# LIMPOPO LEGISLATURE

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**Limpopo Legislature**
**Annual Financial Statements**
**for the year ended 31 March 2025**

# Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:



| Abbreviations | Full description |
|---|---|
| FMPPLA | Financial Management of Parliament and Provincial legislature Act |
| GRAP | Generally Recognised Accounting Practice |
| ASB | Accounting Standard Board |
| GRAP | Generally Recognised Accounting Practice |

# Accounting Officer's Responsibilities and Approval

The Accounting Officer is required by the Financial Management of Parliament and Provincial Legislature Act (Act, 10 of 2009), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Officer to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements were prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The Accounting Officer acknowledges that he is ultimately responsible for the system of internal control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, the Accounting Officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The annual financial statements set out on pages 3 to 46, which have been prepared on the going concern basis, were approved by the Accounting Officer on 31 March 2025 and were signed on its behalf by:

**Dr MT Maake, Secretary to the Limpopo legislature**

## Statement of Financial Position as at 31 March 2025

| Figures in Rand thousand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Inventories | 6 | 342 | 530 |
| Operating lease asset | 5 | 588 | 337 |
| Receivables from exchange transactions | 7 | 1 056 | 239 |
| Prepayments | | 1 870 | 2 327 |
| Cash and cash equivalents | 9 | 45 233 | 50 984 |
| | | **49 089** | **54 417** |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 3 | 49 239 | 46 253 |
| Heritage assets | 4 | 528 | 528 |
| | | **49 767** | **46 781** |
| **Total Assets** | | **98 856** | **101 198** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Finance lease obligation | 10 | 1 122 | 1 249 |
| Payables from exchange transactions | 12 | 42 312 | 38 708 |
| Provisions | 11 | 3 669 | 15 764 |
| | | **47 103** | **55 721** |
| **Non-Current Liabilities** | | | |
| Finance lease obligation | 10 | 208 | 369 |
| Provisions | 11 | 59 259 | 61 649 |
| | | **59 467** | **62 018** |
| **Total Liabilities** | | **106 570** | **117 739** |
| **Net Assets** | | **(7 714)** | **(16 541)** |
| Accumulated surplus | | (7 714) | (16 541) |

* See Note 29

# Statement of Financial Performance

| Figures in Rand thousand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Revenue** | | | |
| **Revenue from exchange transactions** | | | |
| Interest received | | 7 177 | 5 470 |
| Other income | | 363 | 105 |
| Actuarial gains | | 13 199 | 6 431 |
| **Total revenue from exchange transactions** | | **20 739** | **12 006** |
| **Revenue from non-exchange transactions** | | | |
| **Transfer revenue** | | | |
| Annual appropriation | | 532 530 | 437 417 |
| Statutory appropriation | | 68 387 | 55 000 |
| Service in kind rental income | | 12 201 | 11 403 |
| **Total revenue from non-exchange transactions** | | **613 118** | **503 820** |
| **Total revenue** | 13 | **633 857** | **515 826** |
| **Expenditure** | | | |
| Employee related costs | 15 | (239 659) | (228 867) |
| Remuneration of members | 14 | (82 234) | (57 180) |
| Transfer payments - Other | 16 | (186 909) | (119 117) |
| Depreciation | 3 | (5 685) | (4 569) |
| Finance costs | 18 | (218) | (168) |
| Loss on disposal of assets | | (845) | (940) |
| Impairment Loss | | (46) | (26) |
| General expenses | 19 | (93 501) | (83 219) |
| Repairs and maintenance | 20 | (3 732) | (2 292) |
| Service in kind rental expenses | 21 | (12 201) | (11 403) |
| **Total expenditure** | | **(625 030)** | **(507 781)** |
| **Surplus for the year** | | **8 827** | **8 045** |

* See Note 29

## Statement of Changes in Net Assets

| Figures in Rand thousand | Accumulated surplus | Total net assets |
|---|---|---|
| Opening balance as previously reported | 5 445 | 5 445 |
| Adjustments | | |
| Correction of errors | (30 032) | (30 032) |
| **Balance at 01 April 2023 as restated*** | **(24 587)** | **(24 587)** |
| Changes in net assets | | |
| Surplus for the year | 8 046 | 8 046 |
| Total changes | 8 046 | 8 046 |
| Opening balance as previously reported | (17 066) | (17 066) |
| Adjustments | | |
| Prior year adjustments | 525 | 525 |
| **Restated* Balance at 01 April 2024 as restated*** | **(16 541)** | **(16 541)** |
| Changes in net assets | | |
| Surplus/Deficit for the year | 8 827 | 8 827 |
| Total changes | 8 827 | 8 827 |
| **Balance at 31 March 2025** | **(7 714)** | **(7 714)** |

Note(s)

* See Note 29

# Cash Flow Statement

| Figures in Rand thousand | Note(s) | 2025 | 2024 Restated* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Annual Appropriation | | 532 530 | 437 417 |
| Statutory Approrpriation | | 68 387 | 55 000 |
| Departmental Revenue | | 363 | 105 |
| Interest Received | | 7 177 | 5 470 |
| | | - | - |
| | | 608 457 | 497 992 |
| **Payments** | | | |
| Employee Costs | | (238 444) | (211 414) |
| Remuneration of Members | | (86 477) | (55 867) |
| Goods and services | | (92 310) | (89 796) |
| Transfer Payments | | (186 909) | (119 117) |
| | | (604 140) | (476 194) |
| **Net cash flows from operating activities** | 22 | **4 317** | **21 798** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 3 | (8 155) | (18 117) |
| Proceeds from sale of property, plant and equipment | 3 | - | 1 548 |
| **Net cash flows from investing activities** | | **(8 155)** | **(16 569)** |
| **Cash flows from financing activities** | | | |
| Finance lease payments | | (1 696) | (1 321) |
| Finance costs | | (218) | (168) |
| **Net cash flows from financing activities** | | **(1 914)** | **(1 489)** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(5 752)** | **3 740** |
| Cash and cash equivalents at the beginning of the year | | 50 984 | 47 245 |
| **Cash and cash equivalents at the end of the year** | 9 | **45 232** | **50 985** |

* See Note 29

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand thousand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand thousand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| **Cash Flow Statement** | | | | | | |
| **Cash flows from operating activities** | | | | | | |
| **Receipts** | | | | | | |
| Other income | 287 | (119) | **168** | 363 | **195** | The budget was based on previous trends |
| Interest income | 2 717 | 2 783 | **5 500** | 7 177 | **1 677** | The difference is due to more interest earned on unspent funds |
| Annual appropriation | 474 914 | 98 959 | **573 873** | 532 530 | **(41 343)** | The varience is due to prior year portion of unspent funds |
| Statutory appropriation | 74 602 | - | **74 602** | 68 387 | **(6 215)** | The varience is due to prior year portion of unspent funds |
| | **552 520** | **101 623** | **654 143** | **608 457** | **(45 686)** | |
| **Payments** | | | | | | |
| Employee costs | (334 488) | 3 301 | **(331 187)** | (324 921) | **6 266** | The underspending is due to savings on vacant positions and the delay in the appointment of chair persons of portfolio committees. |
| Good and Services | (66 484) | (35 260) | **(101 744)** | (92 310) | **9 434** | The variance is due to delay of legislature activities resulting from elections.. |
| Transfer Payments | (137 628) | (62 000) | **(199 628)** | (186 909) | **12 719** | The variance is due to inclussion of Gratuities budget. |
| | **(538 600)** | **(93 959)** | **(632 559)** | **(604 140)** | **28 419** | |
| **Cash flows from investing activities** | | | | | | |

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

| Figures in Rand thousand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|---|---|---|---|---|---|---|
| Purchase of property, plant and equipment | (10 916) | (5 000) | **(15 916)** | (8 155) | **7 761** | The variance is due to delay in procurement of vehicles |
| Net increase/(decrease) in cash and cash equivalents | 3 004 | 2 664 | **5 668** | (3 838) | **(9 506)** | |
| Cash and cash equivalents at the beginning of the year | - | - | **-** | 50 985 | **50 985** | |
| **Cash and cash equivalents at the end of the year** | **3 004** | **2 664** | **5 668** | **47 147** | **41 479** | |
| **Reconciliation** | | | | | | |
| **Net cash from (used) investing** | | | | | | |
| **Basis difference** | | | | | | |
| Finance Lease | | | | (1 696) | | |
| Finance Cost | | | | (218) | | |
| **Actual Amount in the Cash flow statement** | | | | **45 233** | | |

# Accounting Policies

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 56(1) of the Financial Management of Parliament and Provincial legislatures Act.

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

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

### 1.1 Presentation currency

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

### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

**Impairment testing**

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

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including list entity specific variables, i.e. production estimates, supply and demand.

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

**Allowance for doubtful debts**

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

### 1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is carried at cost or deemed cost less accumulated depreciation and any impairment losses.

Property, plant and equipment

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

| Item | Depreciation method | Average useful life |
| --- | --- | --- |
| Furniture and Equipment | Straight line | 15 - 25 years |
| Motor vehicles | Straight line | 10 - 20 years |
| Office equipment | Straight line | 15 - 20 years |
| Computer equipment | Straight line | 6 - 20 years |
| Security equipment | Straight line | 15 - 20 years |
| Finance lease assets | Straight line | 2 years |
| Library books | Straight line | 6 - 12 Years years |
| Plant and Machineray | Straight line | 15 years |
| Motor vehicle | Residual Value | 30% |

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

The entity assesses at each reporting date whether there is any indication that the entity is expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.4 Property, plant and equipment (continued)

Details of the repairs and maintenace is displayed under note 21

### 1.5 Heritage assets

Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an entity’s operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

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.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset’s net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset’s fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset’s remaining service potential.

The entity separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note ).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note ).

**Recognition**

The entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and the cost or fair value of the asset can be measured reliably.

**Initial measurement**

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

# Accounting Policies

### 1.5 Heritage assets (continued)

**Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

**Transfers - Political Parties and municipalities**

Transfers include all payments to the Political Parties represented in the Legislature and the municipalities for the payment of license for the vehicles.

Transfers are measured at the cost.

### 1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

### 1.6 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm’s length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

Legislature makes provision for doubtful debts based on debts that are outstanding for more than 3 years.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other 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 factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity’s net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

### 1.6 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

**Initial recognition**

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

**Initial measurement of financial assets and financial liabilities**

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:
- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

### 1.6 Financial instruments (continued)

**Subsequent measurement of financial assets and financial liabilities**

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:
- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

**Cash and cash equivalents**

Cash includes cash on hand and cash with the banks. Cash equivalents are short term in nature, highly liquid and are registered with banking instituitions which is subject to an insignificant risk of change in use.

The entity measures cash and cash equivalents at amortised cost.

### 1.7 Taxation

**Tax expenses**

Limpopo Legislature is exempt from the income tax in line with Section 10 of the Income Tax.

### 1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

**Finance leases - lessee**

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

**Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution trough a non-exchange transaction; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

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

**1.9 (continued)**

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

**1.10 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

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

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

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

**1.11 Employee benefits**

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

Termination benefits are employee benefits payable as a result of either:
- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

# Accounting Policies

### 1.11 Employee benefits (continued)

**Short-term employee benefits**

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

Short-term employee benefits include items such as:
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

**Remuneration of Members**

Remuneration of Members are all forms of consideration given by the entity in exchange for services rendered by the Members.

Members gratuity are Members benefits payable as a results of termination to be the Member of the Legislature and this benefit is measured at cost and is determined by using the current Notch of the Member of the Legislature. Members are only entittle for this benefit when they served atleast one full term

Remuneration of members are measured at cost determined by the Government Gazzete approved by the Premier.

**Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:
- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

# Accounting Policies

### 1.12 Provisions and contingencies

Provisions are recognised when:
- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

### 1.13 Capital Commitments

Commitments are recognised when Legislature has committed itself to future non routine transactions that will normally result in the outflow of cash. These commitments are a result of contracting which is non-cancelable or cancellation would be at a significant cost to Legislature.Commitments are measured at contracted value as per signed agreements or purchase orders. The amounts of contractual commitments at reporting date are disclosed in the notes to the financial statements

### 1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the Legislature receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Interest

Revenue arising from the use by others of entity assets yielding interest when:
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

## Accounting Policies

### 1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

**Recognition**

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

**Appropriations**

Appropriation is recognised as revenue from non-exchange transaction when it is tabled at the Legislature.

**Services in-kind**

The entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity’s operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity disclose the nature and type of services in-kind received during the reporting period.

### 1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.17 Comparative figures

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

### 1.18 Unauthorised expenditure

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

All expenditure relating to unauthorised 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.

# Accounting Policies

### 1.19 Fruitless and wasteful expenditure

Fruitless 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.

### 1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the FMPPLA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -
- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury 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 and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

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 liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. 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 must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.21 Budget information

Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on a modified cash basis and presented by economic classification linked to performance outcome objectives.

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

The annual financial statements and budget are on a different basis of accounting therefore a comparison with the budget amount for the reporting period have been included in the statement of budget and actual amount.The amounts included in the statement of budget and actuals are cash.

### 1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

# Accounting Policies

### 1.22 Related parties (continued)

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

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

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.

Legislature shall disclose the remuneration of management per person and in aggregate, for each class of management, in the following categories: fees for services as member of management, basic salary, bonus and performance related payments; etc.

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

### 1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

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

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

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.24 Offsetting

Assets, liabilities, revenues & expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP. The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated

### 1.25 Prepayments

A prepaid expense is an expenditure paid for in one accounting period, but for which the underlying assets will not be consumed until a future period.

A prepaid expense is carried on the Statement of Financial Position of the Limpopo Legislature as a Current asset until its consumed.

### 1.26 Changes in Accounting Policies, Estimates and Errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3: accounting policies, estimates and error requirements, except to the extent that it is impractical to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the Legislature shall restate opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatements is practical.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the Notes to the financial statements where applicable.

## 2. New standards and interpretations

### 2.1 Standards and interpretations issued, but not yet effective

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

**iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction**

**Background**

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14® ) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

The effective date of these revisions have not yet been set.

It is unlikely that the revisions will have a material impact on the entity's annual financial statements.

**Guideline: Guideline on the Application of Materiality to Financial Statements**

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

The guideline is encouraged to be used by entities.

The entity does not envisage the adoption of the guideline until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

**GRAP 104 (as revised): Financial Instruments**

**2. New standards and interpretations (continued)**

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:
- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the revisions is not yet set by the Minister of Finance.

The entity expects to adopt the revisions for the first time when the Minister sets the effective date for the revisions.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

**GRAP 1 (amended): Presentation of Financial Statements**

Amendments to this Standard of GRAP, are primarily drawn from the IASB’s Amendments to IAS 1.

Summary of amendments are:

**Materiality and aggregation**

The amendments clarify that:
- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

**Statement of financial position and statement of financial performance**

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

**Notes structure**

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

**Disclosure of accounting policies**

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An entity applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2025.

### 2. New standards and interpretations (continued)

The entity expects to adopt the amendment for the first time in the 2025/2026 annual financial statements.

Figures in Rand thousand

### 3. Property, plant and equipment

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Plant and machinery | 1 030 | (214) | 816 | 1 030 | (142) | 888 |
| Furniture and fixtures | 9 007 | (4 624) | 4 383 | 7 729 | (4 425) | 3 304 |
| Motor vehicles | 19 683 | (5 826) | 13 857 | 18 040 | (5 330) | 12 710 |
| Office equipment | 2 086 | (1 223) | 863 | 1 910 | (1 139) | 771 |
| IT equipment | 38 260 | (13 357) | 24 903 | 26 572 | (11 212) | 15 360 |
| Security equipment | 5 445 | (2 956) | 2 489 | 5 042 | (2 739) | 2 303 |
| Work in Progress | 494 | - | 494 | 9 197 | - | 9 197 |
| Library books | 1 173 | (995) | 178 | 1 120 | (961) | 159 |
| Finance lease assets | 9 384 | (8 128) | 1 256 | 7 976 | (6 415) | 1 561 |
| **Total** | **86 562** | **(37 323)** | **49 239** | **78 616** | **(32 363)** | **46 253** |

**Reconciliation of property, plant and equipment - 2025**

| | Opening balance | Additions | Disposals | Transfers received | Transfers | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|---|
| Plant and machinery | 888 | - | (312) | 312 | - | (72) | - | 816 |
| Furniture and fixtures | 3 304 | 1 256 | - | 22 | - | (181) | (18) | 4 383 |
| Motor vehicles | 12 710 | 4 052 | (1 640) | - | - | (1 265) | - | 13 857 |
| Office equipment | 771 | 176 | - | - | - | (80) | (4) | 863 |
| IT equipment | 15 360 | 3 319 | - | 8 370 | - | (2 123) | (23) | 24 903 |
| Security equipment | 2 303 | 403 | - | - | - | (217) | - | 2 489 |
| Work In Progress | 9 197 | - | - | - | (8 703) | - | - | 494 |
| Library books | 159 | 53 | - | - | - | (34) | - | 178 |
| Finance lease assets | 1 561 | 1 408 | - | - | - | (1 713) | - | 1 256 |
| | **46 253** | **10 667** | **(1 952)** | **8 704** | **(8 703)** | **(5 685)** | **(45)** | **49 239** |

Figures in Rand thousand

### 3. Property, plant and equipment (continued)

**Reconciliation of property, plant and equipment - 2024**

| | Opening balance | Additions | Disposals | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|
| Plant and machinery | 961 | - | - | (73) | - | 888 |
| Furniture and fixtures | 2 228 | 1 252 | (30) | (136) | (10) | 3 304 |
| Motor vehicles | 15 091 | 1 295 | (2 201) | (1 475) | - | 12 710 |
| Office equipment | 832 | 60 | (36) | (73) | (12) | 771 |
| IT equipment | 11 230 | 5 574 | (194) | (1 246) | (4) | 15 360 |
| Security equipment | 1 808 | 701 | (32) | (174) | - | 2 303 |
| Work in Progress | - | 9 197 | - | - | - | 9 197 |
| Library books | 144 | 39 | - | (24) | - | 159 |
| Finance lease assets | 1 116 | 1 803 | - | (1 358) | - | 1 561 |
| | **33 410** | **19 921** | **(2 493)** | **(4 559)** | **(26)** | **46 253** |

**Pledged as security**

No property, plant and equipment was pledged as security.

**Compensation received for gains on property, plant and equipment – included in operating profit.**

**Assets subject to finance lease (Net carrying amount)**

| | | |
|---|---|---|
| Finance lease assets | 1 256 | 1 561 |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 3. Property, plant and equipment (continued)

**Work In progress**

Included in the work in progress is the amount of R 494 000 is for installation of the fence at the legislature

| **Work In Progress** | **2025** | **2024** |
|---|---|---|
| Opening Balance | 9 197 | - |
| Furniture and Fittings | (22) | 22 |
| IT Equipment | (8 370) | 8 370 |
| Plant and Machinery | (312) | 312 |
| Erection of Fence | - | 493 |
| | **493** | **9 197** |

**Loss on disposal of Assets**

Loss on disposal of assets is as a result of motor vehicles amounting to R533 000 and transfer of borehole amounting to R312 000.

### 4. Heritage assets

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated impairment losses | Carrying value | Cost / Valuation | Accumulated impairment losses | Carrying value |
| Heritage asset | 528 | - | 528 | 528 | - | 528 |

**Reconciliation of heritage assets 2025**

| | Opening balance | Total |
|---|---|---|
| Heritage asset | 528 | 528 |

**Reconciliation of heritage assets 2024**

| | Opening balance | Total |
|---|---|---|
| Heritage asset | 528 | 528 |

### 5. Operating lease asset (accrual)

| | | |
|---|---|---|
| Current assets | 588 | 337 |

### 6. Inventories

| | | |
|---|---|---|
| Opening stock | 530 | 567 |
| Purchases | 2 688 | 2 140 |
| Utilised | (2 876) | (2 177) |
| | **342** | **530** |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 7. Receivables from exchange transactions

| | | |
|---|---|---|
| Trade debtors | 61 | 4 |
| Staff debtors | 2 136 | 1 516 |
| Allowance for doubtful debt | (1 141) | (1 281) |
| | **1 056** | **239** |

**Trade and other receivables ageing**

The ageing of amounts are as follows:

| | | |
|---|---|---|
| Less than 3 months | 532 | 10 |
| Greater than 6 months | 161 | 90 |
| Greater than 1 year but less than 2 years | 24 | 10 |
| Greater than 2 years but less than 3 years | 67 | 43 |
| Greater than 3 years | 1 352 | 1 362 |

**Reconciliation of provision for impairment of trade and other receivables**

| | | |
|---|---|---|
| Opening balance | (1 281) | (1 144) |
| Provision for impairment | (140) | (137) |
| | **(1 421)** | **(1 281)** |

### 8. Receivables from non-exchange transactions

| | | |
|---|---|---|
| Service in kind receivables | 12 201 | 11 403 |
| Amortised service in kind receivables | (12 201) | (11 403) |
| | - | - |

### 9. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Standard Bank | 45 233 | 50 984 |

**The entity had the following bank accounts**

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 31 March 2025 | 31 March 2024 | 31 March 2023 | 31 March 2025 | 31 March 2024 | 31 March 2023 |
| STANDARD BANK - Cheque Account - 012-926-205 | 45 232 | 50 984 | 47 247 | 45 232 | 50 984 | 47 247 |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 10. Finance lease obligation

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 1 200 | 1 355 |
| - in second to fifth year inclusive | 211 | 408 |
| | 1 411 | 1 763 |
| less: future finance charges | (100) | (145) |
| **Present value of minimum lease payments** | **1 311** | **1 618** |
| | | |
| **Present value of minimum lease payments due** | | |
| - within one year | 1 122 | 1 355 |
| - in second to fifth year inclusive | 189 | 408 |
| | **1 311** | **1 763** |
| | | |
| Non-current liabilities | 208 | 369 |
| Current liabilities | 1 122 | 1 249 |
| | **1 330** | **1 618** |

### 11. Provisions

**Reconciliation of provisions - 2025**

| | Opening Balance | Additions | Utilised during the year/deductions | Total |
|---|---|---|---|---|
| Gratuity benefits | 37 324 | 7 498 | (26 235) | 18 587 |
| Post retirement benefits - Medical aid | 38 424 | 7 795 | (3 802) | 42 417 |
| Long service awards | 1 665 | 530 | (271) | 1 924 |
| | **77 413** | **15 823** | **(30 308)** | **62 928** |

**Reconciliation of provisions - 2024**

| | Opening Balance | Additions | Utilised during the year/deductions | Total |
|---|---|---|---|---|
| Employee benefits - members increase | 1 825 | - | (1 825) | - |
| Gratuity benefit | 37 418 | 163 | (257) | 37 324 |
| Post retirement benefits - Medical aid | 33 851 | 5 130 | (557) | 38 424 |
| Long service awards | 1 500 | 425 | (260) | 1 665 |
| | **74 594** | **5 718** | **(2 899)** | **77 413** |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 11. Provisions (continued)

| | 2025 | 2024 |
|---|---|---|
| Non-current liabilities | 59 259 | 61 649 |
| Current liabilities | 3 669 | 15 764 |
| | **62 928** | **77 413** |

| **Gratuity benefit 2025** | **Opening balance** | **Additions** | **Utilised during year/reductio n** | **Total** |
|---|---|---|---|---|
| Normal Gratuity | 7 122 | 5 792 | (6 255) | 6 659 |
| Exit Gratuity | 30 202 | 1 706 | (19 980) | 11 928 |
| Subtotal | 37 324 | 7 498 | (26 235) | 18 587 |
| | **37 324** | **7 498** | **(26 235)** | **18 587** |

| **Gratuity benefit 2024** | **Opening Balance** | **Additions** | **Utilised during the year/reductio n** | **Total** |
|---|---|---|---|---|
| Normal Gratututy | 9 841 | (2 462) | (257) | 7 122 |
| Exit Gratuity | 27 577 | 2 625 | - | 30 202 |
| Subtotal | 37 418 | 163 | (257) | 37 324 |
| | **37 418** | **163** | **(257)** | **37 324** |

Figures in Rand thousand

### 11. Provisions (continued)

**Long service award provision**

The long service awards represents estimates of the entity's liability as valued by professional valuers with an effective valuation date of 31 March 2025. The entity values long service awards annually using One Pangaea Financial who has been appointed to estimate the present value of the long service award in the financial year under review.

The long service award consist of an obligation to pay out a bonus in the year of the employee attaining the required service. This obligation represents a liability to the employer.

Methodology:

Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in future based on service accrued to the valuation date and awards projected to retirement date.

In determining these liabilities, due allowance has been made for future award increases.

For each employee, this projection is based on the probability of being employed at each service award date, taking into account the assumed rates of withdrawal, early retirement and death.

In accordance with the requirements of GRAP 25, the Projected Unit Credit Method of funding has been applied.

The obligation is determinded by calculating the present value of the possible long service bonus awards payable throughout the employee's service guided by the approved HR Policy of Limpopo Legislature, paragraph 9.3.2 "Long service recognition bonus".

The benefits payable are illustrated in the table below:

| **Completed service (years)** | Long service bonus awards (ZAR) |
|---|---|
| 10 | 20 000 |
| 20 | 30 000 |

The key assumptions used in the valuation, with the prior year's assumptions shown for comparison, are summarised below:

| | 2025 | 2024 |
|---|---|---|
| Long term, duration specific, discount rate | 8.96% | 10.01% |
| CPI | 4.46% | 5.25% |
| Net discount rate (CPI) | 4.31% | 4.52% |

The following demographic assumptions were applicable over the prior and current valuation periods:

| | | | |
|---|---|---|---|
| **Mortality** | SA85-90 | | |
| **Normal retirement age** | 63 | | |
| **Withdrawal from service** | Examples at stated age | Female rates | Male rates |
| | 20 | 24% | 16% |
| | 30 | 15% | 10% |
| Withdrawal from service | 40 | 6% | 6% |
| | 50 | 2% | 2% |
| | 55 | 1% | 1% |
| | 60 | - | - |
| | **255** | **48** | **35** |

Figures in Rand thousand

### 11. Provisions (continued)

**Post employment health care**

The post retirement benefit represents estimates of the entity's liability as valued by professional valuers with an effective valuation date of 31 March 2025. The entity values post retirement benefit annually using One Pangaea Financial who has been appointed to estimate the present value of the post retirement benefit in the financial year under review.

Methodology:

The liability is taken as the present value of the employer's share of active employee contributions projected into the future using the probability of survival to retirement age and beyond, taking into account the assumed rates of withdrawal and mortality.

In determining these liabilities, due allowance has been made for future award increases.

In accordance with the requirements of GRAP25, the Projected Unit Method of funding has been applied. The assumptions used are based on the following factors:

The demographic assumptions were consistent in the previous and current valuation period and are as follows;

| | |
| --- | --- |
| Normal retirement age | 63 Years |
| Employment age used for past service period | Active service entry ages |

| **Assumptions** | Active employees | Continuation pensioners |
| --- | --- | --- |
| Age difference between spouses | 3 years | 3 years |
| Proportion married in retirement | 90 % | Actual marital status used |

| **Post employment health care assumptions** | 2025 | 2024 |
| --- | --- | --- |
| Discount rate | 12.98% | 14.88% |
| CPI | 7.51% | 9.20% |
| Health care cost inflation | 9.01% | 10.70% |
| Net discount rate | 3.64% | 3.78% |

| **Decrement Assumption** | Assumption | Active employee | Continuation Pensioners |
| --- | --- | --- | --- |
| | Morality | SA85-90 (Normal) | PA(90) |

| **Withdrawal rates** | Example at stated age | Withdrawal rate ( Female) % | Withdrawal rates ( Male) % |
| --- | --- | --- | --- |
| | 20 | 24 | 16 |
| | 30 | 15 | 10 |
| | 40 | 6 | 6 |
| | 50 | 2 | 2 |
| | 55 | 1 | 1 |
| | 60 | - | - |
| | **255** | **48** | **35** |

Figures in Rand thousand

### 11. Provisions (continued)

**Gratuity benefit provision**

The gratuity benefit represents estimates of the entity's liability as valued by professional valuers with an effective valuation date of 31 March 2025. The entity values gratuity benefits annually using One Pangaea Financial who has been appointed to estimate the present value of the gratuity benefit in the financial year under review.

An Office Bearer who has served a minimun of five years and whose service is terminated is entitled to receive a once off Gratuity equal to four times pensionable monthly salary, for each five year term, or a pro rata share of that for a part thereof, completed by the member.This benefits does not have any fund for contribution, it is just a benefits given to the members of legislarures when their service is terminated

The probability of being re-elected has been assumed to be 33%. This implies a probability of 11% to be re-elected twice, 4% to be re-elected three times, etc.

Methodology:

Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in future based on service accrued to the valuation date and awards projected to retirement date.

In determining these liabilities, due allowance has been made for future award increases.

For each employee, this projection is based on the probability of being employed at each service award date, taking into account the assumed rates of withdrawal, early retirement and death.

In accordance with the requirements of GRAP25, the Projected Unit Method of funding has been applied.

Key assumptions:

The assumptions used as at 31 March 2025 are based on the following factors:

| **Gratuity benefit assumptions** | 2025 | 2024 |
| --- | --- | --- |
| Discount rate | 8.53% | 9.53% |
| CPI | 4.22% | 4.79% |
| Salary inflation | 5.22% | 5.79% |
| Net discount rate (Salary) | 3.14% | 3.54% |

The table below summarises the Office bearers set to receive the gratuity as at the current valuation date, 31 March 2025, as provided by the Limpopo Legislature.

| **Gratuities** | 2025 | 2024 |
| --- | --- | --- |
| Number of participants | 52 | 30 |
| Average age (years) | 51.59 | 51.02 |
| Average past service (years) | 2.31 | 4.12 |
| Average monthly salary (ZAR) | 69.989 | 111.793 |

Figures in Rand thousand

### 11. Provisions (continued)

**Members Exit gratuity**

In terms of Proclamation No.48 of 2016,issued under the Remuneration of Public Office Bearer Act,1998 (Act No.20 of 1998),a gratuity is payable to eligible Political Office Bearers (POBs) who exit office under defined conditions.This provision is intended to ensure qualifying individuals are not financially disadvanatge by changes in the pension fund rules implemented after 29 February 2016.

Conditions for Eligibility

To qualify for the gratuity,the following sprcific conditions must be met:

1.The individual must be a 'ReleventPoliticalOffice Bearer'meaning:

-They were serving in office on 29 February 2016 or

-They became a political office bearer after 29 February 2016 but before 2019 national election

2.The individual must exit the Political Office Beare Pension Fund:

-At or as a result of the 2019 national election,or

- On any date between 1 March 2016 and the 2019 election date ,or

-After being re-elected in 2019 and subsequently exiting at a later stage.

3. The gratuity amount is based on the following:

The difference between the old rules benefit(the pension benefit that would have been applied under the fund rules as at 29 February 206) and

-The actual benefit payable from the fund upon exit on new Rules.

The gratuities paid after the 2019 elections, are adjusted by CPI inflation from the 2019 election date to the exit date.t

VALUATION METHODOLOGY AND BASIS
4.1 Valuation Methodology
In accordance with the requirements of GRAP25, the Projected Unit Credit method has been applied. Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in the future based on service accrued to the valuation date and awards projected to the retirement date. In determining these liabilities, due allowance has been made for future award increases

4.2 Financial Assumptionst

| **Assumtions** | **31 March 2024** | **31 March 2025** |
| --- | --- | --- |
| Discount Rate | 9.53% | 8.53% |
| Future Expectation of the Price Inflation | 5.30% | 4.22% |
| Net Discount Rate | 4.02% | 4.14% |

Figures in Rand thousand 2025 2024

## 11. Provisions (continued)

### Demogrsphic Assumptions

The demographic and decrement assumptions were consistent in the previous and current valuation period, and are as follows:

SA85-90

| Mortality | Example at stated age | Female rates | Male rates |
|---|---|---|---|
| | 20 | 24% | 16% |
| | 30 | 15% | 10% |
| Withdrawal from Service | 40 | 6% | 6% |
| | 50 | 2% | 2% |
| | 55 | 1% | 1% |
| | 60 | - | - |

### Valuation data and data validation

2.1 Reliances
The results and opinions contained in this report are subject to (but not exclusively to) the following data summary and limitations.
2.2 Eligible Employees
The table below summarises the Office Bearers set to receive the Special Exit Gratuity as at the current valuation date, 31 March 2025, as provided by Limpopo: Age Gender

| Heading | Age | Gender | Column heading |
|---|---|---|---|
| | Number of participants | 5 | - |
| | Average age(years) | 59.46 | - |
| | Average past Service(years) | 11.84 | - |
| | Average exit gratuity | 1.945.825* | - |
| | | | **-** |

## 12. Payables from exchange transactions

| | 2025 | 2024 |
|---|---|---|
| Trade payables | 9 670 | 4 557 |
| Service bonus accrual | 7 178 | 6 443 |
| Perfomance Bonus Accrual | 10 565 | 12 532 |
| Accrued leave pay | 13 670 | 13 923 |
| Other accrued expenses | 1 180 | 1 246 |
| Other creditors | 49 | 7 |
| | **42 312** | **38 708** |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 13. Revenue

| | | |
|---|---|---|
| Interest received | 7 177 | 5 470 |
| Other income | 363 | 105 |
| Actuarial gains | 13 199 | 6 431 |
| Annual appropriation | 532 530 | 437 417 |
| Statutory appropriation | 68 387 | 55 000 |
| Service in Kind Rental income | 12 201 | 11 403 |
| | **633 857** | **515 826** |

**The amount included in revenue arising from exchanges of goods or services are as follows:**

| | | |
|---|---|---|
| Interest received Positive Bank account | 7 177 | 5 470 |
| Other income | 363 | 105 |
| Actuarial gains | 13 199 | 6 431 |
| | **20 739** | **12 006** |

**The amount included in revenue arising from non-exchange transactions is as follows:**

| | | |
|---|---|---|
| **Taxation revenue** | | |
| Annual appropriation | 532 530 | 437 417 |
| Statutory appropriation | 68 387 | 55 000 |
| | 600 917 | 492 417 |
| Service in Kind Rental Income | 12 201 | 11 403 |
| | 613 118 | 503 820 |
| **Transfer revenue** | | |
| Current year receipts | 600 917 | 492 417 |
| Funds rolled over - retained funds | 47 558 | 43 795 |
| Actual Expenditure | (614 209) | (495 672) |
| | 34 266 | 40 540 |
| Departmental revenue earned over to next year | 7 192 | 7 093 |
| | **41 458** | **47 633** |

**Naration on additional note to the Revenue from non exchange transactions**

The current year receipts is the revenue for the current year transfered and recognised as revenue.
Funds rolled over is the retained earnings of the prior year that is rolled forward to the current year. it is not part of the current year revenue but prior year .
The actual expenditure is the actual cash expenditure spend
The departmental revenue earned over to the next year is the actual cash received from the sale of assets, interest received and replacement of the access cards.

**Other income**

Included in the other income;
Commission of insurance
Interest charged on outstanding debts
Replacements of loss of access cards
Leave Charge P/L

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

## 14. Remuneration of members

| | | |
|---|---|---|
| Basic salary | 36 492 | 26 283 |
| Service Bonus | 3 285 | 2 784 |
| Defined Contribution plans | 9 318 | 6 539 |
| Non Pensionable allowance | 29 113 | 15 927 |
| Members gratuity | 4 027 | 5 646 |
| | **82 235** | **57 179** |

## 15. Employee related cost

| | | |
|---|---|---|
| Basic salary | 140 772 | 132 546 |
| Performance bonus and awards | 10 758 | 12 855 |
| Medical aid - entity contributions | 19 312 | 16 920 |
| UIF | 32 | 28 |
| Service bonuses | 10 853 | 10 518 |
| Defined contribution plans | 17 541 | 17 280 |
| Overtime payments | 1 092 | 1 165 |
| Leave discounting | 985 | 2 506 |
| Long service bonus | 324 | 396 |
| Housing benefits and allowances | 8 241 | 7 761 |
| Non-pensionable allowances | 29 749 | 26 892 |
| | **239 659** | **228 867** |

## 16. Transfer payments - Other

| | | |
|---|---|---|
| Provinces and municipalities | 29 | 28 |
| Non-profit institutions | 186 880 | 119 088 |
| | **186 909** | **119 116** |

## 17. Impairment of assets

| | | |
|---|---|---|
| **Impairments** | | |
| Property, plant and equipment | 46 | 26 |
| The impairment loss arose as a result of a condition assessment performed on the assets during annual asset verification. Assets were identified to be damaged and were impaired, | | |

## 18. Finance costs

| | | |
|---|---|---|
| Finance leases | 218 | 168 |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 19. General expenses

| | | |
|---|---|---|
| Advertising | 2 200 | 1 367 |
| Bank charges | 3 | 7 |
| Cleaning | 20 | - |
| Consulting and professional fees | 5 034 | 4 112 |
| Consumables | 3 886 | 2 327 |
| Entertainment | 608 | 373 |
| Flowers | 5 | - |
| Motor vehicle expenses | 66 | 133 |
| External audit fees | 4 975 | 5 127 |
| Internal audit fees | 353 | 589 |
| Communication costs | 10 501 | 7 559 |
| Transport provided as part of the departmental activities | 284 | 1 051 |
| Training | 1 486 | 1 240 |
| Travel and subsistence | 27 412 | 30 658 |
| ERP expenses | 601 | 520 |
| Bursaries (employees) | 4 351 | 3 603 |
| Legal services | 5 407 | 3 784 |
| Catering | 3 880 | 3 416 |
| Administrative fees | 904 | 900 |
| Operating leases | 674 | 671 |
| Contracted services | 11 313 | 7 384 |
| Venue expenses | 834 | 1 595 |
| Computer licenses | 6 923 | 5 184 |
| Other expenses | 1 781 | 1 619 |
| | **93 501** | **83 219** |

### 20. Expenditure incurred to repair and maintain property, plant and equipment

| | | |
|---|---|---|
| Office Equipments | 992 | 134 |
| Motor vehicles | 2 740 | 2 158 |
| | **3 732** | **2 292** |

### 21. Service in Kind rental expense

| | | |
|---|---|---|
| Gains or losses arising from a change in fair value less point of sale costs | 12 201 | 11 403 |

| Figures in Rand thousand | 2025 | 2024 |
| --- | --- | --- |

### 22. Cash generated from operations

| | | |
| --- | --- | --- |
| Surplus | 8 827 | 8 045 |
| **Adjustments for:** | | |
| Depreciation | 5 685 | 4 569 |
| Loss on Disposal of Assets | 845 | 940 |
| Impairment Loss | 46 | 26 |
| Acturial( gain)/Loss | (13 199) | (6 431) |
| Service Bonus Accrual | (253) | 1 015 |
| Performance Bonus Accrual | (1 967) | 12 532 |
| Accrued Leave Pay | 732 | 1 152 |
| Other Accrued expense | (66) | 770 |
| Finance costs | 218 | 168 |
| Movements in operating lease assets | (251) | (162) |
| Movement in Provisions | (1 284) | 4 003 |
| Other non-cash items | - | 1 |
| **Changes in working capital:** | | |
| Inventories | 188 | 37 |
| Receivable from exchange transactions | (817) | 63 |
| Prepayments | 457 | (2 317) |
| Payables from non-exchange transactions | 5 156 | (545) |
| Payables from non exchange | - | (2 068) |
| | **4 317** | **21 798** |

### 23. Financial instruments disclosure

**Categories of financial instruments**

**2025**

**Financial assets**

| | At amortised cost | Total |
| --- | --- | --- |
| Cash and cash equivalents | 45 232 | 45 232 |

**Financial liabilities**

| | At amortised cost | Total |
| --- | --- | --- |
| Trade and other payables from exchange transactions | 9 672 | 9 672 |

**2024**

**Financial assets**

| | At amortised cost | Total |
| --- | --- | --- |
| Cash and cash equivalents | 50 984 | 50 984 |

**Financial liabilities**

| | At amortised cost | Total |
| --- | --- | --- |
| Trade and other payables from exchange transactions | 4 588 | 4 588 |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 24. Commitments

**Authorised expenditure**

| | | |
|---|---|---|
| **Total capital commitments** | | |
| Already contracted for but not provided for | 2 872 | 2 509 |

**Authorised operational expenditure**

**Total commitments**

| | | |
|---|---|---|
| **Total commitments** | | |
| Authorised capital expenditure | 2 872 | 2 509 |

These operational commitments relates to the SCM orders and contracts that will be financed by cash resources.

**Operating leases - as lessee (expense)**

| | | |
|---|---|---|
| **Minimum lease payments due** | | |
| - within one year | 279 | 670 |
| - in second to fifth year inclusive | - | 279 |
| | **279** | **949** |

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of five years and are subject to a 8% escalation per annum. No contingent rent is payable.

### 25. Contingencies

The Legislature has the following contingent liabilities in respect of legal claims. The Legislature is defending the matters. The entity's lawyers and management consider the likelihood of the action against the entity being successful as unlikely.

A claim was made against Legislature with regard to disputes over the payment of gratuity to the former Member of the Provincial Legislature. The amount claimed is R 759 969.44 and the estiamted legal fees are R 500 000.

Another claim is a demand for the payment of salaries arrears for COPE support staff. Currently the party does not have representation in the Legislature and the claim is againt the party.There is no probability that the support staff would win the case against the Legislature.The Legislature have filed papers to oppose the order to declare the Secretary to be in contempt of court and the order has been rescinded.Applicant served and filed application for payment of salaries as per court order.The matter has been set down for 26 October 2025.The estimated legal fees are R 500 000..

Furthermore there is a claim of former CFO claiming for reinstatement after dismissal.The prospects of the sucess for the applicant are nn existence as she failed to follow proper processes and the estimated legal fees are R400 000.Additional text

Claim by the former employee claiming the outstanding leave gratuity and pro rata service bonus ,the estimated amount to R177 785.73 and estimated legal fees are R90 000.

The last claim is for DA/Min of public works and others claiming to declare the Expropriation Act unconstitutional.The applicant claims that the procedure used to process the bill int law is unconstitutional.The estimated legal fees are R400 000

| | | |
|---|---|---|
| **Legal Claims** | 938 | 1 960 |

**26. Service in Kind**

| | |
|---|---|
| South African Police Service | Security Services provided by the police as the Legislature is a National Key point. |
| Public Works | Public Works Service in Kind, refer to note 13 for the presentation of the Service in kind rental income and note 21 for the related service in kind rental expenses. The office in Parliamentary village are insigficant and members pays rent for the use of residential houses. |

The entity recognise services in-kind that are significant to its operation and/or service delivery objectives as assets and recognise related revenue when it is probable that the future economic benefits or services potential will flow to the entity and the fair value of the assets can be measured reliably. Where service in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy criteria for recognition, the entity disclose the nature and type of service in kind.Based on the entity assessment the service in-kind above does not meet the recognition except Public works building in Lebowakgomo.Refer to note 13 for the revenue recognised from the service in kind and note 21 for the service in kind rental expense .

### 27. Related parties

Related party relationship exists with Department of Public Works(DPW) due to Legislature's oversight and scrutinising of the Executive perfomance.Legislature occupies buildings which are owned by the Department of Public works (DPW).Legislature occupies these buildings which are significant to its operations for free and does not pay any rent to Public Works.These buildings were occupied for the entire financial year

| | 2025 | 2024 |
|---|---|---|
| Service in kind | 12 201 | 11 403 |

Figures in Rand thousand

**27. Related parties (continued)**

**Key Management Personnel**

**2025**

| | Basic Salary | Pension fund employer contribution | Political office bearer allowance | Bonus | Car allowance | Acting allowance | Other benefits | Total |
|---|---|---|---|---|---|---|---|---|
| Executive Authority Office | | | | | | | | |
| Speaker to the Legislature Hon Dr M.G Makhurupetje | 1 008 | 249 | 100 | 50 | - | - | 405 | 1 812 |
| Former Speaker to the Legislature Hon R.R Molapo | 202 | 202 | 20 | 17 | 63 | - | 81 | 585 |
| Deputy Speaker to the Legislature Hon T.P Mamorobela | 796 | 50 | 100 | - | - | - | 336 | 1 282 |
| Former Deputy Speaker to the Legislature Hon T.B Matibe | 159 | 41 | 20 | 13 | - | - | 5 | 238 |
| Senior Management | | | | | | | | |
| Secretary to the Legislature Dr M.T Maake | 841 | - | - | - | 235 | - | 20 | 1 096 |
| Former Acting Secretary to the Legislature Dr I.S Nkuna | 833 | 109 | - | 203 | 378 | 321 | 66 | 1 910 |
| Chief Operating Officer Ms D.L Kgomo | 392 | 51 | - | - | 154 | - | 15 | 612 |
| Former Chief Financial Officer Ms S.A.S Phatudi | 1 299 | 169 | - | 225 | 487 | 67 | 104 | 2 351 |
| Acting Chief Financial Officer Ms S.L Ramohlale | 178 | 24 | - | - | 66 | - | 20 | 288 |
| Senior Legal Advisor Ms B.F.M Malotsha | 1 428 | 186 | - | 253 | 447 | - | 133 | 2 447 |
| | **7 136** | **1 081** | **240** | **761** | **1 830** | **388** | **1 185** | **12 621** |

**2024**

| | Basic Salary | Pension fund employer contribution | Political office bearer allowance | Bonuss | Car allowances | Acting allowance | Other benefits | Total |
|---|---|---|---|---|---|---|---|---|
| Executive Authority Office | | | | | | | | |
| Speaker to the Legislature Hon R.R Molapo | 1 139 | 283 | 120 | 95 | - | - | 461 | 2 098 |
| Deputy speaker Hon T.B Matibe | 899 | 229 | 120 | 75 | 348 | - | 27 | 1 698 |
| Senior Management | | | | | | | | |
| Chief Financial Officer Ms S.A.S Phatudi | 1 463 | 190 | - | 122 | 549 | - | 123 | 2 447 |
| Acting Secretary to the Legislature Dr I.S Nkuna | 1 340 | 174 | - | 233 | 621 | 517 | 106 | 2 991 |
| Legal advisor Ms B.F.M Malotsha | 1 340 | 174 | - | 112 | 419 | - | 131 | 2 176 |
| | **6 181** | **1 050** | **240** | **637** | **1 937** | **517** | **848** | **11 410** |

## 28. Change in Accounting Estimate

### Furniture and Fixtures

During the financial year ended 31 March 2025, the Legislature reassessed the estimated useful lives of the furniture and fittings assets,The reassessment was conducted as part of the annual review of asset useful lives in accordance with grap 3.

Based on the updated information regarding the physical condition,usage,patterns and expected future economic benefitsof these assets,the useful life of furniture and fittings was amended from 20 years to 25 years.

Effect of Change
The change in estimate has been applied prospectively from the date of assessment as required by GRAP 3.This change has resulted inreduction in the current year's depreciation expense and a corresponding increase in the carrying amount of the affected assets compared to what would have been recorded under previous estimate.
The effect of the change in the current financial year is as follows

| | Decrease in Depreciation Expense | Increase in Carrying amount |
| --- | --- | --- |
| Furniture and fittings | (191) | 191 |

### Gratuity Benefit Data Changes

During the inter-valuation period, adjustments were made to the date of engagement for four (4) employees. This correction was based on updated and verified HR records, which more accurately reflected the credited service period of the affected members. As a result of these changes, the accrued liability for gratuity benefits increased by R2 424 675.

The revision of the liability estimate is due to new information that became available and is thus classified as a change in accounting estimate in accordance with paragraph 36 of GRAP 3. It does not constitute the correction of a prior period error.

Effect on Financial Statements:
The change in estimate has resulted in an increase in the gratuity benefit provision by R2 424 675 in the current reporting period.

This change has been recognised in the Statement of Financial Performance and has increased the total employee benefit expense accordingly.

## 29. Prior Period Errors

Presented below are those items contained in the Statement of Financial Position, Statement of Financial Perfomance and Cash Flow Statement that have been affected by prior-year adjustments and the amounts are presented to the nearest thousand.

Amounts in '000

Figures in Rand thousand

### 29. Prior Period Errors (continued)

1. Intangible Assets
An amount of R7 273 for annual licence software was incorrectly capitalised under intangible assets and resulting in ammortisation for an amount of R7 407 incorrectly recognised as an expense.The error has been corrected by reclassifying the capitalised cost into prepayment assets,software licences as an expense and and reversing the corresponding ammortisation with coressponding adjustment to accumulated surplus.The correction resulted in increase in prepayment assets of R2 169,increase in software licences of R5 103 and decrease in ammortisation of R7 407

2. Provisions
The provisions were understated by R17 770 due to decrease of R12 532 and increase of R30 202.The understatement was as a result of incorrect classification of Perfomance bonus and Understatement of gratuity.

3. Actuarial Gains
An overstatement of actuarial gains by R1 483 was corrected to reflect the proper valuation of post-employment benefits, as per the actuarial report.

4.Cashflow statement was revised as follows:

-Receipts were decreased by R19 317 as a result of non cash items included in the prior year

-Payments were increased by R 12 044 as a result of non cash items of R4 771 included, and annual licence software capitalised of R7 273 in the prior year

-Investment activities were decreased by R7 273 as result of annual licence software capitalised in the prior year

5.Payable was increased by R11 680 as a result of an increase due to perfomance bonus reclassified from Provisions of R12 532. and decrease of R857 for accrued leave pay

**Statement of financial position**

**2024**

| | Note | As previously reported | Correction of error | Restated |
| --- | --- | --- | --- | --- |
| Receivables from exchange transaction | | 235 | 4 | 239 |
| Prepayments | | 158 | 2 169 | 2 327 |
| Provisions | | (59 744) | (17 669) | (77 413) |
| Intangible Assets | | 2 320 | (2 320) | - |
| Payable from exchange transactions | | (27 017) | (11 692) | (38 709) |
| Accumulated Surplus/deficit | | (12 966) | 29 508 | 16 542 |
| | | **(97 014)** | **-** | **(97 014)** |

**Statement of financial performance**

**2024**

| | Note | As previously reported | Correction of error | Restated |
| --- | --- | --- | --- | --- |
| Actuarial Gain | | 7 914 | (1 483) | 6 431 |
| Depreciation | | (11 976) | 7 407 | (4 569) |
| General Expenses | | (78 116) | (5 103) | (83 219) |
| Remuneration of Members | | (55 867) | (1 313) | (57 180) |
| Employee related costs | | (229 882) | 1 015 | (228 867) |
| **Surplus for the year** | | **(367 927)** | **523** | **(367 404)** |

| Figures in Rand thousand | 2025 | 2024 |
|---|---|---|

### 29. Prior Period Errors (continued)

**Cashflow Statement**

| | Note | As previously reported | Correction of error | Restated |
|---|---|---|---|---|
| Receipts | | 517 309 | (19 317) | 497 992 |
| Payments | | (488 238) | 12 044 | (476 194) |
| Cashflow from Investing Activities | | (7 273) | 7 273 | - |
| **Surplus for the year** | | **21 798** | **-** | **21 798** |

### 30. Risk management

**Financial Risk Management**

Due to the largely non-trading nature of activities and the way in which it is financed, the Legislature is not exposed to the degree of financial risk faced by operating business entities.

The Legislature recognises the need to implement Risk Management. The Accounting Officer accordingly maintains effective, efficient and transparent systems of risk management and internal control. Risk management is an integral part of the institutions activities to reduce risks to acceptable levels. Continued integration of risk management into key decision-making processes of the organisation was also achieved with the explicit inclusion of risk management principles into the Legislature's strategic and business planning processes.

**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through monitoring of the budget.

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

The table below analyses the entity’s financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| At 31 March 2025 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Trade and other payables | 9 672 | - | - | - |

| At 31 March 2024 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|---|---|---|---|---|
| Trade and other payables | 4 558 | - | - | - |

**Credit Risk**

Credit risk consists mainly of cash deposits, cash equivalents, trade and other receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables relate mainly to staff debtors that can be recouped from salary payments.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | 45 232 | 50 984 |

**Market Risk**

### 30. Risk management (continued)

**Interest Rate Risk**

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates. Interest on receivables is insignificant. Interest accrued to the Legislature on deposits controlled by Provincial Treasury is not managed by the Legislature as it has no control over the allocation of the funds.

### 31. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 32. Eventsa after the reporting date

None

### 33. Unauthorised Expenditure

None.

### 34. Fruitless and Wasteful Expenditure

None

### 35. Irregular Expenditure

1. During the financial year an alleged possible irregular expenditure was identified within Contract management.The matter will be investigated and Legislature is unable to determine the outcome at this stage.Management is commited to conduct a thorough investigation and take appropriate actions based on the findings.

2. Another possible irregular expenditure was identified during the year within Procurement  Management. Management will conduct  a thorough investigation and take appropriate actions based on the findings. Below is the total amount of the expenditure

| | | |
| --- | --- | --- |
| Irregular Expenditure - current year | 1 051 | - |