

Reengineering South Africa's
Designated Postal Operator

SOUTH AFRICAN POST OFFICE

2025

ANNUAL REPORT

Post Office 
South Africa

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Highlights

FINANCIAL



- Group net loss after tax of R117 million and net asset value of R721 million
- Group revenue declined by 26% from prior year to R1 200 million
- Property, plant and equipment amounted to R1.666 million as of 31 March 2025
- Revenue from new product stream - Digital Registered Letters - amounted to R1.639 million
- Disclaimer audit opinion issued by the Auditor General mainly due to the going concern challenges

OPERATIONAL



- Contracts concluded with domestic airlines to improve international distribution delivery times
- Mail delivery standard improved from prior year to 62.13%
- Decrease in reported crime related incidents and losses
- Continued contribution to the Nal'ibali programme to deliver reading material to schools and reading clubs
- Improvement of customer complaint resolution rate achieved at 91%

INFORMATION TECHNOLOGY



- IT systems stabilised through the Data centre migration
- Settlement of all critical IT vendors
- Relationships with critical suppliers restored

HUMAN RESOURCES



- Dismissal of approximately 422 employees due to misconduct
- Workforce Skill Plan (WSP) and Annual Training Report (ATR) submitted to Services SETA
- TERS (Temporary Employer Relief Scheme) application for funding was filed

GOVERNMENT



- Registration of 52 003 qualifying beneficiaries for Broad-band Digital Migration (BDM) programme
- Issuing of 14 297 STB kits for BDM programme
- BRPs received approval from the Minister to liquidate dormant subsidiary, Courier Freight Group
- The South African Post Office SOC Ltd Amendment Bill signed into law in December 2024 expanded SA Post Office mandate and will accelerate its modernisation





History of the Post Office

The SA Post Office (SA Post Office) has delivered an uninterrupted service to its clients for centuries. The story of Post Office operations began in a small office in Cape Town in 1792. Today, the organisation is South Africa's Designated Postal Operator and is the principal mover of mail in the country. This is no easy task, considering that operations are spread across an area of more than 1.2 million square kilometres!

1792

On 2 March 1792, the acting governor, Johan Isaac Rhenius, issued a proclamation to establish a post office in a small room next to the pantry in the Castle in Cape Town. Adriaan Vincent Bergh was appointed postmaster, and Aegidius Benedictus Zier-vogel the first postman. Letters were accepted every morning between 09:00 and 10:00 at a cost of six stuiwers (half pennies). The postman would deliver the mail the next morning at an additional cost of two stuiwers.

During the early nineteenth century, mail ordinances on horse-back replaced the runners on the routes between Stellenbosch, Paarl, Tulbach and Swellendam. From Swellendam Khoi took the mail on foot to Graaff-Reinet and Uitenhage. Matthew Gall was appointed Cape Postmaster General.

1815/86

A mail boat service was introduced between England and the Cape in 1815. Fast ships conveying mail, passengers, and light freight for the Cape Colony, Mauritius, and India. These ships departed monthly from Britain. The first mail boat, the Eclipse, reached Cape Town 114 days later.

The first mail coach to transport passengers and mail departed from Cape Town to Swellendam during August 1843. The guard assigned to the mail coach was dressed in a bright red uniform.

The main gold reef was discovered on the Witwatersrand in 1886 and that augured one of the most colourful periods in our postal history. The coaches of George Heyes & Co ran between Matjes-

fontein and Kimberley, and between Kimberley and Johannesburg, with Matjesfontein being at the end of the railroad.

The first South African stamp, the Cape Triangular stamp, was commissioned in 1853. The figure of Hope appears on the stamp. Sir George Cathcart requested that the Cape stamps should look quite different from British stamps. The triangular stamp appeared in two values, the 'four-pence blue' and the 'one-penny red'.

The stamps were not perforated and had to be cut with a pair of scissors. These stamps could be used to pay inland postage only – postage for mail to other countries had to be paid in advance, in cash.

The first postboxes were erected in the Cape on 8 June 1860. It was manufactured in 1857 by Smith & Hawkes in Birmingham, England.

The railroad track from Cape Town to Wellington was completed by 1862, and shortly afterwards, mail was transported here by train. The mail train was commissioned in 1883. Railroad coaches specially equipped for this purpose acted as mobile post offices between Cape Town and Hutchinson, where the railroad ended at the time. Until 1950, this service was offered in the remote areas of South Africa.

1900/45

The first steam ships were commissioned in 1925 and covered the distance between England and the Cape in 58 days. The Union Castle Steamship Company was established in 1900, handling the conveyance of mail to Britain until 1977. The surface mail contract between South Africa and the Union Castle Steamship Company, which for a century ensured a weekly dispatch of mail between Cape Town and Southampton, lapsed at the end of September 1977. From 1 October 1977, mail was transported only by container ships and aeroplanes.

Mail was transported by motor car for the first time in 1911. The first time mail was transported by air was between Kenilworth





and Muizenberg, and in fact, it took the form of a novelty and was not a serious attempt at introducing an air mail service. This air mail service was introduced regularly in 1929. The first overseas airmail service was introduced in 1932. The Springbok Air Service between the Union of South Africa and Britain began to operate in 1945. An air-mail parcel service was introduced simultaneously.

1963-68

The first mail-sorting machine was installed in Pretoria in 1967. This was the result of a study initiated in the Johannesburg office in 1963, which compared the costs of manual and automatic mail sorting. The mail-sorting machine was commissioned in 1968, and that was also the year when the office became financially independent.

1994/95

This was the year of the first democratic elections in South Africa, and the SA Post Office issued a set of stamps with peace as a theme. South Africa is readmitted to the Universal Postal Union thanks to the abolition of apartheid.

In March 1994, Track and Trace System was introduced. Each mail article and parcel gets a unique bar-coded label which is scanned at each point where the article is handled. Customers can now trace where their mail items are in the postal chain. The first Postpoint, a post office within a host business, opened in the Moreleta Park Pharmacy in Pretoria on 1 August 1994.

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1995/96

The first Retail Postal Agency (RPA) was opened in Bloemfontein in August 1995. Retail postal agencies are third-party businesses that are appointed to offer a postal service when postal activities are too low to justify a fully-fledged post office branch. The business owner is paid for each transaction he or she does on behalf of the SA Post Office.

By the end of 1995, the Witwatersrand mail sorting activities were relocated to the Witspos Mail Centre in Ormonde, Johannesburg.

As the largest mail centre in the Southern hemisphere, it enabled the elimination and duplication of many processes, since mail processing is now done at one level.

1996/97

The Post Office administrations of the former 'independent homelands' (Transkei, Bophuthatswana, Venda and Ciskei) are incorporated into the SA Post Office.

2002/03

A world first for the SA Post Office, as South African President Thabo Mbeki electronically signs the Electronic Communications and Transactions Act into law. This is the first Act in the world to be signed into law by an electronic signature. The signing was enabled using the SA Post Office authentication service enabled by its Trust Centre. The Act defines the SA Post Office as the preferred authentication service provider of identification procedures necessary for the issuing of advanced electronic signatures.

2003/04

The SA Post Office launches its Paymaster to the Nation project. In terms of this project, recipients of social grants can open a Postbank account. The bank card contains a chip with the beneficiary's photo, digital signature and fingerprints encoded on it. His or her social grant is now paid into the Postbank account, eliminating the need to queue on payout days. This gives grant recipients the freedom to withdraw their grants at any time, at any post office branch, without incurring transaction charges, or at the ATM of any Saswitch-linked bank. Every social pensioner can now enjoy the status and confidence that a bank account brings.

2004/05

The SA Post Office posts the first operating profit in its history. This was achieved without any adverse effect on its universal service obligations. During this year, the SA Post Office also won an international award for its Paymaster to the Nation project. It also won the World Mail Award in the security category for its campaign to promote ethical conduct among its employees.

2005/06

Postbank, the SA Post Office's banking division, took the lead with Mzansi accounts. This is attributed to Postbank's unrivalled coverage – every post office branch is a Postbank. Mzansi accounts were designed especially for the unbanked.

2006/07

Postbank improves its lead with Mzansi accounts to 40% of the total market. The SA Post Office issues a miniature sheet of stamps to commemorate the handover of the Soccer World Cup from Germany to South Africa, where the next Soccer World Cup will be hosted in 2010. The design features a wild dog, Africa's most





endangered predator, and was designed by a final-year graphic art student. The annual Congress of Commonwealth Postal Administrators is held in South Africa for the first time in history.

2007/08

MultiChoice's share offer is done using the SA Post Office as an outlet for applications. This share offer was so popular that it was three times oversubscribed, and more than 125 000 citizens participated in the scheme. By offering outlets in practically every village, town and city, the SA Post Office allowed rural South Africans to participate in this scheme on an equal footing with urbanites. Certifying Top Performers (CTF) in conjunction with Accenture names the SA Post Office as one of the top 25 best employers in South Africa.

2008/09

The SA Post Office joins the rest of the world in July 2008 in celebrating the 90th birthday of former President Nelson Mandela by issuing two miniature sheets of stamps. Halden Krog took the photo on the postage stamp for domestic postage, while the stamp for international small letters used a painting by Cyril Coetzee. With denominations for both domestic and small international letters available, it was possible to send South African birthday wishes for Madiba throughout the world. These items immediately turned into collectors' items. Sasol and Vodacom chose the SA Post Office as a vehicle for their Broad-based Black Economic Empowerment (BBBEE) transactions.

2009/10

Building on its strategic theme of becoming government's preferred partner for the delivery of services, the SA Post Office introduced its facility for the renewal of motor vehicle licences to the Gauteng province. This service was so successful that it was expanded to more post offices within seven months of the launch. In 2009, the SA Post Office also implemented a strategy to mitigate the environmental impact of its business activities. The company planted a total of 857 trees at schools in the year ended 31 March 2010 to offset carbon emissions and introduced various energy-saving measures. Postbank became a partner in the Climate Change Leadership Awards. The awards recognise individuals, communities and businesses that are taking a leading role in the fight against climate change. The SA Post Office successfully manages the applications for SA Breweries' Zenzele share scheme.

2010/11

During 2010, Postbank celebrates its centenary as a savings bank and quite appropriately, legislation is promulgated that will enable the organisation to change from a deposit-taking institution to a fully-fledged bank. More than two million South Africans used this facility during the year. The SA Post Office is again chosen as application channel for a share scheme, this time by MTN for its Zakhele scheme.

From the beginning of 2018, the SA Post Office and Postbank began an era of partnership with the South African Social Security Agency (SASSA) for the onboarding of new social grant recipients, and the issuing of new bank cards to beneficiaries. The task is enormous as approximately 17 million South Africans receive social grants.

2011/12

The SA Post Office begins its entrance in to the digital world through the launch of its virtual post office, which enables users to complete certain transactions electronically, without having to visit a physical post office branch. The SA Post Office later expanded its electronic offerings to include transactions such as customs declarations for foreign parcels.

2012/13

Following accreditation under the Electronic Communications and Transactions Act, the SA Post Office Trust Centre is launched. Through its digital certificates and public key infrastructure, the Trust Centre can authenticate users of electronic devices and ensure the users are who they say they are; validate the transaction to ensure non-repudiation; protect messages from tampering; encrypt messages to protect the message from unauthorised access; and make it possible for users to digitally sign transactions and communications to authenticate code, data messages and documents.

2014/15

After three years of protracted strikes, the SA Post Office records significant financial losses, resulting in the entity being placed under administration until 2015.

2015/16

The SA Post Office launches an app for smartphones which customers can use to track parcels and find the SA Post Office branches nearest to their location.

2016/17

The facility for motor vehicle owners to renew their motor vehicle licences at certain SA Post Office branches is extended to the Northern Cape. The facility gives vehicle owners longer hours for licence renewal and is a huge success – nationally, around 3 million motor vehicle licences are renewed at Post Office branches annually.

2017/18

The SA Post Office begins a partnership with the SASSA for the onboarding of new social grant recipients, and the issuing of new bank cards to beneficiaries. By the end of 2018, almost 8 million people who receive social grants had chosen the SASSA card issued by Postbank. They receive one free cash withdrawal per month and unlimited card swipes to pay for shopping at merchants without having to pay a cent in bank charges.



2018/19

Changes in legislation turn Postbank into a subsidiary of the SA Post Office with its own assets, board of directors and balance sheet – a requirement to qualify for a banking licence. Postbank operated as a division of the SA Post Office until its separation in 2019.

The SA Post Office cooperated with the Independent Electoral Commission to verify the addresses of citizens on the voters' roll, even those in informal settlements. The SA Post Office helped to ensure that all South Africans could exercise their democratic right to vote.

The payment of motor vehicle licences becomes available at selected post offices in Mpumalanga. The only province in SA where car licences cannot be renewed via the SA Post office, is the Western Cape.

2019/20

The Covid-19 pandemic spreads worldwide, and in South Africa the SA Post Office pays out the Covid relief grant to an average of two million of citizens per month. During 2020 SA Post Office branches turned into beacons of hope for South Africans who had lost their income to the pandemic.

2020/21

As South Africa is migrating to digital broadcasting, meaning that older television sets will no longer work, unless they are connected to a digital decoder. The SA Post Office continues to manage the registration of five million qualifying households for subsidised decoders, and also manages the issuing of decoders, aerials and satellite dishes to installers.

The SA Post Office concludes partnerships with international ecommerce retailers and aggregators for the exclusive delivery of their items in South Africa. Delivery timeframes are faster by 50%, turning the entity into a fully-fledged role player in eCommerce.

2021/22

In February 2022, the SA Post Office launches an online platform for renewing motor vehicle licences. Customers in all provinces except the Western Cape can now renew vehicle licences 24 hours a day, seven days a week from any mobile device. The licence itself can be delivered to any address in South Africa or collected from a SA Post Office branch.

The facility to renew vehicle licences over the counter at selected branches remains in place.

2022/23

The SA Post Office adopts the Post Office of Tomorrow strategy as foundation for its corporate strategy, aimed at turning the organisation into a relevant and financially sustainable organisation serving the needs of a modern economy and its citizens.

Due to an unpaid debt, the organisation is placed in provisional liquidation during February 2023.

2023/24

During May 2023, the Department of Communication and Digital Technologies together with the SA Post Office submits an application to the South African Government to place the entity in Business Rescue. The application is approved by Cabinet.

On 10 July 2023, the High Court of South Africa grants an order to place the SA Post Office in Business Rescue. Messrs Anoosh Rooplal and Juanito Damons are appointed as Joint Business Rescue Practitioners to oversee the turnaround of the SA Post Office.

A business rescue plan is developed by the Practitioners and was approved by majority of creditors voting interests creditors on 7 December 2023. The business rescue plan is underpinned by strategic drivers aimed at stabilising, supporting and future-proofing the SA Post Office so as to ensure its ongoing sustainability.

2024/25

As part of its ongoing Business Rescue process, the SA Post Office has rationalised its branch network to a target of 657 branches, of which 258 are designated as Universal Service Obligation (USO) branches. A total of R7.4 billion in creditor debt was written back to the income statement, significantly strengthening the balance sheet and resulting in a positive net asset value (NAV) of R639 million as at 31 March 2025.

All 4 342 retrenched employees were paid their retrenchment packages by the end of 2024, in line with agreements reached with labour unions.

The Business Rescue Practitioners have made further progress in enhancing cash management processes and fulfilled the agreed compromise by paying creditors 12 cents in the rand to creditors. An independent valuation of SA Post Office property portfolio was completed, and the organisation successfully migrated its data centre. It is currently in the process of implementing its turnaround strategy.



A. General Information





General Information

Registered name	South African Post Office SOC (Limited)
Registration number	1991/005477/30
Registered office address	497 Sophie de Bruyn Street, Pretoria, 0002
Postal address	PO Box 10 000, Pretoria, 0001
Contact telephone number	(012) 407 7000
Email address	customer.service@postoffice.co.za
Website address	www.postoffice.co.za
External Auditors information	Auditor-General of South Africa
Banker's information	Standard Bank South Africa
Company Secretary	Vacant

List of Abbreviations and Acronyms

AARTO	The Administrative Adjudication of Road Traffic Offences
AGSA	The Auditor-General South Africa
ALCO	Asset and Liability Committee
ALM	Asset and Liability Management
APP	Annual Performance Plans
ARC	Audit and Risk Committee
ATM	Automated Teller Machine
ATR	Annual Training Report
AU	African Union
BAC	Bid Adjudication Committee
BBBEE	Broad-based Black Economic Empowerment
BCP	Business Continuity Plan
BDM	Broadcasting Digital Migration
BEC	Bid Evaluation Committee
BOT	Build Operate Transfer
BRPs	Business Rescue Practitioners
BUs	Business Units
CCMA	Commission for Conciliation Mediation and Arbitration
CCPA	Conference of Commonwealth Postal Administrations
CENTRIQ	Centriq Insurance Innovation (Pty) Ltd
CEO	Chief Executive Officer
CFG	The Courier and Freight Group (Pty) Ltd
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CIT	Cash in Transit
CIO	Chief Information Officer
CPP	Cash Pay Points
CRASA	Communications Regulators' Association of Southern Africa
CSI	Corporate Social Investment
COO	Chief Operations Officer
CRMP	Compliance Risk Management Plan
DAFF	Department of Agriculture Forestry
DIRCO	Department of International Relations and Cooperation
DCDT	Department of Communications and Digital Technologies
DCM	Dilated cardiomyopathy
DOA	Delegation of Authority
DOCEX	The Document Exchange (Pty) Ltd
DPS	Domestic Postal System

DRM	Disaster Risk Management
DTH	Direct to Home
DTT	Digital Terrestrial Television
EAP	Enterprise Application Platform/Employee Assistance Program
EBDN	Electronic Bulk Mail Delivery Note
EEA	The Employment Equity Act
eCom API	eCommerce Application Programming Interfaces
eNATIS	Electronic National Administration Traffic Information System
EQ	Emotional Intelligence
ERP	Enterprise Risk Plan
ESS	Employee Satisfaction Survey
EWT	Endangered Wildlife Trust
EXCO	Executive Committee
FAIS	Financial Advisory & Intermediary Services
FICA	Financial Intelligence Centre Act 38 of 2001 (as amended)
FIC	Financial Intelligence Centre
FMC	Financial Misconduct Committee
FNB	First National Bank
FSB	Financial Services Board
FSCA	Financial Sector Conduct Authority
FRA	Forward Rate Agreed
FY	Financial Year
GIS	Geographic Information System
GPC	Government Private Cloud
HR	Human Resources
HRTTP	Human Resource Transformation Remuneration and Performance Committee
ICASA	The Independent Communications Authority of South Africa
ICT	Information and Communications Technology
IDTV	Integrated Digital Television
IFRS	International Financial Reporting Standards
IFS	International Financial System
IGPS	Integrated Grant Payment System
ILO	International Labour Organisation
IOD	Injury on Duty
IPS	International Postal System
IPMS	International Parcel Management System



IT	Information Technology
IT/STP	IT Governance Strategic Planning and Procurement Committee
KING IV	The King Report on Corporate Governance IV
KPIs	Key Performance Indicators
L&D	Learning and Development
MCP	Mail Collection Point
MD	Managing Director
MSA	Master Service Agreement
MTEF	Medium-term Expenditure Framework
MVL	Motor Vehicle Licence
NCD	Negotiable Certificates of Deposits
NCOP	National Council of Provinces
NHTL	National House of Traditional Leaders
NPS	National Payment System
OECD	Organisation of Economic Co-operation and Development
OHS	Occupational Health and Safety
OSHA	Occupational Safety and Health Administration
PAA	Public Audit Act No 25 of 2004
PAPU	The Pan African Postal Union
PIC	Public Investment Corporation
PFMA	Public Finance Management Act No. 1 of 1999 (as amended)
PPE	Personal Protective Equipment
PPMD	Payroll Personnel Master Data
PPTE's	Permanent Part-Time Employees
POD	Proof Of Delivery
POPIA	Protection of Personal Information Act
POS	Point of Sale
POW	Programmes of Works
PRASA	Passenger Rail Agency of South Africa
PRMA	Post-Retirement Medical Aid
PTC	Postal Technology Centre
PTTT	Postbank Transition Task Team
QoS	Quality of Service
RDMS	Retail Document Management System
REMS	Risk Evaluation and Mitigation Strategy
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotation
RPA	Retail Postal Agency

RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management Corporation
SAAF	South African Air Force
SAC	Stamp Advisory Committee
SADC	Southern African Development Community
SAPOA	Southern African Postal Operators Association
SAPO	South African Post Office
SARB	South African Reserve Bank
SARS	South African Revenue Service
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SDAs	Social Disbursement Accounts
SDGs	Sustainable Development Goals
SETA	Sector Education and Training Authority
SFTP	Secure File Transfer Protocol
SITA	State Information Technology Agency SOC Ltd
SLA	Service Level Agreement
SMMES	Small Medium and Micro Enterprises
SOC	State-Owned Company
SOE	State Owned Entity
SRDs	Social Relief of Distress
STBs	Set Top Boxes
STP	Strategic Turnaround Plan
SWAD	Scanning Weighting and Dimensioning
TERS	Temporary Employer/Employee Relief Scheme
The SA Post Office	The South African Post Office (SOC) Limited
The Post Office Act	The South African Post Office Act No. 22 of 2011 (as amended)
TP	Turnaround Plan
TTD	Temporary Total Disability
TVBC	Transkei Venda Bophuthatswana and Ciskei
UIF	Unemployment Insurance Fund
UPU	Universal Postal Union
USAASA	Universal Service and Access Agency of South Africa
USO	Universal Service Obligation
WAN	Wide Area Network
WRE	Web Riposte
VSPs	Voluntary Severance Package
WSP	Workplace Skills Plan
YoY	Year on Year



Organisational Structure



Business Rescue Overview by the Business Rescue Practitioners

The 2024/25 FY marked a turning point for the SA Post Office as it made significant strides under business rescue to stabilise its operations and lay the groundwork for long-term sustainability.

Since entering business rescue on 10 July 2023 SA Post Office has undergone a bold transformation. At the heart of this journey was the successful implementation of the Business Rescue Plan, which included a large-scale restructuring of the workforce. This challenging but necessary step, concluded in July 2024, resulted in 4 342 retrenchments, structured into phased settlements, funded from operational cash flow.

Open and transparent communication with employees, unions, and stakeholders was maintained throughout, with regular consultations and compliance reporting ensuring accountability at every stage. The branch network was rationalised to a targeted 657 sites, including 258 Universal Service Obligation branches, improving operational efficiency while preserving critical public access.

On the financial front, SA Post Office settled R1 billion with creditors and earmarked a further R509 million for statutory obligations, contingent on future funding from the fiscus. A R7.4 billion debt write-back boosted SA Post Office's balance sheet, resulting in its first positive net asset value (R721 million) since 2012. The pending provisional liquidation proceedings was discharged by Court Order in November 2024, marking a key legal and symbolic milestone.

In addition, strict governance and control measures were implemented by way of consequence management. Through the business rescue proceedings, SA Post Office has conducted over 926 separate disciplinary hearings, which resulted in the dismissal of approximately 442 employees due to misconduct.

Despite funding constraints, the organisation remained disciplined, cutting costs, improving debt recovery, and relocating its data centre to BCX to stabilise IT operations. These interventions en-



abled SA Post Office to resume business in the ordinary course, meeting its obligations as they fell due, under the continued guidance of the Business Rescue Practitioners.

Rebuilding Public Service Delivery

Throughout the business rescue process, SA Post Office continued to serve millions across South Africa, especially in underserved areas where its presence is essential. Delivery performance improved sharply to 62.13%, up from 45.15% the previous year, and monthly mail carryover was halved—clear indicators of operational improvement.

Digital transformation also gained traction with the launch of the Digital Registered Letter service and SA Post Office's continued role in the national analogue-to-digital migration. As a key distribution partner, SA Post Office supported the rollout of subsidised Set-Top Boxes, registering over 52 000 households and distributing more than 14 000 kits in 2024/25 FY.

Organisational Restructuring

Headcount reduced from 10 854 to 5 946 employees, primarily through Section 189 processes and voluntary exits. Restructuring was completed across key business units, while appointments in critical sales roles ensured operational continuity. Projects such as last-mile delivery optimisation and motorbike deployments have been deferred due to austerity but remain on the agenda.

Looking Ahead: A Modern Mandate

The South African Post Office SOC Ltd Amendment Bill, signed into law in December 2024, has expanded SA Post Office's mandate and will accelerate its modernisation. The Bill opens new revenue streams in e-commerce, digital finance, and hybrid mail services, supporting SA Post Office's financial sustainability and reducing reliance on traditional postal income.

Crucially, it empowers SA Post Office to invest in digital infrastructure and reposition its facilities as community business hubs, enhancing broadband access, financial inclusion, and economic participation. Enhanced governance and the capacity to establish public-private partnerships will enable the SA Post Office to innovate and expand, all while remaining committed to its developmental goals.

We extend our sincere appreciation to the Honourable Minister and Deputy Minister of Communications and Digital Technologies, the Director-General of DCDT, SA Post Office's executive management, and the dedicated employees who have remained resilient through this challenging transition. We also extend our gratitude to our customers, unions, creditors, and key stakeholders for their ongoing support, trust, and commitment to rebuilding the SA Post Office. It is through this collective effort that SA Post Office is steadily regaining stability and purpose, reaffirming its role as a vital enabler of inclusive national development.



Legislative and Other Mandates

The SA Post Office has provided postal and related services to its clients for centuries. The history of SA Post Office operations commenced in a modest office in Cape Town in 1792. Today, the organisation has transformed into the primary facilitator of mail delivery within the country.

The SA Post Office SOC Limited was established on 1 October 1991 as a company in terms of the Companies Act, No. 61 of 1973. Following the repealing amendment of the Companies Act No. 61 of 1973 and the enactment of the Companies Act No. 71 of 2008 (as amended), the SA Post Office was designated as a state-owned company (SOC) as per the South African Post Office Limited Act No. 22 of 2011, as amended.

The SA Post Office serves as the National Postal Operator of South Africa, with the South African government as its sole shareholder, under the jurisdiction of the Department of Communications and Digital Technologies (DCDT). On 17 August 2001, the then Minister of Communications, in accordance with section 16(3) of the Postal Services Act No. 124 of 1998, granted a Reserved Postal Service Licence to the South African Post Office, valid for a duration of 25 years from the effective commencement date of the Licence. Following the establishment of the Independent Communications Authority of South Africa (ICASA) as an independent entity, the licence of the SA Post Office was restructured pursuant to the ICASA Amendment Act 3 of 2006 and the Postal Service Amendment Act 22 of 2006.

This Reserved Postal Services Licence was set to expire on 31 March 2025. For the past 24 years, the SA Post Office has held the exclusive licence for the reserved sub-1kg segment of the postal market, allowing it to operate as the sole conveyor of mail items weighing less than 1kg. This licence was granted as a means of supporting SA Post Offices' fulfilment of its Universal Service Obligation (USO).

The SA Post Office has submitted its renewal application in accordance with Section 18(1) of the Postal Services Act and is currently awaiting the outcome from ICASA. According to Section 18(2) of the Act, an application for renewal submitted prior to the expiration of the licence remains valid until a decision has been rendered on the application by the authority. The outcome of the renewal application will determine the future operations of the SA Post Office under this regulated framework. Until a decision is made by ICASA, the SA Post Office continues to operate under the existing licence.

Mandate, regulation and licence

The SA Post Office group complies with the protocols and legislation governing SOCs and is guided by various postal, courier and financial regulations laid down by the regulatory bodies such as ICASA, the Financial Intelligence Centre (FIC) and the Financial Sector Conduct Authority (FSCA). The Group is required to comply with, inter alia, the following:

- Companies Act No. 71 of 2008 (as amended)
- Consumer Protection Act, No. 68 of 2008
- Financial Advisory and Intermediary Service Act No. 37 of 2002
- Financial Intelligence Centre Act No. 38 of 2001 (as amended)
- Postal Services Act No. 124 of 1998
- Protection of Personal Information Act No. 4 of 2013
- Promotion of Access to information Act, No. 2 of 2000
- Public Finance Management Act No.1 of 1999 (as amended) and related Treasury Regulations
- SA Post Office Act No. 22 of 2011 (as amended)
- Relevant legislation as well as local and international codes applicable to the postal sector and to SOCs

The mandate of the SA Post Office is primarily derived from several legislative frameworks that guide its operations as a state-owned entity responsible for providing postal and related services. The SA Post Office operates under a comprehensive legal and regulatory framework that governs its establishment, operations, and service delivery.

SA Post Office is a government business enterprise established to provide postal and related services to the public and derives its mandate from the Postal Services Act 124 of 1998 and the South African Post Office SOC Ltd Act (2011). The entity is defined as a schedule 2 public entity in terms of the Public Finance Management Act (PFMA).

The Postal Services Act grants SA Post Office an exclusive mandate to conduct postal services and makes provision for the regulation of postal services and operational functions of the postal company, including USO. Under the Postal Services Act, No. 124 of 1998, the SA Post Office is designated as South Africa's official postal operator. SA Post Office is the arm through which the Government delivers this universal obligation.





The Postal legislative framework requires SA Post Office to provide such services universally to every citizen in the country regardless of whether it derives financial benefit or not to ensure that all citizens have equal access to a basic postal service that is reasonably accessible regardless of physical location, at a uniform postage rate and at an affordable price. Section 15(1) of the Postal Services Act prohibits anyone or any operator to provide reserved postal service unless a licence has been issued by ICASA to that operator to provide such services.

ICASA regulates the postal sector, including licensing and monitoring adherence to regulations within the industry as well as fulfilment of obligations by operators. The 25-year Reserved Licence issued to SA Post Office granted it a legislated exclusivity over the reserved postal services.

Provision of Postal Universal Services Obligation

SA Post Office's existence is underpinned by the postal USO. The postal USO is Government's obligation to provide permanent and affordable basic postal services, irrespective of where peo-

ple reside and their income status. The postal USO accepts, as a premise, that exchanging communications is a basic function of life and enables people to participate in the community and society.

The USO is integral to the mandate of the SA Post Office, ensuring equitable and dependable access to postal and related services. The primary objective of the USO is to provide service to all citizens, with a focus on underserved communities, closing the gap between urban and rural service delivery, and facilitating universal and meaningful access, regardless of location. Government subsidies support the SA Post Office in expanding services to rural and underserved areas, sustaining infrastructure, and ensuring comprehensive nationwide access to postal services.

The Postal Services Act of 1998 obligates the Regulator, ICASA, to protect the provision of the universal service on behalf of the Reserved Postal Services licensee, namely the SA Post Office. The Postal Services Act further requires ICASA to monitor the incumbent against 'anti-competitive' behaviour.



B. Performance Information





Report on Predetermined Objectives

Business Rescue

Following the initiation of the business rescue proceedings on 10 July 2023, the South African Post Office (SA Post Office) has undertaken substantial transformation steps to stabilise operations and restore financial sustainability. Key milestones achieved during the reporting period include:

- **Implementation of the Business Rescue Plan:** The formal implementation of the approved Business Rescue Plan commenced with the restructuring of the workforce through Section 189A (3) of the Labour Relations Act, which was initiated on 2 January 2024 by filing notices with the CCMA. A total of 4 875 termination letters were issued, with 4 342 employees retrenched by the end of their notice period. The Section 189A (3) commenced in April 2024 and concluded in July 2024. Due to deferred issues, several termination letters were issued at a later period. Retrenchment packages were structured into three tranches, with the final payment made in November 2024 from SA Post Office operational cash flows.
- **Labour Engagement and Communication:** During the reporting period, the Business Rescue Practitioners maintained regular consultations with SA Post Office Employee Committees, including both unionised and non-unionised representatives. These engagements supported transparent communication around retrenchment processes and organisational restructuring.
- **Ongoing Statutory Reporting:** Monthly business rescue progress reports have been consistently submitted to the Companies and Intellectual Property Commission (CIPC) and made publicly available on the SA Post Office website, ensuring transparency and regulatory compliance.

- **Branch Rationalisation:** As part of the operational restructuring, a nationwide branch rationalisation initiative was executed to reduce the network to 657 branches by April 2025. Of the 657 branches that are to be retained, 258 are classified as Universal Service Obligation branches.
- **Customer Engagement:** During the rescue process, direct engagements with the SA Post Office's top 20 key customers were prioritised to preserve and strengthen commercial relationships.
- **Creditor Settlements and Financial Restructuring:** A compromised payment of 12 cents in the rand commenced in March 2024, resulting in R1 billion paid to creditors. A further 18 cents in the rand, totalling R509 million, was earmarked for three statutory and payroll creditors, contingent upon future funding availability.

A R7.4 billion creditor debt was written back to the income statement, significantly enhancing the SA Post Office's balance sheet and resulting in a positive net asset value (NAV) of R721 million as of 31 March 2025 the first since FY2012.

- **Employee Relief Support:** On 20 November 2024, the SA Post Office submitted an application for the Temporary Employer/Employee Relief Scheme (TERS).
- **IT Infrastructure Stabilisation:** To support operational continuity, the SA Post Office data centre was successfully relocated to BCX, significantly enhancing the reliability of its IT environment.
- **Legal Milestone Achieved:** The BRPs applied to discharge the SA Post Office provisional liquidation order. The application was heard and granted on 22 November 2024, formally removing the SA Post Office from liquidation status.



- **Financial Discipline Measures:** Austerity measures were enacted to manage operational expenditure in response to the non-receipt of a second funding tranche (R3.8 billion). Stricter debt collection practices were introduced to improve liquidity and working capital efficiency.

Due to the achievement of these results, the SA Post Office has resumed operations in the ordinary course of business and is meeting its liabilities as they fall due, under the continued oversight of the Business Rescue Practitioners.

SERVICE DELIVERY ENVIRONMENT

The South African Post Office continues to serve as a crucial integrator for Government-citizen engagement, particularly in remote and underserved communities. As a primary distributor of essential services, such as social grant payments, official documentation, and government communications, the SA Post Office plays a foundational role in advancing the Government's developmental mandate for inclusive access, contributing meaningfully to social cohesion and national stability.

Functioning as the strategic delivery arm of the Government, the SA Post Office provides more than just postal correspondence; it acts as a visible and accessible face of public service delivery. Its extensive network ensures service continuity in uneconomical and rural areas, where private sector presence is minimal, thereby safeguarding against market failure in delivering essential services.

Critical vacancies at leadership level including vehicles, trade tools, and equipment maintenance, have continued to impact operational performance. Despite these constraints, with the support of the Business Rescue team, the SA Post Office continued to implement productivity and route optimisation initiatives such as reactivating international delivery routes, cross-utilisation of staff, and end-to-end service enhancements.

The average monthly mail carryover improved to 1.9 million items, compared to 4.2 million in the previous year. The delivery performance for the year reached 62.13%, compared to 45.15% achieved in 2023/24 FY reflecting the positive efforts of management over the year. Plans are underway to maintain the momentum to fully achieve the regulated delivery standard of 92%.

SA Post Office Business Rescue emphasised the priority of addressing the business's high operating costs. This priority included rationalising the SA Post Office's physical network, which resulted in the closure of 259 branches and the decision to retain a target of 657 retail branches nationally, which also includes 258 branches designated as Universal Service Obligation (USO) sites as part of the 675 target. The Post Office also launched its Digital Registered Letter service, which has been well received by the market, marking the start of the SA Post Office digital transformation programme.

The SA Post Office is also a key participant in South Africa's national digital migration programme, which aims to transition television transmission from analogue to digital. This initiative is expected to modernise media infrastructure, enhance broadcasting efficiency, and create opportunities for economic participation in the global digital economy.

The SA Post Office has been mandated by the DCDT to be one of the stakeholders of the Analogue Switch Off project, which intends to supply 100% of registered households with government-subsidised set-top boxes (STBs). This is to ensure that once all analogue transmitters are switched off, all citizens in South Africa have been migrated to digital technology.

The role of the SA Post Office as a distribution partner includes the following:

- Display and distribution of STB marketing material at SA Post Office online outlets;
- Process applications for the subsidised STBs;
- Ordering, warehousing and distribution of STB equipment to SA Post Office outlets;
- Process delivery of STB equipment in sequential distribution number order to qualifying applicants;
- Exchange/replacement of faulty/incomplete/incorrect STB equipment (Reverse distribution process);
- Acceptance of the return of uninstalled STB kits by the assigned STB Installers at SA Post Office branches; and
- Insurance of STB kits up to handover to installers.

The registration of qualifying households for the Broadcasting Digital Migration Programme (BDM) continued in all provinces. During the 2024/25 FY, a total of 52 003 qualifying households were registered. As of the end of March 2025, a total of 14 297 STB kits were issued for the 2024/25 FY. The Service Level Agreement (SLA) between DCDT, USAASA, and SA Post Office was extended until 31 March 2026.

ORGANISATIONAL ENVIRONMENT

The SA Post Office Group headcount for permanent employees reduced from 10 854 as of 31 March 2024 to 5 946 as of 31 March 2025. The staff reduction during the year under review was due to S189 retrenchments, Voluntary Severance Packages (VSP), and natural attrition.

The restructuring of operations, logistics, and sales business units commenced with the completion of the Section 189 process. All Operations Business unit structures were completed except for the last mile delivery management division. The roll-out of the motor bike and telemetry project has been delayed due to austerity measure which impacted staffing numbers and courier delivery vehicle drivers.

The restructuring for the sales business unit was completed with



critical positions filled during the 2024/25 FY.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE AMENDMENTS

The South African Post Office SOC Ltd Amendment Bill, which was promulgated in December 2024, enables the SA Post Office to modernise its operations, diversify services, and enhance its socio-economic impact, ensuring it remains a vital contributor to South Africa's development. The amendment bill supports the SA Post Office in becoming more efficient and expanding its impact on South African communities. The bill expands the SA Post Office mandate beyond traditional postal services, enabling it to enter areas like e-commerce logistics, digital financial services, and hybrid mail solutions. This expanded mandate reduces the SA Post Office dependence on declining mail revenue. The bill opens opportunities in fast-growing industries like digital commerce and financial technology, creating new revenue streams and promoting financial stability.

The Amendment Bill also drives the modernisation of the SA Post Office infrastructure, such as post offices, processing centres, logistics networks, and digital platforms. By optimising these assets, the SA Post Office can repurpose facilities to offer modern services, including digital business hubs, e-commerce warehouses, parcel delivery centres, and broadband access points. These upgrades improve efficiency and customer access, ensuring the SA Post Office stays relevant in today's digital economy.

The amendment further promotes digital inclusion by repurposing postal infrastructure and investing in digital services to provide broadband access and financial inclusion in rural and underserved areas. This supports national development goals and strengthens the SA Post Office ability to bridge the digital divide.

The amendment strengthens the SA Post Office governance framework to improve management and transparency. Enhanced oversight mechanisms and accountability measures will improve financial and operational decisions, reducing inefficiencies and waste. This ensures that the SA Post Office aligns its operations with its strategic goals while operating more transparently.

The bill also focuses on financial sustainability by creating opportunities for public-private partnerships and supporting revenue stability. These measures allow the SA Post Office to invest in modernisation and expand its services while reducing its reliance on government funding and ensuring it can cover operational costs sustainably. Finally, the bill reinforces the SA Post Office regulatory protections, safeguarding its exclusive rights to handle specific mail categories, such as items under 1kg. This ensures the SA Post Office remains competitive in its core markets while leveraging its unique position to deliver essential services.

STRATEGIC OUTCOME-ORIENTED GOALS

Strategic Objectives, Key Performance Indicators, planned targets and actual achievements

In alignment with the approved Business Rescue Plan dated 7 December 2023, organisational performance was evaluated against the targets set in the approved Corporate Plan and Annual Performance Plan for the 2024/25 financial year. This assessment included a review of progress against both strategic objectives and planned performance targets. The strategic objectives focused on five key areas:

1. Financial Sustainability
2. Operational Efficiency
3. Strategic Restructuring and Innovation
4. Customer Satisfaction and Regulated Service Quality Standards
5. Corporate Governance

A total of 15 Key Performance Indicators (KPIs) were defined for the 2024/25 FY, each aligned to the achievement of the five strategic objectives. However, overall performance has been sub-optimal, with only 5 KPIs—representing 33%—meeting 100% of their planned targets.



Strategic Objectives	Planned Target	Number Achieved 100%	100% Achievement	Number achieved 80% - 99%
1. Financial Sustainability	3	2	67%	0
2. Operational Efficiency	3	1	33%	0
3. Strategic Restructuring and Innovation	4	1	25%	2
4. Customer Satisfaction and Regulated Service Quality Standards	4	1	25%	1
5. Corporate Governance	1	0	-	-
Total	15	5	33%	3

Financial Sustainability

The strategic objective focused on improving the financial position of the SA Post Office by achieving financial sustainability and achieving a net profit/(loss) position, as per the Corporate Plan 2024/25 - 2026/27. This objective comprised three key performance indicators (KPIs).

1. The annual target was achieved with a net loss position of R(117) million compared to a projected net loss target of R703 million. The target was achieved due to expenditure, which performed substantially below budget during the financial year.
2. Revenue performance during the 2024/25 FY remained weak, with an attainment of R1 200 million.
3. The year-to-date expense (YTD) budget has been met at R2 678 million.

Operational Efficiency

This objective aimed to improve market relevance through digital transformation and increase customer access to digital services, and comprises three KPIs.

Due to austerity measures, the two KPIs to implement (1) new hardware and (2) software options for Finance, Logistics, and Operations were not achieved.

The third KPI focused on reducing the operating costs of the post office branch network. Per the Business Rescue Plan, the post office network was rationalised to remain with 657 branches, which was achieved by closing 259 branches during the financial year under review. Closing these branches entailed exiting lease agreements with landlords, removing furniture and assets, and transferring to alternative branches or exiting staff through the S189 process.

However, 28 out of the total target of 657 branches are not oper-

ational due to historical landlord issues. In the following financial year (2025/2026 FY), the Retail management team will focus on addressing issues related to non-operational branches as part of the continued optimisation of the SA Post Office Retail Network to reach the target of 657 operational outlets.

Strategic Restructuring and Innovation

This strategic objective focused on improving the effectiveness of the operations, logistics, and sales business units, unlocking value, and maximising the value of company-owned properties through four KPIs.

The Sales Business Unit was restructured, and all critical positions were successfully filled. Similarly, the Section 189 process and staffing across all structures within the Operations Business Unit were completed. However, the restructuring of the Delivery Management Department has been delayed due to challenges with the rollout of the motorbike and telemetry project, which was placed on hold as an austerity measure. This delay has directly impacted staffing levels, particularly among courier delivery vehicle drivers.

While the Properties division made positive progress on the Partnership with Property Sector Entity KPI, the approval of the contract was delayed and deferred to the following financial year (2025/26 FY) for conclusion.

Customer Satisfaction and Regulated Service Quality Standards

This strategic objective aims to enhance the overall customer experience by ensuring service excellence at all points of presence, achieving compliance with regulated processing and delivery standards, and optimising core business processes and systems to stabilise operations and drive organisational efficiency. Four KPIs were established to measure these outcomes, with year-end results reflecting the following:



Customer Services

To enhance service efficiency and customer value, a 100% resolution rate of call centre complaints within 14 working days is targeted. For the 2024/25 FY:

- Total complaints recorded: 2 402;
- Resolved within target timeframe: 2 183 (91%);
- Resolved outside the timeframe: 219.

The 9% shortfall is attributed to several challenges:

- Inadequate tools of trade, including the absence of credible systems to track incoming calls and complaint resolution;
- Lack of system upgrades due to austerity measures;
- Certain complaints remain open due to required further investigations or involvement of international stakeholders.

Mail Delivery Performance

The ICASA-regulated mail delivery standard of 92% was not met, with annual performance recorded at 62.13%. Key contributing factors include:

- Infrequent mail movement between centres due to low volumes, making daily trips financially unjustifiable;
- Irregular deliveries to remote depots, particularly in far-flung areas;
- Postman shortages in some regions and the need to rotate personnel between depots to clear backlogs.

Courier Delivery Performance

The courier delivery target of 92% was also not achieved, with actual performance at 69%. This was due to:

- Delays in parcel processing between SA Post Office and its service provider;
- Delayed deliveries caused by customers being unable to pay customs duties upon delivery at door-to-door destinations.

IT Systems Uptime

The SA Post Office systems are required to maintain a 98% up-time to enable uninterrupted customer transactions. This target was met and slightly exceeded at 98.21%, demonstrating significant efforts to maintain the stability of IT services.

Corporate Governance

SA Post Office objective regarding corporate governance is to measure whether the organisation is strengthening its adherence to corporate governance standards.

The Auditor General of SA issued a disclaimer audit opinion for SA Post Office therefore the indicator to improve the audit outcome was not achieved.

DETAILED CORPORATE KPI PERFORMANCE FOR 2024/2025 FY

The following table provides a detailed summary of the Annual Performance for 2024/25 FY:



Annual Performance 2024/25						
Objective	Goal	KPI Ref	Key Performance Indicator	Target	Actual	
				Variance	Achieved/ Not Achieved	
1. Financial Sustainability	To be a productive asset rather than a liability to the State	1.1	Attain net profit / (loss) position as per the Corporate Plan 2024/25 - 2026/27	R586m	Achieved	The annual performance was achieved with a net loss position of R117 million, a positive variance of R586 million on target. The net loss target was achieved due to expenditure which performed substantially below budget. The SA Post Office posted revenues of R1 200 million. Revenue retention is to be addressed urgently due to the declining revenue performance. Reasons for Deviation: - Continuous migration of physical communication (e.g. Letters, magazines) to digital platforms - E-commerce and courier services are slowly increasing but not at the expected rate due to outdated tracking and integration systems - Digital revenue on upward trajectory due to the introduction of the e-registered platform - Lower volumes of letter mail increasing the variable costs of delivery resulting in reduced delivery frequencies affecting the service delivery standards and unhappy customers - Uncertainty about the SA Post Office future prompting customers to go to competitors creating doubt whether clients should stay with the Post office - Private Post Box revenue declining as the need for this service is declining due to the drop in volumes. - MVL transactions has seen a recovery however substantially below budget due to online transactions that require less stringent requirements - Pay A Bill revenue has declined due to a loss of municipalities through tender processes - Unavailability of funding to implement BR Plan projects and initiatives



Annual Performance 2024/25						
Objective	Goal	KPI Ref	Key Performance Indicator	Target	Actual	Variance
					Achieved/ Not Achieved	Actual Performance and Reason for Target Variance/Deviation
2. Operational Efficiency		1.2	Drawdown on Business Rescue Funding	R2bn	R150m	Not Achieved The planned target was not achieved. Only R150m additional funding was made available during March 2025 providing for a 0.08% performance achievement against planned target of R2bn. Reasons for Deviation: No additional funding has been made available as per requirement of the BR Plan
		1.3	Payment of 12 cents dividend to Creditors	100%	100%	Achieved The planned target was achieved. Reasons for Deviation: N/a
	The SA Post Office must have new hardware to improve business processes, improve efficiency and improve integration with customers.	2.1	Implementation of new hardware options for Finance, Logistics, Operations	100%	59%	Not Achieved A performance of 59% against a planned target of 100% was achieved, providing for a Not Achieved performance status. Specification and/or evaluation criteria for projects within Operations i.e. Scanner/laptops/desktops, and Logistics i.e. Hybrid mail printers, and motorbikes were approved. RFP's and/or RFQ's were advertised in the market. Evaluation for operations laptops, desktops, and scanners was completed, and the bid award for hybrid mail printers was submitted to BRP for approval Reasons for Deviation: The replacement of very old hardware (printers, PCs, scanner etc.) was put on hold due to austerity measures



Objective	Goal	KPI Ref	Key Performance Indicator	Annual Performance 2024/25				
				Target	Actual	Variance	Achieved/ Not Achieved	Actual Performance and Reason for Target Variance/Deviation
	The SA Post Office must have new software to improve business processes, improve efficiency and improve integration with customers.	2.2	Implementation of new software options for Finance, Logistics, Operations	100%	36%	-64%	Not Achieved	The planned target of 100% was not achieved against an actual performance achievement of 36% and pertained to milestones completed within the projects identified. Specification for composition software (Hybrid) and IFRS software solution for Finance were finalised. RFP's were advertised in the market. IFRS software RFQ were advertised and award issued to recommended bidder. Reasons for Deviation: The replacement of very old software was put on hold due to austerity measures
	The goal is to contain costs, rationalisation and financial stability.	2.3	Reduction of branch network to 657 branches	657	553	104	Achieved	The planned target of 657 branches was achieved. At 31 March 2025, 553 outlets were trading online, 28 branches (included in the 657 identified sites) have been locked and or evicted by landlords, negotiations to open is continuing or alternative sites to be secured. The remaining 76 branches, not trading online are due to various reasons e.g. vandalism, housebreaking, faulty IT equipment, network and electricity issues, and staff shortages. Reasons for Deviation: Where possible alternative sites are being considered
3. Strategic Restructuring and Innovation	In order to improve the effectiveness of the Operations Business Unit, restructuring is required which include the appointment of critical positions.	3.1	Restructure of Operations	100%	88%	-12%	Not Achieved	The cumulative planned target of 100% was not achieved. Retail structure costing was completed with deviations highlighted on current structure. S189 process completed. All structures completed except last mile delivery management Reasons for Deviation: - Re-assessment of last mile structure on hold due to austerity measure to acquire motorbikes and telemetry devices - To be finalised 2025/26 FY



Annual Performance 2024/25						
Objective	Goal	KPI Ref	Key Performance Indicator	Target	Actual	Variance
	In order to improve the effectiveness of the Logistics Business Unit, restructuring is required which include the appointment of critical positions.	3.2	Restructure of Logistics	100%	80%	-20%
	In order to improve the effectiveness of the Sales Business Unit, restructuring is required which include the appointment of critical positions.	3.3	Restructure of Sales	100%	100%	0%
	To establish a partnership to unlock value and maximise the value of company owned properties.	3.4	Partnership with property sector entity	50%	30%	-20%
4. Customer Satisfaction and Regulated Service Quality Standards	To enhance the customer experience at all points of presence	4.1	Resolution of customer complaints recorded at the call centre within 14 days	100%	91%	-9%
				Achieved/ Not Achieved	Actual Performance and Reason for Target Variance/Deviation	
				Not Achieved	The planned target of 100% was not achieved. The restructure of Logistics has proceeded and in terms of the revised structure, positions have been advertised and critical managerial positions filled. S189 process completed. Reasons for Deviation: The roll-out of the motor bike and telemetry project has been delayed due to austerity measure. This impacts staffing numbers and courier delivery vehicle drivers	
				Achieved	The cumulative planned target of 100% was achieved. All restructuring was completed and critical positions were filled. Reasons for Deviation: N/a	
				Not Achieved	The cumulative planned target of 50% was not achieved against a reported performance achievement of 30%. Meetings were conducted with potential service provider. Updated SLA was received from Legal Department and BRPs. The lease agreement was forwarded to the service provider for signature. Reasons for Deviation: Contract with the service provider was delayed	
				Not Achieved	The planned target of 100% was not achieved against an actual performance achievement of 91% reported. 2 402 Complaints were recorded of which 2 183 were resolved within 14 days and 219 complaints pending resolution. Reasons for Deviation: - Lack of tools of trade – no creditable systems at the Call Centre to track incoming calls and tracking complaints. No upgrade due to austerity measures - Some calls cannot be closed due to further investigations - Some complaints involve international queries to conclude	



Annual Performance 2024/25						
Objective	Goal	KPI Ref	Key Performance Indicator	Target	Actual	Variance
	To process and deliver customer items as per the regulated standard.	4.2	Achieve the regulated mail delivery standard	92%	62.13%	-29.87%
						Not Achieved
						The planned target of 92% was not achieved. The annual performance achievement was 62.13%. The average mail carryover for the year ended at 1.9 million items, improved from the previous year which was at 4.28 million. A decrease of 2.38 million items. 98% of all carryover items are not older than 10 days. Reasons for Deviation: - Mail not moving between all mail centres on a daily basis due to low volumes and does not justify the cost of the daily trips - Mail not being delivered to remote depots on a daily basis due to low volumes in especially far outlying areas - Shortage of Postman in certain areas. Postman have to be moved from depot to depot to assist to clear the mail - The roll-out of the motor bike and telemetry project has been delayed due to austerity measure. This will cover areas where shortages of postman are experienced
						The annual planned target of 92% was not achieved, against an annual performance achievement of 69%. Reasons for Deviation: - Delay between SA Post Office and the service provider, where parcels are booked on the SP system before being delivered. - Customers not having enough cash to pay customs duties when the courier drivers deliver parcels to door destinations
	To optimise core business processes and systems, which stabilise the business and enhance the efficient operation of the organisation	4.4	Maintain system uptime at online Post Office branches	98%	98.21%	0.21%
						The planned target was achieved with a 98.21% system uptime performance achievement reported. Reasons for Deviation: N/a



Objective	Goal	KPI Ref	Key Performance Indicator	Annual Performance 2024/25				
				Target	Actual	Variance	Achieved/ Not Achieved	Actual Performance and Reason for Target Variance/Deviation
5. Corporate Governance	To enhance adherence to corporate governance standards across the organisation, the SA Post Office needs to improve the audit opinion as issued by the Auditor General for the prior year, based on the independent audit work carried out by the Auditor General of South Africa.	5.1	Improve the Audit Outcome	Audit Opinion	Disclaimer audit opinion	Audit Opinion	Not Achieved	The AGSA issued a disclaimer audit opinion for SA Post Office mainly due to the going concern challenges



Revenue and Sales

The 2024/25 FY was marked by continued economic pressure, operational constraints, and industry-wide transformation. These external and internal factors significantly influenced the revenue performance of the SA Post Office, impacting both revenue retention, growth and service delivery.

Weak economic activity, combined with a shifting consumer preference toward digital communication and transactional platforms, resulted in reduced demand for traditional mail and counter-based services. Mail volumes, which constitutes a significant portion of our income, declined further due to continued digital substitution, customer attrition and ongoing concerns around service reliability. Consequently, baseline revenues continued to shrink, requiring strategic interventions and realignment of business focus.

Revenue constraints can also be attributed to operational challenges compounded by capital investment delays during the year.

Despite these headwinds, our Sales division remained resilient, actively engaging with key sectors to sustain and grow revenue. Efforts were made to deepen relationships with Government departments, local municipalities, corporates, and SMMEs. In particular, we saw encouraging progress in the public sector, where the SA Post Office leveraged its extensive network and experience to support service delivery—most notably in managing motor vehicle licensing (MVL) for all but one province.

Many customers, particularly in the corporate and SMME sectors, continue to transition to digital communications platforms such as SMS, eMail, and Hybrid Mail for statement and document delivery. During the 2024/2025 FY, the SA Post Office has begun its digital products programme with the launch of Digital Registered Letter services which as being well received by the market. Further digital products are in the development pipeline, including include the enhancement of financial services

platforms, the expansion of eRegistered Mail and Confidential Mail services, and improvements to last-mile courier services in support of the growing e-commerce sector and are planned for launch in the medium term of the entity's digital transformation strategy. These projects are essential to diversifying revenue streams and building sustainable business models.

Key contributors to revenue in 2024/25 FY included:

- Strategic engagements with Government and Municipalities, offering holistic value propositions that integrate physical and digital services
- Expanded digital communications offerings to corporate clients, aiding the transition from traditional mail to more cost-effective and timely digital delivery methods
- Tender participation and contract pursuits in the public sector aimed at securing future revenue streams despite delayed procurement processes

Performance against revenue growth targets fell short due to the financial and operational limitations facing the organisation. Delays in finalising key contracts, limited capital for product development initiatives and infrastructure upgrades, and service reliability challenges further constrained our ability to scale. However, investment in key platforms and service enhancements remains a strategic imperative, with projects currently underway to support customer growth and expand our portfolio.

The SA Post Office recognises that recovery and growth will be anchored in our ability to digitise, innovate, and remain relevant to our diverse customer base. As such, we continue to prioritise digital migration, customer engagement, and operational improvement initiatives. While 2024/25 FY was a year of adversity, it also laid the foundation for a leaner, more adaptive organisation that is better prepared to meet the demands of the future.



Capital Investments

Capital investment to the value of R1.7 million was made during the 2024/25 financial year with a further amount of R14 million committed.

Capital Investment items	Budget (R'000)	Actual	Committed	Total Actuals and Committed
Computers and other equipment	1 865	1 742	-	1 742
Air conditioning	15 800	-	13 739	13 739
Total	17 665	1 742	13 739	15 481



Operations

OPERATIONAL REPORT

The SA Post Office has continued to restructure its operating model in line with the Business Rescue Plan. The rationalisation of facilities, points of presence and head count together with the optimisation of processes is at the core of the restructuring process.

The SA Post Office is still operating in its traditional space, focussed on conveying small goods which include the collection, clearing, warehousing, and delivery thereof. Operating nationally and internationally, the cross border logistics capability positions the SA Post Office to be a significant participant in the eCommerce supply chain. Digital capability has become a prerequisite for financial viability.

Capacitating the SA Post Office to achieve the required modernisation and digitalisation of its products and services, still remains a strategic imperative to ensure financial sustainability and to future proof the organisation.

Plans are in place to mitigate the continued decline in mail volumes. Sales have started to drive growth in the digital products and services. Robust process monitoring and adjustments have been put in place to improve service delivery standards. The SA Post Office expects customers to return as service delivery standards improve. As Sales bring back customers, Operations have geared themselves up to bring about positive customer experience through the improvement of the delivery standard.

3 475 Operational staff was retrenched in April / May 2024. These included mail processors, postman, logistics drivers and tellers.

Operations however, are seriously constrained due to inadequate investment in the maintenance of its operational sites and upgrading tools of trade, such as computer equipment and software to run its operations efficiently.

Mail Business

The main focus for mail business in the 2024/25 FY, was to stabilise operations following the S189 retrenchment process. The following aspects were part of the stabilisation process:

- The letter sorting machines in Witspos and Capemail are now fully functional;
- The national end to end value chain was optimised, though not fully implemented due to austerity measure and declining volumes;
- More than 1 600 new bicycles were procured and provided to postmen for last mile deliveries;

- A pilot project was initiated to consolidate mail delivery depots by implementing motor cycles and telemetry devices. The roll-out of this project was placed on hold due to austerity measures;
- A contract was concluded with domestic airlines to transport premium products overnight. This has improved couriers delivery times;
- Signing contracts with airlines, made it possible to stabilise international transfer of mail to neighbouring Africa countries.

Mail volumes declined by 30% when comparing 2023/24 FY to 2024/25 FY. This trend is expected to continue due to clients converting to digital platforms. However, several customers have returned resulting in revenue increases in some product segments. This is attributed to increased focus to improve service delivery standards.

Delivery Standards

Delivery standards have shown some positive recoveries and have been consistent throughout the 2024/25 fiscal year.

For the 2024/25 FY, the mail delivery standard is at 62.13%, a 16.98% increase when compared to the 2023/24 FY. This can be attributed to the active periodic monitoring of our operational performance throughout the value chain, the injection of vehicles, and the implementation of the new end-to-end plan. This positive trend is expected to continue in the 2025/2026 financial year as the end-to-end plan is fully implemented. The continuation of the motorcycle and telemetry project will greatly enhance the service delivery standards.

Retail Business

A review of the SA Post Office retail network concluded that 657 branches are required. Consequently, 390 of the 1 047 branches that were operational at the start of the financial year have since been closed.

Focus during the 2024/25 FY centred on getting inactive branches to be active and online. In parallel, landlord disputes related to branches that have been temporarily closed are also being addressed, with resolutions expected during the upcoming financial year.

Vandalism and burglaries continue to pose a serious threat. In response, the installation of monitoring alarm systems has proven to be an effective mitigation measure.



Addressing

As per the Business Rescue Plan, the SA Post Office is embarking on a revitalisation of its National Address Database. This will ensure a clean address database with standardised addresses, which will assist postal services in accurately routing mail and packages, minimising missed deliveries (RTSs), further contributing to operational efficiency and cost savings.

While no new addresses were rolled out for the 2024/25 FY, Operations has geo-referenced 11 000 existing addresses (i.e. adding geographical coordinates to an address).

Logistics Optimisation

Logistics capability is a critical enabler for the effective and efficient movement of postal items. The logistics has contracted a fleet of vehicles in line with the end-to-end plan requirements as of 31 March 2025. Operations can draw on this number of vehicles as determined by the end-to-end plan; However, improved route planning has led to more balanced daily vehicle utilisation across all operational levels, contributing positively to the reduction of last-mile mail backlogs. Due to austerity measures, the SA Post Office vehicle fleet had to be rationalised, which is impacting the delivery frequency of ordinary letters and parcels.

As part of the modernisation and digitalisation of the Business Rescue plan, the Logistics division will provide tailor-made logistical solutions by creating convenience for both its customers and partners.

Convenience to customers will include the availability and visibility of tracking, service quality and introducing a paperless and cashless environment. The division is currently piloting cashless machines and will eventually lease these machines with the ultimate goal of improving efficiency during door deliveries.

Convenience to partners will include the seamless exchange of data with partners, such as information about airline loading, customs authorities' processes, and logistics aggregators through the eCommerce Application Programming Interfaces (eCom API).

Logistics has made progress in fulfilling the last mile, including clearing, warehousing, and delivery of eCommerce products and services. Agreements were reached with some suppliers to increase parcel delivery opportunities. Upgrades to international parcel processing systems have strengthened the technology backbone, marking the beginning of operating effectively in the e-commerce market.

Digital Terrestrial Television (Broadband Digital Migration Project)

The migration of households from analogue to digital television is still underway. The SA Post Office is facilitating the registration of qualifying households for the Broadcasting Digital Migration Programme (BDM) in all provinces. During the 2024/25 FY, a total of 52 003 qualifying households were registered.

As of the end of March 2025, a total of 14 297 STB kits were issued for the 2024/25 FY. The Service Level Agreement (SLA) between DCDT, USAASA, and SA Post Office was extended until 31 March 2026.

The STB stock on hand as of 31 March 2025 amounts to approximately 60 000 STB Kits, which will be depleted by 31 March 2026.

Customer Experience

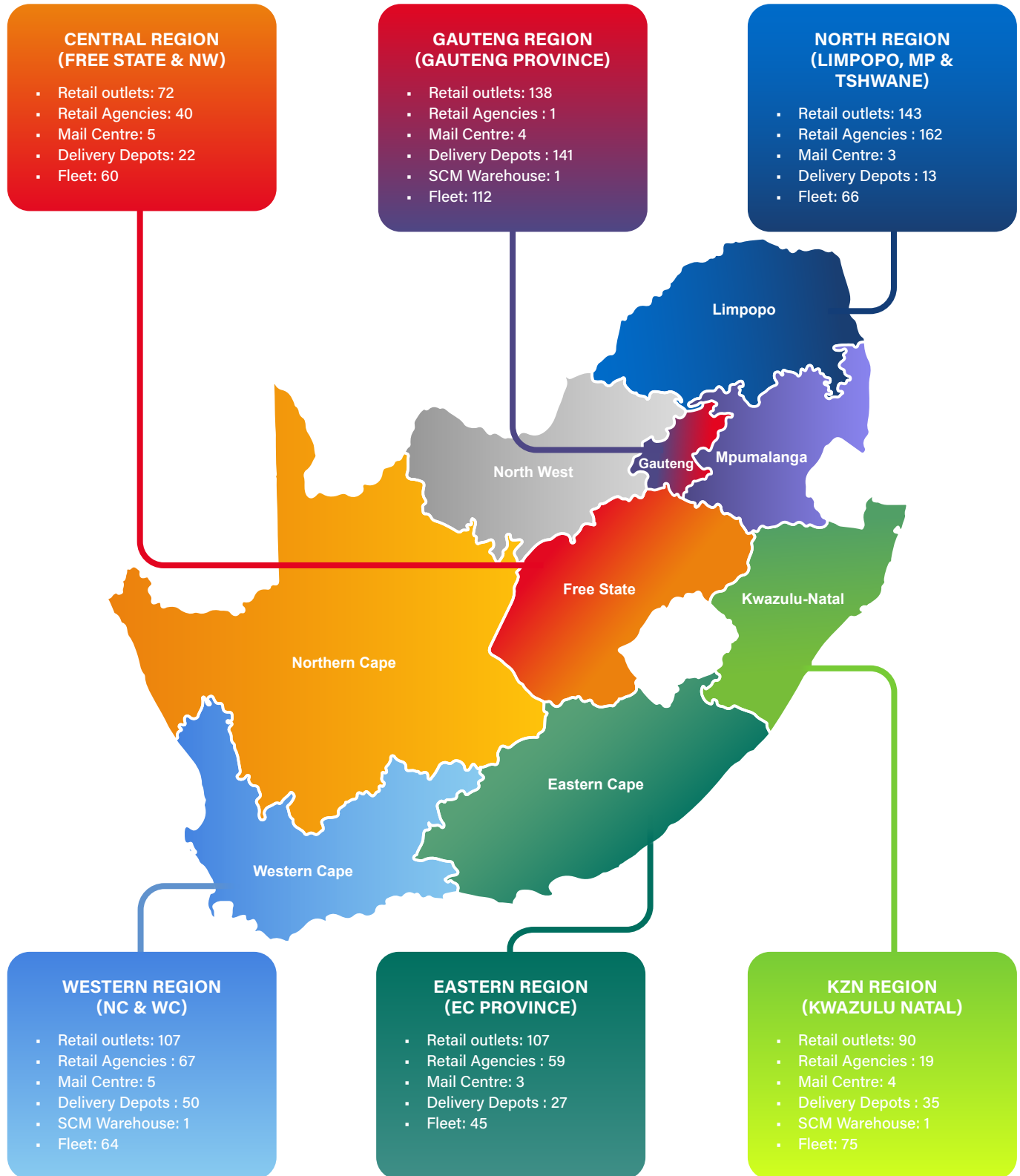
A 91% customer complaint resolution rate was achieved in the 2024/25 FY, representing a relative improvement compared to the 2023/24 FY, which was 78%.

The SA Post Office experienced an increased number of parcel-related calls at its Customer Call Centre during 2024/25 FY. Trends show that more than 92% of calls are resolved online, while the remaining calls are resolved within 14 days, with a few exceptions that require further investigation.

The operational efficiency of the SA Post Office call centres remains hampered due to outdated systems. However, the call centre technology platform is prioritised for upgrade when funding becomes available.



Operations Footprint



Information Technology

INTRODUCTION

Since the commencement of business rescue proceedings, SA Post Office Information Technology (IT) key focus was to ensure a stable state of the entity's technology systems over a 12-24 month period. The SA Post Office has now been operating under business rescue since July 2023. Over this period, SA Post Office IT has transitioned from a fire-fighting approach to a firm stabilisation phase that supports uninterrupted business operations and prepares for a future that is both resilient and aligned with SA Post Office strategic direction.

The department has made notable progress in addressing critical gaps, especially in IT infrastructure and service stability. While challenges remain, the SA Post Office IT business unit well-positioned to continue its stabilisation efforts and in parallel, support the SA Post Office's broader transformation and digitisation agenda.

SA Post Office IT stabilisation plan, implemented over the past year, remains a foundation for further improvement and long-term resilience.

IT BUSINESS REVIEW HIGH LEVEL OVERVIEW

2.1 People

The assessment of the IT workforce identified significant challenges in capability and capacity. Most key senior IT positions, including the Chief Information Officer (CIO), are currently held by acting members who are simultaneously fulfilling their existing roles. These critical vacancies have remained unfilled for an extended period due to ongoing cash flow constraints, limiting IT's ability to fully support the SA Post Office evolving and modernisation needs.

Whilst these challenges persist, IT management remains committed to resolving them and building a stronger, more capable team. In the 2025/26 FY, there will be an expanded focus on emotional intelligence (EQ), culture change, and modern workplace practices. This emphasis is crucial to fostering a resilient, engaged workforce that can drive operational excellence and innovation throughout SA Post Office.

2.2 Process

Key risks in IT processes remain due to the absence of some active application and infrastructure support contracts, as well as repeated audit findings in critical areas such as:

- IT Governance;
- IT Security;
- IT Service Continuity;
- IT Change Management;
- Physical Access Controls;
- User Access Management.

Despite these challenges, there has been notable progress in resolving some support and maintenance contract gaps, particularly in IT security and application environments. However there is room for improvement. Moving forward, there will be an increased focus on governance and audit improvements, with a clear plan to address any outstanding risks and ensure long-term operational stability.

2.3 Technology

SA Post Office IT infrastructure and software continue to face challenges that require ongoing attention to ensure stability and resilience. Key challenges include:

- Aging infrastructure and unsupported software;
- Outdated end-user and service desk tools;
- Lack of Disaster Recovery capabilities;
- Outdated business and IT applications.

There have been notable improvements in infrastructure stability and the data centre environment. For example, SA Post Office IT has successfully adopted a hybrid hosting approach that combines on-premises and cloud solutions, delivering increased flexibility and reliability.

With these improvements, the focus is now shifting towards modernising office infrastructure, specifically Point-of-Sale (POS) systems, to support improved customer service and operational efficiency. While stabilisation and core IT services remain the foundation, SA Post Office IT, in collaboration with business and potential partnerships, will begin laying the groundwork for SA Post Office digitisation efforts and future innovation.

IT STABILISATION PLAN OVERVIEW AND PROGRESS

3.1 People

SA Post Office IT has reintroduced key allowance structures to support critical maintenance activities. Efforts to leverage internal mobility and repurpose roles are underway to stabilise the workforce and ensure essential services remain operational. A new IT structure has been finalised, providing clearer roles and responsibilities and better alignment with SA Post Office busi-



ness objectives. Additionally, the tools of trade for staff have been partially addressed, improving day-to-day productivity.

Looking ahead, people-focused initiatives will be a key priority in 2025/26 FY. Building on the new structure and stabilisation efforts, SA Post Office IT will invest in staff well-being, leadership capability, and organisational culture. These efforts will be critical to creating an engaged, high-performing team capable of supporting SA Post Office broader transformation journey.

3.2 Process

Historic debts to critical IT vendors have now been settled, enabling the restoration of essential supplier relationships. This milestone has secured ongoing support for SA Post Office core IT services and infrastructure stability, which is vital for business continuity. Building on this, SA Post Office IT has successfully

renewed key contracts and established new support and maintenance agreements during 2024/25 FY, particularly in IT infrastructure and critical applications such as POS.

These efforts have reinforced SA Post Office operational stability and resilience while laying the groundwork for future initiatives. Maintaining these vendor relationships and service agreements will be central to SA Post Office IT ongoing stabilisation journey and its mission to become a strategic partner to the broader SA Post Office organisation.

3.3 Technology

SA Post Office IT has made significant progress in stabilising core systems and services, moving beyond crisis management and ensuring a reliable IT environment. The table below summarises progress in 2024/25 FY and outlines key plans for 2025/26 FY:

Critical Applications and Infrastructure	2024/25 FY Progress	2025/26 FY Plans
SAP ERP	Stabilised hosting and backups	Develop and implement a new ERP strategy
Microsoft Exchange	Stabilised hosting and backups (Cloud Migration)	Further modernisation with Office365
POS Software (WRE)	Software maintenance reinstated, stabilised hosting (Datacentre Migration)	Complete POS software upgrade and national roll-out
Third Party Payments System	Stabilised hosting and backups (Cloud Migration)	Renew cloud hosting and enhance key business software functions
International Parcel Management System (IPMS)	Stabilised hosting and backups (Datacentre Migration)	Retire and implement new UPU solution
International Financial System (IFS)	Stabilised hosting and backups (Datacentre Migration)	Further stabilisation and optimisation
International Parcel System (IPS)	Stabilised hosting and backups (Datacentre Migration)	Version upgrade
Hybrid Mail (Composition)	Stabilised hosting and backups (Datacentre Migration)	Implement new solution
Backups	Stabilised hosting	Implement Backup As-A-Service
SA Post Office WAN	Contract extended	New SD WAN Managed Network Solution
SA Post Office Internet	New managed Internet service implemented	Further optimisation
POS Hardware	Procurement efforts (RFP) underway	National POS hardware replacement
Data Centre Facility	Migration completed	Secure longer-term hosting facility





While these efforts remain focused on stabilisation and core IT services, they are critical to ensuring SA Post Office operational continuity and risk mitigation. In parallel, SA Post Office IT will work closely with business and explore potential partnerships to execute on SA Post Office broader digitisation agenda, an essential step towards achieving sustainable growth and customer-centric innovation.

CONCLUSION

SA Post Office IT has made significant strides in moving out of crisis management and into a sustained stabilisation phase. Through proactive engagement with vendors, renewed contracts,

and a strengthened core IT environment, the department has laid a solid foundation for future success.

As SA Post Office IT enters the next phase, the focus will be on completing outstanding initiatives, investing in human capital, and addressing governance and audit improvements. Equally important, SA Post Office IT will partner with business units to build a modern, digitised SA Post Office, delivering operational excellence, innovation, and an improved customer experience.

SA Post Office IT is committed to being a strategic enabler of SA Post Office transformation journey, driving resilience today and building a future-ready foundation for tomorrow.



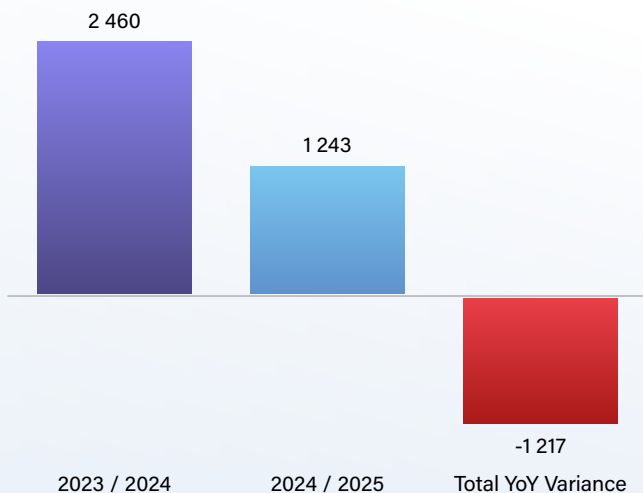
Security and Investigation Services

INTRODUCTION

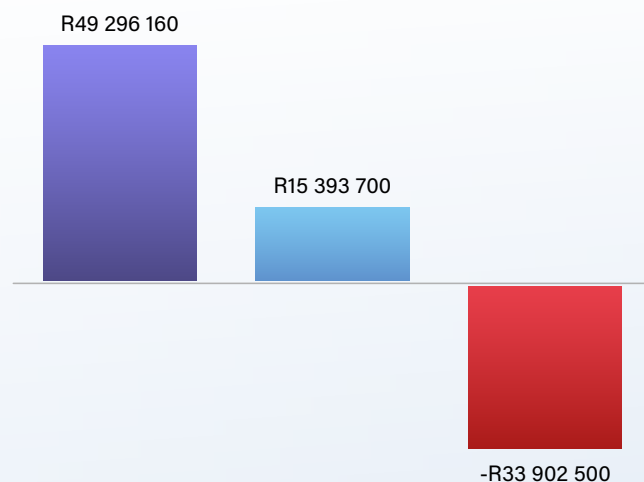
During 2024/25 FY, the SA Post Office experienced a significant decrease in the number of incidents and related losses reported for investigation.

The graphs below provide a comparative view of the total incidents reported in 2023/25 FY and during the 2024/25, reflecting the number of incidents reported for investigation decreased by 49%, whilst the total reported loss decreased by 69%.

National Overview of Reported Incidents



National Overview of Reported Loss



The table below provides a comparative summary of the reported incidents and related loss per Crime Incident Category:

Crime Incident Category	2023 / 2024		2024 / 2025	
	Reported Incidents	Reported Loss	Reported Incidents	Reported Loss
Commercial Crime: Fraud	591	20 005 834 35	225	10 932 582 60
Commercial Crime: Theft	154	145 984 33	118	636 397 67
Commercial Crime: Other	9	9 380 236 97	11	11 075 00
Violent Crime	929	18 637 159 47	448	2 598 479 60
Postal Crime	584	-	331	-

Violent Crime Overview

The number of violent crime incidents (armed robbery and business burglary) decreased significantly during 2024/25 FY. The total violent crime related incidents reduced by 48%, compared to the 929 reported incidents during 2023/24 FY versus 448 incidents reported during 2024/25 FY. The reported loss reduced from R18.6m during 2023/24 FY to R2.5m, reflecting a decrease in the reported loss amounting to R16.1m (87%).

The decrease in the number of incidents can be directly attribut-

ed to the reduction of cash delivered to and held at SA Post Office Branches due the SA Post Office no longer fully undertaking SASSA Grant payments. However, the cash requirements at SA Post Office Branches are limited to servicing normal Postbank clients, which excludes SASSA Gold Card transactions.

Armed robbery incidents decreased by 96 incidents – a 51% decrease (From 128 incidents to 32 incidents). The reported loss decreased by 94% - from R15.8m to R1m loss (A decrease in the reported loss amounting to R14.8m).



Business burglary incidents had during 2024/25 FY decreased by 355 incidents – a 75% decrease (From 700 incidents to 345 incidents). The reported loss decreased by 47% - from R2.8m to R1.5m loss (A decrease in the reported loss amounting to R1.3m).

During 2024/25 FY SA Post Office activated a process to deploy additional guarding at its facilities and focused on repairing alarms installed at Post Office branches and linking the alarms to the control rooms of security service providers, enabling them to monitor and respond to unauthorised access to the Post Offices.

Fraud Overview

In comparison to the previous financial year, fraud related incidents decreased by 366 incidents during the 2024/25 FY, whilst the reported loss decreased by R9m.

	2023 / 2024		2024 / 2025	
Fraud Incident Category	Reported Incidents	Reported	Reported Incidents	Reported
Fraud (General)	149	R9 338 260 36	46	R5 668 837 66
Account Fraud (Non-SASSA)	215	R8 890 475 90	128	R4 893 877 57
Account Fraud (SASSA)	227	R1 777 098 09	51	R369 867 37
Total	591	R20 005 834 35	225	R10 932 582 60

The suspension of the payments of SASSA Grant payments at SA Post Office Branches have largely eliminated syndicate activities related to fraud being committed against the accounts of SASSA beneficiaries and other Postbank clients.

Additionally, systems and internal control measures had been enhanced which has positively impact a reduction in criminal activities, resulting in reduced access to beneficiary account details.



Supply Chain Management

The Supply Chain Management (SCM) unit comprises the following divisions:

1. Procurement
2. Supplier Management and Development
3. SCM Governance
4. Demand Management and Warehousing

Each division contributes to the effective functioning of SCM value chain.

PROCUREMENT

The Procurement function at the SA Post Office enables the acquisition of all goods and services necessary for the organisation's operations. It is embedded across all areas of activity and plays a critical role in supporting SA Post Office social mandate, public service obligations, and commercial objectives.

As a State-Owned Company, the SA Post Office is required to comply with National Treasury procurement legislation. This legal framework governs procurement practices to ensure they are fair, transparent, and aligned with national priorities. While compliance entails stringent processes, it supports sustainable procurement that delivers value for money and promotes local economic participation. The SA Post Office's procurement activities are carried out in accordance with its approved internal policies and procedures, which are fully aligned with applicable public procurement laws and regulations.

The effectiveness of procurement execution, together with the performance of suppliers in fulfilling contractual obligations, directly affects the quality of services delivered to customers and the organisation's impact on local businesses and stakeholders.

SUPPLIER MANAGEMENT

Supplier Management is responsible for managing and coordinating supplier development initiatives, as well as introducing Small, Medium-sized Enterprises (SMMs) and Black Economic Empowerment (BEE) enterprises into the SA Post Office's procurement process. It also oversees the mitigation of supplier risk and monitors adherence to procurement and related legislation.

GOVERNANCE

Governance is responsible for SCM compliance in terms of policies and procedures, contracts management, tenders and audit management. The Governance unit produces the SCM monthly reports, Financial Misconduct reports and includes irregular expenditure and fruitless & wasteful expenditure reports. It is also responsible for document management and the secure and confidential storage of documentation.

DEMAND MANAGEMENT AND WAREHOUSING

Demand and warehousing encompass demand planning, procurement, warehousing and outbound distribution of all saleable and consumable stock required within Post Office Operations across the country. Currently, this function is centralised to ensure economies of scale can be achieved for high-value and high-volume goods. The demographic spread of operational areas across South Africa also necessitates the latter strategy. The Post Office is currently working to decentralise lower-volume, lower-value goods to ensure adequate cost optimisation.



Government Relations and International Participation

Government Relations

Government Relations (GR) is responsible for establishing and strengthening stakeholder relationships with all three tiers of Government: National, Provincial and Local as well as Parliamentary Portfolio Committees, Select Committees of the National Council of Provinces (NCOP) and study groups. Government Relations is an important element of any business that is subject to Government regulations. For this reason, it is imperative that the SA Post Office develops and nurtures strong relations with its shareholder, Department of Communications and Digital Technologies, including various other government departments, regulatory bodies, political parties represented in Parliament, State Owned Entities, private sector, civil society, labour unions and other relevant organisations and stakeholders.

Parliamentary Relations

Parliament is a vital component of South African politics. It is the legal authority in the country, which makes, amends, and repeals any law. Parliament consists of the National Assembly and the National Council of Provinces. Parliament, through various committees, monitors and evaluates the effective functioning of the state and all state-owned companies, including the South African Post Office.

To this end, the SA Post Office interacts with Parliamentary Portfolio Committees of the National Assembly and Select Committees of the National Council of Provinces, as well as study groups of various political parties represented in Parliament. As with other government departments and state-owned enterprises (SOEs), the SA Post Office is accountable to the sector ministries and to these Parliamentary Committees and study groups.

INTERNATIONAL ENGAGEMENTS

The SA Post Office's participation within the international realm is guided by the framework of the Government White Paper on International Relations.

Through active participation in international postal events, the SA Post Office fulfils its international obligations as outlined in Section 21 of the SA Post Office Licence.

The SA Post Office is an active member of the following international organisations:

- Universal Postal Union (UPU);
- Southern African Postal Operators Association (SAPOA);
- Pan African Postal Union (PAPU); and
- Conference of Commonwealth Postal Administrations (CCPA).

Universal Postal Union (UPU):

The UPU was established in 1874, with its Headquarters in Berne, Switzerland. The UPU is a specialised agency of the United Nations and helps to ensure a universal network of up-to-date products and services with 191 member countries.

The UPU also establishes the regulations for international mail exchanges and presents recommendations to stimulate growth in mail volumes and to improve the quality of service for customers.

Pan African Postal Union (PAPU)

The PAPU is a specialised agency of the African Union (AU) with its headquarters in Arusha, Tanzania. PAPU was established to organise and improve the postal services on the continent of Africa, and promotes the development of international collaboration amongst member postal enterprises and provides technical assistance in postal matters. The SA Post Office is a member of PAPU via our shareholder.

Southern African Postal Operators Association (SAPOA)

The organisation represents a collaborative and cooperative forum of 14 member postal operators. The members correspond to the Southern Africa Development Community (SADC) member countries.

The current members of SAPOA are Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe.



SAPOA main objectives are to promote the development, establishment and operation of efficient, affordable and accessible postal services within the Southern Africa Region that meet the diverse needs of customers while being economically and commercially sustainable.

Currently SA Post Office is heading two major positions within SAPOA:

- Chair of the Operators Directors of SAPOA, chaired by Head of Logistics; and
- Acting Group Executive Operations is a Board member of SAPOA.

Conference of Commonwealth Postal Administrations (CCPA)

The CCPA was formed in 1971 and has a membership of 71 postal administrations drawn from the Commonwealth of 53 member countries.

It was created as a forum for sharing best practice, discussing matters of common interest and acting as a concerted lobby on key issues given that CCPA membership represents about a quarter of the UPU electorate.

International Participation for 2024/25 FY

As the implementing agent of South Africa for the Universal Postal Convention, the SA Post Office is mandated to fulfil the country's international obligations. The delivery is coordinated by the UPU on a global scale, PAPU and SAPOA on a continental scale. This coordination begins with setting standards for interoperability that match prevailing market trends. Thereafter, these intergovernmental agencies monitor compliance with these standards.

The State of the Postal Sector 2024 report marks a pivotal moment in the history of global postal services, as the Universal Postal Union celebrates its 150th anniversary.

In 2021 SA Post Office Scored 38.7 out of 100 points on the postal development index, but on the 2024 report SA Post Office has dropped to 32.4. South Africa is ranked at level four on the consolidated postal maturity measurement, out of a possible ten levels with the reach at 67.01 and resilience at 67.6.

Level four countries are approaching the level of maturity necessary to adequately serve their current and potential customers. In an effort to increase the postal maturity of South Africa, the SA Post Office drew on the vast experience and expertise of these international multilateral institutions, as encapsulated in the World Postal Strategy.

In an effort to increase compliance points, the SA Post Office participated in the UPU and PAPU technical groups and task teams. International participation was necessary to increase post-pandemic mail volume by improving the Integrated Product Plan (IPP) offering. Furthermore, the rapid changes in the regulatory environment, such as the Act of America and the European Import Control System (ICS2), dictated technology upgrades to transmit advanced electronic data exchange. Non-compliance would result in South African exports being denied access to these markets.



The rapid changes in data exchange is primarily due to the rise of e-commerce and digitalisation, which have significantly impacted the volume and nature of international postal traffic. These changes are also fuelled by new border security and customs regulations, and modifications to the international postal remuneration system. SA Post Office participate and is a signatory of Multilateral Data Sharing Agreement (MDSA 1 & 2) which is aimed at facilitating data exchange and improving postal operations in the digital age.

The SA Post Office continued with delivering the commonly developed programmes, including the Operational Readiness for eCommerce (ORE3) phase three that was introduced in 2023. The aim of ORE is to develop the postal capability to effectively

ly and efficiently fulfil customer deliveries that come through its online channels. This includes developing people, processes, technology and facilities to be able to handle all aspects of the eCommerce logistics. The UPU recognises that the safety and security of the postal sector, as part of the global supply chain, is critical to supporting the worldwide commerce and communication. To facilitate the development and implementation of the standards and best practice among Post, UPU has established the Postal Security Group. SA Post Office is currently at the final phase for S58 and S59 Postal Security Certification. Review for certification will take place in July 2025.

Postal Financial Services is one of the focus areas. The SA Post Office is eager to increase volumes in the fourteen existing cross-border corridors and increase south-south corridors. To mitigate the challenges that come with large money flows, the postal sector required consensus on regulating anti-money laundering and combating the financing of terrorism. Therefore, it was critical to send South African experts to ensure that South African laws are integrated into postal industry standards and subsequent systems that facilitate money transfer.

It is worth noting the trust given by peers, South Africa through SA Post Office employees serve as chairperson of Operations Directors' Committee of Southern Africa and deputy chairperson for two continental committees on Remuneration and Digital Transformation.

The Southern Africa Postal Operators Association ('SAPOA') games was revived this year after a shut down due to Covid-19. Launched in 2008, the objective of SAPOA Games is to create a fun environment through competing in various games and sports. It intends to foster a positive mind set among employees at different operational levels within the postal operators. Four members of SAPOA, namely SA Post Office, Lesotho Post, Zimbabwe Post and Botswana Post participated in this year's games in athletics, volley ball, netball and soccer.

The various participants have taken turns to host the event in the past and this year the South African Post Office hosted the event in Gezina, Pretoria. Conducted from the 23 – 25 September 2024, the event also provided a platform for sharing best practices, networking with peers, understanding and appreciating diverse cultures and promoting regional unity and collaboration. This year's overall winner was Botswana. South Africa took gold in the men's volley ball and woman's netball.

SA Post Office had a responsibility to appoint a Local Organising Committee (LOC) that was working together with the Regional organising Committee. Together, they managed to plan a successful 10th SAPOA games. The 11th SAPOA games will be hosted by Botswana in 2025. There is anticipation for an even bigger event in 2025. For the 2024 games, we believe that despite the challenges, the postal industry must continue to transform to meet the demands of this large sector.



The SA Post Office team proudly represented South Africa at the 2024 SAPOA Games.



Philately and Museum

PHILATELIC SERVICES - WHO ARE WE?

Philatelic Services is one of the smallest divisions of the organisation with only four staff members yet it continues to punch way above its weight in gold. We are responsible for printing, distribution warehousing and sale of postage stamps and postal stationery for the SA Post Office.

Stamps are receipts to indicate payment for letters to be transported from the sender to the receiver. The SA Post Office has been making stamps available to the public since 1853 when the first stamp, the Cape Triangular (above) was issued.



NEW STAMP ISSUES



In 2024 the SA Post Office commemorated the inauguration of President Cyril Ramaphosa with a postage stamp as per the postal policy. The B4 rate Presidential stamp was the sole issue of the year. A frame of the stamps was handed over to the Minister of Communications and Digital Technologies, Mr Solly Malatsi for presentation to President Ramaphosa.

EXHIBITIONS - HILTON COLLEGE

The 2024 Stamp exhibition was at Hilton College in KwaZulu-Natal. The South African Post Office was ably represented by staff from the Pinetown area.



FINANCIAL PERFORMANCE

Despite issuing only one commemorative stamp; Philatelic Services has consistently performed well and we have also tried creative ways we maintain our sales volumes.

DIGITAL STAMPS

Philatelic Services has developed a range of innovative digital products featuring stamps as their unique selling point. Digi-Stamps are a new category of stamps, alongside traditional stamps.

Both Digi-Stamps and traditional stamps serve as beautiful receipts, providing proof of payment for postal services. Examples of traditional postal rates include Standard Postage, International Letter, International Postcard Rate, and Registered Letter Rate.

Digi-Stamps will be exclusively used as proof of payment for Digi-Postal Services, and traditional printed stamps will continue to be used as proof of payment for traditional physical mail.

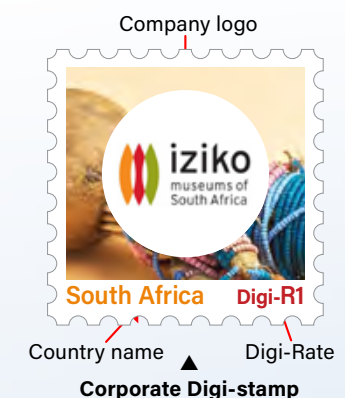
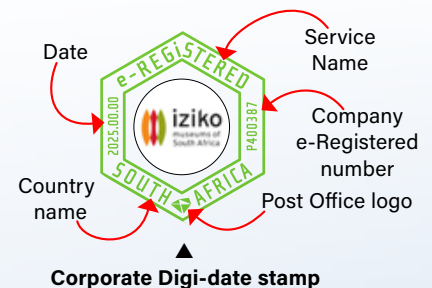
In the past, the SA Post Office didn't offer digital services. However, it's now crucial to expand its services and rates to support its new digital initiatives.

The postal rate for Digi-Stamps will be called Digi-Rates. Digi-Rates will cover the costs of developing new digital services that cater to the digital needs of clients.

These services will include eRegistered Email and SMS, where Corporate Digi-Stamps and Cancellers will enable companies to add their brand when sending communications through the Post Office digital platform.

To start with, Digi-Philatelic will consist of the following:

- Digi-Corporate stamps,
- Digi-Personalised stamps,
- Digi-Commemorative stamps,
- Digi-Postcards and
- Digi-Date stamps.



SA POST OFFICE MUSEUM

The unit is responsible for the preservation of the South African Post Office's institutional memory and South Africa's philately heritage.

The South African Post Office Museum is the only postal museum in South Africa and the philately collection of South Africa and is dedicated to the preservation, study and presentation of postal history and philately using exhibitions, educational programmes and research to make this special history available to scholars, philatelists, collectors, post office employees and visitors from around the world.

The Museum staff presented various programmes to learners from all over Gauteng during May 2024 for International Museum Day that is annually on 18 May.



Historic post boxes in use in South Africa over the years



Historic post box



Interior of the South African Post Office Museum on Church Square, Pretoria. Source: museumexplorer.co.za



Docex Managing Director's Overview

Docex specialises in collecting processing and delivering confidential and time-sensitive documents between its members within a niche market predominantly the legal fraternity. The subscription-based model provides its members with exclusive access to a secure closed-loop network nationwide ensuring validation verification and safe delivery on time to their destination. Docex's widespread distribution infrastructure ensures reliable document delivery in urban and rural areas throughout South Africa.

Customer service remains one of the highest priorities on the list addressing five critical attributes that matter most to its members: Convenience Value Reach Reliability and Trust. Time-sensitive documents are delivered overnight between members sheriffs and courts nationally. Docex continues to expand its footprint and reach ensuring that the needs of its current and future members are met.

The current economic landscape and the fast need to digitise continue to add pressure on the Docex revenue line. Special focus on optimising costs during the 2024/25 FY realised benefits.

DOCEX FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2025

Company revenue decreased by 3% from R33.0 million in the prior year to R32.0 million for the year ended 31 March 2025 attributable to a decrease in membership subscriptions. Excess weight and Bar Code Rolls revenue which are demand-driven were lower during the 2024/25 FY negating the positive contribution of increased member subscriptions and daily delivery & collections to overall revenue performance.

Operational expenditure for the 2024/25 FY was below budget and decreased by 8% compared to the prior year. A significant decrease in delivery expenses and staff expenses contributed to the reduction in operating expenses; however the increase in the amount paid to the compensation commission negated the positive savings. The amount was significantly high as it was a cumulative payment for historic years of assessments. The primary operating cost components are employee costs transport



costs and rental costs accounting for 88% of total expenditure. The reported financial position for the period is a net loss of R5 million higher than the prior year's net loss of R1.9 million.

The significant increase in the net loss position is due to the R1.4 million paid to the Department of Labour for the return of earnings relating to the prior years of FY2021 to FY2024. Our increased loss after tax for the current year is primarily driven by the write-off of the deferred tax asset. This adjustment impacted our tax expense resulting in a higher reported loss despite no direct cash outflow.

Financial Indicators

- Net asset position of R5.7 million.
- Cash and cash equivalents of R19.8 million; Current ratio at 1.35; compared to 1.42 in the prior year.
- Quick asset ratio 1.33 compared to 1.40 in the prior year. Docex has more liquid assets than current liabilities suggesting a good short-term financial health.
- Current liabilities increased by 1.97% compared to the prior year contributed by an increase in Trade and other payables.
- Current assets decreased by 3.24% compared to the prior year due to the decrease in trade and other receivables as a result of improved debtor collections.
- Docex can cover its short-term obligations/debts using only cash and cash equivalents.

The digital modernisation of Docex remains of critical importance and measures remain in place to modernise the company operations to align with the technological needs and changes driven by the customer and market demands.

I would like to extend my appreciation to the Business Rescue Practitioners SA Post Office Management our customers and stakeholders for their support over the past year.

A handwritten signature in black ink, appearing to read 'Dina Lume', written over a horizontal line.

Dina Lume
Managing Director Docex PTY (Ltd)



Docex Operational Performance

PERFORMANCE OVERVIEW

Service Delivery Environment

Revenue was lower than budget by 16% (R5 1m) and marginally down by 3% against prior year (R954k). The revenue performance was impacted by a 9% decline in subscriptions and reduction in signing up of new members compared to the previous year. This increase in cancellation offsets any potential growth in revenue and is mainly due to poor customer service negatively impacted by non-compliance to the SLA.

Revenue was further negatively impacted by lower demand for Bar code rolls and Excess weight down by 14% and 6% respectively when compared to prior year. These revenue line items are classified as demand-pull driven by an increase in volumes demanded by the clients. There has been an improvement in the delivery messenger service by 50% compared to prior year due to the improvement on meeting the service level agreements.

Interest revenue is down by 9% compared to budget due. There was no additional deposits to the investment account balance in the current year.

The positive expenditure contributor was property expenses (utility & assessment rates) general expenses and transport expenses at 83% 47% and 19% below budget respectively. Employee costs are 8% above budget. Our major operating costs components are employee costs transport expenses and rental expenses which combined accounts for 90% of the total costs.

Organisational Environment

A number of other key positions continue to remain vacant during the 2024/25 FY. Staff numbers have decreased by 2 over the financial year to 59 due to 1 resignation and 1 demise.

STRATEGIC OUTCOME ORIENTED GOALS

Performance information

The Document Exchange Pty Ltd (Docex) a subsidiary of the SA Post Office is a secure distribution service provider to a niche group of customers who frequently send and receive confidential documents. The strategic objectives over the 2024/25 FY considered three key strategic objectives focusing Docex on setting the foundation for its transition to being a modern business - and operating model competing efficiently in a digitised economy with revenue generated from its digital service and product revenue streams.

The 3 strategic objectives identified for the Strategic Plan were:

1. Financial Sustainability
2. Operational efficiency
3. Corporate Governance

A total of 7 Key Performance Indicators (KPIs) were set and measured for the 2024/25 FY aligned towards attaining the strategic objectives. Performance over 2024/25 FY increased by 10% as compared to prior year. Some of the KPIs have performed poorly as compared to PY with only 3 of KPIs achieving 100% of target and the remaining 4 KPIs not achieving target resulting in an overall 43% achievement of the set KPI target.

The performance of Docex has been adversely affected by the organisational performance of the SA Post Office.

Strategic Objectives	Planned Target	Number Achieved 100%	100% Achievement
1. Financial Sustainability	4	1	25%
2. Operational efficiency	2	1	50%
3. Corporate Governance	1	1	100%
Total	7	3	43%



Financial Sustainability

This strategic objective is focused on retaining current and diversifying revenue streams. Docex is a secure distribution service provider to a niche group of customers who frequently send and receive confidential documents. Currently Docex enjoys a dominant market position within this niche segment particularly within the legal industry and is positioned within the letter & parcel distribution sector. Docex has a strong market advantage which is enabled by a large closed loop national distribution network its subscription-based product model and unique back office access at selected South African courts. To date Docex has not had a direct competitor which has further contributed to its dominant position. The dominant position Docex currently holds within the secure document distribution market is however under threat and is currently facing increasing vulnerability to digital alternatives and new market competitors.

The strategic objective comprised of 4 KPIs which considered the growth in revenue from the previous year retention of subscriber base remaining within the allocated cost budget and achieving a projected net profit position. The decline in revenue resulted in a loss compared to profit outcome in the prior year and the retention of members target was not met. The KPIs relating to remaining within the allocated cost budget was achieved.

Operational Efficiency

This strategic objective focused on improving the effectiveness of the Docex business processes and operational environment. The strategic objective comprised of 2 KPIs which considered the mail delivered within 15 minutes prior or post scheduled delivery time and customer queries resolved within 72 working hours. Of the 2 KPI's 1 missed the annual target by 55% for the year. This being the customer complaints KPI which remains a concern as it continues to decrease when compared to the prior year. The main contributor to not achieving the set target is due to mail bags being misplaced/lost within the SAPO stream and some of the items only being recovered months later.

Corporate Governance

The strategic objective considered 1 KPI by way of obtaining an Unqualified Audit Opinion by the Auditor General for the 2024/25 FY and the KPI target was met.



Objective	Goal	KPI Ref	Key Performance Indicator	Annual Performance				
				Target	Actual	Variance	Achieved/Not Achieved	Actual Performance and Reason for Target Variance/Deviation
1. Financial Sustainability	To be financially sustainable and achieve a positive net financial and cash position	1.1	Growth in revenue from previous 2023/2024 FY	5%	-3%	-8%	Not Achieved	Company revenue decreased by 3% from R33 006 495 in the prior year to R32 052 085 for the year ended 31 March 2025. The causes of decrease is mainly driven by a decrease in membership subscriptions. Excess weight and Barcode Rolls were also lower for 2024/25 FY.
		1.2	Retention of subscriber base as at 31 March 2025	100%	91%	-9%	Not Achieved	There has been a 9% decline in membership from 1 April 2024 to 31 March 2025 mainly driven by service failures experienced and clients facing financial hardships.
		1.3	Remain within the allocated cost budget for the 2024/2025 FY	100%	100%	0%	Achieved	Operational expenditure for the 2024/25 FY was slightly below budget and decreased by 0.4% when compared to prior year. A significant decrease in delivery expenses and staff expenses contributed to the decrease to operating expenses however the increase in the amount paid to compensation commission negated the positive savings; the amount was significantly high as it was a cumulative payment for historic years of assessments.
		1.4	Increase net profit position from 31 March 2024	3%	-270%	-273%	Not Achieved	The company reported a final net loss of R7.3 million higher than the prior year net loss position of R1.9 million. The significant increase in the net loss position is due to the R1.4 million paid to the Department of labour for the return of earnings relating to the Prior years (FY21 – FY24) and the derecognition of the deferred tax asset balance of R4.0 million as it is not probable that the entity will have sufficient taxable income available against which he full unused tax losses can be utilised.
2. Operational Efficiency	To achieve operational efficiency and effectiveness	2.1	Resolution of customer complaints resolved within 72 working hours	96%	41%	-55%	Not Achieved	The performance target of 96% for FY 24/25 was missed by 55% this was due to bags going missing within the SAPO stream in both Q1 and Q2 of the FY. As a result the queries in the respective branches were not resolved within the 72 window period.
		2.2	% of mail delivered within 15 min prior or post scheduled delivery time	90%	97%	7%	Achieved	The actual target achievement exceeded the set target by 7%.



Annual Performance						
Objective	Goal	KPI Ref	Key Performance Indicator	Target	Actual	Variance
				Achieved/ Not Achieved	Actual Performance and Reason for Target Variance/Deviation	
3. Corporate Governance	To have a liberated engaged team of brand ambassadors providing excellent service	3.1	Improve Audit outcome for the 2024/2025 FY	Unqualified Audit opinion for 2024/2025	Unqualified Audit opinion for 2024/2025	-
				Achieved	The target was met. The financial statements present fairly, in all material respects, the financial position of The Document of Exchange Pty (Ltd) as at 31 March 2025.	

Legend Performance - Achieved / Not Achieved		
Not Achieved	Less than 100%	Achieved 100%



SA Post Office Subsidiaries

Courier Freight Group (Pty) Ltd

The company was incorporated on 19 January 1955 and obtained its certificate to commence business on the same day. The Courier and Freight Group (Pty) Ltd was incorporated in South Africa with interests in the courier services industry. The company operates in South Africa.

The company is under liquidation as approved by the minister and recorded a net loss after tax for the year ended 31 March 2025 of R1 840 (2024: net profit of R754 518 455). The process of winding down the organisation is planned for completion in 2025/2026FY.

The Document Exchange (Pty) Ltd

The company was incorporated on 28 August 1995 and obtained its certificate to commence business on the same day. The Document Exchange (Pty) Ltd was incorporated in South Africa with interests in the services industry. The company operates in South Africa. There have been no material changes to the nature of the company's business from the prior year.

The company recorded a net loss after tax for the year ended 31 March 2025 of R5 031 132 (2024: net loss of R2 448 601). Company revenue decreased from R33 006 495 in the prior year to R32 052 085 for the year ended 31 March 2025.

SAPOS Properties (East Rand) (Pty) Ltd

The company was incorporated on 24 August 1959 and obtained its certificate to commence business on the same day. SAPOS Properties (East Rand) (Pty) Ltd was incorporated in South Africa with interests in the rental of property sector. The company operates in South Africa. There have been no material changes to the nature of the company's business from the prior year.

At 31 March 2025 the company's investment property amounted to R45 900 000 (2024: R45 900 000) and recorded a net profit after tax for the year ended 31 March 2025 of R1 066 943 (2024: R2 496 406).

SAPOS Properties (Bloemfontein) (Pty) Ltd

The company was incorporated on 30 October 1973 and obtained its certificate to commence business on the same day. The company is domiciled in South Africa where it is incorporated as a private company limited by shares under the Companies Act of South Africa. SAPOS Properties (Bloemfontein) (Pty) Ltd

was incorporated in South Africa with interests in the rental of property industry. The company operates in South Africa. There have been no material changes to the nature of the company's business from the prior year.

At 31 March 2025 the company's investment property amounted to R3 227 000 (2024: R3 227 000). A net profit after tax has been recorded for the year ended 31 March 2025 of R24 883 (2024: loss of R1 704 318).

SAPOS Properties (Erf 145018 Cape Town) (Pty) Ltd

The company was incorporated on 29 December 1960 and obtained its certificate to commence business on the same day. SAPOS Properties (Erf 145018 Cape Town) (Pty) Ltd was incorporated in South Africa with interests in the rental of property sector. The company operates in South Africa. There have been no material changes to the nature of the company's business from the prior year.

At 31 March 2025 the company's investment in property amounted to R25 430 000 (2024: R25 430 000) and recorded a net profit after tax for the year ended 31 March 2025 of R336 199 (2024: R4 339 338).

SAPOS Properties (PE) (Pty) Ltd

The company was incorporated on 28 December 1967 and obtained its certificate to commence business on the same day. SAPOS Properties (PE) (Pty) Ltd was incorporated in South Africa with interests in the rental of property sector. The company operates in South Africa.

The company no longer holds any investment property and recorded a net profit after tax for the year ended 31 March 2025 of R5 155 (2024: R338 446).

SAPOS Properties (Rosburgh) (Pty) Ltd

The company was incorporated on 28 December 1967 and obtained its certificate to commence business on the same day. SAPOS Properties (Rosburgh) (Pty) Ltd was incorporated in South Africa with interests in the rental of property industry. The company operates in South Africa.

The company no longer holds any investment property and recorded a net profit after tax for the year ended 31 March 2025 of R13 484 (2024: loss after tax R1 772 515).



C. Governance





Introduction

The SA Post Office is a State-Owned Company (SOC) with a public service mandate to ensure the provision of universal, accessible, reliable, affordable postal services to the citizens of South Africa. The provision of these services occurs in accordance with the Universal Service Obligations (USO), which is derived from the Universal Postal Union of which the SA Post Office is a member.

The SA Post Office has the following wholly owned subsidiaries, namely: Document Exchange (Pty) Ltd (DOCEX); Courier Freight Group (Pty) Ltd (CFG); and five property holding companies: Bloemfontein, Cape Town, East Rand, Port Elizabeth, and Rossburgh.

The SA Post Office was placed in business rescue on 10 July 2023.

Portfolio Committees

The Portfolio Committee on Communications exercises legislative oversight over the SA Post Office through the Executive Authority, the Minister of Communications and Digital Technologies.

The SA Post Office appeared before the Portfolio Committee on Communications, Select Committee of Economic Development and Trade and the Portfolio Committee on Planning Monitoring and Evaluation on some matters, which include the approved BR Plan, briefing by the SA Post Office on progress made in the implementation of the BR Plan, Quarterly and Annual Performance Reporting, and Strategic and Annual Performance Plans.

During the reporting period, the SA Post Office also provided replies to Parliamentary questions on various matters through the Office of the Minister.

Executive Authority / Minister

The Minister of Communications and Digital Technologies fulfils the PFMA-defined role of Executive Authority over the SA Post Office, and is also the sole shareholder on behalf of the South African Government.

Accounting Authority/ Joint Business Rescue Practitioners

The Board of Directors was dissolved in May 2023. With the court appointment of the Business Rescue Practitioners on 10 July 2023, the BRPs assumed the responsibility of the Board of Directors and are the Accounting Authority for the SA Post Office.

In terms of Section 140(1)(a) of the Companies Act 71 of 2008 (as amended), the BRPs have taken over full management control of the Company and have delegated certain functions to certain members of Management in terms of Section 140(1)(b). This was done to ensure the ongoing continuation of the business of the Organisation and preservation of its goodwill in the best interests of all stakeholders.

The BRPs have continued to exercise due care and diligence around all functions delegated to Management and continue to have regular meetings with the Department of Communications and Digital Technologies, other relevant stakeholders, and the SA Post Office EXCO team.





Joint Business Rescue Practitioners

Anoosh Rooplal

Anoosh is a Chartered Accountant with over 23 years' experience and is a licensed Senior Business Rescue Practitioner. He completed level 2 of the CFA program and recently obtained the INSOL Foundation Certificate in International Insolvency Law. He leads SNG Grant Thornton's Corporate Finance & Restructuring division. Prior to this, he was the national leader of the Financial Services Group where he managed a team of over 160 professionals who provided audit and advisory services to banks, asset management entities, insurance entities and other financial services entities.

Anoosh currently leads and co-ordinates a diverse team that is involved in tracking and tracing of assets, asset preservation, digital forensic and analysis, assisting various regulatory and enforcement authorities in collating evidence, acting in various capacities like curators, inspectors, liquidators, restructuring experts and providing specialist support services to insolvency and business rescue practitioners. The team provides services to entities across various sectors in South African and Africa.

Anoosh brings a rare combination of strong corporate finance, M&A, restructuring, insolvency and audit credentials. Working together with his global and African Grant Thornton counterparts, he is able to provide innovative and bespoke solutions. Anoosh has been involved in various high-valued contentious, confidential and complex valuations. He has executed various M&A transactional advisory assignments for clients across various industries and countries. He was involved in various global bond issues for South African clients. He was also involved in a high-profile mutual bank curatorship and liquidation where he uncovered a massive fraud where approximately R2 billion was looted from the bank.

Anoosh holds a number of qualifications and memberships: Chartered Accountant (South Africa); B Acc (UKZN); Dip Acc (Hons) (UKZN); INSOL Foundation Certificate in International Insolvency Law; JSE Registered Auditor; Independent Professional Expert for JSE; Insolvency Practitioner; Member of SARIPA; South African Institute of Chartered Accountants (SAICA).

Juanito Martin Damons

Juanito is a Legal Practitioner and Notary with over 25 years' experience and is a licensed Senior Business Rescue Practitioner. Juanito is a senior director at Damons Inc. Attorneys, a niche law firm, as well as the managing director of Legae Trust (Pty) Ltd, the oldest wholly owned black Liquidation and Curatorship Company in South Africa. He is also managing director of Legae Turnarounds (Pty) Ltd, which specialises mainly in business rescue matters.

Juanito has overseen high-profile business rescues involving major corporations such as Optimum Coal Mine and the South African Post Office. His expertise has positioned him as a key figure in the industry, serving on several business rescue panels, including those of the Public Investment Corporation and the Industrial Development Corporation. Juanito has also been involved in significant liquidations including Consolidated News Agency, managing complex cases and pyramid schemes, and most recently acted as senior curator for the Municipal Councillors Pension Fund, safeguarding the interests of approximately 5 800 municipal councillors. The Fund was successfully taken out of curatorship in 2023.

Juanito holds several qualifications and memberships: BLC degree cum laude (University of Pretoria); LLB degree cum laude (University of Pretoria); LLM degree in Human Rights and Constitutional Law with distinction (University of Pretoria). Juanito is a respected leader in his field and has served as the National Chairperson of the South African Restructuring and Insolvency Practitioners Association NPC (SARIPA) for 13 years and was a board member of INSOL International. He is an Honorary Member of SARIPA since 2017.

Juanito has held directorships in several multi-billion-rand companies which include TSOGO Sun and Premier Foods. He continues to play a pivotal role in shaping the landscape of corporate law and business rescue in South Africa. Juanito further served as a member of the Financial Services Tribunal (previously the FSB Appeal Board) for several years, chairing numerous tribunal hearings and previously served as a member of the Takeover Regulations Panel.

Board Committees: Following dissolution of the Board of Directors during May 2023 and appointment of the BRPs on 10 July 2023, all Board committees have been collapsed and merged under the BRPs.



Risk Management

Accountability of Accounting Authority

In light of the SA Post Office operating under business rescue the Joint BRPs have assumed the responsibility for overseeing the comprehensive risk management process within the organisation as well as the implementation of strategies aimed at mitigating identified significant risk exposures to tolerable levels given the circumstances under which SA Post Office operated. The BRPs acknowledge the legislative governance and compliance mandates that define their risk management obligations alongside those of management and employees in accordance with the provisions of the PFMA.

The SA Post Office has an established Risk Management Policy that is aligned with the National Treasury Risk Management framework thereby embedding risk management practices within the organisation. In accordance with this policy the BRPs supervise the Group's risk management program and monitor emerging risks that may arise from external influences or pursuant to the implementation of the corporate strategy. Additionally they have appropriately delegated the responsibility for the design execution and monitoring of the risk management plan to management thereby assigning day-to-day accountability for risk management to the management team.

Risk Management Overview

SA Post Office continued operating under business rescue during the period under review still severely strained by its financially distressed position. The BR Plan adopted towards the end of the previous financial year aimed to facilitate the rehabilitation of the SA Post Office restore it to solvency and sought to enable the SA Post Office to operate sustainably as a going concern without total reliance on SA Government funding in the future. Ultimately this plan is intended to mitigate critical risk exposures faced by the organisation including averting liquidation. The BRPs commenced with the implementation of the BR plan and continued to do so in the period under review.

A significant part of the BR plan involves restructuring the affairs business property liabilities and equity of the SA Post Office in a manner that maximises the likelihood of it continuing its existence on a solvent basis. This entailed a significant reduction in its fixed operational cost base with the aim of improving the extreme loss position that confronted the organisation. Revenue improvements have been observed; however these gains are primarily due to cost savings from a decrease in employee liabilities and stringent austerity measures. The anticipated government funding remains a critical concern.





The implementation of the 189 process naturally introduced some hiccups regarding succession planning and business continuity due to consequential changes in management and a shortage of staff in key areas resulting in disruptions to the operational effectiveness of daily activities particularly related to mail processing deliveries and consequently contributed to an increase in mail carryovers.

Staff morale has not been subdued over the period which can be attributed to retrenchments. The implementation of the Section 189 was concluded within the second quarter of the reporting period including a drive towards the recruitment of suitably competent candidates. For the most part critical operational staff have been employed to mitigate the risks associated with succession and continuity. Cross-utilisation of staff in mail processing and last-mile delivery has provided essential capacity to maintain operations.

Carryovers within the operational environment have decreased due to improvements resulting from last-mile and operational rearrangements. While inflow volumes remain low forecasts indicate an anticipated increase due to potential government services. Task Teams have been established to focus on this critical area aiming to improve the organisation's revenue position. Focused attention has been placed on the noted increase in return-to-sender (RTS) volumes which may adversely affect client retention; specifically addressing root causes to eliminate this exposure. Adverse weather conditions have exposed deficiencies in property repairs and maintenance particularly as it relates to water ingress which may further jeopardise mail items and damage to assets. Inactive branches continue to pose a challenge stemming from various factors such as staff availability electricity supply connectivity issues and damages related to criminal activities. Focused attention is being given to operations to ensure that all branches are active and operational addressing customer accessibility.

The significant decrease in load shedding over the period has provided some relief although area-specific electrical outages have replaced this due to local authority service delivery challenges. Rationalisation of the property portfolio has led to the closure of several post office retail branches as well as the amalgamation of mail depots. There has been significant progress from efforts to rationalise the footprint and disposal of redundant assets. The project is in its final stages stabilising SA Post Office operational footprint.

Facilities repair and maintenance efforts achieved some isolated successes. However funding constraints remain a significant challenge leading to continued deterioration of building conditions and escalating repair costs.

Rationalisation of the vehicle fleet has resulted in contract adjustments aligned with mail volumes route structures and delivery frequencies. Logistical constraints associated with expiring contracts and austerity measures on full vehicle orders are currently being managed although they have a potential to create significant risks.

Provision of essential tools of trade such as last-mile bicycles printer cartridges and post office branch consumables has alleviated some operational constraints that had become the norm. Training in risk management and disaster management is ongoing targeting branch depot and hub levels.

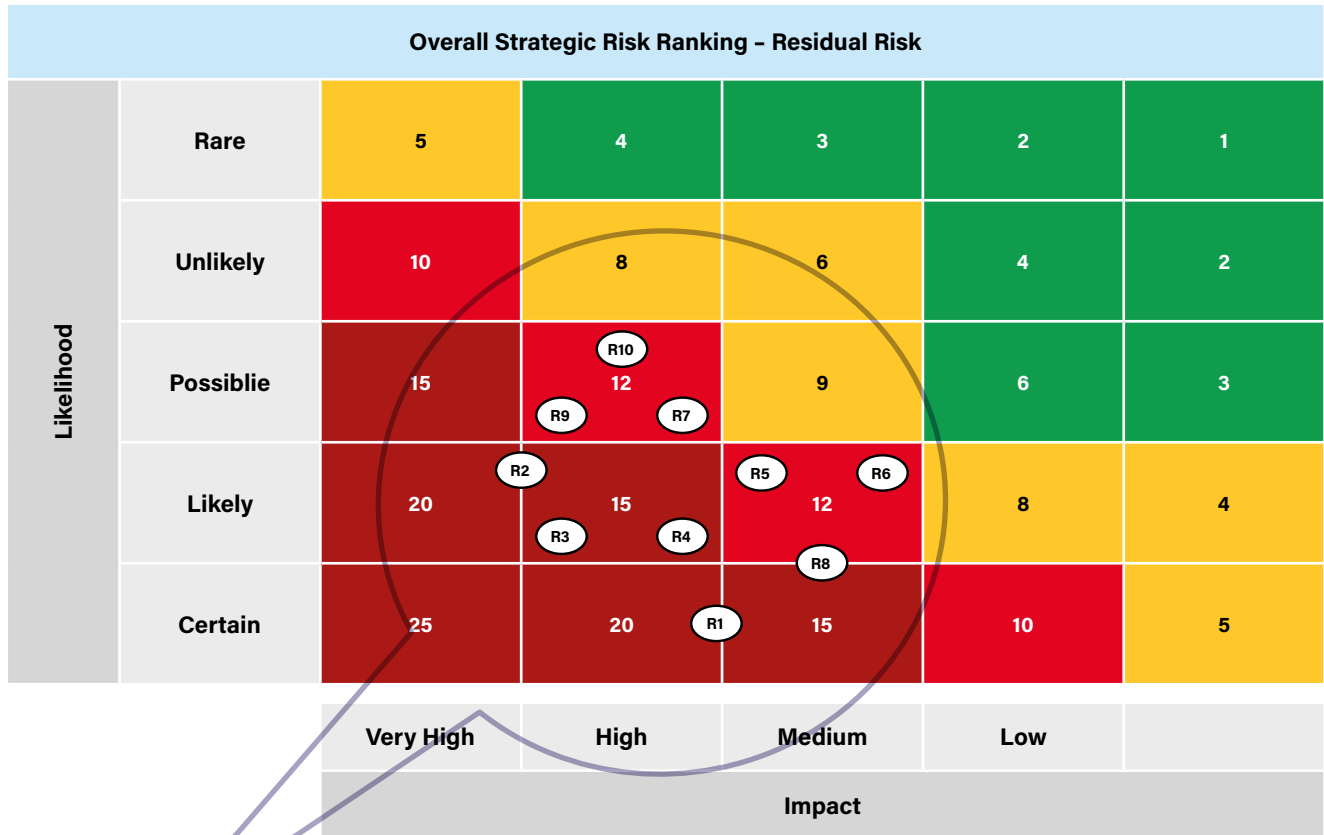
Ongoing and emerging risks

The continued drop in revenues from traditional sources due in part to declining mail volumes as well as stagnant revenue growth owing to a slow pace in realising revenues from diversified streams poses a critical threat to the SA Post Office's financial sustainability. The cumulative impact of realised multiple operational risks escalates to strategic levels thus affecting key operational areas and consequently the attainment of set strategic outcomes. The ongoing speculative media scrutiny regarding the SA Post Office's financial status including the impending exit from the business rescue process has raised concerns about the SA Post Office's ability to remain a going concern sparked further apprehensions and contributed to eroding public perceptions and mistrust.

The evolving environment at the SA Post Office shaped by the business rescue process has been instrumental in reengineering the SA Post Office structure and realigning service propositions to achieve financial sustainability. Key operational risk exposures during the reporting period relate to staff shortages and cross-utilisation changes in management payments of domestic services carryovers office closures logistical services revenue generation staff morale tools of trade and funding.

The diagram below indicates a comprehensive overview of the key strategic risks for the 2024/25 FY. The ten most significant strategic risks outlined below are considered to remain at high to extreme levels with the most significant being financial sustainability due to a rapid decline in revenue and uncertainties surrounding the much-anticipated government funding. Whilst these risks are not new they have developed and intensified over time as organisational challenges have become increasingly entrenched.





Unacceptable Risk Levels				
Residual Risk Value			Tolerance	Appetite
13 - 25		Very High	Unacceptable	Unacceptable
10 - 12		High	Unacceptable	Unacceptable
5 - 9		Medium	Tolerable	Acceptable
1 - 4		Low	Acceptable	Acceptable



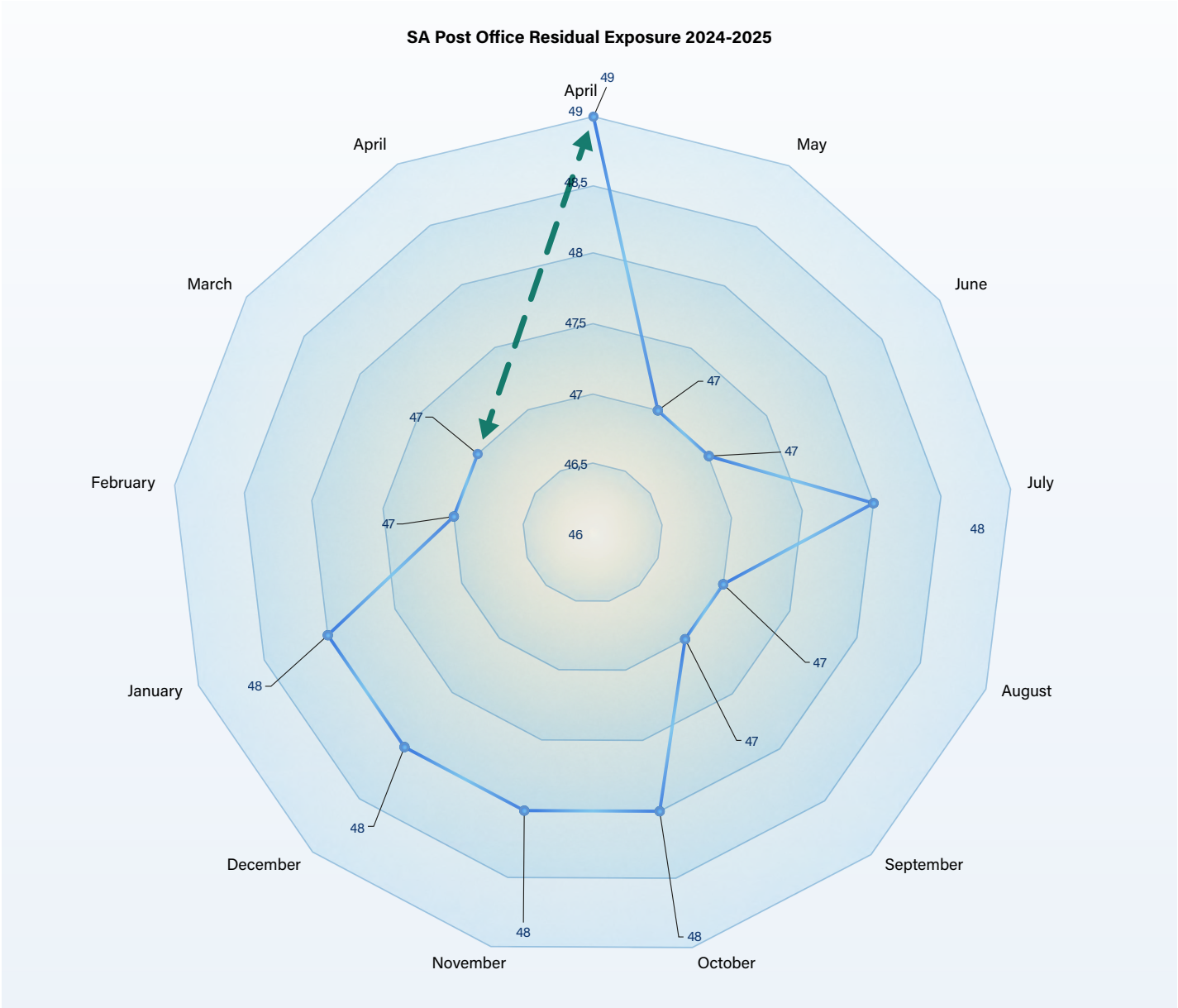
No	Key Risk Exposures	Rating
R1	Liquidation/ Financial Sustainability Risk: Persistent threat of a sustained adverse net position for the organisation due to revenue contraction resulting in negative cash flow and the consequential risk of liquidation	19
R2	Funding and Execution Risk: Inability to deliver on the stabilisation and turnaround due to an unfunded BR plan	17
R3	Loss of Revenue/ Business shrinkage: Loss of Revenue due to inability to retain customers reclaim lost clients and attract new business exacerbated by an inability to adapt swiftly to evolving customer needs ultimately threatening commercial viability. Inability to secure Government Business	15
R4	IT Related risks: Information technology stability. Compromised IT enabling environment Cybersecurity Business continuity and Disaster Recovery management	15
R5	Increasing Competition and Business Stagnation: Increasing competitive forces and migration to digital substitution resulting in loss of market share	12
R6	Impaired Brand value and customer trust deficit: Inability to attract new business due to adverse reputation poor customer experience and perception and loss of credibility trust and customer confidence	12
R7	Deteriorated service levels and poor service delivery standards: Inability to deliver services to the requisite standard due to lack of critical suppliers and shortage of basic/core tools of trade as well as shrinking footprint	12
R8	Ageing Infrastructure: Spend backlog on required investments maintenance Compromised OSH compliance and possible devaluation of assets Work environment not conducive for high performance	13
R9	Fraud and Criminality: Including Fraud Cybercrime and Theft Security vulnerabilities	12
R10	Human Capital Risk and Change management : Leadership stabilisation retention and continuity Impact of Sec 189: Loss of skill and experience and ineffective succession planning Inadequate expertise/skill mix alignment to strategy	12



Status of Risk Mitigation

Residual exposure (below) generally indicates some success in mitigation efforts but it mostly exceeds the appetite threshold of 40. This suggests that our current mitigation strategies require enhancement particularly through improved resource allocation to bring residual exposure to more manageable levels. Further "stepped" improvements are expected with revenue improvements which will enable more effective risk reduction measures. The residual exposure movement over the period re-

mained positive with a decrease from 49 to 47. These movements are also within the parameters of tolerance and appetite levels (<50; >40). These fluctuations were primarily driven by funding shortfalls cash management challenges forced facility closures load shedding logistical support issues retrenchments property damage and an SAP outage. The pending government funding will be critical for SA Post Office's sustainability.



SA Post Office remains committed to a proactive risk management approach continuously improving its processes to engrain risk management at all levels of management. Going forward risk management training and risk awareness will remain in full effect

to ensure organisational stability and the future sustainability of the organisation following its exit from the business rescue process.



Compliance with laws & Regulations

REGULATORY COMPLIANCE

The SA Post Office recognises that adherence to pertinent statutes guidelines rules and codes is essential for upholding sound governance and fulfilling its responsibilities as a conscientious corporate citizen. The implementation of effective corporate governance practices is crucial for creating and sustaining value and trust by promoting ethical transparent and lawful conduct. In pursuit of this objective the organisation has established appropriate structures and processes to ensure compliance with these regulatory frameworks.

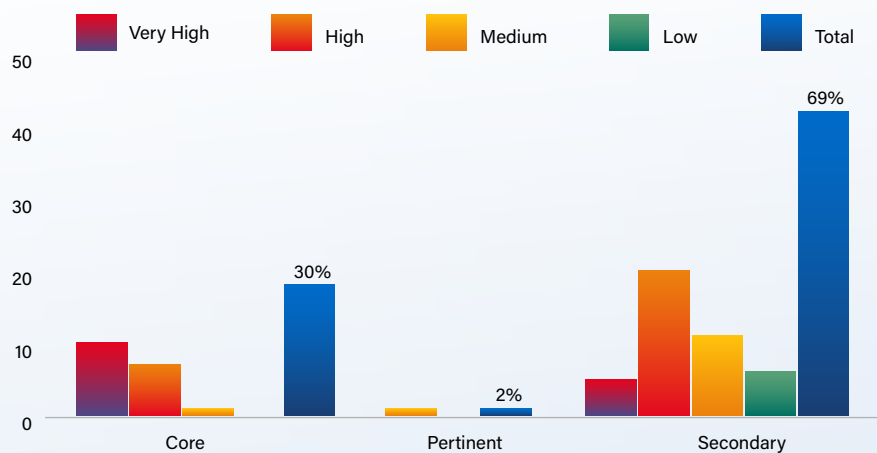
In alignment with its commitment to responsible corporate citizenship the SA Post Office has instituted a Compliance Function that reports on compliance status to relevant stakeholders within the organisation ultimately relaying this information to the Business Rescue Practitioners in accordance with its annual compliance plan. The aim of the Compliance Unit is to assist the Accounting Authority and the organisation in continuously enhancing the maturity of the compliance culture.

The Compliance Function whilst not fully capacitated has established well-defined processes for monitoring compliance with applicable legislative and regulatory re-

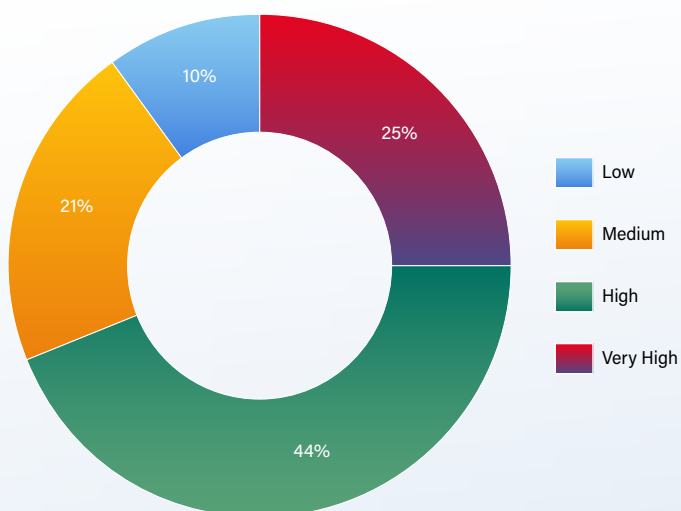
quirements. A Compliance Policy Compliance Framework and Procedure Manual along with a specific Compliance Universe tailored to the SA Post Office have been developed. Compliance Risk Management Plans are formulated in accordance with prioritised acts and regulations for annual focus and are monitored according to a scoped Annual Activity Plan.

Below is a high-level illustration of the risk distribution of the Compliance Universe applicable to SA Post Office.

Compliance Universe Categories



Compliance Risk Ranking



The Compliance Function's primary objective is to ensure adherence to the various legislative requirements that impact the organisation. This involves fostering compliance awareness conducting compliance monitoring through evaluating the organisation's compliance status identifying non-conformances and following up on the implementation of corrective actions ultimately delivering assurance of compliance.

The Compliance Unit is dedicated to promoting a compliance culture within the organisation and is designed to support the Business Rescue Practitioners and the organisation in enhancing compliance management and advancing the organisation's compliance maturity. Despite the challenges faced by the SA Post Office efforts have been made to implement the necessary measures towards optimal compliance within the organisation.

The laws that are core to the organisation relate to the postal licence requirements and are further articulated under the section titled Legislative and Other Mandates in Part A: General Information.



The SA Post Office has faced yet another challenging year marked by a continuous effort to comply with legal and regulatory obligations amidst severe financial constraints and operational hurdles. Whilst still under business rescue SA Post Office implemented several compliance and restructuring measures to stabilise operations and ensure regulatory adherence.

The core mandate of the SA Post Office is to serve South Africa by providing essential postal services while adhering to the

highest standards of regulatory compliance. Over the past year significant efforts have been made to realign our operations with these mandates despite substantial financial and operational challenges. In light of these constraints the SA Post Office has undertaken critical measures to prioritise essential compliance activities. The below outlines the organisation's commitment to regulatory compliance the obstacles faced remedial actions undertaken and future strategies to ensure adherence to all pertinent requirements.

Challenges	Actions Taken
Financial constraints: For the duration of the year SA Post Office operated under the BR process; consequently the organisation faced severe limitations in financial resources impacting our ability to allocate adequate funds for compliance-related activities.	Financial restructuring: Developed a detailed BR plan to reduce costs manage debt and improve cash flow. Negotiated with creditors for debt restructuring and settlement agreements. Efficient Resource Utilisation: Streamlined operations to improve efficiency and reduce waste thus optimising the use of available resources to ensure that compliance activities receive appropriate attention within the broader scope of operational priorities. Collaboration with regulatory bodies to maintain open communication and transparency about our challenges and efforts.
Competing priorities: With limited funds prioritising compliance amidst other urgent operational needs was a continual balancing act.	The Compliance Function's role involves fostering compliance awareness conducting compliance monitoring through evaluating the organisation's compliance status identifying non-conformances and following up on the implementation of corrective actions ultimately delivering assurance on compliance levels.
Resource Limitations: The compliance division operates with limited human capacity hindering the ability to address the backlog of compliance and regulatory issues effectively	Initiation of a risk-based compliance approach to focus on high-priority areas. Reallocation of internal resources to bolster compliance capabilities where possible.
Complex Regulatory Environment: The intricate and expanding web of regulatory requirements compounded existing challenges making it difficult to maintain consistent compliance.	Engagement with external advisors to address specific compliance needs and provide guidance on dealing with complexities. Governance improvements established governance structures to oversee the business rescue process and further enhanced transparency and accountability through regular reporting to stakeholders and regulators.

Future Strategies

Despite facing considerable challenges the SA Post Office remains steadfastly committed to fulfilling its compliance obligations. It acknowledges the critical role that compliance and regulatory adherence play in restoring and maintaining public trust. In this regard it remains determined to overcome these hurdles through strategic planning and dedicated effort. To improve and sustain compliance:

- Enhanced Monitoring: Implementing more robust monitoring systems to identify and address compliance gaps proactively;
- Capacity Building: Strengthening the compliance division through targeted recruitment and training initiatives seeking partnerships to augment capabilities where internal capacity is lacking;

- Continuous Stakeholder Engagement: Ongoing interaction with governmental financial and community stakeholders to align our compliance objectives with national priorities.

SA Post Office appreciates the continued understanding and support from all stakeholders including the government through the DCDT Regulators potential investors parliamentary oversight bodies the national treasury auditors and citizens. Our efforts are geared towards meeting regulatory requirements contributing to the long-term stability and integrity of the SA Post Office as a crucial public service provider.



Financial Misconduct

The SA Post Office is a public entity listed in Schedule 2 to the Public Finance Management Act (PFMA). The SA Post Office is thus required to comply with the requirements of the PFMA, related regulations and all instruction notes applicable to all entities listed in Schedule 2 to the PFMA.

In terms of section 51 (1) (b) (ii) of the PFMA, the accounting authority is required to take effective and appropriate steps to, amongst others, prevent irregular and fruitless and wasteful expenditure.

Section 57 (c) of the PFMA further provides that an official of a public entity must take effective and appropriate steps to prevent irregular expenditure and fruitless and wasteful expenditure in their areas of responsibility.

Financial Misconduct Committee (FMC)

The SA Post Office has an established FMC to review and to ensure that all instances of financial misconduct within the SA Post

Office Group of companies are managed in accordance with the requirements of the PFMA (Public Finance Management Act) and related regulations. The FMC has been established in line with the Public Finance Management Act, 1999, as amended.

Section 51 (b) (ii) as well as 51 (e) (iii) of the PFMA read in conjunction with chapter 33 of the Treasury Regulations requires the Accounting Authority to:

- prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the entity;
- take effective and appropriate disciplinary steps against any official who makes or permits any irregular - or fruitless and wasteful expenditure.

The FMC continues to review instances of irregular fruitless & and wasteful expenditure. Where required consequence management has been recommended for implementation.

Reconciliation of Irregular expenditure				
	Group		Company	
	2025	2024	2025	2024
Opening Balance	2 647 629	2 595 128	2 593 712	2 542 200
Add: Irregular expenditure - current year	74 114	42 096	73 106	41 107
Add: Irregular expenditure expenditure - prior year	0	10 405	0	10 405
Less: Irregular removed/condoned (2020-2023) - Internal processes concluded	(1 362 899)	0	(1 359 860)	0
Less: Irregular removed/condoned (2012-2019) Para 4 of NT Framework - Impracticability	(1 232 229)	0	(1 182 340)	0
Total Irregular expenditure awaiting condonation	126 615	2 647 629	124 618	2 593 712
Analysis of awaiting condonation per age classification				
Current period	74 114	42 096	73 106	41 107
Prior years	52 501	2 605 533	51 512	2 552 605

The South African Post Office (SOC) Limited started reporting on irregular expenditure in the 2011 Financial Year in accordance with the PFMA requirement and continued accordingly. The South African Post Office (SOC) Limited have been addressing root causes resulting in Irregular Expenditure and the occurrence of Irregular Expenditure have reduced as a result.

The process to identify any Irregular Expenditure is ongoing in order to have these transactions assessed and condoned where relevant. The BRP's have approved the removal of Irregular Expenditure up to 31 March 2023 to the value of R2.6 billion. This was considered as all internal processes have been exhausted

to have these cases resolved, including submissions to National Treasury to have these condoned. It is however important to note that in all the cases assessed by the FMC, no cases were identified where there were wilful, deliberate or deceitful attempts to procure for illicit gain. All procurement deemed Irregular was as a result of non-compliance to National Treasury procurement laws and regulations. In all the cases assessed, services were received, no evidence that the Post Office did not receive value for money and no losses were incurred because of the non-compliance. Furthermore, no cases were identified where any employee is to be held liable in person for losses incurred.



With regards to the approval to remove/condone the value of R2.6 billion, the following is applicable:

- Irregular removed/condoned (2020 to 2023). All internal processes was concluded to assess all the incidences in accordance with the Irregular Expenditure Framework. Where consequence management could not be implemented, it is due to employees no longer being employed by the organisation.
- Irregular removed/condoned (2012 to 2019). These cases were removed/condoned by applying the impracticability judgement as referenced in National Treasury Instruction number 4 of 2022/2023. After a thorough analysis of the incidences, it was apparent that due to the age of the incidences, information were no longer available and in 99% of the incidences, the employees involved or employees accountable have already left the organisation. Concluding these incidences would have taken significant resources and would likely not have achieved the desired outcomes.

FRUITLESS & WASTEFUL EXPENDITURE (F&WE)

Fruitless and wasteful expenditure for the Post Office group comprises mostly penalties and fines accumulated over the period 2012 to 2024. It must however also be mentioned that this was pre-BRP and since the approval of the BRP plan and compromise of 12 cents to the Rand, A total of R620 million was written down. Penalties and fines was due to a sustained period of weak financial performance and cash flow constraints which impacted the Post Office ability to settle obligations and they fell due. This has been addressed during the current Business Rescue process and all creditors are currently paid in accordance with agreed credit terms. After a thorough analysis of the circumstances that led to the incurrence of Fruitless and Wasteful Expenditure (FWE) up to 31 March 2024, it was concluded that it would be impractical to recover these amounts from any individuals. The penalties and interest were a direct result of SAPO's prolonged adverse financial situation, which ultimately contributed to the entity being placed under business rescue proceedings (BRP). Accordingly, the Accounting Authority approved the write-off of R495 million as at 31 March 2024. This was effected in line with the FMC policy, as SAPO does not have its own approved write-off policy, in accordance with National Treasury Instruction Note 4 of 2022/23 on PFMA compliance and reporting. The remaining balance is still under consideration by the Financial Misconduct Committee.

Reconciliation of fruitless and wasteful expenditure				
	Group		Company	
	2025	2024	2025	2024
Opening Balance	494 861	962 552	476 695	944 354
Add: Fruitless & wasteful expenditure - current year	4 380	152 240	4 251	152 237
Less: BRP Compromise (12c) - Prior years	-	(483 894)	-	(483 862)
Less: BRP Compromise (12c) - Current year	-	(136 037)	-	(136 034)
Less: Amounts approved for write-off (2012 - 2024)	(494 861)	0	(476 695)	0
Total Fruitless and wasteful expenditure awaiting write-off	4 380	494 861	4 251	476 695
Analysis of awaiting write-off per age classification				
Current period	4 380	16 203	4 251	16 203
Prior years	0	478 658	0	460 492
Total Fruitless and wasteful expenditure awaiting write-off	4 380	494 861	4 251	476 695



Minimising Conflict of Interest

SA Post Office employees are mandated to complete an annual declaration of interest. Each Business Unit Head is accountable for ensuring that all personnel fulfil this obligation and for addressing all potential conflicts of interest in accordance with the established code of ethics and further ensuring that all necessary and applicable permissions are obtained. Copies of employee declarations of interest must be submitted to Human Resources (HR) for record purposes. The Declaration of Interest form has recently undergone a comprehensive review to enhance its capacity to promote ethical conduct and mitigate potential conflicts of interest by rectifying identified deficiencies. The revised form is set to be implemented in the forthcoming financial year.

Any Business Unit that requests to deviate from the procurement process and contract amendments are required to submit a declaration of interest with their request to the Bid Adjudication Committee (BAC). The declaration of interest documents are kept together with the submission at Supply Chain Document Management.

The Bid Evaluation Committee (BEC) members are required complete a declaration of interest prior to evaluation of bids and

are included in the project working file. Project working files are kept at the Supply Chain Document Management office for safe-keeping. In the event that a conflict of interest is declared the member who has declared a conflict of interest is recused from the evaluation process and such interest is recorded.

The BAC members complete a declaration of interest at the BAC meeting for adjudication of bids. In the event that a conflict of interest is declared the BAC member who declares the conflict of interest is recused from the adjudication of the bid and such interest is recorded. The declaration of the conflict of interest documents are kept by the BAC secretariat at Supply Chain Management.

The Board of Directors complete a declaration of interest prior to adjudication of bids. In the event that a conflict of interest is declared the Board member who has declared a conflict of interest is recused from the adjudication of the bid and such interest is recorded. The declaration of the conflict of interest documents are kept with the Company Secretariat at Head Office.

All records are kept for a period of five years in line with regulations and as amended from time to time.



Code of Ethics

The Ethics Policy Framework was approved during 2021 by the Social and Ethics Committee, a sub-Committee of the SA Post Office Board of Directors.

The Code of Ethics Policy Framework aims to achieve the following:

- All employees, irrespective of title, role, rank, or employment type, must know the minimum standard that is required from them as SA Post Office employees, principles and guidelines are provided;
- Employees are to conduct themselves professionally with both their colleagues and clients;
- Development of a common approach, thereby enhancing the quality of ethical decisions in line with company values, mission and mandate;
- Ensuring that all employees carry out their jobs in a manner that credits the organisation, considering that the SA Post Office has an important role in the social and business life in South Africa;
- Improve decision making and reduction of potential risk;
- All employees are to take pride in being part of the organisation, living up to the values and ethical integrity, which will lead to a better organisation, as well as personal fulfilment;

- Increasing the awareness of ethical requirements through education and training on ethics, including fraud and corruption as well as the resources available to address ethical dilemmas; and
- Raise ethical awareness and minimise or eliminate ethical risk.

Further, there are five values that each SA Post Office employee is required to embody:

- Accountability – to take personal responsibility for their actions, honouring commitments made;
- Respect – to treat everyone with courtesy, politeness and professionalism;
- Trust – to rebuild confidence in the integrity of the SA Post Office by being reliable;
- Innovation – to be on the lookout for new ideas and how to translate these into practical plans for the benefit of all; and
- Excellence – to commit to doing their best.



Occupational Health & Safety

INTRODUCTION

The SA Post Office is committed to prioritising the health and safety of both its employees and customers while minimising the impact of its operations on individuals and the environment. Our objective is to minimise accidents and work-related illnesses by effectively managing the health and safety risks linked to our activities. We integrate considerations of safety health and environmental factors into our planning and decision-making processes to ensure a balanced approach to economic social and environmental needs.

Our commitment entails establishing a practical management system providing essential training responding to emergencies and conducting regular reviews of our policies to ensure their effectiveness. While we strive to uphold a zero-tolerance policy for non-compliance with health and safety standards the organisation has faced severe financial difficulties in recent times posing significant challenges to full compliance with all relevant regulations.

SA Post Office employs a systematic approach to hazard identification and risk assessment to ensure workplace safety through:

- Periodic routine workplace Inspections;
- Employees are actively encouraged to voice any hazards or safety concerns through established communication channels;
- Standardised risk assessment procedures;
- Establishment of relevant committees and the necessary appointments of responsible officials;
- Documentation of all findings from inspections and assessments; and
- Incident reporting. Employees are encouraged to report any incidents near misses or unsafe conditions immediately.

Based on the risk assessments conducted appropriate remedial actions are implemented to manage identified exposures. These measures encompass policies appropriate personal protective equipment (PPE) building maintenance ongoing training and safety awareness programs along with regular evaluations of control measures and their effectiveness. The key challenge in applying corrective measures is lack of financial resources.

RISK MANAGEMENT STRATEGIES

To facilitate compliance with Occupational Health and Safety (OHS) standards as mandated by law an OHS Advisory unit has been established. Its primary role is to guide the organisation to observe as far as practically possible minimum requirements

recognise potential risk areas and address them promptly to safeguard the health and safety of both employees and customers. Where feasible and within budget constraints high-risk areas are given priority for corrective measures.

COMMITMENT TO COMPLIANCE

The OHS Advisory team remains steadfast in its commitment to fostering a safe and compliant work environment fully aligned with the company's health and safety framework. The effectiveness of OHS Services has been significantly impacted over the past year primarily due to staffing capacity issues which were influenced mainly by the Section 189 process undertaken by the organisation in Quarters 1 and 2. The administrative changes outlined under Section 189 have necessitated comprehensive realignment efforts to ensure that the OHS framework is seamlessly integrated with the company's revised organisational structure. The OHS team has been working diligently to implement this realignment a vital initiative that supports the company's unwavering commitment to upholding a safe and healthy working environment across all levels of the organisation.

PERFORMANCE AND ACTIVITIES OVERVIEW

Overview of Restructuring Efforts

OHS Services has initiated a comprehensive realignment of the OHS framework to the new structure post the organisational restructuring and retrenchments. This includes the election of key roles essential for health and safety operations including Safety Representatives Business Unit Coordinators Fire Marshals and First Aiders. These elections serve as the first step in re-establishing a robust OHS structure within the company following the adjustment to the new company structure. After the election process the next priority was ensuring that the elected personnel are adequately trained to fulfil their roles in accordance with the Occupational Health and Safety Act. OHS Services has conducted several sessions with regional managers to emphasise the importance of these appointments as the starting point for the restructuring process the election process has since been concluded and currently in the process of conducting the necessary training for these elected individuals to equip them with the knowledge and skills needed to meet the requirements of the OHS Act.

Due to the company's current financial constraints several challenges were encountered in executing the necessary training



for these appointed individuals. To address this OHS Services worked closely with the Learning and Development (L&D) division to identify the most cost-effective method for executing the required training. Additionally the delay in appointing trained and qualified personnel has significantly hindered the ability to collect all inspection reports and consolidate OHS data from all regions.

Critical Remedial Actions

- Continued Collaboration with L&D to implement cost-effective training solutions that align with the company's financial position;
- Completion of Elected Personnel Training: The priority remains to train all elected personnel including Safety Representatives Business Unit Coordinators Fire Marshals and First Aiders as well as provide refresher courses for management.
- Increased OHS Awareness: Utilisation of all available company tools to disseminate OHS information to all employees;
- Strengthen Regional OHS Reporting: A more efficient system for reporting inspections is considered including the use of digital reporting mechanisms which will ensure that OHS data is consistently gathered even if physical visits are not feasible.

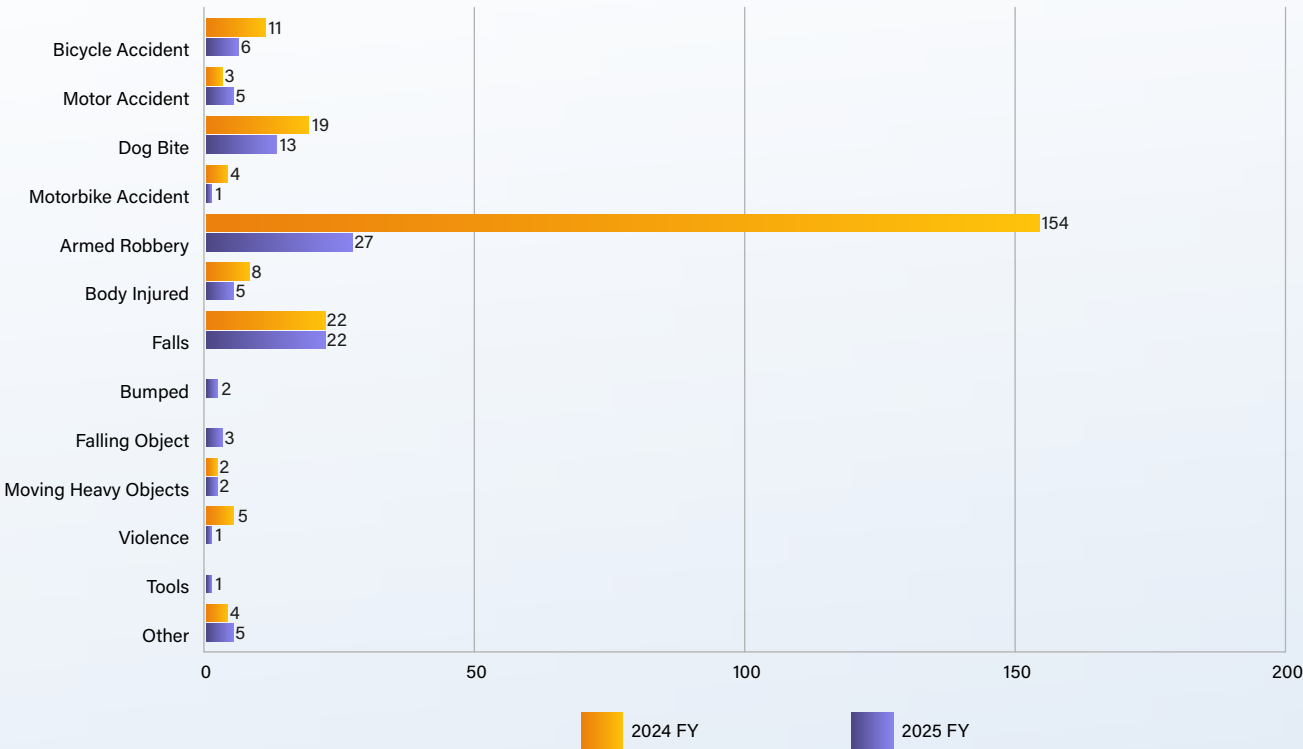
Injury on duty (IOD) Incidents

There has been a significant improvement in the number of incidents compared to the previous year with an overall 60% reduction. A total of 93 (232 incidents during 2023/24 FY) IOD incidents were reported for the 2024/25 FY. Although incidents related to armed robberies remains the largest contributor to the total number of incidents at 27 (154 2023/24 FY) making up 29% (66% 2023/24 FY) of all incidents there has been a notable downward trend year on year with a registered 82% reduction compared to the previous year. This decrease can be attributed to three key factors:

- The reduction in workforce due to the S189 process;
- The decrease in the branch network;
- The diversification of grant collection points for SASSA beneficiaries now available at various retailers which resulted in a reduction in cash levels at branches having a direct impact on robberies and burglaries.

Below is a summary of the annual IOD comparative analysis of the past two years per incident type of workplace injuries and incidents that occurred during the reporting period:

IOD Claims: 2024 VS 2025



The decline in Injury on Duty (IOD) incidents suggests a lower risk exposure for the organisation driven by reduced cash volumes and a decrease in armed robberies. This is evident in the significant drop from 154 claims related to staff trauma to just 27 reported in the 2025 financial year.

Whilst the reduction in these incidents is a positive development armed robberies continue to represent a significant threat to the safety of employees and patrons of the SA Post Office. To mitigate this risk safety and security measures are regularly reviewed. Furthermore trauma counselling and wellness programs are available for affected staff members.

In addition to armed robberies there has been a marked decline in most types of incidents on duty except for workplace falls which have remained the same at 22 incidents as well as injuries stemming from motor accidents. Although this category accounts for only 5% of all incidents the notable increase compared to the previous year raises concerns particularly noting the potential consequential impact of these incidents.

To address the root causes of these specific incidents and minimise recurrence post-incident assessments are carried out. To further reduce the frequency of these accidents several initiatives have been implemented including a comprehensive review and optimisation of last-mile logistical requirements to minimise travel distances wherever possible.

Workplace falls remain a persistent concern warranting further investigation as evidenced by the consistent 22 IOD cases reported in both the current and previous financial years.

Workmen's Compensation

The Workmen's Compensation Fund's historical debt of R115 million was significantly reduced to R13.8 million after the 12% dividend compromise reached with creditors through the BR process.



Corporate Social Investment

The SA Post Office's corporate social investment strategy is fundamentally centered on the promotion of literacy.

According to research, children who read in their mother tongue are more likely to comprehend the material, derive pleasure from the activity, and succeed as students in the future. For several years, the SA Post Office has maintained a partnership with the non-governmental organisation Nal'ibali, which generates interactive reading material in the 11 official languages of South Africa, thereby promoting the reading of mother tongues.

Nal'ibali has been able to concentrate on providing reading material to a greater number of young people in South Africa without the need to accrue costs associated with couriering the reading supplements, as the SA Post Office has continued to distribute reading material free of charge to SA Post Office branches and reading clubs throughout the country.

The partnership between the SA Post Office and Nal'ibali distributed 37 8081 reading supplements throughout South Africa during the year under review.



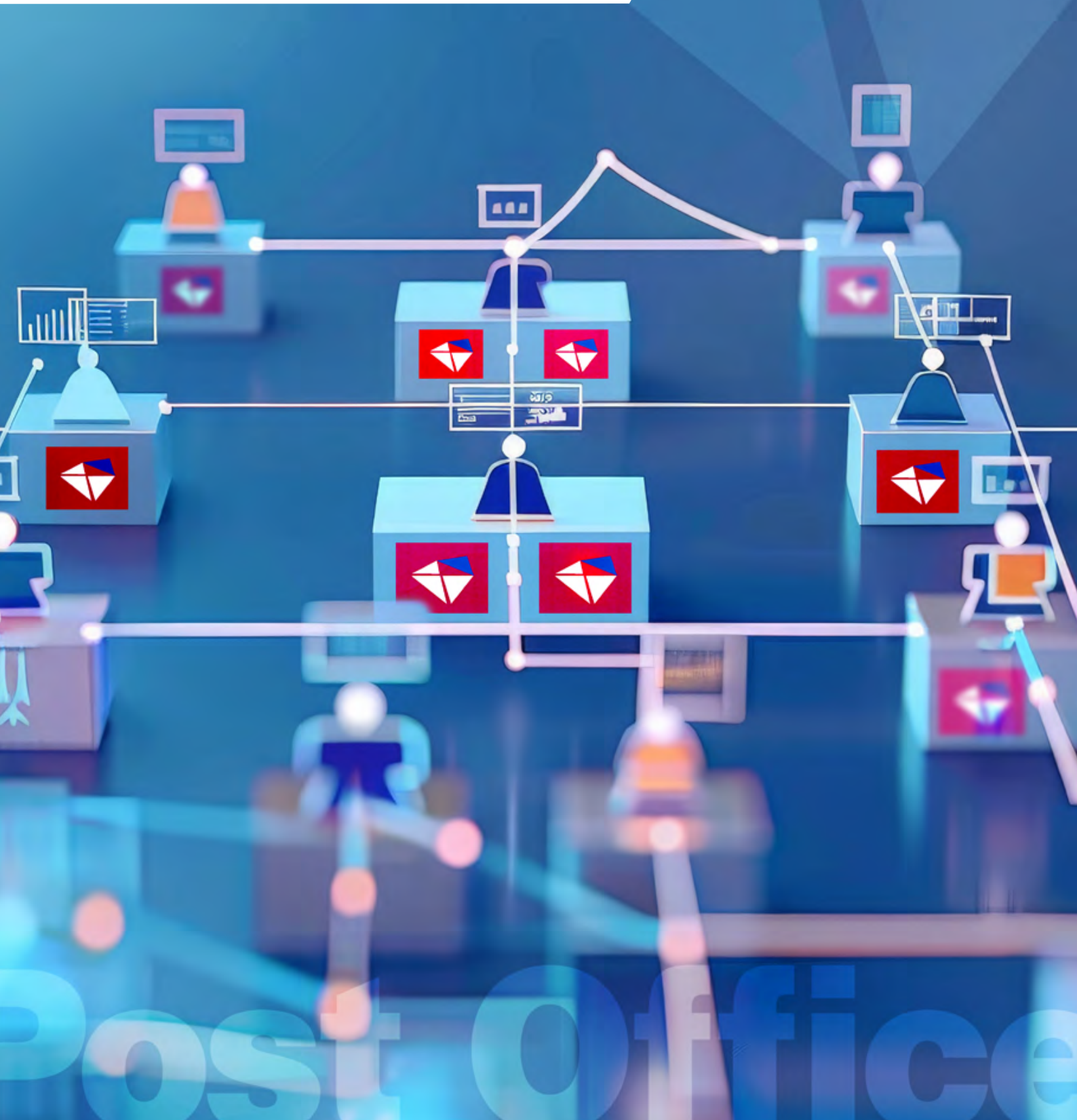
B-BBEE Compliance Information

The following table has been completed in accordance with compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences concessions or other authorisations in respect of economic activity in terms of any law?	No	Not Applicable
Developing and implementing a preferential procurement policy?	Yes	Procurement Policy updated and approved
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable
Developing criteria for entering into partnerships with the private sector?	Yes	Included in the policy
Determining criteria for the awarding of incentives grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Currently no funding capability



D. Human Resource Management





Introduction

During the year under review, Human Resources completed the following initiatives within the SA Post Office:

- Following the adoption of the Business Rescue Plan, focus was placed on revising the SA Post Office structures at all levels;
- The process to ensure proper management of the Post-Retirement Medical Aid (PRMA) subsidy liability is continuing and can be regarded as work in progress;
- Voluntary Severance Packages (VSPs) initiative ran concurrently with the S189 retrenchment process with the result that 93 offers were accepted;
- Permanent staff numbers reduced from 10 854 (31 March 2024) to 5 892 (31 March 2025);
- Employment Equity Plan and Report were submitted to Department of Employment and Labour as required;
- Workplace Skills Plan (WSP) and Annual Training Report (ATR) was signed off, and submitted to the Services SETA;
- Due to financial constraints, no annual salary increases were implemented during the period under review;
- Partnerships with other government entities like NEMISA, and Productivity SA were established;
- TERS (Temporary Employer Relief Scheme) application for funding was filed.

Business Rescue Process

For the year under review a SA post Office was under the Business Rescue (BR) process led by the Business Rescue Practitioners (BRPs) Messrs. Anoosh Rooplal and Juanito Damons. As part of the BR process, the BRPs developed the Business Rescue Plan, which was voted for and approved by majority of creditors on 7 December 2023. The BR plan main purpose was to stabilise, resuscitate and future proof the organisation. In order to achieve the intended turnaround, the plan necessitated that drastic measures are taken to ensure stability of the entity. The voluntary severance package (VSP) was extended, business re-

structuring took place which led to the unfortunate retrenchment of employees.

The unionised and non-unionised employees were consulted in terms of the provisions set out in Section 189A of the Labour Relations Act which was facilitated by the CCMA. The process led to the retrenchment of 4 875 employees from the total of 11 083. The final number was less than the number that was initially noted in the plan due to VSP, dismissals due to misconducts, retirement, and termination due to disability.

Employee Wellness

Employee health and wellness focuses on the Employee Assistance Program (EAP), disability management, occupational health and health promotion.

Employees can access professional assistance for a wide range of psychological, acute and chronic medical conditions, inter-

personal work-related concerns/challenges, including trauma counselling.

Psychosocial problems and general enquiries accounted for the highest of total EAP consultations, followed by work related challenges.

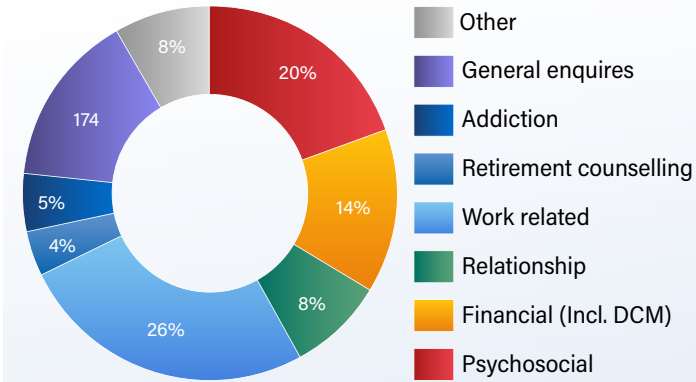


Psychosocial consultations

The data reveals a concerning trend among employees who are facing a variety of work-related challenges. Notably, issues such as job insecurity and insufficient tools for executing their tasks have become prevalent. These factors significantly impact their overall job performance and morale.

In addition to these practical challenges, many employees are also grappling with psychosocial problems. These difficulties encompass a range of issues that affect an individual's psychological and social well-being, including stress, anxiety, and interpersonal conflicts at work. Such challenges can have a detrimental effect not only on the employees' mental health but also on their productivity and workplace relationships.

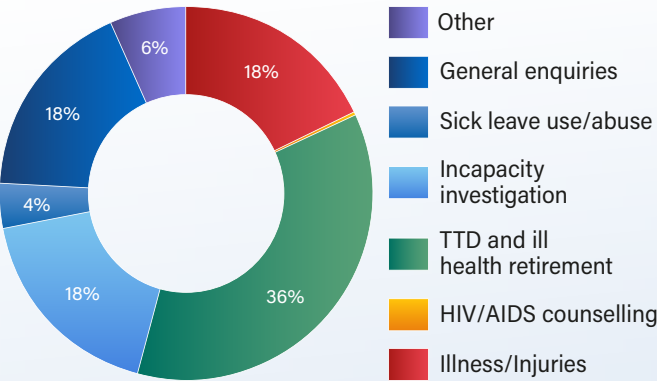
In response to these issues, counselling programs were implemented to provide support for affected employees. During these sessions, employees were able to discuss their concerns and receive guidance on managing their work-related stressors. For those who required more intensive support, several employees



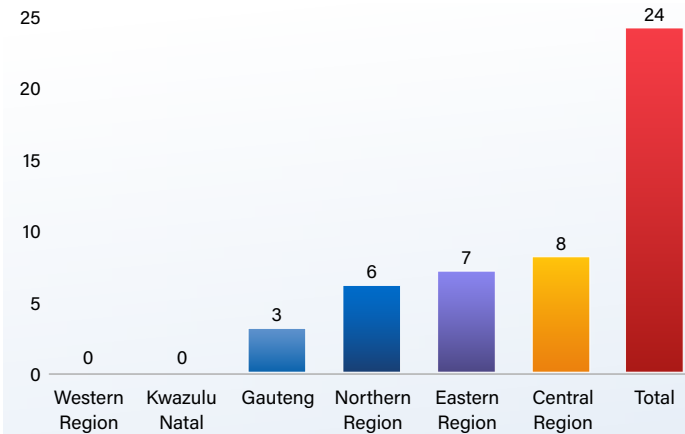
were referred to external service providers for additional psychotherapy. This step ensures that they receive the necessary professional help to navigate their psychological challenges and improve their overall well-being.

Health and Disability consultations

TTD and Ill health retirements regional consultations were high, followed by Illnesses and Incapacity investigations.

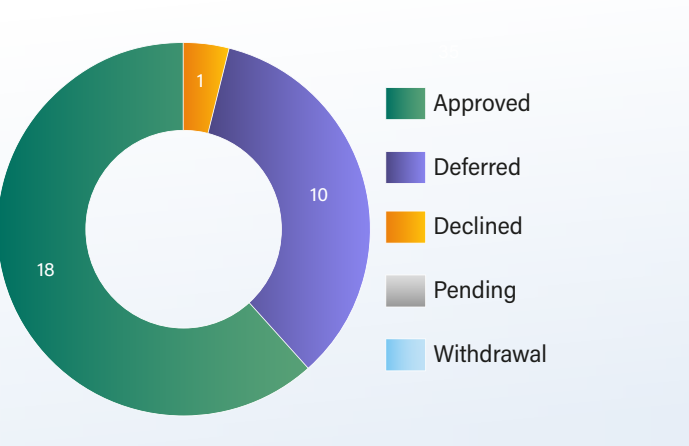


During 2024/25 FY, SA Post Office experienced a decline/ decrease in the number of robberies, employees were debriefed and later referred to external service providers for further counselling.



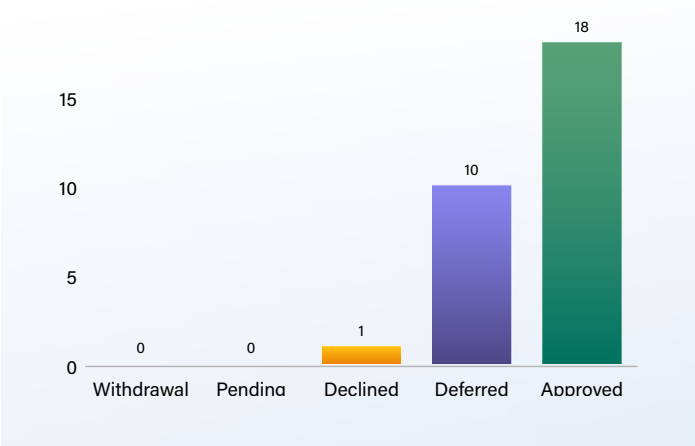
ILL Health Retirement

During the 2024/25 FY, a total of 29 permanent disability applications were assessed. Of there, 18 were approved, 1 was declined due to insufficient medical justification, and 10 were deferred as the applications lacked inadequate medical information to support ILL Health Retirement.



Temporary Total Disability

During the 2024/25 FY, a total of 240 TTD applications were approved. An additional 11 applications were partially approved and 1 declined due to lack of medical justification for the prolonged absence from work.



ENGAGEMENT WITH LABOUR

Since the company is under Business Rescue all engagements with labour were done through the Employee Committee as per Business Rescue Proceedings. The employee representatives were nominated by employees both at bargaining as well as management levels thereby making the committee fully representative.

RECRUITMENT AND APPOINTMENTS

In an effort to ensure a transparent and equitable recruitment process for the newly restructured positions, all vacancies were advertised and filled through a comprehensive Recruitment and Selection process, which involved cross-functional teams. To maintain integrity and impartiality, a strict control measure was implemented: no panel member was permitted to participate in interviews for positions within their own regions. This was designed to eliminate any potential biases and ensure that all candidates were assessed fairly.

The interviews themselves were conducted virtually, with links provided to participants on the morning of the interviews as an

additional layer of control and convenience. In cases where interviews for similar positions extended over multiple days, the recruitment teams created distinct sets of interview questionnaires to ensure a consistent evaluation of candidates while still measuring the same internal dimensions. This approach helped maintain fairness and consistency throughout the process.

Following the conclusion of the interviews, placement meetings were convened with the various panellist teams. During these meetings, the teams discussed candidate scores and collaboratively selected the best fit for each position. The placement committee consisted of representatives from the Business Restructuring Team, Human Resources, and the Line Management, ensuring that all perspectives were considered in the decision-making process.

In terms of candidate eligibility, both internal and retrenched employees were treated as internal candidates, thus making the recruitment process open and fair for all involved. This inclusive approach not only aimed to provide opportunities for existing employees but also sought to uphold the principles of fairness and equity throughout the entire recruitment and selection process.

Human Resources Statistics

STAFF ESTABLISHMENT

The SA Post Office staff establishment was 10 854 as at 31 March 2024 and 5 892 as at 31 March 2025, a decrease of 4 962 employees. The staff reduction during the year under review was as a

result of S189 business rescue process, VSP and natural attrition. Contracted employees included: one executive, one professional and four specialist positions.

Employment changes

Occupational Levels	Employment at the beginning of the period	Appointments	Terminations	Internal movements/ appointments	Employment at the end of the period
Top management	13	0	5	6	15
Senior Management	28	0	30	11	83
Specialists	127	0	39	53	163
Skilled	1 696	0	623	106	897
Semi-skilled	8 459	0	3 681	0	4 713
Unskilled	531	0	474	0	21
TOTAL	10 854	0	4 852	176	5 892

Post-Retirement Medical Aid (PRMA)

Natural attrition resulted in a reduction of R 156 985 of the PRMA liability during the 2024/25 FY.

Post-Retirement Medical Aids

Medical Aid Scheme	Total
BONITAS (Main Members)	64
MEDIPOS (Main Members)	868
Grand Total	932

Voluntary Severance Packages (VSPs)

VSPs were offered to staff for the year under review. A total of 52 offers were accepted during the 2024/25 FY.

Age Group	# of Employees
MSOER: Early Retirement (> 55)	16
MSOER: Early Retirement (50-54)	10
MSOER: Withdrawal (< 55)	26
Total	52





STRATEGIC WORKFORCE PLAN

The strategic workforce plan is dynamic and remains as work in progress. The plan consists of a demographic analysis of employees on managerial and non-managerial levels.

Attrition Rate

As at 31 March 2024 the SA Post Office had 10 854 employees. The attrition rate over the 2024/25 FY is at 45% due to the implementation of the S189 retrench process.

Demographic Analysis

A strategic workforce plan has been created to document and understand the gaps of the SA Post Office future talent demands in relation to the workforce and acts as guideline for staff optimisation.

The workforce demographics are as follows:

- Employees that will retire within the next 5 years are 85 at an estimated cost of R2.5 million per month;
- The average age for the employees is 46 years which indicates that SA Post Office has an ageing workforce; and
- Employees have an average of 16 years of service.

Ageing Workforce and Years of Service

It has become evident that many employees are enjoying longer tenures in their careers. This presents a unique challenge and opportunity for organisations, as it necessitates the implementation of effective mentoring and coaching initiatives. These programmes are crucial for facilitating the transfer of knowledge and skills from seasoned employees to their younger counterparts, ensuring that valuable expertise is not lost as the older generation approaches retirement. Transfer and mentoring programs can also serve to strengthen employee engagement.



EMPLOYMENT EQUITY

Employment equity targets are based on the economically active population as set out by Statistics SA and the SA Post Office strives to recruit, promote and employ categories as set out by these standards. The current financial situation of the organisation poses challenges to reach the set targets by preventing the up skilling of current employees, recruiting and employment of youth and other suitable candidates from the previously disadvantaged groups.

tion poses challenges to reach the set targets by preventing the up skilling of current employees, recruiting and employment of youth and other suitable candidates from the previously disadvantaged groups.

S.A. POST OFFICE PERSONNEL STRENGTH AS AT MARCH 2025									
PERSONNEL COMPLEMENT									
CATEGORY PERSONNEL	African		Coloured		Indians		White		
	Male	Female	Male	Female	Male	Female	Male	Female	
NATIONAL EAP TARGET	43 1%	36 2%	5 2%	4 3%	1 7%	0 9%	4 9%	3 8%	
TOP MANAGEMENT									
TOTAL	3	2	1	0	4	1	3	0	14
	21 43%	14 29%	7 14%	0 00%	28 57%	7 14%	21 43%	0 00%	
Under / (Over Representation)	21 64%	21 89%	(1 99%)	4 32%	(26 90%)	(6 21%)	(16 53%)	3 78%	
	3	3	-0	1	-4	-1	-2	1	
The figures are reflecting an over representation of the Indian males Coloured males and White males. Opportunities exist for the appointment /development of African female, and Coloured females.									
SENIOR MANAGEMENT									
TOTAL	8	2	0	1	2	0	5	5	23
	34 78%	8 70%	0 00%	4 35%	8 70%	0 00%	21 74%	21 74%	
Under / (Over Representation)	8 28%	27 48%	5 16%	(0 03%)	(7 02%)	0 93%	(16 84%)	(17 96%)	
	2	6	1	-0	-2	0	-4	-4	
White males and females, Indian males and females should be guarded for appointment. There is an opportunity for African males and females as well as Coloured males and females. Appointments and development should be considered when the opportunity arises.									
PROFESSIONAL SPECIALIST									
TOTAL	35	29	5	4	9	2	11	13	108
	32 41%	26 85%	4 63%	3 70%	8 33%	1 85%	10 19%	12 04%	
Under / (Over Representation)	10 66%	9 33%	0 53%	0 61%	(6 66%)	(0 92%)	(5 28%)	(8 26%)	
	12	10	1	1	-7	-1	-6	-9	
White males and females, Indian males should be guarded for appointment. There is an opportunity for African males and females as well as Coloured females. Appointments and development should be considered when the opportunity arises.									
TECHNICAL AND ACADEMICAL									
TOTAL	303	476	46	58	32	28	42	50	1 035
	29 28%	45 99%	4 44%	5 60%	3 09%	2 71%	4 06%	4 83%	
Under / (Over Representation)	13 79%	(9 81%)	0 71%	(1 29%)	(1 42%)	(1 78%)	0 84%	(1 05%)	
	143	-102	7	-13	-15	-18	9	-11	
Opportunities exist for the appointment / development of African and Coloured males and White males. The other groups over represented at this level.									
SEMI-SKILLED									



S.A. POST OFFICE PERSONNEL STRENGTH AS AT MARCH 2025

PERSONNEL COMPLEMENT

CATEGORY PERSONNEL	African		Coloured		Indians		White	
	Male	Female	Male	Female	Male	Female	Male	Female
NATIONAL EAP TARGET	43 1%	36 2%	5 2%	4 3%	1 7%	0 9%	4 9%	3 8%
TOTAL	2 152	1 875	315	200	59	31	55	57
	45 36%	39 52%	6 64%	4 22%	1 24%	0 65%	1 16%	1 20%
Under / (Over Representation)	(2 30%)	(3 34%)	(1 48%)	0 10%	0 43%	0 28%	3 74%	2 58%
	-109	-159	-70	5	20	13	178	122

African male and female, Coloured and Indian male are over represented. Opportunities exist for the appointment /development of, Coloured and Indian females as well as white males and females.

UNSKILLED

TOTAL	4	15	2	0	0	0	1	0
	18 18%	68 18%	9 09%	0 00%	0 00%	0 00%	4 55%	0 00%
Under / (Over Representation)	24 88%	(32 00%)	(3 94%)	4 32%	1 67%	0 93%	0 36%	3 78%
	5	-7	-1	1	0	0	0	1

African and Coloured females are over represented. Opportunities exist for the appointment /development of African and Coloured males as well as Indian male/female and white male/female.

ALL PERMANENT EMPLOYEES

TOTAL	2 505	2 399	369	263	106	62	117	125
	42 13%	40 35%	6 21%	4 42%	1 78%	1 04%	1 97%	2 10%
Under / (Over Representation)	0 94%	(4 17%)	(1 05%)	(0 11%)	(0 11%)	(0 11%)	2 93%	1 68%
	56	-248	-62	-6	-7	-7	174	100

Overall African females, Coloured male and female, Indian males and Indian females are over represented. Opportunities exist for the appointment /development of African males, Indian females and white males and females at the appropriate levels.

NON-PERMANENT EMPLOYEES

TOTAL	0	3	0	0	0	0	3	0
	0 00%	50 00%	0 00%	0 00%	0 00%	0 00%	50 00%	0 00%
Under / (Over Representation)	43 07%	-13 82%	5 16%	4 32%	1 67%	0 93%	-45 10%	3 78%
	3	-1	0	0	0	0	-3	0

ALL EMPLOYEES

TOTAL	2 505	2 402	369	263	106	62	120	125
Percentage representation	42 09%	40 36%	6 20%	4 42%	1 78%	1 04%	2 02%	2 10%
Under / (Over Representation)	0 98%	-4 18%	-1 04%	-0 10%	-0 11%	-0 11%	2 88%	1 68%
	58	-249	-62	-6	-6	-7	172	100

Data Source: The EAP targets as reflected in the 2019 QLFS 2rd Quarter, 2019, household-based sample survey conducted by Statistics South Africa (Stats SA). The EAP targets used is the National targets as a company must reflect the national target in it's HEAD OFFICE irrespective of where it is situated.



TALENT AND SUCCESSION MANAGEMENT

The exit of employees via the S189 process necessitated business to request HR to assist with secondment and exposure of employees to fill certain critical and priority positions. Employees were placed in various business units across regions in their relevant field of study or qualifications obtained.

LEARNING AND DEVELOPMENT

Learning and Development continued to strive to develop employees in alignment with the strategic intent of the organisation, and the requirements of its stakeholders.

Various learning and development interventions were implemented during the 2024/25 FY which were included in the workplace skills plan and annual training report submitted to Services SETA. The SA Post Office received an amount of R 4 690 972 as part of the mandatory grants refund for submitting the 2024/25 FY Workplace Skills Plan (WSP) and Annual Training Report (ATR).

A total of 2 178 employees were trained in various programmes despite the fact that no training budget was available. Training material and methodologies were reviewed and re-aligned to available resources.

Collaborations were formed with external partners such as NE-MISA (National Electronic Media Institute of South Africa), the Department of Labour and the Department of Transport to deliver training interventions to employees.

Training Attendance

INTERVENTION TITLE	African		Coloured		Indian		White		Total
	Female	Male	Female	Male	Female	Male	Female	Male	
Budget Management (TK31)	22	2					2		26
CDS - Customs Declaration System	41	17					2		60
Crime Prevention, Awareness	11	2	3	1	1		1		19
Customs Master Class Webinar Series	7	1					1		9
Digital Literacy Made Easy	468	367	35	11	1	9	13	7	911
Discipline and Grievances	8	4	3	1					16
eNaTIS: MVL Full Service	12	7							19
eNaTIS: MVL Plates	11	4			2	1			18
eNaTIS: MVL Renewals	29	14	1	1					45
eNaTIS: MVL Reports	3								3
FAIS Act & Treating Customers Fairly	304	97	52	25	14	15	9	7	523
PORF Two-Pot System	70	70	37	50		3	12	7	249
Risk Management	29	29	5	6		9	7	4	89
SAP: HR - Personnel Administration	7	5	1	2			1	1	17
SAP: HR - Time Management	4	1	1	1			2	1	10
SOP: Process Mail items	2	1							3
TTD Management & Procedures	58	41		1			4		104
UIF Seminar	2	2	1	4					9
Work Instructions (SOP's)	28	18			1		1		48
Grand Total	1 116	682	139	103	19	37	55	27	2 178



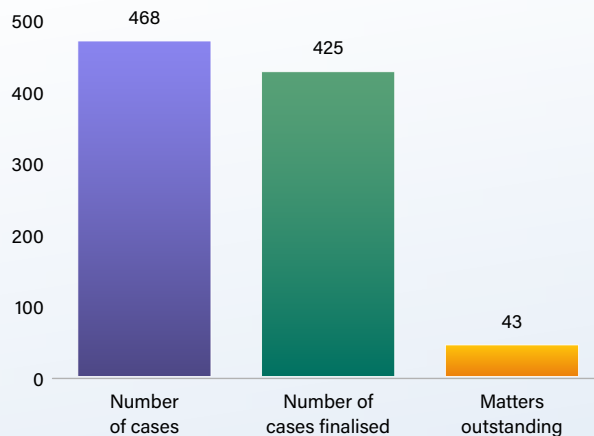
CASE MANAGEMENT

Management of labour related cases has been relatively stable and was consistently applied. The most common types of misconduct are:

- Fraud and Negligence

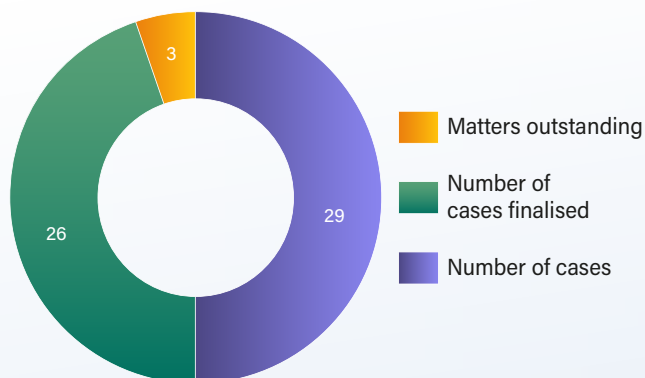
Progressive discipline as guided by employment legislation is applied and the sanctions handed down are commensurate with the seriousness of the misconduct.

Misconduct Cases



91% of misconduct cases were finalised.

Grievances



90% of all grievances were finalised.

The nature of the grievances related to:

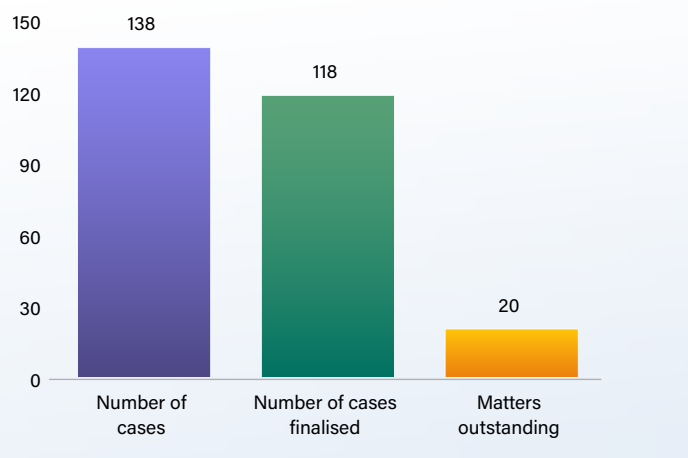
- Abuse of power
- Deformation/ False accusations
- Divulging of information
- Unfair Labour Practice
- Unfair Treatment
- Harassment/Intimidation

Most grievances were received for unfair labour practice and victimisation.





Suspensions



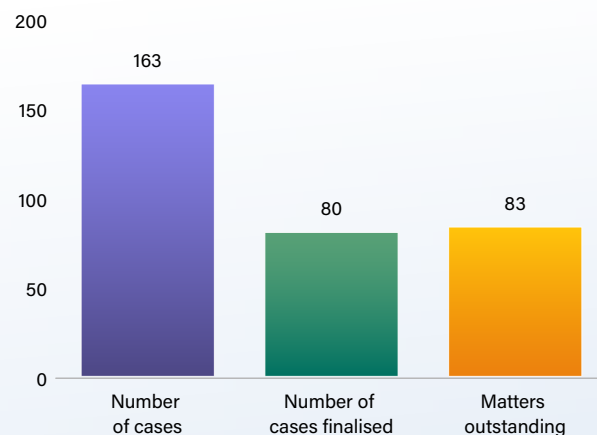
86% of cases have been addressed. The total number of suspensions recorded for the year was 138.

Since the initiation of the Business Rescue proceedings on July 10, 2023, all matters related to the Commission for Conciliation, Mediation and Arbitration (CCMA) have been indefinitely postponed pending the finalisation of these proceedings. This postponement is in accordance with Section 133 of the Companies Act, which establishes a moratorium on all legal actions against a company or entity undergoing business rescue.

At present, there are 198 cases awaiting scheduling, and these will be addressed once the business rescue process concludes. It is anticipated that this number may rise as the BR process progresses and more cases come to light.

Several factors will influence the resolution of these pending matters - for instance, the complexity of each case varies significantly, which can affect the timeline for resolution. Additionally, the protracted delay in proceedings has created challenges regarding the availability of evidence and witnesses. Many individuals who initially testified for the company have since been dismissed, often due to the Section 189(A) retrenchment process or as a direct result of misconduct on their part.

CCMA Cases



These developments raise substantial concerns about the potential for unfavorable outcomes for the company. As the situation evolves, the risk of adverse findings is becoming more pronounced, underscoring the complexities involved in navigating both the BR process and the associated legal matters. It is crucial for the stakeholders involved to remain vigilant and proactive in addressing these challenges as they work towards a resolution.

The nature of disputes related to:

- Unfair dismissal;
- Dismissals related to misconducts.

Cases settled and reasons:

- One case related to Agency shop fee;
- One case related to 191(1) [191(5) (a)] - Dismissal related to misconduct.



E. Financial Information



Report of the auditor-general to parliament on South African Post Office SOC Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

DISCLAIMER OF OPINION

1. I was engaged to audit the consolidated and separate financial statements of the South African Post Office (SOC) Limited (SAPO) and its subsidiaries (the group) set out on pages 95 to 219, which comprise the consolidated and separate statement of financial position as at 31 March 2025, the consolidated and separate statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, as well as the notes to the financial statements, including a summary of material accounting policy information.
2. I do not express an opinion on the financial statements of the group and company. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated and separate financial statements.

BASIS FOR DISCLAIMER OF OPINION

Going concern

3. As indicated in the consolidated and separate financial statements, the group and company incurred at the reporting date, current liabilities exceed current assets by R892 553 000 and R886 246 000 for the group and company respectively. Further, the group and company generated negative cash flows from operating activities of R2 058 377 000 and R2 055 608 000 respectively and incurred a net loss of R111 717 000 as at 31 March 2025.
4. The public entity was therefore commercially insolvent because it was not able to pay its debts as and when they become due, even though its assets exceeded its liabilities. Additionally, I was unable to obtain sufficient appropriate audit evidence to confirm the reasonableness of the cash flow forecasts and the related assumptions, conditions and events to support management's assessment of the group and company's viability in the foreseeable future as disclosed in note 46. Consequently, I was unable to confirm or dispel whether it is appropriate to prepare the financial statements using the going concern assumption.

Retirement benefits

5. The group and company did not account for post-employment benefit plans in accordance with the requirements of IAS 19, Employee benefits, as the input data for the list of pensioners receiving an annuity also included defined contribution pensioners. Consequently, I was unable to determine whether any further adjustments were necessary to the pension fund value included in the net present obligation stated at R477 658 000 (2024: R509 763 000) as disclosed in note 11 to the consolidated and separate financial statements as it was impracticable to do. Additionally, this also impacted on the investment income, finance costs, other non-operating gains and the remeasurements on net defined benefit liability.

Heritage assets

6. I was unable to obtain sufficient appropriate audit evidence for heritage assets in the consolidated and separate financial statements, as a valuation was not performed. I was unable to confirm the fair value of heritage assets by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to heritage assets stated at R46 247 000 (2024: 46 247 000) in note 6 to the consolidated and separate financial statements.

Trade and other receivables

7. I was unable to obtain sufficient appropriate audit evidence for gross uncleared control accounts and other receivables due to a lack of proper record keeping and reconciliation of control accounts. As at the date of this auditor's report, management was still in the process of investigating these gross uncleared control accounts and other receivables. I was unable to confirm these gross uncleared control accounts and other receivables by alternative means. Additionally, the group and company raised an impairment on these control accounts. I was also unable to confirm the appropriateness of the impairment by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to gross uncleared control accounts and other receivables stated at R649 864 000 (2024: R772 004 000) and R649 877 000 (2024: R772 017 000) and impairment stated at R604 280 000 (2024: R684 785 000) in note 14 to the consolidated and separate financial statements respectively.



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Other operating expenses

8. During 2024, other operating expenses were not accounted for in the correct accounting period as required by IAS 1, *Presentation of financial statements*, which resulted in other operating expenses being overstated by R71 455 000. In addition, I was unable to obtain sufficient appropriate audit evidence that other operating expenses had been properly accounted for, due to the poor status of the accounting records. I was unable to confirm other operating expenses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other operating expenses stated at R1 206 824 000 and R1 198 327 000 in note 30 to the consolidated and separate financial statements respectively.

Comparative figures and prior period errors

9. Not all prior period error adjustments were disclosed in note 40 to the consolidated and separate financial statements, as required by IAS 1, *Presentation of financial statements*. The nature and the amount of the correction for some financial statement items affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for those prior period errors disclosed in note 40 to the financial statements, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the prior period errors disclosed in the financial statements.

Non-current assets

10. Non-current assets were materially misstated by R60 117 118 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:

Non-current assets

- Right-of-use assets stated at R117 308 000 and R110 377 000 in note 4 as disclosed in the consolidated and separate financial statements were understated by R35 400 000.
- Property plant and equipment stated at R1 666 281 000 and R1 665 805 000 in note 3 as disclosed in the consolidated and separate financial statements were understated by R9 443 000.
- Other Financial assets stated at R89 058 000 in note 9 as disclosed in the consolidated and separate financial statements were understated by R7 500 000.

OTHER MATTER

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

Business rescue proceedings

12. SAPO was placed under business rescue on 10 July 2023 in terms of section 129(1) of the Companies Act 71 of 2008 (Companies Act). The business rescue plan was adopted on 7 December 2023 by affected persons as required by section 152(2) of the Companies Act. The plan has not yet been concluded as at the date of this audit report as the funding required to conclude the plan has not yet been confirmed.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

13. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act, and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

RESPONSIBILITIES OF THE AUDITOR- GENERAL FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

15. My responsibility is to conduct an audit of the consolidated and separate financial statements in accordance with the International Standards on Auditing (ISAs) and to issue



Report of the auditor-general to parliament on South African Post Office SOC Limited

an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

16. I am independent of the group in accordance with the *International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code), as well as the other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

REPORT ON THE ANNUAL PERFORMANCE REPORT

17. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
18. I selected the following objective presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected an objective that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page numbers	Purpose
Customer satisfaction and regulated service quality standards	26-27	Optimise core business processes and systems which stabilise the business and enhance the efficient operating of the organisation. To enhance the customer experience at all points of presence through effective delivery of services, including government services, to all communities.

19. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management

and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

20. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported.
21. I performed the procedures only to report material findings; and not to express an assurance opinion or conclusion.

22. The material findings on the reported performance information for the selected material indicators are as follows:

Customer satisfaction and regulated service quality standards

KPI 4.1 - Resolution of customer complaints recorded at the call centre within 14 days

23. An achievement of 91% was reported against a target of 100%. I could not determine whether the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.



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KP1 4.3 – Achieve the courier delivery standard time

24. An achievement of 69% was reported against a target of 92%. 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, the underachievement on the target was more than reported.

OTHER MATTER

25. I draw attention to the matter below.

Achievement of planned targets

- 26.** 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.
- 27.** The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 26-27.

Customer satisfaction and regulated service quality standards

Target achieved: 25%		
Key service delivery indicator not achieved	Planned target	Reported achievement
KPI 4.1 - Resolution of customer complaints recorded at the call centre within 14 days	100%	91%
KPI 4.2 - Achieve the regulated mail delivery standard	92%	62.13%
KPI 4.3 - Achieve the courier delivery standard	92%	69%

Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for customer satisfaction and regulated service quality standards objective. Management did not correct the misstatements, and I reported material findings in this regard.

REPORT ON COMPLIANCE WITH LEGISLATION

29. 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.

- 30.** 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.
- 31.** 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.
- 32.** The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:



Report of the auditor-general to parliament on South African Post Office SOC Limited

Annual financial statements and annual reports

- 33.** The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
- 34.** Material misstatements of the statement of cash flows, expenditure, non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer of opinion.

Expenditure management

- 35.** Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 47 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by the group not following the supply chain management processes in relation to deviations.
- 36.** Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 47 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was due to creditors not being paid as a result of SAPO's financial constraints during the financial year.

Strategic planning and performance management

- 37.** The corporate plan submitted to the Department of Communications and Digital Technologies (DCDT) designated by the executive authority did not include the affairs of subsidiaries listed below as required by the section 52(b) of the PFMA:
- The Courier and Freight Group (Pty) Ltd
 - SAPOs Properties (East Rand) (Pty) Ltd
 - SAPOs Properties (Bloemfontein) (Pty) Ltd
 - SAPOs Properties (Cape Town) (Pty) Ltd
 - SAPOs Properties (Port Elizabeth) (Pty) Ltd
 - SAPOs Properties (Rossburgh) (Pty) Ltd

- 38.** The corporate plan did not include the strategic objectives and outcomes as identified and agreed on by the executive authority in the shareholder's compact, as required by treasury regulation 29.1.1(a).

- 39.** An annual shareholder's compact was not prepared as required by treasury regulation 29.2.1.

Consequence management

- 40.** I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 51(1)(e)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.
- 41.** Allegations of theft and fraud which exceeded R100 000 were not reported to the SAPS, as required by section 34(1) of the PRECCA.

SOE oversight and governance

- 42.** A social and ethics committee was not established, as required by section 72(4)(a) of the Companies Act and 43(2) (a) of the Companies Regulations.
- 43.** An audit committee was not established by the accounting authority, as required by section 51(1)(a)(ii) of the PFMA.
- 44.** A company secretary was not appointed by the state-owned company, as required by section 86(1) of the Companies Act.
- 45.** The vacancy of the company secretary was not filled within 60 days by the board after the vacancy arose, as required by section 86(4) of the Companies Act.
- 46.** Approved audited financial statements were not filed with the annual return within the prescribed period, as required by section 33(1)(a) of the Companies Act and 30(2) of the Companies Regulation.

Procurement management

- 47.** Some of the goods, works or services were not procured through a procurement process which is fair, equitable, transparent and competitive, as required by section 51(1) (a)(iii) of the PFMA. Similar non-compliance was also reported in the prior year.



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OTHER INFORMATION IN THE ANNUAL REPORT

48. As a result of the disclaimer of opinion expressed on the financial statements, I do not conclude on material misstatements of the other information relating to the financial statements. If, based on the work I have performed relating to the audit of performance information and compliance with legislation, I conclude that there is a material misstatement of this other information, I am required to report that fact.
49. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

50. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
51. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
52. Management did not adequately review the disclosures and assumptions included in the disclosures made to ensure that they are supported by adequate and credible information.
53. Management did not adequately implement and monitor the action plans to ensure that all material prior year performance information and compliance findings are appropriately addressed. The accounting authority did not exercise adequate oversight over those responsible for the design and implementation of the audit action plans.

54. Management did not adequately review the financial statements and annual performance report to ensure that errors were identified and corrected prior to the submission for auditing resulting in material corrections to the financial statements. Similar material misstatements in the financial statements and annual performance report were previously reported.
55. Regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information were not adequately prepared by management as material misstatements on financial statements and performance information were identified relating to disagreements and limitations.
56. The accounting authority and management did not exercise adequate oversight regarding compliance and related internal controls to ensure that adequate controls are in place to detect and prevent non-compliance with legislation.
57. Management did not implement processes to ensure that compliance with legislation was adequately reviewed and monitored.
58. The public entity did not implement adequate consequence management processes for transgressions of applicable policies, laws and regulations. Investigations were not undertaken for all instances of fruitless and wasteful expenditure incurred in the prior year.

MATERIAL IRREGULARITIES

59. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

STATUS OF PREVIOUSLY REPORTED MATERIAL IRREGULARITIES

Lack of implementation of effective controls on the South African Social Security Agency (SASSA) beneficiary payment system

60. In the 2019-20 financial year, SAPO SOC Ltd did not implement effective controls and risk management processes on the grant payment system, resulting in various inter-



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nal control deficiencies relating to the management of the integrated grant payment system (IGPS) used to manage the Sassa grant beneficiary payments, as required by section 51(1)(a)(i) of the PFMA.

61. I notified the acting accounting authority of the material irregularity (MI) on 12 November 2020 and provided them with an opportunity to respond. The accounting authority responded on the 16 February 2021 and indicated that they were not the appropriate accounting authority, and therefore cannot take any action as an agreement had been reached to transfer ownership of the IGPS system from SAPO to Postbank SOC Ltd effective from 8 January 2021 in line with transfer of the Postbank division from the group to its own stand-alone entity which is not consolidate.
62. The written representation received was further assessed against the requirements of section 51(1)(a)(i) of the PFMA and an assessment of the responses to the internal control deficiencies identified contained indicators of fraud were prevalent in the internal control deficiencies identified.
63. I therefore referred the material irregularity to the Directorate for Priority Crime Investigation (DPCI) on 15 November 2021 for investigation as provided for in section 5(1A) of the PAA.
64. Progress received from DPCI dated 14 July 2022 indicated that SAPO terminated the contract of a service provider

(card manufacturer and supplier) and further reported them to National Treasury as an unfit and dishonest service provide.

65. The DPCI further submitted a compliance file to the AGSA, which mainly covered compliance which was already dealt with by the auditors and some actions that SAPO had already taken as it contained the same information provided to the audit team during the audit of the material irregularity relating to the procurement process and consequence management already implemented by SAPO internally.
66. I therefore concluded and responded to the DPCI indicating that the process completed thus far, has not yet dealt with the fraud considerations highlighted in the material irregularity referred to them and I have since awaited responses or progress on the actions taken on the fraud element of the MI.
67. The DPCI submitted a status update on the 1 October 2024 indicating that the docket is still with the prosecutor for decision making.
68. The DPCI submitted a status update on the 5 April 2025 indicating that the investigation is in progress.
69. I will follow up on the progress made on the next audit.

Auditor - General

Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



Report of the auditor-general to parliament on South African Post Office SOC Limited

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 consolidated and separate financial statements and the procedures performed on reported performance information for selected material performance indicators and on the group's compliance with selected requirements in key legislation.

Consolidated and separate 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 consolidated and separate 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 group's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going

concern basis of accounting in the preparation of the consolidated and separate 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 and its subsidiaries] to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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.



Report of the auditor-general to parliament on South African Post Office SOC Limited

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 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); Section 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); Section 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); Section 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); Section 57(d); 66(3)(a)
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; Regulation 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); Regulation 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 30(3)(b)(i); 33(1)(a); 45(2); 45(3)(a)(ii); Section 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); Section 46(1)(b); 46(1)(c); 72(4)(a); 75(6); 86(1); Section 86(4); 88(2)(d); 112(2)(a); 129(7)
Companies Act Regulations, 2011	Regulation 30(2); 43(2)(a)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury SCM Instruction No.03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 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; Regulation 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Regulation 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Regulation 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Finance Management Act 1 of 1999	Section 50(3); 50(3)(a); 50(3)(b); 51(1)(a)(ii); Section 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); Section 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); Section 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); Section 57(d); 66(3)(a)



Directors' Responsibilities and Approval

The Business Rescue Practitioners' (BRPs') appointment was ratified at a meeting of creditors in terms of section 147 of the Companies Act 71 of 2008 on 24 July 2023 (refer to point 15 of the Business Rescue Practitioners' report).

In terms of section 140 (1) (a) and (b) of the Companies Act :1) During a company's business rescue proceedings the BRP in addition to any other powers and duties set out in Chapter 6 of the Companies Act -

- 1.1 has full management control of the Company in substitution for its board and pre-existing management;
- 1.2 may delegate any power or function of the practitioner to a person who was part of the board or pre-existing management of the Company.

In terms of Section 49 of the Public Finance Management Act the BRPs are therefore considered to be the Accounting Authority.

The BRPs have delegated Authority for the approval of these financial statements to the company's directors Ms. F. Abdul Gany and Mr. L Govender.

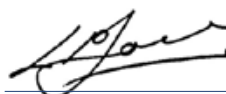
The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The financial statements set out on pages 95 to 219 which have been prepared on the going concern basis were approved on 29 May 2025 and were signed on their behalf by:

Approval of financial statements



Ms. F Abdul-Gany - CA(SA)
29 May 2025



Mr. L Govender
29 May 2025



Business Rescue Practitioners' Report

The Accounting Authority are pleased to submit their report on the financial statements of the South African Post Office (SOC) Limited and its Subsidiaries (SA Post Office) for the year ended 31 March 2025.

1. INCORPORATION

The Company was incorporated on 30 September 1991 and obtained its certificate to commence business on the same day. The Company's registered address is 497 Sophie de Bruyn Street Pretoria 0001.

2. ULTIMATE HOLDING ENTITY

The group's ultimate holding entity is the South African Government which is represented by the Department of Communications and Digital Technologies.

3. NATURE OF BUSINESS

The South African Post Office SOC Ltd is established under the South African Post Office Limited Act No. 22 of 2011 designating it as a state-owned company (SOC) and is the country's designated postal operator. The SA Post Office is mandated to provide universal postal services to the nation. Through its extensive

national postal network SA Post Office connects government businesses and citizens by offering a range of services including postal courier freight financial and retail solutions. It plays a critical role in enabling public service delivery advancing inclusive economic participation and fostering social integration especially within rural underserved and historically marginalised communities.

SA Post Office's mandate stems primarily from the Postal Services Act No. 124 of 1998 and the South African Post Office SOC Ltd Act (2011). The Postal Services Act grants SA Post Office regulatory rights to provide postal services and imposes universal service obligations (USO) to ensure equitable access to postal services nationwide. The promulgation of the South African Post Office SOC Ltd Amendment Act No. 19 of 2024 marks a pivotal moment in SA Post Office's institutional transformation. It redefines SA Post Office's role from that of a traditional postal operator to a multi-sector multi-service national platform anchoring its transformation within a legislated framework and expanding its mandate across the digital logistics and government service domains.

The activities of the Group are undertaken through the company and its principal subsidiaries. The Group operates principally in South Africa.

4. DIRECTORATE

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
Ms. NP Mona	Group Chief Executive Officer	Executive	Resigned 30 June 2024
Ms. F Abdul-Gany	Acting Group Chief Executive Officer	Executive	Appointed 01 November 2024
Mr. L Govender	Acting Group Chief Financial Officer	Executive	Appointed 01 November 2024

Appointment of BRPs - refer to 16 below.

In May 2023 the powers and mandate of the board were relinquished. The Business Rescue Practitioners then assumed this

same responsibility of the Board of Directors. The Group CEO and CFO remained in their positions as per the information in the above table.

5. BUSINESS RESCUE PRACTITIONERS

Mr. J Damons	Appointed 10 July 2023
Mr. A Rooplal	Appointed 10 July 2023



6. DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS

During the financial year no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. AUDITORS

The Shareholder reappointed the Auditor-General of South Africa as auditor for the Company and its subsidiaries at the Company's previous Annual General Meeting.

8. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') the Public Finance Management Act ('PFMA') and the requirements of the Companies Act of South Africa.

The accounting policies have been applied consistently compared to the prior year.

The group recorded a net loss after tax for the year ended 31 March 2025 of R(117) million (2024: net profit after tax R5 399 million).

Group revenue declined by 26% from R1 630 million in the prior year to R1 200 million for the year ended 31 March 2025. The mail revenue continued to be depressed driven mainly by the decline in mail volumes logistics volumes and loss of customers. The mail revenue business represents 71% (2024: 73%) of total company revenues. A new revenue stream commenced in the current year with the launching of e-registered platform in conjunction with a partner. The platform allows for the sending and receiving of e-registered communications. Revenue from this new product stream amounted to R1 639 million for 2025 and is expected to increase as volumes and usage of the platform by customers increases in the future.

The net asset value amounted to R639 million as at 31 March 2025 (2024: R942 million).

9. PROPERTY PLANT AND EQUIPMENT

There was no significant change in the nature of the property plant and equipment of the group or in the policy regarding their use.

At 31 March 2025 the total carrying amount of the group's property and plant and equipment amounted to R1 666 million (2024:

R1 733 million) of which R1.7 million (2024: R2.3 million) was added in the current year through acquisition.

During the previous financial year there was a revaluation of property plant and equipment and investment properties performed by external valuers.

The group has commitments in respect of contracts placed for capital expenditure to the amount of R14 million (2024: R1 million). Refer to note 44 for details.

10. DIVIDENDS

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion the directors may consider a special dividend where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes the directors may pass on the payment of dividends. Given the current constrained cash flows of the Company the board of directors has not declared a dividend by the SA Post Office during the financial year ended 31 March 2025 and the financial year ended 31 March 2024.

11. MONITORING OF FRUITLESS WASTEFUL AND IRREGULAR EXPENDITURE AND LOSSES DUE TO CRIMINAL CONDUCT

The Financial Misconduct Committee (FMC) was established in 2015 with its first meeting held on 12 February 2015 and mandated through the Group's financial misconduct policy to regulate monitor and report on all fruitless wasteful and irregular expenditure and losses due to criminal conduct and institute management consequences that need to be implemented.

All identified fruitless and wasteful expenditure for the Group under investigation for the year ended 31 March 2025 amounted to R4 million (2024: R16 million). Refer to note 47 for more detail.

All identified irregular expenditure for the Group under investigation as at 31 March 2025 amounted to R74 million (2024: R40 million). Refer to note 47 for more detail.

All identified losses due to criminal conduct for the Group under investigation for the year ended 31 March 2025 amounted to R14 million (2024: R48 million). The Company considers a single loss due to criminal conduct of R30 million and above to be material. There has been no single incident in the financial year where the materiality was breached. Refer to note 48 for more detail.



12. INSURANCE AND RISK MANAGEMENT

The Company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset-risk control program which is carried out in conjunction with the Company's insurance brokers. Over the last few years the Company has reduced insurance cover in line with financial constraints and its affordability. This leaves the business its directors and public officers exposed to certain risk should it materialise.

13. SPECIAL RESOLUTIONS

No special resolutions the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the Company were made during the period covered by this report.

The BRPs received approval from the Minister to liquidate the dormant subsidiary Courier Freight Group (Pty) Limited. The BRPs together with SA Post Office management are in the process of preparing an application to Court to place CFG in liquidation.

14. EVENTS AFTER THE REPORTING PERIOD

For events after the reporting period refer to Note 49.

15. GOING CONCERN

For Going concern assessment refer to Note 46.

16. PROVISIONAL LIQUIDATION

On 09 February 2023 a judgement was issued to place SA Post Office under provisional liquidation which led to a Provisional Liquidator being appointed on 30 March 2023.

On 10 July 2023 the Company was placed into Business rescue with the appointment of the Business Rescue Practitioners. The BRPs applied to have the provisional liquidation order to be set aside. The matter was heard on 22 November 2024 in special motion court and the order setting aside the provisional liquidation was granted.

17. LITIGATION STATEMENT

From time to time the company becomes involved in various claims and lawsuits incidental to the ordinary course of business. Refer to note 45 for more details regarding these.

The Business Rescue Practitioners are not aware of any further legal or arbitration proceedings which have a material effect on the Company's financial position except for those mentioned in note 45.

18. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated and company annual financial statements have been authorised for issue by the Business Rescue Practitioners on 29 May 2025.

19. ACKNOWLEDGEMENTS

Thanks and appreciation are extended to all of the SA Post Office's shareholders staff suppliers and consumers for their continued support of the group.



Statement of Financial Position as at 31 March 2025

		Group		Company	
Figures in Rand thousand	Note(s)	2025	2024 Restated *	2025	2024 Restated *
Assets					
Non-Current Assets					
Property plant and equipment	3	1 666 281	1 733 121	1 665 805	1 732 571
Right-of-use assets	4	117 308	147 724	110 377	140 010
Investment property	5	225 446	226 019	153 844	154 417
Heritage assets	6	46 247	46 247	46 247	46 247
Intangible assets	7	1 279	1 434	1 279	1 434
Investments in subsidiaries	8	-	-	20 576	20 576
Other financial assets	9	89 058	99 883	89 058	99 883
Retirement benefit asset	11	-	55 968	-	55 968
Deferred tax	12	2 016	4 433	-	-
		2 147 635	2 314 829	2 087 186	2 251 106
Current Assets					
Other financial assets	9	1 969	1 664	1 969	1 664
Operating lease asset	10	9 795	7 958	9 775	7 899
Inventories	13	32 027	31 544	31 668	31 175
Trade and other receivables	14	283 711	386 850	280 516	381 473
Prepayments	15	17 747	12 874	17 579	12 706
Current tax receivable		253	145	-	-
Refund due from provident fund	16	61 401	-	61 401	-
Cash and cash equivalents	17	553 025	2 525 574	533 247	2 506 688
		959 928	2 966 609	936 155	2 941 605
Total Assets		3 107 563	5 281 438	3 023 341	5 192 711
Equity and Liabilities					
Equity					
Share capital and Capital contribution reserve	18	10 714 116	10 564 116	10 714 116	10 564 116
Reserves		1 512 030	1 522 855	1 512 030	1 522 855
Accumulated loss		(11 504 247)	(11 061 878)	(11 549 227)	(11 112 711)
		721 899	1 025 093	676 919	974 260
Liabilities					
Non-Current Liabilities					
Lease liabilities	4	69 640	100 159	64 018	93 885
Retirement benefit obligation	11	404 800	412 405	404 800	412 405
Deferred tax	12	14 999	14 252	-	-
Provisions	20	28 169	23 249	28 169	23 249
Other employee benefits	21	21 882	21 486	20 727	20 603
		539 490	571 551	517 714	550 142

* See Note 40



Statement of Financial Position as at 31 March 2025

Figures in Rand thousand	Note(s)	Group		Company	
		2025	2024 Restated *	2025	2024 Restated *
Current Liabilities					
Lease liabilities	4	93 913	93 339	91 506	91 483
Operating lease liability	10	1 652	772	1 652	772
Retirement benefit obligation	11	72 858	97 358	72 858	97 358
Current tax payable		313 616	314 024	313 614	313 614
Provisions	20	9 083	30 928	9 083	30 928
Other employee benefits	21	72 913	74 692	72 856	74 053
Trade and other payables	22	1 194 407	2 967 080	1 188 489	2 963 225
Contract liabilities	23	1 628	2 465	-	-
Deferred income	24	59 305	63 422	51 851	56 162
Funds collected on behalf of third parties	25	26 799	40 714	26 799	40 714
		1 846 174	3 684 794	1 828 708	3 668 309
Total Liabilities		2 385 664	4 256 345	2 346 422	4 218 451
Total Equity and Liabilities		3 107 563	5 281 438	3 023 341	5 192 711

*See Note 40



Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	Group		Company	
		2025	2024 Restated *	2025	2024 Restated *
Revenue	27	1 200 633	1 630 640	1 168 582	1 597 587
Other operating income	28	652 035	1 057 630	651 378	1 019 667
Other operating gains (losses)	29	35 699	(56 816)	35 699	(55 332)
Movement in credit loss allowances	14	214 662	(250 819)	214 662	(252 566)
Other operating expenses	30	(905 041)	(1 206 824)	(900 256)	(1 198 327)
Employee costs	31	(1 591 017)	(2 944 155)	(1 569 178)	(2 922 990)
Transport costs		(42 972)	(45 142)	(36 749)	(37 377)
Depreciation amortisation and impairment losses	32	(142 471)	(259 345)	(139 707)	(268 460)
Operating loss	30	(578 472)	(2 074 831)	(575 569)	(2 200 474)
Investment income	33	1 463 890	1 051 968	1 462 385	1 071 205
Finance costs	34	(1 084 754)	(817 077)	(1 083 826)	(816 452)
Other non-operating gains (losses)	35	85 293	7 552 363	85 293	7 552 363
(Loss) profit before taxation		(114 043)	5 712 423	(111 717)	5 689 318
Taxation	36	(3 372)	(312 965)	-	(313 614)
(Loss) profit for the year		(117 415)	5 399 458	(111 717)	5 375 704
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset		(324 954)	(91 940)	(324 799)	(92 171)
Losses on property revaluation		-	(473 033)	-	(473 033)
Gains (losses) on other financial assets adjustments	9	(10 825)	5 550	(10 825)	5 550
Total items that will not be reclassified to profit or loss		(335 779)	(559 423)	(335 624)	(559 654)
Other comprehensive income for the year net of taxation		(335 779)	(559 423)	(335 624)	(559 654)
Total comprehensive (loss) income for the year		(453 194)	4 840 035	(447 341)	4 816 050

*See Note 40



Statement of Changes in Equity

Figures in Rand thousand	Share capital	Capital contribution reserve	Total share capital	Revaluation reserve	Mark-to-market reserve	Total reserves	Accumulated profit/loss	Total equity
Group								
Restated* Balance at 01 April 2023	8 164 116	-	8 164 116	1 984 932	5 406	1 990 338	(16 369 415)	(6 214 961)
Profit for the year	-	-	-	-	-	-	5 399 458	5 399 458
Other comprehensive income	-	-	-	(473 033)	5 550	(467 483)	(91 940)	(559 423)
Total comprehensive income for the year	-	-	-	(473 033)	5 550	(467 483)	5 307 518	4 840 035
Capital contribution reserve	-	2 400 000	2 400 000	-	-	-	-	2 400 000
Other movements in equity attributable to subsidiaries	-	-	-	-	-	-	19	19
Total contributions by and distributions to owners of company recognised directly in equity	-	2 400 000	2 400 000	-	-	-	19	2 400 019
Opening balance as previously reported	8 164 116	2 400 000	10 564 116	1 511 899	10 956	1 522 855	(11 031 984)	1 054 987
Adjustments Prior year adjustments	-	-	-	-	-	-	(29 894)	(29 894)
Balance at 01 April 2024 as restated	8 164 116	2 400 000	10 564 116	1 511 899	10 956	1 522 855	(11 061 878)	1 025 093
Loss for the year	-	-	-	-	-	-	(117 415)	(117 415)
Other comprehensive income	-	-	-	-	(10 825)	(10 825)	(324 954)	(335 779)
Total comprehensive loss for the year	-	-	-	-	(10 825)	(10 825)	(442 369)	(453 194)
Capital contribution reserve	-	150 000	150 000	-	-	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	-	150 000	150 000	-	-	-	-	150 000
Balance at 31 March 2025	8 164 116	2 550 000	10 714 116	1 511 899	131	1 512 030	(11 504 247)	721 899
Note(s)	18&20	18	18					

*See Note 40



Statement of Changes in Equity

Figures in Rand thousand	Share capital	Capital contribution reserve	Total share capital	Revaluation reserve	Mark-to-market reserve	Total reserves	Accumulated profit/loss	Total equity
Company								
Restated* Balance at 01 April 2023	8 164 116	-	8 164 116	1 984 932	5 406	1 990 338	(16 396 244)	(6 241 790)
Profit for the year	-	-	-	-	-	-	5 375 704	5 375 704
Other comprehensive income	-	-	-	(473 033)	5 550	(467 483)	(92 171)	(559 654)
Total comprehensive income for the year	-	-	-	(473 033)	5 550	(467 483)	5 283 533	4 816 050
Capital contribution reserve	-	2 400 000	2 400 000	-	-	-	-	2 400 000
Total contributions by and distributions to owners of company recognised directly in equity	-	2 400 000	2 400 000	-	-	-	-	2 400 000
Opening balance as previously reported	8 164 116	2 400 000	10 564 116	1 511 899	10 956	1 522 855	(11 085 536)	1 001 435
Adjustments Prior year adjustments	-	-	-	-	-	-	(27 175)	(27 175)
Balance at 01 April 2024 as restated	8 164 116	2 400 000	10 564 116	1 511 899	10 956	1 522 855	(11 112 711)	974 260
Loss for the year	-	-	-	-	-	-	(111 717)	(111 717)
Other comprehensive income	-	-	-	-	(10 825)	(10 825)	(324 799)	(335 624)
Total comprehensive loss for the year	-	-	-	-	(10 825)	(10 825)	(436 516)	(447 341)
Capital contribution reserve	-	150 000	150 000	-	-	-	-	150 000
Total contributions by and distributions to owners of company recognised directly in equity	-	150 000	150 000	-	-	-	-	150 000
Balance at 31 March 2025	8 164 116	2 550 000	10 714 116	1 511 899	131	1 512 030	(11 549 227)	676 919
Note(s)	18&20	18	18					

The accounting policies on pages 101 to 121 and the notes on pages 122 to 219 form an integral part of the financial statements.

*See Note 40



Statement of Cash Flows

		Group		Company	
Figures in Rand thousand	Note(s)	2025	2024 Restated *	2025	2024 Restated *
Cash flows from operating activities					
Grants and transfers received		547 815	524 270	547 815	524 270
Cash receipts from customers		1 575 213	1 985 618	1 540 922	1 866 488
Cash paid to suppliers and employees		(4 283 655)	(2 891 343)	(4 252 095)	(2 785 781)
Cash used in operations		(2 160 627)	(381 455)	(2 163 358)	(395 023)
Interest income	33	102 455	100 711	100 948	99 007
Dividends received	33	15 000	10 000	15 000	30 941
Finance costs	34	(11 710)	(33 676)	(10 967)	(33 260)
Tax paid	37	(726)	(295)	-	-
Net cash from operating activities		(2 055 608)	(304 715)	(2 058 377)	(298 335)
Cash flows from investing activities					
Purchases of property plant and equipment	3	(1 742)	(2 340)	(1 161)	(1 898)
Proceeds from sale of property plant and equipment	3	834	-	334	-
Disposal of investment property	5	573	-	573	-
Proceeds from sales of investment property	5	-	39 716	-	34 866
Purchases of intangible assets	7	-	(156)	-	(156)
Net cash from investing activities		(335)	37 220	(254)	32 812
Cash flows from financing activities					
Proceeds on issue of share capital	18	150 000	2 400 000	150 000	2 400 000
Cash repayments on lease liabilities (principal)	4	(66 606)	(149 985)	(64 810)	(147 814)
Net cash from financing activities		83 394	2 250 015	85 190	2 252 186
Total cash movement for the year		(1 972 549)	1 982 520	(1 973 441)	1 986 663
Cash and cash equivalents at the beginning of the year		2 525 574	543 054	2 506 688	520 025
Cash and cash equivalents at the end of the year	17	553 025	2 525 574	533 247	2 506 688

*See Note 40



Accounting Policies

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The South African Post Office is a Company incorporated in South Africa. Its parent and ultimate holding entity is the South African Government represented by the Department of Communications and Digital Technologies. The address of its registered office and place of business are disclosed in the Business Rescue Practitioners' (BRP) report. The principal activities of the Company and its subsidiaries are also described in the BRPs' report.

The accounting policies applied in preparation of these annual financial statements are consistent in all material respects with those applied in the prior year unless explicitly stated otherwise as changes in accounting policies. No standards were adopted before the effective date during the financial reporting period ended 31 March 2025.

The financial statements are presented in South African Rands (ZAR) the functional currency of the Company. They are prepared on the historical cost convention unless otherwise stated in the accounting policies which follow (including land and buildings heritage assets investment properties and certain financial instruments at fair value) and incorporate the material accounting policies set out below.

All amounts are rounded to the nearest thousands except when otherwise indicated. They are presented in Rands which is the group and company's functional currency.

All references to the Company in these accounting policies also refer to the Group unless context indicates otherwise.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with and in compliance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations issued and effective at the time of preparing these financial statements and the Companies Act of South Africa as amended.

The Company's annual financial statements have further been prepared in accordance with the requirements of the Public Finance Management Act and the Companies Act of South Africa and comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

These accounting policies are consistent with the previous period.

1.2 Financial statement preparation

Basis of consolidation

Subsidiaries

The consolidated annual financial statements incorporate the annual financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee
- Is exposed or has rights to variable returns from its involvement with the investee and
- Has the ability to use its power to affect its return

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other voting holders;
- Potential voting rights held by the Company other vote holder or other parties;
- Rights arising from other contractual arrangements and
- Any additional facts and circumstances that indicate that the Company has or does have the current ability to direct the relevant activities at the time that decisions need to be made.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.



Accounting Policies

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non- controlling interests even if this results in the non- controlling interests having a deficit balance.

Where necessary adjustments are made to the annual financial statements of subsidiaries to bring their accounting policies to align with the Group's accounting policies.

All intragroup assets and liabilities equity income expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Fair value considerations

The consolidated annual financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and /or disclosure purposes in these consolidated annual financial statements is determined on such a basis except for measurements that have some similarities to fair value but are not fair value such as net realisable value in IAS 2 or value in use in IAS 36.

In addition for financial reporting purposes fair value measurements are categorised into level 1 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

Level 1 input are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Current non-current distinction

All assets and all liabilities are classified and presented as either current or non-current unless they are presented in order of their liquidity. The term 'current' is defined for:

- a. assets as an asset that is:
 - ii. expected to be realised in or is intended for sale or consumption in the entity's normal operating cycle;
 - iii. held primarily for the purpose of being traded;
 - iv. expected to be realised within 12 months after the reporting period; or
 - v. cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period;
- b. liabilities as a liability that:
 - i. is expected to be settled in the entity's normal operating cycle;
 - ii. is held primarily for the purpose of being traded;
 - iii. is due to be settled within 12 months after the reporting period; or
 - iv. the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could at the option of the counterparty result in its settlement by the issue of equity instruments do not affect its classification.

Current assets include inventories and trade receivables that are sold consumed or realised as part of the normal operating cycle and current liabilities include those liabilities that form part of the working capital used in a normal operating cycle of the entity for example trade payables and accruals for employee benefits expense.

The principal accounting policies are set out below.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements management is required to make estimates and assumptions that affect the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.



Accounting Policies

Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Significant judgements include:

Loans and receivables

The Group assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis based on historical loss ratios adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Financial assets at fair value through other comprehensive income (OCI)

The Group follows the guidance of IFRS 9 to determine when a financial asset is impaired. This determination requires significant judgement. In making this judgement the Group evaluates among other factors the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee including factors such as industry and sector performance changes in technology and operational and financing cash flow.

Allowance for slow moving damaged and obsolete stock

The allowance for stock write-off at the lower of cost or net realisable value requires the use of estimates to determine the selling price and direct cost to sell.

Fair value estimation

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 Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted mar-

ket prices or dealer quotes for similar instruments are used for long-term debt. Other techniques such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments. These require observable and unobservable inputs and assumptions about market conditions.

The carrying value less impairment provision of trade 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 Group for similar financial instruments.

Other items that are subject to fair value as a significant judgement and source of estimation and uncertainty include property plant and equipment and investment property. Further detail on the valuation of these items is provided in notes 3 and 5 respectively.

Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that assumptions may change which may then impact estimations and may then require a material adjustment to the carrying value of non-financial assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions and contingent liabilities

Provisions were raised and management determined an estimate based on available information.

General

Management's judgement is required when recognising and measuring provisions and when measuring contingent liabilities. The probability that an outflow of economic resources will be required to settle the obligation must be assessed and a reliable estimate must be made of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation and discounted where the effect of discounting is material.

The discount rate used is the rate that reflects current market assessments of the time value of money and where appropri-



Accounting Policies

ate the risks specific to the liability all of which require management's judgement. The Group is required to recognise provisions for legal contingencies when the occurrence of the contingency is probable and the amount of the loss can be reasonably estimated. Liabilities provided for legal matters require judgements regarding projected outcomes and ranges of losses based on historical experience and recommendations of legal counsel. Litigation is however unpredictable and actual costs incurred could differ materially from those estimated at the reporting date.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns based on product type.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults the historical default rates are adjusted. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 14.

Realisation of deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the type of recovery i.e. sale or use. This type of recovery affects the rate used to determine the deferred tax liability.

Taxation

Judgement is required when determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the

final tax outcome of these matters is different from the amounts that were initially recorded such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Deferred income

Judgement is required when determining the deferred revenue due to the stage of completion of the revenue contract at year end. There are many transactions and calculations for which the ultimate deferred revenue determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated deferred income based on the stage of completion. Where the final outcome of these matters is different from the amounts that were initially recorded such differences will impact the profit or loss and deferred income liability in the period in which such determination is made.

Post-employment benefit obligations

In determining the value to be placed on these post-employment benefits various assumptions in respect of various economic and demographic factors have been made. In order to have consistency between the benefits the same assumptions for all benefits have been applied where relevant. In assessing the appropriateness of the assumptions used it is important to consider the assumptions as a whole rather than in isolation. In particular the relationship between the assumptions for the discount rate and the rate of increase in benefits is important.

IAS 19 Employee Benefits (IAS 19) requires that realistic assumptions be applied in the valuation and that this should be determined with reference to the yields on corporate stock of similar duration to the liabilities. The standard further indicates that if the corporate bond market is neither sufficiently deep nor liquid reference should be made to the yields on government stock. For the purpose of this valuation account has been taken of the yields on South African government stock as reflected in the yield curve of the Bond Exchange of South Africa. The basic in-



Accounting Policies

flation assumption has also been determined by reference to the inflation rate implied in the market by the difference between the yield on nominal and inflation linked government stock.

The demographic assumptions (e.g. mortality withdrawal rates etc.) have been based on standard actuarial tables and other assumption rates that are generally used in the marketplace for the valuation of liabilities of this nature. Allowance has been made for AIDS related deaths in respect of the long service and leave encashment benefits but not the post-retirement medical aid (PRMA) benefits using the Actuarial Society of South Africa AIDS model.

The results of the valuation are highly dependent on the choice of assumptions and the relationship between them. Therefore in order to assist the user in interpretation of the valuation results show the impact on the liabilities of a number of different assumptions.

Actuarial valuations are performed on an annual basis.

Site restoration and dismantling cost

Decommissioning costs expected to be incurred upon the termination or conclusion of lease agreements have been capitalised in terms of the relevant lease agreements. It is uncertain whether these leases will be extended or terminated earlier and this creates uncertainty regarding the amount and timing of the cash flows. There are no expected reimbursements for the costs that will be incurred.

Estimation of useful lives and residual values

Property plant and equipment are depreciated over their useful lives taking into account the residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as technological innovation product life cycles and maintenance programmes are taken into account. Residual value assessment considers issues such as future market conditions the remaining lives of the assets and the projected disposal values.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and remaining useful lives are reviewed at least annually. The estimation of the useful lives of intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement.

Going Concern

Significant judgements were made in respect of assessing whether the entity was a going concern. Please refer to note 46 for more information.

Estimation of uncertainty for Trade and other receivables

Trade and other receivables

Trade and other receivables include amounts related to cash recorded by SA Post Office as handed over to a security service provider for delivery but not acknowledged as received by SA Post Office branches. A portion of the amount is long outstanding and a reconciliation by the service provider to confirm what balance is owed to SA Post Office was ongoing at the reporting date. The outcome of the reconciliation may affect the book value of these amounts recognised in future periods.

1.4 Heritage assets

Heritage assets are assets that have a cultural environmental historical natural scientific technological or artistic significance and are held indefinitely for the benefit of present and future generations. Heritage assets lie in contrast with property plant and equipment which are tangible items that are held for use in the production or supply of goods or services for rental to others or for administrative purposes.

In the absence of an IFRS that specifically applies to a transaction other event or condition management develops an accounting policy in terms of IAS 8 which permits management to consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop accounting standards to the extent that these do not conflict with the requirements in IFRSs dealing with similar and related issues and key definitions and concepts within the Conceptual Framework for Financial Reporting.

It is on this basis that the accounting treatment for heritage assets is informed by the requirements of GRAP 103 (Heritage Assets) issued by the Accounting Standards Board (South Africa).

In terms of the Independent Communications Authority of South Africa (ICASA) licence agreement the SA Post Office is required to own a museum which contains assets of a historical nature including stamps paintings artifacts and machinery. Heritage Assets are recognised when



Accounting Policies

- it is probable that future economic benefits or service potential associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Heritage assets which qualify for recognition as an asset are initially measured at cost.

Where heritage assets were acquired for no cost or nominal cost its cost is measured at fair value on the date of acquisition.

An inflow of resources from a non-exchange transaction recognised as a heritage asset will be recognised as revenue except to the extent that a liability is also recognised in respect of the same inflow (which is the case when a stipulation is a condition).

Costs of day-to-day servicing i.e. repairs and maintenance are expensed only costs incurred to enhance or restore an asset to preserve its indefinite useful life can be capitalised if they meet the recognition criteria.

Heritage assets are subsequently measured at the revalued amount less accumulated impairment losses.

Heritage assets have indefinite useful lives and are not depreciated.

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 to other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount as a result of a revaluation is recognised in profit or loss in the current period. The decrease is debited in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Service potential is the capacity to provide services that contribute to achieving the Group's objectives. Service potential enables an entity to achieve its objectives without necessarily generating net cash inflows.

An asset is derecognised when it is disposed of or when no future economic benefits or service potential is expected. Any gain or loss is recognised in profit or loss. The revaluation surplus in-

cluded in equity in respect of a heritage asset may be transferred directly to retained earnings when it is derecognised.

A heritage asset is not depreciated but the Group assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists the entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

In assessing whether there is an indication that an asset may be impaired the Group considers as a minimum the following indications:

External sources of information:

- a. During the period a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.
- b. The absence of an active market for a revalued heritage asset.

Internal sources of information:

- a. Evidence is available of physical damage or deterioration of a heritage asset.
- b. A decision to halt the construction of the heritage asset before it is complete or in a usable form.

1.5 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment property is recognised as an asset when and only when it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to or to replace a part of or service a property. If a replacement part is recognised in the carrying amount of the investment property the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value which reflects market conditions at the reporting date.



Accounting Policies

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property the deemed cost for subsequent accounting is the fair value at the date of change in use.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

1.6 Property plant and equipment

Property plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of Property plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property plant and equipment is initially measured at cost including any cost directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating as intended by management. Land is not depreciated. Where any item comprises of major components with different useful lives these major components are accounted for as separate items.

Expenditure incurred subsequently for major services additions to or replacements of parts of property plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day-to-day servicing costs are included in

profit or loss in the year in which they are incurred.

Property plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses except for land and buildings.

Land and buildings are subsequently stated 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.

On revaluation the carrying amount of the asset is adjusted to the revalued amount. The amount of the adjustment of accumulated depreciation forms part of the increase or decrease in carrying amount.

When an asset's carrying amount is adjusted as a result of a revaluation the adjusted is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. 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 at the earlier of the date that the asset is classified as held for sale or derecognised.

The assumptions regarding estimated useful lives of items of property plant and equipment at acquisition are assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	30 - 100 years
Data processing equipment	Straight line	3 - 15 years
Furniture and fixtures	Straight line	3 - 20 years
Land	Straight line	Indefinite
Leasehold improvements	Straight line	Term of the lease
Motor vehicles	Straight line	3 - 20 years
Machinery and equipment	Straight line	3 - 20 years



Accounting Policies

Whenever the Company re-assesses the useful lives of its assets the remaining useful lives of some assets may be extended beyond or reduced beneath the initial estimates made at acquisition. Such extensions or reductions to individual assets are then updated and reflected within the fixed asset register.

The residual value useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are 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 profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property plant and equipment is included in profit or loss when the item is derecognised. Such gains or losses are determined as the difference between the net disposal proceeds if any and the carrying amount of the item.

1.7 Site restoration and dismantling cost

Where the Company has an obligation to dismantle remove and restore items of property plant and equipment such obligations are referred to as decommissioning restoration and similar liabilities. The cost of these items of property plant and equipment include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. These assets are individually considered and depreciated over their expected lease term usually indicated by the actual lease contract.

The related asset is measured using the cost model:

- changes in the liability are added to or deducted from the cost of the related asset in the current period;
- if a decrease in the liability exceeds the carrying amount of the asset the excess is recognised immediately in profit or loss; and
- if the adjustment results in an addition to the cost of an asset the entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication the asset is tested for impairment by estimating its recoverable amount and any impairment loss is recognised in profit or loss.

1.8 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. Neither the Group nor the Company has intangible assets with indefinite useful lives.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised development expenditure is recognised in profit or loss in the period in which it is incurred.



Accounting Policies

Expenditure on research activities is recognised as an expense in the period in which it is incurred. The amortisation period and the amortisation method for intangible assets are reviewed regularly.

Derecognition of intangible assets

An intangible asset is derecognised on disposal or when no fu-

ture economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

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

Item	Useful life
Intangible assets under development	Not amortised until asset is complete and in use
Software	2 - 8 years
Software - personal computers	1 - 3 years

1.9 Interests in subsidiaries

In the Company's separate annual financial statements investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value at the date of exchange of assets given liabilities incurred or assumed and equity instruments issued by the select entity; plus
- any costs directly attributable to the purchase of the subsidiary.

1.10 Financial instruments

Financial instruments held by the Group and Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly the classification possibilities which are adopted by the Group and Company as applicable are as follows: Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on principal and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows);
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on principal and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or

Note 41 Risk management presents the financial instruments held by the Group and Company based on their specific classifications.



Accounting Policies

All regular way purchases or sales of financial assets 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 marketplace.

The specific accounting policies for the classification recognition and measurement of each type of financial instrument held by the Group and Company are presented below:

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions note 1.3.
- Trade receivables note 14.

The Group recognises an allowance for Expected Credit Losses (ECL's) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets the Group applies a simplified approach in calculating ECLs. Therefore the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers financial assets other than trade receivables financial asset in default when contractual payments are 90 days past due. However in certain cases the Group may also

consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Loans to (from) group companies

Initial recognition and classification

Intragroup loans and receivables/(payables) are classified as financial assets/(financial liabilities). These include loans to and from subsidiaries and are recognised initially at fair value plus/ (minus) direct transaction costs.

Subsequent measurement

Intragroup loans and receivables/(payables) are subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and the Group's business model is to collect the contractual cash flows on these loans.

Financial liabilities at amortised cost

Initial recognition and classification

Financial liabilities at amortised cost consist of advance payment received. This advance is initially measured at fair value plus/(minus) direct transaction costs.

Subsequent measurement

Financial liabilities at amortised cost are subsequently measured at a fair value equal to a similar liability valued at a market interest rate.

The advance has been classified in this manner because the contractual terms of these advance give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and the Group's business model is to repay the contractual cash flows on this advance.

The difference in the fair value of the advance and the actual payments received is subsequently recognised as a government



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grant on year end.

Trade and other receivables

Classification

Trade and other receivables and the refund due from provident fund excluding when applicable Value-Added Tax and prepayments are classified as financial assets subsequently measured at amortised cost (Note 14).

They have been classified in this manner because the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and the Group and Company's business model is to collect the contractual cash flows on trade and other receivables and the refund due from provident fund.

Recognition and measurement

These financial instruments are recognised when the Group and Company becomes a party to the contractual provisions of the receivables. They are measured at initial recognition at transaction price as the receivables are generally due within 12 months or less from their creation and do not contain a significant financing component.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially minus principal repayments plus cumulative amortisation (interest) if applicable using the effective interest method of any difference between the initial amount and the maturity amount adjusted for any loss allowance.

Trade and other payables

Classification

Trade and other payables excluding Value Added Tax and amounts received in advance are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Group and Company becomes a party to the contractual provisions and are measured at initial recognition at fair value plus transaction costs if any.

They are subsequently measured at amortised cost using the ef-

fective interest method.

If trade and other payables contain a significant financing component and the effective interest method results in the recognition of interest expense then it is included in profit or loss in finance costs.

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to Note 41 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

Borrowings

Initial recognition and classification

The amount represents an internal inter-divisional balance that was converted to a company-level liability as a consequence of the separation of Postbank from SA Post Office. This amount is initially measured at fair value plus/(minus) direct transaction costs.

Subsequent measurement

Borrowings are subsequently measured at amortised cost on an effective rate basis on the principal amount of the loan.

The amount is considered to be current in nature because the Company has no contractual right to unilaterally defer settlement of the liability for at least twelve months after the reporting period.

1.11 Tax

Current tax assets and liabilities

Current tax for current and prior periods is to the extent unpaid recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered



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from) the tax authorities using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and branches except to the extent that both of the following conditions are satisfied:

- the parent investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries branches and associates to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates

that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period except to the extent that the tax arises from a transaction or event which is recognised in the same or a different period to other comprehensive income.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged in the same or a different period to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged in the same or a different period directly in equity.

1.12 Leases

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date for all lease agreements for which the group is a lessee except for short-term leases of 12 months or less or leases of low value assets. For these leases the group recognises the lease payments as an operating expense (note 30) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the group is a lessee are presented in note 4 Leases (group as lessee).

Lease liability

Lease payments included in the measurement of the lease liability comprise the following:



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- fixed lease payments including in-substance fixed payments less any lease incentives;
- variable lease payments that depend on an index or rate initially measured using the index or rate at the commencement date;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the incremental borrowing rate) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 34).

IFRS 16 is silent on the accounting treatment of interest on lease obligations in arrears. The Group follows guidance provided by the National Treasury shown below.

When an interest expense on lease payments in arrears results in a liability that will not be payable to the lessor the excess liability is immediately derecognised by reducing the lease liability and crediting the corresponding gain in the profit or loss statement to ensure that the lease liability reflects the true lease liability by not overstating the lease liability with the unrealized interest. Lease obligations arrears are presented as part of the overall lease obligation.

Where the lease agreement stipulates penalties and additional charges for missed payments these are recognised as an expense in profit or loss.

The group remeasures the lease liability when applicable in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	Discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the group will exercise a purchase termination or extension option.	Discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	Discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate in which case a revised discount rate is used);
Change in expected payment under a residual value guarantee.	Discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	Discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;

- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located when the group incurs an obligation to do so unless these costs are incurred to produce inventories; and
- less any lease incentives received.

When the group incurs an obligation for the costs to dismantle and remove a leased asset restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the lease a provision is recognised in the Statement of Financial Position in note 20 Provisions.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.



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Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option the related right-of-use asset is depreciated

over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives the useful lives are presented in the following table:

Item	Depreciation method	Average useful life
Buildings	Straight line	Lease term
Motor vehicles	Straight line	Lease term
IT equipment	Straight line	Lease term
Computer software	Straight line	Lease term
Site restoration	Straight line	Lease term

The residual value useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease or on another systematic basis if that basis is more representative of the pattern in which the benefits from the use of the underlying asset are diminished. Operating lease income is included in other operating income (note 28).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any pre-paid or accrued lease payments relating to the original lease are

treated as part of the lease payments of the new lease.

1.13 Inventories

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

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

The cost of inventories includes the purchase price and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

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

When inventories are sold the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or



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

1.14 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists the Group estimates the recoverable amount of the asset.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists the recoverable amounts of those assets are estimated.

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 had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.16 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 13th cheque)

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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

A defined contribution plan is a pension plan under which the Group pays fixed contributions

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age years of service and compensation. Defined benefit schemes are funded through payments to trustee-administered funds determined by periodic actuarial calculations.

The benefit costs and obligations under the defined benefit funds are determined separately for each fund using the projected unit credit method.

The service cost and net interest on the net defined benefit liability or asset are recognised in profit or loss.

Where the benefits of a plan are amended or curtailed the change in the present value of the net defined benefit obligation relating to past service by the employees is recognised in profit or loss in the period of the amendment.

The company accepts liability for any underfunding.

Past service costs are recognised immediately.

Remeasurements of the net defined benefit liability or asset comprising actuarial gains and losses the effect of changes in the asset ceiling where applicable and the return on the plan assets other than interest are recognised in other comprehensive income and transferred to equity in the period in which they arise.

The post-benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation less the fair value of any plan assets. An asset resulting from this calculation is recognised only to the extent of any



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economic benefits available to the SA Post Office in the form of refunds or reductions in the future contributions (asset ceiling).

Actuarial gains or losses are determined through annual actuarial valuations by independent consulting actuaries using the projected unit credit method and remeasurements recognised as stated above.

1.17 Funds collected on behalf of third parties

Funds collected on behalf of third parties consist of funds collected on behalf of third-party clients from the customers of the Company. These funds are paid over to the third-party client within the 24 hours after collection from the customers.

These amounts are initially and subsequently recognised at the gross amount collected from the customers and do not incur interest for the period the monies are held in the bank account of the Company.

1.18 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous the present obligation

under the contract shall be recognised and measured as a provision. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Management applies its judgement to the relevant facts patterns and advice it receives from its attorneys advocates and other advisors in assessing if an obligation is probable more likely than not or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Contingent assets and contingent liabilities are not recognised.

1.19 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Group will comply with the conditions attaching to them; and
- the grants will be received.

These are included in subsidy received in advance until they are utilised.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate for.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

1.20 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange



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

In circumstances where the group receives or pays an amount in foreign currency in advance of a transaction the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset income or expense is the date on which the group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss any exchange component of that gain or loss is recognised in profit or loss.

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

1.21 IFRS 15 Revenue from contracts with customers

Revenue recognition

Revenue from contracts with customers is applied using a single model which is a five step-Model. The five-step model consist of the following steps:

- Identify the contract(s) with a customer
- Identify the separate performance obligations (PO) in the contract
- Determine the transaction price
- Allocate the transaction price to the separate performance obligations (PO)
- Recognise revenue when the entity satisfies a performance obligation (PO)

Revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or services (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

An entity transfers control of a good or service over time and therefore satisfies a performance obligation and recognizes revenue over time if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time in accordance with the above an entity satisfies the performance obligation at a point in time.

Measurement

When (or as) a performance obligation is satisfied SA Post Office recognise as revenue the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

Bulk mail revenue

Bulk mail is a mail sorting and delivery service offered to customers with large mailing lists such as retail clothing companies. Bulk mail revenue also includes bulk parcels. Revenue from bulk mail services is recognised at a point in time upon delivery of the mail to its destination (post-box or physical address). The time of delivery is based on our mail delivery performance statistics. Bulk mail revenue also includes collection services that is recognized at a point in time after collection.

Franking mail revenue

Franking refers to any devices markings or combinations thereof ("franks") applied to mails of any class which qualifies them to be postally serviced. Franking mail revenue is recognized at a point in time when the mail is delivered to its destination. The time



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of delivery is based on our mail delivery performance statistics. Franking mail revenue also include licence fees. Licence revenue is recognised at a point in time when SA Post Office and the customer becomes parties to a contract because the 'over time' criteria are not met.

Hybrid mail revenue

Hybrid mail involves digital data being transformed into physical letter items at distribution print centres located as close as possible to the final delivery addresses. Hybrid mail revenue is recognised at a point in time when the mail is delivered to its destination (post-box or physical address).

Box revenue

These are amounts paid by customers for the rental of private post boxes (2nd postal addresses). Revenue is recognised on an accrual basis over the rented period. Box revenue also includes the sale of locks which is recognized at a point in time when keys are transferred to customers.

Registered and domestic letters revenue

Registered letters are postal services in which a receipt is issued to the sender of a mail and the mail's destination address is recorded in a register. Upon its delivery the recipient's signatures are taken on a form as proof of delivery to the specified addressee. Domestic letters will be delivered without any signature or receipt taken by the recipient and cannot be tracked. In case the addressee is not found the mail is returned to the sender. Registered and domestic letter revenue is recognised at a point in time when the letter is delivered to its destination. The time of delivery is based on our mail delivery performance statistics.

Agency revenue

Agency revenue is commission due to SA Post Office for collecting money on behalf of 3rd parties. Revenue from rendering of agency services is recognised at a point in time when funds collected are transferred to the customers.

Sale of philatelic products

Philatelic products are stamps or any other product issued during the year to commemorate special events in the country. Revenue is recognised at a point in time when the promised goods/services (sale of philatelic products) revenue are transferred to the customer. Philately revenue also includes the sale of stamps used for postal services which is recognized at a point in time when letters reach their destination. The time of delivery

is based on our mail delivery performance statistics.

Courier service revenue

Courier services refers to parcel/mail delivery. Revenue from courier services is recognised at a point in time when the parcel/mail is delivered to its destination. The time of delivery is based on our mail delivery performance statistics.

Expedited Mail Service (EMS) revenue

Expedited Mail Service is an international priority mail service that provides a fast and reliable door to door service for the dispatch of urgent goods such as tender documents business papers merchandise and samples. EMS revenue is recognised at a point in time upon delivery of the parcel to its intended destination. The time of delivery is based on our mail delivery performance statistics.

Terminal and transit dues (International revenue)

Terminal dues are amounts due to SA Post Office Limited for mail received from foreign postal administrators whose destination is South Africa. Transit dues are amounts due from international postal administrators for international mail which passes through SA Post Office Ltd in transit to its destination out of South Africa. Revenue from terminal and transit dues is recognised once the mail has been delivered to its destination in the case of terminal dues and once it has been sent off to its next stop with regard to the latter. The time of delivery is based on our mail delivery performance statistics.

Stamps and envelope revenue

Stamp and envelope revenue is the sale of stamps and envelopes that will be used by customers when they post letters. Revenue from sale of stamps and envelopes is recognised at a point in time when the mail is delivered to its destination. The time of delivery is based on our mail delivery performance statistics.

DOCEX - Subscription revenue

For all subscription revenue (Annual monthly and daily delivery) revenue is recognised in two ways as an upfront contract where total revenue is billed for the duration of the period at the commencement of the contract. Revenue is therefore measured monthly as and when the performance obligation is satisfied therefore revenue is recognised over time for the duration of the contract.

The second part of subscription revenue is when revenue is billed on a monthly basis the contracts are recognised as either Debit



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order or EFT contracts. Contracts are signed for a 12-month period however billing occurs monthly as and when a performance obligation is satisfied. These contracts are therefore billed at a point in time whereas the contract is valid for 12 months.

The daily delivery subscription serves as an additional sign-on subscription for delivery and collection of mail to and from the member's premises. This subscription can only be elected if there's an existing subscription membership as outlined above and can be cancelled at any point without impacting the original membership of a member. A member on daily delivery membership can vary the conditions of the plan in terms of the frequency of delivery and collection and based on that change the fee structure is therefore adjusted accordingly.

Barcode rolls

The Company sells barcode rolls to members who prefer to track their packages and mail through a barcode the barcode allows for packages and mail to be tracked and traced on the Docex platform.

Revenue is recognised at a point in time for sales of goods.

For Barcode rolls sales revenue is recognised when control of the goods has transferred being at the point the customer purchases the goods. Payment of the transaction price is due immediately at the point the customer purchases the goods and payable within 30 days. A receivable is recognised in the customer's account when a payment has not been received upfront for the barcode rolls procured.

Secure mail revenue

This service provides a water-tight and cost-effective security for credit cards retail cards share certificates cell phones or any other item of value using advanced technology. Secure mail revenue is recognised at a point in time when the mail/parcel is delivered to its destination. The time of delivery is based on our mail delivery performance statistics.

Other operating income

Other rental income

Contractual rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Other recoveries

Other recovery income is recognised in profit or loss when the Group becomes entitled to the income or when it is virtually certain that the conditions required to be fulfilled before payment is received will be fulfilled.

Irregular expenditure

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

- a. this Act; or
- b. the State Tender Board Act 1968 (Act No. 86 of 1968) or any regulations made in terms of the Act; or
- c. the National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):
 - Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must be updated appropriately in the irregular expenditure register. In such an instance no further action would be required with the exception of updating the note in the financial statements.
 - Irregular expenditure incurred and identified during the current financial year awaiting condonement at year end must be recorded in the irregular expenditure register. No further action is required except to update the financial statement note.
 - Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year the register and the disclosure note to the financial statements must be updated with the amount condoned.
 - Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If an individual is proved to be liable for an irregular expenditure a debt account is created and such debt is deemed to be legally recoverable from the individual. Immediate steps



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are taken to recover the amount. If recovery is not possible the accounting officer or Accounting Authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register is also updated accordingly. Where the irregular expenditure has not been condoned and no person is liable by law the expenditure related thereto must remain allocated to the relevant programme/expenditure item to be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and where recovered it is subsequently accounted for as revenue in the statement of financial performance.

Material losses due to criminal conduct

Material losses due to criminal conduct means losses incurred due to crime and incidents relating to general commercial fraud commercial general account fraud commercial account fraud relating to SASSA transactions commercial theft violent armed robbery violent business burglary and postal crime.

All expenditure relating to material losses due to criminal conduct is initially recognized as other receivables and then investigated. Once investigations are complete and it is determined that the loss cannot be recovered from any third party it is recognized as an expense.

The threshold for Material Losses due to criminal conduct is set at R30 million for a single incident as per the SA Post Office Materiality Framework.

Related parties

The Group operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning directing and controlling the activities of the entity including those charged with the governance of the entity in accordance with legislation in instances where they are required to perform such functions. The BRPs' and their teams executive managers and individuals in the Board of Directors are regarded as key management.

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

Investment income

The Group's investment income include:

- Interest income
- Dividend income

Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income (FVOCI) calculated using the effective interest method is recognised in profit or loss as part of investment income and include interest earned on cash and cash equivalents and the Expected Return on Assets of Post-Retirement Benefit Assets.

Dividends are received from financial assets measured at fair value through profit or loss (FVPL) Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.



Accounting Policies

1.22 Grouping of items in the Statement of Profit or Loss and Other Comprehensive Income (SPLOCI)

Operating Profit/Loss

Operating profit/(loss) comprises the profit arising from the entity's core business activities before considering finance income and costs income tax expense and any income or expenses incidental or unrelated to the principal operating activities. Operating profit includes revenues expenses gains and losses directly attributable to the main operations of the entity.

Classification of Other Income and Gains/Losses

The Statement of Profit or Loss and Other Comprehensive Income (SPLOCI) presents income and expenses classified by their nature and relevance to operating activities consistent with IAS 1 Presentation of Financial Statements.

Other Operating Income includes income arising from operating activities that are not part of the primary revenue streams such as Rental income from property used in operations; Recoveries related to operational costs; and Government grants related to operating activities.

Other Operating Gains and Losses include incidental gains and losses directly associated with the operating cycle or operational assets such as Gains or losses on disposal or scrapping of property plant and equipment; Foreign exchange gains or losses related to operational transactions; and Fair value gains or losses on operational assets measured at fair value.

Other Non-Operating Gains and Losses include income and expenses not related to the entity's core operating activities which may arise from non-recurring or infrequent events. Examples include Creditors' compromises arising from the Business Rescue Plan; and Write-back of residual values in respect of creditor agreements.



Notes to the Consolidated and Company Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Financial years beginning on or after
Supplier finance arrangements: Amendments to IAS 7 and IFRS 7 The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk. This amendment has not affected the Group's results nor has it resulted in additional disclosures.	1 January 2024
Lease liability in a sale and leaseback: Amendment to IFRS 16 The narrow-scope amendment requires a seller-lessee in a sale and leaseback transaction to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. This amendment has not affected the Group's results.	1 January 2024
Classification of liabilities as current or non-current: Amendment to IAS 1 Classification of liabilities as current or non-current: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. Non-current liabilities with covenants: The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months. These amendments have not affected the Group's results.	1 January 2024



Notes to the Consolidated and Company Financial Statements

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations which have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2025 or later periods:

Standard/ Interpretation:	Effective date: Financial years beginning on or after
Lack of exchangeability: Amendments to IAS 21 The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and when it is not to determining the exchange rate to use and the disclosures to provide. These amendments are not expected to affect the Group's results.	1 January 2025
Classification and measurement of financial instruments: Amendments to IFRS 9 & IFRS 7 The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features for example features tied to environmental social and government (ESG) linked targets. Narrow scope amendments to address diversity in accounting practice by making the classification and measurement requirements of IFRS 9 more understandable and consistent by: - Clarifying the classification of financial assets with environmental social and corporate governance (ESG) and similar features; - Clarifying and adding further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; and - Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met. These amendments are not expected to affect the Group's results.	1 January 2026



Notes to the Consolidated and Company Financial Statements

2.2 Standards and interpretations not yet effective (continued)

Standard/ Interpretation:	Effective date: Financial years beginning on or after
Annual improvements to IFRS – Volume 11 Annual improvements are limited to changes that either clarify the wording in an accounting standard or correct relatively minor unintended consequences oversights or conflicts between the requirements in the accounting standards. The 2024 amendments are to the following standards: IFRS 1 First-time adoption of International Financial Reporting Standards Hedge accounting by a first-time adopter: Narrow scope amendment to improve consistency with and understanding of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter. IFRS 7 Financial Instruments: Disclosures Gain or loss on derecognition: Narrow scope amendment to delete an obsolete reference that remained in IFRS 7 following the publication of IFRS 13 Fair Value Measurement and to make the wording of the requirements of IFRS 7 relating to disclosure of a gain or loss on derecognition consistent with the wording and concepts in IFRS 13. IFRS 9 Financial instruments Two narrow scope amendments were made to IFRS 9: • Derecognition of lease liabilities. The amendment clarifies that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9 the lessee is required to recognise any resulting gain or loss arising from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss. • Transaction price. Removal of an inconsistency between the requirements of IFRS 9 and the requirements in IFRS 15 Revenue from Contracts from Customers in relation to the initial measurement of trade receivables at their transaction price. The amendment clarifies that trade receivables must be measured at the amount determined by applying IFRS 15. IFRS 10 Consolidated Financial Statements Determination of a 'de facto agent': Narrow scope amendment to clarify whether a party acts as a de facto agent in assessing control of an investee. IAS 7 Statement of cash flows Cost method: Narrow scope amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method' from IFRS Accounting Standards. These amendments are not expected to affect the Group's results however additional disclosures may be required.	01 January 2026
Contracts referencing nature-dependent electricity: Amendments to IFRS 9 and IFRS 7 Narrow scope amendment adding new disclosure requirements to enable investors to understand the effect of contracts referencing nature-dependent electricity on an entity's financial performance and cash flows. Narrow scope amendment to allow entities to better reflect contracts referencing nature-dependent electricity (for example renewable power purchase agreements or PPAs) by: • clarifying the application of the 'own-use' requirements of IFRS 9; and • permitting hedge accounting if these contracts are used as hedging instruments by parties to the contracts. This amendment is not expected to affect the Group's results.	1 January 2026



Notes to the Consolidated and Company Financial Statements

2.1 Standards and interpretations not yet effective (continued)

Standard/ Interpretation:	Effective date: Financial years beginning on or after
Presentation and disclosure in Financial Statements: IFRS 18 IFRS 18 is the culmination of the IASB's Primary Financial Statements project. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies: - Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses (operating investing and financing) to improve the structure of the income statement and a requirement for all companies to provide new defined subtotals including operating profit. - Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the income statement. - More useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes as well as a requirement for companies to provide more transparency about operating expenses. This Standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. This standard will result in changes to the presentation and disclosure of the Group's results.	1 January 2027
Subsidiaries without public accountability: Disclosures: IFRS 19 IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries are eligible to apply IFRS 19 if they do not have public accountability and their parent company applies IFRS Accounting Standards in their consolidated financial statements. A subsidiary does not have public accountability if it does not have equities or debt listed on a stock exchange and does not hold assets in a fiduciary capacity for a broad group of outsiders. Subsidiaries in the Group are expected to apply reduced disclosures.	1 January 2027



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment

Group	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	610 981	-	610 981	610 981	-	610 981
Buildings	1 485 023	(480 292)	1 004 731	1 485 552	(427 476)	1 058 076
Machinery and equipment	307 614	(281 068)	26 546	313 840	(283 034)	30 806
Furniture and fittings	50 172	(43 151)	7 021	50 855	(41 983)	8 872
Motor vehicles	17 023	(10 971)	6 052	21 439	(9 452)	11 987
Data processing equipment	381 085	(373 073)	8 012	384 542	(375 689)	8 853
Leasehold improvements	238 187	(235 249)	2 938	240 841	(237 295)	3 546
Total	3 090 085	(1 423 804)	1 666 281	3 108 050	(1 374 929)	1 733 121
Company	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land	610 981	-	610 981	610 981	-	610 981
Buildings	1 485 023	(480 292)	1 004 731	1 485 552	(427 476)	1 058 076
Machinery and equipment	307 614	(281 068)	26 546	313 840	(283 034)	30 806
Furniture and fittings	49 357	(42 339)	7 018	50 040	(41 172)	8 868
Motor vehicles	16 873	(10 833)	6 040	21 289	(9 314)	11 975
Data processing equipment	378 165	(370 614)	7 551	381 704	(373 385)	8 319
Leasehold improvements	237 608	(234 670)	2 938	240 262	(236 716)	3 546
Total	3 085 621	(1 419 816)	1 665 805	3 103 668	(1 371 097)	1 732 571



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment (continued)

Reconciliation of property plant and equipment - Group - 2025							
	Opening balance	Additions	Retirements	Transfer from held-for-sale	Impairment loss	Depreciation	Total
Land	610 981	-	-	-	-	-	610 981
Buildings	1 058 076	-	(461)	-	-	(52 884)	1 004 731
Machinery and equipment	30 806	-	(358)	-	(593)	(3 309)	26 546
Furniture and fittings	8 872	-	(68)	-	(255)	(1 528)	7 021
Motor vehicles	11 987	-	-	-	(4 194)	(1 741)	6 052
Data processing equipment	8 853	1 742	(79)	-	(90)	(2 414)	8 012
Leasehold improvements	3 546	-	(39)	-	-	(569)	2 938
	1 733 121	1 742	(1 005)	-	(5 132)	(62 445)	1 666 281
Reconciliation of property plant and equipment - Group - 2024							
	Opening balance	Additions	Retirements	Transfer from held-for-sale	Devaluations	Depreciation	Total
Land	612 981	-	(1 290)	1 250	(1 960)	-	610 981
Buildings	1 625 862	1 777	(24 280)	184	(471 073)	(74 394)	1 058 076
Machinery and equipment	36 498	98	(1 941)	-	-	(3 849)	30 806
Furniture and fittings	10 649	-	(148)	-	-	(1 629)	8 872
Motor vehicles	16 903	-	(2 955)	-	-	(1 961)	11 987
Data processing equipment	12 718	465	(109)	-	-	(4 221)	8 853
Leasehold improvements	4 490	-	(280)	-	-	(664)	3 546
	2 320 101	2 340	(31 003)	1 434	(473 033)	(86 718)	1 733 121



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment (continued)

Reconciliation of property plant and equipment - Company - 2025							
	Opening balance	Additions	Retirements	Transfer from held-for-sale	Impairment loss	Depreciation	Total
Land	610 981	-	-	-	-	-	610 981
Buildings	1 058 076	-	(461)	-	-	(52 884)	1 004 731
Machinery and equipment	30 806	-	(358)	-	(593)	(3 309)	26 546
Furniture and fittings	8 868	-	(68)	-	(255)	(1 527)	7 018
Motor vehicles	11 975	-	-	-	(4 194)	(1 741)	6 040
Data processing equipment	8 319	1 661	(79)	-	(90)	(2 260)	7 551
Leasehold improvements	3 546	-	(39)	-	-	(569)	2 938
	1 732 571	1 661	(1 005)	-	(5 132)	(62 290)	1 665 805
Reconciliation of property plant and equipment - Company - 2024							
	Opening balance	Additions	Retirements	Transfer from held-for-sale	Devaluations	Depreciation	Total
Land	612 981	-	(1 290)	1 250	(1 960)	-	610 981
Buildings	1 625 862	1 777	(24 280)	184	(471 073)	(74 394)	1 058 076
Machinery and equipment	36 498	98	(1 941)	-	-	(3 849)	30 806
Furniture and fittings	10 643	-	(149)	-	-	(1 626)	8 868
Motor vehicles	16 891	-	(2 955)	-	-	(1 961)	11 975
Data processing equipment	12 523	23	(94)	-	-	(4 133)	8 319
Leasehold improvements	4 489	-	(279)	-	-	(664)	3 546
	2 319 887	1 898	(30 988)	1 434	(473 033)	(86 627)	1 732 571



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment (continued)

Revaluation of property plant and equipment

Fair value hierarchy of property plant and equipment

The fair value hierarchy classifies the inputs used in valuation techniques into three levels prioritising observable data. Level 1 inputs (quoted prices in active markets) hold the highest priority while Level 3 inputs (unobservable inputs) are given the lowest.

The Group primarily uses a mix of Level 2 and Level 3 inputs:

- **Level 2:** Where valuations are based on methodologies such as income capitalisation or comparative sales using observable market data.
- **Level 3:** Where neither of these methods can be reliably applied and values are carried forward from the most recent external valuation without observable market data.

The Group applies valuation inputs in line with the fair value hierarchy as follows:

Level 1 Inputs

No valuations were based on quoted prices in active markets for identical assets as such data was not available.

Level 2 Inputs

The Group utilises observable market data including market capitalisation rates rental and operating cost escalations and industry-standard maintenance allowances. Indirect inputs are also used such as market-validated data including sales prices of comparable properties in similar locations and market-related rates per square metre.

Level 3 Inputs

Valuations incorporating unobservable inputs are used where observable market data is not available. These inputs reflect internal assumptions and estimates specific to the asset.

Existing Valuation

An external valuation of land and buildings and also investment properties was performed at the end of the 2024 financial year.

For the 2025 financial year SA Post Office assessed the fair values of these properties and concluded that they remain materially consistent with the 2024 valuations conducted by JLL.

The Properties were revalued by Jones Lang LaSalle (Pty) Ltd (JLL) a company registered in the Republic of South Africa. JLL parent company JLL (NYSE: JLL) is a Fortune 500 company with operations in over 80 countries and a global workforce of over 100 000. JLL is the brand name and a registered trademark of Jones Lang LaSalle Incorporated. JLL is the trusted valuation specialist of many of the most significant REITs/listed funds across South Africa's broad property spectrum and carries out many valuations and provides opinions of value for major banks funds and developers across Sub-Saharan Africa.

JLL valuations are compliant with global standards and adhere to the JSE Listing Requirements on independent valuations and are in line with the International Financial Reporting Standards (IFRS) and the International Valuation Standards Council (IVSC) valuation requirements as well as the South African Council for the Property Valuers Profession (SACPVP).

JLL were supported by external third-party services firms on a sub-contract basis to assist in conducting physical site visits to verify the state of repair of all the buildings.

The external valuers were not required to make any distinctions for or between the valuations of land and buildings and Investment Properties.

Included in the valuation mandate were the following steps and processes:

- Arrange and inspect the properties to check location topography the grade of the properties condition of improvements and other relevant issues;
- Establish the extent of the site by reference to Title Deeds;
- Where possible identify title restrictions that may adversely impact the value of the asset;
- Review issues pertaining to town planning/zoning of the sites and relevant compliance thereof;
- Research macro and microeconomic conditions to determine factors influencing value;
- Analysis of income expenses vacancy lease expiry profile – and comparing these to published benchmarks;



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment (continued)

- Review parameters (acquisition yields growth rates etc.) and applicable market rentals per unit and compare these to published benchmarks / recent lettings;
- Prepare fully motivated property valuation reports per property.

Included in the valuation mandate were the following considerations:

- Location and physical condition of the properties;
- Highest and best use (for development sites);
- Property expenses;
- Strengths/Weaknesses/Opportunities/Threats (SWOT) analysis;
- Asset management optimisation/critique suggesting potential innovations to improve income performance or enhance the asset's capital value.

External valuation techniques

1) High Value Properties: Full Valuation (FV)

The income-producing assets are valued on a five-year discounted Cash-flow (DCF). The cash flow period runs for five-years from 01 November 2023 together with a terminal year. The period assumes the valuation date to be 01 November 2023. Where JLL assume a sale with vacant possession JLL use the comparable sales method.

For the DCF method reports prepared by the property manager are applied as the projected forecast for the net income and expense items. The valuer is required to satisfy themselves as to the reasonableness of the assumptions in the budget provided. If the valuer's opinion of the expected net income differs substantially from that outlined in the report an explanation must be provided. If no report is provided the valuer will make reasonable market-related assumptions to estimate a net income and expenses. Certain non-property income and expense items are to be excluded from the annual estimate. Major/irregular capital expenses will be deducted as lump sums from the gross value and will be reflected in the cash flow as Non-Recurring Capital Expenditure.

For certain properties in arriving at a valuation opinion of the Market Value for the Subject Property JLL adopted the Direct Capitalisation method of valuation. This method involves the capitalisation of rental income or forecast income at an appropriate Capitalisation Rate or Initial Yield calculated in reference to investment transactions within the market or based on investor sentiment in the market. With the Subject Property being owner-occupied a Comparable Transactions analysis that con-

siders transactions relating to similar owner-occupied properties would have been the appropriate method to value the Property. In the absence of sufficient market data on such transactions the next best approach is to assume a lease of the Subject Property on market-related terms.

2) Middle Value Properties: Full Brokers Opinion of Value (BOVs)

For the JLL BOVs JLL used the sales comparison approach (SCA) for the vast majority of the properties as JLL made special assumptions that the Properties will be sold on a vacant possession basis.

The Sales Comparison approach is one of the major groupings of valuation methods commonly used in real estate appraisal. This approach compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions. JLL used several techniques to adjust the prices of comparable transactions according to the presence absence or degree of characteristics which influence value. As such all sales comparison approach methods are variations on characteristic-type measurements which determine the value of something as the sum of the value of the various components which contribute utility. The sales comparison approach is based upon the principles of supply and demand as well as upon the principle of substitution which indicates that a purchaser would not purchase an improved property for any value higher than it could be replaced for on a site with equivalent utility assuming no undue delays in construction. Supply and demand indicate value through the typical market behaviour of both buyers and sellers. For properties with no top structure the land was also valued on the comparable sales method. All BOVs are supported by an analysis of comparable sales and market rents.

3) Low Value properties: Abbreviate/Short Broker's Opinion of Value (SV)

For the Low Value Properties the same format and processes were applied as for Middle (BOV) Value Properties. However the valuations are abbreviated such that JLL were not required to conduct a comprehensive matrix comparable analysis and utilised or relied upon more generic capital value per square meter adjustments.

Each of the valuation techniques were performed on the basis that the properties are free of encumbrances restrictions mortgages charges financial liens or other impediments of an onerous nature that would affect value.



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment (continued)

JLL valued the PPE properties using the same techniques and principles as applied to SA Post Office's Investment Properties.

Valuation	
Valuation date:	November 2023
Date of Inspections:	October 2023
Sectors	Office/ Retail/ Industrial
Property locations	All 9 Provinces
Delineations	Metro Urban Rural

Key Outputs Summary	
Estimated potential market rental per property across portfolio	R74 500 per month
Estimated market rental per square meter across portfolio	R29/ m ² per month
Average square meterage per property	2555 m ²

LEVEL 2 - Discounted cash flow analysis unobservable inputs: Applied to high value properties - Full valuations		
Metrics applied individually to properties to achieve the appropriate market value attributed to each SA Post Office property:	Adjustment for:	Adjustment for:
Market capitalisation rates	Low/ Medium/ High	-10% to +10%
Rental escalations	Low/ Medium/ High	-10% to +10%
Operational cost escalations	Low/ Medium/ High	-10% to +10%
Backlog maintenance	Low/ Medium/ High	-10% to +10%



Notes to the Consolidated and Company Financial Statements

3. Property plant and equipment (continued)

Weighted Value Adjustments - Applied sequentially for each comparative property metric to achieve the appropriate market value per square meter attributed to each SA Post Office property:	Adjustments for:	% Range where applicable
Market conditions at Sale/ listing	Poor/ Fair/ Good	-10% to +10%
Erf Size	Adjust for m2	-10% to +10%
Gross lettable Area	Adjust for m2	-10% to +10%
Leasing Profile	Occupied/ Unoccupied	-10% to +10%
Conversion Opportunity	Low/ Medium/ High	-10% to +10%
Tenant Improvement Allowance/ Capex expenditure	Low/ Medium/ High	-10% to +10%
Location/ Neighbourhood	Prime/ Secondary	-10% to +10%
Accessibility	Good/ Fair/ Poor	-10% to +10%
Shape/ Site layout	Regular/ Irregular	-10% to +10%
Topography	Level/ Sloped	-10% to +10%
Visibility	Good/ Secondary	-10% to +10%
Building Condition	Good/ Fair/ Poor	-10% to +10%
Amenities Available	Good/ Fair/ Poor	-10% to +10%
Building Compliance	Good/ Fair/ Poor	-10% to +10%
Telecoms Access/ Availability	Yes/ No	-10% to +10%

No level one quoted inputs nor level 3 unobservable inputs were applied in the valuations

Land and Building Title Verification

As at year-end the land and buildings category includes eight properties with a combined carrying value of R30.8 million for which title ownership is still being verified. This process includes full conveyancing checks supplementing the initial deed data-base confirmations already performed.

Retirement of Property plant and equipment

Property retirements relate to the disposal of buildings with a book value of R0.5 million in the current year (2024: R0.2 million). Land with a book value of R1.3 million was disposed of in the prior year.

Property plant and equipment encumbered as security

No property plant and equipment have been pledged as security for liabilities.

Borrowing costs capitalised

There were no borrowing costs that required capitalisation during the period.

Restrictions

There are no restrictions on the realisability of the Group's properties nor any contractual obligations for their purchase construction development or significant maintenance.



Notes to the Consolidated and Company Financial Statements

4. Right-of-use assets

Group	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	270 181	(152 873)	117 308	304 120	(156 396)	147 724
Company	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Buildings	263 250	(152 873)	110 377	296 406	(156 396)	140 010
Reconciliation of right-of-use assets - Group - 2025						
	Opening balance	Additions	Terminations	Remeasurements	Depreciation	Total
Buildings	147 724	44 338	(146)	131	(74 739)	117 308
Office equipment	-	-	-	-	-	-
	147 724	44 338	(146)	131	(74 739)	117 308
Reconciliation of right-of-use assets - Group - 2024						
	Opening balance	Additions	Remeasurements	Reclassified from short-term	Depreciation	Total
Buildings	96 855	56 352	2 537	71 420	(79 440)	147 724
Office equipment	93 016	-	-	-	(93 016)	-
	189 871	56 352	2 537	71 420	(172 456)	147 724



Notes to the Consolidated and Company Financial Statements

4. Right-of-use assets (continued)

Reconciliation of right-of-use assets - Company - 2025					
	Opening balance	Additions	Terminations	Depreciation	Total
Buildings	140 010	42 643	(146)	(72 130)	110 377
Office equipment	-	-	-	-	-
	140 010	42 643	(146)	(72 130)	110 377
Reconciliation of right-of-use assets - Company - 2024					
	Opening balance	Additions	Reclassified from short-term	Depreciation	Total
Buildings	94 035	51 844	71 420	(77 289)	140 010
Office equipment	93 016	-	-	(93 016)	-
	187 051	51 844	71 420	(170 305)	140 010
Right of use assets comprises of buildings.					
Other disclosures					
Interest expense on lease liabilities		20 288	28 455	19 548	28 120
Expenses on short-term leases included in operating expenses		294 600	284 103	294 350	283 973



Notes to the Consolidated and Company Financial Statements

4. Right-of-use assets (continued)

Figures in Rand thousand	2025	2024	2025	2024
Lease liabilities				
The maturity analysis of lease liabilities is as follows:				
Within one year	102 373	105 102	100 180	102 679
Two to five years	73 406	107 823	67 111	101 657
More than five years	2 149	1 839	310	-
	177 928	214 764	167 601	204 336
Less finance charges component	(14 375)	(21 266)	(12 077)	(18 968)
	163 553	193 498	155 524	185 368
Non-current liabilities	69 640	100 159	64 018	93 885
Current liabilities	93 913	93 339	91 506	91 483
	163 553	193 498	155 524	185 368

Buildings: The leases are for post office branches and offices which are leased for a period between two to ten years at an average incremental borrowing rate of 8.7% (2024: 8.4%) throughout the year.

All leases have fixed repayments and no arrangements have been entered into for contingent rental.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Reconciliation of lease liability				
Opening balance	193 498	450 559	185 368	447 487
Additions	44 338	55 143	42 643	51 844
Reclassified from short-term	-	(111 537)	-	(111 537)
Repayment	(77 048)	(159 946)	(74 381)	(157 440)
Interest charged	20 288	28 455	19 548	28 120
Notional interest on arrears derecognised	(6 151)	(10 359)	(6 151)	(10 359)
Creditors compromise	-	(65 247)	-	(65 247)
Arrears transferred to payables on termination	(11 303)	2 500	(11 303)	2 500
Terminations	(200)	-	(200)	-
Remeasurements	131	3 930	-	-
	163 553	193 498	155 524	185 368



Notes to the Consolidated and Company Financial Statements

5. Investment property

Group	2025	2024
	Carrying value	Carrying value
Investment property	225 446	226 019
Company	2025	2024
	Carrying value	Carrying value
Investment property	153 844	154 417

Reconciliation of investment property - Group - 2025				
	Opening balance	Disposals	Transfer from held-for-sale	Total
Investment property	226 019	(573)	-	225 446

Reconciliation of investment property - Group - 2024					
	Opening balance	Disposals	Transfer from held-for-sale	Fair value adjustments	Total
Investment property	287 294	(39 717)	39 717	(61 275)	226 019

Reconciliation of investment property - Company - 2025				
	Opening balance	Disposals	Transfer from held-for-sale	Total
Investment property	154 417	(573)	-	153 844

Reconciliation of investment property - Company - 2024					
	Opening balance	Disposals	Transfer from held-for-sale	Fair value adjustments	Total
Investment property	214 209	(34 866)	34 866	(59 792)	154 417



Notes to the Consolidated and Company Financial Statements

5. Investment property (continued)

Pledged as Security

No investment property held by the Group has been pledged as security for any financial or other obligations.

Property Registers

Registers containing full details of land and buildings owned by the Group are maintained and are available for inspection by shareholders or their duly authorised representatives at the company's registered office.

Fair Value of Investment Property and Valuation Practices

The Group determines the fair value of its investment properties using a combination of external and internal valuation processes. External valuations are undertaken at intervals deemed appropriate by management to ensure fair values reflect current market conditions. These valuations are conducted by independent professionally qualified valuers with relevant experience in valuing similar properties in similar locations.

In the prior financial year all investment properties were externally valued concurrently with the revaluation of property plant and equipment (PPE). The valuation process is further detailed in Note 3.

Valuation Methodologies Applied

Revaluation adjustments are based on well-established and internationally recognised methodologies. The Group utilises techniques that are appropriate to the nature of the asset and for which sufficient market data is available. The aim is to maximise reliance on observable inputs and to minimise reliance on unobservable inputs.

Specifically:

1. For properties externally valued the Group continues to apply the same valuation techniques and assumptions in subsequent internal valuations.
2. The income capitalisation approach is primarily applied particularly where rental income and market yields are observable and reliable.
3. In other cases the comparative sales approach is utilised based on recent sales data for similar properties in comparable locations.

Fair Value Hierarchy

The Group applies the fair value hierarchy as defined by IFRS 13 to categorise inputs to valuation techniques used to measure fair value:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group has not used Level 1 inputs for investment property valuations as no such market prices are available for these assets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable either directly (e.g. market rents capitalisation rates comparable sales) or indirectly (e.g. through market corroboration). The majority of the Group's investment property valuations fall within Level 2 including those derived using the income capitalisation and comparative sales methods.
- Level 3: Inputs that are not based on observable market data (unobservable inputs). These include assumptions based on internal data where external evidence is not available. The Group classifies valuations within Level 3 where the fair value is carried forward from a prior external valuation and where there is insufficient market data to revalidate or adjust the estimate.



Notes to the Consolidated and Company Financial Statements

5. Investment property (continued)

Application of Valuation Inputs by Level

Level 2 Inputs:

These include observable market-based variables such as:

- Market capitalisation rates
- Rental growth and escalation rates
- Comparable market rentals and occupancy rates
- Operating cost escalation factors
- Market-derived maintenance and replacement rates
- Comparable sales data and prices per square metre in similar areas

Level 3 Inputs:

These include internal estimates where market inputs are unavailable. Adjustments may be made based on expected changes in usage economic conditions or other unobservable assumptions typically where the market for a property type or region is inactive or atypical.

Restrictions and Contractual Obligations

There are no restrictions on the Group's ability to realise its investment properties or use them in operations. In addition the Group has no contractual obligations to acquire construct or develop investment properties nor for major repairs maintenance or enhancements of such assets.

Combined Valuation of Land Buildings and Investment Property

In the previous financial year both land and buildings and also Investment Properties were subject to a comprehensive external valuation exercise. The valuers were instructed to apply consistent valuation techniques across both asset categories and no distinction was made in the valuation methodology between Land and Buildings and Investment Property. For further information including valuation assumptions and the application of fair value inputs refer to Note 3 (Property Plant and Equipment).

	Group		Company	
	2025	2024	2025	2024
Level 2				
Direct inputs				
▪ Buildings	120 807	120 867	115 887	115 947
▪ Land	104 638	105 152	104 638	38 471
Fair value of investment property	225 445	226 019	220 525	154 418

Level 3 Inputs

There were no Level 3 unobservable inputs applied in the valuation of investment property during the current (2025) or prior (2024) financial years. All fair value measurements were based on observable market data (Level 2 inputs).

Classification of Property Use

Investment properties include buildings and land where less than 50% of the space is occupied by the South African Post Office for administrative or operational purposes. In such cases the entire property is classified as investment property under IAS 40.

When an investment property consists of both land and the buildings situated thereon the asset is typically revalued as a single integrated property unit. Where it is not feasible to distinctly allocate changes in value between land and buildings the entire revaluation movement is allocated to the building component for accounting purposes.



Notes to the Consolidated and Company Financial Statements

5. Investment property (continued)

	Group		Company	
	2025	2024	2025	2024
Investment property operating amounts recognised in profit or loss for the year				
Rental income from investment property	10 068	10 484	9 305	9 721
Direct operating expenses from rental generating property	(9 828)	(9 895)	(9 461)	(9 596)
Direct operating expenses from non-rental generating property	(6 220)	(4 846)	(3 708)	(4 783)
Profit (loss) from investment property	(5 980)	(4 257)	(3 864)	(4 658)

Investment Property Held-for-Sale

Since 31 March 2024 the Group does not classify any investment properties as held-for-sale. This follows the formal discontinuation of the previous disposal programme during the prior financial year in line with the requirements of the ongoing Business Rescue process. Future sale processes (if any) will be developed in accordance with the restructuring strategy.

In the prior financial year investment properties were classified as held-for-sale if:

- An offer to purchase had been accepted
- Payment had been received from the buyer or
- The transaction was in its final stages pending registration of transfer.

During the previous year all properties previously classified as held-for-sale were either sold or reclassified with no remaining properties in this category. Any amounts carried forward were derecognised.

The Group remained responsible for municipal charges (rates and taxes) on these properties until either the property was transferred or occupied by the buyer whichever occurred first.

Conveyance and Title Verification

As at year-end included in investment property are four properties with a combined carrying value of R1.695 million for which full conveyance procedures are underway. These procedures include:

Reconfirmation of legal ownership through formal conveyance checks and

Validation of title deed information through the national deeds registry.

These steps are part of the Group's due diligence to ensure legal title and compliance with property registry requirements.



Notes to the Consolidated and Company Financial Statements

6. Heritage assets

Group	2025			2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Works of art	7 697	-	7 697	7 697	-	7 697
Stamps	36 348	-	36 348	36 348	-	36 348
Documents	259	-	259	259	-	259
Philatelic stationery	510	-	510	510	-	510
Other assets	1 433	-	1 433	1 433	-	1 433
Total	46 247	-	46 247	46 247	-	46 247

Company	2025			2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Work of art	7 697	-	7 697	7 697	-	7 697
Stamps	36 348	-	36 348	36 348	-	36 348
Documents	259	-	259	259	-	259
Philatelic stationery	510	-	510	510	-	510
Other assets	1 433	-	1 433	1 433	-	1 433
Total	46 247	-	46 247	46 247	-	46 247

Valuations

Fair value determinations are made at intervals 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.

The last valuation was performed at 31 March 2017. The fair value assessment was performed by independent valuers that are not connected to the Group.

The valuation was based on current market values and no discount rates were used.

Other information

In terms of the Independent Communications Authority of South Africa (ICASA) licence agreement the SA Post Office is required to own a museum which contains assets of a historical nature including stamps paintings artifacts and machinery.

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 Company.



Notes to the Consolidated and Company Financial Statements

7. Intangible assets

Group	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	335 410	(334 131)	1 279	335 410	(333 976)	1 434
Intangible assets under development	54 806	(54 806)	-	54 806	(54 806)	-
Total	390 216	(388 937)	1 279	390 216	(388 782)	1 434

Company	2025			2024		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	335 410	(334 131)	1 279	335 410	(333 976)	1 434
Intangible assets under development	54 806	(54 806)	-	54 806	(54 806)	-
Total	390 216	(388 937)	1 279	390 216	(388 782)	1 434

Reconciliation of intangible assets - Group - 2025				
	Opening balance	Amortisation	Total	
Computer software	1 434	(155)	1 279	

Reconciliation of intangible assets - Group - 2024				
	Opening balance	Additions	Amortisation	Total
Computer software	1 449	156	(171)	1 434

Reconciliation of intangible assets - Company - 2025				
	Opening balance	Amortisation	Total	
Computer software	1 434	(155)	1 279	

Reconciliation of intangible assets - Company - 2024				
	Opening balance	Additions	Amortisation	Total
Computer software	1 449	156	(171)	1 434

Pledged as security

No intangible assets have been pledged as security for liabilities.

Other information

There were no impairments of intangible assets during the year.



Notes to the Consolidated and Company Financial Statements

8. Interests in subsidiaries including consolidated structured entities

The following table lists the entities controlled directly by the company and the carrying amounts of their investments in the company's separate financial statements.

Company				
Name of company	% voting power 2025	% voting power 2024	Carrying amount	Carrying amount
SAPOS Properties (Rossburgh) (Pty) Ltd	100.00 %	100.00 %	11	11
SAPOS Properties(Cape Town) (Pty) Ltd	100.00 %	100.00 %	5 976	5 976
SAPOS Properties (Bloemfontein) (Pty) Ltd	100.00 %	100.00 %	1 314	1 314
SAPOS Properties (East Rand) (Pty) Ltd	100.00 %	100.00 %	14 358	14 358
SAPOS Properties (Port Elizabeth) (Pty) Ltd	100.00 %	100.00 %	134	134
The Courier and Freight Group (Pty) Ltd	100.00 %	100.00 %	-	-
The Document Exchange (Pty) Ltd	100.00 %	100.00 %	-	-
			21 793	21 793
Impairment of investment in subsidiaries. (Rossburgh Port Elizabeth and CFG)			(1 217)	(1 217)
			20 576	20 576



Notes to the Consolidated and Company Financial Statements

9. Other financial assets

	Group		Company	
	2025	2024	2025	2024
Debt investments at fair value through profit or loss	1 969	1 664	1 969	1 664
Equity investments at fair value through other comprehensive income	89 058	99 883	89 058	99 883
	91 027	101 547	91 027	101 547
Designated at fair value through profit or loss:				
Investment at fair value	1 969	1 664	1 969	1 664
Equity investments at fair value through other comprehensive income:				
Unlisted shares: Centriq Insurance Innovation (Pty) Ltd	89 058	99 883	89 058	99 883
	91 027	101 547	91 027	101 547
Non-current and current portions of other financial assets				
Non-current assets	89 058	99 883	89 058	99 883
Current assets	1 969	1 664	1 969	1 664
	91 027	101 547	91 027	101 547
Fair value hierarchy of debt instruments at fair value through profit and loss				
Level 2				
Debt instruments	1 969	1 664	1 969	1 664
Fair value hierarchy of equity instruments at fair value through other comprehensive income				
Level 3				
Unlisted shares - Centriq Insurance Innovation (Pty) Ltd	89 058	99 883	89 058	99 883



Notes to the Consolidated and Company Financial Statements

9. Other financial assets (continued)

Reconciliation of equity instruments at fair value through OCI measured at level 3

The carrying amount of these financial instruments is as follows:

2025	Opening balance	Gains or losses in other comprehensive income	Closing balance
Unlisted shares - Centriq Insurance Innovation (Pty) Ltd	99 883	(10 825)	89 058
2024	Opening balance	Gains or losses in other comprehensive income	Closing balance
Unlisted shares - Centriq Insurance Innovation (Pty) Ltd	94 333	5 550	99 883

The financial position and results of the insurance operations conducted through the cell captive are presented in the form of management accounts. The management accounts include a balance sheet as at 31 March 2025 as well as an income statement for the period then ended.

The fair value of the preference share is determined with reference to the adjusted net asset value.

The Group has not reclassified any financial assets from cost or amortised cost to fair value or from fair value to cost or amortised cost during the current or prior year.



Notes to the Consolidated and Company Financial Statements

10. Operating leases

	Group		Company	
	2025	2024	2025	2024
Current assets	9 795	7 958	9 775	7 899
Current liabilities	(1 652)	(772)	(1 652)	(772)
	8 143	7 186	8 123	7 127
Maturity analysis of lease payments:				
Within one year	58 438	39 880	58 438	39 880
Two to five years	81 442	91 507	81 442	91 507
More than five years	8 002	15 655	8 002	15 655
	147 882	147 042	147 882	147 042

The Company has entered into operating leases for buildings. It straight-lined its operating leases where it is the lessee over the period of the lease contract.



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits

Post-retirement benefits

Group 2025				
	Post- retirement medical aid subsidy	Provident Fund	Pension fund	Total
Present value of obligation				
Balance at the beginning of the year	509 763	-	6 634 565	7 144 328
Finance expense	67 191	-	990 086	1 057 277
Service cost	-	-	341	341
Benefits paid	(72 696)	-	(842 385)	(915 081)
Transfers	-	-	628 109	628 109
Actuarial (gains) / losses	(26 600)	-	219 055	192 455
Present value of obligation at end of the year	477 658	-	7 629 771	8 107 429
Present value of assets				
Balance at the beginning of the year	-	55 968	8 949 458	9 005 426
Expected return on assets	-	5 433	1 341 004	1 346 437
Contributions received	-	-	416	416
Transfers	-	(61 401)	628 109	566 708
Benefits paid	-	-	(842 385)	(842 385)
Actuarial (gains) / losses	-	-	(456 668)	(456 668)
Present value of assets at end of the year	-	-	9 619 934	9 619 934
Net present value (obligation) / asset				
Present value obligation	(477 658)	-	(7 629 771)	(8 107 429)
Present value assets	-	-	9 619 934	9 619 934
(Deficit) / surplus	(477 658)	-	1 990 163	1 512 505
Asset ceiling	-	-	(1 990 163)	(1 990 163)
Net present (obligation) / asset	(477 658)	-	-	(477 658)
Current liabilities	(72 858)	-	-	(72 858)
Non-current liabilities	(404 800)	-	-	(404 800)
	(477 658)	-	-	(477 658)



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

Group 2024				
	Post- retirement medical aid subsidy	Provident Fund	Pension fund	Total
Present value of obligation				
Balance at the beginning of the year	715 720	548	5 965 920	6 682 188
Finance expense	71 498	22	686 066	757 586
Service cost	-	-	556	556
Benefits paid	(131 893)	(554)	(842 590)	(975 037)
Transfers	-	-	910 446	910 446
Actuarial (gains) / losses	(145 562)	(16)	(85 833)	(231 411)
Present value of obligation at end of the year	509 763	-	6 634 565	7 144 328
Present value of assets				
Balance at the beginning of the year	-	51 032	8 162 005	8 213 037
Expected return on assets	-	4 026	937 231	941 257
Contributions received	-	-	953	953
Transfers	-	-	910 446	910 446
Benefits paid	-	(554)	(842 590)	(843 144)
Actuarial (gains) / losses	-	1 464	(218 587)	(217 123)
Present value of assets at end of the year	-	55 968	8 949 458	9 005 426
Net present value (obligation) / asset				
Present value obligation	(509 763)	-	(6 634 565)	(7 144 328)
Present value assets	-	55 968	8 949 458	9 005 426
(Deficit) / surplus	(509 763)	55 968	2 314 893	1 861 098
Asset ceiling	-	-	(2 314 893)	(2 314 893)
Net present (obligation) / asset	(509 763)	55 968	-	(453 795)
Current assets	-	-	-	-
Non-current assets	-	55 968	-	55 968
Current liabilities	(97 358)	-	-	(97 358)
Non-current liabilities	(412 405)	-	-	(412 405)
	(509 763)	-	-	(509 763)



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

Company 2025				
	Post- retirement medical aid subsidy	Provident Fund	Pension fund	Total
Present value of obligation				
Balance at the beginning of the year	509 763	-	6 634 565	7 144 328
Finance expense	67 191	-	990 086	1 057 277
Service cost	-	-	341	341
Benefits paid	(72 696)	-	(842 385)	(915 081)
Transfers	-	-	628 109	628 109
Actuarial (gains) / losses	(26 600)	-	219 055	192 455
Present value of obligation at end of the year	477 658	-	7 629 771	8 107 429
Present value of assets				
Balance at the beginning of the year	-	55 968	8 949 458	9 005 426
Expected return on assets	-	5 433	1 341 004	1 346 437
Contributions received	-	-	416	416
Transfers	-	(61 401)	628 109	566 708
Benefits paid	-	-	(842 385)	(842 385)
Actuarial (gains) / losses	-	-	(456 668)	(456 668)
Present value of assets at end of the year	-	-	9 619 934	9 619 934
Net present value (obligation) / asset				
Present value obligation	(477 658)	-	(7 629 771)	(8 107 429)
Present value assets	-	-	9 619 934	9 619 934
(Deficit) / surplus	(477 658)	-	1 990 163	1 512 505
Asset ceiling	-	-	(1 990 163)	(1 990 163)
Net present (obligation) / asset	(477 658)	-	-	(477 658)
Current liabilities	(72 858)	-	-	(72 858)
Non-current liabilities	(404 800)	-	-	(404 800)
	(477 658)	-	-	(477 658)



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

Company 2024				
	Post- retirement medical aid subsidy	Provident Fund	Pension fund	Total
Present value of obligation				
Balance at the beginning of the year	715 720	548	5 965 920	6 682 188
Finance expense	71 498	22	686 066	757 586
Service cost	-	-	556	556
Benefits paid	(131 893)	(554)	(842 590)	(975 037)
Transfers	-	-	910 446	910 446
Actuarial (gains) / losses	(145 562)	(16)	(85 833)	(231 411)
Present value of obligation at end of the year	509 763	-	6 634 565	7 144 328
Present value of assets				
Balance at the beginning of the year	-	51 032	8 162 005	8 213 037
Expected return on assets	-	4 026	937 231	941 257
Contributions received	-	-	953	953
Transfers	-	-	910 446	910 446
Benefits paid	-	(554)	(842 590)	(843 144)
Actuarial (gains) / losses	-	1 464	(218 587)	(217 123)
Present value of assets at end of the year	-	55 968	8 949 458	9 005 426
Net present value (obligation) / asset				
Present value obligation	(509 763)	-	(6 634 565)	(7 144 328)
Present value assets	-	55 968	8 949 458	9 005 426
(Deficit) / surplus	(509 763)	55 968	2 314 893	1 861 098
Asset ceiling	-	-	(2 314 893)	(2 314 893)
Net present (obligation) / asset	(509 763)	55 968	-	(453 795)
Current assets	-	-	-	-
Non-current assets	-	55 968	-	55 968
Current liabilities	(97 358)	-	-	(97 358)
Non-current liabilities	(412 405)	-	-	(412 405)
	(509 763)	-	-	(509 763)



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

Post-retirement medical subsidy (PRMA)

The Company has negotiated with bargaining unit employees that employees retiring after 30 June 2005 will not receive Post-retirement medical subsidy (PRMA) benefits. This curtailment of benefits was accounted for during the 2005 period. In addition spouses and dependents of employees who passed away whilst in the service of the SA Post Office after 2005 will also receive medical aid benefits as part of the Defined Benefit Plan.

Discount Rate

The discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds. The discount rate is set by using the average yields from the zero-coupon government bond curve with a duration of between 10 to 15 years. The recommended discount rate is 12.40%. The source is the Johannesburg Stock Exchange through INET BFA IReSS data services.

The previous valuation used a discount rate of 14.16%.

Future Price Inflation

The market's pricing inflation is estimated by comparing the yields on the Nominal Bond curve and the Real Bond curve with a duration of between 10 and 15 years. The implied inflation assumption is therefore 6.93% per annum for future inflation.

Future Medical Inflation

South Africa has experienced high health care cost inflation in recent years. The assumption is retained that health care cost will exceed general inflation by about 1.5% per annum, consistent with past practice although the general practice is to assume between 1.5% to 2.0% above general inflation. The health-care cost inflation rate was therefore set at 8.43% per annum, compared to 10.03% per annum at the previous valuation.

Net discount rate

The net discount rate for salary inflation is assumed to be 3.66% per annum as at the valuation date (derived from a discount rate of 12.40% and the expected medical-inflation rate of 8.43%)

	Group		Company	
	2025	2024	2025	2024
The amounts recognised in profit and loss:				
Interest cost	67 191	71 498	67 191	71 498
Estimated benefit payments	(72 696)	(131 893)	(72 696)	(131 893)
The amounts recognised in other comprehensive income (OCI):				
Remeasurements of post-retirement medical subsidy (actuarial (gains) / losses)				
Change in assumptions	2 528	(22 599)	2 528	(22 599)
Experience adjustment	(29 128)	(122 963)	(29 128)	(122 963)
	(32 105)	(205 957)	(32 105)	(205 957)



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

Actuarial assumptions: Post-retirement medical aid subsidy

These tables set out the impact on results as a consequence of changes to assumptions on the discount and post-retirement mortality rates.

	Group		Company	
	2025	2024	2025	2024
Discount rate				
1% increase	450 921	481 840	450 921	481 840
Current assumption	477 658	509 763	477 658	509 763
1% decrease	507 863	541 240	507 863	541 240
Post-retirement mortality rate				
1% increase	498 734	487 672	498 734	487 672
Current assumption	477 658	509 763	477 658	509 763
1% decrease	457 037	532 329	457 037	532 329

The assumptions used are based on statistics and market data as at 31 March 2025.

The previous valuation used the zero-coupon government nominal bond curve to set the discount rate and the relationship to the nominal real curve to derive inflation. For the current valuation we have set the discount rate by using the average yields from zero-coupon government bond curve with a duration of between 10 to 15 years. The recommended discount and inflation assumptions with reference to the par/swap bond curves.

The sensitivity section quantifies the effects of a narrowing and widening of the net discount rates by 1% per annum.

Discount rate assumption - The discount rate required by IAS 19 should be set with reference to a high-quality corporate bond. In countries where there is no deep market in such bonds the market yield on government bonds should be used. We have set the discount rate by using the average yields from the Nominal Bond Par Swap curve with a duration of between 10 and 15 years. The recommended discount rate is 14.16%. The source is the Johannesburg Stock Exchange through INET BFA IReSS data service.

The previous valuation used a discount rate of 14.16%.

Future inflation assumption - The general inflation assumption is used to estimate the base rate for determining the rate at which

the future subsidies will increase. We have estimated the market's pricing of inflation by comparing the yields on the Nominal Bond curve and the Real Bond curve with a duration of between 10 and 15 years. The implied inflation assumption is therefore 6.93% per annum for future inflation. The health-care cost inflation rate was therefore set at 8.43% per annum, compared to 10.03% per annum at the previous valuation.

Net discount rate - Even though the actual values used for the discount rate and the expected increase in salary inflation are important the gap between the two assumptions is more important. This gap is referred to as the net discount rate. The net discount rate for salary inflation is assumed to be 3.66% per annum as at the valuation date (derived from a discount rate of 12.40% and the expected medical inflation rate of 8.43%).

Post-retirement mortality - The PA(90) mortality table was used. This assumption is consistent with the assumption used for the previous valuation report.

Age of spouse - The actual age of the spouse was used in the valuation. This assumption is consistent with the assumption used for the previous valuation report.

Developments since the previous valuation - There were no changes to the rules governing payment and eligibility for the post retirement medical aid benefits since the previous valuation.



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

As far as assumptions are concerned only the discount rate and inflation rate which are dependent on the market at the time of the valuation differed from the previous valuation.

Within the valuation period there was a Buy-Out option given to members. All members who accepted the Buy-Out option and received payment within the valuation period are excluded. All other assumptions are broadly consistent with that used at the previous valuation unless otherwise stated.

As the liability only relates to pensioners the liability is fully accrued and there is no service cost. Allowance has been made in these calculations for the liabilities of SA Post Office to increase in line with medical inflation. Should any increases in the fixed subsidy be implemented in future this liability will increase.

	Group		Company	
	2025	2024	2025	2024
Other assumptions				
Discount rate	12.40 %	14.16 %	12.40 %	14.16 %
Medical inflation increase rate	8.43 %	10.03 %	8.43 %	10.03 %
Long-term price inflation	6.93 %	8.53 %	6.93 %	8.53 %

Provident fund

The SA Post Office provident fund (the fund) was established on 1 August 1993 to hedge the leave liability beyond a specific threshold. The fund became dormant on 1 April 2004 when all leave entitlement and salaries were capped.

In terms of a surplus apportionment scheme conducted by the fund some years ago an Employer Surplus Reserve was created within the ambit of the fund and in terms of the Pension Funds Act 1956 (Act No. 24 of 1956 as amended) for the benefit of the SA Post Office.

The fund is a separate legal entity distinct from its members and is capable in law in its own name of suing and of being sued and of acquiring holding and alienating property movable and immovable. The assets held by the fund are registered in the name of the fund.

The provident fund is in settlement (i.e. under liquidation) as its obligations to its members are wholly fulfilled and no new members are intended to join it. As per the rules of the fund any remaining surplus funds are due to SA Post Office upon conclusion of the liquidation process. As a consequence the fund was reclassified as a financial asset at amortised cost in the 2025 financial year.



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

	Group		Company	
	2025	2024	2025	2024
The amounts recognised in profit and loss:				
Net interest (income) / cost	(5 433)	(4 004)	(5 433)	(4 004)
Amounts recognised in other comprehensive income:				
Remeasurements of provident fund (actuarial (gains) / losses)				
Experience adjustment	-	(16)	-	(16)
Remeasurement of asset				
(Gains) / losses on plan asset	-	(1 464)	-	(1 464)
	(5 433)	(5 484)	(5 433)	(5 484)

Pension fund

The SA Post Office Retirement Fund (the fund) previously known as the SA Post Office Pension Fund was established on 1 October 1991 in terms of section 9(1) of the SA Post Office Act 1958 (Act No.44 of 1958 as amended). The fund only allowed for defined benefit members until 30 November 2005 when it was converted into primarily a defined contribution scheme. It then became known as the SA Post Office retirement fund.

The fund is a separate legal entity distinct from its members and is capable in law in its own name of suing and of being sued and of acquiring holding and alienating property movable and immovable.

The assets held by the fund are registered in the name of the fund which has as its objective the provision of retirement and ancillary benefits to all its beneficiaries being pensioners and active members.

In terms of section 10A of the South African Post Office Act (Act No 44 of 1958 as amended) the financial obligations of the SA Post Office retirement fund in respect of its defined benefit members and pensioners are guaranteed by the SA Post Office whilst the Government of the Republic of South Africa in turn guarantees the obligations of the SA Post Office in this regard.

In terms of a recent actuarial capital adequacy analysis the fund was fully funded and the actuary concluded that it was in a sound financial position.



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

	Group		Company	
	2025	2024	2025	2024
The amounts recognised in profit and loss:				
Service cost	(341)	(556)	(341)	(556)
Estimated contributions	416	953	416	953
Net interest income	350 918	251 498	350 918	251 498
Remeasurements of post-retirement fund (actuarial (gains) / losses)				
Change in assumptions	(301 583)	236 860	(301 583)	236 860
Experience adjustment	82 530	(151 027)	82 530	(151 027)
Actuarial (Gains) / losses on plan asset	(237 613)	(224 914)	(237 613)	(224 914)
Changes in the effect of the asset ceiling	324 730	(118 808)	324 730	(118 808)
	219 057	(5 994)	219 057	(5 994)

Actuarial assumptions: Pension fund

These tables set out the impact on results as a consequence of changes to assumptions on the discount rate and the post-retirement age rating assumptions.

	Group		Company	
	2025	2024	2025	2024
Discount rate				
1% increase	7 123 512	6 222 085	7 123 512	6 222 085
Current assumption	7 629 771	6 634 565	7 629 771	6 634 565
1% decrease	8 210 009	7 103 942	8 210 009	7 103 942
Post-retirement age rating				
PA(90) +1	7 807 042	6 480 009	7 807 042	6 480 009
Current assumption	7 629 771	6 634 565	7 629 771	6 634 565
PA(90) -1	7 449 966	6 786 881	7 449 966	6 786 881

The assumptions used are based on statistics and market data as at 31 March 2025. The assumptions are unbiased and mutually compatible.

The previous valuation used the zero-coupon government nominal bond curve to set the discount rate and the relationship to the nominal real curve to derive inflation. For the current valua-

tion we have set the discount rate and inflation assumptions with reference to the par/swap bond curves.

Discount rate assumption - The discount rate required by IAS 19 should be set with reference to a high-quality corporate bond. In countries where there is no deep market in such bonds the market yield on government bonds should be used. We have used the



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

average Nominal Bond Par Swap curve with duration of between 15 and 20 years as at 31 March 2025. The recommended discount rate is 15.16%. The source of the yield curve is the Johannesburg Stock Exchange through IRESS data service. The discount rate assumption used for the previous valuation was 13.27%

Future inflation assumption - The general inflation assumption is used to estimate the base rate for determining the rate at which the future salaries will increase. SA Post Office used the difference between the Nominal Bond Par Swap curve and the real Bond Par Swap curve with duration of between 15 and 20 years. The implied inflation assumption is therefore 7.86% per annum for future inflation. The source of the yield curves is the Johannesburg Stock Exchange through IRESS data service. The inflation assumption used for the previous valuation was 9.49%

Future salary inflation assumption - It was assumed that the subsidies will increase in line with 1.00% in excess of general inflation therefore 8.86% per annum. This is consistent with the assumptions of the previous valuation. The inflation assumption used for the previous valuation was 10.49%.

Net discount rate - Even though the actual values used for the discount rate and the expected increase in medical inflation are important the gap between the two assumptions is more important. This gap is referred to as the net discount rate. The net discount rate for subsidy inflation is assumed to be 4.05% per annum (derived from a discount rate of 13.27% and the expected salary inflation rate of 8.86%). The net discount rate was 4.23% per annum at the previous valuation.

Pre-retirement mortality - SA Post Office assumed that the pre-retirement mortality will be in line with SA85-90 (light) table rated down by 3 years for female employees. No allowance for death as a result of an injury arising in the course of employment with the Entity. This is consistent with the assumptions of the previous valuation.

Post-retirement mortality - The post-retirement mortality assumptions were based on the PA(90) mortality tables. This is consistent with the assumptions of the previous valuation.

Withdrawals - Given the small number of active Defined Benefit (DB) members and their age profile no specific allowance for

withdrawals was made. This implies that the actuarial reserve value is available to provide benefits on voluntary exit and re-trenchment. This is consistent with the assumptions of the previous valuation.

Assumed retirement age - The normal retirement age of the remaining active defined benefit members is 65 years. SA Post Office assumed on average that active members will retire early at age 59. This is the same assumption used at the previous valuation date. This is consistent with the assumptions of the previous valuation.

Marital status - An assumption has been made that 90% of members will be married at retirement with the male spouse being 3 years older than the female spouse. For retired members who are married SA Post Office used the actual date of birth for the spouse where available. Where the spouses date of birth was not available SA Post Office assumed that the male spouse is 3 years older than the female spouse. This is consistent with the assumptions of the previous valuation.

Commutation - SA Post Office assumed that on retirement all Defined Contribution (DC) pensioners would have commuted a third of their pension on retirement. SA Post Office further assumed that all DB-A members and DB-C members would have commuted at third of their pension on retirement. This is consistent with the assumptions of the previous valuation.

The accounting standard requires that the liabilities are valued using the Projected Unit Credit Method and this method was therefore applied.

The Fund provides benefits of both Defined Benefit and Defined Contribution nature. The liability in respect of active defined benefit members was based on the actual past service of Members in the active service of the Company. The liability in respect of current pensioners is fully accounted for.

The liabilities assets and reserve accounts relating to the Defined Contribution section of the fund were excluded from the valuation. In aggregate these liabilities (and assets) amount to approximately R8 billion.



Notes to the Consolidated and Company Financial Statements

11. Retirement benefits (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Other assumptions				
Discount rate	13.27 %	15.16 %	13.27 %	15.16 %
Expected return on plan assets	13.27 %	15.16 %	13.27 %	15.16 %
Long-term price inflation	7.86 %	9.49 %	7.86 %	9.49 %
Expected contributions and maturity profile				
Expected contributions to the defined benefit plan in future years				
			2025	2024
Within the next 12 months (next annual reporting period)			207	334
Between 2 and 5 years			616	809
Between 5 and 10 years			203	432
Beyond 10 years			95	227
			1 121	1 802

Maturity profile

The average term to retirement for actives is 7 years for 2025. The average duration for the pensioners is 17 years. For 2024 the average term to retirement is 7 years. The average duration for pensioners is 17 years.

The average duration for current employees (pensioners) is 15.7 (male) and 17.9 (female).



Notes to the Consolidated and Company Financial Statements

12. Deferred tax

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Deferred tax liability				
Reversing temporary difference on fixed assets	(61)	(42)	-	-
Investment Property	(14 194)	(14 210)	-	-
Deferred tax lease	(5)	-	-	-
Section 24C	(739)	-	-	-
Total deferred tax liability	(14 999)	(14 252)	-	-
Deferred tax asset				
Income received in advance	2 012	1 980	-	-
Provisions	935	981	-	-
Lease liability	296	112	-	-
Tax losses available for set off against future tax	3 249	1 360	-	-
Contract liability	440	-	-	-
	-	-	-	-
Unrecognised deferred tax asset	(4 916)	-	-	-
Total deferred tax asset	2 016	4 433	-	-



Notes to the Consolidated and Company Financial Statements

12. Deferred tax (continued)

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction and the law allows net settlement. Therefore they have been offset in the statement of financial position as follows:

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Deferred tax liability	(14 999)	(14 252)	-	-
Deferred tax asset	2 016	4 433	-	-
Total net deferred tax liability	(12 983)	(9 819)	-	-
Reconciliation of deferred tax asset / (liability)				
At beginning of year	(9 819)	(11 539)	-	-
Prior year adjustment	146	420	-	-
Investment property	-	(224)	-	-
Reversing temporary differences on fixed assets	(19)	1 428	-	-
Reversing temporary differences on contract liability	(226)	-	-	-
Reversing temporary differences on deferred lease	10	(9)	-	-
Originating temporary difference on other long-term employee benefits	(119)	(74)	-	-
Reversing temporary differences on income received in advance	52	423	-	-
Change due to change in tax rate	-	1 319	-	-
Increase (decrease) in tax loss available to set off against future taxable income	1 744	(1 553)	-	-
Section 24C Allowance	(93)	-	-	-
Originating temporary difference on bad debts provision	73	(10)	-	-
Reversing temporary differences on right of use asset	184	-	-	-
Unrecognised deferred tax asset	(4 916)	-	-	-
	(12 983)	(9 819)	-	-

Recognition of deferred tax asset

The Group discloses the amount of a deferred tax asset and the nature of the evidence supporting its recognition when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.



Notes to the Consolidated and Company Financial Statements

12. Deferred tax (continued)

Unrecognised deferred tax asset for components of other comprehensive income

Unrecognised deferred tax is made up of the following:

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Timing differences on tax loss	3 207 436	3 017 369	3 207 436	3 017 369
Timing differences on temporary difference	159 455	(49 184)	159 455	(49 184)
	3 366 891	2 968 185	3 366 891	2 968 185

As it is unlikely that the assessed loss will be utilised in the foreseeable future no deferred tax asset has been recognised. The current unrecognised deferred tax asset is R3 billion (2024: R3

billion). The unused estimated/assessed tax loss at year-end is R3 billion (2024: R3 billion).

13. Inventories

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Merchandise	19 135	18 525	19 135	18 525
Consumables	19 328	14 733	18 969	14 364
	38 463	33 258	38 104	32 889
Inventories (write-downs)	(6 436)	(1 714)	(6 436)	(1 714)
Total inventories net of write-downs	32 027	31 544	31 668	31 175

Inventory pledged as security

No inventory has been pledged as security for liabilities.



Notes to the Consolidated and Company Financial Statements

14. Trade and other receivables

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Financial instruments:				
Trade receivables	167 130	408 938	163 321	403 394
Loss allowance	(64 305)	(279 623)	(63 697)	(279 373)
Trade receivables at amortised cost	102 825	129 315	99 624	124 021
Deposits	40	40	-	-
Intercompany debtors	-	-	83	-
Money and postal orders	5 040	8 937	4 995	8 881
International debtors	105 851	128 468	105 851	128 468
Other receivable	23 261	36 905	23 261	36 905
Non-financial instruments:				
Value Added Tax	5	-	-	-
Gross uncleared control accounts & other receivables	649 864	772 004	649 877	772 017
Employee costs in advance	1 105	(4 034)	1 105	(4 034)
Impaired uncleared control accounts & other	(604 280)	(684 785)	(604 280)	(684 785)
Total trade and other receivables	283 711	386 850	280 516	381 473



Notes to the Consolidated and Company Financial Statements

14. Trade and other receivables (continued)

Exposure to credit risk

The following table provides information about the exposure to credit risk and ECL's for trade receivable from individual customers as at 31 March 2025:

	Group			
31 March 2025 (R '000)	Average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0 - 30 days	14.38%	112 364	16 160	No
31 - 60 days	37.58%	5 827	2 190	No
61 - 90 days	58.14%	4 311	2 507	No
91 - 120 days	56.22%	2 693	1 514	No
More than 120 days past due	100.00%	41 935	41 934	Yes
		167 130	64 305	
	Group			
31 March 2024 (R '000)	Average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0 - 30 days	21.80%	127 685	27 810	No
31 - 60 days	16.24%	29 546	4 798	No
61 - 90 days	40.39%	6 573	2 655	No
91 - 120 days	94.06%	15 059	14 165	No
More than 120 days past due	100.00%	230 075	230 195	Yes
		408 938	279 623	



Notes to the Consolidated and Company Financial Statements

14. Trade and other receivables (continued)

	Company			
31 March 2025 (R '000)	Average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0 - 30 days	14.23%	110 399	15 706	No
31 - 60 days	41.38%	5 293	2 190	No
61 - 90 days	63.31%	3 890	2 463	No
91 - 120 days	84.44%	2 577	2 176	No
More than 120 days past due	100.00%	41 162	41 162	Yes
		163 321	63 697	
	Company			
31 March 2024 (R '000)	Average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0 - 30 days	22.11%	125 278	27 696	No
31 - 60 days	16.54%	28 725	4 750	No
61 - 90 days	78.32%	6 000	4 699	No
91 - 120 days	92.24%	14 981	13 818	No
More than 120 days past due	100.00%	228 410	228 410	Yes
		403 394	279 373	

Fair value of trade and other receivables

Due to the short-term nature of the current receivables their carrying amount is considered to be the same as their fair value.



Notes to the Consolidated and Company Financial Statements

14. Trade and other receivables (continued)

Trade receivables impaired

As of 31 March 2025 trade and other receivables of Group R64 million (2024: R280 million) and Company R64 million (2024: R280 million) were impaired and provided for.

Management believes that all amounts that are past due by more than 120 days are not collectible based on historical payment behaviour.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2025 Impairment	2024 Impairment	2025 Impairment	2024 Impairment
Balance as at 1 April	279 623	35 518	279 373	32 252
Net remeasurements of loss allowance	(215 318)	244 105	(215 676)	247 121
Balance as at 31 March	64 305	279 623	63 697	279 373

Control account impaired

The movement in the allowance for impairment in respect of control account during the year was as follows:

	2025 Impairment	2024 Impairment	2025 Impairment	2024 Impairment
Balance as at 1 April	684 785	398 536	684 785	398 536
Net remeasurements of loss allowance	(80 505)	286 249	(80 505)	286 249
Balance as at 31 March	604 280	684 785	604 280	684 785

International debtors impaired

The movement in the allowance for impairment in respect of international debtors account during the year was as follows:

	2025 Impairment	2024 Impairment	2025 Impairment	2024 Impairment
Balance as at 1 April	5 445	-	5 445	-
Net remeasurements of loss allowance	1 160	5 445	1 160	5 445
Balance as at 31 March	6 605	5 445	6 605	5 445



Notes to the Consolidated and Company Financial Statements

14. Trade and other receivables (continued)

IFRS 9 allows an entity to use a simplified "provision matrix" for calculating expected losses as a practical expedient (e.g. for trade receivables) if consistent with the general principles for measuring expected losses. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

The provision matrix and default rates applied (unadjusted) is set out as:

2025	From 1 to 30 days	From 31 to 60 days	From 61 to 90 Days	From 91 to 120 days	Greater than 120 days
Group	14.38 %	37.58 %	58.14 %	56.22 %	100.00 %
Company	14.23 %	41.38 %	63.31 %	84.44 %	100.00 %
2024	From 1 to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	Greater than 120 days
Group	21.80 %	16.24 %	40.39 %	94.06 %	100.00 %
Company	22.11 %	16.54 %	78.32 %	92.24 %	100.00 %

The Group defines a default on trade receivables as a non-payment of the trade receivable within 120 days after the issue of the invoice.

The Group has applied the practical expedient of IFRS 15.63 which permits the Group not to adjust the transaction price for the effects of a significant financing component if at contract inception it expects the period between the customer payment and the transfer of services to be less than or equal to one year.

For trade receivables repayment is due at the end of the month following the invoice date (which is on average between 30 and 60 days). The Group applies a historic loss rate adjusted to reflect economic conditions and macro-economic factors. The Group determined that the unemployment rate was the most appropriate macro-economic factor that can affect the credit losses of the Group.

The movement in unemployment rate that is applied to adjust the historic default rate is 1.99% (31.9% - 33.89%) in 2025 and 0.8% (32.1% - 32.9%) in 2024.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional and does not contain a significant financing component. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost.



Notes to the Consolidated and Company Financial Statements

15. Prepayments

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Subscriptions and IT solutions paid in advance				
Services receivable within a year	17 747	12 874	17 579	12 706

Prepaid expenses are payments made in advance of the future performance of services. These amounts are recorded as assets

in the financial statements until the related expenses have been incurred.

16. Refund due from provident fund

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Refund due from provident fund	61 401	-	61 401	-

The SA Post Office provident fund (the fund) was established on 1 August 1993 to hedge the leave liability beyond a specific threshold. The fund became dormant on 1 April 2004 when all leave entitlement and salaries were capped.

ed to join it. As per the rules of the fund any remaining surplus funds are due to SA Post Office upon conclusion of the liquidation process. As a consequence the fund was reclassified as a financial asset at amortised cost in the 2025 financial year.

The provident fund is in settlement (i.e. under liquidation) as its obligations are wholly fulfilled and no new members are intend-

17. Cash and cash equivalents

Cash and cash equivalents include cash on hand and actual bank balances and investments in money market instruments.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Cash on hand	8 367	6 963	8 358	6 954
Bank balances	524 889	2 499 734	524 889	2 499 734
Short-term deposits	19 769	18 877	-	-
	553 025	2 525 574	533 247	2 506 688

Note 41 (Financial instruments and risk management) provides further detail on the credit quality of cash and cash equivalents.



Notes to the Consolidated and Company Financial Statements

18. Share capital and Capital contribution reserve

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Authorised				
1 000 000 000 Ordinary shares of R1 each	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Reconciliation of number of shares issued:				
Reported as at 01 April 2024	8 164 115 879	8 164 115 878	8 164 115 879	8 164 115 878
Issue of shares – ordinary shares*	-	1	-	1
	8 164 115 879	8 164 115 879	8 164 115 879	8 164 115 879
Issued				
Ordinary shares of R1 each	8 164 116	8 164 116	8 164 116	8 164 116
Capital contribution reserve	2 550 000	2 400 000	2 550 000	2 400 000
	10 714 116	10 564 116	10 714 116	10 564 116

At year end there are 306 884 117 unissued ordinary shares. This authority remains in force until the next annual general meeting.

R150 million drawdown

On 24 February 2025 National Treasury approved a virement and transfer of R150 million to the South African Post Office (SA Post Office) in line with commitments made by the Department of Communications and Digital Technologies (DCDT) to assist

with the recapitalisation of the SA Post Office. The amount was received in the SA Post Office's bank account before year-end.

As at 31 March 2025 no amendments had been made to the share capital or the share register to reflect this capital contribution as no shares had yet been issued in respect of the R150 million received. The amount is therefore disclosed as a capital contribution reserve under equity.

19. Mark-to-market reserve

The unlisted shares held in the cell captive Centriq Insurance Innovation (Pty) Ltd are classified as a financial asset at fair value through other comprehensive income.

Financial assets classified as subsequently measured at fair value through other comprehensive income with fair value gains

and losses recognised directly in other comprehensive income as the reserve for valuation of investments (mark-to-market reserve). The market approach is used under IFRS 13 in the determination of the fair value of unlisted shares for which no reference can be made to quote market prices. Refer to note 9.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Investments at fair value through other comprehensive income	(10 825)	5 550	(10 825)	5 550



Notes to the Consolidated and Company Financial Statements

20. Provisions

Reconciliation of provisions - Group - 2025				
	Opening balance	Additions	Reversed during the year	Total
Site restoration	34 170	3 082	-	37 252
Restructuring costs	20 007	-	(20 007)	-
	54 177	3 082	(20 007)	37 252
Reconciliation of provisions - Group - 2024				
	Opening balance	Additions	Reversed during the year	Total
Site restoration	125 998	3 257	(95 085)	34 170
Restructuring costs	-	20 007	-	20 007
	125 998	23 264	(95 085)	54 177
Reconciliation of provisions - Company - 2025				
	Opening balance	Additions	Reversed during the year	Total
Site restoration	34 170	3 082	-	37 252
Restructuring costs	20 007	-	(20 007)	-
	54 177	3 082	(20 007)	37 252
Reconciliation of provisions - Company - 2024				
	Opening balance	Additions	Reversed during the year	Total
Site restoration	125 998	3 257	(95 085)	34 170
Restructuring costs	-	20 007	-	20 007
	125 998	23 264	(95 085)	54 177
Non-current liabilities				
Site restoration	28 169	23 249	28 169	23 249
Current liabilities				
Site restoration	9 083	10 921	9 083	10 921
Restructuring costs	-	20 007	-	20 007
	9 083	30 928	9 083	30 928
	37 252	54 177	37 252	54 177



Notes to the Consolidated and Company Financial Statements

20. Provisions (continued)

Site restoration

The provision relates to decommissioning costs that are expected to be incurred upon termination or conclusion of property rental lease agreements where the Company is currently or has previously been the lessee. It is uncertain whether these leases will be extended or terminated earlier which creates uncertainties regarding the amount and timing of the cash flows.

Assumptions and methodologies used in the calculation of this provision:

Site restoration is determined where there is a possibility of a restoration obligation arising. Site restoration is provided for active rental contracts as well as for arrears contacts where the Company is still in occupation.

The Company has maintained records of actual site restorations performed. Prior restoration costs are inflation-adjusted to determine average restoration costs per square meter for rental properties each year. Average costs per square meter are applied to individual rentals to arrive at current restoration estimates. There are select landlords who do accept three months rental or more instead of a site restoration being performed and therefore monthly rental amounts are also considered in arriving at restoration estimates. Evidence suggests that around six months of rental payments approaches the estimates arrived at based upon square meterage. For each property which may re-

quire site restoration the Company applies the highest of the two estimates to ensure that liabilities for restoration might not easily be underestimated.

The initial present value estimate of site restoration costs is capitalised in terms of the relevant lease agreements and a corresponding provision (liability) recognised. Depreciation is straight-lined over the remaining lease period. Where there is no more rental contract (non-renewal) the site restoration liability is not written off but maintained until site restoration is performed. The current liability portion of site restoration is determined based upon rental contracts that will expire within the next 12 months. The current liability includes expired rentals from previous years.

The future value of each rental is calculated to the end of its remaining lease term using the present value being the current estimated cost of site restoration and applying the SA prime rate as the interest rate. Interest arrived at for each of the remaining rental years is expensed each year. Where there is no more rental contract no more interest is expensed as there is no more lease term.

Restructuring costs

In the prior year a restructuring cost provision was raised for expected costs to be incurred as part of the restructuring project undertaken in terms of the Business Rescue process. This provision has since been reversed in the current year as the project has been completed.



Notes to the Consolidated and Company Financial Statements

21. Other employee benefits

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Present value of the defined benefit obligation				
Other employee benefits - Current	72 913	74 692	72 856	74 053
Other employee benefits - Non-current	21 882	21 486	20 727	20 603
	94 795	96 178	93 583	94 656
Current liability				
Long service leave awards	1 162	341	1 162	341
Leave pay	70 501	72 802	70 501	72 802
Long service cash award	1 193	1 399	1 193	871
General provision	-	39	-	39
Contractual 13th cheque	57	111	-	-
	72 913	74 692	72 856	74 053
Non-Current liability				
Long service leave awards	4 172	5 399	4 172	5 399
Leave pay	465	700	465	700
Long service cash awards	17 245	15 387	16 090	14 504
	21 882	21 486	20 727	20 603

General provision

Employees appointed on a Total Cost to Company (TCTC) basis may elect to structure their package for a 13th cheque payment. 13th cheque payments for Bargaining Unit's members are paid in the employee's birth month and TCTC 13th cheque payments are made in December.

Leave obligation

Employees are entitled to 22 days leave per annum. As at 31 March the remaining statutory annual leave may be carried forward for a period of six (6) months after year end thereafter the leave will be forfeited.

Any leave balance remaining when an employee leaves the service of the SA Post Office for whatever reason (e.g. resignation death retirement) is encashed at that time.

Capped leave

Given these rules the SA Post Office recognises that the balances in both the capped leave and normal accrued leave will not be settled in the 12 months following the date of calculation and therefore some form of calculation is required. In performing these calculations an assumption has been applied that 50% of the balance standing in the normal accrued leave will be taken as leave in the next 12 months. The remainder of the normal and the balance in the capped leave will be paid out in cash when the employee leaves the service of the SA Post Office by death resignation or retirement. In the case of the accrued leave this will be based on the salary applicable at that date and in the case of the capped leave based on the current fixed rate.

Contractual 13th cheque

An obligation arises based on a percentage of an employee total cost to company deducted monthly to be paid out every Decem-



Notes to the Consolidated and Company Financial Statements

21. Other employee benefits (continued)

ber. The amount is certain and the likelihood of cash flow is very high.

Long service cash awards

The Group has a once off cash award policy in respect of long service. The Group has valued this benefit in the current period

and shall be valuing the benefit annually.

Long service leave awards

The Group has a policy of giving a once-off extra day of leave when employees reach ten years of service and for every ten years thereafter within the SA Post Office's employment.

Actuarial assumptions and sensitivity analysis

Long service cash awards

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Discount rate				
1% increase	17 617	16 001	17 617	16 001
Current assumption	18 436	16 786	18 436	16 786
1% decrease	19 323	17 633	19 323	17 633
Retirement age				
2-year increase	15 650	18 928	15 650	18 928
Current assumption	18 436	16 748	18 436	16 784
2-year decrease	20 847	14 332	20 847	14 332
Leave days				
Discount rate				
1% increase	5 622	5 444	5 622	5 444
Current assumption	5 334	5 740	5 334	5 740
1% decrease	5 071	6 064	5 071	6 064
Retirement age				
2-year increase	6 118	6 569	6 118	6 569
Current assumption	5 334	5 740	5 334	5 740
2-year decrease	4 442	4 823	4 442	4 823



Notes to the Consolidated and Company Financial Statements

21. Other employee benefits (continued)

Actuarial assumptions

The assumptions used are based on statistics and market data as at 31 March 2025.

The previous valuation used the zero-coupon government nominal bond curve to set the discount rate and the relationship to the nominal real curve to derive inflation. For the current valuation SA Post Office set the discount rate and inflation assumptions with reference to the par/swap bond curves.

Discount rate assumption

The discount rate required by IAS 19 should be set with reference to a high-quality corporate bond. In countries where there is no deep market in such bonds the market yield on government bonds should be used. SA Post Office set the discount rate by using the best fit discount rate at 31 March 2025 based on the yields from the Nominal Bond Par Swap curve. Nominal Bond curve with duration of between 5 and 10 years as at 31 March 2025. The recommended discount rate is 10.57%. The source of the yield curve is the Johannesburg Stock Exchange through IRESS data service. The discount rate assumption used for the previous valuation was 10.99%.

Future inflation assumption

The general inflation assumption is used to estimate the base rate for determining the rate at which the future salaries will increase.

SA Post Office used the difference between the Nominal Bond curve and the real Bond curve with durations of between 5 and 10 years. The implied inflation assumption is therefore 4.87% per

annum for future inflation. The source is the Johannesburg Stock Exchange through IRESS data services. The inflation assumption used for the previous valuation was 6.07%.

Assets

The Company does not have any specific assets set aside to fund this liability. SA Post Office therefore not included any asset value in this report.

Net discount rate

Even though the actual values used for the discount rate and the expected increase in salaries are important the gap between the two assumptions is more important. This gap is referred to as the net discount rate. The net discount rate for salary inflation is assumed to be 4.43% per annum (derived from a discount rate of 10.57% and the expected salary-inflation rate of 5.87%).

Pre-retirement mortality

SA Post Office assumed that the pre-retirement mortality will be in line with SA85-90 (Light) table rated down by 3 years for female employees. This assumption is in line with the previous assumptions used.

Assumed retirement age

The normal retirement age of the group is 65 years. Evidence has shown that not all members are retiring at the normal retirement age. SA Post Office has been advised that the average age for retiring members is 59 years of age. A normal retirement age of 59 years is assumed. For employees currently over age 59 SA Post Office assumed that they will retire immediately.



Notes to the Consolidated and Company Financial Statements

21. Other employee benefits (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Other assumptions				
Discount rate	10.57%	10.99%	10.57%	10.99%
Salary inflation increase rate	5.87%	7.07%	5.87%	7.07%
Long-term price inflation	4.87%	6.07%	4.87%	6.07%
Leave encashment				
Discount rate				
1% increase	582	1 058	582	1 058
Current assumption	600	1 112	600	1 112
1% decrease	620	1 170	620	1 170
Retirement age				
2-year increase	668	844	668	844
Current assumption	600	1 112	600	1 112
2-year decrease	545	1 364	545	1 364

Actuarial assumptions

The assumptions used are based on statistics and market data as at 31 March 2025.

The previous valuation used the zero-coupon government nominal bond curve to set the discount rate and the relationship to the nominal real curve to derive inflation. For the current valuation SA Post Office set the discount rate and inflation assumptions with reference to the par/swap bond curves.

Discount rate assumption

The discount rate required by IAS 19 should be set with reference to a high-quality corporate bond. In countries where there is no deep market in such bonds the market yield on government bonds should be used. SA Post Office set the discount rate by using the best fit discount rate at 31 March 2025 based on the yields from the Nominal Bond Par Swap curve with a duration of between 2 and 5 years. The recommended discount rate is 8.93%. The source is the Johannesburg Stock Exchange through INET BFA IRESS data service.

Net discount rate

The benefits do not increase and are pegged at the rate of applicable salary in 2001 or 2002 as applicable. The net discount rate is therefore 8.93% per annum.

Post-retirement mortality assumption

SA Post Office assumed that the pre-retirement mortality will be in line with SA85-90 (Light) table rated down by 3 years for female employees. This assumption is in line with the previous assumptions used. This assumption is consistent with the assumption used for the previous valuation report.

Assumed retirement mortality assumption

The normal retirement age of the group is 65 years. Evidence has shown that not all members are retiring at exactly these ages. SA Post Office has been advised that the average age for retiring members is 59 years of age. A normal retirement age of 59 years is assumed. For employees currently over age 59 SA Post Office assumed that they will retire in 1 years' time. This assumption is consistent with the assumption used for the previous valuation report.

Take-up rates assumption

SA Post Office assumed that the capped leave will be encashed on exit from the Company. This assumption is consistent with the assumption used for the previous valuation report.



Notes to the Consolidated and Company Financial Statements

21. Other employee benefits (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Other assumptions				
Discount rate	8.93%	9.89%	8.93%	9.89%
Expected return on plan assets	8.93%	9.89%	8.93%	9.89%
Long-term price inflation	4.47%	5.19%	4.47%	5.19%

22. Trade and other payables

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Financial instruments:				
Trade payables	32 141	206 464	31 279	206 279
Postbank payable - Daily settlement	-	721 518	-	721 518
Postbank payable - Other	23	23	23	23
Money and postal orders	8 082	10 284	8 082	10 284
International trade payables	93 602	103 601	93 602	103 601
Creditors compromise	691 720	701 952	691 720	701 952
Accrued expenses	116 881	148 914	116 881	148 914
Deposits received	86 990	87 006	86 787	86 803
Other payables	115 560	86 155	110 622	82 771
Amounts due to subsidiaries	-	72	619	323
Non-financial instruments:				
Employee related payables	33 488	869 624	33 488	869 624
Value Added Tax	9 193	30 524	8 659	30 190
Customs duty and other taxes	6 727	943	6 727	943
	1 194 407	2 967 080	1 188 489	2 963 225



Notes to the Consolidated and Company Financial Statements

23. Contract liabilities

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Summary of contract liabilities				
Subscriptions - upfront members	1 628	2 465	-	-
Reconciliation of contract liabilities				
Opening balance	2 465	1 954	-	-
Movement for post year-end contracts for which the timing of the right to consideration only becomes unconditional	(837)	511	-	-
	1 628	2 465	-	-
Split between non-current and current portions				
Current liabilities	1 628	2 465	-	-

Revenue on annual subscriptions (upfront membership) is recognised when control of the goods has transferred to the customer which is the point at which the goods are delivered to the customer. The customer is liable for the full transaction price at

the point when a contract is entered into non-payment on these contracts is classified as contract liability and not deferred income.



Notes to the Consolidated and Company Financial Statements

24. Deferred income

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Deferred income consists of the following:				
Bulk mail Parcels Hybrid Mail Sundry & Registered letters revenue	29 011	25 121	29 011	25 121
Franking mail revenue	176	1 039	176	1 039
Box revenue	21 922	29 288	21 922	29 288
Stamp and envelope revenue	735	701	735	701
Speed services revenue	7	13	7	13
Subscription fees	7 454	7 260	-	-
	59 305	63 422	51 851	56 162
Reconciliation of deferred income - Group 2025				
	Opening balance	Additions	Recognised as revenue	Closing balance
Bulk mail Parcels Hybrid Mail Sundry & Registered letters revenue	25 122	29 011	(25 122)	29 011
Franking mail revenue	1 039	176	(1 039)	176
Box revenue	29 288	21 922	(29 288)	21 922
Stamp and envelope revenue	701	735	(701)	735
Speed services revenue	13	7	(13)	7
Subscription fees	7 259	7 454	(7 259)	7 454
	63 422	59 305	(63 422)	59 305
Reconciliation of deferred income - Group 2024				
	Opening balance	Additions	Recognised as revenue	Closing balance
Bulk mail Parcels Hybrid Mail Sundry & Registered letters revenue	25 724	25 122	(25 724)	25 122
Franking mail revenue	630	1 039	(630)	1 039
Box revenue	48 300	29 288	(48 300)	29 288
Stamp and envelope revenue	571	701	(571)	701
Speed services revenue	53	13	(53)	13
Subscription fees	5 664	7 259	(5 664)	7 259
	80 942	63 422	(80 942)	63 422



Notes to the Consolidated and Company Financial Statements

24. Deferred income (continued)

Reconciliation of deferred income - Company 2025				
	Opening balance	Additions	Recognised as revenue	Closing balance
Bulk mail Parcels Hybrid Mail Sundry & Registered letters revenue	25 121	29 011	(25 121)	29 011
Franking mail revenue	1 039	176	(1 039)	176
Box revenue	29 288	21 922	(29 288)	21 922
Stamp and envelope revenue	701	735	(701)	735
Speed services revenue	13	7	(13)	7
	56 162	51 851	(56 162)	51 851
Reconciliation of deferred income - Company 2024				
	Opening balance	Additions	Recognised as revenue	Closing balance
Bulk mail Parcels Hybrid Mail Sundry & Registered letters revenue	25 724	25 121	(25 724)	25 121
Franking mail revenue	630	1 039	(630)	1 039
Box revenue	48 300	29 288	(48 300)	29 288
Stamp and envelope revenue	571	701	(571)	701
Speed services revenue	53	13	(53)	13
	75 278	56 162	(75 278)	56 162

Deferred revenue

SA Post Office recognises deferred revenue for income received in advance on postal related Income. The valuation of the deferred revenue is based on sampling systems for Domestic mail (Test post system) and International mail (Quality of Service system). Sampling results are drawn from these systems for mailing made mid-month to end of March to determine the progress of delivery as at year end.

Bulk mail parcels hybrid mail sundry and registered letters revenue

The deferred revenue calculation is based on the mail delivery performance statistics for March. Revenue is recognised based on performance satisfaction obligation at the reporting period. Revenue received in the last 21 days (2024: 21 days) days prior to year end is deferred based on the progress of delivery. The revenue deferred is expected to be recognised 21 days (2024: 21 days) days after the reporting period.

Franking mail revenue

The deferred revenue calculation is based on the assumption that 21 days (2024: 21 days) working days' revenue is unearned. Revenue is recognised based on performance satisfaction obligation at the reporting period. Revenue received in the last ten days prior to year end is deferred based on the progress of delivery. The revenue deferred is expected to be recognised ten days after the reporting period.

Box revenue

The renewal cycle for the rental of the boxes is a calendar year from 1 January to 31 December however; the financial year for the SA Post Office is 1 April to 31 March. This means that only the revenue for three (3) months of the renewal cycle is earned for that financial year and the remaining nine (9) months of the renewal cycle is regarded as deferred revenue. The revenue deferred is expected to be recognised within nine (9) months after the reporting period.



Notes to the Consolidated and Company Financial Statements

24. Deferred income (continued)

Stamp and envelope revenue

The deferred revenue calculation is based on the assumption that 21 days (2024: 21 days) working days revenue is unearned. Revenue is recognised based on performance satisfaction obligation at the reporting period. Revenue received in the last 21 days (2024: 21 days) days prior to year end is deferred based on the progress of delivery. The revenue deferred is expected to be recognised ten days after the reporting period.

Speed services revenue

The deferred revenue calculation is based on the courier delivery performance statistics for March. Revenue is recognised based on performance satisfaction obligation at the reporting period. Revenue received in the last 21 days (2024: 21 days) days prior

to year end is deferred based on the progress of delivery. The revenue deferred is expected to be recognised 21 days (2024: 21 days) days after the reporting period.

Relating to The Document Exchange (Pty) Ltd:

Subscription fees

Members pay the subscription fee annually for twelve-month period. In cases where the membership overlaps between two financial years the portion of the amount belonging to the subsequent financial year is the unearned revenue and is deferred to the next financial year. The revenue deferred is expected to be recognised over the remaining subscription period that falls within the new reporting period.

25. Funds collected on behalf of third parties

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Agency services and collections	26 799	40 714	26 799	40 714

Funds collected from the customers of the Company on behalf of third-party clients are paid into their bank accounts within 24 hours following the collection at Post Office outlets. In terms of

service level agreements with the clients no interest will be paid to clients for the 24-hour period before the money collected is paid into the client's respective accounts.



Notes to the Consolidated and Company Financial Statements

26. Government grants

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Subsidy received				
Universal Service Obligations (USO)	547 815	524 270	547 815	524 270
Government grants utilised				
Utilised for USO	(476 361)	(455 887)	(476 361)	(455 887)
Value Added Tax (VAT) paid on subsidy	(71 454)	(68 383)	(71 454)	(68 383)
Government grants unutilised	-	-	-	-

27. Revenue

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Revenue from contracts with customers				
Courier and parcel revenue	20 090	21 718	20 090	21 718
Postal services revenue	847 765	1 165 285	847 765	1 165 285
Agency services	298 392	409 984	298 392	409 984
Rendering of services - DOCEX	32 051	33 007	-	-
Other revenue	2 335	646	2 335	600
	1 200 633	1 630 640	1 168 582	1 597 587

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:



Notes to the Consolidated and Company Financial Statements

27. Revenue (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Courier and parcel revenue				
Parcels	16 334	15 771	16 334	15 771
Speed services	3 756	5 947	3 756	5 947
	20 090	21 718	20 090	21 718
Postal services revenue				
Franking mail	24 745	36 207	24 745	36 207
Bulk mail	502 139	720 836	502 139	720 836
Secure mail	7 664	12 035	7 664	12 035
Sundry mail	1 263	1 796	1 263	1 796
Stamp and philately	23 661	31 995	23 661	31 995
Foreign	93 995	116 352	93 995	116 352
Envelope	12 706	13 834	12 706	13 834
Hybrid mail	105 624	114 934	105 624	114 934
Registered letters	29 211	45 638	29 211	45 638
Box and key	46 757	71 658	46 757	71 658
	847 765	1 165 285	847 765	1 165 285
Agency services				
Motor licensing	241 949	254 260	241 949	254 260
Social grant	99	78 814	99	78 814
Money and postal orders	2	29	2	29
Digital Terrestrial Television (DTT)	48 654	62 257	48 654	62 257
Municipality commission	645	955	645	955
National housing	4	3 547	4	3 547
Prepaid revenue	630	652	630	652
Lottery commission	1 264	1 648	1 264	1 648
Pay-a-bill commission	2 780	3 835	2 780	3 835
Fax & photocopier	77	189	77	189
Sundry retail	2 288	3 798	2 288	3 798
	298 392	409 984	298 392	409 984



Notes to the Consolidated and Company Financial Statements

27. Revenue (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Rendering of services - DOCEX				
Barcode rolls	1 312	1 522	-	-
Subscription revenue	26 701	27 238	-	-
Daily delivery Entry fees & Excess weight	4 038	4 247	-	-
	32 051	33 007	-	-
Other revenue				
Digital revenue	2 335	646	2 335	600
Total revenue from contracts with customers	1 200 633	1 630 640	1 168 582	1 597 587

28. Other operating income

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Other rental income	105 225	90 037	104 462	89 274
Other recoveries	56 023	160 843	56 129	121 086
Other income	14 426	350 863	14 426	353 420
Government grants	476 361	455 887	476 361	455 887
	652 035	1 057 630	651 378	1 019 667



Notes to the Consolidated and Company Financial Statements

29. Other operating gains (losses)

		Group		Company	
Figures in Rand thousand		2025	2024	2025	2024
Gains (losses) on disposals scrappings and settlements					
Property plant and equipment	3	171	(34 983)	171	(34 983)
Finance leases					
Gain from derecognition of finance leases	4	18 946	35 927	18 946	35 927
		19 117	944	19 117	944
Foreign exchange gains (losses)					
Net foreign exchange (losses) gains		(1 297)	3 516	(1 297)	3 516
Restructuring costs					
Reassessment of prior year restructuring costs		17 879	-	17 879	-
Fair value gains (losses)					
Investment property	5	-	(61 276)	-	(59 792)
Total other operating gains (losses)		35 699	(56 816)	35 699	(55 332)

30. Other operating expenses

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Operating loss for the year is stated after charging (crediting) the following amongst others:				
Auditor's remuneration - external				
Audit fees	18 716	24 572	17 426	23 589
Remuneration other than to employees				
Administrative and managerial services	1 178	1 244	-	-
Consulting and professional services	134 852	103 008	134 766	102 964
Restructuring cost	-	17 879	-	17 879
	136 030	122 131	134 766	120 843

Consulting and professional services include amounts paid to the Business Rescue Practitioners. Please refer to note 38 (Related parties) for more details.



Notes to the Consolidated and Company Financial Statements

30. Other operating expenses (continued)

Other operating expenses

Other operating expenses include the following:

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Lease expenses	294 600	284 103	294 350	283 973
Bank charges	20 470	26 475	20 398	26 336
Security	116 030	45 620	116 013	45 611
Telephone	2 842	1 883	2 543	1 585
Other expenses	471 099	848 743	466 952	840 822
	905 041	1 206 824	900 256	1 198 327

31. Employee costs

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Employee costs				
Basic	1 102 126	1 726 638	1 087 485	1 712 165
Overtime	2 926	4 096	2 926	4 096
13th cheque	53 472	139 501	52 314	137 720
Medical aid - company contributions	159 310	252 265	157 437	250 587
Unemployment insurance fund	12 000	20 230	11 871	20 104
Workers' compensation assistance	14 932	52 389	13 316	51 949
Skills development levy	13 524	20 997	13 352	20 826
Other payroll levies	10	7	-	-
Leave pay provision charge	551	26 782	497	26 559
Home-owner's allowance	5 464	8 333	5 349	8 210
Motor scheme management	5 209	6 712	5 200	6 702
Training expenses	-	(569)	-	(569)
Retirement benefit plans	139 131	230 751	137 403	228 956
Post-retirement medical aid	72 641	76 213	72 641	76 213
Termination benefits	5 213	345 347	5 213	345 347
Other staff costs	4 508	34 463	4 174	34 125
	1 591 017	2 944 155	1 569 178	2 922 990



Notes to the Consolidated and Company Financial Statements

32. Depreciation amortisation and impairment losses

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Depreciation				
Property plant and equipment	62 445	86 718	62 290	86 627
Right-of-use assets	74 739	172 456	72 130	170 305
	137 184	259 174	134 420	256 932
Amortisation				
Intangible assets	155	171	155	171
Impairment losses				
Property plant and equipment	5 132	-	5 132	-
Investments in subsidiaries joint arrangements and associates	-	-	-	11 357
	5 132	-	5 132	11 357
Total depreciation amortisation and impairment				
Depreciation	137 184	259 174	134 420	256 932
Amortisation	155	171	155	171
Impairment losses	5 132	-	5 132	11 357
	142 471	259 345	139 707	268 460



Notes to the Consolidated and Company Financial Statements

33. Investment income

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Dividend income				
Equity instruments at fair value through other comprehensive income:				
Unlisted investments - Local	15 000	10 000	15 000	30 941
Total dividend income	15 000	10 000	15 000	30 941
Interest income				
Investments in financial assets:				
Bank and other cash	102 433	100 705	100 948	99 007
Other financial assets	20	6	-	-
Interest on retirement benefit asset	1 346 437	941 257	1 346 437	941 257
Total interest income	1 448 890	1 041 968	1 447 385	1 040 264
Total investment income	1 463 890	1 051 968	1 462 385	1 071 205

34. Finance costs

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Lease liabilities	20 288	28 455	19 548	28 120
Interest paid (bank)	3	81	-	-
Unwinding of site restoration provision	3 238	3 257	3 238	3 257
Trade and other payables	1 396	19 940	1 396	19 940
Term loan interest (Postbank)	-	3 694	-	3 694
Interest (actuarial) on retirement benefit obligation	1 057 462	757 795	1 057 277	757 586
Interest (actuarial) on long service award	2 367	3 855	2 367	3 855
Total finance costs	1 084 754	817 077	1 083 826	816 452



Notes to the Consolidated and Company Financial Statements

35. Other non-operating gains

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Creditors compromise				
Write-back of 88%	-	7 391 287	-	7 391 287

Business Rescue Plan was published on the 23rd of November 2023 and circulated on the SA Post Office website. The BRPs believe that this Business Rescue Plan shall upon its implementation achieve a better return for Creditors and better outcome

for other Affected Persons than would result from an immediate liquidation of the Company. The BRP and the creditors reached an agreement. All creditors up to 9 July 2023 received 12 cents to the rand for amounts owed up to 09 July 2023.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Fair value gains (losses)				
Post-retirement medical aid and Provident fund asset	85 293	161 076	85 293	161 076
Total other non-operating gains (losses)	85 293	7 552 363	85 293	7 552 363

The fair value gains and losses recognised in other financial assets are derived from financial assets subsequently measured at fair value through profit or loss and relate to Post-retirement

medical aid asset as well as Provident fund asset. Refer to note 11 for more detail.



Notes to the Consolidated and Company Financial Statements

36. Taxation

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Major components of the tax expense (income)				
Current				
Local income tax - current period	(2)	314 128	-	(313 614)
Local income tax - prior period (over) under provision	212	-	-	-
	210	314 128	-	313 614
Deferred				
Originating and reversing temporary differences	(689)	1 024	-	-
Arising from previously unrecognised tax loss	-	(1 603)	-	-
Impairment of deferred tax	-	(452)	-	-
Deferred tax 2	3 851	-	-	-
Arising from prior period adjustments	-	(132)	-	-
	3 162	(1 163)	-	-
	3 372	312 965	-	313 614

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Applicable tax rate	27.00 %	27.00 %	27.00 %	27.00 %
Exempt income	6.36 %	(0.29)%	6.50 %	(0.28)%
Provision: Creditor Dividends	(163.77)%	3.34 %	(167.18)%	3.35 %
Debt compromise	163.77 %	(3.34)%	167.18 %	(3.35)%
Impairment of loans, subsidiaries	0.05 %	(3.37)%	- %	0.05 %
Release of unrecognised tax loss	- %	(22.10)%	- %	(22.19)%
Non-deductible expenses	3.38 %	0.15 %	3.40 %	0.10 %
Deferred tax not recognised - timing difference	(34.93)%	0.87 %	(35.66)%	0.87 %
Prior year adjustment	(0.19)%	(0.04)%	- %	- %
Other	(4.63)%	3.26 %	(1.24)%	(0.04)%
	(2.96)%	5.48 %	- %	5.59 %



Notes to the Consolidated and Company Financial Statements

37. Tax paid

Balance at beginning of the year	(313 879)	(45)	(313 614)	-
Current tax recognised in profit or loss	(210)	(314 129)	-	(313 614)
Balance at end of the year	313 363	313 879	313 614	313 614
	(726)	(295)	-	-

38. Related parties

Relationships	
Ultimate holding company	South African Government
Holding company	South African Post Office SOC Ltd (SA Post Office)
Subsidiaries	Refer to note 8
Members of key management	Refer to note 39
Shareholder with significant influence	The Department of Communications and Digital Technologies National Treasury
Provisional liquidator	Anton Shaban Kaap Vall Trust (Pty) Ltd
Joint BRPs	Directors employees and agents of: SNG Grant Thornton - A. Rooplal (Registered BRP) Legae Turnarounds - JM Damons (Registered BRP)
Regulatory authority	Independent Communications Authority of South Africa (ICASA)
Post employment benefit plan for employees	Post Office Retirement Fund
Post Office medical aid scheme	MEDiPOS Medical Scheme
Other public entities	South African national government departments and public entities including but not limited to: Eskom Holdings SOC Ltd Telkom SA SOC Limited the South African Revenue Services the Unemployment Insurance Fund South African Broadcasting Corporation Limited and their subsidiaries.

Intragroup transactions and balances

Balances and transactions between the Company and its subsidiaries which are related parties of SA Post Office have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Terms loans: Unsecured interest free and no repayment date.

Terms receivables: Unsecured interest at prime and no repayment date.



Notes to the Consolidated and Company Financial Statements

38. Related parties (continued)

Inter-governmental transactions and balances

Inter-governmental transactions and balances refers to transactions and balances between SA Post Office and other government entities.

Only individually significant transactions and balances are disclosed. According to the materiality framework of SA Post Of

fice the significant threshold is R100 million. Transactions and balances that are not at arm's length are considered to be significant even if they are below the R100 million threshold. All inter-governmental transactions have been made at arm's length.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Related party balances				
Trade receivables (payables) - Owing (to) by subsidiaries				
SAPOS Properties (Cape Town) (Pty) Ltd	-	-	(619)	-
Amounts included in Trade Payables regarding related parties				
Post Office Retirement Fund	-	(550 675)	-	(550 675)
Postbank SOC Limited	-	(721 518)	-	(721 518)
South African Revenue Services (Employee tax & other taxes)	(23)	(93 964)	(23)	(93 964)
South African Revenue Services (Value Added Tax)	(9 193)	(30 524)	(8 659)	(30 190)
South African Revenue Services (Customs duty and other taxes)	(6 727)	(943)	(6 727)	(943)
Telkom SA Limited	(53 733)	(57 726)	(53 733)	(57 726)
Eskom SOC Limited	(233)	(1 681)	(233)	(1 681)
Other public entities	(26 799)	(40 714)	(26 799)	(40 714)
Amounts included in Trade Receivables regarding related parties				
Telkom SA Limited	1 031	35 817	1 031	35 817
Other public entities	2 717	14 774	2 717	14 774
Postbank	11 180	232 574	11 180	232 574
Eskom SOC Limited	2 303	1 474	2 303	1 474
Related party transactions				
Transactions with subsidiaries				
DOCEX - Sales	-	-	3 029	3 140



Notes to the Consolidated and Company Financial Statements

38. Related parties (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Purchases from related parties				
Eskom SOC Limited	(15 027)	(11 945)	(15 027)	(11 945)
Telkom SA Limited	(211 202)	(214 027)	(211 202)	(214 027)
Income from related parties				
Postbank SOC Limited	50 561	117 374	50 561	117 374
Telkom SA Limited	35 587	37 185	35 587	37 185
Eskom SOC Limited	2 065	3 012	2 065	3 012
Transactions with authorities & regulators				
South African Revenue Services (Employee tax & other taxes)	(121 222)	(166 493)	(121 222)	(166 493)
South African Revenue Services (VAT)	(116 900)	(210 698)	(116 900)	(210 698)
Unemployment Insurance Fund	(23 743)	(40 208)	(23 743)	(40 208)
Funds collected on behalf of third parties				
Other public entities	(26 799)	(9 945)	(26 799)	(9 945)
Other transactions				
Department of Communications and Digital Technologies - Grant subsidy	476 887	455 887	476 361	455 887
Department of Communications and Digital Technologies - Recapitalisation	150 000	-	150 000	-
Universal Services & Access Agency (DTT Project)	58 991	83 157	58 991	83 157



Notes to the Consolidated and Company Financial Statements

38. Related parties (continued)

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Dividend income and Interest income				
SAPOS Properties (Port Elizabeth) (Pty) Ltd (Dividends)	-	-	-	4 547
SAPOS Properties (Rossburgh) (Pty) Ltd (Dividends)	-	-	-	16 393
Postbank SOC Limited (Interest)	-	3 694	-	3 694
The remuneration of directors and other members of key management refer to note 39.				
Provisional liquidator's fees				
Anton Shaban Kaap Vall Trust (Pty) Ltd	-	3 796	-	3 796
Purchases from BRPs				
BRP Fees				
A. Rooplal - SNG Grant Thornton	1 929	1 588	1 929	1 588
JM. Damons - Legae Turnarounds	3 102	2 768	3 102	2 768
	5 031	4 356	5 031	4 356
Specialised BRP support				
SNG Grant Thornton	42 494	13 583	42 494	13 583
Legae Turnarounds	43 271	1 680	43 271	1 680
	85 765	15 263	85 765	15 263
General BRP support				
SNG Grant Thornton	12 388	23 712	12 388	23 712
Legae Turnarounds	2 303	23 125	2 303	23 125
	14 691	46 837	14 691	46 837
Secondments				
SNG Grant Thornton	7 462	1 922	7 462	1 922
Disbursements				
SNG Grant Thornton	5 507	3 735	5 507	3 735
Legae Turnarounds	5 438	11 475	5 438	11 475
	10 945	15 210	10 945	15 210
Total (VAT exclusive)	123 894	83 588	123 894	83 588



Notes to the Consolidated and Company Financial Statements

38. Related parties (continued)

General BRP support and Disbursements are made up as follows:

Group and company - 2025			
	SNG Grant Thornton	Legae Turn arounds	Total
Specialised BRP support			
Channel and Business Strategy	26 065	-	26 065
Branch Rationalisation	-	2 070	2 070
Payroll support	93	3 171	3 264
Human Resource Services	7 423	5 574	12 997
Creditors' Compromise	-	6 653	6 653
Executing on the Recommendations of the Financial Misconduct Committee	-	1 484	1 484
Tax Support	3 980	-	3 980
Forensics	1 600	-	1 600
Address Database	912	-	912
Information Technology	1 515	-	1 515
Financial Modelling and Cash flow Financial Support	-	3 283	3 283
BR Oversight Operations and Sales	-	8 025	8 025
Legal Compliance and Risk	-	9 224	9 224
Stakeholder Management and Communications	906	3 787	4 693
	42 494	43 271	85 765
Disbursements			
Disbursements on behalf of SA Post Office	2 024	1 194	3 218
Travel and accommodation disbursements	155	77	232
Labour attorneys / Legal	3 328	4 167	7 495
	5 507	5 438	10 945



Notes to the Consolidated and Company Financial Statements

38. Related parties (continued)

Group and company - 2024			
	SNG Grant Thornton	Legae Turn arounds	Total
General BRP support			
Channel Strategy	318	-	318
Branch Rationalisation	7 769	2 230	9 999
Section 189	-	2 297	2 297
Human Resource Services	5 584	2 598	8 182
Creditors' Compromise	-	4 800	4 800
Executing on the Recommendations of the Financial Misconduct Committee	-	890	890
PRMA Verifications	1 171	-	1 171
Branch Inspections and Verifications	2 448	794	3 242
Tax Support	4 631	-	4 631
Forensics	1 010	-	1 010
Information Technology	781	-	781
Financial Modelling and Cash flow	-	2 958	2 958
BR Oversight Operations and Sales	-	4 946	4 946
Drafting BR Plan	-	1 612	1 612
	23 712	23 125	46 837
Disbursements			
Stakeholder Management and Communications	602	1 653	2 255
Disbursements on behalf of SA Post Office	512	5 064	5 576
Travel and accommodation disbursements	532	-	532
Labour attorneys / Legal	2 089	4 758	6 847
	3 735	11 475	15 210



Notes to the Consolidated and Company Financial Statements

39. Director's business rescue practitioners' and prescribed officers' emoluments

The following emoluments were paid to the directors or any individuals holding a prescribed office during the year:

Executive

2025				
		Emoluments	Other benefits ¹	Total
Ms. F Abdul-Gany	2	3 137	358	3 495
Mr. LP Govender	3	937	389	1 326
Ms. NP Mona	4	370	617	987
		4 444	1 364	5 808

1. Other benefits include mainly acting allowance and for Ms. NP Mona termination benefits..
2. Appointed as Group Chief Financial Officer (GCFO) on 1 March 2023. Appointed as Acting Group Chief Executive Officer (GCEO) on 1 November 2024.
3. Appointed as Acting Group Chief Financial Officer (GCFO) on 1 November 2024.
4. Appointed as Group Chief Executive Officer (GCEO) from 1 April 2021 resigned 30 June 2024.

2024				
			Emoluments	Total
Ms. NP Mona	1		3 992	3 992
Ms. F Abdul-Gany	2		3 133	3 133
			7 125	7 125

1. Appointed as Group Chief Executive Officer (GCEO) from 1 April 2021 resigned 30 June 2024.
2. Appointed as Group Chief Financial Officer (GCFO) on 1 March 2023.

Directors' meeting attendance

Membership	Role	2023/2024 Financial Year
Mr. SLM Majombozi (Chairperson)	Non-executive	1/1
Mr. T Nteho	Non-executive	1/1
Mr. S Nkese	Non-executive	1/1
Ms. N Ngonyama	Non-executive	1/1
Ms. N Mona (GCEO)	Executive	1/1
Ms. F Abdul-Gany (GCFO)	Executive	1/1



Notes to the Consolidated and Company Financial Statements

39. Director's business rescue practitioners' and prescribed officers' emoluments (continued)

Non-executive

2025			
There were no non-executive director's emoluments paid in the current financial year as a consequence of the dissolution of the Board prior to the Group entering the business rescue process on 7 July 2023.			
2024			
		Directors' fees ¹	Total
Mr. SLM Majombozi	2	53	53
Ms. NP Ngonyama	3	50	50
Mr. ST Nkese	4	45	45
Mr. TJ Ntetho	5	46	46
		194	194

- Emoluments include both directors' fees for meetings and annual / quarterly retainer fees. Travel and accommodation expenses for members outside the Gauteng province.
- Appointed on 2 September 2020 contract ended 24 October 2022 term extended until 25 March 2023 term extended again from 01 April 2023 until 30 June 2023. Resigned on 25 May 2023.
- Appointed on 25 October 2019 contract ended on 24 October 2022 term extended until 23 March 2023 term extended again from 01 April 2023 until 23 May 2023.
- Appointed on 25 October 2019 contract ended 24 October 2022 term extended until 25 March 2023 term extended again from 01 April 2023 until 25 May 2023.
- Appointed on 01 June 2021 contract ended 31 October 2022 term extended until 25 March 2023 term extended again on 01 April 2023 until 25 May 2023.



Notes to the Consolidated and Company Financial Statements

39. Director's business rescue practitioners' and prescribed officers' emoluments (continued)

Business rescue practitioners 2025		
	BRP fees	Total
A Rooplal	1 929	1 929
JM Damons	3 102	3 102
	5 031	5 031
2024		
	BRP fees	Total
A Rooplal	1 588	1 588
JM Damons	2 768	2 768
	4 356	4 356



Notes to the Consolidated and Company Financial Statements

39. Director's business rescue practitioners' and prescribed officers' emoluments (continued)

Prescribed officers

2025					
		Emoluments	Other Benefits ¹	Compensation for loss of office	Total
Ms. K Rapoo	2	1 451	-	-	1 451
Mr. J Binedell	3	1 016	88	-	1 104
Mr. V Dlamini	4	91	-	186	277
Mr. G Bataille	5	982	-	-	982
Ms. Z Ntsikeni	6	130	-	455	585
Mr. S Kgalanyane	7	1 494	-	-	1 494
Mr. H Vos	8	1 274	-	-	1 274
Mr. M Coetsee	9	1 277	135	-	1 412
Mr. J Jagbeer	10	1 277	-	-	1 277
Mr. E Jaftha	11	744	128	-	872
Mr. L Harpal	12	746	151	-	897
Mr. S Pather	13	2 332	-	-	2 332
Mr. S Singh	14	2 160	-	-	2 160
Mr C Basson	15	1 440	-	-	1 440
Mr. F Geyer	16	1 050	-	-	1 050
Mr. S Gaybba	17	1 277	177	-	1 454
Mr. L Govender	18	1 296	-	-	1 296
		20 037	679	641	21 357

- Other benefits include mainly acting allowance.
- Appointed as GM: Risk Management.
- Appointed as Acting Chief Audit Executive on 28 October 2020.
- Appointed as GE: Human Resources on 12 September 2022. Resigned 17 April 2024.
- Appointed as Acting GE: Strategy on 1 November 2021. Resigned 24 December 2024.
- Appointed as GE: Operations. Resigned 17 April 2024.
- Appointed as GM Logistics.
- Appointed as GM Security and Investigations.
- Appointed as Acting GM Properties on 29 June 2022. Appointed as Acting GE: Operations on 1 September 2024.
- Appointed as GM: Office of CEO. Acting GM: Sales and Marketing from 01 Dec 2022 to 31 July 2024.
- Appointed as Acting CIO on 1 September 2024.
- Appointed as Acting GM Sales on 1 June 2024.
- 1BRP Secondment 1 September 2023 to 28 February 2025.
- 1BRP Secondment 8 January 2024 to 31 March 2025.
- 1Appointed 8 January 2024.
- Appointed 1 July 2024.
- Appointed as Acting GE: Supply Chain Management on 8 July 2022. Appointed as Acting GE: Operations on 1 September 2024.
- Appointed as GM: Cost & Management Accounting.



Notes to the Consolidated and Company Financial Statements

39. Director's business rescue practitioners' and prescribed officers' emoluments (continued)

2024				
		Emoluments	Other Benefits ¹	Total
Mr. J Binedell	2	1 014	-	1 014
Mr. D Dada	3	936	202	1 138
Mr. B Mgoza	4	1 527	203	1 730
Ms. K Rapoo	5	1 419	32	1 451
Ms. S Sontange	6	1 078	152	1 230
Mr. G Bataille	7	1 291	-	1 291
Mr. V Dlamini	8	1 820	-	1 820
Ms. Z Ntsikeni	9	2 592	1	2 593
Mr. S Kgalanyane	10	1 435	59	1 494
Mr. H Vos	11	1 226	61	1 287
Mr. M Coetsee	12	1 240	32	1 272
Mr. S Gaybba	13	1 273	-	1 273
Mr. E Matimulane	14	1 365	145	1 510
Mr. J Jagbeer	15	1 272	-	1 272
Mr. E Jaftha	16	1 272	-	1 272
Mr. L Govender	17	2 221	-	2 221
Mr. S Pather	18	1 651	-	1 651
Mr. S Singh	19	207	-	207
Mr C Basson	20	352	-	352
		25 191	887	26 078

1. Other benefits include mainly telephone and acting allowance.
2. Appointed as Acting Chief Audit Executive on 28 October 2020.
3. Company Secretary from 1 August 2017 - 31 October 2023.
4. Appointed as GM: Real Estate. Resigned on 16 November 2023.
5. Appointed as GM: Risk Management.
6. Appointed as Acting GE: Supply Chain Management on 5 December 2019. Resigned on 23 January 2024.
7. Appointed as Acting GE: Strategy on 1 November 2021.
8. Appointed as GE: Human Resources on 12 September 2022.
9. Appointed as GE: Operations.
10. Appointed as GM: Logistics.
11. Appointed as GM: Security and Investigations.
12. Appointed as Acting GM: Real Estate.

13. Appointed as Acting GE: Supply Chain Management on 8 July 2022.
14. Appointed as Head: Legal. Resigned 31 January 2024.
15. Appointed as GM: GCEO Office Manager and Acting GE Commercial on 1 October 2022.
16. Appointed as Acting CIO on 1 November 2022.
17. Appointed as GM: Cost & Management Accounting.

The following were seconded from the BRP team into full-time vacant positions at the SA Post Office and invoiced in the amounts paid to the BRP firms at a fixed amount per month:

18. Appointed on 1 September 2019.
19. Appointed on 8 January 2020.
20. Appointed on 8 January 2024.



Notes to the Consolidated and Company Financial Statements

40. Comparative figures and prior period errors

The comparative figures for the consolidated and company annual financial statements have been restated due to various errors and reclassifications. The Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy a retrospective restatement or a reclassification of items in financial statements.

Narrative disclosures have been provided only for individually or collectively material misstatements (i.e. those that could reasonably be expected to influence economic decisions users make on the basis of the financial statements). The quantitative threshold or qualitative considerations of the error or a combination of both were considered when determining whether the error is material or not.

The effects of the restatement are as follows:

Group - 2024 Statement of Financial Position					
Figures in Rand thousand	Note(s)	2024 (Previously stated)	Correction of account classification errors	Correction of account balances	2024 (Restated)
Assets					
Non-current assets					
Right-of-use assets	40.1	57 605	-	90 119	147 724
Deferred tax	40.9	7 083	-	(2 650)	4 433
Current assets					
Trade and other receivables	40.2	332 046	40 241	14 563	386 850
Cash and cash equivalents	40.2	2 578 479	(40 241)	(12 664)	2 525 574
Inventories	40.10	49 754	-	(18 210)	31 544
Equity and liabilities					
Equity					
Accumulated loss (before profit for the year)	40.4	16 369 127	-	288	16 369 415
Other movements in equity	40.4	(94 898)	-	94 879	(19)
Non-current liabilities					
Lease liabilities	40.1	(34 792)	-	(65 367)	(100 159)
Other employee benefits	40.7	(22 408)	-	922	(21 486)
Deferred tax	40.9	(14 210)	-	(42)	(14 252)
Current liabilities					
Lease liabilities	40.1	(83 268)	-	(10 071)	(93 339)
Trade and other payables	40.3	(2 979 685)	-	12 605	(2 967 080)
Current tax payable	40.9	(310 774)	-	(3 250)	(314 024)
Other employee benefits	40.7	(75 610)	-	918	(74 692)
Effect on statement of financial position			-	102 040	



Notes to the Consolidated and Company Financial Statements

40. Comparative figures and prior period errors (continued)

Statement of Profit or Loss and Other Comprehensive Income					
Figures in Rand thousand	Note(s)	2024 (Previously Restated)	Correction of Correction of account classification errors	Correction of account balances	2024 (Restated)
Operating (loss) / profit					
Revenue		(1 628 264)	-	(2 376)	(1 630 640)
Other operating income		(1 046 364)	-	(11 266)	(1 057 630)
Other operating gains/(losses)	40.1	33 077	-	23 739	56 816
Other operating expenses	40.6	1 342 560	(2 506)	(133 230)	1 206 824
Employee costs	40.7	2 944 666	-	(511)	2 944 155
Total depreciation amortisation and impairments					
Depreciation of property plant and equipment	40.1	225 143	2 506	31 696	259 345
Finance cost					
Finance cost	40.8	802 410	-	14 667	817 077
Other non-operating gains (losses)					
Other non-operating (gains) losses	40.1	(7 524 325)	-	(28 038)	(7 552 363)
Taxation					
Taxation	40.9	309 686	-	3 279	312 965
Net effect on loss for the year			-	(102 040)	



Notes to the Consolidated and Company Financial Statements

40. Comparative figures and prior period errors (continued)

Company - 2024 Statement of Financial Position					
Figures in Rand thousand	Note(s)	2024 (Previously stated)	Correction of account classification errors	Correction of account balances	2024 (Restated)
Assets					
Non-current assets					
Right-of-use assets	40.1	54 397	-	85 613	140 010
Current assets					
Trade and other receivables	40.2	326 789	40 241	14 443	381 473
Cash and cash equivalents	40.5	2 559 593	(40 241)	(12 664)	2 506 688
Inventories	40.10	49 385	-	(18 210)	31 175
Equity and liabilities					
Equity					
Accumulated loss (before loss for the year)	40.4	16 396 246	-	(2)	16 396 244
Other movements in equity	40.4	(93 016)	-	93 016	-
Non-current liabilities					
Lease liabilities	40.1	(34 668)	-	(59 217))	(93 885)
Current liabilities					
Lease liabilities	40.1	(79 768)	-	(11 715)	(91 483)
Trade and other payables	40.3	(2 975 979)	-	12 754	(2 963 225)
Current tax payable	40.9	(310 363)	-	(3 251)	(313 614)
Other employee benefits	40.7	(75 893)	-	1 840	(74 053)
Effect on statement of financial position			-	102 607	



Notes to the Consolidated and Company Financial Statements

40. Comparative figures and prior period errors (continued)

Statement of Profit or Loss and Other Comprehensive Income					
Figures in Rand thousand	Note(s)	2024 (Previously stated)	Correction of account classification errors	Correction of account balances	2024 (Restated)
Operating profit (loss)					
Revenue	40.12	(1 595 212)	-	(2 375)	(1 597 587)
Other operating income	40.11	(1 008 401)	-	(11 266)	(1 019 667)
Other operating gains/(losses)	40.1	31 593	-	23 739	55 332
Other operating expenses	40.6	1 334 054	(2 506)	(133 221)	1 198 327
Employee costs	40.7	2 924 050	-	(1 060)	2 922 990
Total depreciation amortisation and impairments					
Depreciation of property plant and equipment	40.1	234 258	2 506	31 696	268 460
Finance cost					
Finance cost	40.8	801 785	-	14 667	816 452
Other non-operating gains (losses)					
Other non-operating (gains) losses	40.1	(7 524 325)	-	(28 038)	(7 552 363)
Taxation					
Taxation	40.9	310 363	-	3 251	313 614
Net effect on loss for the year			-	(102 607)	



Notes to the Consolidated and Company Financial Statements

40. Comparative figures and prior period errors (continued)

40.1. Right-of-use assets and lease liability

Lease liabilities (together with right of use ("ROU") assets depreciation (of ROU assets) finance costs attributable to finance leases) and other operating expenses were restated to account for corrections to the composition of the Company's underlying lease list.

Specifically the revised figures fully incorporate expired and terminated leases which were not part of the prior year list as well as active leases that were previously omitted. ROU Assets were adjusted by R90.1 million and the lease liabilities adjusted by R65.4 million.

40.2. Trade and other receivables

Accounts relating to cash in transit and accrued interest respectively were incorrectly treated as bank balance. These accounts have been remapped to other receivables. Previously cash transported by security service providers on behalf of the Group was misclassified as Trade receivables. The total amount of R36.6 million was reclassified from cash and cash equivalent to trade and other receivables.

In addition to the above a correction was made to the suspense accounts not cleared and uncleared control accounts impairment incorrectly applied.

40.3. Trade and other payables

Trade and Other Payables (together with operating expenses) and Accruals were corrected for cut-off along with a further correction to an understated bonus provision resulting in a R 1.3 million adjustment at group level.

40.4. Accumulated loss

Restatements to retained income represent the cumulative effect of all the corrections and reclassifications discussed herein.

40.5. Cash and cash equivalents

Previously cash transported by security service providers on behalf of the Group was misclassified as Trade receivables.

40.6. Other operating expenses

Corrections were made to expenses relating to 2023 financial year that were recorded and disclosed in 2024 financial year. In addition, an adjustment of R157 million was made in connection with the restatement to leases, as described above.

40.7. Employee Cost

Correction was made for calculation errors in employee bonuses and leave expenses. In addition correction was made to the identified differences between the amounts per the Trial balance and the amounts per the Post Retirement Medical Fund Buy- Out Report. The total correction at Company and Group was R 1.8 million.

40.8. Finance cost

Finance costs were corrected for invoices with interest charges not traced to the correct finance cost accounts. Further adjustments to finance costs relate to corrections of the lease liability (discussed above).

40.9. Taxation

Restatements to current and deferred tax represent the secondary tax effect of all the corrections and reclassifications discussed herein.

40.10. Inventories

Corrections were made to account for stock write-offs associated with SA Post Office branches and warehouses that are no longer operational.

40.11. Other operating income

An insurance liability was written-off after confirmation was received that no amount is owed to the insurer.

40.12. Revenue

Motor vehicle licensing revenue was incorrectly recognised in the current year instead of the previous year. The error has since been corrected.



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets Group - 2025						
	Note(s)	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Other financial assets	9	89 058	1 969	-	91 027	91 027
Trade and other receivables	14	-	-	237 017	237 017	237 017
Refund due from provident fund	16	-	-	61 401	61 401	-
Cash and cash equivalents	17	-	-	553 025	553 025	553 025
		89 058	1 969	851 443	942 470	881 069
Group - 2024						
	Note(s)	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Other financial assets	9	99 883	1 664	-	101 547	101 547
Trade and other receivables	14	-	-	303 665	303 665	303 665
Cash and cash equivalents	17	-	-	2 525 574	2 525 574	2 525 574
		99 883	1 664	2 829 239	2 930 786	2 930 786



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Company - 2025						
	Note(s)	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Other financial assets	9	89 058	1 969	-	91 027	91 027
Trade and other receivables	14	-	-	233 814	233 814	233 814
Refund due from provident fund	16	-	-	61 401	61 401	-
Cash and cash equivalents	17	-	-	533 247	533 247	533 247
		89 058	1 969	828 462	919 489	858 088
Company - 2024						
	Note(s)	Fair value through other comprehensive income - equity instruments	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Other financial assets	9	99 883	1 664	-	101 547	101 547
Trade and other receivables	14	-	-	298 275	298 275	298 275
Cash and cash equivalents	17	-	-	2 506 688	2 506 688	2 506 688
		99 883	1 664	2 804 963	2 906 510	2 906 510



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Categories of financial liabilities					
Group - 2025					
	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	4	-	163 553	163 553	163 553
Trade and other payables	22	1 144 999	-	1 144 999	1 144 999
Funds collected on behalf of third parties	25	26 799	-	26 799	26 799
		1 171 798	163 553	1 335 351	1 335 351
Group - 2024					
	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	4	-	193 498	193 498	193 498
Trade and other payables	22	2 065 989	-	2 065 989	2 065 989
Funds collected on behalf of third parties	25	40 714	-	40 714	40 714
		2 106 703	193 498	2 300 201	2 300 201
Company - 2025					
	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	4	-	155 524	155 524	155 524
Trade and other payables	22	1 139 615	6 727	1 139 615	1 139 615
Funds collected on behalf of third parties	25	26 799	-	26 799	26 799
		1 166 414	155 524	1 321 938	1 321 938
Company - 2024					
	Note(s)	Amortised cost	Leases	Total	Fair value
Lease liabilities	4	-	185 368	185 368	185 368
Trade and other payables	22	2 062 468	-	2 062 468	2 062 468
Funds collected on behalf of third parties	25	40 714	-	40 714	40 714
		2 103 182	185 368	2 288 550	2 288 550



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Capital risk pertains to the possibility that the Group may be unable to withstand losses uphold public trust and foster competitive business growth. Effectively managing capital risk is essential to seize opportunities promptly without jeopardizing solvency. The Group manages its capital to ensure that it safeguards its ability to continue as a going concern thereby providing value to its shareholder while also optimizing the capital structure to minimize the cost of capital.

Equity attributable to the parent company comprising issued capital reserves and retained earnings is disclosed in note 18. Cash and cash equivalents are presented in note 17 of the statement of financial position.

The Group defines capital as equity attributable to equity holders of the parent comprising issued share capital reserves debt (including lease liabilities) and retained earnings.

The Group monitors capital on the basis of the gearing ratio. The ratio was calculated by dividing interest-bearing debt by total equity.

The gearing ratios on 31 March 2025 and 31 March 2024 respectively were as follows:

	Group	Group	Company	Company
	2025	2024	2025	2024
Lease liabilities	163 553	193 498	155 524	185 368
Equity	721 897	1 025 094	676 918	974 262
Gearing ratio	23 %	19 %	23 %	19 %

Financial risk management Overview

Due to the nature of its activities and the use of various financial instruments the SA Post Office is exposed to various financial risks. The Accounting Authority has the overall responsibility for establishing and overseeing the entity's risk management framework.

SA Post Office is committed to maintaining a robust risk management framework to effectively identify assess and manage risks that may impact its operations and financial performance. The risk management framework encompasses strategic operational financial and compliance risks and is designed to support the achievement of the entity's objectives.

The Group's exposure to capital risk arises from primarily the following:

- Insufficient funding allocation: funds may cease before completion of the projects that they are intended to be financed; and
- Funds received from the shareholder are specifically for certain identified projects.

Capital risk is managed in terms of certain guidelines agreed between the Group and shareholder. There are no externally imposed capital requirements. Risk management policies are in place. The Group's risk management policies and frameworks are established to identify and analyse organisational risk exposures where plausible and relevant to set appropriate risk limits and controls as well as to monitor the progress made in addressing such exposures. Internal audit conducts reviews in line with their approved audit plan to assess compliance with risk management policies. There have been no changes to what the entity manages as capital the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The Group's activities expose it to a variety of financial risks. A number of financial risks that the organisation is exposed to from its use of financial instruments have been identified. The Group seeks to minimise the effects of the negative impact of these risks through the following:

- The treasury policy which was recently reviewed and in approval stage by the BRPs.
- The policy undergoes a rigorous review process to ensure that related activities and the requisite policy statements align with the entity's current realities and that known financial risk exposures are identified understood and managed. The treasury policy covers the applicable areas of risk management namely identification measurement management and reporting of risk.



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

- Instruments limits are set to avoid excess concentration in any given financial investment instrument. Overall the Group's main financial risk management objective is to ensure enhanced return within the risk profiles or applicable and approved parameters.
- Ensuring compliance with the treasury policy limits and benchmarks with regard to the following:
 - Proposed money market investment strategies do not result in the breach of asset/liability mismatch gap limit;
 - Ensuring that the net interest income volatility is within the approved benchmark;
 - Adequate overnight liquidity limit is complied with by having sufficient overnight callable balances;
 - The SA Post Office's credit exposure in the investment portfolio is diversified across a range of acceptable counterparties and the maximum investment with a particular counterparty will be limited to 25% of the total counterparty should be limited to 50% + 1 of the total investment and not exceeding R25 million investments. Where the amount to be invested per counterparty is less than or equal to R50 million the minimum investment with any one counterparty should be limited to 50% + 1 of the total investment and not exceeding R25 million; and
- The ALM function was not active during the reporting period.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. A central treasury department (Group banking) under the applicable treasury policy carries out the management of financial risk exposures. Group treasury identifies evaluates and manages financial risks in close co-operation with the operational units. The Accounting Authority provides principles for overall risk management as well as written policies covering specific areas when applicable such as foreign exchange risk interest rate risk and credit risk use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Risk Categories

The Group's activities expose it to a variety of financial risks. Market risks relating to the treasury operations of the Group are monitored and managed through internal reports which analyse the degree and magnitude of exposures. The organisation has identified the following major forms of financial risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Foreign exchange risk;
- Price risk; and
- Cash flow interest rate risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in the financial loss to the Group. The Group's exposure to credit risk arises primarily from credit sales to its clients as well as money market investment activities.

Credit risk is managed in terms of the treasury policy which in turn encompasses comprehensive credit procedures limits and delegated approval authorities. Formal credit ratings are utilized in the credit evaluation process of the counterparties.

The minimum credit ratings for counterparties are Fitch National Long-Term Rating 'A' and Fitch National Short-term Rating. The Group credit exposure is diversified across a range of acceptable counterparties and the maximum investment with any counterparty is limited to 25% of total investments. All counterparty limits are reviewed in line with the balance sheet growth and at least on an annual basis.

All financial assets except for those that are measured at fair value through profit or loss are assessed to determine any evidence of impairment. Any deterioration in any counterparty credit rating is regarded as evidence of impairment. During the course of the year there was no evidence of impairment observed in amortised cost financial assets and fair value through other comprehensive income assets held by the Group.

The Group credit risk is considered to be limited because all its investment counterparties are major banks with high credit ratings. The credit risk profile and quality of the Group's investment counter parties is considered to be sound well managed and commensurate with the acceptable risk appetite.

Trade receivables

Trade receivables are exposed to credit risk due to the effect of macro-economic factors on the Group's customers. The customers identified with a higher credit risk are those customers with payments outstanding more than 120 days as well as the utilization of unused credit facilities.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates. The expected loss rates are based on the payment profiles of sales over a period of 36 months. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group makes use of credit rating agencies to assess credit worthiness of customers. The current credit profiles of customers are used to assess the future credit behaviour of customers before they are provided with a credit limit. Customers are therefore less likely to default on their accounts with the Group. The historical losses are used as a basis of determining future losses based on the term of the debt.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include amongst others the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 120 days past due. The Group actively follows up on all outstanding debtors to ensure that they are recovered. Group Legal is also in-

involved in credit disputes that require their services. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Forward-looking information was not considered to have a significant impact on the impairment allowance required to be recognised.

No significant changes in the inputs assumptions and estimation techniques were noted.

The maximum exposure to credit risk is presented in the table below:

Refund due from provident fund

The refund relates to the liquidation of the provident fund. According to the fund's rules any surplus remaining after the liquidation process must be paid to the South African Post Office. No credit losses are expected on this financial asset as the available funds are known and there are no outstanding obligations to the fund's members.

Group		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Other financial assets	9	91 027	-	91 027	101 547	-	101 547
Trade and other receivables	14	167 130	(64 305)	102 825	408 938	(279 623)	129 315
Refund due from provident fund	16	61 401	-	61 401	-	-	-
Cash and cash equivalents	17	553 025	-	553 025	2 525 574	-	2 525 574
		872 583	(64 305)	808 278	3 036 059	(279 623)	2 756 436



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Company		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	carrying Gross amount	Credit loss allowance	Amortised cost / fair value
Other financial assets	9	91 027	-	91 027	101 547	-	101 547
Trade and other receivables	14	163 321	(63 697)	99 624	403 394	(279 373)	124 021
Refund due from provident fund	16	61 401	-	61 401	-	-	-
Cash and cash equivalents	17	533 247	-	533 247	2 506 688	-	2 506 688
		848 996	(63 697)	785 299	3 011 629	(279 373)	2 732 256

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet both expected and unexpected current and future cashflow needs without negatively affecting either the daily operations or the financial condition of the Group.

The Group's exposure to liquidity risk arises mainly as a result of the following:

- Daily working capital requirements; and
- The Group has signed contracts with third parties where its retail network is used as a collection agent for municipalities and other institutions. All contracts stipulate that funds collected for third parties are paid over to them after 24 hours.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents based on expected cash flows. The Group manages its liquidity risk through:

- Review of its daily cash flow position.
- Regular monitoring of liquidity through periodic forecast cash flow management and maintaining an adequate level of short-term marketable securities;
- Implementation of long-term and short-term funding and investment strategies;
- Diversification of funding and investing activities; and

The Business Rescue Practitioners monitors the liquidity position of the Group through a review of cash flow forecasts. The liquidity position of the Group has been assessed as part of a going concern assessment. Management has assessed and concluded that the Group has access to sufficient cash resources to continue in the foreseeable future.

The maturity profile of contractual cash flows of non-derivative financial liabilities is presented in the following table. The cash flows are undiscounted contractual amounts.



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Group - 2025					
		Within one year	Two to 5 years	Over 5 years	Total
Liabilities					
Lease liabilities	4	102 373	73 406	2 149	177 928
Trade and other payables	22	1 144 999	-	-	1 144 999
Funds collected on behalf of third parties	25	26 799	-	-	26 799
		1 274 171	73 406	2 149	1 349 726
Group - 2024					
		Within one year	Two to 5 years	Over 5 years	Total
Liabilities					
Lease liabilities	4	105 102	107 823	1 839	214 764
Trade and other payables	22	2 065 989	-	-	2 065 989
Funds collected on behalf of third parties	25	40 714	-	-	40 714
		2 211 805	107 823	1 839	2 321 467
Company - 2025					
		Within one year	Two to 5 years	Over 5 years	Total
Liabilities					
Lease liabilities	4	100 180	67 111	310	167 601
Trade and other payables	22	1 139 615	-	-	1 139 615
Funds collected on behalf of third parties	25	26 799	-	-	26 799
		1 266 594	67 111	310	1 334 015
Company - 2024					
		Within one year	Two to 5 years	Over 5 years	Total
Liabilities					
Lease liabilities	4	102 679	101 657	-	204 336
Trade and other payables	22	2 062 468	-	-	2 062 468
Funds collected on behalf of third parties	25	40 714	-	-	40 714
		2 205 861	101 657	-	2 307 518



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Foreign exchange risk

Foreign exchange risk is the risk of the decline in the earnings or realisable value in the net financial asset position of the Group arising from adverse movements in foreign exchange rates. The Group is exposed to foreign exchange risk as a result of exposures that arise from rendering of international postal services and products as well as capital imports that are sourced offshore. The Group manages the foreign currency exposures relating to international postal services through the utilisation of Universal Postal Union (UPU) approved netting agreements between South Africa and debtor and creditor countries. In the event where the exposure after netting exceeds the limit specified below a forward foreign exchange contract is taken to hedge the foreign exchange risk.

The Group has a policy that manages foreign exchange risk arising from capital imports sourced offshore by utilisation of for-

ward foreign exchange contracts as documented in the board approved treasury policy. The treasury policy stipulates the following in respect of utilisation of forward cover:

- No forward cover is required where the currency exposure is less than R1 million in value and a 1% adverse exchange rate move does not result in a R0.5 million currency loss.
- Forward cover is taken where the exposure in respect of a specific foreign currency commitment is more than R 1 million and 1% adverse move in the exchange rate results in the Group experiencing a loss of more than R0.5 million.

At year-end the Group was exposed to the following foreign currency denominated financial assets and financial liabilities for which no forward cover had been taken out.

Foreign currency exposure at the end of the reporting period

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Financial Assets:				
Euro	20	46	20	46
Special Drawing Rights	4 647	5 199	4 647	5 199
United States Dollar	622	1 522	622	1 522
Financial Liabilities:				
Euro	-	923	-	923
New Zealand Dollar	-	191	-	191
Special Drawing Rights	3 741	4 073	3 741	4 073
Swiss Franc	-	3	-	3
Current assets (in Rand):				
Trade and other receivables	124 754	144 465	124 754	144 465
Current liabilities (in Rand):				
Trade and other payables	90 931	86 077	90 931	86 077

Interest rate risk

Cash flow interest rate risk is the risk of loss arising from changes in interest rates through higher interest payments or lower

interest receipts. The Group does not have significant liabilities financed through borrowings. Financial institutions consider the Company to be medium risk with its interest payments linked to prime.



Notes to the Consolidated and Company Financial Statements

41. Financial instruments and risk management (continued)

Cash flow interest rate risk

The table below reflects net interest income sensitivity for a given 1% up and downward shift in interest rates at year-end.

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Increase (Decrease)				
1% increase in interest rates:	10 977	8 024	10 968	8 018
1% decrease in interest rates:	(10 977)	(8 024)	(10 968)	(8 018)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

Compliance risk

Compliance risk is the risk of non-compliance with any statutory requirement of national or local government and includes the South African Reserve Bank Financial Services Conduct Authority ICASA and various financial exchanges. This is minimised through effective monitoring and reporting to the relevant governance structures to ensure compliance with the key Acts and regulations through the Compliance function.



Notes to the Consolidated and Company Financial Statements

42. Changes in liabilities arising from financing activities

Reconciliation of liabilities arising from financing activities - Group - 2025						
	Opening balance	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	193 498	44 338	2 765	47 103	(77 048)	163 553
Total liabilities from financing activities	193 498	44 338	2 765	47 103	(77 048)	163 553
Reconciliation of liabilities arising from financing activities - Group - 2024						
	Opening balance	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	339 182	55 143	(40 881)	14 262	(159 946)	193 498
Total liabilities from financing activities	339 182	55 143	(40 881)	14 262	(159 946)	193 498
Reconciliation of liabilities arising from financing activities - Company - 2025						
	Opening balance	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	185 368	42 643	1 894	44 537	(74 381)	155 524
Total liabilities from financing activities	185 368	42 643	1 894	44 537	(74 381)	155 524
Reconciliation of liabilities arising from financing activities - Company - 2024						
	Opening balance	New leases	Other non-cash movements	Total non-cash movements	Cash flows	Closing balance
Lease liabilities	335 950	51 844	(44 986)	6 858	(157 440)	185 368
Total liabilities from financing activities	335 950	51 844	(44 986)	6 858	(157 440)	185 368



Notes to the Consolidated and Company Financial Statements

43. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Reconciliation of assets and liabilities measured at level 3				
	Note(s)	Opening balance	Impairment	Closing balance
Group & Company - 2025				
Assets				
Heritage assets	6			
Works of art		7 697	-	7 697
Stamps		36 348	-	36 348
Documents		259	-	259
Philatelic stationery		510	-	510
Other assets		1 433	-	1 433
Total heritage assets		46 247	-	46 247
Equity investments at fair value through other comprehensive income				
Unlisted shares	9	99 883	(10 825)	89 058
Total		146 130	(10 825)	135 305



Notes to the Consolidated and Company Financial Statements

43. Fair value information (continued)

Group & Company - 2024				
	Note(s)	Opening balance	Impairment	Closing balance
Assets				
Heritage assets	6			
Works of art		7 697	-	7 697
Stamps		36 348	-	36 348
Documents		259	-	259
Philatelic stationery		510	-	510
Other assets		1 433	-	1 433
Total heritage assets		46 247	-	46 247
Equity investments at fair value through other comprehensive income				
Unlisted shares	9	94 333	5 550	99 883
Total		140 580	5 550	146 130

Gains and losses recognised in profit or loss are included in Other income on the Statement of Comprehensive Income except for gains and losses on financial assets and liabilities which have been included in fair value adjustments.

Gains and losses recognised in other comprehensive income are included in Gains and losses on property revaluation.

44. Commitments

Authorised capital expenditure

Capital expenditure authorised by the Business Rescue Practitioners at reporting date but not yet recognised in the annual financial statements is as follows:

Already contracted for but not provided for	Group 2025	Group 2024	Company 2025	Company 2024
• Property plant and equipment	13 739	1 015	13 739	1 015

Capital commitments treatment

Capital commitments are disclosed in respect of contracted amounts for which delivery is outstanding at the accounting date as well as the number of contractual commitments for the acquisition of property plant and equipment and intangible assets.

Capital commitments represent goods or services that have been ordered but no delivery has taken place at the reporting date.

These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of comprehensive income but are however disclosed as part of the disclosure notes.

Management expects these capital commitments to be financed from internally generated cash and other borrowings.



Notes to the Consolidated and Company Financial Statements

45. Contingencies

On 09 February 2023 a judgement was issued to place SA Post Office under provisional liquidation which led to a Provisional Liquidator being appointed on 30 March 2023.

On 10 July 2023 the Company was placed into Business rescue with the appointment of the Business Rescue Practitioners. The BRPs applied to have the provisional liquidation order to be set aside. The matter was heard on 22 November 2024 in special motion court and the order setting aside the provisional liquidation was granted.

Section 133(1) of the Companies Act places a moratorium on legal proceedings during business rescue proceedings thereby suspending any ongoing litigation and forbidding the initiation of any new legal actions without the consent of the practitioner or leave (permission) of the Court.

Consequently when a company is under business rescue all claims legal actions or enforcement proceedings against the company are suspended unless they meet the exceptions outlined in the Act. All cases against the Company were confirmed to be suspended as at the reporting date.

46. Going concern

Going concern basis of preparation

The SA Post Office is a State-Owned Company with the mandate to achieve the priorities of the Government in providing universal access and affordable postal and financial services to all areas including rural areas and small towns within the Republic of South Africa. The SA Post Office infrastructure and Post Office branch network exists to render these Universal Postal Services that all citizens are entitled to in the foreseeable future.

The accompanying financial statements have been prepared on a going concern basis which assumes that the Company will continue to operate in the foreseeable future.

Business rescue (BR) process

Due to financial difficulties and the inability to meet its obligations as they became due the Company was placed under business rescue on 10 July 2023 by the North Gauteng Division of the High Court of South Africa in accordance with the provisions of the Companies Act No. 71 of 2008.

The joint BRPs Mr. Anooshkumar Rooplal and Mr. Juanito Martin Damons were appointed in respect of the business rescue pro-

ceedings subject to approval by the Registrar of Financial Services and ratification by the majority of SA Post Office's creditors. Approval was obtained from the FSCA on 14 July 2023 and the joint BRP's appointment was ratified at a meeting of creditors in terms of section 147 of the Companies Act 71 of 2008 on 24 July 2023.

The BRPs are responsible for overseeing the Company's affairs business and property in an effort to facilitate the rehabilitation of the Company.

The Company's ability to continue as a going concern is dependent on the successful implementation of the business rescue plan which includes measures to restructure the Company's debt improve its liquidity position and return the Company to profitability. The implementation of the BR plan is dependent upon on funding from the fiscus.

The BRPs believe that with the successful execution of the business rescue plan and the support of key stakeholders the Company will be able to continue as a going concern. However should the business rescue process not succeed there is a risk that the Company may not be able to continue as a going concern and adjustments may be required to the carrying amounts of assets and liabilities in the financial statements.

BR progress significant outcomes and milestones achieved over the reporting period

Following the initiation of the business rescue proceedings on 10 July 2023 the SA Post Office has undertaken substantial transformation steps to stabilize operations and restore financial sustainability. Key milestones achieved during the reporting period include:

- **Implementation of the BR Plan:** The formal implementation of the approved BR Plan commenced with the restructuring of the workforce through a Section 189A (3) of the Labour Relations Act which was initiated on 2 January 2024 by filing notices with the CCMA. A total of 4 875 termination letters were issued with 4 342 employees retrenched by the end of their notice period. The Section 189A (3) commenced in April 2024 and concluded in July 2024. Due to deferred issues several termination letters were issued at a later period. Retrenchment packages were structured into three tranches with the final payment made in November 2024 from SA Post Office's operational cash flows.
- **Labour Engagement and Communication:** During the reporting period the BRPs maintained regular consultations with SA Post Office's Employee Committees including both unionised and non-unionised representatives. These en-



Notes to the Consolidated and Company Financial Statements

gements supported transparent communication around retrenchment processes and organisational restructuring.

- **Ongoing Statutory Reporting:** Monthly business rescue progress reports have been consistently submitted to the Companies and Intellectual Property Commission (CIPC) and made publicly available on SA Post Office's website ensuring transparency and regulatory compliance.
- **Branch Rationalisation:** As part of the operational restructuring a nationwide branch rationalisation initiative was executed reducing the network to 657 branches (including 258 designated Universal Service Obligation branches).
- **Customer Engagement:** Direct engagements with SA Post Office's top 20 key customers were prioritised to preserve and strengthen commercial relationships during the rescue process.
- **Creditor Settlements and Financial Restructuring:** A compromised payment of 12 cents in the rand commenced in March 2024 resulting in R1 billion paid to creditors. A further 18 cents in the rand totalling R509 million was earmarked for three statutory and payroll creditors contingent upon future funding availability. A R7.4 billion creditor debt was written back to the income statement significantly enhancing SA Post Office's balance sheet and resulting in a positive net asset value (NAV).
- **Employee Relief Support:** The Temporary Employee Employer Relief Scheme (TERS) application was submitted on 20 November 2024. The process was finalised in April 2025. The TERS Committee has recommended to the Unemployment Insurance Fund to provide a total of R381 million for a period of six months.
- **IT Infrastructure Stabilisation:** To support operational continuity SA Post Office's data centre was successfully relocated to BCX significantly enhancing the reliability of its IT environment.
- **Legal Milestone Achieved:** The BRPs applied for the discharge of the provisional liquidation order. The application was heard and granted on 22 November 2024 formally removing SA Post Office from liquidation status. The SA Post Office's exclusive licence to deliver parcels less than 1kg was due to expire in March 2025. The SA Post Office engaged ICASA and were initially informed that the licence would expire in 2033. Subsequently ICASA informed that the licence expires in March 2025 and provided a deadline for submission being 31 March 2025. The SA Post Office has submitted their application for renewal of the exclusive licence on 31 March 2025.
- **Financial Discipline Measures:** In response to the non-receipt of a second funding tranche (R3.8 billion) austerity measures were enacted to manage operational expenditure. Stricter debt collection practices were introduced to improve liquidity and working capital efficiency.

Due to the achievement of these results SA Post Office has resumed operations in the ordinary course of business and is meeting its liabilities as they fall due under the continued oversight of the BRPs.

Summary of material uncertainty

The conditions noted below resulted in a material uncertainty that might cast significant doubt on Group's ability to continue as a going concern as at the reporting date:

- Declining demand for traditional postal services due to technological advancements and the SA Post Office's failure to adapt to these developments;
- Operational inefficiencies and inadequate infrastructure;
- The Group has limited ability to obtain financing for essential operational and strategic initiatives; and

As discussed above and below significant progress in resolving these matters has been made however considerable work remains to be done.

Strategic repositioning the entity through Business Rescue

The BR Plan is a structured intervention aimed at stabilising the SA Post Office and positioning it for a sustainable future. Recognising its critical role within South Africa's service delivery landscape SA Post Office's transformation strategy builds upon its expansive national footprint to serve as a cornerstone of national connectivity contributing to government developmental objectives.

SA Post Office envisions a future where it is a financially resilient operationally agile and purpose-driven institution capable of delivering value to government citizens and the private sector. To this end over the next three years SA Post Office will implement a bold and comprehensive transformation programme focused on digital innovation service diversification and strategic partnerships. The objective of this modernisation strategy is to restore financial viability enhance operational performance and modernise service delivery aligning with both social responsibilities and commercial imperatives. Rather than liquidating core assets for short-term relief SA Post Office remains committed to preserving and optimising its foundational infrastructure to create long-term value.

On this basis SA Post Office's transformation strategy is anchored in three key objectives:



Notes to the Consolidated and Company Financial Statements

Enabling Active Services

- Delivering critical services - including mail parcels and logistics digital connectivity and financial solutions to all South Africans ensuring nationwide access and inclusion.

Delivering Reliable Services

- Enhancing public confidence through consistent high-quality and punctual service delivery across all operational domains.

Forging Strategic Partnerships

- Unlocking new growth opportunities by leveraging SA Post Office's infrastructure to partner with private enterprises and government bodies broadening service offerings and transforming the business model.
- SA Post Office's revitalisation journey is centred on long-term sustainability stakeholder value creation and its strategic role in enabling inclusive access to essential public services.

A joint task team comprising the National Treasury the Department of Communications and Digital Technologies and the

Development Bank of Southern Africa has been established to focus on partnerships for the SA Post Office and to explore alternative funding options. The objective of the task team is to strengthen the SA Post Office's Partnership Terms of Reference and assist with the development of Requests for Information and Proposals (RFI & RFP).

An initial preparatory meeting was held on the 4th of March 2025 with the Development Bank of South Africa (DBSA) to discuss administrative matters and finalise a Memorandum of Agreement (MOA). There were 57 unsolicited bids which were before the DBSA and DCDT.

Conclusion

The task team will be fully operational once the Memorandum of Agreement is approved

In light of these circumstances the BRPs have concluded that the going concern assumption is appropriate. However material uncertainties related to the Company's ability to continue as a going concern remain and these uncertainties cast significant doubt on the Company's ability to continue its operations without the successful completion of the business rescue process.



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47. Fruitless and wasteful expenditure and Irregular expenditure

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Fruitless and Wasteful expenditure	4 380	16 203	4 251	16 203
Irregular expenditure	74 114	42 096	74 114	41 107
	78 494	56 599	78 365	56 599

48. Material losses due to criminal conduct

	Group		Company	
Figures in Rand thousand	2025	2024	2025	2024
Fraud and Theft				
Incidents under investigation at the reporting date	14 179	44 155	14 179	44 155
Adjustments for:				
Results of prior-year Investigations concluded/ conducted in the current year	-	4 014	-	4 014
	14 179	48 169	14 179	48 169

The South African Post Office (SOC) Limited considers a single loss due to criminal conduct of R30 million and above to be

material. There has been no single incident in the financial year where the materiality threshold was breached.

49. Events after the reporting period

Temporary Employee Employer Relief Scheme (TERS)

The Temporary Employee Employer Relief Scheme (TERS) application was submitted on 20 November 2024. The process was finalised in April 2025. The TERS Committee has recommended to the Unemployment Insurance Fund to provide a total of R381 million over a period of six months.

The Courier Freight Group (Pty) Limited

The BRPs received approval from the Minister to liquidate the dormant subsidiary Courier Freight Group (Pty) Limited.

The BRPs are not aware of any other material event which occurred after the reporting date and up to the date of this report.

