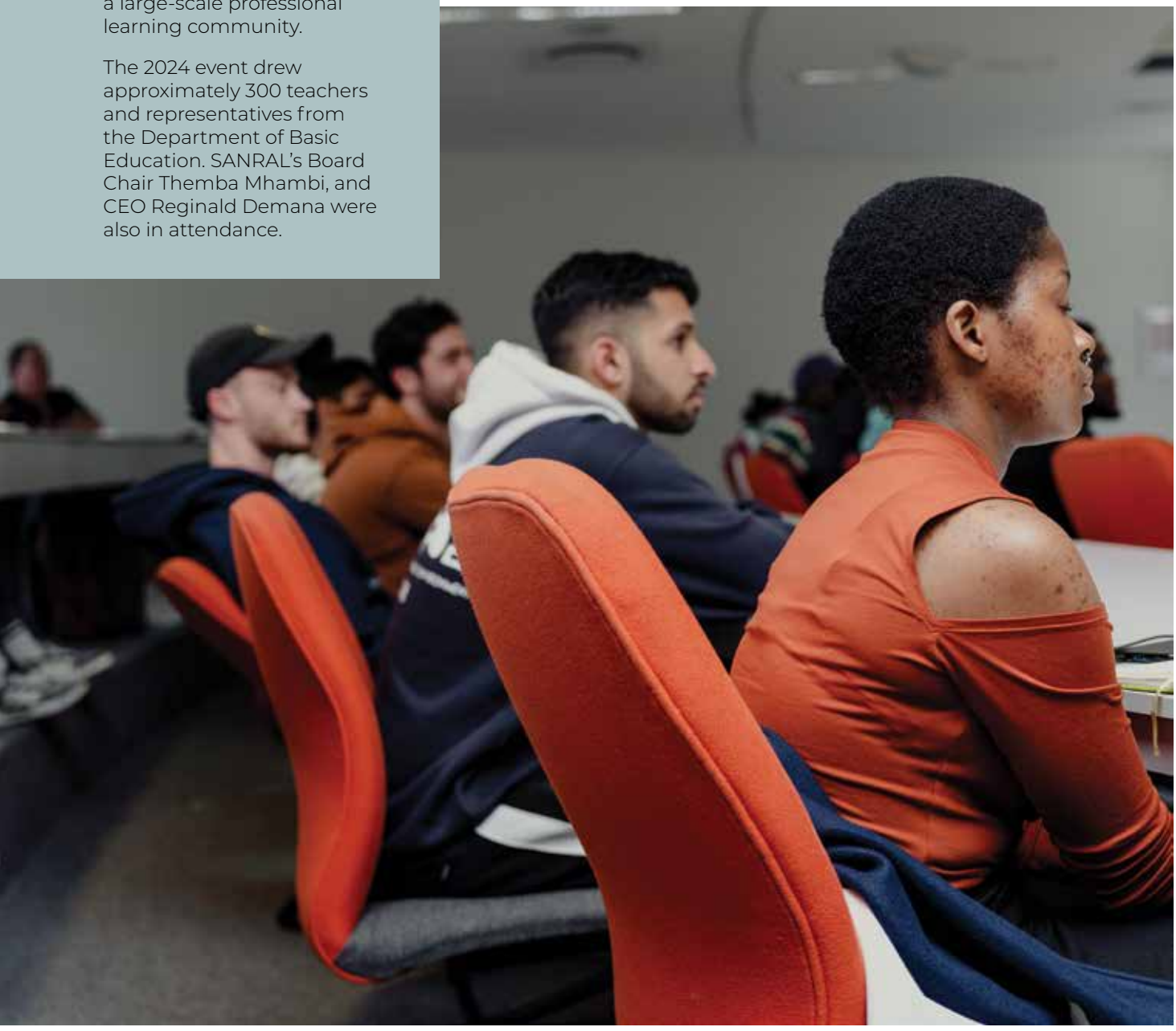
The S4F unit of UFS's Faculty of Education hosted the 14th annual Family Math and Family Science Summit in the Centenary Complex on the Bloemfontein campus on 13 September 2024.

The purpose of the summit was to reflect on project implementation. It also serves as an annual platform for participating teachers to network with colleagues nationwide and establish a large-scale professional learning community.

The 2024 event drew approximately 300 teachers and representatives from the Department of Basic Education. SANRAL's Board Chair Themba Mhambi, and CEO Reginald Demana were also in attendance.

Key achievements of the science and maths programme expansion

- Expanding the collaboration to include three additional universities during the reporting period.
- Breaking new ground in integrating emerging universities in corporate outreach initiatives that have an impact on local communities.
- Dr Cobus van Breda from the UFS was invited to be a member of a panel discussion at a UNESCO G20 event. The topic of the live-streamed event was "Shaping a Brighter Future for Women and Girls in Science" and the Family Math component of the collaboration was highlighted as an intervention project.
- Notable progress in the personal and professional growth of participating facilitators. One of the project participants was appointed as a facilitator at a collaborating university.





PART 5

PFMA COMPLIANCE





5.1 Irregular, fruitless and wasteful expenditure and material losses

5.1.1 Irregular expenditure

a. Reconciliation and irregular expenditure

DESCRIPTION	2025 R'000	2024 R'000
Opening balance	**2 662 507**	**2 181 076**
Adjustment to opening balance	54 007	1 735
Opening balance as restated (Note (a))	2 716 514	2 182 811
Add: Irregular expenditure confirmed	186 843	479 793
Less: Irregular expenditure condoned	-	(96)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**2 903 357**	**2 662 507**

The R55,742 million (which is R54 007 million + R1 735 million) relates to the contracts confirmed in prior year that were under assessment but confirmed in current year.

Reconciling notes

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure that was under assessment	5 427	406 577
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	181 416	73 216
Total	**186 843**	**479 793**

b. Details of irregular expenditure (under assessment, determination, and investigation)

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure under assessment	1 023 135	1 152 692
Irregular expenditure under determination	-	46
Irregular expenditure under investigation	-	-
Total	**1 023 135**	**1 152 738**

c. Details of irregular expenditure condoned

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure condoned	-	(96)
Total	**-**	**(96)**

d. Details of irregular expenditure removed (not condoned)

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

e. Details of irregular expenditure recoverable

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure recoverable	-	
Total	**-**	**-**

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

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure written off	-	
Total	**-**	**-**

Additional disclosure relating to inter-institutional arrangements

g. Details of non-compliance where an institution is involved in an inter-institutional arrangement (where such institution **is not** responsible for non-compliance)

DESCRIPTION	2025 R'000	2024 R'000
	-	
Total	**-**	**-**

h. Details of non-compliance where an institution is involved in an inter-institutional arrangement (where such institution **is** responsible for non-compliance)

DESCRIPTION	2025 R'000	2024 R'000
	-	
Total	**-**	**-**

i. Details of disciplinary or criminal steps taken as a result of irregular expenditure

DISCIPLINARY STEPS TAKEN
There was no confirmed irregular expenditure with allegations of criminal conduct.
The employees who caused the R96 000 condoned irregular expenditure were given written warning as recommended by the loss control committee and approved the Board.
Human resources has instituted disciplinary action against perpetrators of irregular cases concluded by the loss control committee and independent reviews.

5.1.2 Fruitless and wasteful expenditure

a. Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2025 R'000	2024 R'000
Opening balance	**-**	**33 735**
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
(insert footnote – Transfer to receivables)	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off		(33 735)
Closing balance	**-**	**-**

Reconciling notes

DESCRIPTION	2025 R'000	2024 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

b. Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

DESCRIPTION	2025 R'000	2024 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	12 971	-
Total	**12 971**	**-**

c. Details of fruitless and wasteful expenditure recoverable

DESCRIPTION	2025 R'000	2024 R'000
Fruitless and wasteful expenditure recoverable	-	-
Total	**-**	**-**

d. Details of fruitless and wasteful expenditure not recoverable and written off

DESCRIPTION	2025 R'000	2024 R'000
Fruitless and wasteful expenditure written off	0	33 735
Total	**0**	**33 735**

The Board approved writing off the R33 735 million in the 2023/24 financial year, after LLC determination processes.

e. Details of disciplinary or criminal steps as a result of fruitless and wasteful expenditure

DISCIPLINARY STEPS TAKEN
n/a

5.1.2.1 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) & (iii)

a. Details of material losses through criminal conduct

DESCRIPTION	2025 R'000	2024 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

b. Details of material losses through criminal conduct

DESCRIPTION	2025 R'000	2024 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

c. Details of other material losses

DESCRIPTION	2025 R'000	2024 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	-
Total	**-**	**-**

d. Other material losses recoverable

DESCRIPTION	2025 R'000	2024 R'000
(Group major categories, but list material items)	-	-
Total	**-**	**-**

e. Other material losses are not recoverable and written off

DESCRIPTION	2025 R'000	2024 R'000
(Group major categories, but list material items)	-	-
Total	**-**	**-**

5.2 Late and/or Non-Payment of Suppliers

DESCRIPTION	NUMBER OF INVOICES	VALUE R'000	COMMENTS
Valid invoices received	27 839	37 505 913	All invoices received
Invoices paid within 30 days (or agreed period)	25 296	36 747 732	Undisputed and verified invoices are paid within 30 days – 98%.
Invoices paid after 30 days (or agreed period)	1 239	686 499	1. Capacity constraints in finance department 2. Late approval of invoices by end-user departments 3. Final account – awaiting performance certificate, checklist and reconciliation 4. Late submission of vendor registration forms by service provider 5. Purchase orders and additional fund not created timeously 6. Service provider sending invoices that are already past due 7. Previously disputed invoices
Invoices older than 30 days (or agreed period) unpaid and without dispute	871	49 037	1. Invoices recommended for payment waiting for all approvals and supporting documents 2. Delays in vendor creation and purchase order creation on system
Invoices older than 30 days (or agreed period) unpaid and in dispute	433	22 644	Invoices are not paid due to various disputes. Ongoing matters. Communications are in progress and, once corrected, new/revised invoices or credit notes will be processed. 1. Duplicate invoices have already been paid. 2. Service provider takes a long time to provide supporting documentation. 3. Service provider delays in resolving queries. 4. Incorrect rates billed by service provider.



5.3 Supply Chain Management

5.3.1 Introduction

The contracts listed in the tables below were awarded through deviation from the normal bidding process through single sourcing, sole sourcing or limited bidding as permitted by the National Treasury. The awards were approved by the delegated adjudication authorities, and reported to National Treasury and the AGSA.

5.3.2 Procurement by other means

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Bloomberg software system to enable SANRAL's Treasury Unit to manage the investment portfolio	Bloomberg Finance LP	Sole source	N/A	R3 017 936,00
Replacement of the Armco culvert on the national route N2, Section 21 (from km 77,2)	VEA Road Maintenance & Civils (Pty) Ltd	Sole source	N.002-210-2024/1	R218 995 050,58
Southern African Transport Conference	Southern African Conference (SATC)	Sole source	SS 2024/65210/ 1027/002	R107 400,00
Appointment of Microsoft to move legacy data to Azure	Microsoft Ireland Operations Limited	Sole source	N/A	R27 682 466,04
Restoration of the culverts on the national road R40 Section 4 (at km 19,861)	White Hazy Building Construction (Pty) Ltd	Emergency	R.040-040-2018/1R	R38 752 310,73
Provide support to the Board on a legal matter	Cliffe Dekker Hofmeyr Inc	Sole source	HO RFQ 150001484	R16 518 750,00
Appointment of the service provider for the specific proceedings of the 27th SASLAW annual national conference 2024	Southern African Society for Labour Law (SASLAW)	Sole source	SS 2024/65210/1027/001	R56 925,00

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Consulting engineering services for the emergency upgrade of the Phangweni access road on the provincial route D751 from P10 intersection (km 0,00) to the Evangelical Church (km 2,00)	Zimile Consulting Engineers (Pty) Ltd	Emergency	S.004-008-2025/1F	R8 574 558,70
Test and measurement conference	National Laboratory Association South Africa	Sole source	SS 2024/65210/1027/004	R7 590,00
Consulting engineering services for the Vala Zonke emergency projects for the municipal roads in the Thembisile Hani local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	SANRAL P.002-069-2025/1F	R1 292 600,00
Consulting engineering services for the Vala Zonke emergency projects for the municipal roads in the Dr JS Moroka local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	SANRAL P.002-068-2025/1F	R3 634 230,00
Consulting engineering services for the Vala Zonke emergency projects on the municipal roads in the Victor Khanye local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	SANRAL P.002-070-2025/1F	R2 312 305,00
Emergency/urgent reconstruction of the Evaton municipal access road in the Emfuleni local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Urgent	SANRAL P.002-065-2025/1	R23 121 267,07
Emergency/urgent reconstruction of the Evaton municipal access road in the Emfuleni local municipality	Ndodana Consulting Engineers (Pty) Ltd	Urgent	SANRAL P.002-065-2025/1F	R3 296 371,79
Emergency/urgent reconstruction of the Mahikeng municipal borders	Rainbow Civils Contractors CC	Urgent	SANRAL P.002-071-2025/1	R21 150 621,16

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Emergency/urgent repairs of the local municipal road network around Elukwatini Town	Rainbow Civils Contractors CC	Urgent	SANRAL P.002-067-2025/1	R99 230 000,00
Supervision for the emergency/urgent repairs of Sydney De Lange Street in the Lekwa local municipality	Royal Mndawe Holdings (Pty) Ltd	Urgent	SANRAL P.002-066-2025/1F	R860 234,44
Supervision for the emergency/urgent repairs of Sydney De Lange Street in the Lekwa local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Urgent	SANRAL P.002-066-2025/1	R13 234 375,95
Emergency/urgent reconstruction/repairs of the Mahikeng municipal borders	Royal Mndawe Holdings (Pty) Ltd	Urgent	SANRAL P.002-071-2025/1	R2 115 068,44
Emergency/urgent repairs of the local municipal road network around Elukwatini Town	Dinokeng Consulting Engineers (Pty) Ltd	Urgent	SANRAL P.002-067-2025/1F	R5 487 224,00
Emergency/urgent repairs of the local municipal road network in the Thembisile Hani local municipality	Rail Refurb CC	Urgent	SANRAL P.002-068-2025/1	R2 748 132,00
Emergency/urgent repairs of the local municipal road network in the Thembisile Hani local municipality	Rail Refurb CC	Urgent	SANRAL P.002-069-2025/1	R2 748 132,00
Supervision for the emergency/urgent repairs of the stormwater on the Hammanskraal roads	Ndodana Consulting Engineers (Pty) Ltd	Urgent	P.002-073-2025/1	R23 331 495,45
Provide support to the Board on a legal matter	Cliffe Dekker Hofmeyr Inc	Single source	N/A	R16 518 750,00
Consulting engineering services for the emergency special maintenance services on an emergency/ urgency basis for non-SANRAL road P59 from Harding to Izingolweni via KwaMachi in the Umuziwabantu local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	P.004-066-2024/1F	R16 518 750,00

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Consulting engineering services for the emergency upgrade of roads P520, D1091, D1093 and an undeclared portion of the roadway at Mvutshini/ Enkanyisweni in the Ray Nkonyeni local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	P.004-064-2024/2F	R23 593 715,72
Consulting engineering services for the emergency flood repairs to major structures on the MR385 (from km 0,00 to km 7,30) and the upgrade of the access road on the provincial route D535 (from km 0,00 to km 3,80)	Zimile Consulting Engineers (Pty) Ltd	Emergency	S.004-006-2025/1F	R30 756 937,45
Emergency special maintenance on an urgent basis for non-SANRAL road P59 from Harding to Izingolweni via KwaMachi in the Umuziwabantu local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	P.004-066-2024/1	R22 281 537,61
Emergency upgrade of roads P520, D1091, D1093 and the undeclared portion of the roadway at Mvutshini/ Enkanyisweni in the Ray Nkoyeni local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	P.004-064-2024/2	R113 404 256,09
Emergency upgrade of the Phangweni access road on the provincial route D751 from the P10 intersection (km 0,00) to the Evangelical Church (km 2,00)	Rail Refurb CC	Emergency	S.004-008-2025/1	R39 837 023,64
Emergency repair of the Mbokodweni River Bridge (B1176) on the national route N2, Section 24 (from km 25,72)	Base Major CSC Joint Venture (Pty) Ltd	Emergency	X.004-134-2024/1-C1	R69 000 000,00
Sole source subscription renewal for civil designer software licence, which includes a software upgrade and subscription support for a period of three years	Arctipoint (Pty) Ltd t/a Civil Designer South Africa	Sole source	RFQ 150001627	R1 776 721,36
Emergency/urgent repairs of the Limpopo roads in the Modimolle-Mookgophong local municipality	Rainbow Civils (Pty) Ltd	Emergency	X.002-079-2019/1	R291 604 351,69

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Modimolle-Mookgophong local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-079-2019/1F	R13 625 200,00
Emergency/urgent repairs of the Limpopo roads in the Modimolle-Mookgophong local municipality	QTC Civils	Emergency	X.002-080-2019/1	R158 664 401,75
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Modimolle-Mookgophong local municipality	Dinokeng Engineers (Pty) Ltd	Emergency	X.002-080-2019/1F	R7 844 955,00
Emergency/urgent repairs for the Mpumalanga roads in the Chief Albert Luthuli local municipality	Rainbow Civils (Pty) Ltd	Emergency	X.002-081-2019/1	R307 676 018,57
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Chief Albert Luthuli local municipality	Dinokeng Engineers (Pty) Ltd	Emergency	X.002-081-2019/1F	R7 844 955,00
Emergency/urgent repairs of the Limpopo roads in the Bela-Bela local municipality	Rainbow Civils (Pty) Ltd	Emergency	X.002-083-2019/1	R268 822 705.78
Consulting engineering services for the emergency/ urgent repairs in the Bela-Bela local municipality	Dinokeng Engineers (Pty) Ltd	Emergency	X.002-083-2019/1F	R7 844 955,00
Emergency/urgent repairs of the Limpopo roads in the Lephalale/Blouberg local municipality	Botle Ba Afrika Roads (Pty) Ltd	Emergency	X.002-085-2019/1	R210 482 846,53
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Lephalale/ Blouberg local municipality	Wanoza Consulting Engineers CC	Emergency	X.002-085-2019/1F	R5 344 970,00

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Emergency/urgent repairs of the Limpopo roads in the Lepelle-Nkumpi local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	X.002-089-2019/1	R363 002 548,16
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Lepelle-Nkumpi local municipality	Marumo Consulting Engineers (Pty) Ltd	Emergency	X.002-089-2019/1F	R4 723 050,00
Emergency/urgent repairs for the Limpopo roads in the Mogalakwena local municipality	BCB Solutions (Pty) Ltd	Emergency	X.002-090-2019/1	R73 141 509,03
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Mogalakwena local municipality	Endecon Ubuntu Africa (Pty) Ltd	Emergency	X.002-090-2019/1F	R3 510 231,25
Emergency/urgent repairs of the Mpumalanga roads in the Lekwa local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	X.002-093-2019/1	R361 406 380,85
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Lekwa local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-093-2019/1F	R13 406 125,00
Emergency/urgent repairs of the Limpopo roads in the Greater Giyani local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	X.002-094-2019/1	R408 478 861,50
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Greater Giyani local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-094-2019/1F	R13 093 900,00

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Emergency/urgent repairs of the Mpumalanga roads in the Govan Mbeki local municipality	Quality Plant Hire JV	Emergency	X.002-096-2019/1	R325 079 628,85
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Govan Mbeki local municipality	Dinokeng Engineers (Pty) Ltd	Emergency	X.002-096-2019/1F	R7 844 955,00
Emergency/urgent repairs of the Mpumalanga roads in the Msukaligwa local municipality	Penny-Farthing Engineering SA (Pty) Ltd	Emergency	X.002-097-2019/1	R165 407 606,52
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Msukaligwa local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-097-2019/1F	R13 877 625,00
Emergency/urgent repairs of the Limpopo roads in the Elias Motsoaledi local municipality	Rainbow Civils (Pty) Ltd	Emergency	X.002-099-2019/1	R310 193 495,07
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Elias Motsoaledi local municipality	Dinokeng Engineers (Pty) Ltd	Emergency	X.002-099-2019/1F	R7 844 955,00
Emergency/urgent repairs of the Limpopo roads in the Makhuduthamaga local municipality	BCB Solutions (Pty) Ltd	Emergency	X.002-100-2019/1	R304 136 236,65
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Makhuduthamaga local municipality	Wanoza Consulting Engineers	Emergency	X.002-100-2019/1F	R5 489 870,00
Emergency/urgent repairs of the Limpopo roads in the Makhado local municipality	BCB Solutions (Pty) Ltd	Emergency	X.002-102-2019/1	R225 542 567,70

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Makhado local municipality	Cinfratec Consulting Engineers (Pty) Ltd	Emergency	X.002-102-2019/1F	R12 461 745,00
Emergency/urgent repairs of the Mpumalanga roads in the Steve Tshwete local municipality	Botle Ba Afrika Roads (Pty) Ltd	Emergency	X002-104-2019/1	R213 457 277,37
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Steve Tshwete local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	X.002-104-2019/1F	R14 669 400,00
Emergency/urgent repairs of the Mpumalanga roads in the Emalahleni/Victor Khanye local municipality	Rail Refurb CC	Emergency	X.002-104-2019/1F	R376 001 286,72
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Emalahleni/Victor Khanye local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	X.002-105-2019/1	R17 255 750,00
Emergency/urgent repairs of the Mpumalanga roads in the Nkomazi local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	X.002-105-2019/1F	R259 963 135,00
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Nkomazi local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-106-2019/1	R13 772 400,00
Emergency/urgent repairs of the Mpumalanga roads in the Thaba Chweu local municipality	Vea Road Maintenance & civils	Emergency	X.002-106-2019/1F	R378 821 999,54
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Thaba Chweu local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-107-2019/1	R13 275 025,00

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Emergency/urgent repairs of the Mpumalanga roads in the Mbombela local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	X.002-107-2019/1	R374 533 640,67
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Mbombela local municipality	Royal Mndawe Holdings (Pty) Ltd	Emergency	X.002-108-2019/1	R13 535 500,00
Emergency/urgent repairs of the Limpopo roads in the Fetakgomo-Tubatse local municipality	Turnover Trading 72 CC T/A Itumemleng Construction	Emergency	X.002-109-2019/1	R218 240 330,10
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Fetakgomo-Tubatse local municipality	Dinokeng Engineers (Pty) Ltd	Emergency	X.002-109-2019/1F	R7 844 955,00
Emergency/urgent repairs of the Limpopo roads in the Maruleng local municipality	BCB Solutions (Pty) Ltd	Emergency	X.002-120-2019/1	R317 012 442,36
Consulting engineering services for the emergency/ urgent repairs of the Limpopo roads in the Maruleng local municipality	Wanoza Consulting Engineers	Emergency	X.002-120-2019/1F	R5 427 770,00
Emergency/urgent repairs of the Limpopo roads in the Ba-Phalaborwa local municipality	Rainbow Civils (Pty) Ltd	Emergency	X.002-121-2019/1	R190 823 633,39
Emergency/urgent repairs of the Mpumalanga roads in the Mkhondo local municipality	VEA Road Maintenance & Civils (Pty) Ltd	Emergency	X.002-091-2019/1	R364 348 328,10
Consulting engineering services for the emergency/ urgent repairs of the Mpumalanga roads in the Mkhondo local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	X.002-091-2019/1F	R14 640 650,00

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT
Consulting engineering services of the emergency/ urgent repairs of the Limpopo roads in the Ba-Phalaborwa local municipality	Wanoza Consulting Engineers CC	Emergency	X.002-121-2019/1F	R13 850 945,00
Consulting engineering services for the emergency upgrading of unpaved provincial routes D2065 (from km 0,0 to km 4,43) and D1134 (from km 0,00 to km 2,94) at Inadi and Ntembeni in the Msunduzi local municipality	Zimile Consulting Engineers (Pty) Ltd	Emergency	P.004-065-2024/2F	R35 311 265,78
TOTAL				**R1 126 877 776,11**

5.3.3 Contract variations and expansions

The expansion and variation of contracts are allowed by the National Treasury to:

- Expand a contract by increasing the scope of work
- Vary a contract by changing the scope of work
- Increase the contract value.

Contracts for the following were reported to National Treasury and AGSA:

- Construction-related goods or services or both, expanded or varied by more than 20% or R20 million (including all applicable taxes), whichever is the lesser
- All other goods or services or both, expanded or varied by more than 15% or R15 million (including all applicable taxes), whichever is the lesser.

The following table lists all contract expansions and or variations that were approved in the 2024/25 financial year

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
1	Consulting engineering services for the routine road maintenance of the national route N2, Section 29 (from km 53,57) to Sections 29 to 31 (from km 32,89); and the national route 22, Sections 1 (from km 0,00) to 5 (km 40,32) in the uMkhanyakude District Municipality	Zimile Consulting Engineers (Pty) Ltd	Time extension period	X.004-072-2019/1F	R19 706 400,00	-	R19 706 400,00
2	Routine road maintenance of the national route N2, Sections 29 (from km 53,57) to 31 (km 32,89); and Route 22, Sections 1 (from km 0,00) to 5 (km 40,32) in the uMkhanyakude District Municipality	Rail Refurb CC	Contact variation	X.004-072-2019/1	R121 924 019,48	R79 135 461,80	R201 059 481,28

3	Consulting engineering services for the routine road maintenance of the national route 2, Section 31 (km 32,89) to Section 32 (km 70,16) and national route 69, Section 5 (km 0,00 to km 9,63) in the Zululand District Municipality	Zimile Consulting Engineers (Pty) Ltd	Time extension period	X.004-071-2019/1F	R19 730 550,00	-	R19 730 550,00
4	Routine road maintenance of the national routes 2, Section 31 (km 32,89) to Section 32 (km 70,16) and the national route 69, Section 5 (km 0,00 to km 9,63) in the Zululand District Municipality	Rail Refurb CC	Contact variation	X.004-071-2019/1	R75 939 885,45	R45 112 766,65	R121 052 652,10
5	Consulting engineering services for the routine road maintenance on the national route N11 from the Bergville interchange N11/1 (km 0,00) to Volksrust N11/4 (km 50,4)	Zimile Consulting Engineers (Pty) Ltd	Time extension period	N.011-014-2019/1F	R17 520 250,00	-	R17 520 250,00
6	Routine road maintenance on the national route N11 from the Bergville interchange N11/1 (km 0,00) to Volksrust N11/4 (km 50,4) in the uThukela and Amajuba district municipalities	Rail Refurb CC	Time extension period	N.011-014-2019/1	R121 518 518,18		R121 518 518,18
7	Consulting engineering services for the routine road maintenance of the national route N2 Section 21X (km 0,00) to the N2 Section 22X (km 29,60) and N2 22 (km 0,00) to the N2 Section 23 (km 44,78) in the Sisonke and Ugu district municipalities	Zimile Consulting Engineers (Pty) Ltd	Time extension period	N.022-213-2019/1F	R17 151 634,75	-	R17 151 634,75

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
8	Routine road maintenance of the national route 2, Section 21X (km 0,00) to N2 22X (km 29,60) and the N2 Section 22 (km 0,00) to N2 Section 23 (km 44,78) in the Harry Gwala and Ugu district municipalities	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	N.022-213-2019/1	R211 355 895,25	R65 691 961,17	R277 047 856,42
9	Consulting engineering services for the detail design, contract documentation and construction monitoring of the upgrading of the Panbult intersection (linking provincial roads D803 and P97/2) across the national route N2 Section 34	Hlanganani Engineers & Project Managers (Pty) Ltd	Contact variation	N.002-340-2013/1F	R15 758 316,00	R30 682 378,57	-
10	Consulting engineering services for the assessment, detail design, contract documentation and construction monitoring of the improvement on the national route N2 Section 34 from Piet Retief (km 0) to Verzameling (km 30)	KBK Engineers (Pty) Ltd	Contact variation	N.002-340-2015/1F	R27 180 060,20	R26 402 300,36	-
11	Consulting engineering services for the assessment, detail design, contract documentation and construction monitoring of the improvement on the national route N2 Section 34 from Verzameling (km 30) to Leiden (km 60)	KBK Engineers (Pty) Ltd	Contact variation	N.002-340-2016/1F	R35 151 837,94	R28 446 840,45	-

12	Routine road maintenance of the national route R33 from the Mpumalanga/KwaZulu-Natal provincial boundary to Mkhondo municipal boundary and the N2 from the Mpumalanga/KwaZulu-Natal provincial boundary to the Mkhondo municipal boundary	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-091-2019/1	R93 223 274,67	R84 922 416,30	R40 000 000,00
13	Routine road maintenance of the national roads N11, Section 7 from the Msukaligwa municipal border to Ermelo, N11; Section 8 from Ermelo to the Msukaligwa municipal border; N2, Section 34 from Ermelo to the Msukaligwa municipal border	Penny-Farthing Engineering SA (Pty) Ltd	Contact variation	X.002-097-2019/1	R108 401 651,76	R86 708 363,78	R40 000 000,00
14	Routine road maintenance of the national roads R33 from the Mkhondo municipal border through Warburton to the Chief Albert Luthuli municipal border; the N17 from the Govan Mbeki municipal border through Ermelo to the Chief Albert Luthuli municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-098-2019/1	R63 712 163,90	R78 931 169,88	R30 000 000,00
15	Routine road maintenance of the national route N4, Section 1, N4, Sections 11 and 12, N1, Section 21, R21, Section 2, R104, Sections 1 and 2, and R573 (Tshwane RRM)	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-088-2019/1	R99 539 153,31	R81 394 500,76	-
16	Routine road maintenance of the national route R21 Sections 1 and 2, N12 Sections 18 and 19, N3 Sections 11 and 12 and the N17 Section 2 (Ekurhuleni RRM)	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-129-2019/1	R153 195 352,43	R116 708 363,78	-

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
17	Routine road maintenance of national route N11 from the KwaZulu-Natal/Mpumalanga provincial boundary to the Dr Pixley Ka Isaka Seme municipal boundary; R35 from Amersfoort to Dr Pixley Ka Isaka Seme municipal boundary, and the R23 from Volksrust to the Dr Pixley Ka Isaka Seme municipal boundary	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-092-2019/1	R67 528 472,19	R76 519 111,52	R40 000 000,00
18	Routine road maintenance of the national route R37 from the Polokwane municipal border to the Fetakgomo Tubatse municipal border, the R518 from Mogalakwena municipal border to the R37, and the R579 from the R37 to Makhuduthamaga municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-089-2019/1	R58 574 197,75	R81 127 131,50	R25 000 000,00
19	Routine road maintenance of national routes N11 from the Mpumalanga provincial boundary to the Ephraim Mogale municipal boundary to Fetakgomo Tubatse municipal boundary; the R573 from the Mpumalanga provincial boundary to the Dr JS Moroka municipal boundary near Dennilton, and the R574 from R33 intersection near Motetema to the R579 intersection at Hlogotlou	Rainbow Civils CC	Contact variation	X.002-099-2019/1	R46 398 923,21	R55 210 449,98	-

20	Routine road maintenance of the national routes R33 from the Modimolle municipal boundary to the R510 intersection in Lephalale, the R520 from the R510 intersection to the Modimolle-Mookgophong municipal boundary, and the R510 from the Thabazimbi municipal boundary to the R33 intersection in Lephalale	Rainbow Civils CC	Contact variation	X.002-084-2019/1	R46 931 359,93	R60 134 567,43	-
21	Professional services for the role of the independent engineer on the N4 Maputo Development Corridor Toll Road Concession contract	Zutari (previously known as Aurecon Consortium)	Contact variation	N.004-018-2018/1F	R44 886 360,00	R33 925 000,00	-
22	Improvement of the national road R37 Section 1: Modikwa Mine (km 117,0) to Burgersfort (km 142,87) (total 25,87 km) and C.002-013-2014/1 construction of the pedestrian safety facilities between Modikwa Mine and Burgersfort	Edwin Construction (Pty) Ltd	Contact variation	R.037-020-2005/1	R541 131 857,64	R128 659 645,87	-
23	Consulting engineering services for the upgrading of the national road R573 Section 3 from Limpopo/Mpumalanga provincial border (km 0,00) to Marble Hall (km 43,70)	LEO Consulting (Pty) Ltd	Contact variation	R.573-030-2016/3F	R21 786 455,00	R30 671 282,60	-
24	Routine road maintenance of national routes N11 from the Ephraim Mogale municipal boundary to Mogalakwena municipal boundary, the R33 from the N11 to Modimolle, and the R101 from Middelfontein to the Mogalakwena municipal boundary	QTC Civils (Pty) Ltd	Contact variation	X.002-080-2019/1	R38 803 081,50	R22 914 865,84	-

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
25	Routine road maintenance of the national routes R101 from Bela-Bela to Middelfontein, the R516 from the Thabazimbi municipal boundary to Bela-Bela, the R520 from the Lephalale municipal boundary to the R33 intersection at Vaalwater, and the R33 from Modimolle to the Lephalale municipal boundary	Rainbow Civils CC	Contact variation	X.002-083-2019/1	R41 249 807,50	R23 820 040,01	-
26	Routine road maintenance of the national route 1 Section 1 between Old Oak I/C (km 18,9) and Joostenberg Vlakte (km 30,44) and the national route 2, Sections 1 and 2 between Swatklip I/C (km 17,47) and Elgin Forest Reserve (km 18,83) and the national route 7, Section 1 between Melkbos I/C (km 17,4) and Klipvlei (km 34,99) and the national route 300, Section 1 between Swartklip I/C (km 14,76) and Stellenberg (km 30,93)	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.005-036-2019/1	R175 310 691,68	R100 085 111,08	R31 766 181,06
27	Routine road maintenance of national route N2, Section 16 (km 31,26) to Section 18 (km 28,91), and the national route N6, Section 1 (km 30,18 to km 50,38), and the national route 63 Section 16 (km 0,00 to km 43,64)	Rainbow Civils CC	Contact variation	X.003-034-2019/1	R64 685 865,56	R12 613 743,78	R22 754 654,72

28	Routine road maintenance of the national route 6, Section 3 (km 8,04 to km 58,86 and national route 61 Section 5 (km 0,25) to Section 6 (km 92,78) and the national route 67, Section 4 (km 43,43) to Section 5 (km 33,20)	Rainbow Civils CC	Contact variation	X.003-047-2019/1	R106 835 831,87	R19 764 628,90	R39 544 628,90
29	Routine road maintenance of the national route N2, Section 18 (km 28,91) to Section 20 (km 17,70) and the national route 61, Section 6 (km 92,78) to Section 7 (km 51,49)	Rainbow Civils CC	Contact variation	X.002-066-2018/2	R74 143 143,85	R25 189 166,83	R64 276 364,16
30	Brits and N4 Section 12 from the 512 to the N4	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	N.004-018-2018/1F	R44 886 360,00	R33 925 000,00	-
31	Routine road maintenance of the national road R24 Rustenburg to Gauteng border, the R52 from Koster to N4 Rustenburg, the R30 from the JB Maks municipal border to Olifantsnek	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-067-2018/2	R59 346 532,92	R40 277 025,00	R74 808 451,99
32	Routine road maintenance of the national route R53 from the N12 Potchefstroom to the Free State border, the R54 from the Gauteng border to the N12 Potchefstroom, the R500 from Parys to the Gauteng border, the R501 from the Free State to Gauteng borders, the N12 from the Gauteng border to the Merafong municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-068-2018/2	R82 886 744,50	R15 345 211,15	R60 895 914,11

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
33	Routine road maintenance of the national road R34 from the Naledi municipal border to the Free State border and the N12 from the Northern Cape border to the Maquassi Hills municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-072-2018/2	R77 005 998,70	R20 134 899,78	R50 543 259,95
34	Routine road maintenance of the national road N12 from Rand West District border to Gauteng/ North West border, the N14 from West Rand District border to Gauteng/North West border, R54 from Sedibeng District Border to Gauteng/North West border, R500 from the Gauteng/North to West Rand District border , R501 from West Rand District border to Gauteng/North West border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-119-2019/2	R126 981 380,34	R15 889 900,67	R64 745 814,32
35	Routine road maintenance of the national road N14 from the Naledi municipal border to the Ditsobotla municipal border and the R505 from the Maquassi Hills municipal border to the Ditsobotla municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-124-2019/2	R26 852 902,88	R24 112 890,34	R38 179 597,12

36	Routine road maintenance of the national road N14 from the Ditsobotla municipal border to the Gauteng border, the R30 from the Kgetlengrivier municipal border though Ventersdorp to the Matlosana municipal border, and the R53 from Potchefstroom to Ventersdorp	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-127-2019/2	R88 789 187,30	R28 334 789,78	R65 613 891,52
37	Routine road maintenance of the national route N1 Section 19, N1 Section 20, N1 Section 21, N3 Section 12, N12 Section 19	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-128-2019/2	R161 689 536,78	R11 345 900,23	R68 310 586,33
38	Routine road maintenance of the national route N17 Section 2	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	N.017-010-2019/2	R42 129 587,37	R2 340 600,12	R11 500 000,00
39	Routine road maintenance of the national route N4 Section 1, N4 Sections 11 and 12, N1 Sections 21 and 21 Section 3	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-088-2019/2	R119 446 983,98	R11 345 900,34	R58 803 016,10
40	Routine road maintenance of the national route R81 from the Polokwane municipal boundary to the Molemole municipal boundary, the R521 from the Polokwane municipal boundary to the Molemole municipal boundary, the R36 from the Greater Letaba municipal boundary to the Molemole municipal boundary and the N1-28X from the Polokwane municipal boundary to the Molemole municipal boundary	Rainbow Civils CC	Contact variation	X.002-079-2019/1&N.001-280-2019/2	R109 569 740,56	R15 234 991,77	R76 501 438,61

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
41	Routine road maintenance of the national route R518 from the Lephalale municipal border to Mokopane, the N11 from the Mogalakwena municipal border to the R101 intersection and the R101 from the Mogalakwena municipal border to Mokopane	Razzmatazz Civil (Pty) Ltd	Contact variation	X.002-086-2019/2	R125 110 172,10	R20 123 788,99	R28 973 919,00
42	Routine road maintenance of the national route R521 from Molemole municipal border through Vivo to Makhado municipal border, the R523 from the Blouberg municipal border to Masekwaspoort, N1 from Louis Trichardt to Beit bridge border post	BCB Solutions	Contact variation	X.002-102-2019/1&N.001-290-2019/3	R87 859 106,22	R27 678 112,34	R102 798 385,37
43	Routine road maintenance of the national route R40 from the Maruleng municipal border to the R71; the R71 from the Greater Tzaneen municipal border to the Phalaborwa Gate at Kruger National Park, and the R526 from the Maruleng municipal border to Gravelotte	Rainbow Civils CC	Contact variation	X.002-121-2019/2	R57 749 033,71	R8 123 907,11	R40 103 495,64
44	Routine road maintenance of the national route N1, Sections 23, 24 and 25 from Bela-Bela to the Polokwane municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	N.001-246-2018/2	R74 248 902,45	R25 341 899,23	R17 242 671,97

45	Routine road maintenance of the national route R23 from the Lekwa/Dr Pixley Ka Isaka Seme municipal boundary over Standerton, to the Mpumalanga/ Gauteng provincial boundary S27(51) from the Vaaldaai interchange to Malakal and the R35 from Dr Pixley Ka Seme municipal boundary to the Lekwa municipal boundary	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-093-2019/2	R95 172 112,62	R15 345 117,22	R68 195 031,03
46	Routine road maintenance of the national route R33 from the Mpumalanga/KwaZulu-Natal provincial boundary to the Mkhondo municipal boundary and the N2 from the Mpumalanga/ Kwazulu-Natal provincial boundary to the Mkhondo municipal boundary	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-091-2019/2	R111 867 929,60	R38 114 899,12	R148 940 968,19
47	N11 Section 7 from the Msukaligwa Municipal boundary to Ermelo, N11 Section 8 from Ermelo to the Msukaligwa municipal boundary, N2 Section 34 from Ermelo to the Msukaligwa municipal boundary	Penny-Farthing Engineering SA (Pty) Ltd	Contact variation	X.002-097-2019/2	R130 081 982,12	R25 123 567,11	R153 726 915,67
48	Routine road maintenance of the national road R555 from Jackaroo Park to the Steve Tshwete municipal boundary, the N12 from the Gauteng/Mpumalanga boundary to eMalahleni, and the 573 from Moloto to Moteti and within the Dr JS Moroka local municipality	Rail Refurb CC	Contact variation	X.002-105-2019/2	R115 673 611,64	R12 112 334,44	R50 758 029,34

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
49	Routine road maintenance of national road R555 from the eMalahleni municipal border to Middelburg, the R35 from Govan Mbeki municipal border to Middelburg, the R38 from Msukaligwa municipal border to Chief Albert Luthuli municipal border, and the N11 from Msukaligwa municipal border over Middelburg to the Limpopo provincial border	Botle Ba Afrika Roads (Pty) Ltd	Contact variation	X.002-104-2019/2	R129 651 683,10	R26 289 198,00	R36 181 198,00
50	Routine road maintenance of the national road R570 from the Malelane Gate at Kruger National Park to the Jeppes Reef border post, the R571 from the Crocodile River over Komatipoot to the Mananga border post, the R581 from the R570 to the R571; and the R582 from the R571 to the N4	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-106-2019/2	R93 555 248,41	R10 234 112,99	R53 761 345,12
51	Routine road maintenance of the national road R37 from the Limpopo/Mpumalanga boundary over Mashishing to the Mbombela municipal border	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-107-2019/2	R80 905 248,41	R24 765 112,34	R50 884 111,13

52	Routine road maintenance of the national road R38 from the Chief Albert Luthuli municipal boundary to Baberton, the R37 from the Thaba Chweu municipal boundary to Mbombela, the R40 from Baberton over Mbombela to the Limpopo boundary, and the N4 from the Enos Mabuza intersection to Crocodile Valley	VEA Road Maintenance & Civils (Pty) Ltd	Contact variation	X.002-108-2019/2	R97 500 334,91	R40 123 567,90	R66 373 623,72
53	Consulting engineering services for the routine road maintenance of the national route N2 Section 23 (km 44,48) to the national route N2 Section 27 (km 1,85) and the national route N3 Section 1 (km 9,00) to the national route N3 Section 4 (km 1,60), in the eThekwini Metro and uMgungundlovu District Municipality	Zimile Consulting Engineers (Pty) Ltd	Contact variation	X.004-069-2019/1F	R17 943 680,00	R2 803 200,00	-
54	Consulting engineering services of routine road maintenance of the national routes N5 and N8 in the Thabo Mofutsanyana District Municipality	Q&A Consulting Engineering Services and Project Management (Pty) Ltd	Contact variation	X.004-068-2019/1F	R14 939 650,00	R1 398 400,00	-
55	Consulting engineering services for the routine road maintenance of the national route N6 in the Xhariep District Municipality	Q&A Consulting Engineering Services and Project Management	Contact variation	N.006-068-2019/1F	R14 939 650,00	R1 580 615,35	-
56	Consulting engineering services for the routine road maintenance of the national routes N1 and N8 in the Xhariep District Municipality	Q&A Consulting Engineering Services and Project Management (Pty) Ltd	Contact variation	X.004-075-2019/1F	R16 433 615,00	R1 580 615,35	R18 014 230,35

	PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION OR VARIATION	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
57	Consulting engineering services for the routine road maintenance of the national routes N1 and R34 in the Fezile Dabi District Municipality	Q&A Consulting Engineering Services and Project Management (Pty) Ltd	Contact variation	N.001-179-2019/1F	R14 939 650,00	R4 691 050,10	-
58	Routine road maintenance of the national route N2 Section 21X (km 0,00) to the N2 Section 22X (km 29,60), and the N2 Section 22 (km 0,00) to the N2 Section 23 (km 44,78) and the Ugu District Municipality	VEA Road Maintenance & Civils Pty Ltd	Contact variation	N.002-213-2019/1	R211 355 895,25	R17 350 655,00	R65 691 961,17
59	Routine road maintenance of the national route N2 Section 27 (km 1,85) and the national route N3 Section 1 (km 9,00) to the national route N3 Section 4 (km 1,60) in the eThekwini Metro and uMgungundlovu District Municipality	Razzmatazz Civil (Pty) Ltd	Contact variation	X.004-069-2019/1	R401 355 853,86	R36 000 000,00	R236 384 527,98
60	Routine road maintenance of the national route N6 in the Xhariep District Municipality	Matchaba Detoue Construction (Pty) Ltd	Contact variation	N.006-068-2019/1	R53 881 283,50	R36 000 000,00	R5 290 000,00
61	Routine road maintenance of the national routes N1 and R34 in the Fezile Dabi District Municipality	QTC Civils (Pty) Ltd	Contact variation	N.001-179-2019/1	R57 311 989,38	R19 630 700,10	R15 458 762,88

62	Routine road maintenance of national routes N2 Section 29 (from km 53,57) to Section 31 (km 32,89), and the national route R22, Section 1 (from km 0,00) to Section 5 (km 40,32) in the uMkhanyakude District Municipality	Rail Refurb CC	Contact variation	X.004-071-2019/1	R75 939 885,45	R6 250 196,33	R45 112 766,65
63	Routine road maintenance of the national route N2 Section 29 (from km 53,57) to Section 31 (km 32,89); and national route R22 Section 1 (from km 0,00) to Section 5 (km 40,32) in the uMkhanyakude District Municipality	Rail Refurb CC	Contact variation	X.004-072-2019/1	R121 924 019,48	R10 034 898,72	R79 135 461,80
TOTAL					**R5 685 357 649,26**	**R2 007 559 272,88**	**R2 991 389 316,02**



PART 6

FINANCIAL INFORMATION



Section 6.1 Directors' Report 31 March 2025

Introduction

The directors present their annual report as part of the audited annual financial statements of the South African National Roads Agency Limited (SANRAL) for the year ended 31 March 2025.

SANRAL is incorporated as a state-owned company in South Africa in terms of the Companies Act (Act 71 of 2008), as amended, and is listed as a national public entity in Schedule 3A of the Public Finance Management Act (Act 1 of 1999) (PFMA), as amended. The Board of Directors acts as the accounting authority, in accordance with Section 49(2)(a) of the PFMA.

Review of the main business and operations

The principal activities of SANRAL are the funding, management, control, planning, development, maintenance and rehabilitation of South Africa's proclaimed national road network, as prescribed by the South African National Roads Agency Limited and the National Roads Act (Act 7 of 1998) (SANRAL Act).

The declared national road network as of 31 March 2025 was 27 478 km. Non-toll roads comprise 90 per cent of the total and toll roads constitute 10 per cent. The non-toll roads are fully funded from the fiscus through an annual grant.

Although national roads account for 4,4 per cent of the proclaimed road network in South Africa, they carry about 34 per cent of all vehicle kilometres travelled and more than 70 per cent of long-distance road freight. During 2024/25, R2 867,8 million (2024: R4 182,8 million) was spent on toll roads. This comprised R269,2 million (2024: R335,5 million) for capital projects and R2 598,8 million (R3 847,3 million) for maintenance. During the same period, R32 077,4 million (2024: R22 239,9 million) was spent directly on non-toll roads, with capital works absorbing R18 144,9 million (2024: R12 295,0 million) and maintenance using R13 932,6 million (2024: R9 944,9 million). All other administrative expenditure for the year amounted to R3 000,4 million.

Progress update on the strategic integrated projects (infrastructure)

SANRAL also actively participated in the activities of the Infrastructure and Investment Office in the Presidency (Infrastructure South Africa). This resulted in 13 of SANRAL's projects being gazetted as strategic integrated projects (SIPs) under SIP21 in July 2020, enabling the rapid implementation of Infrastructure South Africa's projects. To date, construction has been completed on five of these projects; four are currently under construction and three are in the tender phase for construction. The remaining one is awaiting funding confirmation.

The implementation of the flagship projects, including the Presidential Stimulus priorities, continued with 10 SANRAL projects in construction, five in the tender construction phase, and four in the detail design phase.

The Presidential Stimulus prioritises infrastructure as a catalyst for economic recovery after the COVID pandemic, and SANRAL's flagship road projects are a key component to boosting employment, logistics efficiency and inclusive growth. This is done through infrastructure development, job creation through labour-intensive projects and public-private partnerships.

These 19 planned SANRAL projects will result in a total infrastructure investment of more than R35 600 million. In addition, they will create much-needed job opportunities, totalling an estimated 28 000 over the Medium-Term Expenditure Framework (MTEF) period. The projects are all located on key economic corridors, and their implementation over a five- to 10-year period will result in substantial road-user cost savings due to reduced congestion and a decrease in crashes.

Moloto Road

The implementation of the R573 Moloto Road in Mpumalanga is at an advanced stage. This project aims to enhance road safety and is one of the SIP21 projects prioritised for accelerated development. The Limpopo and Mpumalanga sections of the R573 Moloto Road were transferred to SANRAL in 2015/16, and Phase I of the multi-year project for the Mpumalanga portion was completed in October 2018. Three Phase II construction projects were implemented:

1. Limpopo
2. Mpumalanga
3. Gauteng

A further 18 Phase II projects, initially delayed due to COVID-19 restrictions on gatherings that prevented the required community resolution meetings and finalisation of community land acquisitions, are in progress and being prioritised to accelerate progress of the projects. Following community meetings, tenders for five construction projects and two community development projects were issued at the end of the last reporting period (2023/24). These tenders had to be cancelled for various reasons, and new tenders have been issued to the market. Construction on Moloto Road is scheduled to commence in October 2025 and is expected to be completed by May 2028. The Gauteng portion of Moloto Road was only transferred to SANRAL in June 2020, resulting in the detail design and regulatory approvals for the Gauteng section lagging behind those for the Mpumalanga and Limpopo sections. However, two construction tenders are under evaluation for the Gauteng section.

Mtentu and Msikaba bridges

The Mtentu Bridge in the Eastern Cape, one of the mega bridges on the N2 Wild Coast Road, whose construction was abandoned by the appointed contractor in January 2019 due to community violence, was successfully awarded in November 2022, following the completion of the second re-tender process. The appointed contractor is busy with excavations for the pier bases, the installation of lateral support, the fixing of rebar for the piers and abutments, and casting concrete.

In addition, two road construction contracts, the Msikaba to Mtentu bridges and the Lingeni to Msikaba Bridge projects, were also awarded in January 2023.

Work on the Msikaba to Mtentu road is progressing well, while work on the Lingeni to Msikaba Bridge Road could not commence due to a court interdict challenging the awarding of the project. The court case was withdrawn in July 2024, allowing SANRAL to resume discussions with the awarded contractor regarding the commencement of work on site. Work on the Msikaba Bridge, another mega bridge on the N2 Wild Coast Road, proceeded on site, with work on concrete pylons progressing to more than 100 metres for the southern pylon and 92m for the northern pylon. The northern pylon suffered a severe setback, with the Lift 16 concrete being unacceptable. It is currently being demolished (99 working days to date).

The bridge deck segment fabrication also progressed, with the completion of 16 out of 34 segments. Due to setbacks suffered on site and cash flow constraints of the main contractor, the latest completion date forecast for the project, received from the contractor, now indicates an optimistic date of April 2028. SANRAL is actively engaging with the main contractor to address this delay as a matter of urgency and to prevent any further delays.

Gauteng Freeway Improvement Project

The Gauteng Freeway Improvement Project (GFIP) Phase I toll declaration was officially withdrawn on 11 April 2024, with the roads as published in the government gazette declared as non-toll roads. The national government and the Gauteng Provincial Government (GPG) signed an agreement where the national government will cover 70 per cent and GPG 30 per cent of the outstanding debt for the GFIP Phase I. The first contribution of R23 736 million was included in the Special Appropriation to reduce the GFIP debt in the 2022/23 financial year. The allocation was provided in two tranches; the first amount of R8 980 million was paid in January 2023 to SANRAL; the second tranche of R14 760 million was transferred to SANRAL on 31 March 2023. An additional special allocation of R5 021 million was received in February 2025.

Supply chain management

In July 2024, SANRAL appointed its first chief procurement officer. The chief procurement officer role is new and distinctly separate from the chief financial officer's role. All supply chain management (SCM) functions and activities have been consolidated under the chief procurement officer. Several SCM processes, standard operating procedures and activities were reviewed, revised and approved to ensure continuous improvement within SCM.

The SCM function was traditionally decentralised, operating from four regions that were working independently. SANRAL has now adopted a centralised operating model for SCM, which comprises governance and transformation, demand and contracts management, category management and procurement operations. SCM activities that span multiple provinces have been streamlined and consolidated. This has resulted in the

standardisation of processes and templates, quicker turnaround times, and centralised audit response and transparency.

SCM has been positioned to enable external contractors to assist SANRAL in delivering on its mandate efficiently and effectively. This is done through the awarding of bids. However, it is critical that procurement risks that arise are managed. During the 2024/25 reporting period, SANRAL awarded more than 450 contracts following the open tender process, closed tender process and requests for quotation. In addition, efficient and effective contract management principles have been introduced and rolled out across the organisation to manage, monitor and ensure value for money.

Skills development

During the 2024/2025 reporting period, scholarships were awarded to 251 learners from 209 schools across South Africa. Girls represented 67% of the recipients. The committed expenditure for these scholarships was approximately R10 957 million. Fifty-three matriculants passed matric and achieved exceptional results.

SANRAL contributes to youth development by investing in tertiary education. This assistance is targeted towards deserving applicants who meet the requirements in fields related to SANRAL's core business. Bursaries are funded in 18 tertiary institutions across all nine provinces. A total of 150 external bursaries were awarded and R13 680 million was invested.

"Through active mentoring and collaboration with all units in SANRAL, the TEA provides a dynamic and nurturing environment for graduate professional development. During the 2024/25 period, 56 graduates were placed across all regions."

Graduates from the external bursary programme were in the following programmes and streams: BSc and BEng Civil (68), Master's in Civil Engineering (8), LLB (6), SCM (8), Environmental Science (3), BTech Engineering Diploma (29), IT (1), Accounting (6), Computer Science (3), Electronic/Electrical Engineering (10), Human Resources (6) and Mechatronics (2).

The internal bursary programme has played a crucial role in promoting adult learning and nurturing employee growth and career development by offering financial support for academic education and professional accreditation.

In the 2024/2025 financial year, the programme supported 130 employees, 23 of whom completed their studies at the end of the 2024 academic year. The total investment was R3,050 million. For the 2025 academic year, 48 individuals were awarded bursaries.

SANRAL's investment in the Technical Excellence Academy (TEA) is creating technical human resource capacity for SANRAL and South Africa. Twelve candidates registered as professionals with the Engineering Council of South Africa (ECSA) during the period under review – a notable achievement. Through active mentoring and collaboration with all units in SANRAL, the TEA provides a dynamic and nurturing environment for graduate professional development. During the 2024/25 period, 56 graduates were placed across all regions.

The investment of R21,682 million includes facilitating deployments to site, resourcing the materials testing laboratory and design office, and seconding candidates. This was carried out to optimise the opportunities for training and experience required to register with ECSA as professionals upon completion of the graduate programme.

Transformation

SANRAL embarked on a process to strengthen and accelerate transformation in the construction industry, in addition to the initiatives already implemented. Transformation has been elevated to a pillar in its long-term strategy – Horizon 2030. In addition to this elevation, two significant initiatives are under development to advance transformation when projects are rolled out – the Contractor Development Programme and the Black Industrialist Scheme. SANRAL has structured some projects to create opportunities for the smaller contractors of CIDB (Construction Industry Development Board) grade 6CE and higher, enabling them to participate in SANRAL tenders.

The routine road maintenance (RRM) main contractor tenders have resulted in several tenders being awarded to black-owned entities who are working for SANRAL for the first time in this role.

Many contractors previously worked as subcontractors on RRM projects, so this is a natural evolution and growth for these companies, and an excellent outcome of SANRAL's long-standing mentoring and development programmes. On the consulting front, all RRM consulting tenders have been restricted to exempt micro-enterprises and qualifying small enterprises that are broad-based black economic empowerment contributors at level one or two. This has resulted in significant interest and competition from black-owned entities to participate in these tenders – 99,7 per cent of expenditure on these projects was performed by entities that are 51 per cent or more black-owned during 2024/25.

With the commencement of construction of SANRAL's larger construction projects awarded in the 2023 and 2024 fiscal years, the impact of the SANRAL Transformation Policy and the requirement for a minimum of 30 per cent subcontracting of the work to entities owned by individuals from the designated groups, has resulted in 77 per cent of expenditure on these larger projects being performed by entities that are 51 per cent or more black-owned in 2024/25.

To prepare these contractors to participate meaningfully in this work, SANRAL will provide the South African Qualifications Authority and the Construction Education and Training Authority with information relevant to the training of these entities.

This training will be offered to entities at no cost. It will prepare these entities on how to tender, how to start and manage a business in the construction industry, how to manage resources, how to produce work to the required quality, basic entrepreneurship and some pointers on how to source business opportunities. The training opportunities will be rolled out progressively throughout the country, in areas where SANRAL's national road network traverses. With a growing need for this training, SANRAL will extend this training beyond its national road footprint, particularly in rural areas. The training initiative will result in more entities being trained than the opportunities available on SANRAL projects, which is in the interests of developing and growing the local construction industry.

During the 2024/25 reporting period, SANRAL created job opportunities that are equivalent to 21 046: (11 366) semi-skilled and unskilled job opportunities with 35 154 total job opportunities created. It includes 9 972 women (2024: 3 243), 17 029 youth (2024: 5 317) and 243 (2024: 99) people with disabilities.

During the 2024/25 reporting period, the executive management of SANRAL consisted of the chief executive officer (CEO), Reginald Demana, chief corporate affairs officer Lehlohonolo Memeza, chief planning and design engineer Louw Kannemeyer, chief construction, operations and maintenance engineer Dumisani Nkabinde, chief financial officer (acting) Dumisani Maluleke, chief legal, risk and compliance officer Kaiser Khoza, chief procurement officer Dr Khomotso Mhelembe, chief information officer Vuyokazi Menye and chief human resources officer Monde Mondi.

The executive management is supported by the Board's general counsel and company secretary, Adv Sinomtha Linda, and the chief audit executive, Zolisa Zwakala.

SANRAL is further divided into nine provincial offices and a corporate office. The provincial heads are Progress Hlahla (Gauteng), Madoda Mthembu (Limpopo), Mabuyi Mhlanga (Mpumalanga), Mirriam Mosia (North West), Marlize Nel-Verwey (Free State), Randall Cable (Western Cape), Simon Peterson (Eastern Cape), Dudley Mbambo (KwaZulu-Natal) and Emile du Preez (Northern Cape).

SUMMARY OF FINANCIAL PERFORMANCE

The annual financial statements were prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

In terms of legislation, funding for toll roads and non-toll roads is ring-fenced. SANRAL separates the business activities and accounting records into toll operations and non-toll operations. Non-toll roads are financed through parliamentary appropriations under the vote of the national Department of Transport (DoT). The annual financial statements on pages 290 to 391 set out fully the financial position, results of operations, changes in equity and cash flows of SANRAL for the financial year ended 31 March 2025. The discussion that follows outlines some of the key highlights.

Revenue

During the 2024/25 reporting period, segment revenue from non-toll operations was R29 547 million (2024: R28 212 million), representing a 5 per cent increase from the previous year. This is mainly due to the increase in the government grant received and the interest earned on the unspent grant. The total grant allocated in terms of the budget vote was R26 308 million (2024: R25 886 miilion), of which R724 million was allocated to GFIP. Of the R25 587 million allocated to non-toll, R17 877 million was accrued to capital projects, thereby increasing capital assets.

The toll revenue from operations was R9 719 million for the year, which is a 43 per cent decrease from the previous year's amount of R17 168 million. The Gauteng open road tolling (GORT)/GFIP) revenue decreased by R6 158 million (95 per cent) from R6 502 million in the prior year to R342 million. The decrease is attributable to the scrapping of the e-tolls as announced by the Minister of Transport on 28 March 2024. The revenue from conventional toll routes increased by 6 per cent from R4 626 million to R4 908 million, due to the rise in traffic volumes and the inflation-related tariff adjustment of 4,84 per cent.

On conventional toll roads funded by SANRAL, the comprehensive toll road operations and maintenance contract model consolidates responsibility for operational activities and associated risks. Under this arrangement, the main contractor is responsible for the total operation of the specific toll route, as well as assuming the associated risks. The operator pays the actual gross income (tariff x vehicle) to SANRAL and then claims discounts, concessions and violations as a cost, based on an agreed cost matrix. The operator assumes the risk of collection.

Finance income and finance cost

Net finance income (finance income less finance costs) in the current year is R2 275 million (2024: R2 667 million), representing a 15 per cent decline from the prior year. This was due to general fluctuations in interest rates during the fiscal year. All finance costs relate to toll debt.

Surplus for the year

The surplus for the year amounted to R9 913 million (2024: R13 047 million).

The non-toll operating surplus after finance charges for the year was R8 873 million (2024: R13 114 million). The decrease is a result of increased spending on projects. Non-toll income, mainly comprising the government grant received, increased by 1 per cent and is attributable to an increase in the grant received.

Operational expenditure

On the non-toll portfolio, operational expenditure, excluding non-cash items such as impairment, depreciation and amortisation of assets, increased by 42 per cent, mainly due to increased expenditure on road projects. It includes the rehabilitation and strengthening of roads repairs and maintenance, which increased by R4 134 million (39 per cent) to R14 886 million (2024: R10 734 million). The total depreciation and amortisation for the year amounted to R2 799 million (2024: R2 519 million).

The toll operating surplus/(deficit) after finance charges for the year ended 31 March 2025 was R1 040 million (2024: R0,67 million). Repairs and maintenance decreased by R942 million (25 per cent) to R2 598 million. Depreciation and amortisation (including concession assets) decreased from R2 050 million to R2 005 million, as no capital projects were completed during the year.

Irregular expenditure, fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred in the current year. During this reporting period, the confirmed irregular expenditure decreased from R534 million in 2024 to R186,8 million. Included is R5,4 million relating to irregular contracts identified and confirmed in the current 2024/25 financial year. The remaining balance of R181,4 million was from irregular contracts identified in prior years. There was no irregular expenditure condoned in the current year.

The current year's irregular expenditure is mainly due to eight contracts that were confirmed as irregular in prior financial years, and are not yet condoned. The non-compliance that led to irregularity was that the bid evaluation committee did not include finance personnel as required by the internal policy. The details of the irregular expenditure condoned in prior years are contained in the annual report. A loss control committee (LCC) was established to determine losses, identify the causes of non-compliance, and provide recommendations to the Board. Its determinations are in progress. As of year-end, no fraudulent or criminal acts were identified against employees, and no material losses were deemed recoverable from employees or perpetrators.

The Board appointed a legal firm to investigate some of the intricate instances of irregular expenditure, for the Board to determine an appropriate consequence management and policy updates. The report was received and management is implementing the recommendations by the legal firm. SANRAL is committed to implementing stringent financial controls and improving its procurement processes to ensure alignment with the laws and regulations. This includes the increase of capacity in the SCM unit, which the chief procurement officer now oversees.

A register of irregular expenditure, and fruitless and wasteful expenditure with detailed descriptions as required by the 2022/23 irregular expenditure framework issued by the National Treasury is maintained and available. A detailed analysis of the opening and closing balance of the irregular, fruitless and wasteful expenditure is included in the integrated annual report on pages 228 to 231.

Taxation

SANRAL was exempted from income tax in the government gazette of 22 December 2003 (Revenue Laws Amendment Act, 2003 Section 1(l) and 2(d)). This exemption was backdated to the entity's inception and, therefore, no provision is made for income tax or deferred tax. SANRAL is registered for Value-Added Tax (VAT) on the payment basis in terms of Section 15(2) of the VAT Act. Thus, VAT is accounted for when payment is received or made rather than when invoices are issued.

Dividends

SANRAL does not pay dividends.

Review of financial position

Share capital

The shareholding for the current year has remained unchanged. The government, represented by the Minister of Transport, holds all shares issued by SANRAL.

Land

SANRAL's property management is outsourced through nine contracts, three of which are for land acquisition and survey, property management and valuation, and valuation for financial services. Five contracts are for facilities management. This allows further opportunities for contractors to participate in SANRAL contracts. The service providers possess the necessary skills and resources to manage and maintain SANRAL's extensive land portfolio, comprising road reserves and adjacent severed properties. The service providers are managed by a team of SANRAL staff in the regional and head offices.

The contractual targets with the two land property management companies include a wide variety of work to be subcontracted, ranging from 30 to 80 per cent for certain categories of work. This provides opportunities for small and previously disadvantaged entities to obtain property work from SANRAL. The service providers have complied with the contractual requirements related to providing training, promoting economic development, addressing skills shortages and making work available to targeted groups.

In line with the SANRAL Act, SANRAL ensures that all land acquired by it or its predecessors, whether inside or outside of the road reserve, is identified and transferred into SANRAL's name. All land acquired by SANRAL, since its inception, is being transferred. The land identification process and the transfer of land to SANRAL will continue where further roads are added to the network.

Property, plant and equipment

Road assets are valued on a depreciated replacement cost basis. The revaluation gain on the road network and structures was reviewed at year-end. The network replacement cost increased to R1 047 970 million (2024: R895 330 million). The R152 640 million increase in the network replacement cost was due to the incorporation of 3 094 km of roads from the provinces during the 2024/25 year, as well as the increase in unit rates for road materials and material costs of structures, which increased by 10,52 per cent. The material cost increases were primarily driven by a rise in crude oil prices, which affected the cost of bitumen and diesel fuel used in production, as well as the need to operate diesel generators for longer periods to continue operations, due to increased loadshedding and the transportation of construction materials. This can be attributed to current market conditions, which are heavily influenced by global geopolitical events and their continued effects on international supply chains.

The remaining life of the road assets is considered when determining their depreciated replacement cost, as well as the condition of the pavement. During the financial year under review, the average condition of national roads deteriorated due to the transfer of road conditions from the provinces to SANRAL.

SANRAL measures its road network and structure using the Depreciated Replacement Cost (DRC) methodology. The DRC is the Gross Replacement Cost (GRC) based on the cost of replacing an existing asset with a Modern Equivalent Asset (MEA) that provides similar performance using up-to-date technology and then appropriately reducing the GRC to reflect the current age, condition, and performance of the existing asset.

Land outside of the road reserves is categorised as investment property. The road reserves consist of 37 791 properties, while investment properties comprise 2 256 properties. The value of land within the road reserve was reviewed at year-end and increased by 8,7 per cent – from R26 957 million to R29 303 million – due to:

- The addition of 722 properties, changing the total from 37 069 to 37 791 properties.
- The average land value per hectare along national roads (strip value) decreasing from R236 511 to R221 809 (6,2 per cent). The decrease in value was due to the incorporation of the provincial roads. The incorporated road areas increased by 16 002 hectares, from 8 169 hectares to 24 171 hectares.The total area of land increased by 18 133 hectares (15,9 per cent) because of the data on the previously incorporated roads has been updated. The declaration of some roads by coordinates also has provided a more accurate measurement of properties that were previously only declared as national roads by description. The increase is predominantly due to the addition of the incorporated provincial roads.
- The total area of land increased by 18 133 hectares (15,9 per cent), because the data on the previously incorporated roads had been updated. The declaration of some roads by coordinates also provided a more accurate measurement of properties that were previously only declared national roads by description. The increase is predominantly due to the addition of the incorporated provincial roads.

The value of the investment property portfolio increased by 1,6 per cent, from R1 919 million to R1 950 million. New market information indicates property growth has stabilised. This is mainly attributed to the prolonged high interest rate, which has subdued the property market. As of 31 March 2025, the prescribed interest rate was 11%.

Investments (financial assets)

The carrying amount of the financial assets was R4 177 million, including the insurance deposit and short-term fixed deposits. The market-making portfolio investment of R3 432 million is used to manage the credit risk that SANRAL is exposed to in the capital markets (on borrowings). All fixed deposits with a maturity term of less than three months are included in the cash and cash balance at the reporting date.

Receivables from exchange transactions, including the Gauteng Freeway Improvement Project

Receivables from exchange transactions amounted to R1 344 million. The gross toll debtors' amount is R29 270 million, which has been reduced by an accumulated expected lifetime loss allowance, primarily due to the e-toll balance. The accumulated impairment loss allowance on e-toll receivables is now R28,956 million as of the reporting date. The whole balance has been impaired; thus, the carrying amount of the GFIP 1 debt is zero (excluding key account holders). The expected credit loss allowance (impairment) increased by R229,403 million (2024: R6 860 million) – GFIP 1 is the biggest contributor to the impairment. The impairment of receivables refers to the irrecoverable amount of the outstanding debt, based on historical collection trends and expected collection rates. All receivables older than 90 days are impaired at the default rate of 100 per cent.

Of the gross toll debtors amount of 29 270 million, R28 956 relates to GFIP/e-toll debtors which is fully impaired. The entity is in the process of obtaining a legal opinion on the possible actions relating to collection of the long outstanding e-toll debtors' balance. It is envisaged that a decision will be taken after finalising a legal opinion and fulfilling all the required governance processes, including consultation with the relevant stakeholders and the executive authority (Minister of Transport).

Even though the debt is not written off, the impairment reflects the expected future losses assessed annually at the end of each reporting period. The probability of debt collection is based on historic trends and future economic factors that may affect the collection. Other receivables included in the balance are property debtors, sundry debtors, and an expansion fund held by concessions, amounting to R473 million, and related party debtors, totalling R56 million, after an impairment loss allowance of R135 million.

Cash and cash equivalents

At the reporting date, 31 March 2025, cash and cash equivalents held were R53 490 million (2024: R53 260 million). The slight increase in cash holdings is due to the finance income earned from cash holdings. The remaining R36 626 million is an unspent grant accumulated from prior years. The cash and cash equivalents are fully committed to contracts awarded over the Medium-Term Expenditure Framework period – total commitments are R84 541 million (2024: R72 321 million) as of 31 March 2025 for capital projects already awarded. The unspent cash is invested with approved counterparties. The weighted average investment rate for the financial year was 9,91 per cent (2024: 8,45 per cent).

Going concern

The annual financial statements have been prepared on the basis of a going-concern assumption. This basis assumes that the entity will continue to operate for the near future (at least 12 months from the reporting date) and will be able to obtain funds, realise its assets and discharge its liabilities, including contingent obligations and commitments, in the ordinary course of business.

As of 31 March 2025, the entity had an accumulated net surplus of R107 199 million, and its total assets exceeded total liabilities by R783 326 million.

The Board and management have assessed the going-concern assumption and concluded that there are no material uncertainties that may adversely impact the entity. Additionally, there was no material non-compliance with statutory or regulatory requirements, nor were there any pending legislative changes that could affect the entity's ability to continue operations as a going concern.

At the reporting date, SANRAL's total assets were R830 983 million, significantly contributing to the movement of goods and services in the South African economy. The Board confirms that current assets are sufficient to cover current liabilities. The current assets of R58 267 million include cash and cash equivalents of R53 490 million, of which R36 626 million relates to the accumulated balance of the unspent grants for non-toll roads.

Current liabilities of R19 774 million include a deferred exchange income liability of R2 032 million, which will not require cash for settlement. SANRAL receives an annual grant from the fiscus to fund its non-toll road portfolio. The entity is highly dependent on government grants and toll revenue (regulated by the government). During the year under review, the government allocated a grant of R26 311 million, of which R724 033 million, including

value-added tax, was allocated to the toll for the GFIP. The remaining non-toll grant is for operational and capital expenditure on the non-toll roads, which account for 89% of the entity's operational activities.

The next annual budget allocation is expected to be R38 200 million in 2026, R35 512 million in 2027, and R35 582 million in 2028, excluding any special appropriation allocation anticipated. The Medium-Term Expenditure Framework allocations for SANRAL, as announced on 21 May 2025, have been reduced to R93 100 million over three years. Although there is a notable reduction in the non-toll grant, it has not significantly affected the going concern assessment, as SANRAL still has an unspent grant from prior years. There is no indication that the government grant will be discontinued or materially reduced in the foreseeable future, and the government has historically provided special allocations to prevent any potential defaults.

The non-toll portfolio has no liquidity concerns, with a significant cash surplus and adequate annual allocations from the fiscus. This surplus is expected to be fully utilised over the next one-to-two fiscal years.

Historically, the financial health of the toll portfolio was burdened by e-toll sustainability, and this caused going-concern uncertainties over the years. A Memorandum of Agreement (MOA) was signed on 28 March 2024 by the national Department of Transport, National Treasury (NT) and the Gauteng Provincial Government (GPG), providing a solution to the previously ring-fenced e-toll debt. The GPG and NT made the R5 021 million payment. This amount was used to settle the HWAY24 (R5 351 million) bond and all interest payments for the 2024/25 period. An amount of R6 150 million is expected in the 2025/26 fiscal year for upcoming debt redemption and related interest payments. The government will continue to support SANRAL's toll portfolio, in addition to providing a government guarantee on existing debt.

The MOA does not address the refunds or collections of the long-outstanding debtors' balance. The Minister of Transport has requested that the Board obtain a legal opinion on how to address outstanding debt and refunds, following which a decision will be made, including the required approvals. Management is awaiting a decision from the ministers of Transport and Finance in terms of the PFMA.

In April 2024, the Minister of Finance approved SANRAL's application to increase borrowing limits to R16 500 million, effective until 31 March 2028, for toll portfolio capital expenditures. Additionally, the Minister of Finance of approved a foreign currency guarantee of R7 000 million for a New Development Bank (NDB) loan. The ministers of Transport and Finance have now signed the Guarantee Framework Agreement (GFA) to implement the National Development Bank (NDB) loan. The entity is engaging the NDB to finalise the loan agreement and guarantee agreement. Once these two agreements are complete, they will be submitted to the Ministry of Finance (MoF) and the National Treasury for final approval. The engagements indicate that these remaining approvals are progressing and are expected to conclude positively in the near future.

"A Memorandum of Agreement (MOA) was signed on 28 March 2024 by the national Department of Transport, National Treasury… and the Gauteng Provincial Government… providing a solution to the previously ring-fenced e-toll debt … The MOA does not address the refunds or collections of the long-outstanding debtors' balance."

The cash flow forecast as of 31 March 2025 indicates that the toll portfolio will remain cash positive until 31 March 2027, assuming that National Treasury will provide special grants for servicing the existing debt under the MOA and NDB loan agreements, which are expected to be finalised during the 2026 fiscal year. The toll portfolio currently has adequate funds to implement capital projects for the next fiscal year (based on the Board-approved budget).

As the National Treasury permits the entity to budget for a deficit in terms of Section 53(3) of the PFMA on the toll portfolio, capital toll projects will be rolled out progressively in line with the available funds. Conventional toll plazas continue to generate adequate revenue as projected. The surplus on tolls are mainly for maintenance projects and a few capital projects.

Overall, the going-concern assessment for toll and non-toll is based on the following key assumptions:

- Successful approval and conclusion of the NDB loan and GFA for external funding within the 2025/26 fiscal year for the toll portfolio.
- Absence of material unforeseen and unavoidable events, including adverse regulatory changes. The entity continues to receive support from the government in the form of a special grant allocation, as per the MOA. It maintains its increased annual allocation from the DoT for the non-toll portfolio.
- The entity continues to receive support from the government in the form of a special grant allocation, as per the MOA. It maintains its increased annual allocation from the DoT for the non-toll portfolio

The Board and management have reasonable expectations, based on past experiences, historical trends, ongoing engagements with the NDB and regulatory oversight authorities, available surplus, and continued government support, that the entity will continue to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going-concern basis, and no adjustments have been made to account for the recoverability of assets and liabilities that would have been necessary if the entity were unable to continue as a going concern.

Events after the reporting date

After the reporting date, approval was granted by the Minister of Transport on 16 April 2025 to waive the toll fees at the Oribi toll ramp plazas (north and south) due to a temporary closure of the Umzimkhulu River bridge (1221) on provincial road P3-1 in the Ugu District Municipality (Port Shepstone). The waiver was requested by the KwaZulu-Natal MEC of Transport and Human Settlements on 11 March 2025, in terms of Section 27(1)(e) of the SANRAL Act. It is effective for a maximum of five months, from the beginning of May to the end of September 2025 or until the bridge relief period is reopened.

The waiver is expected to result in a reduction of toll revenue for the affected period. Management is assessing the impact, which will be disclosed in the interim financial statements for the period ended 30 September 2025. No adjustment was made to the 2024/25 annual financial statements.

On 14 May 2025, TRAC was informed by the Mozambican government that it had decided to implement a reduction of the Class 1 vehicle tariff at Maputo Plaza, effective 15 May 2025. This tariff adjustment, along with the compensation arrangement, was verbally agreed on 14 May 2025. TRAC will prepare a formal agreement in accordance with the requirements of the concession contract. The estimated monthly revenue loss over the remaining concession period, until 5 February 2028, is R116 million. Trans African Concessions will be compensated for the revenue loss through the Toll Tariff Equalisation Reserve (TTER) held by Trans African Concessions for Mozambique. Therefore, SANRAL has no contingent liability. For the avoidance of doubt, there is no intention or discussion to reduce toll fees in South Africa.

The Minister of Finance tabled the National Budget on 21 May 2025, and Parliament is expected to adopt the Fiscal Framework on 11 June 2025. All public entities are required to resubmit their updated strategic and annual performance plans by 13 June 2025, following the adoption of the fiscal framework.

On 13 June 2025, the GFA was finalised; signed by the Board and both the Minister of Transport and the Minister of Finance. SANRAL and the NDB have finalised the NDB Loan Agreement. Both the loan agreement and Guarantee Agreement (GA) were submitted to National Treasury and the Minister of Finance.

Auditors

The Auditor-General of South Africa (AGSA) is the external auditor of SANRAL, as prescribed in Section 36(3)(a) of the SANRAL Act.

Materiality framework

A materiality framework has been developed for reporting losses resulting from criminal conduct, irregular, fruitless, or wasteful expenditure, or significant transactions that require ministerial approval, as outlined in Section 54(2) of the PFMA. The framework is approved by the Board annually, before the commencement of each financial year. The latest framework was approved in March 2025, incorporating the latest audited annual financial statements, which resulted in an overall materiality value of R4 500 million for balances and R352 million for transactions.

Contingent liabilities, municipality property rates

Individual municipalities have the power to levy rates on property in terms of the Municipal Property Rates Act (Act 6 of 2004). The property rates used, as well as the public service infrastructure valuation amount, have not been determined or billed by the municipalities. To arrive at an estimate of the potential rates liability nationally, actual rates levied by some of the larger municipalities were applied to all property outside the declared national road network, arriving at an estimated figure of R62,2 million (31 March 2024: R65,261 million).

Litigation claims against SANRAL

SANRAL is defending various small claims that have been instituted against the entity in court. At year-end, the outcome of the court cases was awaited. The entity's legal unit and management assessed the likelihood of all actions against the entity being successful as of the reporting date. The aggregate amount of the contingent liability claims amounts to R161 387 million (31 March 2024: R95 758 million).

Maputo development corridor – overload

The concessionaire (Trans African Concessions) has claimed that the Mozambican Government has not complied with the N4 Maputo Development Concession requirements. This contingent liability for SANRAL arises from the joint and several liability provision in the concession agreement. The estimated overload damage values are based on the full concession period and are a combination of actual historic overload data and projected future overload up to the end of the concession period. Although agreed to in principle, detailed inputs into the SANRAL overload software utilised to derive the above values still need to be formally signed off between the parties. The quantification of estimated damage caused by overloaded vehicles is a technical exercise. The estimated amount increases based on the condition assessment of the roads and the expansion of the road network. The contingent value at year-end is R117 887 million (as of 31 March 2024: R81 008 million).

Non-adjustments of toll tariffs by the Mozambican Government

According to the N4/Maputo development corridor contract, the independent engineer shall determine the tariff adjustments within 14 days of receiving written notification from the concessionaire. This has not been done, resulting in a revenue shortfall. Should the Mozambican Government fail to compensate the concessionaire according to the determined claim amount, then the South African government, through SANRAL, will be liable for compensating the concessionaire through the "mutually and severally liable" clauses in the concession agreement. The Trans African Concessions concession has sufficient held funds on behalf of the Mozambican Government to settle the estimated amount of R89 million. Therefore, there is no contingent liability on the part of SANRAL due to non-adjustments of toll tariffs by the Mozambican government in the current year.

Economic factors and credit rating

Economic policy remains focused on supporting growth, boosting employment and building the economy's resilience to shocks. The four elements of this strategy are accelerating the implementation of structural reforms, maintaining macroeconomic stability, strengthening infrastructure investment and building a capable state. Over the medium term, the government has announced that it will invest over R1 trillion in infrastructure, along with reforms that will make it easier for the state and the private sector to invest in roads, rail, energy and water. Higher and more effective infrastructure investment remained a central component of the national budget.

The May 2025 Budget Overview maintains the government's fiscal strategy as outlined in the 2024 Medium-Term Budget Policy Statement. It aims to stabilise government debt while increasing infrastructure investment to support higher economic growth. The 2025 National Budget was described as an investment-driven budget aimed at stimulating economic growth in South Africa. It proposed medium-term investments of over R1 trillion in roads, rail, energy and water infrastructure with 40% of the allocation earmarked for transport and logistics. While road may not be the most ideal for certain types of freight, it remains the most resilient to any shocks, and strategic for economic stability and growth.

SANRAL's debt mainly comprises bonds that are listed and traded on the Johannesburg Stock Exchange, although there is one unlisted facility. SANRAL's borrowing listing can be divided into three segments: The R31 900 million Guaranteed HWAY programme, the R15 000 million unguaranteed national roads agency programme and the R6 000 million SZ structure done via offering circular. The resolution of GFIP came with a liquidity solution, which saw the national government exercising its right to step on the debt obligations and recover a certain portion from the Gauteng provincial government.

The resolution of GFIP and the associated debt opened room for granting a new borrowing limit totalling R16 500 million, of which R7 000 million would be funded through a facility approved by the New Development Bank, and the balance would be raised in the local market using SANRAL's balance sheet strength. The utilisation of this borrowing limit is valid until 31 March 2028 and was subject to the signing of a guarantee framework agreement between NT, the Department of Transport and SANRAL.

To facilitate investment for its debt related to the toll portfolio, SANRAL has been rated by international credit rating agency Global Credit Ratings. Although the Moody's contract with SANRAL ended in 2018, it chose to continue to provide SANRAL with ratings without compensation. The credit rating enables SANRAL to raise unguaranteed and guaranteed debt competitively.

The following table shows the latest ratings by both agencies:

RATINGS AGENCY	MOODY'S	GLOBAL CREDIT RATINGS
Date of last review	13 May 2025	27 May 2025
National Scale Issuer: Long-term	A1.za	A-(za)
National Scale Issuer: Short-term	P-1.za	A2(za)
Global Scale Issuer: Long-term	Ba3	B+
Global Scale Issuer: Short-term	-	-
OUTLOOK	**STABLE**	**STABLE**

Concessions

In addition to its parliamentary appropriation, SANRAL has implemented concessions as an alternative means of financing and operating the national road network, with the costs recovered through user charges. Public-private partnerships allow SANRAL to leverage funding from the private sector to meet identified infrastructure and service delivery needs in a manner that is cost-effective and appropriate to each project.

Furthermore, they ensure that financing is set aside for the improvement and preservation of the country's road assets for periods well beyond the government's three-year expenditure horizon. Annually, the benefit is reflected in the increased values under property, plant, and equipment under concession, as the concessionaires upgrade roads that belong to SANRAL.

- The agreement with Trans African Concessions Proprietary Limited became effective on 6 February 1998 and terminates on 5 February 2028. This includes the extension of the N4 as agreed during the 2004/5 financial year.
- The agreement with N3 Toll Concessions Proprietary Limited became effective on 2 November 1999 and terminates on 1 November 2029.
- The agreement with the N1-N4 Bakwena Platinum Corridor Concessionaire Proprietary Limited became effective on 27 August 2001 and terminates on 26 August 2031.

At the end of the concession period, toll road operations will revert to SANRAL. The assets derived from the concessionaires are reported in SANRAL's annual financial statements.

Board of directors and prescribed officers

The Board, as appointed by the Minister of Transport, comprised the following individuals:

Executive director

Reginald Demana, chief executive officer

Non-executive directors:

1. Themba Mhambi, chairperson – independent, non-executive
2. Refilwe Buthelezi, independent, non-executive
3. Mahesh Fakir – independent, non-executive (appointed from 22 August 2024)
4. Robert Haswell, independent, non-executive
5. Chris Hlabisa, non-executive (resigned on 31 March 2025)
6. Errol Makhubela, non-executive (term expired on 13 May 2024)
7. Thamsanqa Matosa, independent, non-executive
8. Noluphumuzo Noxaka, independent, non-executive (resigned on 2 July 2024).

During this reporting period, Thando Tsetsewa held the position of acting company secretary Board general counsel and company secretary from 24 January 2025 while Advocate Sinomtha Linda was on leave.

Directors' declaration of interests in contracts

All directors and officers of SANRAL have confirmed that they had no interest in any contract of significance with SANRAL that could have resulted in a conflict of interest during the current year.

Addresses

SANRAL's business, postal and registered addresses are as follows:

BUSINESS ADDRESS	POSTAL ADDRESS	REGISTERED ADDRESS
48 Tambotie Avenue	PO Box 415	48 Tambotie Avenue
Val de Grace	Pretoria	Val de Grace
Pretoria	0001	Pretoria
0184		0184



6.2 Report of the External Auditor

Report of the auditor-general to Parliament on The South African National Roads Agency SOC Limited

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African National Roads Agency SOC Limited (SANRAL) set out on pages 290 to 391, 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 and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of SANRAL as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP), Companies Act 71 of 2008 and the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

6. In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), I report:

Final materiality

7. The scope of our audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error, and they 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 the financial statements.

8. My determination of materiality is a matter of professional judgement and is affected by my perception and understanding of the financial information needs of intended users, which is the quantitative and qualitative factors that determine the level at which relevant decisions taken by users would be affected by a misstatement. These factors helped to determine the scope of the audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

9. Based on my professional judgement, I determined final materiality for the financial statements as follows:

Final materiality amount	R8,310 billion
Basis for determining materiality	1% of Total Assets, as presented in the financial statements
Rationale for benchmark applied	Total assets is an appropriate quantitative indicator of materiality as the entity is the custodian of large amounts of assets and is capital-intensive as a result of their mandated function.

10. The use of a 1% materiality threshold for SANRAL is appropriate due to its role as a public sector entity responsible for managing substantial government funds. This lower threshold ensures greater financial accuracy and oversight, helping to protect public resources and maintain public trust.

Key audit matters

11. Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming our opinion, and I do not provide a separate opinion on these matters.

12. I have determined the matters described below to be the key audit matters to be communicated in my report.

13. In terms of the EAR Rule, I am required to also report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below:

Key audit matter	How the matter was addressed in the audit
Revaluation of road network and road structures	
SANRAL applies the depreciated replacement method in the revaluation of the road network and road structures disclosed under property, plant, and equipment (including under concessioners). The carrying value of the road network is R528 billion and that of road structures is R172 billion. The revaluation adjustment recorded in revaluation reserves for	I assessed the design and operating effectiveness of internal controls relating to the revaluation of the road network and road structures. I performed the following audit procedures to confirm the validity, accuracy and completeness of the data used to perform the valuation:

Key audit matter	How the matter was addressed in the audit
the road network is R56 billion and that of road structures is R36 billion. This results in a combined amount of R92 billion. Inputs applied in the revaluation of the road network and road structures include the following: • Age of the road network and road structure • Overall condition index • Material unit rates • A quadratic regression model approach was adopted to predict future Predicted Overall Condition Index (POCI) values for road segments The disclosure relating to the revaluation of the road network and road structures is set out in the following notes: • Note 1.3 – significant judgements and sources of estimation of uncertainty • Note 4 – property, plant, and equipment under concession • Note 6 – property, plant, and equipment • Note 13 – revaluation reserve Due to the significance of the value of the road network and road structures to the financial statements, combined with the assumptions associated with determining the fair value, I considered this to be a key audit matter.	• Comparing input data to the Integrated Transportation Information System (ITIS) (road network survey) for completeness. • Verifying manual uploading of data from the ITIS to the financial records for accuracy and completeness. • Verifying control totals of values in the financial records through reconciliation and comparison to values on the ITIS. I assessed the appropriateness of the subsequent measurement basis against the requirements of Generally Recognised Accounting Practice 17 (GRAP 17), Property, plant and equipment. I engaged an auditor's expert to assess the appropriateness and reasonableness of management's assumptions to determine the value of the road network and road structures. Before I placed reliance on the work of the auditor's expert, I satisfied myself with the expert's independence, objectivity, and competency in line with the requirements of ISA 620, Using the work of an auditor's expert. The procedures performed by the auditor's expert included: • Evaluating the appropriateness and reasonableness of the revaluation method, assumptions and parameters applied. • Assessing the appropriateness of the valuation method against international standards on valuation. • Assessing the reasonableness of the material unit rates to market data and entity-specific information to confirm the appropriateness of these judgements. • Assessing the reasonability of the adjustment rate applied in computing the asset replacement value unit rate. • Assessing the reasonability of the predictable model including the assumptions that they made and if it is within the COLTO guidelines or engineering estimates guidelines as thus is key in the asset replacement value calculation. • Reasonability Assessment of useful life for

Key audit matter	How the matter was addressed in the audit
	road network and road reserve I reviewed the work performed by the auditor's expert to confirm that the conclusion reached was in line with the work performed and my understanding of the auditee. After all the inputs were confirmed by the auditor's expert, I re-computed the revaluation calculation. I further considered whether the disclosures related to the road network and road structures in the annual financial statements are appropriate and in line with GRAP. Based on the procedures performed, I am satisfied that the revaluation of the road network and road structures is appropriate, reasonable, fairly valued, and appropriately disclosed in the annual financial statements.
Expected credit losses (ECL) on toll debtors	
SANRAL measures the ECL allowance for trade and other receivables by applying the simplified approach prescribed by GRAP 104 (Revised): Financial instruments. The value for ECL on toll debtors was R28.9 billion on 31 March 2025. The disclosure relating to ECL is set out in the following notes: • Note 1.3 – significant judgements and sources of estimation uncertainty • Note 10 – Receivables from exchange transactions • Note 16 – Financial instruments • Note 17 - Risk management The assessment and calculation of ECL require management to make significant estimations and use significant judgements. Due to the subjectivity of the estimations and judgements, I considered the calculation of ECL for toll debtors to be a key audit matter.	I assessed the design and operating effectiveness of internal controls relating to ECL on toll debtors. I performed the following substantive audit procedures to confirm the appropriateness and reasonableness of the ECL on toll debtors: • Evaluating the appropriateness and reasonableness of key assumptions and judgements such as the default rate by comparing these to historical data. • Evaluating the accounting policy and satisfying myself that it was consistent with the requirements of the accounting standard. • Testing the accuracy and completeness of the underlying data used in the model and the arithmetic accuracy of the computation of ECL. • Applying computer assisted audit techniques (CAATs) to confirm the completeness of transactions from a gantry pass to when a transaction is recognised in the financial records of SANRAL. Considering the adequacy of the disclosure of the key sources of estimation of uncertainty in the accounting policy and notes to the annual financial statements.

Key audit matter	How the matter was addressed in the audit
	Based on the procedures performed, I am satisfied that ECL on toll debtors are reasonable, in line with my expectation and appropriately disclosed

Emphasis of matter

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

Material impairments – Toll debtors

15. As disclosed in note 10 to the financial statements, material impairments of R28 955 629 000 were incurred as a result of expected credit loss from toll debtors.

Responsibilities of the accounting authority for the financial statements

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

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

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

18. 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.

19. 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 286 to 287 forms part of my auditor's report.

Report on the audit of the annual performance report

20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programme presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

21. I selected the following programme presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected a programme that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Programme	Page numbers	Purpose
Road Asset Infrastructure Management	76-90	The programme exists to maintain the national road network.

22. I evaluated the reported performance information for the selected programme against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

23. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

25. The material findings on the reported performance information for the selected programme are as follows:

Road Asset Infrastructure Management

Primary mandated function not prioritised

26. The primary mandated function of financing was not prioritised for delivery in the performance year. The public entity indicated that this was because there was an inclusion of the going concern indicator in it's planning documents which was viewed as a measure of financial sustainability . Consequently, this function was not adequately planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability.

Indicator 1.6 Network Resurfaced KM

27. An achievement of 928,8 km was reported against a target of 950 km. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Indicator 1.7 Road Strengthened, Improved and New (CAPEX) KM

28. An achievement of 230,8 KM was reported against a target of 200KM. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Indicator 1.8 Percentage of RRM (Routine Road Maintenance) expenditure performed by black owned SMMEs and Contractors (based on black ownership main contractor)

29. An achievement of 99,70% was reported against a target of >75%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Indicator 1.9 Percentage of non-RRM (Routine Road Maintenance) expenditure performed by black owned SMMEs and Contractors (based on black ownership main contract)

30. An achievement of 75.8% was reported against a target of >60%. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially less than reported. Consequently, it is likely that the achievement against the target was lower than reported.

Indicator 1.10 Number of SMMEs Working for SANRAL

31. An achievement of 2012 SMMEs was reported against a target of 2000 SMMEs. However, the audit evidence did not support this achievement. I could not determine the actual achievement,

but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Indicator 1.11 Number of Community Development infrastructure projects in construction and completed

32. An achievement of 30 projects in construction of which 13 completed was reported against a target of 25 projects in construction of which 10 completed. However, the audit evidence showed the actual achievement to be only 26 projects in construction of which 5 were completed. Consequently, the target was not achieved.

Indicator 1.12 Job opportunities created on projects

33. An achievement of 21 360 job opportunities was reported against a target of 15 000 job opportunities. However, the audit evidence did not support this achievement. I could not determine the actual achievement, but I estimated it to be materially more than reported. Consequently, it is likely that the achievement against the target was better than reported.

Other matter

34. I draw attention to the matter below.

Achievement of planned targets

35. 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.

36. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 89 to 90.

Road Asset Infrastructure Management

Targets achieved: 80% *Budget spent: 84%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Indicator 1.1 Percentage of Smooth Travel Exposure	>95%	94,70%
Indicator 1.4 Percentage of Bridge Condition Exposure	>90%	89,10%
Indicator 1.6 Network resurfaced KM	950KM	928,8KM

Material misstatements

37. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Road Asset Infrastructure Management. Management did not correct the misstatements, and I reported material findings in this regard.

Report on compliance with legislation

38. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

39. 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.

40. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

41. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

42. The accounting authority is responsible for the other information included in the annual report which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. 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.

43. 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.

44. 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.

45. The other information I obtained prior to the date of this auditor's report are the corporate governance report, corporate performance information, chairpersons report, chief executive officer's report and director' responsibilities and approval and the audit and risk committee ,

directors report and certificate of the company secretary, foreword by the board chairperson and the audit and risk committee report are expected to be made available to us after 31 July 2025.

46. 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.

47. When I do receive and read the report of the audit and risk committee , directors report and certificate of the company secretary, foreword by the board chairperson and the audit and risk committee report, 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

48. 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.

49. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report.

50. The underlying systems and controls developed by management were inadequate to provide reliable evidence to support the reporting on predetermined objectives for the programme selected for auditing. Adequate reviews of the reported performance information were also not performed by management to ensure consistency and accurate presentation of the reported information.

Auditor-General

Pretoria

31 July 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 programme and on the public entity's compliance with selected requirements in key legislation.

Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

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

From the matters communicated to those charged with governance, I determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. I describe these matters in this auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in this auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
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; 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 Regulations, 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



6.3 Annual financial statements

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Construction and maintenance of the national road network and structures
Members	Mr T Mhambi (Chairperson – Independent non-executive member) Mr RF Haswell (Independent non-executive member) Mr TP Matosa (Independent non-executive member) Ms N Noxaka (Independent non-executive member) Ms R Buthelezi (Independent non-executive member) Mr C Hlabisa (Public official) Mr E Makhubela (Public official) Mr R Demana (Chief Executive Officer) Mr M Fakir (Public official)
Registered office	48 Tambotie Avenue Val De Grace Pretoria 0184 Pretoria 0184
Business address	48 Tambotie Avenue Val De Grace Pretoria 0184 Pretoria 0184
Postal address	P O Box 415 Pretoria 0184
Auditor	The Auditor-General South Africa Registered Auditor AGSA
Secretary	Advocate S Linda
Company registration number	1998/009584/30
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 as amended.
Preparer	The annual financial statements were internally compiled by Mr D Maluleke CA(SA).

The South African National Roads Agency SOC Limited
(Registration number 1998/009584/30)
Annual Financial Statements for the year ended 31 March 2025

INDEX

The reports and statements set out below comprise the annual financial statements presented to the Parliament:

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Abbreviations used:

AGSA	Auditor-General of South Africa
DoT	Department of Transport
GFIP	Gauteng Freeway Improvement Project
GRAP	Generally Recognised Accounting Practice
IFRS	International Financial Reporting Standards
IFWE	Irregular, Fruitless and Wasteful Expenditure
IPSAS	International Public Sector Accounting Standards
MoT	Minister of Transport
NT	National Treasury
PFMA	Public Finance Management Act
SANRAL	South African National Roads Agency SOC Limited

The annual financial statements set out in the following pages, which have been prepared on the going concern basis, were approved by the Board on 30 July 2025 and were signed on its behalf by:



Mr T Mhambi
(Chairperson – Independent non-executive member)
SANRAL Board Chairperson

The South African National Roads Agency SOC Limited

(Registration number 1998/009584/30)
Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Notes	2025	2024
Assets			
Non-Current Assets			
Property, plant and equipment under concession	4	89 476 396	82 644 060
Property, plant and equipment	6	680 345 347	579 506 154
Investment property	7	1 949 911	1 918 523
Intangible assets	8	199 741	159 466
Financial assets at amortised cost	9	744 522	673 084
		772 715 917	**664 901 287**
Current Assets			
Financial assets at fair value through surplus or deficit	9	3 432 858	2 575 005
Receivables from exchange transactions	10	1 344 695	1 145 464
Financial assets at amortised cost	9	-	5 129 858
Cash and cash equivalents	11	53 489 726	53 259 979
		58 267 279	**62 110 306**
Total Assets		**830 983 196**	**727 011 593**
Liabilities			
Current Liabilities			
Financial liabilities	15	7 805 120	8 696 657
Payables from exchange transactions	18	4 763 790	3 060 666
VAT payable	19	4 809 089	4 953 867
Employee benefit obligation	20	4 605	3 200
Provisions	21	1 541	3 004
Special appropriation from shareholder	14	-	3 588 858
Deferred exchange consideration - service concession	22	2 032 342	1 720 495
Third-party funding	23	357 756	743 717
		19 774 243	**22 770 464**
Non-Current Liabilities			
Financial liabilities	15	18 995 183	22 754 496
Employee benefit obligation	20	79 135	64 182
Provisions	21	790 897	589 976
Deferred exchange consideration - service concession	22	8 017 814	8 993 409
		27 883 029	**32 402 063**
Total Liabilities		**47 657 272**	**55 172 527**
Net Assets		**783 325 924**	**671 839 066**
Share capital and Other reserves	12	1 091 044	1 091 044
Reserves			
Revaluation reserve	13	646 277 926	553 313 514
Special appropriation from shareholder	14	28 757 511	20 147 566
Accumulated surplus	13	107 199 443	97 286 942
Total Net Assets		**783 325 924**	**671 839 066**

The South African National Roads Agency SOC Limited

(Registration number 1998/009584/30)
Annual Financial Statements for the year ended 31 March 2025

Statement of Financial Performance

Figures in Rand thousand	Notes	2025	2024
Revenue			
Revenue from exchange transactions			
Revenue - GFIP toll fees	24	341 789	6 502 058
Revenue - Conventional toll fees	24	4 908 153	4 625 895
Other income	26	2 423 108	2 091 194
Finance income	28	5 285 755	6 072 960
Fair value adjustments	27	-	193 232
Actuarial gains	20	-	9 309
Total revenue from exchange transactions		**12 958 805**	**19 494 648**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants - non toll	25	25 586 519	24 301 715
Government grants - GFIP/toll	24	721 187	1 584 274
Total revenue from non-exchange transactions		**26 307 706**	**25 885 989**
Total revenue	24	**39 266 511**	**45 380 637**
Expenditure			
Employee related costs	34	(729 068)	(581 342)
Depreciation and amortisation	32	(4 803 946)	(4 568 706)
Finance costs	29	(3 010 280)	(3 405 565)
Impairment losses	33	(336 257)	(6 855 452)
Repairs and maintenance	30	(17 738 217)	(14 527 396)
Fair value adjustments	27	(3 038)	-
Actuarial losses	20	(5 937)	-
Other operating expenditure	31	(2 727 267)	(2 395 523)
Total expenditure		**(29 354 010)**	**(32 333 984)**
Surplus for the year		**9 912 501**	**13 046 653**
Attributable to:			
Owners of the controlling entity		9 912 501	13 046 653

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Statement of Changes in Net Assets

Figures in Rand thousand	Share capital and Other reserves	Share premium	Total share capital	Revaluation reserve	Government grant reserve	Total reserves	Accumulated surplus	Total net assets
Balance at 01 April 2023	**4**	**1 091 040**	**1 091 044**	**491 600 820**	**8 980 000**	**500 580 820**	**84 240 289**	**585 912 153**
Changes in net assets								
Surplus for the year	-	-	-	-	-	-	13 046 653	13 046 653
Revaluation adjustments - PPE	-	-	-	61 712 694	-	61 712 694	-	61 712 694
Shareholder special grant	-	-	-	-	11 167 566	11 167 566	-	11 167 566
Total net income for the year	-	-	-	61 712 694	11 167 566	72 880 260	13 046 653	85 926 913
Balance at 01 April 2024	**4**	**1 091 040**	**1 091 044**	**553 313 514**	**20 147 566**	**573 461 080**	**97 286 942**	**671 839 066**
Changes in net assets								
Surplus for the year	-	-	-	-	-	-	9 912 501	9 912 501
Revaluation adjustments - PPE	-	-	-	92 964 412	-	92 964 412	-	92 964 412
Shareholder special grant	-	-	-	-	8 609 945	8 609 945	-	8 609 945
Total net income for the year	-	-	-	92 964 412	8 609 945	101 574 357	9 912 501	111 486 858
Balance at 31 March 2025	**4**	**1 091 040**	**1 091 044**	**646 277 926**	**28 757 511**	**675 035 437**	**107 199 443**	**783 325 924**
Notes	12	12	12	13	14			

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Cash Flow Statement

Figures in Rand thousand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Receipts from customers		5 241 218	4 808 338
Government grants received		26 307 705	25 885 989
Finance income		5 233 774	5 938 877
		36 782 697	36 633 204
Payments			
Employee costs		(740 561)	(569 481)
Suppliers		(18 934 674)	(15 114 921)
Finance costs		(3 003 437)	(3 023 912)
		(22 678 672)	(18 708 314)
Net cash flows from operating activities	35	**14 104 025**	**17 924 890**
Cash flows from investing activities			
Purchase of property, plant and equipment		(18 191 645)	(12 136 718)
Proceeds from sale of investment property		-	829
Purchase of intangible assets	8	(68 892)	(75 618)
Purchase of financial assets		-	(609 491)
Proceeds from financial assets		4 468 502	-
Net cash flows from investing activities		**(13 792 035)**	**(12 820 998)**
Cash flows from financing activities			
Repayment of financial liabilities		(5 297 831)	(11 995 322)
Proceeds from financial liabilities		327 280	-
Proceeds from special grant allocation	14	5 021 087	-
Proceeds from third-party funding	23	-	737 208
Repayment from third-party	23	(132 779)	-
Net cash flows from financing activities		**(82 243)**	**(11 258 114)**
Net increase/(decrease) in cash and cash equivalents		**229 747**	**(6 154 222)**
Cash and cash equivalents at the beginning of the year		53 259 979	59 414 201
Cash and cash equivalents at the end of the year	11	**53 489 726**	**53 259 979**

The accounting policies on pages 297 to 319 and the notes on pages 320 to 391 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand thousand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Variance
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Revenue - GFIP toll fees	-	-	**-**	341 789	**341 789**	100%
Revenue - Conventional toll fees	4 049 282	-	**4 049 282**	4 908 153	**858 871**	21%
Other income	769 818	-	**769 818**	2 423 108	**1 653 290**	215%
Finance income	3 456 615	-	**3 456 615**	5 285 755	**1 829 140**	53%
Total revenue from exchange transactions	**8 275 715**	**-**	**8 275 715**	**12 958 805**	**4 683 090**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants - non toll	25 720 319	(133 800)	**25 586 519**	25 586 519	**-**	0%
Government grants - GFIP/toll	724 033	-	**724 033**	721 187	**(2 846)**	0%
Total revenue from non-exchange transactions	**26 444 352**	**(133 800)**	**26 310 552**	**26 307 706**	**(2 846)**	
Total revenue	**34 720 067**	**(133 800)**	**34 586 267**	**39 266 511**	**4 680 244**	
Expenditure						
Employee related costs	(841 174)	-	**(841 174)**	(729 068)	**112 106**	13%
Depreciation and amortisation	-	-	**-**	(4 803 946)	**(4 803 946)**	-100%
Finance costs	(2 791 219)	-	**(2 791 219)**	(3 010 280)	**(219 061)**	-8%
Impairment losses	-	-	**-**	(336 257)	**(336 257)**	-100%
Repairs and maintenance	(17 977 318)	-	**(17 977 318)**	(17 738 217)	**239 101**	1%
Fair value adjustments	-	-	**-**	(3 038)	**(3 038)**	-100%
Actuarial losses	-	-	**-**	(5 937)	**(5 937)**	-100%
Other operating expenditure	(3 389 745)	-	**(3 389 745)**	(2 727 267)	**662 478**	20%
Total expenditure	**(24 999 456)**	**-**	**(24 999 456)**	**(29 354 010)**	**(4 354 554)**	
Operating surplus	**9 720 611**	**(133 800)**	**9 586 811**	**9 912 501**	**325 690**	
Capital expenditure	(22 795 755)	-	(22 795 755)	(18 526 076)	4 269 679	19%
Surplus for the year	**(13 075 144)**	**(133 800)**	**(13 208 944)**	**(8 613 575)**	**4 595 369**	

Refer to note 46 - Budget and actual expenditure differences for reasons of material differences (>15%variance) and details of changes between the approved and final budget. Excluded above is an additional special grant of R5.021 billion for debt settlement was received during financial year. Refer to note 14 - Special appropriation from shareholder.

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Significant Accounting Policies

Corporate information

The South African National Roads Agency SOC Limited (SANRAL) is a not-for-profit state-owned entity incorporated and domiciled in South Africa. The entity's primary business is the construction and maintenance of the South African national road networks and structures.

The annual financial statements have been prepared internally under the supervision of the Acting Chief Financial Officer, Mr Dumisani Maluleke (CA (SA)). The annual financial statements are audited in compliance with section 29(1)(e)(aa) of the Companies Act 71 of 2008, as amended. The annual financial statements for the year-ended 31 March 2025 were authorised by the Board on 30 July 2025 for submission to the Executive Authority (controlling entity) - Department of Transport.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These are based on Standards of Generally Recognised Accounting Practice (hereafter - GRAP), which the entity adopted as its financial reporting framework effective from 1 April 2023.

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with GRAP including all its Directives, Interpretation of the Standards of GRAP (IGRAP); issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999), the South African National Roads Agency Limited and National Roads Act, (Act 7 of 1998) and the Companies Act, Act 71 of 2008, as amended.

These annual financial statements have been prepared on an accrual basis of accounting with the exception of the cash flow statement and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand (R's), which is the entity's functional currency and are rounded to the nearest thousand (R'000).

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with best practice and other permitted international standards.

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

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. Refer to note 47 - going concern for details.

1.3 Significant judgements and sources of estimation uncertainty

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. The use of available information and the application of judgements is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes. Significant judgements include:

Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

SANRAL derives revenue (from exchange transaction) from two main sources. Firstly, conventional toll and secondly Gauteng Open Road Tolling (GORT) or the Gauteng Freeway Improvement Project (GFIP). Fees are charged on road users passing through the toll gates and electronic tolling (e-tolls) gantries.

Revenue from exchange transactions (toll fees) is recognised over a period of time as the entity provides services to the road users by allowing them access to the road until they pass a gantry or toll gate. However, the nature of these services does not take a substantial amount of time to complete and therefore the revenue is recognised as if the service is performed at a point in time rather than over a period of time. Therefore, revenue is recognised when the customer passes through the toll.

Revenue is recognised at the fair value of consideration received or receivable (net of VAT and discounts granted).

There are no written contracts with road users (customers). The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. Thus, the entity recognises all the toll fees it is entitled to as revenue. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement. The consideration received or receivable is the toll tariff charged per vehicle class as gazetted and approved by the Minister of Transport, in terms of legislation; SANRAL Act.

Revenue from conventional tolls is recognised on a payment basis as the road user must pay the displayed toll fee for their vehicle category before they can continue with their travel (stop and go).

Revenue from GFIP/etolls (GORT) is recognised when the customer makes use of the toll roads, regardless of whether they are registered as an etoll customer or not, as SANRAL is legally obliged to collect all amounts that arise from the use of an asset, such as this, whose usage charges are subject to legal proclamation.

The revenue is recognised when it is received or receivable. GRAP 9 and IGRAP 1 require the entity to consider other factors that will impact the probable inflow of future economic benefits or service potential based on past experience and current facts and circumstances that exist on initial recognition. While GFIP/etolls has been widely contested by the public since its inception, the entity has a legislative mandate to provide services through access to the road network and to consequently collect the amounts that are due for the provision of this service. As such, despite the experiences of the past years where it has faced increased public objections, appeals and legal process citing the affordability concerns and that due consultation processes were not followed at inception in tolling the Gauteng freeways, which have made it difficult for the entity to implement the statutory requirements and to institute any legal processes to collect the statutory revenue, the entity recognises the revenue that is due for the services provided and recognises receivables for the amounts that are due. The entity subsequently assesses the receivables for collectability and recognises expected credit losses on those amounts that it deems uncollectable.

Measurement of revenue recognised:

The entity assumes that willing etoll customers would take advantage of the discounts at recognition of revenue and therefore recognises revenue net of discounts available. Where payment is not received in time to qualify for discounts, the customer balance reverts to the full amount.

The contractual receivable recognised is at the transaction amount determined in accordance with the above revenue policy and applicable financial instrument policy note.

Revenue from other conventional tolls do not require judgment. It is on payment basis and transactions are recognised in line with GRAP 9. Refer to note 24 - Revenue.

Cash received in advance - liability

Income received in advance (prepayments) is regarded as a liability. These arise through prepaid e-tags or overpayments on registered account holders on toll fees (statutory revenue). A liability is recognised when transaction is made or the payment is due (whichever is earlier). Cash received in advance is recognised as revenue only when the road user eventually passes through the toll gate or gantry and is measured at the amount received from the customer. Cash received in advance is disclosed and reconciled in the notes. Refer to note 18 - Payables from exchange transactions for details.

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Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Other income

Revenue arising from other contractual and exchange transactions is recognised when:
It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably.

Sundry income is measured at the fair value of the consideration received or receivable. Any service fees are recognised as income over the period during which the service is performed. Refer to note 26 - Other income for details.

Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. SANRAL receives government grant (allocation or transfer) annually for operational and capital expenditure to build and maintain infrastructure for the benefit of the public (service delivery). Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

The government grant received or receivable is unconditional. However, the grant has restrictions. Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used (ear-marking funds for operational or capital expenditure, toll or non-toll funds), but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified. These restrictions are contained in the allocation letter approved by the Minister of Transport and are not regarded as conditions.

Recognition

A non-exchange transaction recognised is recognised as revenue, except to the extent that it is a liability in respect of the same inflow. The recognised revenue and a corresponding asset (receivable) is recognised in respect of transfers allocated for both operational and capital expenditure at the beginning of financial year. The entity's appropriation is approved by Parliament (through budget speech under the Department of Transport vote) before the commencement of the financial year. Then the allocation, signed by the Minister of Transport is received with details of full allocation for the year. The full allocation amount is receivable from 1 April, paid quarterly in advance, thus full grant amount is recognised at commencement of the financial year. The receivable from non-exchange transaction is derecognised as the amount of revenue is actually received.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity. Transferred assets are measured at their fair value as at the date of acquisition, on 1 April each year.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with applicable revenue policy. The entity applies the accounting policy on statutory receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables (GRAP 108), there were no statutory receivables arising from non-exchange transactions at year end. There is no interest charged or recognised on government grant receivable. Refer to note 25 - Non toll government grants included in revenue for details.

Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

Some financial and non-financial assets and liabilities of the entity are either measured or disclosed at fair value. Investment properties (note 1.4), PPE (note 1.5), impairment of non-cash generating assets (note 1.11) and financial assets and liabilities (note 1.7) of the entity are measured at fair value and/or disclosure is made of their fair values. When measuring the fair value of an asset or liability the entity uses observable market data as inputs to the extent that it is available. Qualified independent valuers are consulted for the determination of appropriate valuation techniques and inputs where appropriate. Fair values for financial instruments only are categorised into valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included in level 1 that are observable for assets or liabilities either directly or indirectly
- Level 3: inputs for the assets and liabilities that are not based on any observable market data (unobservable inputs)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long term debt. Other techniques, such as estimated discounted cash flow, are used to determine the fair value for the other financial instruments.

The carrying value less impairment provision of contractual and other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

The entity obtains independent valuations for its investment properties and for owner-occupied land at the end of each financial year. Road network and structures are valued at depreciated replacement cost (DRC). Refer to note 4 - Property, plant and equipment under concessions and note 6 -Property, plant and equipment for details.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is any indication that an asset is impaired or when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less cost to sell or when events or changes in circumstances suggest that the carrying amount may not be recoverable. These calculations require the use of estimates and assumptions. Where impairment indicators are identified, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Refer to note 6 - Property, plant and equipment and note 8 - Intangible assets.

Provisions

Provisions were raised and management determined an estimate based on the information available. The entity uses the weighted average cost of capital rate in calculating the liability for overload control. A provision for overload control relates to claims from concessionaires against SANRAL for damage to pavements as a result of overloading on the various concession routes. The estimation is calculated using SANRAL overload software annually at year end. A combination of actual historic overload data and projected future overload up to the end of the concession period is used in the calculations. Additional disclosure of these estimates are disclosed in the notes. Refer to note 21 - Provisions for details.

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Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Contingent assets and liabilities

Management applies its judgment to the facts, patterns and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, possible and/or remote. This judgment is used to determine if the obligation is recognised as a liability or disclosed as a contingent asset or liability. After assessment, all contingencies that are assessed with very low probability of cash flow are considered to be remote, therefore not disclosed in the notes. The contingencies are reviewed and assessed annually at year end. Refer to note 40 - Contingencies for details.

Useful lives of property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment annually at the end of each reporting period. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

The useful lives of motor vehicles, furniture and computer equipment are determined based on the entity's replacement policies considering the commercial and economic forecasts. Refer to note 1.5 - Estimated useful lives for property, plant and equipment and note 1.6 - Intangible assets for details.

Post-employment benefit obligations

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity's actuarial experts determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. Time value of money is best approximated by reference to market yields at the reporting date on government bonds and that have terms to maturity approximating the terms of the related pension liability.

The actuarial gains and losses on the employees' benefits are calculated in terms of three main components, namely: the effect of changes to the economic assumptions, number of members, and changes in the experience compared to what was expected as at the previous valuation.

Other key assumptions and critical estimates for each benefit plan and obligations are included in the actuarial report and is disclosed in the notes. Refer to note 20 - Employee benefits obligations for details.

Commitments

Items are classified as commitments when the entity has committed itself to future actions that result in cash outflows. commitments comprise estimated capital expenditure (contract amounts less capital expenditure already recognised) as approved by the Board of directors or delegated authority. Refer to note 38 - Commitments for details.

Expected credit loss - impairment

A credit loss is the present value of the difference between the contractual cash flows due in terms of the contractual arrangement and the cash flows the entity expects to receive. The amount of expected credit losses (or reversals) that adjusts the loss allowance at reporting date is recognised in surplus or deficit. The impairment is measured as the difference between the debtors carrying amount and the expected credit loss using simplified approach (a provision matrix is used for receivables). The default period is 90 days and the debt is expected to be settled in less than 12-month period. Therefore, no present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition is deemed necessary.

Significant Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment of receivables from exchange transactions

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

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the contractual receivable, or group of contractual receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a contractual receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows, where applicable.

Receivable from exchange transaction are recognised initially at the amount receivable in line with the revenue policy above. Subsequently, receivables are measured at amortised cost less the lifetime expected credit loss allowance. The entity assesses its receivables for credit loss at the end of each reporting period using the simplified approach, thus, all debt is assessed for lifetime expected credit loss at each reporting period.

Impairment is calculated based on historical loss ratios/trends, adjusted for any other available information and other indicators present at the reporting date that correlate with defaults on a collective basis. In assessing toll debtors for expected credit loss (impairment), significant judgments and assumptions are considered based on the current prevailing conditions, forward looking factors and historical trends .Refer to note10 - Receivables from exchange transactions for details.

Capped insurance receivable at amortised cost

Based on past experience and historical trends, management has assessed the risk of credit losses as very low because the deposit is held with institutions that have a national scale credit rating of A+ and above. This asset earns interest on a monthly basis, which the debtor has been servicing without fail. Thus, the fair value of the asset has been increasing on an annual basis. Consequently, no expected credit loss allowance was made. Refer to note 9 - financial assets for details.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

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Significant Accounting Policies

1.4 Investment property (continued)

Subsequent to initial measurement investment property is measured at fair value. The fair value of investment property reflects market conditions at the reporting date. The fair value on investment properties is determined by independent external valuers at the end of each reporting period. A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

SANRAL's primary responsibility relates to the construction and maintenance of national roads but, in execution of its normal responsibilities or mandate, SANRAL may also become the owner of surplus land (outside road reserve). Although such land is often alienated, SANRAL does not, per ser, hold it for sale as part of its ordinary course of business. All surplus land that is not owner occupied and is not within the road reserved land (PPE) is therefore considered to be investment property, as it is held for capital appreciation or earn rentals.

In certain circumstances it is difficult to distinguish between investment property and owner-occupied property. In those circumstances the criteria used to distinguish what is investment property is based on the use. Where property within road reserve is leased together with a portion outside the road reserve, the whole lease property will be regarded as investment property. When the use of investment property changes such that it is reclassified as property, plant and equipment, its carrying value, which is the fair value on the date of transfer is derecognised and the PPE value will be at FV on date of transfer.
Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When investment property is derecognised, the carrying value is eliminated from the statement of financial position and the gains or losses arising from the disposal are recognised in surplus or deficit in the year of disposal. Refer to note 7 - investment properties for details.

1.5 Property, plant and equipment

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

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

The cost of an item of property, plant and equipment including PPE under concession is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value nor the fair value of the asset given up was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as deemed appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are recognised in surplus or deficit during the reporting period in which they are incurred.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Significant Accounting Policies

1.5 Property, plant and equipment (continued)

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management. Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment, failing which they are recognised as inventory.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, road network and road structures. Land, road network and road structures are subsequently carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset’s carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit. Any decrease in an asset’s carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period as an impairment loss. The decrease is first debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in net assets related to a specific item of property, plant and equipment is transferred directly to accumulated surplus when the asset is derecognised. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Non-toll assets are non-cash-generating assets. Non-toll assets do not create cash flows from their use, and an active market for non-toll roads does not exist.

Depreciation of an asset commences when the asset is available for use as intended by management. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a straight line method, that best reflects the pattern in which the asset's economic benefits are consumed by the entity. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases on derecognition.

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

Item	Depreciation method	Average useful life
Buildings	Straight-line	50 years
Road network - road beds	Straight-line	50 years
Furniture, motor vehicles and equipment	Straight-line	3 -30 years
Road network - pavement layers	Straight-line	20 years
Road structures	Straight-line	50 years

Land is not depreciated. Road-beds are initially assumed to have a useful life of 50 years. For pavement layers and structures, the associated depreciation rate is related to condition indexes calculated from detailed condition assessments. The frequency of these condition assessments is related to the deterioration trend of the asset component and ranges from one to five years. If the pavement layers is however rehabilitated during life of the road, the remaining roadbed life will be adjusted to be at least equal to the remaining new pavement layers life, if it was less at the time of pavement layer works.

The depreciation method used reflects the pattern in which the asset’s future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life 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.

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Significant Accounting Policies

1.5 Property, plant and equipment (continued)

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

An impairment tests is performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

Impairment indicators include the deterioration of physical condition of office furniture, equipment and vehicles. SANRAL uses the loan supportable by revenue (LSR) model to assess impairment for toll plazas assets. Refer to note 6 for details of impairment.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statement. Refer to note 30 - Repairs and maintenance - attributable to project disbursements for details.

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements. Refer to note 4 - Property, plant and equipment under concessions and note- 6 - Property, plant and equipment for details.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; 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. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets, whether purchased or internally generated are initially recognised at cost. SANRAL has two types of intangible assets namely computer software and wayleaves.

Intangible assets are carried at cost less any accumulated amortisation and any impairment loss. All costs associated with the maintenance of the computer software are recognised as an expense when incurred.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Significant Accounting Policies

1.6 Intangible assets (continued)

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.

Wayleaves

A wayleaves is a right of access to a private property. All wayleaves agreements are entered with respective landowners. SANRAL has two types of wayleaves agreements:

- Finite wayleaves agreements are wayleaves that have a finite period as per the contract. Finite agreements are as a result of SANRAL needing rights to access for a defined period, which is called the contract period. The landowners make the required part of their premises available to SANRAL for an agreed upon period of time in return for an agreed upon amount. The contract amount is then capitalised and amortised over the contract period.

- Indefinite wayleaves agreements are wayleaves that have an indefinite contractual period. Indefinite agreements are entered into where SANRAL reserves the right to access the property but not the ownership of the property (e.g. communal/tribal land that cannot be transferred back to the landowner). The contract amount is capitalised and the wayleaves are not amortised.

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

Item	Depreciation method	Average useful life
Computer software	Straight-line	10-15 years
Wayleaves agreements - finite	Straight-line	Contract period
Wayleaves agreements - indefinite	Straight-line	Not amortised

The useful life of an intangible asset that is not being amortised is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

Intangible assets are derecognised:

- on disposal; 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. Refer to note 8 - Intangible assets for details.

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are recognised when the entity becomes a party to the contractual provisions. Financial instruments held by the entity are classified in accordance with the provisions of GRAP 104 Financial Instruments.

Financial instruments are initially measured at fair value (or at their transaction price) plus transaction costs that are directly attributable to the acquisition of the financial instrument, except for financial instruments carried at fair value through surplus or deficit where the transaction costs are expensed.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm’s length transaction.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

All regular way purchases or sales of financial assets or liabilities are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Fair values at period end are calculated using the mid-point of closing market rates using trade date plus 1 day.

Financial assets:

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Significant Accounting Policies

1.7 Financial instruments (continued)

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Significant Accounting Policies

1.7 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Fixed deposits	Financial asset measured at amortised cost
Capped insurance deposits	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Capital market bonds	Financial asset measured at fair value through surplus and deficit - designated

Recognition and measurement

The classification of financial assets depends on the contractual cash flows (CCF) characteristics and the entity's business model for managing financial assets at initial recognition. Financial assets are classified at amortised cost only if the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding and the entity's business model is to collect the contractual cash flows on this receivable.

Financial assets that do not offer the contractual cash flows on specified dates that are solely payments of principal and interest are classified at fair value through surplus or deficit. At initial recognition, the entity may designate a financial instrument with fixed or determinable payment at fair value through surplus or deficit.

The entity may reclassify assets when and only when its business model for managing those assets has changed.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction, in the case of financial assets at amortised cost, for impairment or uncollectable.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or (where appropriate) a shorter period, to the net carrying amount of the financial asset or financial liability.

For financial assets measured at amortised cost, interest income is included in finance income, impairment losses are presented separately, and any gains/losses on derecognition are recognised directly in surplus or deficit. Where the receivables are expected to be received in the short term (less than or equal to 12 months) they are classified as current. Thus the carrying amount approximates the fair value.

For financial assets measured at fair value through surplus or deficit, gains and losses are recognised in surplus or deficit in the period in which it arises and presented net with other gains and losses. Interest income is calculated using the effective interest rate method and included in finance income.

Expected credit losses

The entity recognises a loss allowance for expected credit losses on receivables measured at amortised cost.

At each reporting date, the entity measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. To make that assessment, the entity compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information that is available without undue cost or effort.

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Significant Accounting Policies

1.7 Financial instruments (continued)

The entity assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Where there has been no significant increase and the instrument remains of investment grade quality, no credit risk impairment gain or loss is made.

Credit loss is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. The entity uses information about past events, current conditions and forecasts of future economic conditions.

The entity recognises lifetime expected credit losses for all financial assets at amortised cost for which there have been significant increases in credit risk since initial recognition. For lifetime expected credit losses, the entity estimates the risk of a default occurring on the financial instrument during its expected life. For contractual receivables (including lease - property receivables), the expected cash flows are based on the lifetime expected credit losses. Lifetime losses reflect the possible occurrence(s) of default over the lifetime of the receivables. A provision matrix is used for receivables. Contractual and other receivables over 90 days are impaired in full. Due to the short term nature of the receivables, the time value of money has no material effect.

The entity recognises in surplus or deficit, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

For the capped insurance deposits management has assessed the risk of credit losses as low because the deposit is held with institutions that have a national scale credit rating of A1 and above. This asset earns interest on a monthly basis which the debtor has been servicing without fail. Consequently, no expected credit loss allowance is made unless there is an indication of impairment - that is if the credit ratings reduces to below A1. Refer to note 10 - contractual and other receivables for details.

Write-off policy

The entity writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no reasonable prospect of recovery, e.g. when the counterpart is deceased, liquidation, or has entered into bankruptcy proceedings. Receivables written off will not be subject to enforcement activities under the entity's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in surplus or deficit.

Cash and cash equivalents

Cash is cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. Investments normally only qualify as cash equivalents if they have a short maturity of three months or less from the date of acquisition. Fixed term deposits (financial assets) are presented as cash equivalents if they have a maturity of three months or less from the original date and are repayable within 48 hours' notice with no loss of interest. Refer to note 11- cash and cash equivalents for details.

Financial liabilities:

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position. Refer to note 15 - financial liabilities for details

Class	Category
Capital market loans	Financial liability measured at amortised cost
EIB loan	Financial liability measured at amortised cost
Third party funding	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Capital market loans	Financial liability measured at fair value through surplus and deficit

Significant Accounting Policies

1.7 Financial instruments (continued)

Recognition and measurement

The default classification of financial liabilities is at amortised cost. The entity has designated at initial recognition, certain financial liabilities as measured at fair value through surplus or deficit where it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”). Refer to note 9 - financial assets and note 15 - financial liabilities for details.

Financial liabilities classified and subsequently measured at amortised cost are loans and bonds issued for raising capital to fund the national toll road networks and related operating expenditure and payables from exchange transactions. Financial liabilities designated at fair value through surplus or deficit are capital market bonds, previously held for market making used to fund the national road networks and related operating expenditure.

For payables due within 12 months of the reporting period, the carrying amount is considered to be the fair value at reporting date due to the short term nature, and these liabilities are classified as current.

Third party funding are monies received in advance from other entities which relate to projects managed by SANRAL including assets owned by the other entities. They contribute their proportionate share to the projects. SANRAL's obligation is to deliver completed project assets. The funds received are included and accounted for in cash and cash equivalents. Third party funding is measured at amortised cost and its carrying amount approximates its fair value. The project related costs are capitalised. The agreements are silent on interest earned on the funds held in short term facilities, thus, any interest earned is for SANRAL and is included in surplus or deficit. Refer to note 23 - third party funding for details.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The cash flows (proceeds and repayments) of financial assets and liabilities are shown as net where it is impracticable to disclose separately due to the placement and withdrawal of large deposits to and from other financial institutions. Financial assets and liabilities in the market making portfolio maybe managed together therefore movements are reported on a net basis.

Derecognition

Financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset are settled, expire, waived or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

Financial liabilities

The entity derecognises financial liabilities when, and only when, the entity obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable, including any non cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

For details of financial assets and liabilities refer to note 9 - Financial assets and 15 - Financial liabilities and for risk management notes 16 - Financial instruments disclosure and 17 - Risk management - financial instruments respectively.

1.8 Tax

SANRAL was exempted from income tax in the Government Gazette of 22 December 2003, in terms of S10(1)(t)(iii) of the Income Tax Act of 1962. This exemption was backdated to the inception of the entity. The entity is registered for VAT for its toll portfolio.

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1.9 Leases

The entity assesses whether a contract is, or contains a lease, at the inception of the contract. A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership and classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Rental income for leases is disclosed under other income in statement of financial performance.

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. Refer to note 7 - Investment property.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset. Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Impairment loss reversal is recognised when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Where impairment loss is reversed, the carrying amount is increased to the revised estimate of its recoverable amount.

Refer to note 4 - Property, plant and equipment under concession and note 6 - Property, plant and equipment for impairment for non-financial assets for policy 1.3 - significant judgements and sources of estimate uncertainty, 1.5 - property, plant and equipment.

1.11 Impairment of non-cash-generating assets - non toll assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset. Non-cash-generating assets (non-toll assets) are assets other than cash-generating assets (toll assets).

Significant Accounting Policies

1.11 Impairment of non-cash-generating assets - non toll assets (continued)

The recoverable amount of non-toll assets is the greater of an asset's fair value less cost to sell and value in use. Non-toll assets do not create cash flows from their use, and a market for non-toll roads does not exist. In accordance with GRAP (same as IPSAS 21 applied in prior year) value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using depreciated replacement cost. The entity measures its non-toll assets (road network, structures and land) based on the Depreciated Replacement Cost (DRC). Therefore the entity's valuation already takes any impairment effect into consideration, and no further specific impairment test is performed on non-toll assets. The other items of PPE (equipment, vehicles, furniture, buildings and assets under construction) are measured on the cost model and these assets are subject to this policy for impairment.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential. The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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Significant Accounting Policies

1.11 Impairment of non-cash-generating assets - non toll assets (continued)

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

The same reversal of an impairment loss policy is also applicable to cash generating assets as well. Refer to note 6 - Property, plant and equipment for details.

1.12 Share capital and Other reserves

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Currently the entity has normal issued share capital and share premium accounted for as equity instruments. Directly attributable costs with issuing of equity instruments are deducted against equity. All the shares are paid up. The shares are owned by the Department of Transport represented by the Minister of Transport.

Other reserves include revaluation reserves which are derived from increase in revaluation of capital assets (land, road network and structures). These reserves may be used for contingencies or offset major capital losses with approval from the National Treasury or Department of Transport. Revaluation reserves are not distributable. Refer to notes 12 - Share capital and Other reserves and 13 - share capital and capital reserves.

The other reserve relates to contribution from the shareholder specifically for debt redemption, Refer to Note 14 - Special appropriation from shareholder foe details.

1.13 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. Currently the performance bonus is at the discretion of the Board and only recognised when approved by the Board.

Significant Accounting Policies

1.13 Employee benefits (continued)

Defined contribution plans

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The entity operates a defined contribution plan, the assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from the entity, taking into account the recommendations of independent qualified actuaries.

The entity has employees who are members of the Government Employees' Pension Fund (GEPF). Contributions to the GEPF are recognised in surplus or deficit in the year to which they relate as part of cost of employment. The entity has no legal or constructive obligation to pay further contributions if the GEPF does not hold sufficient assets to pay all employees their benefits relating to employee service in the current and prior periods.

Post-employment benefits: Defined benefit plans

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses, unrecognised past service costs and reduces by the fair value of any plan assets.

The entity provides post-retirement health care benefits upon retirement to retirees. The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

SANRAL recognises the estimated liability on an accrued basis over the working life of the eligible employees. During 2014, SANRAL extended its post-employment medical aid benefits to all its employees. The entitlement is based on the employee remaining in the employment of the organisation for a period of 15 years of uninterrupted service until retirement. For defined benefit plans (post-retirement medical aid) the cost of providing the benefits is determined using the projected unit credit method.

Consideration is given to any event that could impact the funds up to the end of the reporting period where the valuation is performed at an earlier date. Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

Actuarial gains and losses are recognised in the year in which they arise, in surplus or deficit. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the entity is demonstrably committed to curtailment or settlement.

Refer to note 20 - Employee benefits obligations.

1.14 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Significant Accounting Policies

1.14 Provisions and contingencies (continued)

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

Contingent assets and contingent liabilities are not provisions, therefore are not recognised. Refer to note 40 - Contingent liabilities for details.

Provision for restoration and rehabilitation cost

SANRAL's provision for rehabilitation costs is based on the contractual agreement signed with the contractors maintaining or constructing the road networks and increases over the life-span of the project. Once the project is completed, the provision for rehabilitation costs is reversed as the actual cost has been incurred and recognised appropriately. Provision for rehabilitation costs for projects that are capital in nature is capitalised to the respective assets. Rehabilitation costs for projects that are operational in nature are expensed in surplus or deficit when incurred. These are not material and the impact of discounting is immaterial.

Provision for overload control

Provision for overload control is based on the contractual agreement signed with the concessionaires regarding control of overloading on the road network operated by concessions. SANRAL expects concessionaires to claim amounts due within a year as they rehabilitate the road network. The amount is an estimate and there is uncertainty of the time it will be payable, as there are continuous negotiations taking place. The overload provision is calculated using the overload control software and is evaluated annually at year end. Historical and projected future traffic data and weighted average cost per kilometre is used in the calculation. Refer to note 21 - Provisions for details.

1.15 Commitments

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Finance income and finance costs

Finance (Investment) income and finance cost are recognised on a time-proportion basis using the effective interest method over the period to maturity. Investment income comprises interest earned on funds invested in financial assets measured at amortised cost and those measured at fair value through surplus or deficit (FVTSD). Finance costs comprise interest expenses on funds borrowed and changes in fair value of financial liabilities.

The interest of bonds included in financial assets and liabilities measured at FVTSD (market-making portfolio) is included in interest income and expenses respectively. The remaining difference between the interest calculated on amortised cost based on the effective interest and coupon interest is disclosed as part of fair value adjustments (gains and losses) in the surplus or deficit. Where financial assets have been impaired, interest income continues to be recognised on the impaired value based on the original effective interest rate.

Finance income and costs include the amortisation of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument. Any other changes in fair value adjustments from financial assets at fair value through surplus or deficit are included in net fair value gains/(losses) presented separately in surplus or deficit. Refer to note 28 - finance income and note 29 - Finance cost for details.

Significant Accounting Policies

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by the entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use of sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying toll asset (capital projects) are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. SANRAL borrowings are for general use on toll projects, not for specific projects. Non-toll projects are funded by government grant. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised should not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- Expenditures for the asset have occurred;
- Borrowing costs have been incurred, and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs are only applicable to toll portfolio on road network and structures under construction (projects). All other borrowing costs are recognised as an expense in the period in which they are incurred. Refer to notes 6 - Property, plant and equipment and note 29 - Finance cost for details.

1.18 Irregular, fruitless and wasteful expenditure

Irregular expenditure is expenditure incurred in contravention of, or not in accordance with requirements of PFMA and other legislation. Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. Irregular, fruitless and wasteful expenditure (IFWE) is accounted for in line with all relating requirements, including, but not limited to the latest IFWE Frameworks issued and amended by National Treasury regularly.

Irregular, fruitless and wasteful expenditure is recorded and disclosed in the annual financial statements in the year that it was incurred (accrual basis) including VAT. An investigation is conducted and if it is found that an official was negligent, income should be recovered and recognised in surplus or deficit with a corresponding debtor. The IFWE is removed for the disclosure notes on approval by the Board and National Treasury in accordance with the IFWE frameworks issued in 2022/23 or the latest instruction notes. Only confirmed IFWE is disclosed in the annual financial statements. Details of opening and closing balances, condonations and investigations are disclosed in the integrated report. Refer to notes 42 - Unauthorised, Irregular and Fruitless and Wasteful Expenditure and 43 - Irregular expenditure and 44 -Fruitless and wasteful expenditure for details.

1.19 Segment information

A segment is an activity of the entity:
- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Operational segment identification

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Significant Accounting Policies

1.19 Segment information (continued)

For management purposes, SANRAL is currently organised into two divisions: toll and non-toll operations. These segments' operating results are regularly reviewed by the executive management and the Board and used to make decisions about resources to be allocated to the segments as well as to assess their performance. The Gauteng Freeway Improvement Project (GFIP), which represented less than 1% of SANRAL's total road network, was included and managed under toll portfolio until the etolling was cancelled at the beginning of the financial year. Although there are difficulties facing the entity in revenue collections for GFIP, all the information reviewed for other conventional toll plaza is also reviewed for GFIP, which included the collection rates and expected cash flows. The regulatory environment for GFIP was not different for tolling operations. Thus GFIP is also tolling, the difference is the payment collection method which is only through electronic payment, (pass now and pay later model), unlike normal tolls that use a stop and pay method.
In the current financial year, GFIP was accounted for as a non toll road network, under non toll segment.

SANRAL considered the following factors during the identification of the reportable segments:
- Nature of the products/services rendered by the segment
- Nature of revenues generated by the segment
- Nature of expenses incurred by the segment
- Nature of the funding used to finance segment activities.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise investments (other than investment properties) and related revenue, loans and borrowings and related expenses, corporate assets (primarily head office) and head office expenses. There are no transactions between the business segments. Segment assets consist primarily of land, buildings, roads and equipment. Segment liabilities comprise deferred income and long-term liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill and is directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Source of segment revenue

The toll operating segment derives its revenue from levying toll fees from toll road users, as well as from concession fees from the concession contracts entered into with the concessionaires of certain national roads in South Africa. Specific grants from government for toll funding are also recognised as revenue, to the extent that they have been realised. The non-toll operating segment derives its revenue from government funding in the form of government grants. Refer to note 24 - Revenue.

Measurement

The amount of each segment item reported is the measure reported to the chief operating decision-maker for the purposes of making decisions about allocating resources to the segments and assessing their performance. Refer to note 41 - Segment report.

1.20 Budget information

Typically, the entity is subject to budgetary limits in the form of appropriations or budget authorisation, which is given effect through authorising legislation, appropriation or similar. Budget is approved by the Board, Executive Authority (DoT) and by the National Treasury. The approved estimated national expenditure (ENE) is received from DoT before the commencement of each financial year. General purpose financial reporting by the entity provides information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by nature of the expenses linked to performance outcome objectives. The approved budget covers the fiscal period from 01 Apr 2024 to 31 Mar 2025.

Material difference is set as 15% for disclosure purposes. An explanation of material differences between the budget, for which the entity is held publicly accountable, and actual amounts will be provided in the notes. Reasons for variance will be provided for variances above 15%. Explanations for major underspending are also detailed in the annual report. Explanations that are of similar in nature will be aggregated and will be provided on high level. The toll/GFIP grant received includes VAT. Refer to note 46 - Budget differences for details.

1.21 Related parties

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant Accounting Policies

1.21 Related parties (continued)

Key management are those persons responsible and accountable for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements. Refer to note 39 - Related parties for details.

1.22 Events after reporting date

Events after reporting date are assessed at year end for the annual financial statements. Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- 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. Refer to note 48 - Events after reporting date for details.

1.23 Service concession arrangements: Entity as grantor

Identification

Public-private partnerships (PPPs)

The PPPs are accounted for as service concession arrangement. Service concession arrangement is a contractual arrangement between a grantor (SANRAL) and an operator (concessionaires) in which an operator uses the services concession assets to provide a mandated function on behalf of a grantor for a specified period, where the operator is compensated for its services over the period of service concession arrangement.

PPPs entail private entities taking substantial risks for financing a project's capital and operating costs, designing and building a facility, and managing its operations to specified standards, normally over a significant period of time. In a PPP, the property plant and equipment (PPE) belongs to SANRAL, not to the operator (concessionaires), and the PPE developed and /or acquired in terms of the concession agreements are thus state property. There are three concessions, N3 Toll Concession RF (Pty) Ltd (N3TC), N1/N4 Bakwena Platinum Corridor Concessionaire (Bakwena) and N4 Trans African Concessions (TRAC). Under these concession contracts, each concessionaire is responsible for the design, financing, construction, maintaining and operating of its contracted/specified portion of the road network, which falls within the grantor's mandate. Refer to service concessions in notes 4 - Property, plant and equipment under concessions note 5 - Service concessions arrangements for details.

Recognition and measurement of asset and liability

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Significant Accounting Policies

1.23 Service concession arrangements: Entity as grantor (continued)

Toll concessions give the concessionaire the right to use the toll assets, while the entity retains the title and ownership of the assets. Items of property, plant and equipment under concession agreements are recognised and measured in accordance with policies applicable to SANRAL's property, plant and equipment. As the asset base increases (property, plant and equipment), a corresponding liability (deferred exchange consideration) is recognised when there are additions to complete/purchased assets and assets under construction (work in progress).

After initial recognition or reclassification, service concession assets are clearly identified from other assets within the same asset category, and are clearly identified from SANRAL owned assets. Where the entity recognises a service concession asset, and the asset is not an existing asset of the entity (grantor), the entity (grantor) also recognises a liability. The PPE under concessions were built or acquired by the concessionaires under the current contracts.

This liability is realised to the income statement from the acquisition date until the end of the concession contract date (the remaining contract period from date acquired) in surplus or deficit. Where the acquisition date cannot be determined, the assumption is made that the asset was acquired at the beginning of the current reporting period.

The entity does not recognise a liability when an existing asset of the entity is reclassified as a service concession asset, except in circumstances where additional consideration is provided by the operator. Concessionaires are required to obtain guarantees in the form of performance bonds in favour of the entity, relating to construction work, operation and maintenance activities of the concessionaire.

Expansion works funds

The TRAC concession is required to reserve funds for expansion works on toll roads under concessions. The reserved funds are calculated in accordance with the concession agreement. The balance of the expansion works fund is a receivable (asset) to SANRAL. SANRAL has full control of the funds and decides on the use of the funds. Currently the fund is kept for funding priorities or projects on the TRAC route, determined by SANRAL, which is outside of the concessionaire's responsibility. A separate contract was entered into and continues to be held for the purpose of the receipt or delivery of a non-financial item (fixed assets) and the entity has not changed its intention of taking delivery of the underlying assets per agreement. The recognition of the fund increases the deferred exchange consideration (liability). Interest earned is recognised in surplus or deficit. The fund is decreased as and when it is utilised on the construction projects on behalf of SANRAL.

Refer to notes 22 - Deferred exchange consideration - service concession and 5 - Service concessions arrangements for details of the Public Private Partnership arrangements and on deferred exchange consideration (service concessions).

Other liabilities, contingent liabilities and contingent assets

The entity accounts for other liabilities, contingent liabilities, and contingent assets arising from a service concession arrangement in accordance with the applicable policy on Provisions, Contingent liabilities and contingent assets and Financial instruments. Refer to the provision for overload control and the Mozambique contingent liability on notes 21 - Provisions and 40 - contingencies respectively.

Concession income

The entity accounts for revenue from a service concession arrangement, other than those relating to the grant of a right to the operator model, in accordance with the Standard of GRAP on Revenue from exchange transactions. In terms the agreements the concessionaires have the right to charge and collect tolls, the entity does not recognise any revenue except where it exceed the agreed threshold values in accordance with a detailed formula in the signed agreements. This excess income is paid over to SANRAL and is recognised as concession income under other income. Refer to note 26 - Other income.

Figures in Rand thousand	2025	2024

2. Changes in accounting policies

The financial statements have been prepared in accordance with the standards of GRAP, consistent with prior year. There were no changes in accounting policies applied in current reporting period. There were no new standards, amendments and interpretations or directives adopted in current period.

Refer to note 3 for new standards and interpretations below.

3. New standards and interpretations

3.1 Standards and interpretations issued, but not yet effective

The entity has not applied the standards, amendments and interpretations relevant to the entity, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods. Standards that are not relevant to the entity have not been disclosed below. The effective dates for the standards below have not been gazetted, therefore, no effective date until a specific date has been issued.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 2023 Improvements to the Standards of GRAP 2023	-	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	-	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	-	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand thousand

4. Property, plant and equipment under concession

	2025			2024		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Buildings	1 026 208	(312 680)	713 528	1 025 154	(292 162)	732 992
Road structures	21 871 157	(3 623 172)	18 247 985	17 112 633	(2 477 239)	14 635 394
Equipment	574 643	(298 843)	275 800	541 831	(260 692)	281 139
Assets under construction - AUC	2 392 634	-	2 392 634	1 824 080	-	1 824 080
Road network	87 986 664	(20 140 215)	67 846 449	83 728 023	(18 557 568)	65 170 455
Total	**113 851 306**	**(24 374 910)**	**89 476 396**	**104 231 721**	**(21 587 661)**	**82 644 060**

Reconciliation of property, plant and equipment under concession - 31 March 2025

	Opening balance	**Additions**	**Transfers**	**Revaluation**	**Depreciation**	**Closing balance**
Buildings	732 992	-	1 054	-	(20 518)	713 528
Road structures	14 635 394	-	48 952	3 586 400	(22 761)	18 247 985
Equipment	281 139	-	32 812	-	(38 151)	275 800
Assets under construction - AUC	1 824 080	1 368 591	(800 037)	-	-	2 392 634
Road network	65 170 455	-	717 219	2 491 788	(533 013)	67 846 449
	82 644 060	**1 368 591**	**-**	**6 078 188**	**(614 443)**	**89 476 396**

Notes to the Annual Financial Statements

Figures in Rand thousand

4. Property, plant and equipment under concession (continued)

Reconciliation of property, plant and equipment under concession - 31 March 2024

	Opening balance	Additions	Disposals/ write offs	Transfers	Revaluation	Depreciation	Closing balance
Buildings	702 663	-	-	50 580	-	(20 251)	732 992
Road structures	12 853 270	2 856	-	85 459	1 715 858	(22 050)	14 635 394
Equipment	296 123	16 222	(75)	6 895	-	(38 027)	281 139
Assets under construction - AUC	2 822 995	1 016 904	-	(2 015 819)	-	-	1 824 080
Road network	58 894 987	37 445	(139)	1 872 885	4 891 680	(526 403)	65 170 455
	75 570 038	**1 073 427**	**(214)**	**-**	**6 607 538**	**(606 731)**	**82 644 060**

Pledged as security

There is no property, plant and equipment under concession pledged as security for liabilities and no title restrictions exist on the property, plant and equipment under concession. A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the entity (SANRAL).

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Figures in Rand thousand	2025	2024

4. Property, plant and equipment under concession (continued)

Book value (cost model) of property, plant and equipment carried at fair value /revalued amounts

The following are the carrying amounts (cost less accumulated depreciation) of PPE measured under revaluation model above:

Road structures	902 800	876 609
Road network	9 826 420	9 642 214
	10 729 220	**10 518 823**

Methods and assumptions used in determining fair value

The revaluation method and assumptions applied are the same for both toll and non-toll road assets on note 4 - Property, plant and equipment under concessions and on note 6 - Property plant and equipment (PPE). Refer to note 6 - Property, plant and equipment for specific factors and assumptions considered in the revaluation of the land, road network and structures including those under concessions.

Cumulative breakdown of capital expenditure recognised in the AUC

Buildings	8 102	4 661
Road network	2 038 788	1 482 889
Road structures	319 107	315 729
Computer equipment	26 637	20 801
	2 392 634	**1 824 080**

5. Service concession arrangements

Public-private partnerships - toll collection service concession arrangements

The overall objective and purpose of the service concession arrangement are similar for all three agreements.

SANRAL contracted partners in the private sector (concession contracts) as an alternative means for long-term financing, operating, maintaining and improving national road network infrastructure, with costs being recovered through toll charges levied. Currently there are three concessions: N3 Toll Concession RF (Pty) Ltd (N3TC), N1/N4 Bakwena Platinum Corridor Concessionaire (Bakwena) and N4 Trans African Concessions (TRAC). Under these contracts, each concessionaire is responsible for the design, financing, construction, maintaining and operating of its contracted/specified portion of the road network. There were no changes in the arrangements occurring during the reporting period.

Bakwena is responsible for the toll road between Pretoria and Bela-Bela on the N1 highway and between Pretoria and Botswana border post on N4 West for a period of 30 years, ending August 2031. Bakwena is also contracted for the Trans Kalahari Highway between Walvis Bay and Maputo. N3TC is responsible for the toll route from Cedara to Heidelberg on the N3 highway for a period of 30 years, ending November 2029. TRAC is a cross-border concessionaire responsible for the toll road from Solomon Mahlangu Road in Pretoria to Maputo in Mozambique on the N4 highway east for a period of 30 years, ending February 2028.

The TRAC concession contract was extended from the Gauteng-Mpumalanga border to the Tshwane Metropolitan border. An amount of R251 million was received on 28 February 2005 and is being amortised over the remaining life of the concession.

Significant terms of the arrangements

For the N3 toll route, SANRAL received an up-front payment of R1.380 billion and an additional payment of R52 million during the 2008 financial year. The concessions are for a specified period of 30 years. For the N1/N4 route no payment was received from the concessionaire because SANRAL was responsible for the initial construction. Significant terms that may affect the amount, timing or certainty of future cash flows are summarised below:

Notes to the Annual Financial Statements

5. Service concession arrangements (continued)

The concessionaires on the N3 and N4 Maputo toll roads are also required to pay SANRAL a highway usage fee (HUF) in certain circumstances (section 2.5 of the concession contract and annexure 15 to the concession contract). The HUF is a mechanism for limiting the return on the project which can be distributed by the concessionaire to its shareholders. On the N4 Platinum Corridor a revenue-share mechanism is achieving the same objective.

SANRAL does not guarantee the minimum third-party revenue that the concessionaire will collect. SANRAL is not required to compensate the concessionaire if the traffic on the highway is less than expected.

The nature and extent of the arrangement

Right of use of specified concession assets

The costs of acquiring the site were borne by SANRAL. Once the site has been delivered to the concessionaire, the property is "under the care, custody and control of the concessionaire" and the concessionaire bears the risks associated with the property (section 15.5 of the concession contract). The concession contract specifically states that the concessionaire has "no title to, ownership interest in, or liens or leasehold rights or any other rights" and title to the site remains with SANRAL. SANRAL is required to ensure that the concessionaire has access to and the right of use in respect of the site and equipment (as necessary for it to perform its obligations in terms of the contract) throughout the concession period.

Should the concessionaire discover any "fossils, coins, articles of value or antiquity, and structures and other remains or things of geological or archaeological interest or burial sites" on the site during the concession period, these will be the property of SANRAL. SANRAL has ownership of the road and related facilities (for example, toll plaza buildings) throughout the concession period.

Obligations to deliver or rights to receive specified assets at the end of the concession period

The ownership of any drawings, data, books, reports, documents, software, any other information owned by the concessionaire or any of the subcontractors for the purpose of the project is required to be transferred to SANRAL at the end of the concession period. Furthermore, the concessionaire is required to hand over the highway and its rights or interest in the developments to SANRAL, free of charge. These assets are required to be free from any liens, claims, encumbrances and liabilities and are required to be in a specified condition with a specified remaining useful life.

Obligations to provide or rights to expect provision of services

The concession contract requires the concessionaire to operate and perform routine maintenance work on the road network to ensure proper operation and maintenance of the highway. The contracts also require concessionaires to acquire or build items of property, plant and equipment:

- Initial construction works relating to the highway and associated facilities (as specified in the concession contract and including, for example repairs and replacements relating to specified sections of the highway and the construction/repair of toll plazas).
- Additional construction works relating to the road and related facilities (that is, required construction work other than the initial construction works).
- Upgrade works according to the provisions in the contract.

Renewal and termination options

There are no renewal options on the contracts. The concession rights will terminate if either SANRAL or the concessionaire terminates the concession contract.

SANRAL has the right to terminate the concession contract in any of the following circumstances:

- There is court action for the dissolution and/or liquidation of the concessionaire.
- The concessionaire receives a court order to be placed under judicial management or to commence liquidation.
- The concessionaire fails to complete the initial construction works within three years of commencement of the concession contract.
- The concessionaire ceases to operate and maintain the highway.
- All (or substantially all) of the concessionaire's indebtedness becomes due and payable as a result of default by the concessionaire.
- The concessionaire fails to report a material related-party transaction (as required by the concession contract).
- The concessionaire commits a material breach of the provisions of the concession contract.

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5. Service concession arrangements (continued)

If any of the abovementioned is not remedied by the concessionaire within a specific period, then SANRAL has the right to appoint a substitute entity in the place of the concessionaire.

The concessionaire has the right to terminate the concession contract in any of the following circumstances:

- SANRAL commits a material breach of the provisions of the concession contract.
- Certain material adverse governmental action takes place.
- There is a material impairment of the concession rights as a result of the concessionaire being nationalised or expropriated or the project land/highway being compulsorily acquired from the concessionaire by the state.

Other rights and obligations

The concessionaire is only permitted to raise debt (from lenders) as specified in the concession contract. The concessionaire requires SANRAL's approval for any additional debt. SANRAL would take over the concessionaire's indebtedness in the event of concessionaire default.

Recognition of expenses

SANRAL recognises no revenue from services provided to the public for these concessions, except where HUFs are payable to SANRAL by the concessionaire according to the service concession agreement. SANRAL do not recognises any operational costs related to the operations of the public infrastructure under concession. SANRAL do not recognises any obligations to restore infrastructure to a specified level of serviceability.

SANRAL recognises the up-front payment received from operators over the period of the concession arrangement. There were no changes to any of the concession arrangements during the current year. Refer to note 4 - Property, plant and equipment under concession, note 22 - Deferred exchange consideration-service concessions and 26 - Other income for details.

Notes to the Annual Financial Statements

Figures in Rand thousand

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**
Land	27 098 630	-	27 098 630	26 414 296	-	26 414 296
Buildings	2 372 654	(716 615)	1 656 039	2 370 408	(593 799)	1 776 609
Road network	755 266 189	(295 128 476)	460 137 713	649 454 991	(245 921 865)	403 533 126
Furniture and fixtures	37 128	(16 259)	20 869	31 408	(15 350)	16 058
Motor vehicles	92 819	(54 646)	38 173	103 134	(61 297)	41 837
Computer equipment	2 965 917	(2 009 481)	956 436	2 871 829	(1 779 724)	1 092 105
Assets under construction - AUC	36 225 635	-	36 225 635	25 318 734	-	25 318 734
Road structures	182 849 578	(28 637 726)	154 211 852	145 031 811	(23 718 422)	121 313 389
Total	**1 006 908 550**	**(326 563 203)**	**680 345 347**	**851 596 611**	**(272 090 457)**	**579 506 154**

Notes to the Annual Financial Statements

Figures in Rand thousand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals/ write offs	Transfers from Investment property	Transfers	Revaluation	Depreciation	Impairment loss	Closing balance
Land	26 414 296	109 753	-	15 317	-	559 264	-	-	27 098 630
Buildings	1 776 609	2 247	-	-	-	-	(47 218)	(75 599)	1 656 039
Road network	403 533 126	-	-	-	6 241 140	54 009 025	(3 645 578)	-	460 137 713
Furniture and fixtures	16 058	6 317	(331)	-	-	-	(1 176)	-	20 869
Motor vehicles	41 837	-	(3)	-	-	-	(3 661)	-	38 173
Computer equipment	1 092 105	107 636	(2 664)	-	-	-	(227 404)	(13 239)	956 436
Assets under construction - AUC	25 318 734	17 965 692	-	-	(7 058 791)	-	-	-	36 225 635
Road structures	121 313 389	-	-	-	817 651	32 317 936	(237 124)	-	154 211 852
	579 506 154	**18 191 645**	**(2 998)**	**15 317**	**-**	**86 886 225**	**(4 162 161)**	**(88 838)**	**680 345 347**

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Figures in Rand thousand

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals/ write offs	Transfers	Revaluation	Depreciation	Impairment loss	Closing balance
Land	23 878 578	122 316	-	-	2 413 402	-	-	26 414 296
Buildings	1 797 229	49 597	(19)	-	-	(56 876)	(13 322)	1 776 609
Road network	361 179 590	69	-	4 440 089	41 314 081	(3 400 703)	-	403 533 126
Furniture and fixtures	16 439	800	(62)	-	-	(1 119)	-	16 058
Motor vehicles	45 912	-	-	-	-	(4 075)	-	41 837
Computer equipment	1 281 294	71 419	(1 321)	-	-	(239 713)	(19 574)	1 092 105
Assets under construction - AUC	18 318 314	11 892 510	-	(4 892 090)	-	-	-	25 318 734
Road structures	109 707 492	-	-	452 001	11 377 674	(223 778)	-	121 313 389
	516 224 848	**12 136 711**	**(1 402)**	**-**	**55 105 157**	**(3 926 264)**	**(32 896)**	**579 506 154**

Assets under construction relate to capital expenditure on roads such as strengthening, improvements, building of new roads and highway-monitoring equipment and other items of property, plant and equipment.

Pledged as security

There is no property, plant and equipment pledged as security for liabilities and no title restrictions exist on the property, plant and equipment. A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the entity (SANRAL).

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6. Property, plant and equipment (continued)

Revaluations of land, road network and structures

The entity's land, road structures and road network are stated at revalued amounts, being the fair value at the date of valuation less any subsequent accumulated depreciation and accumulated impairment losses. The effective date of the revaluations below was 31 March 2025.

Background:

A road assets has three main components:

- Land on which it is built
- Road structures (bridges and other)
- The road network further comprises of:
    - The roadbed (ground preparation works/platform for the road structure)
    - The pavement layers (road structure), the classification of pavement layer materials are standardised according to TRH14: Guidelines for Road Construction Materials

Road assets are largely publicly owned and have rarely if ever been sold on the open market. They are not acquired or constructed to produce revenue and therefore do not have a defined contractual revenue stream. Although revenue may be associated with them in certain cases (e.g. tolls) this revenue has not been derived from an ‘open market’, thus solely statutory. In the absence of market-based evidence of fair value, SANRAL adopted the Depreciated Replacement Cost (DRC) to value the road networks and road structures.

The land component is separately valued given that it is not subject to depreciation unlike the other road assets components. The fair value of land is determined based on the recent selling prices of vacant land with comparable location and, where applicable, adjusted in respect of engineering services' status and development rights on the road reserves.

Revaluations were performed internally. The asset valuation calculations, used for the DRC, are performed annually at year end using the Integrated Transportation Information System (ITIS). ITIS is an internal system, therefore the revaluations are calculated internally and reviewed by the internal executive of engineering services. The internal engineering executive has 28 years of experience post-professional engineering registration with the Engineering Council of South Africa (ECSA) and South African Council for the Project and Construction Management Professions (SACPCMP). He is also a member of the South African Institution of Civil Engineering (SAICE).

In addition, the estimated present material unit costs (detail of which is provided below where GRC inputs and assumptions are addressed), in the DRC calculations, are assumed to be uniform across the country. The material unit rates used in the DRC were calculated by an external independent estimator, with an engineering degree and about 50 years’ experience as a civil engineer and 30 years as a professional providing estimating and tendering services to the civil engineering industry in South Africa and in Sub-Saharan Africa**.**

Land revaluation

At 31 March 2025, SANRAL had 37 791 (31 March 2024: 37 069) properties falling within road reserves and 2 256 (31 March 2024: 2 422) confirmed investment properties which fall outside of the road reserve, in terms of the identification process, which was initiated on 1 April 1998. For investment property values refer to note 7. Land is revalued annually at year end.

The valuation technique adopted for land is based on the “across the fence” method using comparable sales (strip valuation) in respect of unimproved land through which the road passes. Once departure value ranges have been established through this method, adjustments are made by the valuer to account for development rights, physical features, engineering services and crop improvements. The average strip value of land is determined by dividing the total market value of the road reserve with the total extent of the road reserve.

Significant inputs into the valuation of land:

6. Property, plant and equipment (continued)

	2024	2025	% change
Length of road network (carriageway)	27 151km	30 314km	11.65%
Total land area	113 976ha	132 110ha	15.91%
Average strip value	R236 511	R221 809	-6.22%

It is unlikely that a variation in any input by a reasonably possible alternative amount will significantly impact the valuation.

Road network and road structures revaluation:

DRC is calculated as Gross replacement cost (GRC) less accumulated depreciation and impairment, therefore the GRC is reduced to reflect the current age, condition and performance of the asset. GRC is determined to provide true and fair estimate of the current cost of replacing an asset using standardised Unit Rates and GRC models which represent the cost of replacing an existing asset with a Modern Equivalent Asset (MEA). The MEA is defined as one which provides the same Potential Performance as the existing asset, but takes account of up-to-date technology. The calculations are performed within the Integrated Transportation Information System (ITIS) an internal system and are reviewed by an independent expert. The ITIS Asset Value Calculation procedure is performed for each 1km section of road and structure on an annual basis. The pavement layers classifications in terms of TRH14 catalogue are utilised within ITIS.

GRC is based on the following, determined for each 1km of road:

- The replacement cost of the modern equivalent of the road
- Actual traffic it carries currently, and
- What modern road design will be required today to carry the traffic expected over the next 25 years (through this process it is ensured that historic material and construction techniques that have become obsolete are replaced by the latest modern materials and construction technology with associated cost reductions).

The depreciation of the road is determined by:

- Depreciating the pavement layers based on actual measured road or structure condition, as the rate of deterioration depends largely on the environment (especially rainfall), number and weight of the vehicles using the road, as well as the quality of the asset maintenance (condition based depreciation method). Pavement condition data is collected using survey vehicles equipped with lasers and 2D/3D cameras, enabling the determination of various pavement condition indicators for each 10m of the road network on a two year basis (subject to construction activities on the network). The structures, such as bridges are inspected by certified independent inspectors on a five year basis.
- The roadbed is depreciated based on a 50-year straight line economic life expectancy to allow for technical obsolescence. If the pavement layers are however rehabilitated, the remaining roadbed life will be adjusted to be at least equal to the remaining new pavement layers life, if it was less at the time of pavement layer works.

Therefore, to calculate the DRC, it is necessary to know the current condition and performance of the road asset. The condition and performance data are used to assess the cost of work required to restore the assets to the full performance or as new condition.

Inputs and assumptions:

GRC is broadly based on three main considerations:

1. Asset dimensions (e.g. road design, width etc.)

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6. Property, plant and equipment (continued)

2. Material unit costs: Directly attributable costs are included by SANRAL in standardised unit rates, calculated by an independent estimator from basic principles, for the month of March each year. These are assumed to be uniform across the country:

- Direct cost of material, labour, plant and equipment including site clearance and preparation costs, including contractor's profit margin and finance costs.
- Cost of temporary works, e.g. temporary bridging.
- Basic temporary traffic management costs, e.g. coning, traffic lights and signage.
- Project design, management and supervision costs.

3. Adjustment Factors are utilised to adjust the standardised unit rates for key cost drivers, which are not explicitly covered by the unit rates.

Inputs and assumptions used were based on current market conditions.

The following are key unobservable inputs and assumptions for the replacement costs for both toll and non-toll roads at 31 March 2025:

GRC	Inputs
Pavement structure: The appropriate pavement structure for each 1 km section of road is determined by applying the design procedure as described in TRH 4: Structural Design of Flexible Pavements for Interurban and Rural Roads (1996)	• Road design category • Structural design period • Design traffic • Climate zone • TRH4 design catalogue for structured roads • Gravel road catalogue for gravel roads
Roadbed and pavement layers: For each material type, the GRC is determined for each 1km section	• Flat and rolling terrain/ topography • Layer thickness • Layer width • Material unit rate • Adjustment factor (depending on the terrain and layer width)
Road Structures (Bridges)	• Deck area • Material unit rate • Adjustment factor (for heights exceeding 8m)

6. Property, plant and equipment (continued)

Tunnels	• Tunnel Plan area • Material unit cost • Adjustment factor (differentiating between short tunnels and long tunnels)

In addition to the above, road traffic is a significant input.

The above calculated Gross Replacement Costs is then depreciated for the Asset Components of each 1km of road.

Depreciation of replacement cost	Inputs
Roadbed	• Age • Roadbed life • Adjustment where pavement has been rehabilitated
Pavement layers	• Overall condition index - OCI - (a composite index calculated from various condition parameters that are recorded for every 100 m of road network). • The OCI is calculated by ITIS, taking into consideration: Roughness index value, rut depth index value, texture index value, stiffness index calculated from deflection data etc. • A quadratic regression model approach was adopted to predict future Predicted Overall Condition Index (POCI) values for road segments.
Structures (Bridges)	• Overall condition index
Tunnels	• Overall condition index

Annual percentage changes in factors (inputs):

The table below shows the changes in inputs considered in the GRC:

Description	**2024**	**2025**	**% change**
Network Centre Line Length (km)	24 384	27 478	12.69%
Network Carriageway Length (km)	27 151	30 314	11.65%
Unit rates - Asphalt, Double Seal, Crushed stone, Bitumen, etc**	various	various	10.52%
Network in Good Condition (km)	11 494	11 258	-2.05%
Network with > 5000 vehicles per day (km)	9 204	10 588	15.04%
Average network cross Section (m)	10,31	10.13	- 1.75%

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6. Property, plant and equipment (continued)

**The Base Material Net Rate is a rate as received from independent estimator, the Base Material Tender Rate includes a standardised long term 12.5% (2024: 12.5%) mark-up and the Asset Replacement Value Unit Rate is calculated by dividing the base material tender rate with 0.334 (2024: 0.334) (It is apparent that the layers and roadbed components represent 33.4% (2024: 33.4%) of the total cost of typical project. This implies that the material base unit rates derived for the materials as need to be accordingly adjusted to obtain the asset replacement value unit rate. This is achieved by dividing the base material tender rate.

The above resulted in an overall increase of the network replacement cost by 17.01% (2024: 14.02%) from R895 billion to R1 048 billion at the end of 2025.

There were no changes to the valuation technique and methodology used in the prior and current period.

These valuation factors are applicable for all SANRAL's revalued assets on both toll and non-toll road network assets as disclosed in note 4 - Property, plant and equipment under concession and note 6 - Property, plant and equipment. There was no change in accounting policy on Property, plant and equipment from prior year.

Other information

Borrowing cost capitalised (transferred to complete assets)

Capitalisation rate used during the year of 9.91% (2024: 9.75%) was calculated on general borrowings for capital projects on toll portfolio, being the weighted average cost of funds borrowed generally by the entity. There were no transfers from borrowing cost (in AUC) transferred to completed PPE in current and prior period. This is as a result of no toll capital projects completed in the past two fiscal years. Refer to note 29 - Finance cost, borrowing cost capitalised to PPE in current year.

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Figures in Rand thousand	2025	2024

6. Property, plant and equipment (continued)

Details of properties

Book value (cost model) of property, plant and equipment carried at fair value /revalued amounts

Road structure	10 068 579	9 488 051
Road network	58 978 265	56 382 703
Land	1 499 553	1 374 483
	70 546 397	**67 245 237**

Impairment assessment details on PPE

Impairment assessment on PPE is performed annually at year end.

SANRAL uses the loan supportable by revenue (LSR) model to calculate the recoverable amount of toll roads, as a cash generating unit, and compare it to its carrying amount. A real discount rate of 3.5% (being the difference between the internal weighted average cost capital (interest rate) and the inflation rate) was used in the impairment calculations. Refer to accounting policy notes 1.10 - Impairment of cash -generating assets and 1.11 - Impairment of non-cash-generating assets - non toll assets respecitively.

The N4 Magalies toll road the Huguenot route plaza were impaired in the 2023/24 and remain impaired in current reporting period, no reversal.
The impairment loss was as a result of current and planned capital projects (multi-year construction projects) to ensure safety and compliance with international norms and standards. During the construction traffic reduction is experienced as road users divert to other alternative routes.
At year end toll plazas building and equipment (as a cash generating unit) were assessed and four more were impaired due to similar reasons. These includes:
-N17 JHB Springs
-N2 Tsitsikama
-N2 South coast
-N3 Mariannhill

Mariannhill is significantly impacted, it is currently under construction and will be for the next three to five years. This will curtail traffic volumes and limit the short-term growth. In total the impairment is R88.838 million in current year being the carrying amounts of these plaza buildings and equipment at year end.

The GFIP assets are no longer generating toll income, thus, they have been assessed as non-toll assets since 2023/24. There were no other impairment indicators identified that could impact the above mentioned and similar assets (equipment and buildings indicated above). An impairment assessment was also performed on other assets including assets under concessions. There was also no indication of impairment on assets under construction and other items of PPE.

Refer to the PPE reconciliation above.

Breakdown of the cumulative expenditure recognised in AUC

Buildings	18 408	18 408
Road network	35 461 241	24 565 494
Borrowing cost capitalised on AUC (cumulative)	745 986	734 832
	36 225 635	**25 318 734**

The nature of these construction related projects takes significant time to complete (multi-year projects). Buildings cost relate to the design cost of various buildings including planned renovations.

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Figures in Rand thousand	2025	2024

6. Property, plant and equipment (continued)

The entity experienced delays in completion of its construction projects. Short term delays on construction projects are normal events in construction industry and these are catered for in the contracts with contractors. The short term delays are normally caused by bad weather, liquidations of business of main contractors, and community unrest. Project performance and delays are monitored and maintained. Detailed projects information is included in the integrated report under capital investments section. Below are two projects identified to have been significantly delayed or halted as at year end.

R.510-012-2016/1 DILPS: NorthWest/Limpopo border to Bierspruit

The project commenced in March 2024 with a contract value of R405.421 million. The project was approximately 80% complete when it was halted in October 2024. The reason for halting the project is due to main contractor that went into financial distress, a new tender process is in progress.

N.002-070-2016/2: Gwaing River

The project initially commenced January 2018 with a contract value of R162.500 million. The project was stopped, cancelled and resummed over the prior years due to main contractors experiencing cash flow challenges and poor performance. The last awarded contract was terminated in April 2022 when construction was approximately 50% complete. A new tender process is in progress to complete the project.

Changes in estimates

The accounting estimates are reviewed annually at year end. The entity reviewed the depreciation methods, useful lives and residual values of all items of PPE at the end of the financial year. These assessments were based on current asset conditions, historical analysis, benchmarking and the latest available and reliable information. The useful lives of some furniture and equipment items were reviewed and revised. The revised useful lives fall within the approved policy ranges of 3 to 30 years, as per note 1.5 - PPE with minimal impact. These changes in accounting estimates are included in the reconciliation of PPE above.

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Repairs and maintenance - contractors	17 738 217	14 527 396

Repairs and maintenance cost relates to expenditure payable to contractors and consultants, not capitalised, incurred on routine and periodic maintenance on existing PPE. The increase is as a result of increase in projects awarded. Refer to note 30 on repairs and maintenance cost.

There were no changes to the valuation technique used in prior period for PPE. Refer to accounting policy on note 1.3, 1.5 and 1.10.

7. Investment property

	2025		2024	
	Cost / Valuation	**Carrying value**	**Cost / Valuation**	**Carrying value**
Investment property	1 949 911	1 949 911	1 918 523	1 918 523

Reconciliation of investment property - 31 March 2025

	Opening balance	**Transfers to PPE**	**Fair value adjustments**	**Closing balance**
Investment property	1 918 523	(15 317)	46 704	1 949 911

Figures in Rand thousand	2025	2024

7. Investment property (continued)

Reconciliation of investment property - 31 March 2024

	Opening balance	Disposals	Fair value adjustments	Closing balance
Investment property	1 740 964	(566)	178 125	1 918 523

Pledged as security

There were no investment properties pledged as security.

Details investment of property

Investment property - vacant properties	1 417 723	1 387 538
Investment property - improved properties	532 188	530 985
	1 949 911	**1 918 523**

There are no repairs and maintenance cost incurred on the investment properties as most of the investment property is vacant. Transfer to PPE relates to land that was taken to land within road reserves for future road expansions.

Investment properties are revalued annually at year end. There is no borrowing cost capitalised to investment properties.

The entity did not have any investment property that is taking a significantly longer period of time to complete than expected or halted at the reporting period. There were no material contractual obligations, including repairs and maintenance in investment properties. Refer to policy note 1.4 on investment property.

Details of valuation

Determination of fair values of investment properties

The investment properties are reported at fair value and are reviewed annually at year end. The last valuations were performed by independent registered property valuers, Massel property valuers. The valuers are not connected to the entity and have recent experience in location and category of the investment property being valued. The effective date of the last valuation is 31 March 2025. The individual valuers hold recognised and relevant professional qualifications, affiliated to the council of property valuers and have adequate experience in the industry and the type of investment property being valued. The fair value of investment property was determined using the widely accepted "comparable sales method", taking into consideration the location, physical features (topography, shape, access) current and future land use, zoning and prevalent market conditions at date of valuation. No investment property was reclassified to owner-occupied properties in the current reporting period.

Sensitivity

In accordance with the SANRAL investment property policy, the revaluation of investment properties is only considered for land properties greater than R10 000 outside of the declared road reserve and those properties with a valid lease agreement if they are within the road reserve.

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7. Investment property (continued)		
Amounts recognised in surplus or deficit - lessor		
Rental revenue from Investment property	90 301	65 769
Fair value adjustment	46 705	178 125
From Investment property that generated rental revenue		
Direct operating expenses (excluding repairs and maintenance)	7 916	6 658
From Investment property that did not generate rental revenue		
Direct operating expenses (excluding repairs and maintenance)	12 711	16 399

There is no land that the entity controls without legal title deeds included in the investment properties in the current reporting period.

Operating lease - lessor

Minimum lease payments receivable from investment property		
Rental income receivable within one year	22 848	22 123
Rental income receivable within two to five years	102 191	97 901
Rental income receivable later than five years	142 809	171 898
	267 848	**291 922**

Notes to the Annual Financial Statements

Figures in Rand thousand | 2025 | 2024

8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	171 743	(106 682)	65 061	137 419	(84 901)	52 518
Wayleaves agreements	147 639	(12 959)	134 680	115 252	(8 304)	106 948
Total	**319 382**	**(119 641)**	**199 741**	**252 671**	**(93 205)**	**159 466**

Reconciliation of intangible assets - 31 March 2025

	Opening balance	Additions	Disposals/ write offs	Amortisation	Closing balance
Computer software	52 518	34 324	-	(21 781)	65 061
Wayleaves agreements	106 948	34 568	(1 274)	(5 562)	134 680
	159 466	**68 892**	**(1 274)**	**(27 343)**	**199 741**

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Additions	Disposals/ write offs	Amortisation	Closing balance
Computer software	36 753	49 644	(2 723)	(31 156)	52 518
Wayleaves agreements	89 620	25 974	(4 091)	(4 555)	106 948
	126 373	**75 618**	**(6 814)**	**(35 711)**	**159 466**

Pledged as security

None of the entity's intangible assets are pledged as security for any liabilities.

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Figures in Rand thousand	2025	2024

8. Intangible assets (continued)

Other information

All the intangible assets disclosed above are purchased assets. The entity does not have any internally generated intangible assets. The useful lives and amortisation methods are reviewed annually at reporting date. There were no changes to the previous year's methodology for accounting estimates.

Intangible assets with indefinite lives:

Wayleaves agreements - indefinite - included above	110 227	91 584

The useful life of some wayleaves agreements are considered indefinite, therefore not amortised. The wayleaves are assessed as indefinite because of the nature of the agreements that has no expiry date. It is not bound by any expiry period as there is no foreseeable limit to the period over which the asset is expected to benefit the entity.

An annual impairment assessment was done, however, there are no conditions that indicate that any of the intangibles may be impaired

9. Financial assets

Designated at fair value through surplus or deficit (FVTSD)		
Capital market bonds Financial assets held for market-making consist of bonds traded on the fixed interest market of the JSE. These bonds yielded interest rates between 8.24% and 11.28% as year end (31 March 2024: 8.12% and 10.78%). Capital market bonds are held to manage liquidity and to reduce the cost of borrowing.	3 432 858	2 575 005

The entity opted, at initial recognition, to irrevocably designate the capital market bonds at fair value through surplus or deficit to eliminate or significantly reduce an accounting mismatch. These market-making financial assets, together with the market-making liabilities measured at fair value through surplus or deficit, are managed as a portfolio for performance and risk management purposes. To overcome any accounting mismatch which may occur in the statement of surplus or deficit, both assets and liabilities have been designated and subsequently measured at fair value through surplus or deficit. The entity has not reclassified any financial assets from amortised cost to fair value, or from fair value to amortised cost during the current or prior years. Refer to note 28 - Finance income and 29 - Finance costs respectively and note 15 - Financial liabilities for matching financial liabilities in the market-making portfolio.

At amortised cost		
Fixed deposits Cash and cash equivalent that has a maturity period of more than three (3) months is disclosed separately. The average effective interest rate on fixed deposits was 0% (31 March 2024: 9.11%). The deposits had an average maturity of 0 days (31 March 2024: 238 days). These short-term fixed deposits are held to meet financial liabilities nearing maturity. At reporting date there were no fixed deposits > 3 months, all deposits are included in the cash and cash equivalents balance. Refer to note 11 - Cash and cash equivalents.	-	5 129 858
Capped insurance deposit SANRAL has a long-term insurance agreement with Centriq Insurance Company Ltd which is reviewed annually. SANRAL made an up-front deposit, and all claims up to the balance of the deposit are recovered from the funds deposited. The agreement provides for the repayment of the balance of the deposit at the end of the agreement period. These funds earned interest at the three-month JIBAR-based deposit rate of 7.56**%** (31 March 2024: 8.35%).	744 522	673 084
	744 522	**5 802 942**

Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024
9. Financial assets (continued)		
Total financial assets	**4 177 380**	**8 377 947**
Non-current assets		
At amortised cost	744 522	673 084
Current assets		
Designated at fair value through surplus or deficit	3 432 858	2 575 005
At amortised cost	-	5 129 858
	3 432 858	**7 704 863**

Exposure to credit risk

Financial assets at amortised cost inherently exposes the entity to credit risk, being the risk that the entity will incur financial loss if counterpart fail to make payments as they fall due.

The fixed deposits and capped insurance deposit are held at financial institutions which have a credit rating of A and above. There is no indication of any significant increase in credit risk. Both remain above investment grade rating. Consequently, there is no material credit loss adjustment expected.

Financial assets at fair value

Fair value hierarchy of financial assets at fair value

For financial assets measured at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the observable and unobservable inputs used to make the measurements.

Level 1		
Capital market bonds	3 432 858	2 575 005

The maximum exposure to credit risk is disclosed in notes 16 - Financial instruments disclosure and 17 - Risk management respectively.

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10. Receivables from exchange transactions

Toll debtors	29 269 013	28 973 036
Sundry and other debtors	149 253	127 736
Receivables from related parties	56 233	51 713
Accrued interest on cash and cash equivalents	472 093	461 970
Third-party funding - receivables	80 027	33 027
Expansion works fund receivable - TRAC & Bakwena funds	472 691	376 864
Write offs - receivables	(64 168)	(35 855)
Expected credit loss - toll debtors	(28 955 629)	(28 726 226)
Expected credit loss - other receivables	(134 818)	(116 801)
	1 344 695	**1 145 464**
Financial instrument - contractual receivables and other receivables		
Contractual, sundry, property and other receivables	872 004	768 601
Non-Financial instruments receivables		
Expansion works fund receivable - TRAC & Bakwena funds	472 691	376 864
Total receivables from exchange transactions	1 344 695	1 145 464

Fair value of contractual and other receivables

The fair value of contractual and other receivables approximates their carrying amounts due to their short term nature, therefore no further fair value sensitivity analysis is deemed necessary.

Receivables pledged as security

There were no contractual and other receivables pledged as security for any borrowing facility.

Receivables general information

GFIP/etoll debtors

The entity is in the process of obtaining a legal opinion on the possible actions relating to collection of long outstanding e-toll debtors balance. It is envisaged that a decision will be taken after finalising a legal opinion and fulfilling all the required governance processes, including consultation with the relevant stakeholders and the executive authority (Minister of Transport).

Basis used to assess and test whether a receivable is impaired

The expected cash flows are based on the lifetime expected credit losses. A provision matrix has been used for receivables after considering the historical recoverability and current factors. The default is 90 days as the credit risk increases significantly for debt not collected within 90 days, hence it is expected that there will be no collections after 90 days past due. Any debt not collected after 90 days is impaired at 100% default rate. There were no changes to the above policy and valuation method in the current reporting period. Refer to notes 1.3 - Significant judgments and sources of estimation uncertainty and 1.7 - Financial instruments.

Reconciliation of provision for impairment

Opening balance	28 726 226	21 905 415
Provision for impairment - key account holders	618	1 349
GRAP adoption - impairment adjustment	-	6 860 038
Provision for Impairment (reversals) - non-key account holders (unregistered)	228 785	(40 576)
	28 955 629	**28 726 226**

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Figures in Rand thousand	2025	2024

10. Receivables from exchange transactions (continued)

Main events and circumstances that led to the recognition or reversal of impairment losses

Significant impairment losses recognised or reversed

The adjustment (reversal) above on GFIP/e-toll debtors is as a result of current year revenue transactions not recovered, write offs. Write offs relates to the unpaid balances for the deceased and liquidated companies. The reversal of impairment is as a result of recoveries and general customer accounts adjustment made during the year.

Receivables impaired

Factors the entity considered in assessing receivables impaired

GFIP/e-toll debtors

Impairment on receivables from exchange transactions is assessed annually using simplified approach and measure using the provisional matrix. The receivables is grouped into two main categories; the key account holders held in transactions clearing house (TCH) and the unregistered (non key accounts holders) held in the violations processing centre (VPC). The default rates per ageing category below have been determined based on the average 5-year historical collection rates at reporting date. Based on the historical loss rates a forecasting trend was determined and a forecasted loss rate was then applied to the outstanding amounts to obtain the expected loss. The forecasting is sensitive to the values at which forecasting is performed and it takes into account the past recoverability and determines the expected loss. Due to the short term nature of the debtors' life cycle, considering forward-looking factors was regarded as irrelevant and would not have made any significant difference.

A further expected credit loss was calculated on key account holders' debt separately. The key account holders' debt was split into two buckets: current and >31 days. The expected credit loss on key account holders (KAH) in TCH for >31 days past due, is 42.15% with R7.073 million expected credit loss. Based on the (TCH) key account holders' assessment done at 31 March 2025, a significant number of recoveries are made within the first month of the transaction (99% within 60 days), thus about 1% remain up to 365 days until impaired or written off.

Since inception of the GFIP, the public overwhelmingly rejected the etolling system which resulted in very low collection rate. Enforcement of collections through legal actions was minimal and was stopped following an internal decision by the Board on 27 March 2019. On 28 March 2024, Minister of Transport (MoT) published a gazette to withdraw the toll declaration for the of e-tolls /Gauteng Freeway Improvement Project (GFIP) in terms of section 27 (1) (a) (ii) of SANRAL and national roads Act. The scrapping of e-toll gantries was effectively switched off on 11 April 2024, during the reporting period. The Minister announced that all outstanding toll fees incurred before termination remain payable. The GFIP road network remained a declared national road network managed by SANRAL as non-toll road network, which is funded by the Government. The GFIP no longer generate toll income from 12 April 2024, however, the TCH and the key account holders remained operational on other revenue transactions relating to conventional toll plazas.

The debt between 61 and 365 days, and over 365 days are mainly debtors held in the VPC, thus aggregated due to similar characteristics. This debt is provided for at 100% expected credit loss rate. There is no expectations of significant recovery on these VPC amounts. The cancellation of etolls evidenced that there were no longer further collection efforts that could be practically feasible.

During the current reporting period there was no improvement to the overall collection rate of the historical toll debt held in VPC compared to prior periods, which remains very low. The recoverability rate on historical debt transferred to VPC is less than 1%. There is no material collection expected from non-key account holders (non paying customers) after reporting date. All the VPC debt at reporting date has proven difficult to recover. The recoveries from the old debt is very insignificant. Therefore, the default rate remained at 100%, which is consistent with prior years.

Conventional-toll debtors

The conventional toll road users are included in the current debtors (<30 days); these relate to time differences in the system allocation of credit/e-tag transactions and after a careful assessment, there is no expected credit loss on conventional toll debtors.

Receivables from exchange transactions impaired

The ageing is as follows:

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10. Receivables from exchange transactions (continued)

Contractual receivables inherently expose the entity to credit risk, being the risk that the entity will incur financial loss if customers fail to make payments as they fall due. The customer base for e-tolls, contractual receivables is large, resulting in a significant credit risk from these receivables. Management assesses and monitors the credit risk annually. The gross amounts below are after bad debts written off.

Toll debtors/GFIP	Gross carrying amounts 31 March 2025	Default rate 31 March 2025	Impairment 31 March 2025	Gross carrying amounts 31 March 2024	Default rate 31 March 2024	Impairment 31 March 2024
Current (less than 31 days)	239 585	0,02 %	(45)	788 459	74,05 %	(583 881)
31-60 days	16 706	42,07 %	(7 028)	572 550	98,89 %	(566 173)
61-365 days	257 113	100,00 %	(257 113)	5 716 439	100,00 %	(5 716 439)
Over 365 days	28 691 443	100,00 %	(28 691 443)	21 859 733	100,00 %	(21 859 733)
	29 204 847		**(28 955 629)**	**28 937 181**		**(28 726 226)**

Other receivables

The details of the expected credit losses on other receivables from exchange transactions are as follows:

Property - (leases) debtors	Gross carrying amounts 31 March 2025	Default rate 31 March 2025	Impairment 31 March 2025	Gross carrying amounts 31 March 2024	Default rate 31 March 2024	Impairment 31 March 2024
Current (less than 31 days)	2 295	8,73 %	(200)	136	48,18 %	(195)
31-60 days past due	370	53,09 %	(196)	290	67,71 %	(197)
61-90 days past due	709	27,64 %	(196)	1 109	24,91 %	(281)
91-120 days past due	383	100,00 %	(383)	1 105	100,00 %	(1 145)
Over 120 days past due	35 200	100,00 %	(35 200)	29 880	100,00 %	(30 304)
	38 957		**(36 175)**	**32 520**		**(32 122)**

Sundry debtors	Gross carrying amounts 31 March 2025	Default rate 31 March 2025	Impairment 31 March 2025	Gross carrying amounts 31 March 2024	Default rate 31 March 2024	Impairment 31 March 2024
Current (0-30 days)	1 446	- %	-	3 582	- %	-
31-60 days	6 019	100,00 %	(6 019)	128	- %	-
61-365 days	15 322	100,00 %	(15 322)	36	100,00 %	(36)
Over 365 days	77 302	100,00 %	(77 302)	84 715	99,91 %	(84 642)
	100 089		**(98 643)**	**88 461**		**(84 678)**

Expansion works fund receivable - Bakwena and TRAC concessions

TRAC has accrued funds for expansion works and has reserved such funds on behalf of SANRAL for the expansion of specific capital projects. The remaining expansion works funds will be applied to other design and construction works as and when instructed in writing by SANRAL. Thus, it will be received through the delivery of fixed assets rather than cash. The receivable reduces when the funds are utilised on projects and a corresponding capital expenditure recognised as an road network asset. Karino interchange, and Nelspruit ring road projects are complete and currently the funds are being utilised on other similar expansion projects as and when approved by SANRAL. Refer to notes 1.23 - Service concession arrangements: Entity as grantor, 5 - Service concession arrangements and 22 - Deferred exchange consideration - service concession respectively, for detailed information on concession arrangements.

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Figures in Rand thousand	2025	2024

10. Receivables from exchange transactions (continued)

Bakwena fund, similar to TRAC funds, the amount will be utilised on projects identified and expenditure determined and approved by SANRAL. The 6th amended contract with Bakwena makes a provision of an adjustment account for excess funds. The adjustment account is funded from the difference between the actual base toll tariff (as declared by the Minister of Transport) and the adjusted base toll tariff that is collected, resulting in an increase in the fund. This fund is mainly being utilised on SANRAL road expansion projects by Bakwena. The capitalised expenditure is disclosed on note 6 as asset under construction and as road network once project is completed. These assets do not form part of the concession assets.

These funds or receivables are not past due, therefore it has been excluded from the impairment calculations. This amount was assessed for impairment and no indicators of impairment existed at period end. The amount is expected to be utilised within 12 months on SANRAL projects.

Reconciliation of provision for impairment of other contractual receivables

Opening balance	116 801	115 056
Provision for impairment - property debtors	4 053	7 820
Provision for impairment/(reversal) - sundry debtors	13 964	(6 075)
	134 818	**116 801**

The creation and release of provision for impaired receivables have been included in surplus or deficit (refer notes 23 - Third-party funding and 33 - Impairment losses). Amounts charged to the receivables written off account are generally written off when there is no expectation of recovering amounts due and disclosed separately.

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors mentioned above. The entity does not hold any collateral as security.

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	17	12
Bank balances	131 292	97 807
Repos, call deposits and short-term deposits	53 358 417	53 162 160
	53 489 726	**53 259 979**

There is no cash pledged as collateral at reporting date. The effective interest rates on bank balances and money market funds were between 1.48% and 7.82% (31 March 2024: 1.85% and 8.58%) and the deposits have an average maturity of 10.8 days (31 March 2024: 4.4 days). Refer to note 16 - Financial instruments disclosure and 17 - Risk management for details of risk exposure.

Other short-term deposits and short-term Repos (repurchase agreements) are presented in cash and cash equivalents if they have a maturity of less than three months. They are highly liquid investment and readily convertible to known cash amounts with a short notice.

Included in the cash and cash equivalents is the unspent grant, accumulated over the past years, of R36.626 billion (2024: R42.162 billion) for non-toll portfolio which will be utilised over the next two to three financial years, refer to note 38 - Commitments.

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11. Cash and cash equivalents (continued)

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand are assessed by reference to external credit ratings of counterpart. All deposits are held at financial institutions which have a credit rating of an acceptable investment grade ratings. Refer to note 17 - Risk management - financial instruments.

Repos and deposit included in cash and cash equivalents		
Repurchase agreements (Repos)	15 033 247	23 312 989
Call deposits	33 394 000	29 318 000
Short-term fixed deposits - <3 months maturity	4 931 170	531 171
	53 358 417	**53 162 160**
Restricted cash balances		
Guarantee - burrow pits	31 171	31 171
Special appropriation grant	669 497	3 588 858

The cash and cash equivalents disclosed above include deposits held for guarantees on provision for land restoration (borrow pits) which are held by ABSA Bank for the Department of Minerals and Energy. These deposits are subject to terms and conditions in the guarantee agreements and are therefore not available for general use by SANRAL.

The prior year balance of R3.588 billion from the special appropriation grant for debt redemption was fully utilised towards the repayment of HWAY24 bond which matured in December 2024. The initial grant, amounting to R14.76 billion, was received from the Department of Transport (the shareholder) on 31 March 2023 and included in cash and cash equivalents. An additional special grant of R5.021 billion was received in the last quarter of the financial year for the settlement of debt, resulting in only R669.50 million remaining unspent at year-end. For further details, refer to Note 14 on special allocation - Capital Reserve.

12. Share capital and Other reserves

Authorised		
4000 ordinary shares of R1 each	4	4
Issued		
4000 ordinary shares of R1 each	4	4
Share premium - 4 000 ordinary shares issued at a premium of R272 760 per share	1 091 040	1 091 040
	1 091 044	**1 091 044**

These shares are held by the Government of South Africa represented by the Minister of Transport. The shares are fully paid.

13. Revaluation reserve or accumulated surplus

Revaluation reserves

The revaluation reserve relates to the revaluation of property, plant and equipment. Revaluation reserves are not distributable.

Opening balance	553 313 514	491 600 820
Change during the year	92 964 412	61 712 694
	646 277 926	**553 313 514**

Refer to note 6 for the detailed sensitivity analysis and the reasons for the increase. A breakdown of the revaluation movement for the period is reflected below:

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Figures in Rand thousand	2025	2024

13. Revaluation reserve or accumulated surplus (continued)

Revaluation surplus relating to property, plant and equipment

Opening balance	553 313 514	491 600 820
Road network and structures (Notes 4 and 6)	92 405 148	59 299 292
Land (Note 6)	559 264	2 413 402
	646 277 926	**553 313 514**
Accumulated surplus	107 199 443	97 286 942

14. Special appropriation from shareholder

This reserve relates to the special appropriation grant received from the Department of Transport (shareholder) after the announcement on 26 October 2022 by the Minister of Finance of a Special Appropriation of R23.736 billion for the 2022/23 financial year for SANRAL to settle maturing debt and debt-related obligations on toll portfolio.

The approved allocation was paid out in two tranches. The first tranche of R8.980 billion was received in January 2023 after the Special Appropriation Bill was promulgated into law. The second tranche of R14.76 billion was received on 31 March 2023. The amount was allocated specifically for settlement of maturing toll debt and all debt redemption obligations that became due.

As this special allocation may only be utilised on approval by the Minister of Transport, the second tranche of R14.756 billion which had been initially deferred (liability) and presented in the statement of financial position as special appropriation from shareholder has been fully utilised (2024: R3.588 billion), with the entire amount reclassified to net assets at year end.

On 30 October 2024, SANRAL received an adjusted allocation letter confirming an additional special grant of R5.021 billion. The allocation was made in accordance with the Memorandum of Agreement between the National Treasury and the Gauteng Government, signed in March 2024. The funds were subsequently received in February 2025 for debt settlement. The entire special appropriation allocation was directly accounted for in net assets (special contribution by shareholder). Refer to note 11 - cash and cash equivalent for the balance of the special allocation grant (restricted cash).

Net assets		
Opening balance	20 147 566	20 147 566
New special grant received	5 021 087	-
Special grant - previously recognised as liability	3 588 858	-
	28 757 511	**20 147 566**
Current liability		
Special appropriation from shareholder	-	3 588 858

15. Financial liabilities

At fair value through surplus or deficit		
Capital market loan - market-making portfolio (short term)	3 459 911	3 047 040
Capital market loan - market-making portfolio (long term) - designated	3 401 608	3 177 515
	6 861 519	**6 224 555**

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15. Financial liabilities (continued)		
At amortised cost		
Capital market loans - funding portfolio Refer below for detailed nature of capital market.	19 162 168	24 396 707
EIB loan SANRAL has entered into a loan facility agreement in 2011 with the European Investment Bank (EIB). The loan was drawn in two tranches of R572 784 000 and R573 918 000 respectively during the 2011 financial year. The tranches bear interest at a fixed rate of 8.315% and 9.227% respectively. The loan is repayable over 20 years in semi-annual instalments. Repayments are made in South African Rands and commenced in the 2015 financial year. This loan, including interest accrued, is guaranteed by the Government under the R31.910 billion guarantee.	776 616	829 891
	19 938 784	**25 226 598**
Total financial liabilities	**26 800 303**	**31 451 153**
Non-current liabilities		
At fair value through surplus or deficit - designated	1 839 598	3 177 515
At amortised cost	17 155 585	19 576 981
	18 995 183	**22 754 496**
Current liabilities		
At fair value through surplus or deficit	5 021 921	3 047 040
At amortised cost	2 783 199	5 649 617
	7 805 120	**8 696 657**

Financial liabilities at fair value

Fair values of financial liabilities measured or disclosed at fair value

Fair value hierarchy of financial liabilities at fair value through surplus or deficit

For financial liabilities recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1		
Capital market loans at fair value through surplus or deficit	6 861 519	6 224 555

The fair value of listed capital market loans is based on quoted prices (level 1) at the reporting date. The breakdown of these financial liabilities are all disclosed in note 16 and 17 for financial instruments and risk management respectively.

For detailed analysis of financial liabilities refer to note 17 on risk management.

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15. Financial liabilities (continued)

Financial liabilities at amortised cost

Fair values of financial liabilities measured or disclosed at amortised cost

Details of capital market loans

In September 2017 the South African Government issued an updated and reworded guarantee of R31.91 billion for borrowings by SANRAL, of which the payment obligations are limited to a maximum nominal amount of R31.91 billion. SANRAL has issued an aggregate nominal amount of R17.90 billion as at reporting date (31 March 2024: R19.30 billion) under a guaranteed Domestic Medium-Term Note (DMTN) programme (HWAY bonds). The redemption amount of capital market loans, including interest accrued, issued under the R31.91 billion guarantee was R18.43 billion (31 March 2024: R24.12 billion). The funds raised through these borrowings may only be used for toll road network and structures.

On 16 November 1999, the South African Government issued guarantees for borrowings (SZ bonds) by SANRAL up to a nominal amount of R6 billion. SANRAL has issued bonds with a nominal amount of R3.97 billion as at reporting date (31 March 2024: R3.99 billion) under this guarantee. The funds raised through these borrowings can only be used for toll road network and structures.

The Government also approved an unguaranteed borrowing capacity of up to a nominal amount of R15 billion. SANRAL issued bonds with a nominal amount of R3.87 billion as at reporting date (31 March 2024: R3.83 billion) under the unguaranteed DMTN programme (NRA bonds). The funds raised through these borrowings may only be used for toll road network and structures.

The long-term SANRAL capital market loan was designated as at fair value through surplus or deficit in prior periods. The designation of financial liabilities at fair value through surplus or deficit is based on the entity managing the performance of capital market-making financial instruments, both financial assets and financial liabilities, as a portfolio of financial instruments. Changes in the fair value of financial assets and liabilities in this portfolio are subject to the same risk, and an accounting mismatch will be eliminated or significantly reduced by the designation to FVTSD and the gains/losses from the financial liabilities are taken to surplus or deficit. A mismatch would arise if the effects of the credit risk on SANRAL’s liabilities at fair value were taken direct to net assets and the effects of credit risk on market-making financial assets were taken to surplus or deficit. Refer to note 9 on corresponding financial assets.

Cumulative effects accounting mismatch

The effects of changes in the credit risk of financial liabilities held as capital market loans measured at fair value through surplus or deficit is calculated in line with GRAP guidance using published benchmark and market rates. The cumulative decrease in the credit risk as at 31 March 2025 is R212 million (31 March 2024: R34 million, increase). The effects of credit risk for both market making financial assets and liabilities at fair value through surplus or deficit are recognised in surplus or deficit to ensure no mismatch effect on surplus or deficit.

The contractual cash flows that the entity is required to pay on its financial liabilities measured at fair value through surplus or deficit are the nominal amounts of the respective bonds.

Refer to note 36 - Changes in liabilities arising from financing activities for details of the movement in the financial liabilities during the reporting period and notes 16 - Financial instruments disclosure and 17 - Risk management - financial instruments.

16. Financial instruments disclosure

The capital structure of the entity consists of debt, which is the financial liabilities disclosed in notes 15 and cash and cash equivalents disclosed in note 11 and financial assets as disclosed in note 9. SANRAL shares are solely held by the Minister of Transport and any new share issues are authorised by the Minister of Transport. SANRAL's major borrowing facilities/loan agreements do not have entity-specific financial (e.g. debt-equity ratio) loan covenants. The Board and Executive Authority do not set any specific gearing ratio targets to be complied with. The overall borrowing limits are approved by the Minister of Finance. As at year end 84% (2024: 86%) of borrowings, at carrying amounts, are government-guaranteed with approved borrowing limits in place. During the current reporting period, SANRAL complied with the Board-approved borrowing limits.

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16. Financial instruments disclosure (continued)

Capital structure

Financial liabilities at fair value through surplus or deficit	6 861 519	6 224 555
Financial liabilities at amortised cost	19 938 784	25 226 598
Total borrowings	26 800 303	31 451 153
Cash and cash equivalents	(53 489 726)	(53 259 979)
	(26 689 423)	**(21 808 826)**

The entity has significant cash and cash equivalents reserves exceeding the total borrowings by R26.689 billion (2024: R21.809 billion) resulting in no gearing.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of listed bonds is based on quoted prices at the reporting date. The fair values of other financial liabilities at amortised cost are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Categories of financial instruments

31 March 2025

Financial assets

		At fair value	At amortised cost	Total
Designated at fair value through surplus or deficit	9	3 432 858	-	3 432 858
Receivables from exchange transactions	10	-	872 004	872 004
Cash and cash equivalents	11	-	53 489 726	53 489 726
Capped insurance deposits	9	-	744 522	744 522
		3 432 858	**55 106 252**	**58 539 110**

Financial liabilities

		At fair value	At amortised cost	Total
Financial liabilities at amortised cost - capital market loans - funding portfolio	15	-	19 162 167	19 162 167
Financial liabilities at fair value through surplus or deficit - Capital market loans - market-making portfolio	15	6 861 519	-	6 861 519
Payables from exchange transactions	18	-	4 601 055	4 601 055
EIB loan	15	-	776 616	776 616
		6 861 519	**24 539 838**	**31 401 357**

16. Financial instruments disclosure (continued)

31 March 2024

Financial assets

		At fair value	At amortised cost	Total
Designated at fair value through surplus or deficit	9	2 575 005	-	2 575 005
Receivables from exchange transactions	10	-	768 601	768 601
Cash and cash equivalents	11	-	53 259 979	53 259 979
Capped insurance deposits	9	-	673 084	673 084
Fixed deposits	9	-	5 129 858	5 129 858
		2 575 005	**59 831 522**	**62 406 527**

Financial liabilities

		At fair value	At amortised cost	Total
Financial liabilities as amortised cost - capital market loans - funding portfolio	15	-	24 396 707	24 396 707
Financial liabilities at fair value through surplus or deficit - Capital market loans - market-making portfolio	15	6 224 555	-	6 224 555
Payables from exchange transactions	18	-	2 917 594	2 917 594
EIB loan	15	-	829 891	829 891
		6 224 555	**28 144 192**	**34 368 747**

Financial instruments transactions in Statement of financial performance

31 March 2025

		At fair value	At amortised cost	Total
Net losses on financial instruments	27	(49 743)	-	(49 743)
Finance income	28	270 134	5 015 621	5 285 755
Finance costs	29	(899 944)	(2 110 336)	(3 010 280)
		(679 553)	**2 905 285**	**2 225 732**

31 March 2024

		At fair value	At amortised cost	Total
Net gains on financial instruments	27	15 107	-	15 107
Finance income	28	266 718	5 801 487	6 068 205
Finance costs	29	(549 744)	(2 876 799)	(3 426 543)
		(267 919)	**2 924 688**	**2 656 769**

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17. Risk management - financial instruments

Financial risk management

The entity’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The entity’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity’s financial performance. Risk management is carried out by an internal treasury unit (entity treasury) under policies approved by the Board. Entity's treasury identifies, evaluates and manages financial risks in close co-operation with the entity’s operating units. The Board provide written principles for overall risk management, as well as written policies covering specific areas, such as liquidity risk, market/interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess cash.

The Board has overall responsibility for the establishment and oversight of the entity's risk management framework. The Board has established the risk committee and assets and liability committee, which are responsible for developing and monitoring the entity's operational risk management policies. The committees report quarterly and recommend approvals to the Board on its activities.

The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities.

The audit and risk committee monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the entity specific risks. The audit and risk committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and the risk committee and ultimately to the Board.

Nedbank corporate and investment banking (CIB) was appointed as a debt officer or sponsor to provide guidance and advice with regard to compliance with the debt listing requirements (JSE).

There were no changes from previous year in respect of objectives, policies and processes for managing risks and in methods and assumptions to measure the risks.

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17. Risk management - financial instruments (continued)

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities. The entity is exposed to liquidity risk, which is the risk that the entity may encounter difficulties in meeting its obligations as they become due. The entity manages its liquidity risk by monitoring cash flow forecasts, effectively managing its working capital and capital expenditure ensuring that a satisfactory level of cash and cash equivalents are maintained. Financing requirements are met through a mixture of cash generated from toll operations, long- and short-term borrowings and government grants and subsidies.

The table below analyses the entity's financial liabilities and net-settled financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Inflation linked bonds included in capital market loans are reported at their carrying amounts at the reporting date.

31 March 2025	Less than 1 year	Between 1 and 2 years	Between 5 and 10 years	Over 10 years	Total contractual cash flows	Carrying amount
Capital market loans - amortised cost	2 715 735	3 846 394	10 033 578	3 103 215	19 698 921	19 162 168
Capital market loan - FVTSD (designated)	1 562 010	83 016	1 264 455	492 128	3 401 608	3 401 608
Capital market loan - market making	109 764	113 205	2 807 356	429 586	3 459 911	3 459 911
EIB loan	67 464	202 446	478 268	28 439	776 616	776 616
Payables from exchange transactions	4 601 055	-	-	-	4 601 055	4 601 055
Third-party funding	357 755	-	-	-	357 755	357 755
Subtotal	9 413 783	4 245 061	14 583 657	4 053 368	32 295 866	31 759 113
	9 413 783	**4 245 061**	**14 583 657**	**4 053 368**	**32 295 866**	**31 759 113**

31 March 2024	Less than 1 year	Between 2 and 5 years	Between 5 and 10 years	Over 10 years	Total contractual cash flows	Carrying amount
Capital market loans - amortised cost	5 601 995	2 436 576	8 002 977	8 494 791	24 536 339	24 396 707
Capital market loan - FVTSD (designated)	-	1 541 967	84 557	1 550 991	3 177 515	3 177 515
Capital market loan - market making	89 488	-	522 135	2 435 417	3 047 040	3 047 040
EIB loan	64 052	259 133	478 268	28 438	829 891	829 891
Payables from exchange transactions	2 917 594	-	-	-	2 917 594	2 917 594
Third-party funding	743 717	-	-	-	-	743 717
Subtotal	9 416 846	4 237 676	9 087 937	12 509 637	34 508 379	35 112 464
	9 416 846	**4 237 676**	**9 087 937**	**12 509 637**	**34 508 379**	**35 112 464**

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17. Risk management - financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterpart to a financial instrument fails to meet its contractual obligations. The entity is exposed to credit risk on receivables from exchange transactions, lease receivables, cash and cash equivalents and repurchase agreements in publicly traded bonds.

Credit risk exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring by the Assets and Liability Committee. The exposure to credit risk and the creditworthiness of counterparts are continuously monitored for financial assets other than contractual receivables. Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions with high credit ratings.

Contractual and other receivables do not contain financing component, the loss allowance is determined as the lifetime expected credit losses using simplified approach. Except for receivables written off, there are no other financial assets written off.

Financial assets exposed to credit risk at period end were as follows:

Financial assets	**31 March 2025**	**31 March 2024**
Market-making financial assets	3 432 858	2 575 005
Capped insurance deposits	744 522	673 084
Cash and cash equivalents (Repos, call, and fixed deposits)	53 489 726	53 259 979
Fixed deposits	-	5 129 858
Receivables from exchange transactions	872 004	768 601
	58 539 110	**62 406 527**

The below table excludes receivables from exchange transactions and petty cash balances above.

Ratings	**Carrying amount**	**AAA**	**AA+**	**AA-**	**A+/A**
Bank balances	131 292	131 292	-	-	-
Money market deposits	38 325 170	-	38 325 170	-	-
Repurchase agreements	15 033 247	14 898 929	-	6 783	127 534
Market-making financial assets	3 432 858	3 432 858	-	-	-
Capped insurance deposits	744 522	-	-	744 522	-
	57 667 089	**18 463 079**	**38 325 170**	**751 305**	**127 534**

The carrying amount of financial assets represents the maximum credit exposure. Collateral is held against repurchase investments in the form of government or corporate bonds approved by the Board. The objective is that, should a counterparty default, SANRAL can sell the bonds held as collateral to recoup the money. These repurchase agreements are included in the cash and cash equivalents which have a short-term maturity of less than three months. The collaterals are therefore also short-term in nature and approximate the fair value of the repurchase agreements.

Cash and cash equivalents, fixed deposits, capped insurance deposits and repurchase agreements are held in major financial institutions, money market funds and issuers which are A-rated and above. Except for the capped insurance deposit, these financial instruments are held to meet operational and financial obligations over the short term of three months or less. The risk of default on these financial instruments is therefore considered to be low. Consequently, no expected credit loss allowance or impairment provision was made.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity is exposed to the following market risks; price risk and interest rate risk. Financial instruments affected by market risk include capital market loans held at fair value, CPI-linked loans, call and money market instruments which are affected by interest rate changes. The entity is exposed to price risk on its market-making assets and liabilities with variable interest rates as price of bonds change in relation to changes in interest rates.

Figures in Rand thousand	2025	2024

17. Risk management - financial instruments (continued)

Financial liabilities at fair value through surplus or deficit transferred from the market-making portfolio to the funding portfolio are classified and measured as financial liabilities at fair value through surplus or deficit and are therefore all carried at fair value. The fair value movements on these financial liabilities will not be realised/sold as these bonds form part of the funding portfolio at fair value and will therefore be held to maturity.

Interest rate risk

The interest rate profile of the interest bearing financial instruments are as follows:

Variable rate instruments:		
Financial assets		
Bank balances	131 292	97 807
Call deposits	33 394 000	29 318 000
Capital market bonds	3 432 858	2 575 005
Capped insurance deposits	744 522	673 084
	37 702 672	**32 663 896**
Financial liabilities		
Capital market loans measure at fair value	6 861 519	6 224 555
Fixed rate instruments		
Financial assets		
Fixed deposits	-	5 629 858
Repurchase agreements	15 033 247	23 312 990
	15 033 247	**28 942 848**
Financial liabilities		
Capital market loans at amortised cost	19 162 167	24 396 707
EIB loan	776 616	829 891
	19 938 783	**25 226 598**
Percentage of variable rate assets to total financial assets	71,49 %	53,13 %
Percentage of fixed rate assets to total financial assets	28,51 %	46,87 %
Percentage of variable rate liabilities to total financial liabilities	27,17 %	19,81 %
Percentage of fixed rate liabilities to total financial liabilities	72,83 %	80,19 %

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17. Risk management - financial instruments (continued)

Price risk

The entity is exposed to price risk because of investments held by the entity and classified on the statement of financial position at fair value through surplus or deficit. The entity manages this price risk exposure through the monitoring and management of the price risks in terms of guidelines set out in the Treasury Policy and Control Framework approved by the Board. Opportunities are identified for the natural offset of market risks and the management of the resultant net exposures in the most cost-effective manner through the operation of a market-making portfolio. Price risk is accepted by the Board on the entity's liabilities in its funding portfolio at fair value through surplus or deficit, as these liabilities ultimately fund long-term capital expenditure. Price risk before maturity is therefore unrealised.

The following sensitivity analysis has been prepared using a sensitivity rate which represents management's assessment of the most likely indicator of change in relevant prices. All other variables remain constant. The sensitivity analysis includes only investments held at the reporting date. An increase of 100 basis points in interest rates at the reporting date would decrease profit by the amounts shown below. A decrease of 100 basis points would increase profit by the same amount. The analysis assumes that all other variables remain constant. Variable rate instruments are capital market bonds and loans held in the funding portfolio, market-making portfolio, held-for-trading and variable rate money market instruments.

The table below summarises the impact of increases/decreases of the indexes on the entity's surplus for the period. The analysis is based on the assumption that the debt indexes has increased/decreased by 100 basis points with all other variables held constant and all the entity's debt instruments moved according to the historical correlation with the index:

	Increase / decrease R'000		Increase / decrease R'000	
Surplus or deficit	**31 March 2025**	**31 March 2024**	**31 March 2025**	**31 March 2024**
100 basis points	115 468	118 217	115 468	118 217

The surplus for the year would increase/decrease as a result of gains or losses on financial instruments classified as at fair value through surplus or deficit.

The tables below shows various financial instruments held by the entity including the interest rates and maturity details per bond, thereby showing price and interest risk exposure per bond.

Market-making portfolio

The entity classifies some bonds as financial assets and liabilities at fair value through surplus or deficit (those that are held-for-trading). Included in the portfolio are market-making assets, consisting of government bonds with maturities similar to the SANRAL bonds at fair value through surplus or deficit. The liquidity in the market-making portfolio is managed by financial instruments having similar maturities with the value of the financial liabilities and financial assets being closely matched.

Terms of market-making financial assets

Refer to note 9 for matching market-making financial assets measured at fair value.

Capital market bonds at fair value	**Coupon rate**	**Maturity date**	**Nominal amount 31 March 2025**	**Carrying amount 31 March 2025**	**Nominal amount 31 March 2024**	**Carrying amount 31 March 2024**
R186 (2026)	10,50%	21 Dec 2026	450 000	465 872	58 250	59 917
R209 (2036)	6,25%	31 Mar 2036	252 400	178 870	1 532 400	954 215
R2030 (2030)	8,00%	31 Jan 2030	669 000	641 169	599 000	532 162
R2032 (2032)	8,25	31 Mar 2032	800 000	735 805	-	-
R2035 (2035)	8,88%	28 Feb 2035	281 000	251 554	681 000	543 412
R2037 (2037)	8,50%	31 Jan 2037	400 000	332 685	657 000	485 298
R2040 (2040)	9,00%	31 Jan 2040	1 000 000	826 902	-	-
			3 852 400	**3 432 857**	**3 527 650**	**2 575 004**

Figures in Rand thousand	2025	2024

17. Risk management - financial instruments (continued)

Funding portfolio measured at amortised cost

Terms and conditions of outstanding loans are reflected in the table below. For further details of terms and conditions refer to notes 15 - Financial liabilities.

Capital market bonds at amortised cost	Coupon rate	Maturity date	Nominal amount 31 March 2025	Carrying amount 31 March 2025	Nominal amount 31 March 2024	Carrying amount 31 March 2024
Guaranteed						
SZ25	9,00%	30 Sept 2025	2 430 184	2 432 081	2 430 184	2 436 576
HWAY24	5,50 %+CPI	07 Dec 2024	-	-	1 499 000	5 209 586
HWAY30	10,37 %	28 Aug 2030	1 738 000	1 743 331	1 738 000	1 743 973
HWAY33	2,25 %+CPI	28 Feb 2033	1 565 430	2 334 009	1 565 430	2 254 704
HWAY34	9,25 %	31 Jul 2034	5 689 769	5 419 485	5 689 769	5 403 215
HWAY35	9,25 %	31 Jul 2035	3 333 032	3 103 215	3 333 032	3 091 576
Subtotal			14 756 415	15 032 121	16 255 415	20 139 630
Unguaranteed						
NRA28	12,25 %	30 Nov 2028	3 681 269	3 846 394	3 681 269	3 881 278
			18 437 684	**18 878 515**	**19 936 684**	**24 020 908**

Capital market loans at fair value	Coupon rate	Maturity date	Nominal amount 31 March 2025	Carrying amount 31 March 2025	Nominal amount 31 March 2024	Carrying amount 31 March 2024
Guaranteed						
SZ25	9,00%	30 Sept 2025	1 558 110	1 562 010	1 558 110	1 541 967
HWAY30	10,37%	28 Aug 2030	4 487	4 610	4 487	4 326
HWAY34	9,25%	31 Jul 2034	1 420 993	1 259 845	1 420 993	1 115 199
HWAY35	9,25%	31 Jul 2035	561 000	492 128	561 000	435 792
Subtotal			3 544 590	3 318 593	3 544 590	3 097 284
Unguaranteed						
NRA28	12,25%	30 Nov 2028	78 115	83 016	78 115	80 231
			3 622 705	**3 401 609**	**3 622 705**	**3 177 515**

Capital market loans at fair value	Coupon rate	Maturity date	Nominal amount 31 March 2025	Carrying amount 31 March 2025	Nominal amount 31 March 2024	Carrying amount 31 March 2024
Guaranteed						
SZ25*	9,00%	30 Sept 2025	(23 290)	(23 290)	-	-
HWAY30	10,37%	28 Aug 2030	461 000	473 628	471 000	454 090
HWAY34	9,25%	31 July 2034	2 632 237	2 333 728	2 618 502	2 055 006
HWAY35	9,25%	31 July 2035	489 706	429 586	489 706	380 410
Subtotal			3 559 653	3 213 652	3 579 208	2 889 506
Unguaranteed						
NRA28	12,25%	30 Nov 2028	106 522	113 205	66 251	68 045
			3 666 175	**3 326 857**	**3 645 459**	**2 957 551**

*SANRAL bonds bought and held due to market making activities (held for trading), therefore appear as an asset under contractual obligations.

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17. Risk management - financial instruments (continued)

The R23.290 million relates to the SZ25 bond that will mature on 30 September 2025. On the maturity date of the SZ25 bond, the entity will settle a gross amount relating to the principal amount due on the bond. At the same time, the entity will receive a linked financial asset of R23 million within its market-making portfolio. Both amounts will be settled at the same time.

Both the financial liability and the financial asset relate to instruments issued under the same SZ25 bond program. The asset represents a market-making position held to manage liquidity risk. The settlement of both the liability and asset is executed through STRATE, South Africa's licensed Central Securities Depository. STRATE facilitates final and irrevocable settlement for both instruments on the same day/time. The terms of settlement, economic linkage, and use of the same clearing mechanism constitute an arrangement that satisfies the conditions for offsetting and GRAP (legal enforceability).

As both instruments will be settled under STRATE's regulated infrastructure, the entity had a legally enforceable right to offset the amounts, thus the R23.290 million asset has been included in the carrying value of the SZ25 bond held in the funding and market making portfolio. This presentation reflects the entity's intent to realise the asset and settle both instruments simultaneously.

Loans at amortised cost	**Coupon rate**	**Maturity date**	**Nominal amount 31 March 2025**	**Carrying amount 31 March 2025**	**Nominal amount 31 March 2024**	**Carrying amount 31 March 2024**
EIB Loan - 1st tranche	8,17%	15 June 2034	383 884	393 192	409 592	419 853
EIB loan - 2nd tranche	9,05%	15 March 2034	381 955	383 424	408 268	410 038
			765 839	**776 616**	**817 860**	**829 891**

18. Payables from exchange transactions

Contractual payables	3 611 662	2 005 925
Payments received in advanced	162 735	143 073
Accrued leave pay	23 845	18 307
Accrued expense - contractual and other payables	965 548	893 361
	4 763 790	**3 060 666**

The fair value of payables from exchange transactions above approximate carrying amount. Contractual payables include retentions on construction related projects.

Details of amounts received in advance - from toll receivables

Opening balance	143 073	160 136
Utilised during the year	(87 149)	(91 038)
New payments received in advance	106 811	73 975
	162 735	**143 073**

The changes in the carrying amount are as a result of the utilisation of the amounts received in advance as and when the motorists passes through the toll gates or gantries.

These prepayments (all current) are effected mainly from pre-paid customers using e-tags and registered account holders who top-up their accounts before passing the electronic toll gates.

19. VAT payable

VAT Control	4 809 089	4 953 867

VAT receivable and VAT payable are presented on net basis on the face of the Statement of Financial Position. VAT is charged on all qualifying transactions, which is mainly from exchange transactions. The entity uses the payment method.

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20. Employee benefit obligations

Defined benefit plans - General information

Defined benefit plan - post retirement medical aid plan

The defined benefit plan is revalued annually at year end by an independent expert. The effective date of valuation below is 31 March 2025.

The entitlement of these benefits is dependent upon the employee remaining in service until retirement age, completing a minimum service period, and is subject to periodic review. SANRAL recognises the estimated liability on an accrued basis over the working life of the eligible employees. SANRAL extended its post-retirement medical aid benefits to all its employees in 2014. The entitlement is based on the employee remaining in the employment of the organisation for a period of 15 years of uninterrupted service until retirement.

The valuation of the obligation was performed by Poneso Consulting using the projected unit credit funding method. The projected unit credit funding method has been used to determine the past-service liabilities at the valuation date and the projected annual expense in the year following the valuation date. As at the valuation date, the medical aid liability of the entity was unfunded, thus, no plan assets are recognised and therefore the value of the unfunded liability is equal to the accrued liability. The valuation was based on 465 employees at 31 March 2025 (2024:420).

The liability relates to medical aid which is regulated by Medical Schemes Act No. 131 of 1998 as amended. The valuation of this post-retirement liability was done in accordance with the actuarial practice note (APN 301). There is no other regulatory framework governing this defined benefit plan. The responsibilities for SANRAL in governance of this plan are to ensure adequate cash flows when the obligation becomes due and the post-employment medical aid subsidy policy stays the same.

The key risks to which the plan exposes the entity are:

By not setting aside any assets in order to meet the liabilities in the future, the entity is exposed to certain risks, such as longevity risk or liquidity risk. The entity has adequate cash reserves on non-toll portfolio to mitigate the risk exposed by this plan for the for the foreseeable future. The entity is under no obligation to cover any unfunded benefits.

The amount of the subsidies is linked to medical inflation, which poses a financial risk if medical inflation turns out to be higher than expected. Subsidy caps were placed on some of the members' plans, but the assumption that the subsidy caps also increase with inflation reduces the effect thereof with regards to the uncertainty of the amount paid. All other risks are low and well mitigated.

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(83 740)	(67 382)
Non-current liabilities	(79 135)	(64 182)
Current liabilities	(4 605)	(3 200)
	(83 740)	**(67 382)**

The accrued liability of the defined benefit obligation included R55.984 million and R27.756 million (31 March 2024: R40.713 million and R26.669 million) relating to the active employees and continuation members in retirement respectively.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	67 382	67 157
Service cost	4 605	3 200
Interest cost	8 537	8 939
Remeasurements - actuarial gain/loss	5 937	(9 309)
Benefits paid	(2 722)	(2 605)
	83 739	**67 382**

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20. Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance are as follows:

Service cost	6 374	4 605
Net interest on the net defined benefit liability	9 521	8 537
	15 895	**13 142**

Calculation of actuarial gains and losses

Actuarial gains (loss) – Obligation	(5 937)	9 309

Changes in reimbursement rights are as follows:

The main reasons for the change in actuarial loss were:

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	11,37 %	12,67 %
Consumer price index (CPI)	5,56 %	6,76 %
Net effective discount rate	3,54 %	3,60 %
Medical cost trend rates	7,56 %	8,76 %
Continuation at retirement - PA (Ultimate)	90	90
Average retirement age - years	65	65

The expected value of each employee and their spouse's future medical aid subsidies is projected by allowing for future medical inflation. The calculated values are then discounted at the assumed discount interest rate to the present date of valuation (calculation). The valuation allowed for mortality, retirements and withdrawals from service as set out below. The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. It is assumed that the current policy for awarding medical aid subsidies remains unchanged in the future and that 100% of all active members on medical aid will remain on medical aid until they retire. It has also been assumed that all active members will remain on the same medical aid option at retirement.

Figures in Rand thousand	2025	2024

20. Employee benefit obligations (continued)

Sensitivity analysis

The results are based on a number of assumptions. In order to illustrate the sensitivity of the results to certain key assumptions, we set out below how the results would vary if these assumptions changed. These scenarios may also be of use in illustrating the possible effect of policy changes on the liability. The following tables show the sensitivity results. The accrued liability at valuation date was recalculated to show the effect of:

A 1% increase or decrease in medical aid inflation (health care cost assumption)
A 1% increase or decrease in the discount rate
A 20% increase or decrease in withdrawal rates
A 1-year increase or decrease in (assumed level) post retirement mortality.

Sensitivity analysis on the accrued liability

The average retirement age for all active employees was assumed to be 65 years. This assumption implicitly allows for ill-health and early retirement.

Healthcare / medical cost inflation

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

31 March 2025	**One percentage point increase**	**One percentage point decrease**
Effect on the service cost	7 709	5 319
Effect on interest cost	10 999	7 492
Effect on defined benefit obligation	96 735	73 091

31 March 2024	**One percentage point increase**	**One percentage point decrease**
Effect on the service cost	5 568	3 843
Effect on interest cost	9 805	7 492
Effect on defined benefit obligation	77 391	59 135

Discount rate

Assumed discount rate have a significant effect on the amounts recognised in surplus or deficit. A real discount rate of 3.54% was used in the valuation with a reference to a yield on the government long term bond of 11.37% per annum as at 31 March 2025. A one percentage point change in assumed discount rate would have the following effects:

31 March 2025	**One percentage point increase**	**One percentage point decrease**
Effect on the service cost	5 345	7 693
Effect on interest cost	8 338	10 985
Effect on defined benefit obligation	73 338	96 617

31 March 2024	**One percentage point increase**	**One percentage point decrease**
Effect on the service cost	3 862	5 556
Effect on interest cost	7 519	9 791

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20. Employee benefit obligations (continued)

Effect on defined benefit obligation	59 346	77 273

Withdrawal rates

Assumed assumption have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed assumption would have the following effects:

31 March 2025	**Twenty percentage point increase**	**Twenty percentage point decrease**
Effect on the service cost	6 089	6 694
Effect on interest cost	9 327	9 735
Effect on defined benefit obligation	82 033	85 619

31 March 2024	**Twenty percentage point increase**	**Twenty percentage point decrease**
Effect on the service cost	4 371	4 872
Effect on interest cost	8 369	8 724
Effect on defined benefit obligation	66 052	68 855

Post-retirement mortality

Assumed assumption have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed assumption would have the following effects:

31 March 2025	**One year mortality increase**	**One year mortality reduction**
Effect on the service cost	6 224	6 523
Effect on interest cost	9 243	9 798
Effect on defined benefit obligation	81 296	86 175

31 March 2024	**One year mortality increase**	**One year mortality reduction**
Effect on the service cost	4 495	4 714
Effect on interest cost	8 291	8 783
Effect on defined benefit obligation	65 438	69 318

The expected contributions to the plans for the next reporting period is R93.240 million (2024: 65 million) due to the expected increase in the number of employees.

Maturity analysis of the defined benefit obligations

The figures in the table below are discounted figures representing the full liability amounts. The liability accrues uniformly over the lifetime of the employee, and the full liability amount would be accounted for when the employee retires. The following table presents information about the distribution of the timing of benefit payments:

	Within 1 year	**1-2 years**	**2 - 5 years**	**>5 years**	**Total**
Current (In service) members	2 347	5 212	4 553	106 068	118 180
Continuation members	3 008	3 154	3 297	12 349	21 808
	5 355	**8 366**	**7 850**	**118 417**	**139 988**

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Figures in Rand thousand	2025	2024

20. Employee benefit obligations (continued)

Defined contribution plans

It is the policy of the entity to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose. The Alexander Forbes Retirement Fund: South African National Roads Agency Limited Provident Fund (the fund) is a defined contribution plan and is registered in terms of the Pension Funds Act 24 of 1956, as amended. Contributions comprise 20.5% of pensionable emoluments. SANRAL contributes 20.5%, of which administration and insurance costs amount to 3.59%. The Fund is administered by Alexander Forbes and 456 of the 577 employees (2024: 427 of the 594) are currently members of the Fund. One employee is a member of the Government Employees' Pension Fund (GEPF). Contributions to the GEPF comprise 20.5% of pensionable emoluments, of which a member pays 7.5% and SANRAL contributes 13%.

Contributions are recognised in surplus or deficit when incurred.

The entity is under no obligation to cover any unfunded benefits.

The total SANRAL contribution to pension fund	67	62
The amount recognised as an expense for defined contribution plans	77 700	62 022

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21. Provisions

Reconciliation of provisions - 31 March 2025

	Opening Balance	Additions	Utilised	Un-utilised	Closing balance
Environmental rehabilitation	6 618	173	(55)	(1 949)	4 786
Overload control	586 362	201 290	-	-	787 652
	592 980	**201 463**	**(55)**	**(1 949)**	**792 438**

Reconciliation of provisions - 31 March 2024

	Opening Balance	Additions	Utilised	Closing balance
Environmental rehabilitation	5 895	2 553	(1 830)	6 618
Overload control	552 409	33 953	-	586 362
	558 304	**36 506**	**(1 830)**	**592 980**

Non-current liabilities	790 897	589 976
Current liabilities	1 541	3 004
	792 438	**592 980**

Environmental rehabilitation provision

Section 41(1) of the Mineral and Petroleum Resources Development Act of 2002 requires an applicant for a prospecting right, mining right or mining permit to make the prescribed financial provision for the rehabilitation and management of negative environmental impacts.

SANRAL, as a holder of mining permits, is ultimately responsible for the restoration of borrow pits. A provision is therefore raised each year for the obligation to rectify environmental damage caused during construction and maintenance of the national roads through the use of borrow pits.

The contractual rehabilitation costs per project were utilised to determine the most accurate cost of restoring borrow pits to their original condition. This was calculated by engineers and project managers as a reasonable indication of the market related price of restoration. Rehabilitation of the borrow pits is performed on an ongoing basis throughout the project life, therefore the contractual cost was straight-lined over the remaining period of the project.

Rehabilitation costs pertaining to capital projects were capitalised at year end whereas maintenance projects were expensed immediately.

Provision for overload control

The provision for overload control relates to claims from concessionaires for damage to pavements as a result of overloading and is evaluated annually at year end. Provision for overload control is based on the contractual agreement signed with the concessionaires regarding control of overloading on the road network operated by concessionaires. SANRAL expects concessionaires to claim amounts due in a short term of 1-3 years, as they rehabilitate the road network. The amount is an estimate and there is uncertainty of the time it will be payable as there are continuous negotiations taking place. The overload provision is calculated using the overload control software and is evaluated annually at year end. Historical and projected future traffic volume data and weighted average cost per kilometre are used in the calculation. The effect of discounting was considered immaterial for separate disclosure purposes.

22. Deferred exchange consideration - service concession

Deferred income - concessions	270 661	328 956

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22. Deferred exchange consideration - service concession (continued)

Deferred income consists of advances from the three concession contracts. SANRAL received prepayments on concession contracts in accordance with the signed agreements. These payments were deferred over the life of the concession contract. Refer to note 5 for details of the concession arrangements.

The amount realised in surplus or deficit is calculated as the total amount received from the N3 and TRAC concessionaires divided by the remaining concession contractual period. This results in a realisation of R47.719 million and R10.576 million per annum respectively. Refer to note 26 on other income.

Bakwena concessionaire paid R21.785 million which represents a contingency fund in terms of the concession agreement, with its main purpose being to defray expenditure that will need to be incurred to maintain certain infrastructure. Income will be recognised in the surplus or deficit when the expenditure is incurred as agreed in contract. There was no related expenditure in the current reporting period.

Deferred income comprises of:		
Balance at the beginning of the year	328 956	387 252
Income recognition during the year	(58 296)	(58 296)
	270 660	**328 956**
Deferred exchange consideration - service concession	9 779 495	10 384 948

The entity does not have a contractual obligation to the concessionaires to contribute/pay for any work done. It controls the assets, which are subject to the concession agreement. The concessionaires have the right to receive income in return for managing, building and financing the assets for the concession period. The right granted to the concessionaires reflects income (exchange consideration) received in advance of performance.

This is because SANRAL is receiving an inflow of resources, in the form of assets, without having delivered on its portion of the exchange consideration – the provision of access to such assets, which will occur over the remainder of the period of the concession agreement. The liability is realised to surplus or deficit over the remaining concession contract period. The expected realisation for the following financial year is recognised as a current liability.

Non-exchange obligations from service concession arrangements comprise of:		
Opening balance	10 384 948	10 973 721
Additions to concession assets - note 4	1 368 592	1 073 427
Exchange consideration realised to surplus or deficit	(1 974 047)	(1 662 200)
	9 779 493	**10 384 948**
Total service concession liabilities		
Deferred income - concessions	270 661	328 956
Deferred exchange consideration - service concession	9 779 495	10 384 948
	10 050 156	**10 713 904**
Split between non-current and current portions		
Non-current liabilities	8 017 814	8 993 409
Current liabilities	2 032 342	1 720 495
	10 050 156	**10 713 904**

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23. Third-party funding

These are funds received from third parties (SANRAL is the implementing agent) mainly for the development of specific roads that do not form part of the declared national road infrastructure. The addition to the third party funding relates to the contribution made by the KZN department of Transport for the implementation of projects on their behalf in 2023/24.

This balance is included in cash and cash equivalents (note 11). Any interest received on cash balances is used at SANRAL's discretion. The unutilised funds at the end of the project are refundable in terms of the agreement. The effective interest rate on the cash held was 7.78% per annum (31 March 2024: 7.36% per annum).

Opening balance	743 717	276 874
Additional funds received	-	737 208
Refund - un-utilised funds repaid	(132 779)	-
Funds utilised during the year	(253 182)	(270 365)
	357 756	**743 717**

24. Revenue

Rendering of services - GFIP/GORT toll fees	341 789	6 502 058
Rendering of services - conventional toll fees	4 908 153	4 625 895
Other income	2 423 108	2 091 194
Finance income	5 285 755	6 072 960
Government grant - non-toll	25 586 519	24 301 715
Government grant - GFIP/etoll	721 187	1 584 274
	39 266 511	**45 178 096**
The amount included in revenue arising from exchanges of goods or services are as follows:		
Rendering of services - GFIP/GORT toll fees	341 789	6 502 058
Rendering of services - conventional toll fees	4 908 153	4 625 895
Other income	2 423 108	2 091 194
Finance income	5 285 755	6 072 960
	12 958 805	**19 292 107**
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants - non toll	25 586 519	24 301 715
Government grants - GFIP/e-toll	721 187	1 584 274
	26 307 706	**25 885 989**

Statutory revenue from exchange transactions - toll fees

The significant decrease in GFIP toll fees is a result of the cancellation of the tolling of GFIP routes, which stopped generating income from 12 April 2024, as gazetted.

Refer to note 1.3 for significant judgment.

In the current financial year an amount of R724.033 million (2024: R692 million) including VAT was allocated as annually GFIP grant. There was no further non toll transfer approved by the Minister of Transport in current year. There were no unfulfilled conditions on the government grants recognised in revenue. Grant on toll portfolio recognised in revenue excludes VAT.

The annual non-toll grant allocation is split below on note 25.

Figures in Rand thousand		2025	2024

25. Non toll government grants included in revenue

Operating grants			
Government grant (operating non toll)		7 709 510	6 375 490
Capital grants			
Government grant (capital)		17 877 009	17 926 225
		25 586 519	**24 301 715**

Total grant per allocation letter

The following is the total government grants received including VAT for the financial year:

Unconditional grants received	26 310 552	26 123 630

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 2 of 2013), no significant changes in the level of government grant funding are expected over the forthcoming three financial years over the medium term.

26. Other income

Other income		2 423 108	2 091 194
Other income is detailed below:			
The amounts included in other income are as follows:			
Sundry income		173 556	220 769
Rental income - investment property		90 301	65 769
Realised portion of previously deferred exchange consideration from concessions	22	1 974 047	1 662 200
Realised portion of concession contract revenue (N3TC and TRAC)	22	58 295	58 295
Concession income		126 909	84 161
		2 423 108	**2 091 194**

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27. Fair value adjustments

Investment property (FV model)	46 705	178 125
Financial assets and liabilities (designated at FVTSD)	(49 743)	15 107
	(3 038)	**193 232**

28. Finance income

Interest revenue		
Interest income on financial assets held cash management	4 917 833	5 720 616
Interest income on financial assets at fair value through surplus or deficit	270 134	266 718
Interest income on financial assets at amortised cost	52 226	47 833
Interest income on funds held by TRAC and Bakwena	37 037	28 998
Other interest income on sundry debtors	8 525	8 795
	5 285 755	**6 072 960**

All the amounts included in finance income are arising from exchange transactions.

There are no amounts included in finance income arising from non-exchange transactions.

29. Finance costs

Interest on financial liabilities measured at amortised cost	2 121 490	2 862 369
Borrowing costs capitalised	(11 154)	(6 548)
Interest expense on financial liabilities at fair value through surplus or deficit	899 944	549 744
	3 010 280	**3 405 565**

The weighted average cost of borrowing (capitalisation rate) on borrowing cost was 9.91% (31 March 2024: 9.75%). The funds were borrowed generally, not project specific, by the entity.

30. Repairs and maintenance - Attributable to project disbursements

Contractor fees	14 249 432	11 867 414
Consultant supervision fees	2 377 060	2 062 022
Consultant design fees	1 111 725	597 960
	17 738 217	**14 527 396**

Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024

31. Other operating expenditure by nature

Marketing and communications	733 063	612 758
Assessment rates & municipal charges	86 102	76 171
Auditors remuneration	34 589	34 996
Bank charges	89 142	69 864
Training	34 568	46 833
Travel	62 590	44 758
Technical and computer services	784 343	682 777
Loss on disposal of assets	4 250	1 706
Legal costs	71 767	101 586
Write offs - receivables (bad debts)	64 168	35 855
Board of directors remuneration	6 097	10 114
Educational support - bursaries	79 012	47 851
Property rates and management fees	400 520	372 746
Other administration cost	277 056	257 508
	2 727 267	**2 395 523**

The repairs and maintenance cost, impairment loss, depreciation, and amortisation on assets and employee related expenditure are disclosed separately. The marketing and communications cost includes the pothole campaign (Vala Zonke campaign) launched in 2023 financial year.

32. Depreciation and amortisation

Property, plant and equipment	4 162 161	3 926 264
Property, plant and equipment - concessions	614 442	606 731
Intangible assets	27 343	35 711
	4 803 946	**4 568 706**

33. Impairment losses

Impairment loss - receivables	247 420	6 822 556
Impairment loss - PPE	88 837	32 896
	336 257	**6 855 452**

34. Employee related costs

Basic and other remuneration	517 209	398 485
Short-term incentive	78 137	77 003
Defined contribution plans	70 887	63 084
Executive management emoluments	62 835	42 770
	729 068	**581 342**

Refer to note 39 for details of remuneration of the executive management and the non-executive management.

Short term incentives are performance based bonus which are paid at the discretion of the Accounting Authority. The performance bonus is not guaranteed and is only recognised once approved by the Board.

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35. Cash generated from operations

Surplus	9 912 501	13 046 653
Adjustments for:		
Depreciation and amortisation	4 803 946	4 568 706
Deficit on sale of assets	4 273	8 167
Fair value adjustments	3 038	(193 232)
Finance income	(51 981)	(134 083)
Finance costs	6 843	381 654
Impairment/reversals of impairment - PPE	88 837	32 896
Expected credit loss - receivables	247 420	6 822 557
Write offs - receivables	64 168	35 855
Movements in retirement benefit assets and liabilities	10 420	9 534
Deferred exchange consideration - service concession	(2 032 342)	(1 720 495)
Movements in provisions	199 459	34 676
Actuarial gain - employee benefits	5 937	(9 309)
Changes in working capital:		
Receivables from exchange transactions	(216 239)	87 078
Net debt impairment on receivable from exchange transactions	(247 420)	(6 822 556)
Payables from exchange transactions	1 703 125	1 130 763
VAT payables	(144 777)	916 391
Payments on third-party funding	(253 183)	(270 365)
	14 104 025	**17 924 890**

Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024

36. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - 31 March 2025

	Opening balance	Fund utilised	Fair value changes	Accrued interest	Other gains /losses	Total non-cash movement	Cash flows	Closing balance
Financial liabilities measured at amortised cost	25 226 598	-	-	(93 811)	103 828	10 017	(5 297 832)	19 938 783
Financial liabilities measured at FV	6 224 555	-	312 858	(3 174)	-	309 684	327 281	6 861 519
Third-party funding	743 717	(253 182)	-	-	-	(253 182)	(132 779)	357 756
	32 194 870	(253 182)	312 858	(96 985)	103 828	66 519	(5 103 330)	27 158 058

Reconciliation of liabilities arising from financing activities - 31 March 2024

	Opening balance	Fund adjustment	Fair value changes	Accrued interest	Other gains /losses	Total non-cash movement	Cash flows	Closing balance
Financial liabilities measured at amortised cost	35 944 079	-	-	387 830	369 623	757 453	(11 474 934)	25 226 598
Financial liabilities measured at FV	6 459 328	-	-	89 489	-	89 489	(324 262)	6 224 555
Third-party funding	276 874	-	-	-	-	-	466 843	743 717
	42 680 281	-	-	477 319	369 623	846 942	(11 332 353)	32 194 870

37. Operating lease - as lessee (expense)

Leasing activities - operating leases

The entity leases small customer services outlets (buildings) at various shopping centres in the Gauteng province. Rental agreements are made for fixed terms ranging from 12 months to three years, but may have extension or renewal options at the sole discretion of the lessee. These lease agreements contain similar terms and conditions.

In addition to buildings leases, the entity also lease printers, plotters (office equipment) and small land properties. The operating lease agreements do not impose the entity to any covenants other than security deposit or interest in the leased assets held by the lessor.

The operating lease rental and the straight lining adjustments have been expensed, included in other general operating expenditure. Operating leases are not material, and there were no finance lease in the current year.

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Figures in Rand thousand	2025	2024

38. Commitments

Authorised capital expenditure: property, plant and equipment

Already contracted for but not provided for		
• Contracts for capital projects authorised - Toll	6 189 932	4 382 226
• Contracts for capital projects authorised - Non-Toll	78 350 800	67 939 503
	84 540 732	**72 321 729**
Total capital commitments		
Already contracted for but not provided for	84 540 732	72 321 729
Toll		
Due within 1 year	1 306 508	866 227
Due within two years and beyond	4 883 423	3 515 999
	6 189 931	**4 382 226**
Non-toll		
Due within 1 year	21 832 487	14 240 428
Due within two years and beyond	56 518 313	53 699 075
	78 350 800	**67 939 503**
Total commitments		
Authorised capital expenditure	84 540 732	72 321 729

The commitments relate to the estimated acquisition of capital assets (PPE) from construction-related projects. The capital expenditure will be financed mainly from government grants, toll surplus and borrowings from capital markets for toll projects (financial liabilities). During the current period, more contracts were awarded and are in construction phase, which resulted in a increase in the commitments at year end.

The capital expenditure is initially recognised as PPE; assets under construction (AUC) then transferred to the relevant PPE class on completion of the multi-year projects. The commitments relates to road network and structures (road assets). There is no significant AUC commitments relating to other items of PPE. Refer to note 6 for detailed classes of assets.

Other asset classes (i.e. investment property and intangible assets) do not have any material commitments.

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	3 818	5 509
- in second to fifth year inclusive	3 215	6 401
- later than five years	8 192	8 824
	15 225	**20 734**

Operating lease payments represent rentals payable by the entity for buildings, and offices equipment. The operating lease rentals are included in the other operating expenditure. The operating lease commitments are not significant to the entity. Refer to note 37-operating lease-as lessee (expense) for details.

Figures in Rand thousand	2025	2024

39. Related parties

Relationships	
Ultimate controlling (holding) entity	Department of Transport (DoT)
Shareholder with significant influence	DoT through the Minister of Transport has significant influence over SANRAL due to his/her position in National Government
Members of key management	Key management personnel are defined as executive and non-executive management of SANRAL. Key management personnel compensation is detailed below.

Related-party transactions exist between SANRAL, its directors, key management personnel and parties within the national sphere of government.

SANRAL is a Schedule 3A public entity in terms of the PFMA. It therefore has a number of related parties, including other state-owned entities, government departments and all other entities within the national sphere of government. SANRAL used the database maintained by National Treasury to identify related parties in line with Standards GRAP. any transactions with parties concluded at arm's length (same terms and conditions as the public) will not be disclosed except for those that related to entities within the same controlling entity (DoT). The entity has applied the exemption in for government-related entities and within joint/ common control.

Having considered the potential for transactions to be impacted by related-party relationships, the entity’s pricing, buying and approval processes and the information necessary for an understanding of the potential effect of the relationship on the financial statements, the following transactions are disclosed as related-party transactions.

Related party balances - entities reporting to DoT

Balances with other entities reporting to DoT		
Road Accident Fund (RAF)	47 446	44 062
Road Traffic Management Corporation (RTMC)	8 786	7 651
Related party transactions with entities reporting to DoT		
Transactions with the controlling entity - DoT		
Annual grant allocation	26 310 552	26 123 630
Special appropriation allocation	5 021 087	-
Income (sales) - other entities within common control		
Road traffic management corporation - rental income	1 135	1 051
Road accident fund - sale of land property	3 384	3 156

Balances and transactions relating to the controlling entity - Department of Transport.

For detailed information relating to the government grant refer to note 25 on revenue and grants received. Government guarantees are detailed on note 15 financial liabilities.

The special appropriation grant (capital reserve) relates to the special appropriation allocation received from DoT debt redemption. Refer to note 14 on special capital reserves for details.

Transactions with other entities within common control

The amount owed by the RAF relates to a sale transaction of land between SANRAL and the RAF. The sale is not yet complete and legal ownership has not been transferred, therefore the proceeds of sale are held by the trustees; the movement relates to the interest earned in current year. Even though title has not been transferred, RAF has developed and occupied the land property.
The amount owed by RTMC relates to a rental agreement with RTMC whereby RTMC rents a portion of land as a parking lot at the SANRAL COC premises in Samrand, the movement relates to the accrued rental income for the year. This transaction is included in other income in surplus or deficit.

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39. Related parties (continued)

Key management information

Class	Description	Number
Non-executive Board members	Independent non-executive directors	8
Executive Board members	CEO	1
Executive management	Chief executive management at head office	11
Provincial heads	Heads of nine provincial offices	9

Remuneration of management

Management class: Executive management

31 March 2025

Name	Basic salary	Bonuses and long service payments	Other benefits received*	Pension/ Retirement contributions	Total
R Demana (Chief Executive Officer)	5 108	2 550	168	892	8 718
L Kannemeyer (Chief Planning and Design Engineer)	3 198	1 137	307	651	5 293
I Mulder (Chief Financial Officer - resigned)	1 171	-	1 850	204	3 225
A Tomes (acting Business Operations Executive)	774	-	179	152	1 105
D Maluleke (Acting Chief Financial Officer)	2 689	620	421	-	3 730
K Khoza (Chief Legal, Risk and Compliance)	2 317	558	122	405	3 402
SL Memeza (Chief Corporate Affairs Officer)	2 548	932	122	445	4 047
SSM Linda (BGC & Company Secretary)	2 526	729	111	363	3 729
MD Nkabinde (Chief Construction Operations and Maintenance Engineer)	3 083	809	191	614	4 697
K Mhelembe (Chief Procurement Officer)	1 886	-	400	548	2 834
V Menye (Chief Information Officer)	1 957	-	36	-	1 993
M Mondi (Chief Human Resources Officer)	820	-	107	153	1 080
T Tsetsewa (Acting Company Secretary)	331	-	67	58	456
DF Mokoena Acting Business Operations Executive)	304	257	100	53	714
	28 712	**7 592**	**4 181**	**4 538**	**45 023**

31 March 2024

Name	Basic salary	Bonuses and long service payments	Other benefits received*	Pension/ Retirement contributions	Total
R Demana (Chief Executive Officer)	5 108	99	149	892	6 248
L Kannemeyer (Executive Engineering)	2 876	832	283	588	4 579
I Mulder (Chief Financial Officer)	3 282	20	168	573	4 043
A Tomes (Acting Business Operations Executive)	1 447	388	349	284	2 468
A Mathew (Company Secretary)	365	538	160	72	1 135
D Maluleke (Acting Chief Financial Officer from 15 June 2023)	2 121	516	301	-	2 938
T Motha (Acting Company Secretary (from 1 July 2023)	369	55	85	-	509
K Khoza (Chief Legal, Risk and Compliance)	1 476	-	75	258	1 809
SL Memeza (Chief Corporate Affairs Officer)	2 381	543	209	416	3 549

Figures in Rand thousand				2025	2024
39. Related parties (continued)					
SSM Linda (BGC & Company Secretary)	770	-	36	135	941
MD Nkabinde (Chief Construction Operations and Maintenance Engineering from 1 March 2024)	2 257	631	180	452	3 520
	22 452	**3 622**	**1 995**	**3 670**	**31 739**

*Other benefits comprises of termination benefits, travel allowance, insurance and medical benefits.
The executive positions are 11 excluding the acting incumbents. The company secretary is a prescribed officer as disclosed above.

Mr A Tomes was appointed Acting Business Operations Executive (BOE) from 01 September 2019 to 30 September 2024. Ms F Mokoena acted as BOE from 16 September 2024 to 30 November 2024 and the Chief human resource officer started on 01 December 2024.

Mr DM Nkabinde was appointed as the chief construction operations and maintenance engineer (CCOME) from 1 March 2024, from being the regional manager prior years.

Mr D Maluleke was appointed as Acting Chief Financial officer on 15 June 2023 until the Chief Financial Officer (CFO) position has been filled. Ms I Mulder (Chief Financial Officer), who was on leave from 15 June 2023, resigned on 31 July 2024. The Board is currently in the process of recruiting the new CFO.

Ms T Tsetsewa is Acting as Board General Counsel (BGC) and Company Secretary from 24 January 2025, while Advocate Linda is on leave and is expected to return in June 2025.

Ms V Menye was appointed on 01 September 2024 as Chief Information Officer.

Ms K Mhelembe was appointed on 01 July 2024 as Chief Procurement Officer.

Management class: Provincial heads

31 March 2025

Name	Basic salary	Bonuses and long service payments	Other benefits received	Pension/ Retirement contributions	Total
MS Peterson (Eastern Cape)	2 608	1 065	126	674	4 473
R Cable (Western Cape)	2 414	673	131	474	3 692
P Hlahla (Gauteng)	2 439	732	152	427	3 750
DM Mbambo (KwaZulu-Natal)	1 770	485	218	309	2 783
M Mhlanga (Mpumalanga)	550	-	29	96	675
M Ramoba (North West)	433	-	21	76	530
M Nel-Verwey (Free State)	535	-	39	106	680
M Mthembu (Limpopo)	483	-	19	84	586
E du-Preez (Northern Cape)	483	-	63	97	643
	11 715	**2 955**	**798**	**2 343**	**17 812**

31 March 2024

Name	Basic salary	Bonuses and long service payments	Other benefits received	Pension contributions	Total
MS Peterson (Regional manager - Southern Region)	2 438	738	135	629	3 940
R Cable (Regional manager - WR)	2 256	624	141	443	3 464

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39. Related parties (continued)					
P Hlahla (Regional manager - Northern Region)	2 278	626	167	400	3 471
DM Mbambo (Regional manager - Eastern Region - from 01 March 2024)	130	-	3	23	156
	7 102	**1 988**	**446**	**1 495**	**11 031**

The additional five (5) provincial heads were appointed with effect from 01 January 2025 in line with SANRAL's strategic decision to move the organisation from a regional-office based model to a provincial-office based model. The four (4) previous regional managers changed the names of their positions from regional to provincial heads as at 01 January 2025, there were no significant changes to their roles and responsibilities relating to the management of the entity.

The provincial heads are not executive management in the organization; however, they are deemed to be key management personnel with a direct or indirect responsibility for planning and controlling the core activities of the entity.

Non Executive

31 March 2025

Name	**Directors' fees**	**VAT**	**Total**
Mr RF Haswell (Independent non-executive member)	1 037	156	1 193
Mr E Makhubela (Public official-term expired on 13 May 2024)	-	-	-
Mr TP Matosa (Independent non-executive member)	1 140	171	1 311
Mr T Mhambi (Chairperson - Independent non-executive member)	1 813	272	2 085
Mr C Hlabisa (Public official)	-	-	-
Ms N Noxaka (Independent non-executive resigned on 02 July 2024)	365	55	420
Ms R Buthelezi (Independent non-executive member)	946	142	1 088
Mr M Fakir (Independent non-executive member from 22 August 2024)	-	-	-
	5 301	**796**	**6 097**

31 March 2024

Name	**Directors' fees**	**VAT**	**Total**
Mr RF Haswell (Independent non-executive member)	1 482	222	1 704
Mr E Makhubela (Public official)	-	-	-
Mr TP Matosa (Independent non-executive member)	1 607	241	1 848
Mr T Mhambi (Chairperson - Independent non-executive member)	2 976	446	3 422
Mr C Hlabisa (Public official)	-	-	-
Ms N Noxaka (Independent non-executive member from 8 Jan 2023)	1 824	274	2 098
Ms R Buthelezi (Independent non-executive member from 8 Jan 2023)	1 003	38	1 041
	8 892	**1 221**	**10 113**

The shareholder representatives on the Board committee are appointed by the Minister. Mr C Hlabisa was appointed as the representative of the Department of Transport on 9 December 2021. Mr Hlabisa has ceased to be a Board member on 31 March 2025. The Minister of Transport is in a process of finding his replacement.

Mr E Makhubela was appointed on 13 May 2021 as a representative of Minister of Finance, his term has subsequent to year end, ended on 13 May 2024. The Minister of Transport appointed Mr. Mahesh Fakir to the SANRAL Board as a non-executive director. Mr. Fakir is replacing Mr. Errol Makhubela, whose term expired, following his nomination by the Minister of Finance. The appointment was made in accordance with section 12(2)(c) of the SANRAL and National Roads Act. The appointment was effective from 22 August 2024 for a duration of three (3) years. These two public officials do not receive any remuneration from SANRAL.

Refer to the corporate governance and directors' reports in the integrated report for more details on the appointments, meetings and reports of Board members.

Figures in Rand thousand	2025	2024

39. Related parties (continued)

Except for the company secretary who is a prescribed officer, no emoluments were paid to the members or any individuals holding a prescribed office during the period.
The was no other advisors to the Board active during the current financial year and the position of Ms Noxaka was not filled by year end.

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40. Contingencies

In terms of section 61 of the South African National Roads Agency Limited and National Roads Act, 1998, legal proceedings instituted against the then South African Roads Board with the cause of action arising before the incorporation date of SANRAL must be instituted against the Minister of Transport as respondent. Due to the nature of these claims and the fact that judgments in these cases could be to the detriment of SANRAL, it was agreed (at the time of establishing SANRAL) that, although the actions be instituted against the Minister, SANRAL will bear the costs and be actively involved in defending such action.

Litigation claims against SANRAL

SANRAL is defending variousl claims instituted against the entity in court. At year end the outcome of the court cases and claims were awaited. The entity's legal unit and management assessed the likelihood of all legal claims against and by the entity being successful at reporting date. The aggregate contingent liability amount is R161.387 million (31 March 2024: R95.758 million).

Claims against SANRAL by road users - public liability

The public liability claims against SANRAL. These are mainly small claims resulting from road related accidents. The entity has insurance to pay for the public liability claims with a claims in excess of R1 million per claim. Therefore, the amount payable by SANRAL is limited to R1 million per claim for all claims that have been identified as contingent liabilities. The claims are maintained in a register and assessed by the risk officer. The contractors for road routine maintenance (RRM) are insured and are liable for claims on their respective routes, therefore such claims are excluded from the contingent as SANRAL is not liable. year end the contingent liability amounted to R1.157 million (31 March 2024: R189 099).

Claims against SANRAL due to the Municipality Property Rates Act

Individual municipalities have discretionary powers to levy rates on public service infrastructure (PSI), including national roads, in terms of the Municipal Property Rates Act, No. 6 of 2004. Not all municipalities have chosen to exercise this statutory power and some have not yet implemented the Act. The property rates used, as well as the valuation amount of SANRAL's infrastructure, have not been determined by the municipalities. In order to arrive at an estimate of the potential rates liability nationally, actual rates levied by some municipalities were applied to the entire declared national road network, arriving at an estimated contingent figure of R62.177 million (31 March 2024: R65.261 million).

Maputo development corridor - overload control

The concessionaire has claimed that the Mozambican Government has not complied with the N4 Maputo Development Concession requirements. This contingent liability for SANRAL is due to the joint and several liability under the concession agreement. The estimated overload damage values are based on the full concession period and are thus a combination of actual historic overload data and projected future overload up to the end of the concession period. Although agreed to in principle, the detailed inputs into SANRAL overload software utilised to derive the above values still need to be formally signed off between the parties. The quantification of estimated damage caused by overloaded vehicles is a technical exercise. The estimated amount increase based on the conditions of the roads and increase in the length of the road network. The contingent value at year end is at R117.887 million (31 March 2024: R81.008 million).

Non-adjustments of toll tariffs by the Mozambican Government

In terms of the N4/Maputo development corridor contract, the independent engineer shall determine the tariff adjustments within 14 days of being called upon to do so in writing by the concessionaire. This has not been done and has resulted in a revenue shortfall. In the event that the Mozambican Government fails to compensate the concessionaire according to the determined claim amount, the South African Government, through SANRAL, will become liable for compensating the concessionaire in terms of the “mutually and severally liable” clauses in the concession agreement. TRAC concession has sufficient funds held on behalf of the Mozambican Government to settle the estimated amount of R89 million. Disclosed due to its nature regarding the toll tariff. Therefore there is no contingent liability by SANRAL.

Surrender of surpluses - contingent liability- unspent government grant

Notes to the Annual Financial Statements

Figures in Rand thousand	2025	2024

40. Contingencies (continued)

The entity is required to annually declare all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits. The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity may invests surplus funds with the Corporation for Public Deposits (CPD).

Annually the entity receives government grant ear-marked for operational expenditure and capital expenditure. The grant is receivable on 1 April. However, the cash is received quarterly in advance. SANRAL's grant is largely for construction and related projects. These projects are multi-year projects. Therefore, the normal operating cycle for the entity is more than 12 months. SANRAL's applied and obtained an exemption for retention of any surplus funds to National treasury as the unspent grant/surplus is fully committed over the next 1-2 years from reporting date. The current exemption will expire on 31 March 2026. The Board will consider a new application for another exemption for the committed funds. The amount will only be surrendered if the exemption is not granted, thus, it is disclosed as contingent liability. Refer to note 38 on capital expenditure commitments.

The details of surplus based on amounts on balance sheet and unspent grant on non toll and the net surplus is shown below:

Surplus		
Cash and cash equivalents at the end of the year	53 489 726	53 259 979
Add: Receivables	1 344 695	1 145 464
Less: Current liabilities	(19 774 243)	(22 770 464)
	35 060 178	**31 634 979**

Included in the cash and cash equivalents is unspent non toll grant reconciled below. The reduction is as result of expenditure in the current year exceeding the 2024/25 allocated grant, and the utilisation of prior year balance. The opening balance was already committed at the close of prior year.

Details of unspent grant		
Opening balance	42 162 152	38 574 685
Additions - unspent grant	-	3 587 467
Utilised grant from prior years balance	(5 536 122)	-
	36 626 030	**42 162 152**

Contingent assets

Claims by SANRAL against Mott MC-Donalds (ref:2367/2020)

In 2022/2023 SANRAL instituted a damages claim of R15 million against Mott MC-Donald for additional costs associated with the contract concluded on 26 November 2010. The claim met the recognition criteria in the current year and was subsequently recognised as a debtor. The contingent asset at reporting date is therefore R0 (31 March 2024: R15 million).

Pledges

There are no pledges to be disclosed as contingent liabilities or assets.

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41. Segment information

General information

Identification of segments

SANRAL's operations are situated in South Africa. All revenues from external customers, as well as non-current assets, are attributable to SANRAL's South African domicile. The entity has only two distinct reportable segments; the toll and the non toll portfolio. The entity is organised and reports to management on the basis of these two portfolios. The Board and Executive Authorities reviews, budget and monitor these two portfolios regularly and separately. The income, expense, assets and liabilities reported in the segments above have been measured in the same way as reported in the primary financial statements of the entity and to decision makers/ management. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The segments were organised around the type of funding. The service delivered and the target market is similar for both portfolios. Management uses these same segments for determining strategic objectives.

Information reported about these two segments is used by management as a basis for evaluating the segments' performances position and making decisions. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Information about geographical areas

The entity operates national roads throughout the country in nine provinces under four regions. Management considered that the economic characteristics of these services, throughout the country were sufficiently similar. Thus, the geographical location does not have any major influence on decision making and these were not regarded as operating segments for reporting purposes.

Notes to the Annual Financial Statements

Figures in Rand thousand

41. Segment information (continued)

Segment surplus or deficit, assets and liabilities

31 March 2025

	Toll portfolio	Non-toll portfolio	Total
Revenue			
Revenue - GFIP toll fees	341 789	-	341 789
Revenue - Conventional toll fees	4 908 153	-	4 908 153
Other income	2 357 356	65 752	2 423 108
Finance income	1 390 589	3 895 166	5 285 755
Revenue from non-exchange transactions	721 187	25 586 519	26 307 706
Total segment revenue	**9 719 074**	**29 547 437**	**39 266 511**
Entity's revenue			**39 266 511**
Expenditure			
Employee related costs	-	729 068	729 068
Depreciation on property, plant and equipment	1 372 087	2 790 074	4 162 161
Depreciation on property, plant and equipment - concessions	614 442	-	614 442
Amortisation - intangible assets	18 703	8 640	27 343
Finance costs	3 004 720	5 560	3 010 280
Impairment losses	336 257	-	336 257
Repairs and maintenance	2 851 531	14 886 686	17 738 217
Fair value adjustments	3 038	-	3 038
Actuarial losses	-	5 937	5 937
Other operating expenditure	478 466	2 248 801	2 727 267
	-	-	-
Total segment expenditure	**8 679 244**	**20 674 766**	**29 354 010**
Total segmental surplus/(deficit)	**1 039 830**	**8 872 671**	**9 912 501**

Figures in Rand thousand

	Toll portfolio	Non-toll portfolio	Total
41. Segment information (continued)			
Assets			
Current assets	21 218 990	37 048 289	58 267 279
Property, plant and equipment under concession (non-current)	89 476 396	-	89 476 396
Property, plant and equipment (non-current)	71 140 634	609 204 713	680 345 347
Investment property (non-current)	1 368 115	581 796	1 949 911
Intangible assets (non-current)	105 112	94 629	199 741
Financial asset (non-current)	431 736	312 786	744 522
Total segment assets	**183 740 983**	**647 242 213**	**830 983 196**
Total assets as per Statement of financial Position			**830 983 196**
Liabilities			
Current liabilities (current)	15 679 367	4 094 876	19 774 243
Financial liabilities (non-current)	18 995 183	-	18 995 183
Employee benefit obligation (non-current)	-	79 135	79 135
Provisions (non-current)	765 134	25 763	790 897
Deferred exchange consideration - service concession (non-current)	8 017 814	-	8 017 814
Total segment liabilities	**43 457 498**	**4 199 774**	**47 657 272**
Total liabilities as per Statement of financial Position			**47 657 272**
Capital expenditure			
Additions to non-current assets	**Toll portfolio**	**Non-toll portfolio**	**Total**
PPE under concessions (note 4)	1 368 591	-	1 368 591
PPE (note 6)	296 356	17 895 289	18 191 645
Intengible assets (note 8)	53 417	15 474	68 891
	1 718 364	**17 910 763**	**19 629 127**

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Figures in Rand thousand

41. Segment information (continued)

31 March 2024

	Toll portfolio	Non-toll portfolio	Total
Revenue			
Revenue - GFIP toll fees	6 502 058	-	6 502 058
Revenue - Conventional toll fees	4 625 895	-	4 625 895
Other income	1 974 880	116 314	2 091 194
Finance income	2 288 104	3 784 856	6 072 960
Fair value adjustments	193 232	-	193 232
Actuarial gains	-	9 309	9 309
Revenue from non-exchange transactions	1 584 274	24 301 715	25 885 989
Total segment revenue	**17 168 443**	**28 212 194**	**45 380 637**
Entity's revenue			**45 380 637**
Expenditure			
Employee related costs	-	581 342	581 342
Depreciation on property, plant and equipment	1 413 248	2 513 016	3 926 264
Depreciation on property, plant and equipment - concessions	606 731	-	606 731
Amortisation	30 113	5 598	35 711
Finance costs	3 405 563	2	3 405 565
Impairment	6 854 855	597	6 855 452
Repairs and maintenance	3 793 083	10 734 313	14 527 396
Other operating expenditure	1 132 583	1 262 940	2 395 523
Total segment expenditure	**17 236 176**	**15 097 808**	**32 333 984**
Total segmental surplus/(deficit)	**(67 733)**	**13 114 386**	**13 046 653**

	Toll portfolio	Non-toll portfolio	Total
41. Segment information (continued)			
Assets			
Current assets	19 625 893	42 484 413	62 110 306
Property, plant and equipment under concession (non-current)	82 644 060	-	82 644 060
Property, plant and equipment (non-current)	143 213 084	436 293 070	579 506 154
Investment property (non-current)	1 336 727	581 796	1 918 523
Intangible assets (non-current)	70 028	89 438	159 466
Financial asset (non-current)	360 298	312 786	673 084
Total segment assets	**247 250 090**	**479 761 503**	**727 011 593**
Total assets as per Statement of financial Position			**727 011 593**
Liabilities			
Current liabilities	20 211 749	2 558 715	22 770 464
Financial liabilities (non-current)	22 754 496	-	22 754 496
Employee benefit obligation (non-current)	-	64 182	64 182
Provisions (non-current)	565 386	24 590	589 976
Deferred exchange consideration - service concession (non-current)	8 722 747	270 662	8 993 409
Total segment liabilities	**52 254 378**	**2 918 149**	**55 172 527**
Total liabilities as per Statement of financial Position			**55 172 527**

Other income on toll portfolio mainly relates to sundry income and deferred exchange income (non-cash R2.032 billion on toll) realised in surplus or deficit as shown on note 26.

Included in the current assets is the R36.626 billion (2024: R42.162 billion) of cash and cash equivalent from accumulated unspent non-toll grant received.

Amendments to internal reporting organisation

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Figures in Rand thousand

41. Segment information (continued)

On 28 March 2024 a government gazette was issued cancelling the etolling on the GFIP road network previously reported under toll segment. These roads no longer generate toll revenue. As a result the GFIP road network (approximately less than 1% of SANRAL road network) has been reclassified from toll to non toll portfolio. This transfer arose solely due to the external regulatory action by the government and did not result in a change of the entity's internal organisational structure or the manner in which management and the Board reviews financial information and performance. Accordingly, the entity continues to evaluate performance, allocate resources using toll and non toll segment structure. Therefore, the entity's reportable segments remain unchanged from prior reporting periods. The comparative segment information has not been restated as the underlying internal structure and review process remained the same.

No other changes were made to the segment structure of SANRAL's organisational and operational structure (from a segment reporting perspective) that could have caused the structure of its reportable segments to change. The Board and the Executive Authority regularly review financial information broken down into toll and non-toll operations.

There is no other systematic method followed to allocate transactions and balances. Transactions are recorded to the segment they belong to when incurred. No customers were identified as major for segment reporting purposes.

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42. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure	186 843	533 799
Fruitless and wasteful expenditure	-	-
Unauthorised expenditure	-	-
Closing balance*	**186 843**	**533 799**

***Refer to reconciling notes in the annual report**

The above is a summary of the irregular expenditure incurred during the reporting period. Of the R186.843 million disclosed above, R5.434 million was confirmed in the current 2025 financial year (including those that relates to new irregular contracts identified in 2023/24), while the remaining balance of R181.408 million was already confirmed in prior years. A loss control function performs the determination test by identifying the causes of the non-compliance, the responsible officials, any financial loss and make recommendations to the Board for condonation by the relevant authority.

As at reporting date, there were no fraudulent or criminal acts found against employees and no material losses were regarded as recoverable from employees or perpetrators. A register of irregular expenditure and fruitless and wasteful expenditure with detailed analysis and accumulated balances as required by the 2022/23 irregular expenditure framework issued by the National Treasury is maintained and available. A detailed analysis of irregular and fruitless and wasteful expenditure is also included in the integrated report, showing the accumulated balances of irregular fruitless and wasteful expenditure for the current and prior year period.

The details of the condoned irregular expenditure and the fruitless and wasteful expenditure written off in current period are detailed in the integrated report. The comparative balance was adjusted with R54.005 million from irregular contracts identified in prior years but only confirmed during reporting period. Further details on restatement reconciliation are included in annual report.

Refer to note 43 - Irregular expenditure and 44 - Fruitless and wasteful expenditure below.

43. Irregular expenditure

Irregular Expenditure - current	186 843	479 794
Add: Irregular Expenditure - prior period (as restated)	-	54 005
Closing balance	**186 843**	**533 799**

Irregular expenditure is presented inclusive of VAT

Notes to the Annual Financial Statements

Figures in Rand thousand		2025	2024

43. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings		
A. Preference points not awarded	No - Review by the Board is in progress	-	1 852
B. Bank rating letters were not submitted by bidder		3 080	3 022
C. Tender awarded to bidder without valid B BBEE certificate	No - Review by the Board is in progress	3 215	3 058
D. Possible unfair awarding of a consulting tender	No - Review by the Board is in progress	8 368	12 978
E. Yellow metals equipment forms not completed - local content	No - Review by the Board is in progress	12 067	45 945
F. Bank guarantee letter were not submitted by winning bidder	No - Review by the Board is in progress	1 944	3 067
G. Deviations not approved by National Treasury or delegated authority	No - Review by the Board is in progress	-	3 439
H. Bidder incorrectly disqualified - key personnel	No - Loss control committee recommendation enroute to Board for condonations	5 427	3 825
I. Incorrect composition of BEC committee	Loss control function processes still in progress (previously escalated to NT)	152 735	456 567
J. Bidder submitted incorrect declaration of interest form (SBD 4)	No - Loss control function processes still in progress	-	46
K. Expenditure not approved by delagated official	No - Determination process is in progress	7	-
		186 843	**533 799**

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43. Irregular expenditure (continued)

Details of irregular expenditure above

A. Preference points not awarded

The evaluation of three (3) tender submissions for contract R.067-050-2016/1S were not completed, because it was believed that they will not score the highest points (price/preference). However, the requirements are that all tender submissions must be fully evaluated. This resulted in the award and the subsequent contract being identified as irregular from 2016 financial year. The evaluation was later concluded and it was identified that the scoring was incorrect and that the three (3) tenderers did not meet quality/functionality threshold, but due to the erroneous records, it remained as irregular expenditure. The current year expenditure on these projects amounted to R0 (31 March 2024: R1.852 million).

B. Bank rating letters were not submitted by bidder

In 2019 the bid documents for project X.002-086-2019/1F were received but erroneously not evaluated and this resulted in the whole evaluation process being unfair. In addition, the winning bidder was not disqualified after failing to submit bank ratings as per the requirement stated in the tender documents. The current year's expenditure on these projects was R3.080 million (31 March 2024: R3.022 million).

C. Tender awarded to bidder without valid B-BBEE certificate

Project X.002-097-2019/1F was awarded in 2019 without submission of a valid B-BBEE certificate, the project was identified as irregular. The project was identified as irregular in 2020. The current year's expenditure on this project was R3.215 million (31 March 2024: R3.007 million).

Tender 58400/1004/2022/01 amounting to R2.993 million was awarded during the 2023/24. A sworn affidavit (B-BBEE certificate) from the winning bidder was certified by the employee of the same bidder which is in contravention of paragraph 5.11.8 of the advertised tender documents. Expenditure incurred on this tender, in the current year was R0 (March 2024: R50 669).

D. Possible unfair awarding of a consulting tender

Three (3) contracts were identified as irregular in 2019 financial year because of perceived unfair awarding of the tender. The affected projects are as follows: SAPR N0010401/1, R.578-010-2020/1F and R.524-010-2019/1F. The expenditure incurred on project R.578-010-2020/1F in the current year is R2.466 million (31 March 2024: R6.234 million). Project R.524-010- 2019/1F incurred R2.556 million (31 March 2024: R1.115 million) and project SAPR N0010401/1 incurred R3.347 million (31 March 2024: R5.632 million), in the current year.

E. Yellow metals equipment forms not completed - local content criteria

Project R.067-050-2016/1S was confirmed as irregular in the 2022 financial year due to the bidder declared responsive without a completed form for “yellow metal equipment”. The bidder indicated that it was exempted from this, but DTI confirmed that the requirement applies to existing “yellow metal equipment” also, and not only new equipment, therefore the contract was registered as irregular. The expenditure incurred during 31 March 2025 was R12.066 million (31 March 2024: R45.945 million).

F. Bank guarantee letters were not submitted by bidder

Contract no. X.002-088-2019/1F was identified as irregular in 2019 financial year, due to the winning bidder not submitting a bank letter as per the tender requirements at the time, which should have rendered the tender as non-responsive. The expenditure incurred in the current year amounted to R1.944 million (31 March 2024: R3.067 million).

G. Deviations not approved by National Treasury or delegated authority

Mtentu contract (N.002-200-2016/2) was terminated in 2020. Whilst awaiting the appointment of new contractor, another contractor was appointed for emergency work, which was not submitted to National Treasury within 10 days of approval. Further work is continuing under this emergency appointment which has not been approved, resulting in these expenses being identified as irregular from the 2021 financial year. The expenditure incurred in the current year amounted to R0 (March 2024: R3.439 million).

Figures in Rand thousand	2025	2024

43. Irregular expenditure (continued)

H. Bidders incorrectly disqualified - key personnel

A contract for project R.075-020-2018/2 was awarded in September 2022 for R29.987 million. The tender requirement was that at least 50% of directors should be registered with ECSA. The error or non compliance was caused by incorrect interpretation of the mandatory requirement. The contract was identified as irregular in 2023 financial year with no expenditure incurred. In the current year the expenditure incurred is R0 (March 2024: R1.043 million).

A contract for project R.037-010-2025/1F, awarded in the 2022/23 financial year for R167.533 million, was not initially identified as irregular. During the competitive bidding process, another bidder was deemed non-responsive on the grounds that their key person (project leader) was overcommitted. However, the information substantiating this disqualification was not submitted to the Auditor-General of South Africa, resulting in the contract being classified as irregular. The expenditure incurred in the current year amounted to R5.427 million (March 2024: R2.782 million, as restated, confirmed in current year).

I. Incorrect composition of BEC committee

Eight contracts were awarded in 2023 financial year and confirmed as irregular in 2024 financial year as payments were made to the service providers. The Regional Bid Evaluation Committee was not constituted in terms of the Guidelines for the Establishment, Functioning, Composition of Bid Committees. The total expenditure incurred in the current year amounted to R152.735 million (March 2024: R456.567 million as restated) The expenditure incurred on these contracts is as follows:

- N.010-112-2020/1 - R0 (complete)
- N.007-046-2021/2 - R819 783
- N.001-010-2019/4 - R107.067 million
- N.014-010-2021/1 - R10.865 million
- N.001-050-2020/1 - R14.384 million
- N.008-080-2020/5 - R8.334 million
- N.014-023-2022/1 - R960 415
- N.009-070-2022/4 - R10.304 million

J. Bidder submitted incorrect declaration of interest form (SBD 4)

An incorrect SBD 4 form (outdated form) was used for a procurement through quotation WR 6000000031 for a contract and expenditure incurred in the current reporting period was R0 (March 2024: R45 600). The RFQ issued to the suppliers included the template of the SBD 4 form which was issued per NT Practice note 07 of 2009/2010 that was later repealed, resulting in an irregular expenditure.

K. Expenditure not approved by delagated official)

A catering service was procured and awarded thorough a quotations in September 2025. The quotation (WR 0150001650) for R7 495 was approved by the regional manager instead of the Chief Procurement Officer as the delegated official. The expenditure was a once off payment.

44. Fruitless and wasteful expenditure

There was no fruitless and wasteful expenditure in the current and prior year. Fruitless and wasteful expenditure is presented inclusive of VAT. The reconciliation of fruitless and wasteful expenditure (opening and closing balance) are disclosed in the annual report.

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45. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

46. Budget and actual expenditure differences

Changes to the approved budget

During the current reporting period, the approved budget was revised. On 30 October 2024, the DoT revised the 2024/25 allocation letter with a reduction of R134 million of the previously allocated amount. The approved organizational budget was adjusted accordingly.

Comparison of budget and actual performance

Operational and Capital Expenditure

Overall, the total expenditure is below budget by 11%, excluding all the non-cash items that are not included in the approved budget. The repairs and maintenance expenditure performed well, with a small variance of 1% as a result of the implemented measures to accelerate projects to improve service delivery and prevent deterioration of the poor roads' conditions. During the fiscal year, the entity depleted its annual allocation and was able reduce the accumulated unspent grant from prior year by R5.536 billion.

The capital expenditure was below budget by 19%. The approved budget includes projects in construction as well as planned projects still in procurement process. For projects in construction the underspending was impacted by various factors ranging from adverse weather delays, poor performance by the main contractors, contractor financial stability, community site disruptions, material availability (i.e. bitumen), etc. The underspending was also due to due to delays in procurement processes which in turn delayed the commencement of construction and the associated cash flows and thus ability to achieve budget during the year.The procurement challenges includes some unavoidable tender cancellations, re-advertisements and re-tendering for various reasons including to prevent irregular expenditure. Consequently, fewer projects were in construction than originally planned, negatively impacting actual expenditure and delays the cash outflows. The reasons are prevalent to both operational and capital projects. The entity has measures in place to engage the contractors and communities to prevent perpetual delays, accelerate the procurement processes and strengthen the due diligence reviews before tender awards fast track service delivery. The SCM department has been restructured to improve on turnaround times.

Other operating expenditure is lower than the budget by 20% due to some general expenditure contracts not procured timeously coupled with the drive save on administrative cost. The variance is within acceptable range. All non-cash items are not budgeted for, for example, depreciation, amortization, actuarial loss and impairment loss, these do not influence the decision making by the Board and Executive Authority.

Employee Costs

Employee costs were below budget by 13% due to delays in implementing the operational review model (OMR). Some of the budgeted positions on the approved structure were not filled as planned. Only critical positions were filled pending full implementation of OMR. This is expected to improve in the next fiscal year.

Finance Costs and Finance income

Finance costs variance is within acceptable range at 8%. There were no new issuances or refinancing during the year. Finance income exceeded the budgeted amount by 53%, attributable to the unspent grant that is held in short-term investments. The underspending on operational and capital projects, as detailed above, leads to money to be re-invested.

Revenue and Other Income

The variance in GFIP toll fee revenue is 100% above budget due to the delays of the cancellation of the e-tolls. The e-tolls were not budgeted in anticipation of the cancellation before commencement of the 2024/25 fiscal year, the cancellation was only effective on 12 April 2024; 11 days into the fiscal year. The conventional toll fees is higher by 21% than budgeted (which is within acceptable variance) as a result of favourable higher traffic volumes and tariff adjustment.

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Figures in Rand thousand	2025	2024

46. Budget and actual expenditure differences (continued)

Other income is above budget by 215% due to the realization of non-cash deferred exchange consideration during the financial year, which was not budgeted. Excluding the deferred exchange consideration, the concession, sundry and rental income performed well, the actual expenditure is R390.766 million which has no material variance. Included in the budget is a provincial contribution amount of R478 million, its actuals are accounted for as third-party funding instead of other income, causing that variance.

47. Going concern

The annual financial statements have been prepared on going concern basis. This basis assumes that the entity will continue to operate for the near future (at least 12 months from reporting date and will be able to obtain funds, realize its assets, and discharge its liabilities, including contingent obligations and commitments, in the ordinary course of business.

As of 31 March 2025, the entity had an accumulated net surplus of R107.199 billion, and its total assets exceeded total liabilities by R783.326 billion.

The Board and management have assessed the going-concern assumption and concluded that there are no material uncertainties that may adversely impact on the entity. Additionally, there was no material non-compliance with statutory or regulatory requirements or any legislative changes pending that may affect the entity's ability to continue operations as a going concern.

On 31 March 2025, SANRAL’s total assets were R830.983 billion, significantly contributing to the movement of goods and services in the South African economy. The Board confirms that current assets cover current liabilities. The current assets of R58.267 billion include cash and cash equivalents of R53.490 billion, of which R36.626 billion relates to accumulated balance of the unspent grants for non-toll roads. Current liabilities of R19.774 billion include a deferred exchange income liability of R2.032 billion, which will not require cash for settlement. SANRAL receives an annual grant from the fiscus to fund its non-toll road portfolio.

The entity is highly dependent on government grants and toll revenue (regulated by the government). During the year under review, the government grant allocated was R26.311 billion, of which R724.033 million, including VAT, was allocated to toll for the Gauteng Freeway Improvement Project (GFIP). The remaining non-toll grant is for operational and capital expenditure on non-toll roads, which comprise eighty-nine percent of the entity’s operational activities. The annual budget allocation is expected to increase annually to R38.200 billion in 2026, R35.512 billion in 2027, and R35.582 billion in 2028, excluding any special appropriation allocation anticipated. There is no indication that government grant will be discontinued or materially reduced in the foreseeable future and the government has historically provided special allocations to prevent any potential defaults.

The non-toll portfolio has no liquidity concerns, with a significant cash surplus and adequate annual allocations from the fiscus. This surplus is expected to be fully utilized over the next 1-2 fiscal years. Refer to note 38 - Commitments for details and note 40 - Unspent government grants for details.

Historically the financial health of the toll portfolio was burdened by e-toll sustainability and this caused a going concern over the years. A Memorandum of Agreement (MOA) between the National Department of Transport (NDoT), the National Treasury (NT), and the Gauteng Provincial Government (GPG) which was signed on 28 March 2024 and provided solution to e-toll debt being ring fenced. R5.021 billion payment was made by all parties (GP and NT). This amount was used to settle the HWAY24 (R5,351 billion) bond and all the interest payments for 2024/25. It is evident that the government will continue to support SANRAL’s toll portfolio in addition to the government guarantee on existing debt. Refer to note 14 for the balance of the special allocation grant. The MOA does not address the refunds or collections of the long outstanding debtors’ balance; The Board and management await a decision by the Minister of Transport and Finance in terms of the PFMA.

In April 2024, the MoF approved SANRAL’s application to increase borrowing limits to R16.5 billion up to 31 March 2028 for toll portfolio capital expenditures and approved a foreign currency guarantee of R7 billion for a New Development Bank (NDB) loan. Both the Minister of Transport and the Minister of Finance now sign the Guarantee Framework Agreement (GFA). The entity is engaging the NDB to finalize the Loan Agreement and Guarantee Agreement (GA). Once these two agreements are complete, they will be submitted to the Minister of Finance and National Treasury for final approval. The engagements indicate that these remaining approvals are progressing and are expected to conclude positively.

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47. Going concern (continued)

The cash flow forecast at 31 March 2025 shows that the toll portfolio will remain cash positive until 31 March 2027, which includes assumptions that National Treasury will provide special grants for servicing the existing debt and that the GFA and NDB loan agreements will be finalised during the 2026 fiscal year. The toll portfolio currently has adequate funds to implement capital projects for the next fiscal year (based on the Board approved budget).

As the entity is not permitted to budget for a deficit in terms of section 53 (3) of the PFMA, without approval from the NT. The capital projects on toll will be rolled out progressively in line with the available funds. Conventional toll plazas continue to generate adequate revenue as projected. The surplus on toll is mainly for maintenance projects and few capital projects.

Conclusion on going concern

Overall, the going concern assessment for both toll and non-toll is based on the following key assumptions:

- Successful approval and conclusion of the NDB and GFA for external funding within the 2025/26 fiscal year.
- Absence of material unforeseen and unavoidable events including adverse regulatory changes.
- The entity continues to receive support from the government in the form of special grant allocation and continues to receive its increased annual allocation from the DoT.

The Board and management have reasonable expectations, based on past experiences, historical trends, the ongoing engagements with the NDB and Oversight Authorities, available surplus and the continued government support - the entity will continue to operate for the foreseeable future. Accordingly, the financial statements have been prepared on the going-concern basis and no adjustments have been made relating to the recoverability of the assets and liabilities that would have been necessary if the entity were unable to continue as a going concern.

48. Events after the reporting date

Subsequent to the reporting date approval was granted by the Minister of Transport on 16 April 2025 for the waiver of toll fees at Oribi toll ramp plazas (north and south) due to a temporary closure of the Umzimkhulu river bridge (1221) on provincial road P3-1 in the Ugu district municipality (Port Shepstone). The waiver was requested by the MEC of the KZN provincial department of Transport and Human settlement on 11 March 2025, in terms of section 27(1) (e) of the SANRAL Act. It is effective for a maximum of five months, from the beginning of May to the earlier of the end of September 2025 or until the re-opening of the bridge.

The waiver is expected to result in a reduction of toll revenue for the affected period. Management is currently assessing the impact which will be disclosed in the interim financial statements for the period ending 30 September 2025. No adjustment was made to the 2024/25 annual financial statements.

On 14 May 2025, TRAC was informed by the Mozambican government that it had decided to implement a reduction of the Class 1 vehicle tariff at Maputo Plaza, effective 15 May 2025. This tariff adjustment, along with the compensation arrangement verbally agreed on 14 May 2025. A formal agreement in accordance with the requirements of the concession contract will be prepared by TRAC. The estimated monthly revenue loss is over the remaining concession period is R116 million. TRAC will be compensated for the revenue loss through the Toll Tariff Equalisation Reserve (TTER) held by TRAC for Mozambique. Therefore, there is no contingent liability by SANRAL.

The MoF tabled the National Budget on 21 May 2025, and Parliament is expected to adopt the fiscal framework on 11 June 2025. All public entities are required to resubmit updated Strategic and annual performance plans following the adoption of the fiscal framework by 13 June 2025. It is expected that SANRAL preliminary allocation will be reduced to R93 billion over the MTEF period.

On 13 June 2025, the GFA was finalized; signed by the board and both the Minister of Transport and the Minister of Finance. SANRAL and the NDB have finalized the NDB Loan Agreement. Both the loan agreement and Guarantee Agreement (GA) were submitted to National Treasury and the Minister of Finance.




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