Automotive Industry Development Centre

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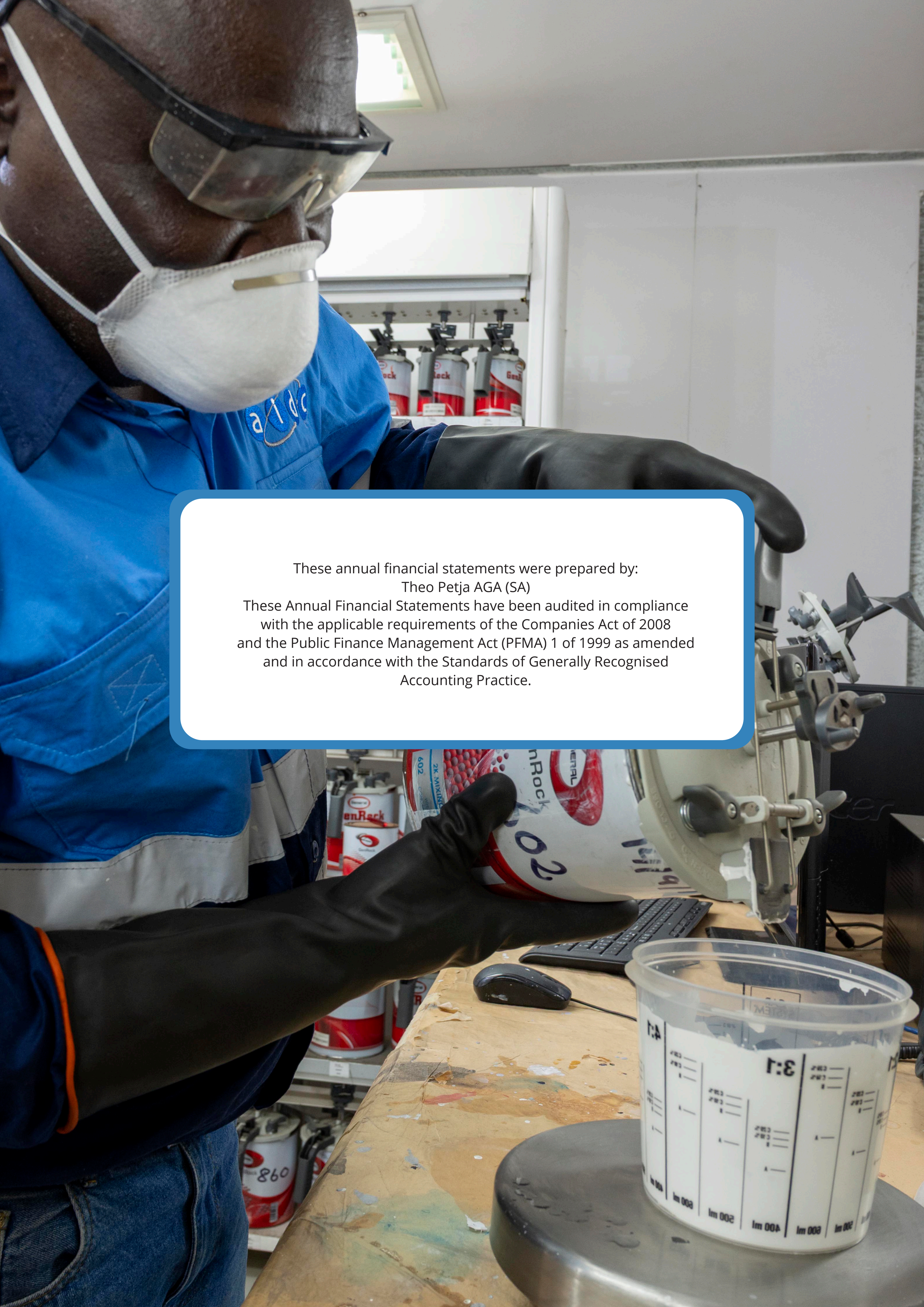
GAUTENG GROWTH AND DEVELOPMENT AGENCY

ANNUAL FINANCIAL STATEMENTS

2024/25



These annual financial statements were prepared by:
Theo Petja AGA (SA)
These Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act of 2008 and the Public Finance Management Act (PFMA) 1 of 1999 as amended and in accordance with the Standards of Generally Recognised Accounting Practice.

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Facilitates economic development in the Gauteng Province
Directors	Ms M van Eck (Chairperson) Mr T Ditshwane Dr L Konar Ms P Mangoma Mr K Sukdev Mr L Marincowitz Ms B Mhaga
Registered office	Central Hub Automotive Supplier Park 30 Helium Road Rosslyn, Extension 2 0200
Business address	Central Hub Automotive Supplier Park 30 Helium Road Rosslyn, Extension 2 0200
Postal address	Private Bag X 35 Rosslyn Extension 2 Pretoria 0200
Controlling entity	Gauteng Growth and Development Agency SOC Ltd (GGDA) incorporated in the Republic of South Africa
Bankers	First National Bank Limited, a division of First Rand Bank Limited South African Reserve Bank
External auditors	Auditor-General South Africa
Company Secretary	Ms J van Loggerenberg (Acting)
Website	www.aidc.co.za
Company registration number	2001/017051/30

Index

Directors' Responsibilities and Approval

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with the requirements of the Public Finance Management Act of 1999 and guideline as prescribed by National Treasury and the Companies Act 71 of 2008.

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

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board of members 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 company's focus of risk management is identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate controls, systems and ethical behaviour are applied and managed.

Based on the information and explanations given by management, the members are of the opinion 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 members have reviewed the company's ability to continue as a going concern for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future. However, given the global COVID-19 pandemic, there is increased pressure for government to re-prioritise projects and relook the company's operational structures. The company is dependent on the receipt of grant funding from the Gauteng Provincial Government of R75.6 million for continued financing of operations for the 2024/2025 financial year. This funding has been approved as per the Medium Term Expenditure Framework of the Gauteng Provincial Government.

The company's annual financial statements, as presented, were prepared on a going concern basis. The members have reviewed company's current and future plans and are satisfied with the appropriateness of the basis.

The external auditors are responsible for independently reviewing and reporting on the Company's annual financial statements .
The company's external auditors have examined the annual financial statements, and their report is presented on pages 7 to 11.

The annual financial statements of Supplier Park Development Company SOC Limited, set out on pages 19 to 62, were approved by the board of members on 29 July 2025 and were signed on its behalf by: Ms M van Eck (Chairperson).

Ms M van Eck
(Chairperson)

Audit and Risk Committee Report

1. Legislative requirements

The Audit and Risk Committee (the Committee) herewith presents its report for the financial year ended 31 March 2025, as required by section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999) (PFMA) read with Treasury Regulation 27.1.10. The Committee was established in accordance with sections 51(1)(a)(ii)] and 77 of the PFMA.

2. Audit and Risk Committee responsibility

During the year under review, the Committee fulfilled its statutory duties as required by the PFMA (section 51(1)(a)(ii)) and Treasury Regulations (regulation 27.1.8), as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference which are approved by the Board.

3. Audit and Risk Committee members and attendance

The Committee consists of Independent Non-Executive Members and is chaired by Mr Krishen Sukdev. The Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Internal and External Auditors have a standing invitation to all meetings of the Committee. A brief profile of each of the Committee Members, as well as their qualifications, can be viewed in the Governance section of the Group Annual report, under Members of the Board. The term of five committee members came to an end in January 2025, whilst 3 new members were appointed.

The Chairperson of the Audit and Risk Committee reports to the Board quarterly, on the Committee's deliberations, decisions and recommendations.

In terms of section 77(b) of the PFMA, the Audit and Risk Committee must meet at least twice a year. During the financial year ended 31 March 2025, the audit and risk committee met on 22 occasions, 5 of which were scheduled. The other 17 meetings were special meetings to review tenders and for a risk workshop that was held.

The Committee is a shared resource across the company subsidiaries. The table below shows the attendance of these meetings:

3.1 Audit and Risk Committee members and meeting attendance

Audit and Risk Committee meetings	**Total meetings**	**Meetings attended**
New composition		
Mr K Sukdev (Chairperson)	22	22
Ms P Mbanjwa	3	3
Ms F Serutha	3	3
Ms M van Eck	22	22
Mr M Tampe	3	3
Outgoing		
Mr T Dintshwane	19	19
Ms P Mangoma	19	17
Ms N Thanjekwayo	19	19
Dr L Konar	19	17
Mr K Matabane	19	16

Audit and Risk Committee Report

6. Evaluation of the annual financial statements

During the reporting period, the Audit and Risk Committee reviewed the annual financial statements and is satisfied that the annual financial statements have been prepared in terms of GRAP and the PFMA. The annual financial statements were reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context including matters relating to any unauthorised, irregular, fruitless and wasteful expenditure;
- Changes in Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted;
- Reasons for year-on-year fluctuations;
- Asset valuations, and
- The basis for the going concern assumption.

7. Programme performance information management

The Audit and Risk Committee is satisfied with the content and quality of management and quarterly reports prepared and issued during the year under review in compliance with the statutory framework. During the period under review, quarterly reports were presented by management to enable the Audit and Risk Committee to:

- Review and comment on compliance with statutory requirements and programme performance information best practices and standards.
- Review and comment on the alignment of the annual performance plan, budget, strategic plan, corporate plan and annual performance plans.
- Review and comment on the relevance of indicators to ensure that they are measurable and relate to services performed by the public entity.
- Review of reported non-compliance with legislation
- Review of compliance with the in year reporting requirements
- Assess internal audit reports on reviews carried out on quarterly performance reports

The Committee reviewed the quarterly and annual reports on the company and its subsidiaries' performance against predetermined objectives.

The Committee is satisfied that the performance report has been prepared in accordance with the PFMA, the Treasury Regulations and any other related regulatory requirements for reporting programme performance information.

8. The quality of monthly and quarterly reports submitted in terms of the PFMA

The Committee concurs with and accepts the external auditors' conclusion and audit opinion on the annual financial statements. The Audit and Risk Committee recommends that the audited financial statements be accepted and read together with the external auditors' report. The Committee confirms that it has been actively involved throughout the audit process and has been thoroughly apprised of the issues giving rise to the audit opinion.

The Auditor-General performs the external audit function and is independent of the company. The Committee has met with the external auditors to ensure that there are no unresolved issues.

- Monitor the integrity, accuracy and reliability of the financial position of the company and its subsidiaries;
- Review the management accounts of the company and provide the Accounting Authority with an authoritative and credible view of the financial position of the company;
- Review the company’s internal financial and operational controls, as well as the risk management systems,
- Review the disclosure in the financial reports of the company and the context in which statements on the financial health of the company are made including matters relating to any unauthorised, irregular, fruitless and wasteful expenditure; and
- Review all material information presented together with the management accounts including, the monitoring of compliance with applicable laws and regulations.

Audit and Risk Committee Report

9. External audit and risk committee report

The Audit and Risk Committee concurs with and accepts the external auditors' conclusion and audit opinion on the annual financial statements. The Committee is of the view that the audited financial statements be accepted and read together with the external auditors' report. The Committee confirms that it has been actively involved throughout the audit process and has been thoroughly appraised of the issues giving rise to the audit opinion.

The external audit function, performed by the Auditor General, is independent of the company. The Committee has met with the external auditors to ensure that there are no unresolved issues.

10. Conclusion

The Audit and Risk Committee has executed on its roles and responsibilities in terms of its Board-approved charter.

Digitally signed by Krishen Sukdev

Chairperson of the Audit Committee
Mr K Sukdev

Date: 31 July 2025

Report of the Auditor-General to the Gauteng Provincial Legislature

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Supplier Park Development Company SOC Limited set out on pages 19 to 62, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Supplier Park Development Company SOC Limited as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act).

Emphasis of matters

3. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

4. As disclosed in note 35 to the financial statements, the corresponding figures for the 31 March 2024 were restated as a result of a reclassification in the financial statements of the Supplier Park Development Company SOC Limited trading as AIDC at, and for the year ended, 31 March 2025.

Impairments - trade debtors

5. As disclosed in note 4 to the financial statements, material impairments of R8 997 000 were incurred as a result of a write-off of irrecoverable trade debtors.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 71 of 2008 (Companies Act) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

Report of the Auditor-General to the Gauteng Provincial Legislature

11. I selected the following material performance indicators related to the Automotive Industry Development Centre (AIDC) presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of unemployed township-based youth trained in automotive skills
- Number of employed individuals upskilled/reskilled to ensure retention of jobs
- Number of candidate artisans declared competent at the AIDC Trade Test Centre
- Average % of productivity improvement in companies participating in the efficiency improvement programme
- Number of townships-based SMMEs upskilled in the automotive sector
- Revenue generated by SMMEs operating within the AIDC Incubation Programme
- Revenue generated by SMMEs operating within the AIDC Township Automotive Hubs

12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected indicators.

Report on compliance with legislation

16. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public's compliance with legislation.

17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

18. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

19. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Report of the Auditor-General to the Gauteng Provincial Legislature

Other information in the annual report

20. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

21. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

22. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

25. I did not identify any significant deficiencies in internal control.

Auditor - General

Johannesburg

31 July 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor’s report

The annexure includes the following:

- The Auditor-General’s responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity’s compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Annexure to the auditor's report

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51(1)(b)(i), 51(1)(b)(ii), 51(1)(e)(iii), 52(b) Sections 53(4), 54(2)(c), 54(2)(d) Sections 55(1)(a), 55(1)(b), 55(1)(c)(i), Sections 57(b), 66(4) SCM Instruction Note 02 of 2021-22 par 3.2.1 (bids advertised on or after 1 April 2022) SCM instruction note 2 of 2021/22 par. 3.2.4 PFMA SCM instruction note 03 of 2021/22 par 4.1. PFMA instruction note no.3 of 2021/22 definition PFMA instruction note no.3 of 2021/22 par. 4.2 (b)
Treasury regulations	TR 31.1.2(c), TR 16A.7.1, TR 16A.7.3, TR 16A.7.6, TR 16A.7.7, TR 31.2.1, TR 31.3.3, TR 30.1.1, TR 30.1.3(a), TR 29.1.1, TR 29.1.1(a), TR 29.1.1(c), TR 30.1.3(b), TR 30.1.3(d), TR 29.2.1, TR 29.2.2, TR 30.2.1, TR 33.1.3, TR 33.1.1, TR 16A9.1(b)(ii), TR 16A9.1(e), TR 16A9.1(f), TR 16A6.3(b), TR 16A3.2, 16A6.3(a) (i), TR8.2.1 and 8.2.2, TR16A8.4 National Treasury Instruction 4A of 2016/17 NT Instruction note 4 of 2015/16 par. 3.4 SBD 6.2 issued in 2015/16 Treasury Instruction note 11 of 2020/21 par. 3.1 Treasury Instruction note 11 of 2020/21 par. 3.4 (b) and 3.9 NT Instruction No 5 of 2020/21 par 5.3 NT Instruction No 5 of 2020/21 par 4.8 NT Instruction No 5 of 2020/21 par 4.9 NT Instruction 07 of 2017/18 par 4.3 3). NT Instruction 4Aof2016/17 par6
Preferential Procurement Policy Framework Act 5 of 2000	PPPFA 2(1)(a); PPPFA (definition of acceptable tender) Regulation 4(4),
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
CIDB Act	Section 18(1), CIDB reg. 17; 2). CIDB reg. 25(7A
Public Service Regulations	Regulation 18(1),(2)

Board of Directors' Report

The Board submits its report for the year ended 31 March 2025.

1.   Incorporation

The Supplier Park Development Company SOC Limited was incorporated in 31 July 2001 and obtained its certificate to commence business on the same day. The company is a Schedule 3C in terms of the PFMA and a subsidiary of the Gauteng Growth and Development Agency SOC Limited.

2.   Review of activities

2.1   Main business and operations

The AIDC is the dedicated developmental agency of the Gauteng Growth and Development Agency (GGDA) in relation to the specific industrial, infrastructure and training needs required by the automotive and allied sector in particular those based in the Gauteng Province. The AIDC is thus tasked with special developmental type projects aimed at enhancing and possibly expanding the automotive and allied related sector with a focus on enterprise development; also, in the support of government’s aims at BBBEE and SMME development and the radical transformation of various townships. The AIDC also explores other developmental projects, in support of the AIDC’s own business development processes. These include projects related to the transport and energy sectors, as well the development of the Auto City in the north of Tshwane (Northern Corridor).

The company manages the Automotive Supplier Park (ASP) which is seen as a key economic infrastructure intervention of the Gauteng Provincial Government. The ASP is an automotive supplier logistic hub providing a value proposition to suppliers of the major Original Equipment Manufacturers (OEM’s) in Gauteng by grouping different technologies, services and service providers in the same location to achieve economies of scale. This main business mandate has remained unchanged during the year under review.

During the year under review, the company achieved 100% of its annual performance targets, the details are included in the Group Annual report.

2.2   Core focus areas

a) Skills Development

During the year under review the company, across all its various projects, managed to upskill and train 1328 employed people and 256 unemployed people, the majority of whom were youth. The diversity of programmes across AIDC is fundamentally developmental in nature, therefore the broad spectrum of interventions ranges from developing the township SMME, to the formal learner in the Learning Centre, to the Incubatees within our Incubators. These interventions are specifically designed to upskill an employed learner and the unemployed work-seeker to increase his/her employability. Trade Test Centre administered 255 trade test assessments during the current year under review.

b) Sector Development

The company has been involved with several Supplier and Enterprise Development programmes,such as the supplier efficiency improvement project where 29 companies signed up under the efficiency programme and they benefited through various types of efficiency improvement projects with an average improvement of around 55.81% average per intervention. The automotive industry is working towards its 2035 South African Automotive Masterplan (SAAM 2035) which aims to increase its production volumes, local content and employment opportunities. To this end, the AIDC’s programmes are vital to enable this growth and stimulate the entire sector for it to achieve its maximum potential.

The AIDC is considered a key intervention to improve the overall productivity of companies that play a vital role in the vehicle assembly supply chain. Suppliers must be globally competitive to ensure a sustainable industry in Gauteng.

c) Enterprise Development

In the field of Enterprise Development, the AIDC is manages various sites that support SMME’s. These include the Ford and Nissan Incubator Centre, the Winterveld Township Automotive Hub and Chamdor Automotive Hub.

Board of Directors' Report

2. Review of activities (continued)

The Incubators at Ford and Nissan collectively incubate a total of 11 incubatees and generated revenue amounting to R111 million. The Ford Incubator is currently in its 13th year of operation and has matured into its 2nd cycle of incubatees, with it achieving remarkable success of graduating 12 incubatees since its inception, into Tier 1 supplier opportunities with Ford. The Nissan Incubator, however is still in its infancy stage, with its operations gaining momentum and linked to the recently announced launch of the new Navara production. As production increases, we will experience a growth in opportunities for the Incubatees, and job creation.

During the financial year under review, 22 SMME's were contracted from the Winterveld Chamdor Hubs and generated revenue amounting to R3.5 million.

d) Direct job creation in Gauteng

The company has created 54 new direct jobs across its various projects in the current financial year, the majority of which were youth-related.

3. Financial results

Net surplus of the company is R44.8 million for the financial year 2024/25 (2023/24: surplus R26.4 million).

4. Going concern

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

The directors have reviewed the company’s ability to continue as a going concern for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future. However, given the global COVID-19 pandemic, there is increased pressure for government to re-prioritise projects and re-examine the agency operational structures. The company is dependent on the receipt of grant funding from the Gauteng Provincial Government of R75,8 million for continued funding of operations for the 2025/2026 financial year. This funding has been approved as per the Medium Term Expenditure Framework of the Gauteng Provincial Government.

5. Post reporting date events

The members are unaware of any matter or circumstance arising since the end of the financial year.

6. Members' interest in contracts

None of the directors at the date of this report had an interest in contracts entered into by the Holding company.

7. Accounting policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with the Public Finance Management Act of 1999 as prescribed by the National Treasury and the Companies Act 71 of 2008.

8. Share capital / contributed capital

The authorised share capital of the company is three million ordinary shares. At 31 March 2024, the issued share capital comprised of two million seven hundred thousand ordinary shares at an issue price of R0.01 per share.

There were no changes in the company's authorised or issued share capital during the year under review.

9. Distributions to owners

In terms of Section 53(3) of the PFMA, the Holding company is not allowed to retain surpluses without Treasury approval.

Board of Directors' Report

10. Borrowing limitations

In terms of the PFMA, the Holding company is prohibited from borrowing. During the year under review, the company did not enter into any borrowing activities. The company capitalised copier rental agreements, which gave rise to a small interest-bearing debt in terms of GRAP 13.

11. Board

The Board of Directors of the company during as of the date of this report are as follows:

Name
Ms M van Eck (Chairperson)
Mr T Ditshwane
Dr L Konar
Ms P Mangoma
Mr K Sukdev
Mr L Marincowitz
Ms B Mhaga

12. Corporate governance

General

Gauteng Growth and Development Agency SOC Ltd confirms and acknowledges its responsibility to comply with the Public Finance Management Act (PFMA), Act 1 of 1999, Treasury Regulations and where applicable and practical, with the Code of Corporate Practices and Conduct ("the Code") laid out in the King IV report on Corporate Governance for South Africa, 2016. The Board discusses the responsibilities of management in this respect at Board meetings and monitors the company's compliance with the Code on a quarterly basis.

The salient features of the company's adoption of the Code is outlined below:

Board of directors

The Board:
- retains complete control over the company, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the company;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the Code; and
  - executive directors.

Chairperson and Chief Executive Officer

The Chairperson is a non-executive and independent director (as defined by the King IV Report on Corporate Governance).

The Chairperson's and Chief Executive Officer's roles are separate.

Board of Directors' Report

12. Corporate governance (continued)

Board meetings

The directors have met the requirements of the King IV Report on Corporate Governance.

During the current year eleven (11) meetings in total were held.

Board of Directors	**Total meetings**	**Meetings attended**
New composition		
Ms M van Eck (Chairperson)	11	11
Mr T Ditshwane	11	11
Mr L Marincowitz	2	1
Mr K Sukdev	11	10
Dr L Konar	11	11
Ms P Mangoma	11	11
Ms B Mhanga	2	2
Outgoing		
Mr R Moeng	9	9
Dr B Mabizela	9	9
Adv L Mokgatle	7	-

Audit and Risk Committee

The Audit Committee is responsible for monitoring compliance, internal control and risk, the internal and external audit functions and the Annual Financial Statements.

The Committee of seven Independent Non-Executive Members and is chaired by Mr K Sukdev. Three additional members were appointed, while five directors' terms came to an end as members of the Committee after a few meetings were already held.

Audit and Risk Committee	**Total meetings**	**Meetings attended**
New composition		
Mr K Sukdev (Chairperson)	22	22
Ms P Mbanjwa	3	3
Ms M van Eck	22	22
Ms F Serutha	3	3
Mr M Tampe	3	3
Outgoing		
Mr T Dintshwane	19	19
Ms P Mangoma	19	17
Ms N Thanjekwayo	19	19
Dr L Konar	19	17
Mr K Matabane	19	17

Board of Directors' Report

12. Corporate governance (continued)

Nomination, Human Resource and Remuneration Committee

The committee appointed on 10 January 2024 ended, which included four Independent Non-Executive Members and was chaired by Ms R Letwaba, concluded its term during the year under review.

The committee,appointed on 01 February 2025, consists of five Independent Non-Executive Members and is chaired by Adv K Maja. The committee met to review matters necessary to fulfil its role in accordance with the requirements of the King IV Report of Corporate Governance.

Nomination, Human Resource and Remuneration Committee	Total meetings	Meetings attended
New composition		
Adv K Maja (Chairperson)	8	8
Ms P Monama	-	-
Ms PM Maphanga	-	-
Ms L Mvelase	-	-
Mr L Stuurman	-	-
Outgoing		
Ms R Letwaba	8	8
Mr B Gantile	8	8
Ms J Phiri	8	8

Social and Ethics Committee

During the year under review, committee's term ended on 31 January 2025, and Adv L Mokgatle chaired it.

The committee was appointed on 1 February 2025 and is chaired by Ms J Mosebi-Koka. It met to review matters necessary to fulfil its role in accordance with the requirements of the King IV Report on Corporate Governance.

Social and Ethics Committee	Total meetings	Meetings attended
New composition		
Ms J Mosebi-Koka (Chairperson)	-	-
Ms R Letwaba	-	-
Mr L Stuurman	-	-
Mr C Cornish	-	-
Outgoing		
Dr N Skeepers	4	4
Dr S Vilakazi	4	4
Ms D Tsotetsi	4	4
Mr A Latchu	4	4

Board of Directors' Report

12. Corporate governance (continued)

Trade and Investment Committee

During the current financial year four (4) meetings were held.

Trade and Investment Committee	**Total meetings**	**Meetings attended**
New composition		
Ms P Mbanjwa (Chairperson)	-	-
Dr E Ndwandwe	4	4
Mr C Cornish	-	-
Ms D Tsotetsi	-	-
Ms R Letwaba	-	-
	-	-
Outgoing		
Mr D Maimela	2	2
Mr S Mbele	4	2
Mr T Fakude	2	2
Ms C Maluleke	4	4
Dr B Mabizela	4	4
Ms N Mashologu	4	4

13. Secretary

Ms J van Loggerenberg (acting) is the company secretary as at 31 March 2025 and up to the date of this report .

14. Controlling entity

The company is a wholly owned subsidiary of the Gauteng Growth and Development Agency SOC Ltd (GGDA) which is incorporated in the the Republic of South Africa. Gauteng Growth and Development Agency SOC Ltd, in turn, is wholly-owned by Gauteng Provincial Government.

15. External auditors

The Auditor-General South Africa will continue in office in accordance with Public Audit Act No.25 of 2004 and Section 90 of the Companies Act 71 of 2008.

16. Internal audit

The GGDA Group has co-sourced its internal audit function and complies with the Public Finance Management Act 1, 1999 (PFMA).

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Ms J Loggerenberg
Company Secretary (Acting)

Statement of Financial Position as at 31 March 2025

	Note(s)	2025 R '000	2024 R '000
Assets			
Current Assets			
Cash and cash equivalents	3	214,320	205,248
Receivables from exchange transactions	4	30,367	21,746
Deposits paid	5	1,026	1,009
Prepayments	6	4,148	4,314
Operating lease asset	7	5,002	2,914
Current tax receivable	8	1,139	-
VAT receivable	14	689	-
		256,691	**235,231**
Non-Current Assets			
Investment property	9	363,773	367,694
Property, plant and equipment	10	232,369	227,550
Intangible assets	11	563	685
Operating lease asset	7	9,050	12,154
Prepayments	6	206	220
		605,961	**608,303**
Total Assets		**862,652**	**843,534**
Liabilities			
Current Liabilities			
Current tax payable	8	-	1,134
Payables from exchange transactions	12	4,572	3,965
Unspent conditional grants and receipts	13	14,422	42,915
VAT payable	14	-	846
Finance lease obligation	15	917	917
Provisions	16	14,511	13,821
Deposits received and retentions	17	12,420	7,994
		46,842	**71,592**
Non-Current Liabilities			
Finance lease obligation	15	160	1,077
Deferred tax	18	18,212	18,255
		18,372	**19,332**
Total Liabilities		**65,214**	**90,924**
Net Assets		**797,438**	**752,610**
Share capital	19	27	27
Accumulated surplus		797,411	752,583
Total Net Assets		**797,438**	**752,610**

Statement of Financial Performance

	Note(s)	2025 R '000	2024 Restated* R '000
Revenue from exchange transactions	20	195,703	187,102
Revenue from non-exchange transactions	21	104,654	88,535
Other income	22	12,043	8,765
General expenditure	23	(123,533)	(110,462)
Depreciation, amortisation and impairments		(29,590)	(29,265)
Gain or loss on disposal of assets and liabilities		(516)	(254)
Repairs and maintenance		(12,463)	(21,651)
Employee costs	24	(105,182)	(97,573)
Operating surplus		**41,116**	**25,197**
Finance income	25	19,461	17,307
Finance costs	26	(178)	(272)
Surplus before taxation		**60,399**	**42,232**
Taxation	27	(15,571)	(15,841)
Surplus for the year		**44,828**	**26,391**

Statement of Changes in Net Assets

	Share capital R '000	Accumulated surplus R '000	Total net assets R '000
Opening balance as previously reported	27	727,438	727,465
Adjustments			
Prior year adjustments 35	-	(1,246)	(1,246)
Balance at 01 April 2023 as restated*	**27**	**726,192**	**726,219**
Restated* Surplus for the year	-	26,391	26,391
Total changes	-	26,391	26,391
Restated* Balance at 01 April 2024	**27**	**752,583**	**752,610**
Surplus for the year	-	44,828	44,828
Total changes	-	44,828	44,828
Balance at 31 March 2025	**27**	**797,411**	**797,438**
Note(s)	19		

Cash Flow Statement

	Note(s)	2025 R '000	2024 R '000
Cash flows from operating activities			
Receipts			
Receipts from customers		196,504	199,497
Government grants – MTEF		75,411	75,689
Finance income		17,586	17,307
Conditional grants – non-MTEF		750	1,696
		290,251	294,189
Payments			
Employee costs		(104,492)	(94,534)
Payments to suppliers		(118,332)	(117,236)
Finance costs		(178)	(272)
Taxation	29	(17,887)	(17,951)
VAT paid		(8,489)	(11,021)
		(249,378)	(241,014)
Net cash flows from operating activities	28	**40,873**	**53,175**
Cash flows from investing activities			
Acquisition of property, plant and equipment	10	(22,379)	(5,731)
Acquisition of investment property	9	(8,505)	(372)
Net cash flows from investing activities		**(30,884)**	**(6,103)**
Cash flows from financing activities			
Finance lease payments		(917)	(817)
Net increase/(decrease) in cash and cash equivalents		**9,072**	**46,255**
Cash and cash equivalents at the beginning of the year		205,248	158,993
Cash and cash equivalents at the end of the year	3	**214,320**	**205,248**

Accounting Policies

1. Presentation of Annual Financial Statements

The company's annual financial statements for the period ended 31 March 2025 have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999) and Companies Act of 2008.

The significant accounting policies, that have been consistently applied in the preparing these annual financial statements, are disclosed below.

Basis of preparation

These company annual financial statements have been prepared using accrual accounting and, unless specified otherwise,in accordance with the historical cost convention as the basis of measurement.

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

These company Annual Financial Statements are presented in South African Rands, the company's functional currency. All financial information presented has been rounded to the nearest thousand.

1.1 Going concern assumption

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

1.2 Materiality

Information is material if its omission or misstatement could influence the discharge of accountability by the company, or the decisions that users make based on the company's annual financial statements prepared for that reporting period. Materiality depends on both the nature and amount of the item judged in the particular circumstances of the company.

Assessing whether an omission or misstatement could influence users' decisions and so be material, requires consideration of their characteristics. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, and accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.3 Significant judgements and sources of estimation uncertainty

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

Recoverability of receivables from exchange and non-exchange, loans and/or other receivables

The company assesses its receivables for impairment at each reporting date individually. In determining whether an impairment loss should be recorded in the statement of financial performance, the company makes judgments as to whether there is observable data, for example the assessment of debtor collectability indicating a measurable decrease in the estimated future cash flows from the receivables. An impairment loss is recognised in surplus and deficit when objective evidence indicates it is impaired. The impairment is the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Useful lives and residual values of property,plant, equipment, investment property and intangible assets

The company's management determines the estimated useful lives and residual values of property and equipment and intangible assets. These assessments are made when there are indicators that the useful lives may have changed from the previous period.

This estimate involves a matter of judgment based on the company's experience with similar assets. The company considers all facts and circumstances in estimating the useful lives of assets, including financial, technical and other factors. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease the depreciation charge where useful lives are more than previously estimated useful lives.

Accounting Policies

Impairment testing of non-financial assets

Value in use of cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The company 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 of expected future cash flows for each company's assets are prepared.

Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by several factors, including supply and demand, together with economic factors such as interest.

Value in use of non-cash generating assets

The company reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. The recoverable service amounts of non-cash-generating assets have been determined based on the higher of value in use calculations and fair values less costs to sell.

If there are indications that impairment may have occurred, the remaining service potential of each asset is determined for each group of assets. The company selects the most appropriate approach, depending on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the available information. Note 16 provides additional disclosure of these estimates of provisions.

Effective interest rate

The company used the prime interest rate to discount future cash flows unless stated otherwise.

1.4 Investment property

Investment property is initially recognised at cost, and transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

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

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value on the straight-line basis over the useful life of the property, which is as follows:

Item	Useful life range
Property - land	indefinite
Property - buildings	20-50 years
Property-land is not depreciated	

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. The company discloses expenditures for repairs and maintenance of investment property in note 9 of the annual financial statements

Accounting Policies

1.5 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

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

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

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 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 less accumulated depreciation and any impairment losses.

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	Average useful life
Buildings	20 – 50 years
Furniture and fixtures	3 – 25 years
Motor vehicles	5 – 15 years
Office equipment	3 – 25 years
IT equipment	3 – 15 years
Infrastructure	3 - 25 years
Training equipment	20 years
Communication equipment	5 – 20 years

The residual value, useful life, and depreciation method of each asset are reviewed when indicator that a change is required at the reporting date. If expectations differ from previous estimates, the change is accounted for as a change in 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.
Construction work in progress is not depreciated until it is completed and in the condition and location for use as intended by management. The company discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements:

- the cumulative expenditure recognised in the carrying value of property, plant and equipment,
- the carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected,
- and the carrying value of property, plant and equipment where construction or development has been halted (see note 10).

The company separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

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.

The company separately discloses expenditure to repairs and maintainance of property, plant and equipment in the notes in the annual financial statements (see note 10).

Accounting Policies

1.6 Intangible assets

Intangible assets are initially recognised at cost.

Should an intangible asset be acquired at no or nominal cost, the cost shall be its fair value as of the acquisition date. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Intangible assets are carried at cost less than accumulated amortisation and impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life to its estimated residual value.

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

Item	Average useful life
Computer software, other	3–10 years

The company derecognise intangible assets:
- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 Financial instruments
The company has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:
`

Financial assets:	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Deposits paid	Financial asset measured at amortised cost

The company has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:
`

Financial assets:	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Deposits received	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost

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

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

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

The company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired at the end of each reporting period.

Accounting Policies

1.7 Financial instruments (continued)

Suppose there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred. In that case, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

The company derecognises financial assets using trade date accounting.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Interest relating to a financial instrument or a financial liability component is recognised as revenue or expense in surplus or deficit.

Gains and losses relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.8 Taxation

Current tax assets and liabilities

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

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

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus nor taxable surplus or deficit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred tax asset to be utilised.

Accounting Policies

1.8 Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

Value added tax

The company accounts for Value-Added Tax on invoice basis in accordance with section 15(2)(a) of the Value Added Tax (Act No. 89 of 1991).

1.9 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.

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 interest rate implicit in the lease the discount rate used in calculating the present value of the minimum lease payments. if this is practicable to determine; if not, the company's incremental borrowing rate shall be used. Any initial direct costs of the company are added to the amount recognised as an asset.

The 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 return on the remaining balance of the liability.

Operating leases - lessor

Operating lease revenue is recognised on a straight-line basis in the statement of financial performance over the lease term. The difference between the amounts recognised as revenue and the contractual receipts is recognised as an operating lease asset or liability is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases - lessee

Operating lease payments are recognised as expenses on a straight-line basis over the lease term. The difference between the amounts recognised as expenses and the contractual payments are recognised as an operating lease asset or liability which is not discounted.

1.10 Budget information

The company does not present a comparison of its budget and actual amounts as required by GRAP 24.12. We are specifically excluded from the scope of GRAP 24 because our budgets are not publicly available.

1.11 Commitments

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

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

Accounting Policies

1.12 Impairment of cash-generating assets

Designation

At initial recognition, the company designates an asset as non-cash generating, or an asset or cash generating unit as cash generating. The designation is made on the basis of an company's objective of using the asset.

The company designates an asset or a cash generating unit as cash generating when:
- its objective is to use the asset or a cash generating unit in a manner that generates a commercial return; such that
- The asset or cash generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the company expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the company designates the asset as a non-cash generating asset and applies the accounting policy on impairment of non-cash generating assets, rather than this accounting policy.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The company assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If such an indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

When estimating the value in use of an asset, the company estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the company applies the appropriate discount rate to those future cash flows.

In measuring value in use, the company:
- bases cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts cover a maximum period of five years, unless a longer period can be justified; and
- estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the municipality operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:
- projections of cash inflows from the continuing use of the asset;
- projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:
- cash inflows or outflows from financing activities; and
- income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposing of an asset at the end of its useful life is the amount that the company expects to obtain from disposing of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the company recognises a liability only to the extent required by the Standard of GRAP.

After an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the company determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash generating unit are affected by internal transfer pricing, the company use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined in a manner consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the unit's recoverable amount is less than the unit's carrying amount. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the company does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the unit's other cash-generating assets of the unit.

Where a non-cash generating asset contributes to a cash-generating unit, a proportion of the carrying amount asset is allocated to the carrying amount of the cash generating unit before estimating the recoverable amount of the cash generating unit.

Accounting Policies

1.13 Impairment of non-cash generating assets

Designation

At initial recognition, the company designates an asset as non-cash generating or cash generating.

The company designates an asset as non-cash generating when its objective is not to use the asset to generate a commercial return but to deliver services.

Identification

When the carrying amount of a non-cash generating asset exceeds its recoverable service amount, it is impaired.

The company assesses at each reporting date whether there is any indication that a non-cash generating asset may be impaired. If so, the company estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the company also tests a non-cash generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

The present value of the remaining service potential of a non-cash generating asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost reflects the asset's depreciated condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is the company would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain unnecessary features for the goods or services the asset provides. Overcapacity assets have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of an asset's replacement cost or reproduction cost on an optimised basis thus reflects the asset's required service potential.

Recognition and measurement

If the recoverable service amount of a non-cash generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash generating asset to which it relates, the company recognises a liability only to the extent required by the Standards of GRAP.

After an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash generating asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Share capital / contributed capital

Ordinary shares

Ordinary shares are classified as net assets in the separate annual financial statements.

Accounting Policies

1.15 Employee benefits

Short-term employee benefits

Short-term employee benefits include items such as:
- salaries;
- 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 cellphones and group life cover) for current employees.

When an employee has rendered service to the company during a reporting period, the company recognises 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. Suppose the amount already paid exceeds the undiscounted amount of the benefits. In that case, the company 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 company recognises the expected cost of bonus-related payments when the company 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 company has no realistic alternative but to make the payments.

1.16 Provisions and contingencies

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the company settles the obligation.

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was initially recognised. Provisions are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

1.17 Revenue from exchange transactions

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

Rental revenue

Rental income from investment property, rental of facilities and equipment is recognised in the statement of financial performance on a straight-line basis over the lease term.

Project income

Project income relates to project management fees charged at arm's length on site development.

Rendering of services

Service revenue is recognised according to the transaction's stage of completion of at the reporting date. The stage of completion is determined by reviewing the work performed.

Accounting Policies

1.18 Revenue from non-exchange transactions

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 company 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. It recognises an amount of revenue equal to that reduction.

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the company.

Government grants, sponsorships and donations

The company recognises grants, sponsorships and donations as revenue from non-exchange transactions.

Services in-kind

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

1.19 Finance income

Finance income comprises interest income on funds invested and receivables from exchange transactions. Interest income is recognised as it accrues in the Statement of Financial Performance.

1.20 Finance costs

The finance costs relate to interest on a finance lease. The finance charge is allocated to each period during the lease term to produce a constant periodic rate on the remaining balance of the liability.

1.21 Comparative figures

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

1.22 Irregular, fruitless and wasteful expenditure

Irregular expenditure as defined in section 1 of the PFMA, is expenditure other than unauthorised expenditure incurred in contravention of or not in accordance with a requirement of any applicable legislation. In section 53(4) of the PFMA, where the company overspends on its respective budget, such overspending is recognised as irregular expenditure.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the Statement of Financial Performance in the year the expenditure was incurred. The expenditure is classified in accordance with its nature. The corresponding revenue and debtor are also recognised when the expense is incurred.

Any irregular, fruitless and wasteful expenditure is recognised in the period in which it is incurred and details thereof disclosed in the note. Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

1.23 Segment information

Reportable segments are the actual segments reported in the segment report.

The amount of each segment item reported is the measure reported to management to make decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the annual financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities included in the measures of the segment's assets and segment's liabilities used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

Accounting Policies

1.24 Related parties

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

Management are those responsible for planning, directing and controlling the company's activities, including those charged with governing the company in accordance with legislation, in instances where they are required to perform such functions.

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

The company is exempt from disclosure requirements about related party transactions if that transaction occurs within normal supplier and/ or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the company to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the company is exempt from the disclosures in accordance with the above, it discloses narrative information about the nature of the transactions and the related outstanding balances to enable users of the company's financial statements to understand the effect of related party transactions on its annual financial statements.

1.25 Events after reporting date

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

The company 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.

1.26 Accumulated surplus (deficit)

The accumulated surplus/(deficit) represents the net difference between the company's total assets and liabilities. Any surpluses and deficits realised during a specific reporting period are credited/debited against the accumulated surplus/ (deficit). Prior year adjustments, relating to income and expenditure, are credited/debited against accumulated surplus/(deficit) when retrospective adjustments are made.

1.27 Accounting by principals and agents Identification

An agent is an entity directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on their behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the company is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether a company is a principal or an agent requires the company to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Recognition
As a principal, the company recognises revenue and expenses arising from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant GRAP Standards.

The company, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant GRAP Standards.

The company recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant GRAP Standards.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has not adopted any standards and interpretations that are effective for the current financial year and that are relevant to its operations.

2.2 Standards and interpretations issued, but not yet effective

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

2.3 Standards and interpretations not yet effective or relevant

No standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2023 or later periods and are not relevant to its operations.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP: Improvements to the standards of GRAP 2023	No effective date	No material impact
• GRAP 1 (amended): Presentation of Financial Statements	No effective date	No material impact
• GRAP 25 (as revised): Employee Benefits and related IGRAP 7 on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.	No effective date	No material impact

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
Cash on hand	11	30
Current accounts	5,056	3,183
Call accounts	209,253	202,035
	214,320	**205,248**

Cash and cash equivalents earn interest at variable rates based on daily bank deposits. The company does not restrict the realisation or utilisation on cash balances and does not have access to overdraft facilities.

4. Receivables from exchange transactions

	2025	2024
Trade receivables	32,269	31,723
Other receivables	9,863	6,733
Less: Impairment of trade and other receivables	(11,765)	(16,710)
	30,367	**21,746**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

4. Receivables from exchange transactions (continued)

Ageing of trade receivables

The ageing of amounts are as follows:

Current	13,518	11,499
31–60 days	2,622	2,600
61–90 days	2,161	1,316
Older than 90 days	13,968	16,308
	32,269	**31,723**

Reconciliation of provision for impairment of trade and other receivables

Opening balance	(16,710)	(14,239)
Provision for impairment/reversal	4,945	(2,471)
	(11,765)	**(16,710)**

Security and collateral

The company keeps collateral for its credit risk exposure from financial assets in the form of tenant deposits and bank guarantees.

The AIDC has the right to apply the whole or portion of the deposit towards payment of the rent, water, electricity current or other charges, key replacements, renovations or any other liability of whatsoever nature for which the Lessee is responsible, including damages arising from cancellation. If any portion of the deposit is so applied, the Lessee shall forthwith reinstate the deposit to its original amount. The Lessee shall not be entitled to set off against the deposit any rent or any other amount payable by it.

5. Deposits paid

Deposits paid	1,026	1,009
Deposit - Electricity bulk connections	1,026	1,009

6. Prepayments

Prepayments mainly include software licences, insurance and electricity.

Prepayments - Current	4,148	4,314
Prepayments – Non-current Portion	206	220
	4,354	**4,534**

Insurance	1,179	844
Licences and Subscriptions	973	684
Municipal services	2,086	3,006
Marketing	98	-
Other	18	-
	4,354	**4,534**

7. Operating lease asset

The company leases out land, factory and office space to tenants.

	2025 R '000	2024 R '000

7. Operating lease asset (continued)

General leasing arrangements:

(i) The leasing contracts include renewal options and escalation clauses.
(ii) Contingent rent was recognised as part of revenue amounts to R9,4 million.
(iii) The lease arrangements impose various restrictions,, including, but not limited to, a limitation on sub-letting, the requirement that the building be utilised for its initial intended purpose, and adherence to all local government regulations.

The operating lease assets are classified as:

	2025 R '000	2024 R '000
Non-current assets	9,050	12,154
Current assets	5,002	2,914
	14,052	**15,068**

	2025 R '000	2024 R '000
Minimum lease payments due - as lessor:		
– within one year	67,374	77,935
– in the second to fifth year	127,626	85,333
– later than five years	82,700	56,990
	277,700	**220,258**

8. Current tax receivable/payable

The below represent amounts receivable to/from South African Revenue Services.

	2025 R '000	2024 R '000
Current tax receivable	1,139	-
Current tax payable	-	1,134
	1,139	**1,134**

9. Investment property

	2025			2024		
	Cost R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000	Cost R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000
Investment property	538,119	(174,346)	363,773	529,614	(161,920)	367,694

Reconciliation of investment property - 2025

	Opening balance	Additions	Depreciation	Total
Investment property	367,694	8,505	(12,426)	363,773

Reconciliation of investment property - 2024

	Opening balance	Additions	Depreciation	Total
Investment property	379,842	372	(12,520)	367,694

Included in the Investment property is an amount of R11.5 million which relates to Land and is not depreciated.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

9. Investment property (continued)

Amounts recognised in surplus or deficit

	2025	2024
Rental revenue from Investment property	83,733	80,275

From Investment property that generated rental revenue

	2025	2024
Direct operating expenses (excluding repairs and maintenance)	(64,442)	(59,721)

Expenditure incurred to repair and maintain Investment property

	2025	2024
Repairs and maintenance expenditure	(11,451)	(21,429)

10. Property, plant and equipment

	2025			2024		
	Cost R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000	Cost R '000	Accumulated depreciation and accumulated impairment R '000	Carrying value R '000
Buildings	172,369	(40,643)	131,726	170,993	(37,138)	133,855
Furniture and fixtures	15,594	(7,412)	8,182	12,550	(7,931)	4,619
Motor vehicles	2,184	(1,539)	645	2,184	(1,445)	739
Office equipment	4,539	(2,488)	2,051	4,373	(2,307)	2,066
IT equipment	23,013	(12,852)	10,161	21,152	(11,339)	9,813
Infrastructure	112,814	(74,894)	37,920	101,518	(69,769)	31,749
Training equipment	79,883	(41,437)	38,446	80,164	(36,536)	43,628
Communication equipment	4,797	(1,559)	3,238	2,677	(1,596)	1,081
Total	**415,193**	**(182,824)**	**232,369**	**395,611**	**(168,061)**	**227,550**

Reconciliation of property, plant and equipment - 2025

	Opening balance R '000	Additions R '000	Disposals R '000	Transfers R '000	Depreciation R '000	Total R '000
Buildings	133,855	5,540	-	(4,164)	(3,505)	131,726
Furniture and fixtures	4,619	4,274	(35)	-	(676)	8,182
Motor vehicles	739	-	-	-	(94)	645
Office equipment	2,066	204	(1)	-	(218)	2,051
IT equipment	9,813	2,469	(246)	-	(1,875)	10,161
Infrastructure	31,749	11,296	-	-	(5,125)	37,920
Training equipment	43,628	316	(153)	-	(5,345)	38,446
Communication equipment	1,081	2,444	(83)	-	(204)	3,238
	227,550	**26,543**	**(518)**	**(4,164)**	**(17,042)**	**232,369**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance R '000	Additions R '000	Disposals R '000	Depreciation R '000	Total R '000
Buildings	133,933	3,375	-	(3,453)	133,855
Furniture and fixtures	4,973	319	(46)	(627)	4,619
Motor vehicles	919	-	(72)	(108)	739
Office equipment	2,172	108	(1)	(213)	2,066
IT equipment	8,032	3,808	(314)	(1,713)	9,813
Infrastructure	36,825	-	-	(5,076)	31,749
Training equipment	47,838	1,110	(1)	(5,319)	43,628
Communication equipment	1,183	-	-	(102)	1,081
	235,875	**8,720**	**(434)**	**(16,611)**	**227,550**

During the financial year, the company derecognised all assets with a cost under R1 thousand from the Fixed Assets Register in line with the asset management policy. These items were fully depreciated on day one. Management will continue to monitor these items for control purpose in future years.

Assets subject to finance lease (Net carrying amount)

	2025	2024
IT equipment	1,002	1,928

Reconciliation of Work-in-Progress 2025

	Included within Furniture and Fixtures	Included within Buildings	Total
Opening balance	-	3,375	3,375
Additions/capital expenditure	3,171	1,376	4,547
Transferred to completed items	-	(4,164)	(4,164)
	3,171	**587**	**3,758**

Items of building work in progress was transferred to completed buildings.

Assets subject to finance lease (carrying amount)

Reconciliation of Work-in-Progress - 2024

	Included within Infrastructure R '000	Included within Buildings R '000	Total R '000
Additions/capital expenditure	-	3,375	3,375

	2025 R '000	2024 R '000

10. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance

	2025 R '000	2024 R '000
Buildings	798	174
IT equipment	225	42
	1,023	**216**

The company has no restrictions or commitments on property, plant and equipment.

During the year under review, no impairment was raised nor reversed for any categories of property, plant and equipment.

The company's registered office has an asset register containing the information required per PFMA, which can be inspected.

11. Intangible assets

	2025			2024		
	Cost R '000	Accumulated amortisation and accumulated impairment R '000	Carrying value R '000	Cost R '000	Accumulated amortisation and accumulated impairment R '000	Carrying value R '000
Computer software, other	1,812	(1,249)	563	1,812	(1,127)	685

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	685	-	-	(122)	563

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	819	(134)	685

The company does not have any restrictions or commitments on intangible assets.

12. Payables from exchange transactions

	2025 R '000	2024 R '000
Trade payables	1,950	779
Payments received in advance	652	673
Other payables	464	389
Accrued expenses	1,506	2,124
	4,572	**3,965**

The ageing of all trade and other payables is current (within 30 days).

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

13. Unutilised conditional grants and receipts

Unspent conditional grants and receipts comprise of:

	2025 R '000	2024 R '000
Unspent conditional grants and receipts		
Balance at the beginning of the year	14,422	42,915

Reconciliation of unutilised grants

	2025 R '000	2024 R '000
Balance at the beginning of the year	42,915	54,065
Receipts – Grant	76,161	77,267
Building E4 - grant	-	118
Operating and capital expenditures	(81,251)	(64,213)
Strategic project expenses	(23,403)	(24,204)
Building E4	-	(118)
	14,422	**42,915**

	2025 R '000	2024 R '000
Unutilised grants MTEF		
Balance at the beginning of the year	31,581	40,137
Receipts – Grant	75,411	75,572
Building E4 - grant	-	118
Operating and capital expenditures	(73,914)	(59,924)
Strategic project expenses	(23,403)	(24,204)
Building E4	-	(118)
	9,675	**31,581**

The unutilised balance represents monies committed for the repairs & maintenance of the AIDC Infrastructure R4.3 million (March 2024: R18.6 million), Taxi Economy Re-industrialisation R3.1 million (March 2024: R3.1 million), Supplier Efficiency Programme R1.3 million (March 2024: R0), Winterveld Project R30 thousand (March 2024: R0) and ICT Infrastructure R936 thousand (March 2024: R2.5 million).

	2025 R '000	2024 R '000
Unutilised grant Non-MTEF		
Balance at the beginning of the year	11,334	13,928
Receipts – Grant	750	1,695
Utilised during the year	(7,337)	(4,289)
	4,747	**11,334**
Total unutilised grant	**14,422**	**42,915**

14. VAT (receivable)/payable

	2025 R '000	2024 R '000
South African Revenue Services	(689)	846
Opening balance	846	333
Movement during the year	(1,535)	513
	(689)	**846**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

15. Finance lease obligation

Minimum lease payments due		
– within one year	1,095	1,095
– in second to fifth year	52	1,147
	1,147	2,242
less: future finance charges	(70)	(248)
Present value of minimum lease payments	**1,077**	**1,994**
Present value of minimum lease payments due		
– within one year	1,026	917
– in second to fifth year	51	1,077
	1,077	**1,994**
Non-current liabilities	160	1,077
Current liabilities	917	917
	1,077	**1,994**

The average lease term is 3 years and the effective borrowing rate was 11.25%.

The terms of the security arrangement are set out in the finance lease agreement on photocopier machines. The company is responsible for insuring the machines.

Interest rates are fixed at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

The company's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 10.

16. Provisions

Reconciliation of provisions - 2025

	Opening Balance R '000	Additions R '000	Utilised during the year R '000	Reversed during the year R '000	Total R '000
Bonus	11,263	10,002	(8,897)	(765)	11,603
Leave pay	2,558	629	(279)	-	2,908
	13,821	**10,631**	**(9,176)**	**(765)**	**14,511**

Reconciliation of provisions - 2024

	Opening Balance R '000	Additions R '000	Utilised during the year R '000	Reversed during the year R '000	Total R '000
Bonus	8,616	9,662	(6,001)	(1,014)	11,263
Leave pay	2,085	623	(150)	-	2,558
	10,701	**10,285**	**(6,151)**	**(1,014)**	**13,821**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

16. Provisions (continued)

Included in the provision for bonus balance are prior year amounts that are subject to appeals.

The company's provisions are limited to performance bonus and leave pay. For performance bonuses, the provision raised estimates on the amount of the provision based on the anticipated performance of employees, company's performance and affordability.

This anticipated performance is based on experience with the company's employees, taking into account performance trends in the prior periods. The amount for the leave pay provision is based on the accumulated leave days balances at the end of the year after taking into account the forfeited leave days.

Furthermore, the amount of the performance bonus and the provision for leave pay is determined with reference to the salary scales as at the end of the year.

The bonus and leave provision represents management's best estimate of the company's liability.

For the leave pay provision, the amount is based on accumulated leave day balances at the end of the year after taking into account the forfeited leave days as per the approved GGDA Group policies.

17. Deposits received and retentions

Deposits from tenants and retentions	12,420	7,994

The increase in tenant deposits and retentions is mainly attributable to infrastructure maintenance works on going at the ASP.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

18. Deferred tax

Deferred tax asset

Provisions	7,095	8,243

Deferred tax liability

Property, plant and equipment	(19,030)	(19,477)
Prepayments	(926)	(1,128)
Lease asset	(271)	(521)
Straight lining of leases	(3,794)	(4,068)
Doubtful debt allowances	(1,577)	(1,842)
Finance lease	291	538
Total deferred tax liability	**(25,307)**	**(26,498)**

Deferred tax asset	7,095	8,243
Deferred tax liability	(25,307)	(26,498)
Total net deferred tax liability	**(18,212)**	**(18,255)**

Deferred tax liability

Deferred tax liability	(18,212)	(18,255)

Reconciliation of deferred tax asset\(liability)

At beginning of year	(18,255)	(20,280)
Other movements -originating temporary differences	43	2,025
Balance at the end of year	**(18,212)**	**(18,255)**

Recognition of deferred tax asset

The directors assessed the deferred tax assets and based on future budgeted figures, the company expects to be profitable in future. Based on the above operational plans and profitability forecasts, the company has the ability and likelihood to recover the deferred tax asset over the foreseeable future.

19. Share capital

Authorised
3 million ordinary shares.

Issued

2.7 million ordinary shares issued at R0.01 each	27	27

The 2.7 million ordinary shares issued relate to shares issued to the Gauteng Growth and Development Agency.

There were no changes in the company's authorised or issued share capital during the year under review.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

20. Revenue from exchange transactions

	2025 R '000	2024 R '000
Rental income	83,732	80,275
Rental of facilities and equipment	505	555
Project income	15,647	13,960
Rendering of services	95,819	92,312
	195,703	**187,102**

21. Revenue from non-exchange transactions

	2025 R '000	2024 R '000
Grants for operating expenditure	24,679	24,679
Grants for capital expenditure	26,865	5,428
Grants for projects	53,110	58,428
	104,654	**88,535**

Grants for capital expenditure

	2025 R '000	2024 R '000
ASP ICT Infrastructure	5,035	739
Chamdor	142	-
AIDC Infrastructure Maintenance	21,399	3,332
BBBEE Supplier Incubation at Ford Motors South Africa	-	941
Building - E4	-	118
IDC - Yellow Plant	289	298
	26,865	**5,428**

Grants for project expenditure

	2025 R '000	2024 R '000
BBBEE Supplier Incubation at Ford Motors South Africa	1,357	323
Nissan - Gauteng Automotive Learning Centre	2,299	2,775
Supplier Efficiency Programme	433	639
AIDC Infrastructure Maintenance	11,709	21,297
Winterveld Enterprise Hub	2,920	2,821
AIDC project support	23,403	24,204
Chamdor	2,641	2,378
SEDA	7,048	3,991
EV Electronic (Vehicle)	1,300	-
	53,110	**58,428**

In the financial year under review, the AIDC received services in kind via developmental lease agreements with independent parties at the following sites :

- Nissan Incubation Facility
- Gauteng Automotive Learning Centre
- Winterveld Enterprise Hub
- Ford Incubation Facility
- Chamdor Hub

The services in kind flowing to the AIDC mainly relate to the right to use of certain pieces of land in return for nil or nominal consideration.

As of 31 March 2025, the AIDC had not incurred any remuneration for the Board subcommittee. All meetings were held at the GGDA Group level as GGDA Group shared Board subcommittee's instead of subsidiary's separate committees. The shared subcommittee's are remunerated at GGDA Holdings.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

22. Other income

Sundry income	12,043	8,765

23. General expenditure

Audit fees - External audit	2,461	2,303
Audit fees - Internal audit	343	495
Bank charges	113	139
Bad debts written off	8,201	687
Debt impairment	-	2,471
Cleaning	3,474	3,700
Legal expenses	281	370
Consulting and professional fees	5,998	5,028
Stationery and Consumables	2,909	3,930
Catering & Venue Hire	421	485
Rental of equipment	183	456
Insurance	1,914	2,023
IT expenses	5,829	5,700
Marketing	3,318	2,632
Municipal Rates and Levies	66,835	62,077
Fuel and oil	609	241
Security	13,648	12,913
Subscriptions and membership fees	261	218
Telephones	614	632
Travel - local	1,218	395
Travel - International	31	21
Sewerage and waste disposal	1,408	736
Uniforms and overalls	1,004	149
Management fees	618	421
Directors' Fees - Board	844	814
Garden	998	1,426
	123,533	**110,462**

Prior year balance was reclassified,
refer to note 35.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

24. Employee costs

Salaries	84,758	79,109
Bonus	9,238	8,648
UIF	288	284
WCA	118	118
SDL	910	833
Salaries - Leave Accrual	630	623
Pension	6,583	6,394
Staff Travel Claims	993	682
Staff Welfare	54	103
Staff Recruitment	398	86
Staff Training	1,212	693
	105,182	**97,573**

The prior year balance was reclassified refer to note 35.

Previously pension were classified and disclosed with salaries, in the current year salary and pension have been reclassified and disclosed separately for fair presentation.
Pension contributions are included in the total Cost To Company of employees
An amount of 11.4% of the total package is allocated to a defined contribution plan managed by Alexander Forbes.

25. Finance Income

Interest revenue		
Interest from call and current accounts	17,586	15,938
Interest charged on trade and other receivables	1,875	1,369
	19,461	**17,307**

26. Finance costs

Finance leases	178	272

27. Taxation

Major components of the tax expense

Current		
Local income tax - current period	15,614	17,866
Deferred		
Originating and reversing temporary differences	(43)	(2,025)
	15,571	**15,841**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

27. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

	2025 R '000	2024 R '000
Accounting surplus	60,399	42,232
Tax at the applicable tax rate of 27% (2024: 27%)	16,479	11,558
Tax effect of adjustments on taxable income		
Prior year over/(under)provision	-	(515)
Permanent differences	(908)	4,798
	15,571	**15,841**

28. Cash generated from operations

	2025 R '000	2024 R '000
Surplus	44,828	26,391
Adjustments for:		
Depreciation and amortisation	29,590	29,265
Loss on disposal of assets	516	254
Other income	(4,945)	-
Debt impairment	-	2,471
Bad debts written off	8,201	687
Movements in operating lease assets and accruals	1,016	2,896
Movements in provisions	690	3,120
Movement in tax receivable and payable	(2,273)	(85)
Annual charge for deferred tax	(43)	(2,025)
Changes in working capital:		
Receivables from exchange transactions	(11,877)	(526)
Prepayments	180	1,546
Payables from exchange transactions	609	(1,453)
VAT	(1,535)	513
Unspent conditional grants and receipts	(28,493)	(11,150)
Deposits Paid	(17)	21
Deposits received	4,426	1,250
	40,873	**53,175**

29. Tax paid

	2025 R '000	2024 R '000
Balance at beginning of the year	(1,134)	(1,219)
Current tax for the year recognised in surplus or deficit	(15,614)	(17,866)
Balance at end of the year	(1,139)	1,134
	(17,887)	**(17,951)**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000
30. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
Property, plant and equipment	4,870	3,076
Investment property	1,260	506
	6,130	**3,582**
Total capital commitments		
Already contracted for but not provided for	6,130	3,582
Authorised operational expenditure		
Already contracted for but not provided for		
Operational and other commitments	74,447	44,881
Total operational commitments		
Already contracted for but not provided for	74,447	44,881
Total commitments		
Total commitments		
Authorised capital expenditure	6,130	3,582
Authorised operational expenditure	74,447	44,881
	80,577	**48,463**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

31. Contingencies

Construction contractor

AIDC has a contractual dispute with a construction contractor. The dispute is with regards to construction works for alleged additional work rendered and not paid by AIDC. The claim against AIDC is R1.5 million.

Consulting services

AIDC has contractual dispute emanating from the SLA for the investment transaction advisory services. The transaction advisory services related to the ASP phase 3 and 5 expansion project. State institution funders terminated the processing, after it had been provisionally confirmed for processing. AIDC informed the Service Provider of the unsuccessful transaction and terminated the SLA. The parties subsequently engaged in discussions to settle the matter amicably to no avail. The claim against AIDC amounts to R 7 million.

Labour matters
AIDC has one (1) labour matter at labour court. As per legal expert's assessment the estimated amount of potential liability will be salary of the plaintiff amounting to R2.9 million that CCMA awarded. The company is currently appealing the matter and the outcome is uncertain.

32. Related parties

Relationships	
Shareholder with significant influence	Gauteng Department of Economic Development (GDED)
Provincial Government	Gauteng Provincial Government
Ultimate controlling entity	Gauteng Department of Economic Development
Controlling entity	Gauteng Growth and Development Agency SOC Ltd (GGDA)
Fellow subsidiaries	The Innovation Hub Management Company SOC Ltd
	Constitution Hill Development Company SOC Ltd
	Gauteng IDZ Development Company
Gauteng Department of Economic Development Agencies	Cradle of Human Kind
	Gauteng Enterprise Propeller Dinokeng
	Gauteng Gambling Board
	Gauteng Liquor Board
Executive management and non-executive directors	Refer to note 33

Related party balances

	2025	2024
Amounts included in Payables from exchange transactions regarding related parties		
Gauteng Growth and Development Agency SOC Limited	485	568
The Innovation Hub Management Company SOC Limited	6	-
Amounts included in receivables from exchange transactions regarding related parties		
Constitution Hill Development Company SOC Limited	24	-
G-Fleet Management	88	176

Related party transactions

	2025	2024
Grants received/returned from related parties		
Gauteng Growth and Development Agency SOC Limited	75,411	75,572
Gauteng Growth and Development Agency SOC Limited - Deemed Grant	-	118
Rent and other expenses paid to related parties		
The Innovation Hub Management Company SOC Limited	12	-

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

32. Related parties (continued)

Rendering of services to related parties		
Constitution Hill Development Company SOC Limited	181	52
G-Fleet Management	1,056	1,012
The Innovation Hub Management Company SOC Limited	277	-
Gauteng Department of Social Development & Agriculture	-	912

During the financial year under review, GGDA paid for goods and services on behalf of the AIDC. These include, but are not limited to, insurance, Microsoft licenses, internal audit fees board and subcommittees fees (service in kind) and recruitment fees.

All related parties transactions are at arm's length.

33. Executive management and directors' emoluments

Executive

March 2025	Remuneration R '000	Other benefits R '000	Total R '000
Mr A Africa - CEO	2,670	250	2,920
Ms P Mbingo - CFO (Resigned - 31 Dec 2024)	1,556	136	1,692
Mr A Mzinyati - Senior Manager: Business Development	1,389	136	1,525
Mr B Mdletshe - Senior Manager Operations	1,612	156	1,768
Ms T Mdluli (Acting Senior Manager: Human Resources)	1,647	120	1,767
Mr T Petja - Acting CFO (Started - 01 Jan 2025)	475	32	507
Mr P Mhlongo - Senior Manager: Monitoring and Evaluation	1,319	127	1,446
Mr A Fiets Executive: Industry Development	1,916	182	2,098
	12,584	**1,139**	**13,723**

March 2024	Remuneration R '000	Other benefits R '000	Total R '000
Mr A Africa - CEO	2,496	240	2,736
Ms. P Mbingo - CFO	1,803	418	2,221
Mr A Mzinyati - Acting Senior Manager: Business Development	1,293	219	1,512
Mr B Mdletshe - Senior Manager Operations	1,508	528	2,036
Ms T Mahlangu (Acting Senior Manager: Human Resources)	1,551	231	1,782
Mr P Mhlongo - Senior Manager: Monitoring and Evaluation	1,233	270	1,503
Mr C Pillay (Acting Executive: Industry Development)	1,599	250	1,849
	11,483	**2,156**	**13,639**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

33. Executive management and directors' emoluments (continued)

March 2025	Fees R '000	Total R '000
Board of Directors		
Ms M Van Eck (Chairperson)	161	161
Dr B Mabizela (Outgoing)	86	86
Mr T Ditshwane	141	141
Dr L Konar	110	110
Mr R Moeng (Outgoing)	95	95
Ms P Mangoma	121	121
Mr K Sukdev	101	101
Ms B Mhanga	24	24
Mr L Marincowitz	5	5
	844	**844**

March 2024	Fees R '000	Total R '000
Board of Directors		
Ms M Van Eck (Chairperson)	59	59
Ms R Letwaba	18	18
Mr D Maimela	67	67
Dr B Mabizela	112	112
Mr T Ditshwane	134	134
Dr L Konar	86	86
Mr R Moeng	106	106
Ms P Mangoma	120	120
Ms T. Godongwana	83	83
Mr K Sukdev	29	29
	814	**814**

As of 31 March 2025, the AIDC did not incur remuneration for Board subcommittee's as all meetings were held at GGDA Group level, with GGDA Group sharing Board subcommittee's instead of subsidiary's separate committee. The shared subcommittee's are remunerated at GGDA Holdings.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

34. Financial instruments and risk management

Categories of financial instruments

Total Financial Assets

	At amortised cost 2025 R '000	Total 2025 R '000	At amortised cost 2024 R '000	Total 2024 R '000
Cash and cash equivalents	214,320	214,320	205,248	205,248
Receivables from exchange transactions	30,367	30,367	21,746	21,746
Deposits paid	1,026	1,026	1,009	1,009
	245,713	**245,713**	**228,003**	**228,003**

Total Financial Liabilities

	At amortised cost 2025 R '000	Total 2025 R '000	At amortised cost 2024 R '000	Total 2024 R '000
Payables from exchange transactions	3,920	3,920	3,292	3,292
Deposits received	12,420	12,420	7,994	7,994
Finance lease obligation	1,077	1,077	1,994	1,994
	17,417	**17,417**	**13,280**	**13,280**

Capital risk management

The Board’s policy is to maintain a strong capital base to maintain creditor and market confidence and to sustain the business's future development.

The company manages its capital to ensure that it will continue as a going concern while delivering sustainable services to consumers through optimising the debt and equity balance. The company’s overall strategy remains unchanged from the prior year.

The company's' capital structure consists of debt, cash and cash equivalents and equity. Equity includes all Funds and Reserves of the company, presented in the Statement of Net Assets.

Financial risk management

The Board has overall responsibility for establishing and overseeing the company’s risk management framework. The company’s risk management policies are established to identify and analyse the risks faced by the company, set appropriate risk limits and controls, and monitor risks and adherence to limits.

Due to the largely trading nature of activities and the way in which they are financed, the company is exposed to various financial risks noted below. However, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the company's risks in undertaking its activities.

The company manages the financial risks relating to operations through internal policies and procedures. Compliance with policies and procedures is reviewed by the internal auditors continuously, and annually by the external auditors. The company does not enter into or trade financial instruments for speculative purposes. Further quantitative disclosures are included throughout these Annual Financial Statements.

	2025	2024
	R '000	R '000

34. Financial instruments and risk management (continued)

Significant risks

The company has exposure to the following risks from its operations:
- Market risk;
- Interest rate risk;
- Credit risk;
- Liquidity risk.

Risks and exposures are disclosed as follows:

Market risk

The company ensures that it reviews its cash management strategies to ensure interest income is maximised.

There has been no change to the company’s exposure to market risks or the way in which it manages and measures the risk.

Interest rate risk

Potential concentrations of interest rate risk consist mainly of, variable-rate deposit investments, other receivables, and bank and cash balances.

In the case of deposits received and paid, no interest is accrued on such deposits, which limits the company’s exposure. The net effect of deposits received and paid is insignificant to the company's operations.

Credit risk

The company has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The company uses its own trading records to assess its major customers. The company’s exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable-rate deposit investments, rental and lease debtors, other debtors, and bank and cash balances.

Trade and Other Receivables are amounts owed by tenants and other organs of state presented net of impairment losses. The company has a credit risk policy in place, but its exposure to credit risk is monitored on an ongoing basis. The company is compelled by its constitutional mandate to collect all revenue due.

In the case of debtors whose accounts become in arrears, necessary actions are instituted against these debtors including a “restriction of services” However, as a last resort, accounts are “handed over for collection” as applicable in terms of Debt Management Policy.

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The company’s maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The company has no significant concentration of credit risk, with exposure spread over a large number of entities, and is not concentrated in any particular sector or geographical area.

The company establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

	2025 R '000	2024 R '000

34. Financial instruments and risk management (continued)

Cash and cash equivalents	214,320	205,248
Receivables from exchange transactions	30,367	21,746
Deposits paid	1,026	1,009
Maximum credit risk exposure	**245,713**	**228,003**

The significant concentrations of credit risk that arise from the company's trade and other receivables in relation to customer classification are as follows:

Exchange debtors:		
– Rental	90 %	84 %
Other debtors	10 %	16 %
Total credit risk for trade and other receivables	**100 %**	**100 %**

Credit quality of financial assets:

The credit quality of financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Receivables from Exchange Transactions		
Counterparties without external credit rating:		
B rating	9,131	7,421
C rating	12,059	8,601
Below C rating	6,584	3,569
Unrated	2,593	2,155
	30,367	**21,746**

Credit quality groupings:

- B rating – Good behaviour, minor risk
- C rating – Fair trade risk
- Below C rating – Poor trade risk

None of the financial assets that are fully performing have been renegotiated in the year under review. Financial assets that are neither past due nor impaired and either past due or impaired:

Financial assets neither past due nor impaired:		
Exchange debtors		
– Rental	12,236	9,534
– Other services	1,282	1,798
Total Financial assets neither past due nor impaired	**13,518**	**11,332**

Financial assets past due, but not impaired:		
Exchange debtors		
– Rental	10,105	5,696
– Other services	6,744	4,728
Total financial assets past due but not Impaired	**16,849**	**10,424**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

34. Financial instruments and risk management (continued)

Financial assets impaired:		
Exchange debtors		
– Rental	6,797	11,903
– Other services	4,968	4,807
Total financial assets impaired	**11,765**	**16,710**

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and negotiating access to additional funding with its shareholder. The company continuously monitors forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At 31 March 2025	**Less than 1 year R '000**	**Between 1 and 2 years R '000**	**Between 2 and 5 years R '000**	**Over 5 years R '000**
Payables from exchange transactions	3,920	-	-	-
Deposits received	12,420	-	-	-
Finance lease obligation	917	160	-	-

At 31 March 2024	**Less than 1 year R '000**	**Between 1 and 2 years R '000**	**Between 2 and 5 years R '000**	**Over 5 years R '000**
Payables from exchange transactions	3,292	-	-	-
Deposits received	7,994	-	-	-
Finance lease obligation	917	1,077	-	-

The company has access to funding to be provided by the Gauteng Provincial Government for the 2025/2026 financial year in the amount of R 75.7 million. The company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The company expects to maintain current debt to equity ratio.

Notes to the Annual Financial Statements

35. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Accumulated surplus		(727,438)	1,246	(726,192)

2024

	Note	As previously reported	Correction of error	Restated
Investment Property	9	369,540	(1,846)	367,694

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Re-classification	Restated
Administrative expenses		8,433	-	(8,433)	-
Operating expenses		152,515	-	(152,515)	-
Employee costs	24	97,656	-	(83)	97,573
General expenditure	23	-	-	110,462	110,462
Depreciation, amortisation and impairments		28,664	601	28,664	29,265
Gain or loss on disposal of assets and liabilities		-	-	254	254
Repairs and maintenance		-	-	21,651	21,651

Errors

Investment Property

Expansion for factory building E4 was completed and available for use on 05 March 2021 as per the certificate of completion but was erroneously not depreciated. The impact of the error is increase in depreciation of R601 thousand and a corresponding decrease in investment property net book value in March 2024. The opening accumulated surplus decrease by R1,2 million and accumulated depreciation increased by the same amount. Refer to Note 9.

Property Plant and Equipment (PPE)

PPE items which were in various stages of installation were incorrectly classified as completed items under the PPE categories instead of work in progress under each PPE category, the items have now been disclosed as work in progress under PPE categories. Refer to Note 10.

Notes to the Annual Financial Statements

35. Prior-year adjustments (continued)

Reclassifications

The following reclassification adjustment occurred:

Reclassification of expenses in terms of GRAP 1

Expenses were previously classified by function instead of the nature of the expense.

The impact of reclassification was as follows:
Decrease in administrative expenses by R8.4 million.
Decrease in operating expenses by R152.5 million.
Decrease in employee costs by R82 thousand.
Increase in general expenses by R110.5 million.
Increase in depreciation, amortisation and impairments by R28.7 million.
Increase in gain or loss on disposal of assets and liabilities by R254 thousand.
Increase in repairs and maintenance by R21.7 million.

36. Change in estimate

Intangible assets, Investment property and Property, plant and equipment

In terms of the requirements of GRAP, the useful lives of all asset items were reviewed by management at year end. The remaining useful lives expectation of some asset items increased from previous estimates. This resulted in a revision of some of the previous estimates, which were accounted for as a change in accounting estimate. The change in estimate led to decrease of R25 thousand (March 2024: R259 thousand) in depreciation and amortisation for the current year and corresponding increase of R25 thousand (March 2024: R259 thousand) in depreciation and amortisation in future years.

The impact on amortisation and depreciation are as follows:

Asset Category		
Communication equipment	1	8
Furniture and fixtures	6	55
Intangible Assets	12	18
IT Equipment	2	57
Office equipment	2	48
Motor vehicles	2	36
Facilities equipment	-	2
Investment property	-	35
	25	**259**

37. Accounting by principals and agents

The AIDC was a party to a principal-agent arrangement which has since ended at the end of February 2023.

Details of the arrangement were as follows:

The AIDC and City of Tshwane (COT) had formed a strategic partnership aimed at assisting Tshwane based small medium and micro enterprises (SMME's). AIDC will assist COT in fleet management (repairs and maintenance). AIDC recognised income in a form of admin fees and 5% of labour costs for repairs of the vehicles.

The following was considered in determining that AIDC is an agent:

37. Accounting by principals and agents (continued)

- AIDC does not have the power to determine the significant terms and conditions of the transactions with service providers.
- The resources that result from the fleet services with the auto sector providers are substantially utilised by the party considered as the principal not AIDC. The City utilises the fleet as part of it service delivery to the community.
- COT was the party exposed to variability in the transaction results with the auto sector providers. AIDC facilitates the transaction between City and service providers and charges a management fee for its services.

AIDC was to ensure repairs and maintenance of the COT fleet were done in accordance with OEM service standards and monitor the reprocess. COT was responsible for the payment of full services fees (repair cost, admin fee and the 5% of labour). There were no changes to the terms and conditions during the current reporting period.

The principal-agent relationship aimed to contribute to economic growth and job creation while supporting the governments automotive related objectives. Significant risk associated with the agreement was principal not being able to service the city should the agent not administer the repairs and maintenance in an efficient manner. Part of the strategy to mitigate the risk was to maintain good relations with principal and suppliers by having regular meetings and visits to workshops. The benefits of the relationship was being part of economic growth, especially towards SMME's which leads to job creation.

The AIDC has also entered into a principal-agent arrangement effective from 31 May 2024.

Details of the arrangement were as follows:
Wesbank send cars to AIDC Chamdor hub to be repaired by the SMME's that are housed at the hub.
SMME's will quote Wesbank for Approval, once Wesbank approve the quotes provided by SMME's, repair work will commence. AIDC invoice Wesbank with 25% of labour.

The following was considered in determining that AIDC is an agent:
AIDC does not have the power to determine the significant terms and conditions of the transactions since the service provider will prepare the quotes that is sent to Wesbank for approval, AIDC only facilities the transactions once the quotations are approved.
The resources that result from the fleet services with the auto sector providers are substantially utilised by the party considered as the principal not AIDC.
Wesbank is the principal as it directs the AIDC, through its binding arrangement, to undertake transactions with the Service Provision Partners (third parties) on its behalf and for its own benefits. AIDC facilitates transactions between Wesbank and service providers and charges a fee for its services.

Entity as agent

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements.

There was no remittance of resources during the period R314 thousand (March 2024: R627 thousand). Included

Revenue recognised

An amount of R26 thousand for revenue was recognised in the current financial year.

Liabilities and corresponding rights of reimbursement recognised as assets

Liabilities incurred on behalf of the principal that have been recognised by the company are all for repairs and maintenance of Wesbank fleet, amounting to R78 thousand (March 2024: R0).

There were corresponding reimbursement rights that have been recognised as assets amounting to R69 thousand (March 2024: 0 million).

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

38. Segment information

General information

Aggregated segments

The company operates in ten regions throughout the Gauteng Province. Segments were aggregated based on services delivered, as management considered that the economic characteristics of the segments throughout Gauteng were sufficiently similar to warrant aggregation. Geographical reporting into different segments is not required, as all the company's activities take place in the Gauteng Province.

Types of goods and/or services by segment

Property Management

This is the result of the Investment Property, Commercial Manufacturing, and Office space, which is leased to several Component Manufacturers, Logistics service providers, and the like within the Automotive Supplier Park. Services in this segment relates to leases, levies, property management and facilities management services, provision of water and electricity, providing of security, cleaning, and landscaping.

Project Management

This is the result of several projects implemented for the automotive industry and in furtherance of the government's objectives to support the automotive industry, grow the economy and support socioeconomic development.

Measurement of segment surplus or deficit, assets and liabilities

The measurement of segment surplus or deficit, assets and liabilities adheres to the recognition and measurement criteria presented in the company’s accounting policies. The basis of allocation of the support programs, is based on the nature of the items included on the support programs, but the majority of the items are allocated to the two main segment, namely Project Delivery and Property management segments, on a 50 - 50 basis. All inter-segment transactions are eliminated upon consolidated reporting and for segment reporting.

Notes to the Annual Financial Statements

Figures in Rand thousand

38. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2025

	Project segment R '000	Property segment R '000	Total R '000
Revenue			
Revenue from exchange transactions	22,307	173,397	195,704
Revenue from non-exchange transactions	42,225	62,428	104,653
Other income	3,262	3,837	7,099
Finance income			19,461
Total segment revenue	**67,794**	**239,662**	**326,917**

	Project segment R '000	Property segment R '000	Total R '000
Expenditure			
Employee costs	61,025	44,157	105,182
General expenditure	23,363	95,225	118,588
Repairs and maintenance	746	11,717	12,463
Depreciation and amortisation	5,869	23,722	29,591
Loss on write-off of assets			516
Finance costs			178
Taxation			15,571
Total segment expenditure	**91,003**	**174,821**	**282,089**
Total segmental surplus/(deficit)			**44,828**
Assets			
Segment assets	39,093	183,732	222,825
Unallocated assets			639,827
Total assets as per Statement of Financial Position	**39,093**	**183,732**	**862,652**
Liabilities			
Segment liabilities	4,657	-	4,657
Unallocated liabilities			60,557
Total liabilities as per Statement of Financial Position	**4,657**	**-**	**65,214**

Listed under unallocated items are:
- Cash and Cash Equivalent
- Property, Plant and Equipment
- Unutilised Grants
- Deferred Tax

The reasons for regarding the Cash and Cash Equivalent as unallocated is that both property segments and the project segment do not have separate bank accounts and cannot be split to provide fair presentation as per the requirements of GRAP 18. Similarly, the building classified as Property, Plant and Equipment is being used by both segments and cannot be reliably split.

38. Segment information (continued)

Listed under liabilities is Unutilised Grants and Deferred Tax, likewise to the assets explanation above the liabilities are for both segments and cannot be allocated to a specific segment, nor can they be reliably allocated.

2024

	Project segment R '000	Property segment R '000	Total R '000
Revenue			
Revenue from exchange transactions	20,579	166,523	187,102
Revenue from non-exchange transactions	38,608	49,927	88,535
Finance income			17,307
Other income	3,871	4,894	8,765
Total segment revenue	**63,058**	**221,344**	**301,709**
Expenditure			
Employee costs	55,022	42,553	97,575
General expenditure	18,530	91,929	110,459
Repairs and maintenance	421	21,230	21,651
Depreciation and amortisation	5,819	23,447	29,266
Loss on write-off of assets			254
Finance costs			272
Taxation			15,841
Total segment expenditure	**79,792**	**179,159**	**275,318**
Total segmental surplus/(deficit)			**26,391**

	Project segment R '000	Property segment R '000	Total R '000
Assets			
Segment assets	44,250	550,215	594,465
Unallocated assets			249,069
Total assets as per Statement of Financial Position	**44,250**	**550,215**	**843,534**
Liabilities			
Segment liabilities	11,655	-	11,655
Unallocated liabilities			79,268
Total liabilities as per Statement of Financial Position	**11,655**	**-**	**90,923**

Prior year amounts have been restated as a result of prior year adjustment.

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